Washington State Department of Commerce

2027-29 Biennial Capital Budget Request

September 2026

Invest.
Build.
Serve.

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STATE OF WASHINGTON
DEPARTMENT OF COMMERCE
1500 Jefferson Street SE | PO Box 42525 | Olympia, Washington 98504-2525 | 360-725-4000
www.commerce.wa.gov

September 10, 2026

TO: K.D. Chapman-See, Director, Office of Financial Management

FROM: Sarah Clifthorne, Interim Director, Department of Commerce

SUBJECT: Capital Budget

The Department of Commerce recognizes that this is a pivotal time for Washington state as we confront our largest budget deficit in decades and considerable cuts in federal funding. This period of uncertainty and heightened community needs brings an opportunity for the state to collaborate and concentrate on our core values and priorities.

The Department of Commerce's commitment – invest, build, and serve – aligns with the purpose of the state's capital budget. We take seriously our responsibility as the investment arm of the state to guide communities and organizations through the development of projects and infrastructure needed to deliver services and build for the future. In this constrained fiscal environment, it's more important than ever that Commerce ensures equitable access and clear pathways from project application to completion. Strong partnerships are vital to delivering the projects communities need.

Our 2027-29 biennial capital budget proposal focuses on the critical needs of local communities and jurisdictions, ensuring services are met and communities can build for the future. This request focuses on building affordable and accessible housing, investing in critical infrastructure, expanding affordable energy, strengthening our economic competitiveness, and supporting our most vulnerable neighbors including substantial investments in connecting housing to infrastructure to closing the childcare gaps across our communities in Washington. Together, these strategic investments will strengthen Washington's economic foundation.

Thank you for your continued partnership as we work together to strengthen Washington's resiliency in the face of significant challenges. Commerce remains committed to collaborating closely with your office and our community partners to ensure essential services are protected and that strategic investments support long term stability and economic opportunity.

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Ten Year Capital Plan by Project Number
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Project by Project Number

Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2027-29	New Approp 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35	Estimated 2035-37
30000726 Clean Energy and Energy Freedom Program									
057-1 State Bldg Constr-State	23,399,000	22,251,000	4,000	1,144,000					
355-1 St. Bld Const Acct-State	16,999,000	16,889,000		110,000					
Project Total:	**40,398,000**	**39,140,000**	**4,000**	**1,254,000**					
30000872 2017-19 Housing Trust Fund Program									
057-1 State Bldg Constr-State	21,130,000	20,711,000		419,000					
355-1 St. Bld Const Acct-State	83,500,000	80,524,000	310,000	2,666,000					
532-1 Wa Housing Trst Fd-State	8,658,000	7,182,000		1,476,000					
Project Total:	**113,288,000**	**108,417,000**	**310,000**	**4,561,000**					
30000881 Clean Energy Funds 3									
057-1 State Bldg Constr-State	38,072,000	29,465,000	1,530,000	7,077,000					
22M-1 Energy Efficncy Acct-State	5,500,000	3,394,000	924,000	1,182,000					
355-1 St. Bld Const Acct-State	127,000	127,000							
Project Total:	**43,699,000**	**32,986,000**	**2,454,000**	**8,259,000**					
40000005 2018 Local and Community Projects									
057-1 State Bldg Constr-State	128,337,000	113,951,000	5,715,000	8,671,000					
40000036 2019-21 Housing Trust Fund Program									
057-1 State Bldg Constr-State	40,084,000	38,109,000		1,975,000					
355-1 St. Bld Const Acct-State	132,666,000	122,052,000	2,430,000	8,184,000					
Project Total:	**172,750,000**	**160,161,000**	**2,430,000**	**10,159,000**					
40000038 Public Works Board									

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40000038 Public Works Board									
058-1 Public Works Assist-State	93,578,000	85,780,000		7,798,000					
40000042 Clean Energy Transition 4									
057-1 State Bldg Constr-State	21,300,000	16,024,000	1,320,000	3,956,000					
355-1 St. Bld Const Acct-State	11,299,000	10,788,000		511,000					
Project Total:	**32,599,000**	**26,812,000**	**1,320,000**	**4,467,000**					
40000116 2020 Local and Community Projects									
057-1 State Bldg Constr-State	162,714,000	146,099,000	4,963,000	11,652,000					
40000117 Washington Broadband Program									
23J-1 SW Broadband Account-State	21,550,000	7,758,000	1,448,000	12,344,000					
40000130 2021 Local and Community Projects									
057-1 State Bldg Constr-State	32,286,000	28,995,000	738,000	2,553,000					
40000141 2021-23 Public Works Assistance Account-Construction									
058-1 Public Works Assist-State	249,000,000	140,582,000	82,000	108,336,000					
40000144 2021-23 CERB Capital Construction									
26V-1 Capital Comm Asst Ac-State	40,000,000	20,832,000	5,381,000	13,787,000					
355-1 St. Bld Const Acct-State	15,000,000	15,000,000							
887-1 Pub Facil Const Ln-State	10,000,000			10,000,000					
Project Total:	**65,000,000**	**35,832,000**	**5,381,000**	**23,787,000**					
40000148 2021-23 Clean Energy V-Investing in Washington's Clean Energy									
057-1 State Bldg Constr-State	53,799,000	28,889,000	10,162,000	14,748,000					
355-1 St. Bld Const Acct-State	2,500,000	123,000	13,000	2,364,000					

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Project Total:	**56,299,000**	**29,012,000**	**10,175,000**	**17,112,000**					
40000149 2021-23 Energy Retrofits for Public Buildings Grant Program									
057-1 State Bldg Constr-State	9,957,000	8,460,000	55,000	1,442,000					
40000150 2021-23 Weatherization Plus Health									
001-2 General Fund-Federal	47,115,000	6,608,000	5,468,000	35,039,000					
057-1 State Bldg Constr-State	10,000,000	9,991,000		9,000					
26V-1 Capital Comm Asst Ac-State	10,000,000	9,988,000	3,000	9,000					
Project Total:	**67,115,000**	**26,587,000**	**5,471,000**	**35,057,000**					
40000152 2021-23 PWB Broadband Infrastructure									
23J-1 SW Broadband Account-State	14,000,000	1,216,000	1,063,000	11,721,000					
373-8 Corona Cap Proj Acct-Federal Stimulus	46,000,000	22,204,000	8,358,000	15,438,000					
Project Total:	**60,000,000**	**23,420,000**	**9,421,000**	**27,159,000**					
40000153 2021-23 Housing Trust Fund Investment in Affordable Housing									
057-1 State Bldg Constr-State	33,597,000	24,806,000	1,343,000	7,448,000					
26V-1 Capital Comm Asst Ac-State	110,641,000	85,563,000	9,054,000	16,024,000					
355-1 St. Bld Const Acct-State	69,847,000	58,366,000	9,143,000	2,338,000					
706-2 Coro St Fisc Reco Fd-Federal	73,606,000	62,920,000	6,171,000	4,515,000					
Project Total:	**287,691,000**	**231,655,000**	**25,711,000**	**30,325,000**					
40000220 2019-21 Housing Trust Fund Investment from Operating									
532-1 Wa Housing Trst Fd-State	47,441,000	45,413,000	951,000	1,077,000					
40000222 2021-23 Rapid Capital Housing Acquisition									

