
HOUSE BILL 2338

State of Washington

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By Representatives Callan, Abbarno, Reed, and Doglio

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1 AN ACT Relating to authorizing community scaled weatherization
2 projects; amending RCW 70A.35.020 and 70A.35.040; and adding new
3 sections to chapter 70A.35 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 70A.35.020 and 2020 c 20 s 1392 are each amended to
6 read as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) "Community scaled project" means a weatherization project
10 that includes multiple dwelling units that are located in the same
11 neighborhood or area where overlapping factors such as environmental,
12 social, or economic conditions may adversely impact residents, as
13 determined by the department.

14 (2) "Department" means the department of commerce.

15 ((+2)) (3) "Direct outreach" means:

16 (a) The use of door-to-door contact, community events, and other
17 methods of direct interaction with customers to inform them of energy
18 efficiency and weatherization opportunities; and

19 (b) The performance of energy audits.

1 ~~((3))~~ (4) "Energy audit" means an analysis of a dwelling unit
2 to determine the need for cost-effective energy conservation measures
3 as determined by the department.

4 ~~((4))~~ (5) "Healthy housing improvements" means increasing the
5 health and safety of a home by integrating energy efficiency
6 activities and indoor environmental quality measures, consistent with
7 the weatherization plus health initiative of the federal department
8 of energy and the healthy housing principles adopted by the federal
9 department of housing and urban development.

10 ~~((5))~~ (6) "Household" means an individual or group of
11 individuals living in a dwelling unit as defined by the department.

12 ~~((6))~~ (7) "Low income" means household income as defined by the
13 department, provided that the definition may not exceed ~~((eighty))~~ 80
14 percent of median household income, adjusted for household size, for
15 the county in which the dwelling unit to be weatherized is located.

16 ~~((7))~~ (8) "Nonutility sponsor" means any sponsor other than a
17 public service company, municipality, public utility district, mutual
18 or cooperative, furnishing gas or electricity used to heat low-income
19 residences.

20 ~~((8))~~ (9) "Residence" means a dwelling unit as defined by the
21 department.

22 ~~((9))~~ (10) "Sponsor" means any entity that submits a proposal
23 under RCW 70A.35.040, including but not limited to any local
24 community action agency, tribal nation, community service agency, or
25 any other participating agency or any public service company,
26 municipality, public utility district, mutual or cooperative, or any
27 combination of such entities that jointly submits a proposal.

28 ~~((10))~~ (11) "Sponsor match" means the share of the cost of
29 weatherization to be paid by the sponsor.

30 ~~((11))~~ (12) "Sustainable residential weatherization" or
31 "weatherization" means activities that use funds administered by the
32 department for one or more of the following: (a) Energy and resource
33 conservation; (b) energy efficiency improvements; (c) repairs, indoor
34 air quality improvements, and health and safety improvements; ~~((and))~~
35 (d) client education; and (e) community scaled projects. Funds
36 administered by the department for activities authorized under this
37 subsection may only be used for the preservation of a dwelling unit
38 occupied by a low-income household, except for dwelling units that
39 are part of a community scaled project, and must, to the extent
40 feasible, be used to support and advance sustainable technologies.

1 (~~(12)~~) (13) "Weatherizing agency" means any approved department
2 grantee, tribal nation, or any public service company, municipality,
3 public utility district, mutual or cooperative, or other entity that
4 bears the responsibility for ensuring the performance of
5 weatherization of residences under this chapter and has been approved
6 by the department.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 70A.35
8 RCW to read as follows:

9 (1) A sponsor may submit a proposal to the department for the use
10 of grant and matching funds for a community scaled project. The
11 proposal may include full or partial weatherization, energy
12 efficiency measures, or structural rehabilitation and repairs for
13 multiple dwelling units within the same community.

14 (2) A sponsor must identify priority communities to be served by
15 the community scaled project using indicators determined by the
16 department and defined in rule. Indicators may include data
17 reflecting environmental health disparities, housing vulnerability,
18 and pollution exposure, among others.

19 (3) The department must consider publicly available socioeconomic
20 data to prioritize community scaled project proposals that serve
21 areas with low-income households.

22 (4) The department must approve or deny a proposal within 90 days
23 of the closing of the application period in which the proposal was
24 received.

25 **Sec. 3.** RCW 70A.35.040 and 2015 c 50 s 3 are each amended to
26 read as follows:

27 (1) (~~The~~) Subject to the availability of amounts appropriated
28 for this specific purpose, the department shall solicit proposals for
29 low-income weatherization programs from potential sponsors. A
30 proposal (~~shall~~) must state the amount of the sponsor match, the
31 amount requested, the name of the weatherizing agency, and any other
32 information required by the department.

33 (2)(a) A sponsor may use its own moneys, including corporate or
34 ratepayer moneys, or moneys provided by landlords, charitable groups,
35 government programs, the Bonneville power administration, or other
36 sources to pay the sponsor match.

