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HOUSE BILL 1154

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State of Washington

67th Legislature

2021 Regular Session

By Representative Ortiz-Self

1 AN ACT Relating to the building communities fund program; and  
2 amending RCW 43.63A.125.

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

4 **Sec. 1.** RCW 43.63A.125 and 2019 c 413 s 7030 are each amended to  
5 read as follows:

6 (1) The department shall establish the building communities fund  
7 program. Under the program, capital and technical assistance grants  
8 may be made to nonprofit organizations for acquiring, constructing,  
9 or rehabilitating facilities used for the delivery of nonresidential  
10 community services, including social service centers and multipurpose  
11 community centers, including those serving a distinct or ethnic  
12 population. Such facilities must be located in a distressed community  
13 or serve a substantial number of low-income or disadvantaged persons.

14 (2) The department shall establish a competitive process to  
15 solicit, evaluate, and rank applications for the building communities  
16 fund program as follows:

17 (a) The department shall conduct a statewide solicitation of  
18 project applications from nonprofit organizations.

19 (b) The department shall evaluate and rank applications in  
20 consultation with a citizen advisory committee using objective

1 criteria. To be considered qualified, applicants must demonstrate  
2 that the proposed project:

3 (i) Will increase the range, efficiency, or quality of the  
4 services provided to citizens;

5 (ii) Will be located in a distressed community or will serve a  
6 substantial number of low-income or disadvantaged persons;

7 (iii) Will offer three or more distinct activities that meet a  
8 single community service objective or offer a diverse set of  
9 activities that meet multiple community service objectives, including  
10 but not limited to: Providing social services; expanding employment  
11 opportunities for or increasing the employability of community  
12 residents; or offering educational or recreational opportunities  
13 separate from the public school system or private schools, as long as  
14 recreation is not the sole purpose of the facility;

15 (iv) Reflects a long-term vision for the development of the  
16 community, shared by residents, businesses, leaders, and partners;

17 (v) Requires state funding to accomplish a discrete, usable phase  
18 of the project;

19 (vi) Is ready to proceed and will make timely use of the funds;

20 (vii) Is sponsored by one or more entities that have the  
21 organizational and financial capacity to fulfill the terms of the  
22 grant agreement and to maintain the project into the future;

23 (viii) Fills an unmet need for community services;

24 (ix) Will achieve its stated objectives; and

25 (x) Is a community priority as shown through tangible commitments  
26 of existing or future assets made to the project by community  
27 residents, leaders, businesses, and government partners.

28 (c) The evaluation and ranking process shall also include an  
29 examination of existing assets that applicants may apply to projects.

30 ~~((Grant))~~ (d) (i) Except as provided in (d) (ii) of this  
31 subsection, grant assistance under this section shall not exceed  
32 ~~((twenty-five))~~ .:

33 (A) One hundred percent of the total cost for projects up to  
34 \$100,000;

35 (B) Seventy-five percent of the total cost for projects that  
36 exceed \$100,000, up to \$250,000;

37 (C) Fifty percent of the total cost for projects that exceed  
38 \$250,000, up to \$500,000;

39 (D) Twenty-five percent of the total cost ~~((of—the))~~ for  
40 projects ~~((,—except,—under))~~ that exceed \$500,000;

1        (ii) Under exceptional circumstances, the department may reduce  
2 the amount of nonstate match required. However, during the 2019-2021  
3 biennium, the legislature may waive the match required for the  
4 projects specified in section 1009, chapter 413, Laws of 2019. (~~No~~  
5 ~~more than ten percent of the total granted amount may be awarded to~~  
6 ~~qualified eligible projects that meet the definition of exceptional~~  
7 ~~circumstances defined in this subsection.~~) For purposes of this  
8 subsection, exceptional circumstances include but are not limited to:  
9 Natural disasters affecting projects; emergencies beyond an  
10 applicant's control, such as a fire or an unanticipated loss of a  
11 lease where services are currently provided; or a delay that could  
12 result in a threat to public health or safety.

13        (e) The nonstate portion of the total project cost may include  
14 cash, the value of real property when acquired solely for the purpose  
15 of the project, and in-kind contributions.

16        (~~(d)~~) (f) The department may not set a monetary limit to  
17 funding requests.

18        (3) The department shall submit biennially to the governor and  
19 the legislature in the department's capital budget request a ranked  
20 list of the qualified eligible projects for which applications were  
21 received. The list must include a description of each project, its  
22 total cost, and the amount of state funding requested. The  
23 appropriate fiscal committees of the legislature shall use this list  
24 to determine building communities fund projects that may receive  
25 funding in the capital budget. The total amount of state capital  
26 funding available for all projects on the biennial list shall be  
27 determined by the capital budget beginning with the 2009-2011  
28 biennium and thereafter. In addition, (~~if cash funds have been~~  
29 ~~appropriated,~~) up to (~~three million dollars~~) \$3,000,000 may be  
30 used for technical assistance grants. The department shall not sign  
31 contracts or otherwise financially obligate funds under this section  
32 until the legislature has approved a specific list of projects.

33        (4) In addition to the list of ranked qualified eligible  
34 projects, the department shall submit to the appropriate fiscal  
35 committees of the legislature a summary report that describes the  
36 solicitation and evaluation processes, including but not limited to  
37 the number of applications received, the total amount of funding  
38 requested, issues encountered, if any, and any recommendations for  
39 process improvements.

1           (5) After the legislature has approved a specific list of  
2 projects in law, the department shall develop and manage appropriate  
3 contracts with the selected applicants; monitor project expenditures  
4 and grantee performance; report project and contract information; and  
5 exercise due diligence and other contract management responsibilities  
6 as required.

7           (6) In contracts for grants authorized under this section the  
8 department shall include provisions which require that capital  
9 improvements shall be held by the grantee for a specified period of  
10 time appropriate to the amount of the grant and that facilities shall  
11 be used for the express purpose of the grant. If the grantee is found  
12 to be out of compliance with provisions of the contract, the grantee  
13 shall repay to the state general fund the principal amount of the  
14 grant plus interest calculated at the rate of interest on state of  
15 Washington general obligation bonds issued most closely to the date  
16 of authorization of the grant.

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