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40000222 2021-23 Rapid Capital Housing Acquisition									
057-1 State Bldg Constr-State	97,603,000	76,091,000	3,436,000	18,076,000					
706-2 Coro St Fisc Reco Fd-Federal	6,001,000	5,338,000	1,000	662,000					
706-8 Coro St Fisc Reco Fd-Federal Stimulus	16,531,000	16,531,000							
Project Total:	**120,135,000**	**97,960,000**	**3,437,000**	**18,738,000**					
40000230 2022 Local & Community Projects									
057-1 State Bldg Constr-State	167,016,000	126,387,000	16,928,000	23,701,000					
40000260 2022 Rapid Capital Housing Acquisition									
057-1 State Bldg Constr-State	19,035,000	13,221,000	1,225,000	4,589,000					
26U-1 Apple Hlth Homes Acc-State	60,000,000	19,181,000	9,435,000	31,384,000					
26V-1 Capital Comm Asst Ac-State	202,000,000	178,681,000	11,120,000	12,199,000					
706-8 Coro St Fisc Reco Fd-Federal Stimulus	15,065,000	12,252,000	1,366,000	1,447,000					
Project Total:	**296,100,000**	**223,335,000**	**23,146,000**	**49,619,000**					
40000266 2023 Local and Community Projects									
057-1 State Bldg Constr-State	51,618,000	38,942,000	3,768,000	8,908,000					
26V-1 Capital Comm Asst Ac-State	309,000	309,000							
Project Total:	**51,927,000**	**39,251,000**	**3,768,000**	**8,908,000**					
40000278 Ports Infrastructure									
057-1 State Bldg Constr-State	16,047,000	10,573,000	2,717,000	2,757,000					
40000279 2023-25 Building Communities Fund Grant Program									

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40000279 2023-25 Building Communities Fund Grant Program									
057-1 State Bldg Constr-State	30,021,000	15,487,000	5,217,000	9,317,000					
40000280 2023-25 Building for the Arts									
057-1 State Bldg Constr-State	18,000,000	13,801,000	509,000	3,690,000					
40000281 2023-25 CERB Capital Construction									
887-1 Pub Facil Const Ln-State	25,000,000			25,000,000					
40000282 Dig-Once Pilot Project and Enhanced Program Development									
057-1 State Bldg Constr-State	500,000	1,000		499,000					
40000283 2023-25 Energy Retrofits and Solar Power for Public Buildings									
057-1 State Bldg Constr-State									
26C-1 Climate Commit Accou-State	51,000,000	24,450,000	17,904,000	8,646,000					
Project Total:	**51,000,000**	**24,450,000**	**17,904,000**	**8,646,000**					
40000284 High Efficiency Electric Home Rebate Program									
001-2 General Fund-Federal	83,000,000	151,000	1,726,000	81,123,000					
057-1 State Bldg Constr-State									
26C-1 Climate Commit Accou-State	80,000,000	46,678,000	23,009,000	10,313,000					
Project Total:	**163,000,000**	**46,829,000**	**24,735,000**	**91,436,000**					
40000285 2023-25 Early Learning Facilities – School Districts									
22D-1 Early Lrng Fac Devel-State	5,406,000	3,185,000	323,000	1,898,000					
40000286 2023-25 Library Capital Improvement Program									
057-1 State Bldg Constr-State	10,951,000	2,877,000	20,000	8,054,000					
40000289 2023-25 Public Works Assistance Account (PWAA)									

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40000289 2023-25 Public Works Assistance Account (PWAA)									
058-1 Public Works Assist-State	400,000,000	67,839,000		332,161,000					
40000292 2023-25 Youth Recreational Facilities Grant Program									
057-1 State Bldg Constr-State	8,000,000	2,046,000	675,000	5,279,000					
40000294 2023-25 Clean Energy Fund Program									
057-1 State Bldg Constr-State									
26C-1 Climate Commit Accou-State	50,000,000	13,287,000	19,429,000	17,284,000					
Project Total:	**50,000,000**	**13,287,000**	**19,429,000**	**17,284,000**					
40000295 2023-25 Housing Trust Fund									
057-1 State Bldg Constr-State	103,433,000	32,090,000	34,314,000	37,029,000					
355-1 St. Bld Const Acct-State	409,108,000	118,158,000	130,353,000	160,597,000					
532-1 Wa Housing Trst Fd-State	8,500,000		2,520,000	5,980,000					
706-2 Coro St Fisc Reco Fd-Federal									
Project Total:	**521,041,000**	**150,248,000**	**167,187,000**	**203,606,000**					
40000296 2023-25 Connecting Housing to Infrastructure (CHIP)									
057-1 State Bldg Constr-State	33,213,000	14,266,000	8,484,000	10,463,000					
355-1 St. Bld Const Acct-State	26,787,000		7,517,000	19,270,000					
Project Total:	**60,000,000**	**14,266,000**	**16,001,000**	**29,733,000**					
40000298 Transit Oriented Housing Development Partnership Match									
001-7 General Fund-Private/Local	25,000,000	2,337,000	18,794,000	3,869,000					
057-1 State Bldg Constr-State									

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40000298 Transit Oriented Housing Development Partnership Match									
355-1 St. Bld Const Acct-State	25,000,000	2,500,000	16,405,000	6,095,000					
Project Total:	**50,000,000**	**4,837,000**	**35,199,000**	**9,964,000**					
40000299 2023-25 Behavioral Health Community Capacity Grants									
057-1 State Bldg Constr-State	284,728,000	67,143,000	109,767,000	107,818,000					
26V-1 Capital Comm Asst Ac-State	6,248,000	4,998,000	1,221,000	29,000					
Project Total:	**290,976,000**	**72,141,000**	**110,988,000**	**107,847,000**					
40000300 2023-25 Early Learning Facilities Fund Grant Program									
22C-1 Early Lrng Fac Rev-State	6,720,000	6,720,000							
22D-1 Early Lrng Fac Devel-State	83,668,000	23,853,000	19,244,000	40,571,000					
Project Total:	**90,388,000**	**30,573,000**	**19,244,000**	**40,571,000**					
40000301 2024 Local and Community Projects									
057-1 State Bldg Constr-State	224,650,000	94,251,000	47,095,000	83,304,000					
23N-1 MTC Capital Account-State	3,500,000	3,500,000							
26D-1 Natural Clim Solu Ac-State	2,400,000		213,000	2,187,000					
Project Total:	**230,550,000**	**97,751,000**	**47,308,000**	**85,491,000**					
40000421 Tribal Climate Adaptation Pass-through Grants									
26C-1 Climate Commit Accou-State	50,000,000	17,395,000	19,368,000	13,237,000					
40000561 DOE Hydrogen Hub -State Match									
26C-1 Climate Commit Accou-State	20,000,000	14,734,000		5,266,000					
40000564 Inflation Reduction Act HOMES Program									
001-2 General Fund-Federal	83,200,000	1,739,000	1,959,000	79,502,000					

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40000572 2023-25 Defense Community Compatibility Projects									
057-1 State Bldg Constr-State	33,950,000	27,488,000	2,677,000	3,785,000					
23N-1 MTC Capital Account-State	3,720,000		251,000	3,469,000					
Project Total:	**37,670,000**	**27,488,000**	**2,928,000**	**7,254,000**					
40000601 Crisis Stabilization Facility-Trueblood Phase 3									
057-1 State Bldg Constr-State									
26V-1 Capital Comm Asst Ac-State	5,000,000	3,000		4,997,000					
Project Total:	**5,000,000**	**3,000**		**4,997,000**					
40000603 Communities of Concern									
057-1 State Bldg Constr-State	6,367,000	1,494,000	3,324,000	1,549,000					
40000604 Green Jobs and Infrastructure Catalytic Funds									
26C-1 Climate Commit Accou-State	25,000,000	2,530,000	8,216,000	14,254,000					
40000606 Clean Energy Community Decarbonization									
26C-1 Climate Commit Accou-State	50,000,000		12,300,000	37,700,000					
40000614 2025 Local and Community Project									
057-1 State Bldg Constr-State	54,769,000	12,466,000	11,249,000	31,054,000					
23N-1 MTC Capital Account-State	4,641,000	829,000	292,000	3,520,000					
23R-1 MTC Stormw Account-State	5,122,000	1,775,000	906,000	2,441,000					
26C-1 Climate Commit Accou-State	141,000	133,000		8,000					
Project Total:	**64,673,000**	**15,203,000**	**12,447,000**	**37,023,000**					
40000620 2023-25 Community Solar Resilience Hubs									

