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**SUBSTITUTE SENATE BILL 5455**

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**State of Washington                      60th Legislature                      2007 Regular Session**

**By** Senate Committee on Agriculture & Rural Economic Development  
(originally sponsored by Senators Morton and Rasmussen)

READ FIRST TIME 02/26/07.

1            AN ACT Relating to community revitalization partnerships in  
2 distressed counties; adding a new chapter to Title 43 RCW; making  
3 appropriations; providing an effective date; and providing an  
4 expiration date.

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

6            NEW SECTION.    **Sec. 1.** INTENT--FINDINGS.    The legislature finds  
7 that the economic health and well-being of the state is of substantial  
8 public concern, particularly in geographic areas lacking employment  
9 opportunities, well-maintained public infrastructure, safe and  
10 affordable housing, and adequate facilities for delivering public  
11 safety, health, and social services. Economic stagnation, poverty,  
12 persistent unemployment, and underemployment threaten the self-  
13 sufficiency and quality of life of area residents, decrease the value  
14 of private investments, and jeopardize sources of public revenue. The  
15 legislature therefore declares there to be a substantial public purpose  
16 in targeting, on a pilot basis, state resources to communities with the  
17 greatest need in order to help them achieve locally determined economic  
18 opportunities and sustainable community development.

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

4        (1) "Baseline condition" means a measurable condition or problem  
5 for which benchmark goals have been established for improvement.

6        (2) "Benchmark goal" means a measurable goal targeted for  
7 achievement in a strategic plan.

8        (3) "Demonstration project" means the five star enterprise  
9 community program in Ferry, Stevens, and Pend Oreille counties, the  
10 Colville and Spokane Indian reservations, and the Kalispel developable  
11 site.

12       (4) "Department" means the department of community, trade, and  
13 economic development.

14       (5) "Director" means the director of the department, or the  
15 director's designee.

16       (6) "Lead managing entity" means a local entity that will  
17 administer and be responsible for implementing the strategic plan.  
18 Lead managing entities may include, but are not limited to, nonprofit  
19 community-based organizations or regional planning agencies that have  
20 the authority to receive public funds to promote community and economic  
21 revitalization.

22       (7) "Partner community" means a community in a rural economically  
23 distressed area that works with the lead managing entity to implement  
24 the strategic plan and projects in the community revitalization  
25 partnership pilot program.

26       (8) "Poverty rate" means the poverty rate for a given census tract  
27 as reported by the bureau of the census in the most recent United  
28 States decennial census.

29       (9) "Program" means the community revitalization partnership pilot  
30 program.

31       (10) "Project" means a locally determined series of actions  
32 designed to result in economic opportunities and sustainable community  
33 development in a targeted geographic area.

34       (11) "Rural area" means an area located in a county with a  
35 population density of fewer than one hundred persons per square mile as  
36 determined by the office of financial management.

37       (12) "Strategic plan" means a plan for achieving benchmark goals  
38 evidencing improvement over identified baseline conditions, developed

1 with the participation and commitment of community members, the private  
2 sector, local governments, tribal governments, state government, and  
3 others.

4 NEW SECTION. **Sec. 3.** PROGRAM GOALS AND RESPONSIBILITIES. (1) A  
5 community revitalization partnership program is created on a pilot  
6 basis to enable the state's most economically distressed areas to plan  
7 and carry out comprehensive, locally determined projects designed to  
8 result in sustainable community development and economic opportunities.  
9 The program shall emphasize local decision making, grassroots  
10 participation, and community partnerships, as well as accountability  
11 and leveraging of public and private sector resources to accomplish  
12 priority projects.

13 (2) Projects:  
14 (a) Must be consistent with applicable environmental and land use  
15 laws; and

16 (b) May include:  
17 (i) Constructing infrastructure;  
18 (ii) Retaining, expanding, and diversifying businesses and jobs;  
19 (iii) Developing safe and affordable housing;  
20 (iv) Providing health, public safety, social, and youth services;  
21 (v) Creating accessible cultural, artistic, and recreational  
22 facilities, equipment, and services for residents and tourists; and

23 (vi) Providing youth leadership, educational, entrepreneurial, and  
24 workforce training opportunities.

25 (3) Each community revitalization partnership shall include partner  
26 communities and a lead managing entity. The legislature intends that  
27 partner communities and the lead managing entity have primary decision-  
28 making authority and accountability in carrying out the strategic plan  
29 and projects.