37 (b) Moneys provided by a sponsor pursuant to requirements in this
38 section (~~shall~~) must be in addition to, and (~~shall~~) must not

1 supplant any funding for, low-income weatherization that would
2 otherwise have been provided by the sponsor or any other entity
3 enumerated in (a) of this subsection.

4 (c) No proposal may require any contribution as a condition of
5 weatherization from any household whose residence is weatherized
6 under the proposal.

7 (d) (~~Proposals shall~~) A proposal must provide that full levels
8 of all cost-effective, structurally feasible, sustainable residential
9 weatherization materials, measures, and practices, as determined by
10 the department, (~~shall~~) will be installed when a low-income
11 residence is weatherized, unless the proposal is for a community
12 scaled project.

13 (3) (~~Sponsors~~) A sponsor may propose to utilize grant awards
14 and matching funds to make healthy housing improvements to homes
15 undergoing weatherization.

16 (4)(a) The department may in its discretion accept, accept in
17 part, or reject proposals submitted.

18 (b) The department shall prioritize allocating funds from the
19 low-income weatherization and structural rehabilitation assistance
20 account to projects that maximize energy efficiency, extend the
21 usable life of an affordable home, and improve the health and safety
22 of its residents by: (i) Installing energy efficiency measures; and
23 (ii) providing structural rehabilitation and repairs, so that funding
24 from federal energy efficiency programs such as the weatherization
25 assistance program, the weatherization plus health initiative, the
26 energy efficiency and conservation block grant program, residential
27 energy efficiency components of the state energy program, and the
28 retrofit ramp-up program is distributed expeditiously.

29 (c) When allocating funds from the low-income weatherization and
30 structural rehabilitation assistance account, the department shall,
31 to the extent feasible, consider local and state benefits including
32 pledged sponsor match, available energy efficiency, repair, and
33 rehabilitation funds from other sources, the preservation of
34 affordable housing, and balance of participation in proportion to
35 population among low-income households for: (i) Geographic regions in
36 the state; (ii) types of fuel used for heating, except that the
37 department shall encourage the use of energy efficient sustainable
38 technologies; (iii) owner-occupied and rental residences; and (iv)
39 single-family and multifamily dwellings.

1 (d) The department shall then allocate funds appropriated from
2 the low-income weatherization and structural rehabilitation
3 assistance account for energy efficiency and repair activities among
4 proposals accepted or accepted in part.

5 (e) The department shall develop policies to ensure prudent,
6 cost-effective investments are made in homes and buildings requiring
7 energy efficiency, repair, and rehabilitation improvements that will
8 maximize energy savings, extend the life of a home, and improve the
9 health and safety of its residents.

10 (f) The department shall give priority to the structural
11 rehabilitation and weatherization of dwelling units occupied by low-
12 income households with incomes at or below (~~one hundred twenty-~~
13 ~~five~~) 125 percent of the federally established poverty level, unless
14 those dwelling units are part of a community scaled project.

15 (g) The department may allocate funds to a nonutility sponsor
16 without requiring a sponsor match if the department determines that
17 such an allocation is necessary to provide the greatest benefits to
18 low-income residents of the state.

19 (h) The department shall require weatherizing agencies to employ
20 individuals trained from workforce training and apprentice programs
21 established under chapter 536, Laws of 2009 if these workers are
22 available, pay prevailing wages under chapter 39.12 RCW, hire from
23 the community in which the program is located, and create employment
24 opportunities for veterans, members of the national guard, and low-
25 income and disadvantaged populations.

26 (5) (a) A sponsor may elect to: (i) Pay a sponsor match as a lump
27 sum at the time of structural rehabilitation or weatherization; or
28 (ii) make yearly payments to the low-income weatherization and
29 structural rehabilitation assistance account over a period not to
30 exceed (~~ten~~) 10 years. If a sponsor elects to make yearly payments,
31 the value of the payments shall not be less than the value of the
32 lump sum payment that would have been made under (a)(i) of this
33 subsection.

34 (b) The department may permit a sponsor to meet its match
35 requirement in whole or in part through providing labor, materials,
36 or other in-kind expenditures.

37 (6) Service providers receiving funding under this section must
38 report to the department at least quarterly, or in alignment with
39 federal reporting, whichever is the greater frequency, the project
40 costs, and the number of dwelling units repaired, rehabilitated, and

1 weatherized, the number of jobs created or maintained, and the number
2 of individuals trained through workforce training and apprentice
3 programs. The director of the department shall review the accuracy of
4 these reports.

5 ~~((7) The department shall adopt rules to carry out this~~
6 ~~section.))~~

7 NEW SECTION. **Sec. 4.** A new section is added to chapter 70A.35
8 RCW to read as follows:

9 The department shall adopt rules to carry out this chapter. Rule
10 making conducted under this chapter may be treated as a capital
11 expenditure by the department.

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