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40000620 2023-25 Community Solar Resilience Hubs									
26C-1 Climate Commit Accou-State	38,000,000	11,936,000	7,788,000	18,276,000					
40000621 2023-25 Community Solar									
26C-1 Climate Commit Accou-State	6,000,000	3,141,000	337,000	2,522,000					
40000622 2023-25 Community EV Charging									
26C-1 Climate Commit Accou-State	105,000,000	40,388,000	28,009,000	36,603,000					
40000629 Energy Efficiency Revolving Loan Fund Capitalization Program									
27A-1 Ener Eff Rev Ln Cap-State	1,869,000			1,869,000					
40000650 2026 FIFA World Cup									
057-1 State Bldg Constr-State	29,500,000	1,134,000	23,356,000	5,010,000					
28S-1 StadWorldCupCapAcct -State									
Project Total:	**29,500,000**	**1,134,000**	**23,356,000**	**5,010,000**					
40000656 2025-27 Early Learning Facilities - Eligible Organizations									
22C-1 Early Lrng Fac Rev-State	6,000,000		45,000	5,955,000					
22D-1 Early Lrng Fac Devel-State	87,028,000		8,429,000	78,599,000					
Project Total:	**93,028,000**		**8,474,000**	**84,554,000**					
40000657 2025-27 Regional Approaches Program									
057-1 State Bldg Constr-State	2,000,000		30,000	1,970,000					
40000658 2025-27 CERB Capital Construction									
057-1 State Bldg Constr-State	6,330,000		1,191,000	5,139,000					
887-1 Pub Facil Const Ln-State	75,000,000			75,000,000					

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Project Total:	**81,330,000**		**1,191,000**	**80,139,000**					
40000659 2025-27 Pacific Tower Capital Improvements									
057-1 State Bldg Constr-State	1,913,000		610,000	1,303,000					
40000660 2025-27 Defense Community Compatibility Account									
057-1 State Bldg Constr-State	7,700,000			7,700,000					
23N-1 MTC Capital Account-State	3,451,000			3,451,000					
Project Total:	**11,151,000**			**11,151,000**					
40000661 2025-27 Youth Recreational Facilities Program									
057-1 State Bldg Constr-State	7,688,000		1,868,000	5,820,000					
40000662 2025-27 Library Capital Improvement Program									
057-1 State Bldg Constr-State	6,503,000			6,503,000					
40000663 2025-27 Early Learning Facilities - School Districts									
22D-1 Early Lrng Fac Devel-State	12,119,000		1,350,000	10,769,000					
40000665 2025-27 Clean Energy Community Grants									
057-1 State Bldg Constr-State									
26C-1 Climate Commit Accou-State	10,000,000		338,000	9,662,000					
Project Total:	**10,000,000**		**338,000**	**9,662,000**					
40000666 2025-27 High Efficiency Electric Appliance Rebates (HEAR) Program									
26C-1 Climate Commit Accou-State	45,000,000		269,000	44,731,000					
40000667 2025-27 Behavior Health Facilities									
057-1 State Bldg Constr-State	84,259,000		12,518,000	71,741,000					
40000668 2025-27 Building for the Arts Grant Program									

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40000668 2025-27 Building for the Arts Grant Program									
057-1 State Bldg Constr-State	18,000,000		1,603,000	16,397,000					
40000669 2025-27 Building Communities Fund Program									
057-1 State Bldg Constr-State	49,082,000		13,926,000	35,156,000					
40000670 2025-27 Energy Retrofits for Public Buildings Grants									
057-1 State Bldg Constr-State									
26C-1 Climate Commit Accou-State	20,000,000		202,000	19,798,000					
Project Total:	**20,000,000**		**202,000**	**19,798,000**					
40000671 2025-27 Weatherization Plus Health Grants									
057-1 State Bldg Constr-State	10,000,000		3,773,000	6,227,000					
26C-1 Climate Commit Accou-State	36,000,000		8,915,000	27,085,000					
Project Total:	**46,000,000**		**12,688,000**	**33,312,000**					
40000672 2025-27 Public Works Board Investment in Essential Infrastructure									
057-1 State Bldg Constr-State	40,000,000		16,496,000	23,504,000					
058-1 Public Works Assist-State									
26D-1 Natural Clim Solu Ac-State	10,000,000		11,000	9,989,000					
355-1 St. Bld Const Acct-State	339,500,000		148,743,000	190,757,000					
Project Total:	**389,500,000**		**165,250,000**	**224,250,000**					
40000673 2025-27 Community EV Charging									
26C-1 Climate Commit Accou-State	36,000,000		868,000	35,132,000					
40000675 2025-27 Connecting Housing to Infrastructure Program									

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40000675 2025-27 Connecting Housing to Infrastructure Program									
057-1 State Bldg Constr-State	100,000,000		1,100,000	98,900,000					
40000677 2025-27 Housing Trust Fund									
057-1 State Bldg Constr-State	216,750,000		3,625,000	213,125,000					
26U-1 Apple Hlth Homes Acc-State									
355-1 St. Bld Const Acct-State	511,874,000		14,232,000	497,642,000					
Project Total:	**728,624,000**		**17,857,000**	**710,767,000**					
40000679 2025-27 Clean Energy Fund Program									
057-1 State Bldg Constr-State									
26C-1 Climate Commit Accou-State	35,000,000		1,745,000	33,255,000					
Project Total:	**35,000,000**		**1,745,000**	**33,255,000**					
40000680 2025-27 Communities of Concern									
057-1 State Bldg Constr-State	4,022,000		728,000	3,294,000					
40000682 2025-27 Solar and Energy Storage Grants									
057-1 State Bldg Constr-State									
26C-1 Climate Commit Accou-State	20,650,000		2,322,000	18,328,000					
Project Total:	**20,650,000**		**2,322,000**	**18,328,000**					
40000683 2025-27 Clean Buildings Performance Grants									
057-1 State Bldg Constr-State									
26C-1 Climate Commit Accou-State	5,000,000		23,000	4,977,000					
Project Total:	**5,000,000**		**23,000**	**4,977,000**					
40000684 2025-27 Low-Income Home Rehabilitation Grant Program (HRGP)									

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40000684 2025-27 Low-Income Home Rehabilitation Grant Program (HRGP)									
057-1 State Bldg Constr-State	10,000,000		198,000	9,802,000					
26C-1 Climate Commit Accou-State									
Project Total:	**10,000,000**		**198,000**	**9,802,000**					
40000709 2026 Local and Community Projects									
057-1 State Bldg Constr-State	187,814,000		43,591,000	144,223,000					
23N-1 MTC Capital Account-State	4,000,000		254,000	3,746,000					
26C-1 Climate Commit Accou-State	2,440,000		1,861,000	579,000					
Project Total:	**194,254,000**		**45,706,000**	**148,548,000**					
40000812 2025-27 Tribal Climate Adaptation Pass-through Grants									
26C-1 Climate Commit Accou-State	50,000,000		4,535,000	45,465,000					
40000829 Community Participatory Budgeting									
26E-1 AirQualHeaDispImpAcc -State	8,300,000		1,103,000	7,197,000					
40001947 2027 Local and Community Projects									
057-1 State Bldg Constr-State	27,801,000			27,801,000					
26C-1 Climate Commit Accou-State	2,706,000			2,706,000					
Project Total:	**30,507,000**			**30,507,000**					
40001949 2025-27 Multifamily Bldg Efficiency Grants									
26C-1 Climate Commit Accou-State	10,000,000		1,000	9,999,000					
40001951 Water Quality Projects									
057-1 State Bldg Constr-State	4,800,000		613,000	4,187,000					

