
Capital Budget Committee

HB 1154

Brief Description: Concerning the building communities fund program.

Sponsors: Representatives Ortiz-Self, Santos, Frame and Peterson.

Brief Summary of Bill

- Modifies the state match requirements for the Building Communities Fund (BCF).
- Authorizes the state to provide BCF technical assistance grant funding from non-cash sources.

Hearing Date: 1/26/21

Staff: Kelci Karl-Robinson (786-7116).

Background:

The Building Communities Fund (BCF) Program was created in 2008 to provide competitive grants to nonprofit, community-based organizations for the acquisition, construction, or rehabilitation of nonresidential community service facilities, including social service centers and multipurpose community centers. To qualify, the facilities must be located in a distressed community or serve a substantial number of low-income or disadvantaged people.

In order to be considered qualified, the applicants for the BCF must demonstrate the project meets certain criteria, including that the project increases services provided, offers a diverse set of activities, reflects the long-term vision of the community, accomplishes a usable phase of the project, makes timely use of funds, and fills an unmet community need.

The Department of Commerce (Commerce) administers the BCF Program. The evaluation and

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ranking of projects are conducted with a citizen advisory committee. Commerce may not set a monetary limit to the funding requests. A ranked list of qualified projects, including descriptions, total cost, and amount of state funds requested must be submitted to the Governor and the Legislature biennially. The total amount of state capital funding available for BCF projects is determined by appropriations in the Capital Budget. If cash funding has been appropriated, up to \$3 million may be used for technical assistance grants. In 2019-21, \$36.8 million in general obligation bonds was appropriated for 31 projects.

The state match must not exceed 25 percent of the cost of the BCF project. In exceptional circumstances, the state assistance may exceed 25 percent; however, no more than 10 percent of the overall BCF grants awarded may be provided to projects that meet the exceptional circumstances definition. Exceptional circumstances include, but are not limited to, natural disasters, emergencies beyond an applicant's control, or a delay that could result in a threat to public health or safety. The non-state portion of the project cost may include cash, the real value of property, and in-kind contributions.

Summary of Bill:

BCF match percentages are revised. For projects up to \$100,000, the state match may not exceed 100 percent of total costs. For projects between \$100,000 and \$250,000, the state match may not exceed 75 percent of the total costs. For projects between \$250,000 and \$500,000, the state match may not exceed 50 percent of the total costs. For projects that exceed \$500,000, the state match may not exceed 25 percent. For projects that meet the exceptional circumstances definition, the total funding is not limited to 10 percent of the overall BCF grants awarded. The ability to provide up to \$3 million in technical assistance is not limited to a cash appropriation.

Appropriation: None.

Fiscal Note: Available.

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