
**Housing, Community Development &
Veterans Committee**

HB 2091

Brief Description: Creating the Washington community development authority.

Sponsors: Representatives Pettigrew, Frame, Leavitt and Macri.

Brief Summary of Bill

- Establishes the Washington Community Development Authority (Authority) and assigns duties and power to the Authority.

Hearing Date: 3/6/19

Staff: Cassie Jones (786-7303).

Background:

The Department of Commerce (Department) is the lead state agency charged with enhancing and promoting sustainable community and economic development in Washington. The Department administers a portfolio of more than 100 programs and several state boards and commissions. The Department's programs concern the following aspects of community and economic development: planning, infrastructure, energy, public facilities, housing, public safety and crime victims, international trade, and business services.

Summary of Bill:

The Washington Community Development Authority (Authority) is created. The Authority is a statewide public corporation with the overall purpose of developing and coordinating public and private resources targeted to assist impacted communities with the financing of capital projects and related economic activities. The Department is the fiduciary agent for the Authority's funds when appropriated by the state. Organizations that receive assistance from the Department must be local community-based nonprofit organizations that serve impacted communities. "Impacted

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

community" means a community of color or rural community that has been adversely impacted by poverty.

The affairs of the Authority are managed by a board of directors consisting of representatives from organizations that provide services within impacted communities. The initial board of directors are chosen by a committee of legislators composed of one member from each of the two largest caucuses of both the House of Representatives and the Senate. Subsequent boards of directors are determined as defined in the Authority's bylaws. The Governor must appoint the chair of the board.

The Authority has the following purposes:

- to revitalize, enhance, and preserve the unique character of impacted communities;
- to allow poor communities of color and poor rural communities to build the capacity to meet the needs of their communities;
- to restore a local area's sense of community;
- to reduce the displacement of community members and businesses;
- to stimulate the community's economic vitality;
- to enhance vital public services;
- to improve the standard of living of residents and the business environment in impacted communities by constructing and managing the types of self-determined assets that are essential to reducing poverty, such as affordable housing, business development, and community facilities; and
- to reduce poverty.

The Authority has the power to:

- accept gifts, grants, loans, or other aid from public and private entities;
- employ and appoint such agents, attorneys, officers, and employees as may be necessary to implement the purposes and duties of an authority;
- contract and enter into partnerships with individuals, associations, corporations, and local, state, and federal governments;
- buy, own, lease, and sell real and personal property;
- hold in trust, improve, and develop land;
- invest, deposit, and reinvest its funds;
- enter into agreements with public or private entities, including partnership agreements and limited liability company agreements to implement within the boundaries of impacted communities the federal New Markets Tax Credit Program or other federal tax credit programs such as the Low-Income Housing Tax Credit Program;
- lend or grant its funds for any lawful purposes; and
- exercise additional powers as may be authorized by law.

The Authority has the duty to:

- work with local organizations to create community growth plans;
- identify and assist with the implementation of selected capital projects;
- submit a list of projects recommended for funding as well as an annual operating budget for the authority to the Department;
- use gifts, grants, loans, and other aid from public or private entities to carry out selected projects;
- maintain books and records as appropriate for the conduct of its affairs; and

- demonstrate ongoing accountability for its actions by reporting to the Governor and the Legislature on the authority's activities and accomplishments.

The Washington Community Development Authority Account (Account) is created. Expenditures from the Account may be used only for Authority operations and projects. Only the director of the Department or the director's designee may authorize expenditures from the Account.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.