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40001951 Water Quality Projects									
23N-1 MTC Capital Account-State	9,810,000		323,000	9,487,000					
Project Total:	**14,610,000**		**936,000**	**13,674,000**					
40001976 2027-29 Building for the Arts									
057-1 State Bldg Constr-State	90,000,000				18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
40001977 2027-29 Early Learning Facilities, Eligible Organizations									
22D-1 Early Lrng Fac Devel-State	470,000,000				70,000,000	100,000,000	100,000,000	100,000,000	100,000,000
40001978 2027-29 Early Learning Facilities School District & Tribal Compac									
22D-1 Early Lrng Fac Devel-State	40,508,000				8,108,000	8,100,000	8,100,000	8,100,000	8,100,000
40001979 2027-29 Library Capital Improvement Program									
057-1 State Bldg Constr-State	50,000,000				10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
40001980 2027-29 Youth Recreational Facilities									
057-1 State Bldg Constr-State	40,000,000				8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
40001981 2027-29 Building Communities Fund									
057-1 State Bldg Constr-State	375,000,000				75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
40001982 2027-29 Behavioral Health Facilities Program									
057-1 State Bldg Constr-State	100,000,000				20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
40001983 2027-29 Public Works Board									
058-1 Public Works Assist-State	2,504,500,000				500,900,000	500,900,000	500,900,000	500,900,000	500,900,000
40001984 2027-29 Community Economic Revitalization Board									
887-1 Pub Facil Const Ln-State	125,000,000				25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
40001985 2027-29 Defense Community Compatibility Account Grant Pgm (DCCA)									

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40001985 2027-29 Defense Community Compatibility Account Grant Pgm (DCCA)									
057-1 State Bldg Constr-State	350,863,000				70,863,000	70,000,000	70,000,000	70,000,000	70,000,000
40001992 2027-29 Regional Approaches Program									
057-1 State Bldg Constr-State	8,000,000				2,000,000	2,000,000	2,000,000	2,000,000	
40002012 2027-29 Clean Energy Fund									
057-1 State Bldg Constr-State	225,000,000				45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
40002013 2027-29 Clean Buildings Compliance Assistance Program									
057-1 State Bldg Constr-State	50,000,000				10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
40002014 2027-29 Home Rehabilitation Grant Program									
355-1 St. Bld Const Acct-State	25,000,000				5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
40002015 2027-29 State Electric Appliance and Buildings Efficiency Program									
057-1 State Bldg Constr-State	166,000,000				33,200,000	33,200,000	33,200,000	33,200,000	33,200,000
40002016 2027-29 Weatherization Funding									
057-1 State Bldg Constr-State	205,000,000				41,000,000	41,000,000	41,000,000	41,000,000	41,000,000
40002017 2027-29 Community Participatory Budgeting									
26C-1 Climate Commit Accou-State	25,000,000				5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
40002018 2027-29 Connecting Housing to Infrastructure Program (CHIP)									
057-1 State Bldg Constr-State	625,000,000				125,000,000	125,000,000	125,000,000	125,000,000	125,000,000
40002020 2027-29 Economic Competitiveness: Strategic Investments Capital									
057-1 State Bldg Constr-State	24,000,000				4,000,000	5,000,000	5,000,000	5,000,000	5,000,000
40002021 2027-29 Electric Vehicle Charging Program									
26C-1 Climate Commit Accou-State	225,000,000				45,000,000	45,000,000	45,000,000	45,000,000	45,000,000

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40002023 2027-29 Supporting Housing Affordability W/ Infrastructure (SHIP)									
057-1 State Bldg Constr-State	225,000,000				25,000,000	50,000,000	50,000,000	50,000,000	50,000,000
40002024 2027-29 Transit-oriented Development Grants (TOD)									
057-1 State Bldg Constr-State	225,000,000				25,000,000	50,000,000	50,000,000	50,000,000	50,000,000
40002025 2027-29 Solar and Energy Storage									
057-1 State Bldg Constr-State	125,000,000				25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
40002026 2027-29 Housing Trust Fund									
057-1 State Bldg Constr-State	1,634,750,000				326,950,000	326,950,000	326,950,000	326,950,000	326,950,000
355-1 St. Bld Const Acct-State	2,770,250,000				554,050,000	554,050,000	554,050,000	554,050,000	554,050,000
Project Total:	**4,405,000,000**				**881,000,000**	**881,000,000**	**881,000,000**	**881,000,000**	**881,000,000**
40002027 2027-29 Pacific Tower Renovations and Maintenance									
057-1 State Bldg Constr-State	8,715,000				715,000	2,000,000	2,000,000	2,000,000	2,000,000
91000419 City of Centralia Nitrates Project									
057-1 State Bldg Constr-State	5,000,000			5,000,000					
91000943 CERB Administered Broadband Infrastructure									
058-1 Public Works Assist-State	3,450,000	1,538,000	1,912,000						
355-1 St. Bld Const Acct-State	10,000,000	10,000,000							
373-2 Corona Cap Proj Acct-Federal									
373-8 Corona Cap Proj Acct-Federal Stimulus	25,000,000	13,625,000	11,375,000						
Project Total:	**38,450,000**	**25,163,000**	**13,287,000**						
91001157 2019 Local and Community Projects									
057-1 State Bldg Constr-State	40,530,000	37,300,000	130,000	3,100,000					

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91001239 Library Capital Improvement Program									
057-1 State Bldg Constr-State	12,838,000	11,575,000	213,000	1,050,000					
91001682 2023-25 Youth Shelters and Housing									
057-1 State Bldg Constr-State	10,622,000	6,297,000	2,527,000	1,798,000					
91001686 Work, Education, Health Monitoring Projects									
057-1 State Bldg Constr-State	826,000	290,000	534,000	2,000					
91001687 Infrastructure Projects									
057-1 State Bldg Constr-State	12,795,000	11,239,000	99,000	1,457,000					
058-1 Public Works Assist-State	747,000	747,000							
26V-1 Capital Comm Asst Ac-State	25,832,000	7,354,000	4,519,000	13,959,000					
706-2 Coro St Fisc Reco Fd-Federal									
706-8 Coro St Fisc Reco Fd-Federal Stimulus	97,926,000	72,325,000	14,175,000	11,426,000					
Project Total:	**137,300,000**	**91,665,000**	**18,793,000**	**26,842,000**					
91001690 Food Banks									
057-1 State Bldg Constr-State	12,586,000	11,553,000	905,000	128,000					
91001991 Homeless Youth Facilities									
26V-1 Capital Comm Asst Ac-State	10,576,000	6,277,000	3,880,000	419,000					
91002184 Local Emission Reduction Projects									
26C-1 Climate Commit Accou-State	31,695,000	11,983,000	8,492,000	11,220,000					
26D-1 Natural Clim Solu Ac-State	6,976,000	321,000	3,718,000	2,937,000					
Project Total:	**38,671,000**	**12,304,000**	**12,210,000**	**14,157,000**					