30 (4) The partner communities and lead managing entity shall have the  
31 following responsibilities:

32 (a) Developing a strategic plan for the rural economically  
33 distressed area and updating it on a biennial basis;

34 (b) Creating a work plan on a biennial basis that identifies and  
35 recommends for funding diverse projects that are consistent with the  
36 strategic plan and are important to the partner communities;

1 (c) Identifying and applying for financial and technical assistance  
2 for projects from public and private sources at the federal, state, and  
3 local levels;

4 (d) Allocating funding for approved projects among partner  
5 communities;

6 (e) Implementing the strategic plan and locally driven projects;

7 (f) Accounting to the department and all other funding sources the  
8 expenditure of cash and in-kind resources;

9 (g) Working with the department to develop program performance  
10 measures, evaluate projects, and communicate the results and  
11 recommendations for program improvement to the legislature; and

12 (h) Encouraging participation by a cross-section of area residents,  
13 businesses, and community organizations in developing and implementing  
14 the strategic plan and projects.

15 (5) The department has the following responsibilities:

16 (a) Identifying areas that are eligible to apply for designation as  
17 community revitalization partnerships, soliciting and evaluating  
18 applications from them, and designating up to five areas for pilot  
19 program participation;

20 (b) Contracting with the lead managing entity in each designated  
21 area to formalize financial, legal, procedural, participation, and  
22 other program requirements;

23 (c) Subject to the availability of amounts appropriated for this  
24 specific purpose, providing core funding to the lead managing entity  
25 for its use in program administration and for allocation to partner  
26 communities as seed money for priority projects;

27 (d) Performing compliance checks on projects and funding as  
28 recommended by the lead managing entity and partner communities, and  
29 giving final approval to proceed; and

30 (e) Consulting with and utilizing the expertise of the lead  
31 managing entity and partner communities to develop performance  
32 measures, evaluate projects, and communicate the results and  
33 recommendations for program improvement to the legislature.

34 NEW SECTION. **Sec. 4.** ELIGIBILITY AND APPLICATION PROCESS. (1)  
35 The department shall conduct a competitive application process to  
36 designate up to five community revitalization partnerships statewide.

1 Applications must be submitted by a lead managing entity on behalf of  
2 eligible partner communities in the form and manner and containing such  
3 information as this chapter and the department may prescribe.

4 (2) To be eligible to apply for designation as a community  
5 revitalization partnership, a rural area must:

6 (a) Have a population of less than thirty thousand;

7 (b) Contain one thousand square miles or less, except that land  
8 owned by the federal, state, or local government may be excluded in  
9 determining the square mileage of an area;

10 (c) Have a poverty rate of no less than seventeen percent in all  
11 census tracts within the area and no less than nineteen percent in at  
12 least ninety percent of the census tracts within the area; and

13 (d) Be in a rural area that exhibits other evidence of pervasive  
14 poverty, unemployment, and general distress such as low-income  
15 population, dependence upon public assistance, high unemployment rates,  
16 job loss, plant closures, out-migration, high crime incidence,  
17 abandoned housing stock, and deteriorated infrastructure.

18 (3) An application must include:

19 (a) Documentation demonstrating that the rural area is eligible for  
20 the program and describing existing baseline conditions that require  
21 improvement; and

22 (b) A strategic plan that addresses:

23 (i) The current economic and social conditions of the rural area;

24 (ii) The participants in the community revitalization pilot  
25 program;

26 (iii) The vision of the future for the rural area including goals  
27 and strategies;

28 (iv) A work plan and budget;

29 (v) The organizational structure of the partnership; and

30 (vi) Whether the community revitalization program will:

31 (A) Be technically feasible;

32 (B) Serve the represented communities;

33 (C) Be ready to start;

34 (D) Build local capacity;

35 (E) Develop leadership;

36 (F) Have a positive impact on the communities;

37 (G) Leverage funding from other sources;

38 (H) Create and/or maintain jobs;

1 (I) Build infrastructure; and

2 (J) Involve other partners.

3 (4) The director shall designate up to five community  
4 revitalization partnerships after assessing the applications received  
5 on the following factors:

6 (a) The severity of economic distress, as measured by documentation  
7 of pervasive poverty, unemployment, and general distress;

8 (b) The likelihood that the proposed strategic plan and projects  
9 will achieve benchmark goals and improve baseline conditions;

10 (c) The degree of grassroots community involvement with local  
11 partnerships in developing and carrying out the strategic plan and  
12 projects;

13 (d) Demonstration of leveraging of public or private funds,  
14 including in-kind match, committed to projects in the plan; and

15 (e) Demonstrated experience and record of accomplishments by the  
16 lead managing entity and partner communities.

