
HOUSE BILL 2091

State of Washington

66th Legislature

2019 Regular Session

By Representative Pettigrew

1 AN ACT Relating to the creation of the Washington community
2 development authority; and adding a new chapter to Title 43 RCW.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that community
5 organizations strongly rooted in poor communities of color and in
6 poor rural communities have the cultural understanding, imagination,
7 and vision to create capital assets and develop programs that will
8 help reduce poverty and build stronger and more sustainable
9 communities.

10 (2) The legislature finds that these organizations currently face
11 structural barriers when seeking local, state, and federal capital
12 funds. Those barriers have left many of these communities without the
13 development capacity and capital assets other communities have been
14 able to establish in recent years.

15 (3) The legislature further finds and acknowledges the need for a
16 statewide authority to provide financing to foster development
17 capacity and support capital projects within identified impacted
18 communities.

1 NEW SECTION. **Sec. 2.** The definitions in this section apply
2 throughout this chapter unless the context clearly requires
3 otherwise.

4 (1) "Authority" means the Washington community development
5 authority.

6 (2) "Community" means a group of people who reside or work within
7 a geographic area and who currently or historically share a distinct
8 cultural identity or local history.

9 (3) "Department" means the department of commerce.

10 (4) "Director" means the director of the department.

11 (5) "Impacted community" means a community of color or rural
12 community that has been adversely impacted by poverty.

13 NEW SECTION. **Sec. 3.** (1) The Washington community development
14 authority is hereby created as a statewide public corporation for the
15 overall purpose of developing and coordinating public and private
16 resources targeted to assist impacted communities with the financing
17 of capital projects and related economic development activities. The
18 department shall serve as the fiduciary agent for the authority's
19 funds when appropriated by the state.

20 (2) The affairs of the authority are managed by a board of
21 directors, consisting of representatives of organizations that
22 provide services within impacted communities.

23 (3) A committee comprised of four legislative members must
24 appoint the initial board of directors of the authority. The
25 president of the senate shall appoint one member from each of the two
26 largest caucuses of the senate to the committee and the speaker of
27 the house of representatives shall appoint one member from each of
28 the two largest caucuses of the house of representatives to the
29 committee. The four legislative members of the committee must then
30 jointly select the members of the initial board of directors of the
31 authority. Members of subsequent boards of directors of the authority
32 must be determined as defined in the authority's bylaws. The board of
33 directors shall submit three recommendations to the governor for
34 appointment as chair of the board. The governor shall appoint a chair
35 of the board at least six months prior to the conclusion of the term
36 of each chair.

37 (4) The authority, in addition to the purpose stated in
38 subsection (1) of this section, has the following purposes:

- 1 (a) To revitalize, enhance, and preserve the unique character of
2 impacted communities;
- 3 (b) To allow poor communities of color and poor rural communities
4 to build the capacity to meet the needs of their communities;
- 5 (c) To restore a local area's sense of community;
- 6 (d) To reduce the displacement of community members and
7 businesses;
- 8 (e) To stimulate the community's economic vitality;
- 9 (f) To enhance vital public services;
- 10 (g) To improve the standard of living of residents and the
11 business environment in impacted communities by constructing and
12 managing the types of self-determined assets that are essential to
13 reducing poverty, such as affordable housing, business development,
14 and community facilities; and
- 15 (h) To reduce poverty.

16 NEW SECTION. **Sec. 4.** (1) The authority has the power to:

- 17 (a) Accept gifts, grants, loans, or other aid from public and
18 private entities;
- 19 (b) Employ and appoint such agents, attorneys, officers, and
20 employees as may be necessary to implement the purposes and duties of
21 an authority;
- 22 (c) Contract and enter into partnerships with individuals,
23 associations, corporations, and local, state, and federal
24 governments;
- 25 (d) Buy, own, lease, and sell real and personal property;
- 26 (e) Hold in trust, improve, and develop land;
- 27 (f) Invest, deposit, and reinvest its funds;
- 28 (g) Enter into agreements with public or private entities,
29 including partnership agreements and limited liability company
30 agreements to implement within the boundaries of impacted communities
31 the federal new markets tax credit program established by the
32 community renewal tax relief act of 2000, 26 U.S.C. Sec. 45D, or its
33 successor statute or other federal tax credit programs such as the
34 low-income housing tax credit program;
- 35 (h) Lend or grant its funds for any lawful purposes. For purposes
36 of this section, "lawful purposes" includes without limitation, any
37 use of funds, including loans thereof to public or private parties,
38 authorized by agreements with the United States or any department or
39 agency thereof under which federal or private funds are obtained, or

1 authorized under federal laws and regulations pertinent to such
2 agreements; and

3 (i) Exercise such additional powers as may be authorized by law.

4 (2) The authority has no power of eminent domain nor any power to
5 levy taxes or special assessments.

6 (3) Except for federal funds, all public funds accepted under
7 subsection (1)(a) of this section:

8 (a) Are subject in all respects to Article VIII, section 5 or 7,
9 as appropriate, of the state Constitution, and RCW 42.17A.550; and

10 (b) May not be used to support or oppose a candidate, ballot
11 proposition, political party, or political committee.

12 (4) The authority, using funds specifically appropriated for such
13 purpose, through the department, shall finance in whole or in part
14 the operations of the authority and its allocations to projects that
15 assist with financing for technical assistance, capital projects, and
16 community benefit projects in impacted communities.

17 NEW SECTION. **Sec. 5.** The authority has the duty to:

18 (1) Work with local organizations to create community growth
19 plans;

20 (2) Identify and assist with the implementation of selected
21 capital projects;

22 (3) Submit a list of projects recommended for funding as well as
23 an annual operating budget for the authority to the department;

24 (4) Use gifts, grants, loans, and other aid from public or
25 private entities to carry out selected projects;

26 (5) Maintain books and records as appropriate for the conduct of
27 its affairs; and

28 (6) Demonstrate ongoing accountability for its actions by
29 reporting to the governor and the legislature on the authority's
30 activities and accomplishments.

31 NEW SECTION. **Sec. 6.** Organizations that receive assistance from
32 the department under this chapter must be local community-based
33 nonprofit organizations that serve impacted communities. Eligibility
34 for assistance from the department under this chapter also requires
35 compliance with revenue and taxation laws, as applicable to the
36 recipient, at the time the funding is made.

1 NEW SECTION. **Sec. 7.** The Washington community development
2 authority account is created in the custody of the state treasurer.
3 The account shall include revenue from the sources established by
4 this chapter, appropriations by the legislature, private
5 contributions, repayment of loans, and all other sources.
6 Expenditures from the account may be used only for authority
7 operations and projects under this chapter. Only the director or the
8 director's designee may authorize expenditures from the account. The
9 account is subject to allotment procedures under chapter 43.88 RCW,
10 but an appropriation is not required for expenditures.

11 NEW SECTION. **Sec. 8.** If any provision of this act or its
12 application to any person or circumstance is held invalid, the
13 remainder of the act or the application of the provision to other
14 persons or circumstances is not affected.

15 NEW SECTION. **Sec. 9.** Sections 1 through 7 of this act
16 constitute a new chapter in Title 43 RCW.

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