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91002195 2023-25 Rural Rehabilitation Grant Program									
057-1 State Bldg Constr-State	6,000,000	2,046,000	1,109,000	2,845,000					
91002197 Health Care Infrastructure									
057-1 State Bldg Constr-State	38,918,000	12,161,000	12,164,000	14,593,000					
91002447 HB 2131 - Thermal Energy Networks									
26C-1 Climate Commit Accou-State	5,000,000		72,000	4,928,000					
91002449 Multifamily Bldg Efficiency Grants									
26C-1 Climate Commit Accou-State	55,000,000	540,000	11,865,000	42,595,000					
91002471 Harborview									
057-1 State Bldg Constr-State	5,000,000		7,000	4,993,000					
91002637 The Arc Legacy Center									
057-1 State Bldg Constr-State	1,000,000		970,000	30,000					
91002641 Hard-to-Decarbonize Sector & Economic Development Grants									
26C-1 Climate Commit Accou-State	49,800,000	7,463,000	4,800,000	37,537,000					
91002685 Grants for Recovery Residences									
057-1 State Bldg Constr-State	14,773,000		750,000	14,023,000					
91002686 Youth Shelters and Housing									
057-1 State Bldg Constr-State	9,094,000		388,000	8,706,000					
91002939 Revitalized Local and Community Projects									
057-1 State Bldg Constr-State	14,596,000		936,000	13,660,000					
91002964 Seattle District Energy Electrification									
26C-1 Climate Commit Accou-State	4,000,000		28,000	3,972,000					

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91002965 Algae Carbon Sequestration and Regenerative Soils									
26C-1 Climate Commit Accou-State	2,500,000		22,000	2,478,000					
91002979 2026 Mobile and Manufactured Homes Assistance									
355-1 St. Bld Const Acct-State	17,000,000		3,000	16,997,000					
91002988 District Energy Campus Upgrades Committee									
355-1 St. Bld Const Acct-State	650,000			650,000					
355-B St. Bld Const Acct-Debt Limit									
Project Total:	**650,000**			**650,000**					
92000957 2021-23 Community Relief									
057-1 State Bldg Constr-State	14,450,000	12,805,000	612,000	1,033,000					
355-1 St. Bld Const Acct-State	300,000	300,000							
355-B St. Bld Const Acct-Debt Limit									
Project Total:	**14,750,000**	**13,105,000**	**612,000**	**1,033,000**					
92001004 Reimann Roads, Telecomm and Utility Relocation (Pasco)									
057-1 State Bldg Constr-State	7,500,000	2,713,000	3,997,000	790,000					
92001364 Port of Everett									
26C-1 Climate Commit Accou-State	5,000,000	601,000	120,000	4,279,000					
92001367 Public Facility Improvement Fund									
057-1 State Bldg Constr-State	222,000	59,000	95,000	68,000					
818-1 Youth Athletic Facil-State	24,000,000	11,745,000	3,765,000	8,490,000					
Project Total:	**24,222,000**	**11,804,000**	**3,860,000**	**8,558,000**					
92001393 2023-25 Dental Capacity Grants									

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92001393 2023-25 Dental Capacity Grants									
057-1 State Bldg Constr-State	22,532,000	8,648,000	4,494,000	9,390,000					
92001669 Large Scale Solar Innovation Projects									
26C-1 Climate Commit Accou-State	39,000,000	2,893,000	7,382,000	28,725,000					
92001947 Anaerobic Digester Development									
26C-1 Climate Commit Accou-State	23,700,000		215,000	23,485,000					
92001948 Broadband Infrastructure Federal Match Projects									
057-1 State Bldg Constr-State	114,034,000		37,000	113,997,000					
15T-2 Broadband Mapping-Federal FBB-2 Federal Broadband-Federal	1,227,743,000		1,443,000	1,226,300,000					
Project Total:	**1,341,777,000**		**1,480,000**	**1,340,297,000**					
92001952 2025-27 Dental Capacity Grants									
057-1 State Bldg Constr-State	7,483,000		1,848,000	5,635,000					
92001953 Local Infrastructure									
057-1 State Bldg Constr-State	25,593,000		2,797,000	22,796,000					
92001956 Transit Oriented Housing Development									
355-1 St. Bld Const Acct-State	8,271,000			8,271,000					
92001957 Affordable Housing Supply and Preservation									
057-1 State Bldg Constr-State	37,499,000		2,708,000	34,791,000					
355-1 St. Bld Const Acct-State	21,566,000			21,566,000					
Project Total:	**59,065,000**		**2,708,000**	**56,357,000**					
92002197 Medically Tailored Meals Coalition of WA									

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92002197 Medically Tailored Meals Coalition of WA									
057-1 State Bldg Constr-State	6,625,000			6,625,000					
92002217 Open Doors Multicultural Village									
057-1 State Bldg Constr-State	13,800,000			13,800,000					
92002227 New Health Medical Dental Behavioral Workforce									
057-1 State Bldg Constr-State	5,050,000			5,050,000					
92002230 2025-27 School-based Health and Behavioral Health Clinics									
057-1 State Bldg Constr-State	2,604,000			2,604,000					
92002299 Tribal Clean Energy and Climate Resilience									
057-1 State Bldg Constr-State	8,209,000			8,209,000					
26C-1 Climate Commit Accou-State	26,282,000			26,282,000					
26D-1 Natural Clim Solu Ac-State	4,100,000			4,100,000					
Project Total:	**38,591,000**			**38,591,000**					
92002328 Regional Needs									
057-1 State Bldg Constr-State	46,210,000			46,210,000					
26C-1 Climate Commit Accou-State	8,723,000			8,723,000					
26D-1 Natural Clim Solu Ac-State	773,000			773,000					
Project Total:	**55,706,000**			**55,706,000**					
92002336 Washington Builds									
26C-1 Climate Commit Accou-State	25,000,000		23,000	24,977,000					
92002383 Montlake Homes									
355-1 St. Bld Const Acct-State	6,050,000			6,050,000					

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92002383 Montlake Homes									
355-B St. Bld Const Acct-Debt Limit									
Project Total:	**6,050,000**			**6,050,000**					
92002468 2027 Revitalized Local and Community Projects									
057-1 State Bldg Constr-State	33,831,000		2,573,000	31,258,000					
355-1 St. Bld Const Acct-State	11,215,000			11,215,000					
Project Total:	**45,046,000**		**2,573,000**	**42,473,000**					
92002496 Local and Water Infrastructure									
057-1 State Bldg Constr-State	8,812,000		353,000	8,459,000					
26D-1 Natural Clim Solu Ac-State	7,168,000		4,000	7,164,000					
26V-1 Capital Comm Asst Ac-State	125,000		9,000	116,000					
Project Total:	**16,105,000**		**366,000**	**15,739,000**					
92002497 Disaster and Flood Response									
057-1 State Bldg Constr-State	1,000,000			1,000,000					
26D-1 Natural Clim Solu Ac-State	25,157,000		1,000	25,156,000					
Project Total:	**26,157,000**		**1,000**	**26,156,000**					
92002513 Soil Remediation									
23N-1 MTC Capital Account-State	4,000,000		14,000	3,986,000					
Total	**20,053,522,000**	**2,749,767,000**	**1,126,918,000**	**5,464,251,000**	**2,077,786,000**	**2,159,200,000**	**2,159,200,000**	**2,159,200,000**	**2,157,200,000**

Total Account Summary

OFM

103 - Department of Commerce
Ten Year Capital Plan by Project Number
2027-29 Biennium

*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS001
Date Run: 9/30/2026 12:17PM