17 (5) In addition to a competitive process, one demonstration  
18 project, as defined in section 2(3) of this act, shall be provided to  
19 assist in determining the feasibility of the community revitalization  
20 partnership pilot program. Notwithstanding subsections (1) through (4)  
21 of this section, the department shall approve this demonstration  
22 project before approving any other application.

23 (6) The demonstration project and each of the competitively  
24 designated community revitalization partnerships are expected to  
25 participate in the pilot program for ten years. To ensure that the  
26 program retains flexibility to respond to changing economic conditions,  
27 the department shall, every four years, assess for each rural area in  
28 the program the key economic factors contained in section 4(2) of this  
29 act. If the department finds that conditions have either declined or  
30 improved significantly in any of the geographic areas contained within  
31 the community revitalization partnership, the department may consider  
32 the evidence, consult with the lead managing entity and partner  
33 communities, and either remove areas that have improved or add areas  
34 that have declined.

35 (7) Each community revitalization partnership shall receive an  
36 equal share of the state funding, exclusive of the administrative funds  
37 earmarked for the department. The director must designate the

1 community revitalization partnerships no later than September 30, 2008.  
2 Awards to designated areas will take effect January 1, 2009.

3 NEW SECTION. **Sec. 5.** STATE PROGRAM PREFERENCE. Each community  
4 revitalization partnership is entitled to receive annual core funding  
5 from the department as provided in section 3(5)(c) of this act. In  
6 addition, each community revitalization partnership shall be given  
7 preference by any state program to which it applies for support,  
8 whether within or outside the department. State programs shall provide  
9 this preference either by awarding additional points in the evaluation  
10 process to community revitalization partnerships or by setting aside  
11 for them a designated portion of the total funds available.

12 NEW SECTION. **Sec. 6.** REPORTS TO LEGISLATURE. The department,  
13 lead managing entities, and partner communities shall prepare a joint  
14 report regarding the results of the pilot program in this chapter and  
15 make recommendations for statutory changes to the appropriate  
16 committees of the legislature by January 1, 2010, and every two years  
17 thereafter.

18 NEW SECTION. **Sec. 7.** CAPTIONS NOT LAW. Captions used in this  
19 chapter are not any part of the law.

20 NEW SECTION. **Sec. 8.** The legislature intends that the community  
21 revitalization partnership pilot program be funded by the legislature  
22 in the amount of eight hundred fifty thousand dollars each year  
23 beginning with fiscal year 2010 and ending with fiscal year 2018.

24 NEW SECTION. **Sec. 9.** EXPIRATION OF CHAPTER. This chapter expires  
25 December 31, 2018.

26 NEW SECTION. **Sec. 10.** Sections 1 through 9 of this act constitute  
27 a new chapter in Title 43 RCW.

28 NEW SECTION. **Sec. 11.** (1) The sum of fifty thousand dollars, or  
29 as much thereof as may be necessary, is appropriated for the fiscal  
30 year ending June 30, 2008, from the general fund to the department of

1 community, trade, and economic development for the purposes of this  
2 act. This amount may be used by the department solely for agency and  
3 program administration.

4 (2) The sum of three hundred sixty-two thousand five hundred  
5 dollars, or as much thereof as may be necessary, is appropriated for  
6 the fiscal year ending June 30, 2009, from the general fund to the  
7 department of community, trade, and economic development for the  
8 purposes of this act. No more than one hundred thousand dollars of  
9 this amount may be used by the department for agency and program  
10 administration.

11 NEW SECTION. **Sec. 12.** The sum of four hundred eighty-seven  
12 thousand five hundred dollars, or as much thereof as may be necessary,  
13 is appropriated for the fiscal year ending June 30, 2009, from the  
14 state building construction account to the department of community,  
15 trade, and economic development for the purposes of this act.

16 NEW SECTION. **Sec. 13.** This act takes effect January 1, 2008.

17 NEW SECTION. **Sec. 14.** If any provision of this act or its  
18 application to any person or circumstance is held invalid, the  
19 remainder of the act or the application of the provision to other  
20 persons or circumstances is not affected.

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