Total Account Summary

Account-Expenditure Authority Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2027-29	New Approp 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35	Estimated 2035-37
001-2 General Fund-Federal	213,315,000	8,498,000	9,153,000	195,664,000					
001-7 General Fund-Private/Local	25,000,000	2,337,000	18,794,000	3,869,000					
057-1 State Bldg Constr-State	7,616,098,000	1,154,195,000	442,707,000	1,491,868,000	864,728,000	916,150,000	916,150,000	916,150,000	914,150,000
058-1 Public Works Assist-State	3,251,275,000	296,486,000	1,994,000	448,295,000	500,900,000	500,900,000	500,900,000	500,900,000	500,900,000
15T-2 Broadband Mapping-Federal	1,227,743,000		1,443,000	1,226,300,000					
22C-1 Early Lrng Fac Rev-State	12,720,000	6,720,000	45,000	5,955,000					
22D-1 Early Lrng Fac Devel-State	698,729,000	27,038,000	29,346,000	131,837,000	78,108,000	108,100,000	108,100,000	108,100,000	108,100,000
22M-1 Energy Efficncy Acct-State	5,500,000	3,394,000	924,000	1,182,000					
23J-1 SW Broadband Account-State	35,550,000	8,974,000	2,511,000	24,065,000					
23N-1 MTC Capital Account-State	33,122,000	4,329,000	1,134,000	27,659,000					
23R-1 MTC Stormw Account-State	5,122,000	1,775,000	906,000	2,441,000					
26C-1 Climate Commit Accou-State	1,273,637,000	198,152,000	190,458,000	635,027,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
26D-1 Natural Clim Solu Ac-State	56,574,000	321,000	3,947,000	52,306,000					
26E-1 AirQualHeaDispImpAcc-State	8,300,000		1,103,000	7,197,000					
26U-1 Apple Hlth Homes Acc-State	60,000,000	19,181,000	9,435,000	31,384,000					
26V-1 Capital Comm Asst Ac-State	410,731,000	314,005,000	35,187,000	61,539,000					
27A-1 Ener Eff Rev Ln Cap-State	1,869,000			1,869,000					
28S-1 StadWorldCupCapAcct-State									
355-1 St. Bld Const Acct-State	4,514,509,000	434,827,000	329,149,000	955,283,000	559,050,000	559,050,000	559,050,000	559,050,000	559,050,000
355-B St. Bld Const Acct-Debt Limit									
373-2 Corona Cap Proj Acct-Federal									
373-8 Corona Cap Proj Acct-Federal Stimulus	71,000,000	35,829,000	19,733,000	15,438,000					

OFM

103 - Department of Commerce
Ten Year Capital Plan by Project Number
2027-29 Biennium
*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS001
Date Run: 9/30/2026 12:17PM

Total Account Summary

Account-Expenditure Authority Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2027-29	New Approp 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35	Estimated 2035-37
532-1 Wa Housing Trst Fd-State	64,599,000	52,595,000	3,471,000	8,533,000					
706-2 Coro St Fisc Reco Fd-Federal	79,607,000	68,258,000	6,172,000	5,177,000					
706-8 Coro St Fisc Reco Fd-Federal Stimulus	129,522,000	101,108,000	15,541,000	12,873,000					
818-1 Youth Athletic Facil-State	24,000,000	11,745,000	3,765,000	8,490,000					
887-1 Pub Facil Const Ln-State	235,000,000			110,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
FBB-2 Federal Broadband-Federal									
Total	**20,053,522,000**	**2,749,767,000**	**1,126,918,000**	**5,464,251,000**	**2,077,786,000**	**2,159,200,000**	**2,159,200,000**	**2,159,200,000**	**2,157,200,000**

OFM

Ten Year Capital Plan by Project Number

2027-29 Biennium

*

Report Number: CBS001
Date Run: 9/30/2026 12:17PM

Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Functional Area	*	All Functional Areas
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Include Enacted	No	No
Sort Order	Project Number	Project Number
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

Department of Commerce

Review Documentation from DAHP
2027- 2029 Biennium

Per Executive Order 05-05, agencies must consult with Department of Archaeology and Historic Preservation (DAHP) and the Governor's Office of Indian Affairs (GOIA) on all capital construction projects and land acquisitions for the purpose of a capital construction project.

Department of Commerce capital programs contain multiple subprojects; therefore, the DAHP requirements are contained in the application or contract process. Program specific procedures for obtaining EO 05-05 compliance are listed below. The agency is in compliance with DAHP and GOIA EO 05-05 requirements.

Community Economic Revitalization Board (CERB)

Community Economic Revitalization Grant/Loan Program
CERB Competitive Economic Development Grant Program
CERB Competitive Community Revitalization Grant Program
CERB Direct Appropriations

- Community Economic Revitalization Board (CERB) requires EO 05-05 be met as a special condition to the initial offer of financial assistance for construction projects. The recipient is given six months to meet the EO 05-05 terms or the funding offer is withdrawn. Documented evidence is retained in the project files.

Public Works Board (PWB)

Public Works Assistance Account Program (Construction Loans)

- Pre-Construction Loan
- Emergency Loan
- Direct Appropriations – Main Street Grant
- Water System Acquisitions and Rehabilitation (WSARP) Grant

Housing Assistance and Affordable Housing

Housing Trust Fund

- Housing Assistance, Affordable Housing, and Housing Trust Fund program application and contract conditions require EO 05-05 compliance for construction projects. Documented evidence is retained in the application/contract files.

Community Capital Facilities

Building Communities Fund
Building for the Arts
Individual Capital Provisos
Local and Community Projects
Library Capital Improvement Program Grants
Youth Recreational Facilities
Energy Efficiency and Solar Grant Projects

- Applicant projects are pre-screened using DAHP provided criteria. For example, if the project is for acquisition-only or has gone through a federal Section 106 National Historic Preservation Act review, per DAHP agreement, the department exempts the project from EO 05-05 procedures. However, for projects not meeting the DAHP criteria (for example, the project disturbs dirt ground and/or impacts a building older than 50 years), the department requires the grantee obtain DAHP evaluation approval according to EO 05-05 prior to contract execution. For projects involving modifications to a building older than 50 years, DAHP may recommend criteria pertaining to the proposed rehabilitation. Documented evidence is retained in the application/contract files.

Energy Division

State Energy Program

- The State Energy Program requires EO 05-05 compliance for all projects. The State Energy Office has a signed Programmatic Agreement with DAHP and the Department of Energy that covers some of the projects. Documented evidence is retained in the application/contract files for all projects that are not covered by the Programmatic Agreement.

Weatherization

Low-Income Energy Assistance Program – Weatherization (LIHEAP-WX)
Energy MatchMakers Program (MM)
Bonneville Power Administration (BPA) – Weatherization Program
Department of Energy (DOE) Weatherization Program

- Weatherization program requirements have federal requirements to satisfy EO 05-05 for weatherizing homes 45 years and older that could be historically significant. The policy states:

  "The application for federal funds necessitates an environment review for Historic and Cultural Resources. This applies to all weatherization programs including DOE, Health and Human Services (HHS), BPA, and the MM Program."

  Local agency compliance is monitored. Failure to work with DAHP before work proceeds on homes 45 years and older results in disallowed costs.

Rural Washington Loan Fund

Rural Washington Loan Program

- Rural Washington Loan Fund contract conditions require EO 05-05 compliance for construction projects. Documented evidence is retained in the contract files. This program normally does not fund ground breaking projects.

OFM

103 - Department of Commerce
Capital FTE Summary
2027-29 Biennium

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS004
Date Run: 9/13/2026 9:49AM

FTEs by Job Classification

	Authorized Budget 2025-27 Biennium		2027-29 Biennium	
Job Class	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**
AA3, AA4			5.1	5.1
BA4			2.7	2.7
COM3, COM4			0.6	0.6
CS1, CS2, CS3, CS4			84.2	84.2
CS5			54.3	54.3
EMS2, EMS3, EMS4			2.9	2.9
IT			0.2	0.2
MA3. MA4, MA5			8.2	8.2
PS3			0.5	0.5
WMS2			11.5	11.5
WMS3			2.7	2.7
Total FTEs			**172.9**	**172.9**

Account

	Authorized Budget 2025-27 Biennium		2027-29 Biennium	
Account - Expenditure Authority Type	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**
001-1 General Fund-State			3,077,279	3,077,279
057-1 State Bldg Constr-State			12,088,425	12,088,425
15T-1 Broadband Mapping-State			688,065	688,065
22D-1 Early Lrng Fac Devel-State			733,725	733,725
23J-1 SW Broadband Account-State			468,480	468,480
23N-1 MTC Capital Account-State			66,978	66,978
23R-1 MTC Stormw Account-State			19,347	19,347
26C-1 Climate Commit Accou-State			10,862,857	10,862,857
26E-1 AirQualHeaDispImpAcc-State			612,059	612,059
26U-1 Apple Hlth Homes Acc-State			1,195,455	1,195,455
26V-1 Capital Comm Asst Ac-State			937,734	937,734
355-1 St. Bld Const Acct-State			4,346,872	4,346,872
Total Funding			**35,097,276**	**35,097,276**

Narrative

Commerce can provide more detail upon request.

OFM

Capital FTE Summary

2027-29 Biennium

*

Report Number: CBS004
Date Run: 9/13/2026 9:49AM

Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget

Department of Commerce
Maintenance Backlog Reduction Plan

The Department of Commerce does not currently have a maintenance backlog reduction plan as defined in Chapter 1 of the 2027-29 Capital Budget Instructions.

The department does not manage maintenance or repair project backlogs.

Department of Commerce
HEAL Documentation

The Department of Commerce has several 2027-29 capital budget requests that meet the HEAL Act requirements for inclusion and completion of additional questions. This additional information is included in this section and as attachments for the following budget requests in the Capital Budget System (CBS):

- Clean Buildings Compliance Assistance Program
- Clean Energy Fund
- Community Participatory Budgeting
- Electric Vehicle Charging Program
- Home Rehabilitation Grant Program
- Solar and Energy Storage
- State Electric Appliance and Building Efficiency Program
- Weatherization Funding

To help OFM understand how HEAL Act agency budget requests meet HEAL Act requirements, covered agencies are required to complete additional questions related to the HEAL Act. These questions are shown below and are in addition to the equity-related questions required by all agencies. Covered agencies are asked to complete the following questions and submit them through ABS.

HEAL Act Questions

If you answer YES to any of the first three questions, please answer the six additional questions and submit them as an attachment through ABS.

1. Is this decision package part of an agency request legislation that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

No

2. Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

No

3. Is this decision package requesting funding for a program/project/activity that may provide environmental benefits or reduce, mitigate, or eliminate environmental harms, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely aimed at providing environmental benefits but may have an indirect or unintentional impact.

Yes

If you answer YES to any of the above questions, please complete the six additional questions below.

1. Please describe assumed environmental benefits or mitigation of environmental harm as defined in RCW 70A.02.010 related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Clean buildings compliance grants and energy efficiency retrofit grants help improve the energy efficiency of buildings that are required to comply with the clean building performance standard. Recipients of these grant funds use them to identify and install cost-effective, energy-efficient upgrades that reduce energy burden and air pollution.

2. Does this decision package meet a community need formally identified to a covered agency by an overburdened community or vulnerable population that is consistent with the intent of Chapter 70A.02 RCW? If yes, please explain.

These grants, for tier 2 building owner projects, can help improve energy affordability in the long term for multifamily residents.

3. Does this decision package help the agency achieve environmental justice goals established with the strategic planning requirements in RCW 70A.02.040? If yes, please explain.

Yes, this proposal funds services that lead to clean and more efficient technologies in multifamily homes and commercial buildings, a change that reduces air pollution and can help alleviate energy burden for multifamily residents.

4. Does this decision package include funding to help the agency meet engagement standards established by the Community Engagement Plan required by agencies to implement under the RCW 70A.02.050? If yes, please explain

no

5. Please describe any potential significant impacts to federally recognized Tribal rights and interest in their Tribal lands, as well as traditional practices. Describe how your agency engaged with Tribes in developing this proposal. Please include offers for Tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

n/a

6. If the decision package is associated with agency request legislation or constitutes a significant agency action under RCW 70A.02.010(12), please describe how your agency is using the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If an environment justice assessment has already been submitted, please provide a link or submit the assessment as an attachment in ABS in lieu of answering this question.

n/a

To help OFM understand how HEAL Act agency budget requests meet HEAL Act requirements, covered agencies are required to complete additional questions related to the HEAL Act. These questions are shown below and are in addition to the equity-related questions required by all agencies. Covered agencies are asked to complete the following questions and submit them through ABS.

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No

2. Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

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3. Is this decision package requesting funding for a program/project/activity that may provide environmental benefits or reduce, mitigate, or eliminate environmental harms, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely aimed at providing environmental benefits but may have an indirect or unintentional impact.

Yes

If you answer YES to any of the above questions, please complete the six additional questions below.

1. Please describe assumed environmental benefits or mitigation of environmental harm as defined in RCW 70A.02.010 related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

This decision package reduces greenhouse gas emissions, improves air quality, preserves ecosystems, reduces habitat destruction and conserves water resources.

This decision package may result in fewer respiratory and cardiovascular issues, decreased climate-driven illnesses (spread of infection diseases), and reduced asthma-related illnesses.

2. Does this decision package meet a community need formally identified to a covered agency by an overburdened community or vulnerable population that is consistent with the intent of Chapter 70A.02 RCW? If yes, please explain.

Commerce has conducted community engagement sessions and worked closely with tribes throughout the region to tailor Clean Energy Fund opportunities to the needs of overburdened communities, vulnerable populations and tribal communities.

The Tribal Clean Energy Fund, for which this DP requests an additional $15 million, has been an example of collaboration to uphold self-determination by tribes and tribal communities. All projects drawing on this funding are led by or partner with federally recognized tribal governments. Commerce has intentionally left this funding as flexible as possible within the bounds of the budget proviso language, to maximize tribes' ability to meet their community needs.

Other dedicated engagement efforts for the past two biennia have included:

- 25-27 Biennial Consolidated RFA Listening Session
- 23-25 Biennial Consolidated RFA Listening Session
- 23-25 Written Request for Information
- Regular attendance at Affiliated Tribes of Northwest Indians (ATNI) conferences, by the Energy Division's Tribal Energy Specialist and members of the Energy Programs In Communities team
- Commerce Tribal Advisory Committee (COMTAC) listening sessions
- Dear Tribal Leader Letters

The following are common themes expressed to Commerce by individuals claiming affiliation with overburdened communities (we typically do not collect demographic information during community engagement sessions, as this can discourage participation by marginalized communities):

- Renewable energy, particularly solar and energy storage, can offer significant resilience benefits to vulnerable populations in the event of a power outage
- The following measures make it easier for smaller, less well-resourced organizations to apply for funding (organizations led by and for members of overburdened communities are often marginalized in traditional funding models, and governments representing rural overburdened communities may have smaller tax bases):
    - Simplifying the application process
    - Consolidating funding opportunities, so applicants can submit one funding application and be matched with the right funding.
    - Offering technical assistance for early-stage projects
- Reduced match requirements for projects benefiting overburdened communities

Commerce made significant strides on all these measures in the 2023-25 and 2025-27 Consolidated RFAs, and we hope to build on this progress using the funding requested under this decision package.

3. Does this decision package help the agency achieve environmental justice goals established with the strategic planning requirements in RCW 70A.02.040? If yes, please explain.

Equity and environmental justice are fundamental to Commerce's strategic plan. By providing funding to vulnerable populations, overburdened communities, and tribes for clean energy

technologies, Commerce is creating opportunities for community-led (Strategic Direction 1) responses to environmental harms caused by climate change.

4. Does this decision package include funding to help the agency meet engagement standards established by the Community Engagement Plan required by agencies to implement under the RCW 70A.02.050? If yes, please explain

Through the 3% dedicated for staffing the Clean Energy Fund, staff will continue to engage overburdened communities, vulnerable populations and tribes to reduce barriers and ensure grants are more accessible to tribes, first-time applicants and applicants with high administrative burdens. Staff will do this through hosting pre-conference Request for Applications community engagement events using the principles outlined in Commerce's Environmental Justice Community Engagement Plan.

5. Please describe any potential significant impacts to federally recognized Tribal rights and interest in their Tribal lands, as well as traditional practices. Describe how your agency engaged with Tribes in developing this proposal. Please include offers for Tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

Tribes have been engaged in developing the program through pre-conference Request for Applications (RFA) meetings where staff have solicited input each time funding has been available. Feedback has been evaluated and used to inform the final RFA. As shared in the primary decision package document, this ongoing engagement has resulted in significant changes to how the Energy Division solicits funding opportunities for clean energy projects.

Since the Clean Energy Fund produces capital projects, it inherently could impact Tribal rights and interest in their Tribal lands, as well as traditional practices. Commerce has established procedures for tribal engagement with capital projects to ensure grantees are complying with Executive Order 21-02 and Commerce conducts the appropriate level of tribal consultation.

The Energy Division also has a Tribal Energy Specialist that regularly engages with tribes at conferences, in-person meetings, as well as through committee meetings. Often these result in follow-up conversations between program staff and tribes to address programmatic questions or concerns.

6. If the decision package is associated with agency request legislation or constitutes a significant agency action under RCW 70A.02.010(12), please describe how your agency is using the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If an environment justice assessment has already been submitted, please provide a link or submit the assessment as an attachment in ABS in lieu of answering this question.

N/A

To help OFM understand how HEAL Act agency budget requests meet HEAL Act requirements, covered agencies are required to complete additional questions related to the HEAL Act. These questions are shown below and are in addition to the equity-related questions required by all agencies. Covered agencies are asked to complete the following questions and submit them through ABS.

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NO

2. Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

NO

3. Is this decision package requesting funding for a program/project/activity that may provide environmental benefits or reduce, mitigate, or eliminate environmental harms, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely aimed at providing environmental benefits but may have an indirect or unintentional impact.

YES

If you answer YES to any of the above questions, please complete the six additional questions below.

1. Please describe assumed environmental benefits or mitigation of environmental harm as defined in RCW 70A.02.010 related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Community Participatory Budgeting (CPB) is a community-driven process to select either decarbonization or resilience projects, or both, that benefit overburdened communities. There are two distinct components to this budget request.

- 10% set-aside funds for Tribes to support existing projects that promote decarbonization, resilience, or both. These funds promote the ongoing process of anticipating for, preparing for, and adapting to changes in climate and minimizing negative impacts to natural systems, infrastructure, and communities. Benefits can include having access to local clean energy through solar on homes, schools, community buildings which reduces greenhouse gas emissions. Funds also assist with mitigating the impact of climate change on Tribes including constructing safer, more resilient infrastructure.
- Engage with the Tri-Cities communities (Pasco, Kennewick and Richland) to conduct a participatory, community-driven process to identify capital projects that promote

decarbonization, resilience, or both and mitigate the disproportionate impacts of climate change on overburdened communities. While capital projects are unknown at this time, we can assume the environmental benefits to include a reduction in greenhouse gases while improving community well-being and access to safer, more resilient infrastructure. Most importantly, CPB shifts decision making to communities and recognizes their history and lived experience including their exposure to hazardous waste and redlining.

2. Does this decision package meet a community need formally identified to a covered agency by an overburdened community or vulnerable population that is consistent with the intent of Chapter 70A.02 RCW? If yes, please explain.
Community Participatory Budgeting (CPB) was championed by the Environmental Justice Council and was included in their budget recommendations for the 23-25 Biennium. The Legislature approved a budget proviso to fund participatory budgeting and originally directed the Washington State Department of Health (DOH) to administer it. Funds were reappropriated to Commerce in the 25-27 Biennium - see Sec. 1029 of the '25-'27 Capital Budget.

The original budget proviso called for DOH to identify at least five geographically diverse communities wherein to conduct a participatory budgeting process. DOH created a community advisory committee to accomplish this. The advisory committee identified the following communities:

- Yakima, Benton, and Franklin counties
- City of Tacoma
- City of Spokane East Central and Hillyard neighborhoods and agricultural areas in Spokane County
- City of Seattle communities adjacent to Boeing (South Park and Georgetown)

DOH conducted Tribal collaboration and consultation following the DOH procedure. DOH held tribal listening sessions, roundtable discussions, and consultation. It agreed to a 10% set aside of funding available for projects to be equally distributed to Tribes in a non-competitive process.

Commerce built upon the work done by DOH in its implementation of community participatory budgeting in the 25-27 Biennium. Specifically,

- A Tribal Set-Aside fund of $533,500 was distributed equally to interested tribes to supplement funds currently being received through the Tribal Climate Resilience program for decarbonization and/or resiliency projects. Twenty tribes indicated interest and received funding.

- The cities of Spokane and Tacoma and Nuestra Casa in the lower Yakima Valley each received funding to implement participatory budgeting and are in contract.

3. Does this decision package help the agency achieve environmental justice goals established with the strategic planning requirements in RCW 70A.02.040? If yes, please explain.
Community participatory budgeting aligns with the Department of Commerce's strategic direction to **create community-led and equitable impacts**. CPB allows community members to engage in a participatory, community-driven process for identifying projects through the following steps:

- Design the Process: Convene a steering committee composed of representatives from the community. The steering committee identifies goals, values, and scope of the project; develops an outreach and engagement plan to engage the broader community; and oversees the voting process.
- Brainstorm Ideas: Community members have an opportunity to generate ideas for projects that promote decarbonization, community resilience, or both.
- Develop Proposals: A subset of the steering committee and other interested community members review the ideas generated in the previous step to determine which are aligned with the stated goals and are achievable with the funding available.
- Plan the Vote and Vote: Community members vote on their top choices.
- Fund Winning Projects and Evaluate the Process: The selected project receives capital funds.

CPB helps support Commerce's strategic direction to strengthen partnership and public trust by continuing strong partnerships with tribes, local governments, community-based organizations, and philanthropic partners. CPB is built on trust, transparency, and deep engagement, and represents one of the leading edges of true community partnership for our agency.

The participatory budgeting model itself, a structured, data-informed, community-driven framework with clear procedural steps and evaluation metrics, supports Commerce's strategic direction to scale innovative, data-driven solutions.

CPB is an opportunity to strengthen Commerce's strategic direction to promote growth by demonstrating how state and local governments can partner with communities to identify projects that will receive public funding. The CPB process can surface best practices in shared decision-making.

Finally, CPB supports Commerce's strategic direction to improve organizational health by implementing equitable, community-centered program design and shares learnings with other units and divisions - building institutional capacity for meaningful equity and community engagement work.

4. Does this decision package include funding to help the agency meet engagement standards established by the Community Engagement Plan required by agencies to implement under the RCW 70A.02.050? If yes, please explain

Yes. the recipients of funds to implement participatory budgeting are expected to:

- Engage community members in the selected neighborhood in participatory budgeting using the process developed by the Participatory Budgeting Project (described in Question #3) and/or other deliberative democracy models such as community assemblies and citizens' assemblies.
- Conduct extensive outreach using a variety of methods to reach different segments of the community including youth, the elderly, communities of color, and other communities impacted by environmental harms.
- Facilitate difficult conversations with a diverse group of people that include community residents, youth, community leaders, community-based organizations, etc.

- Provide a budget the includes community compensation, local travel, costs related to community meetings, and interpretation and translation.

5. Please describe any potential significant impacts to federally recognized Tribal rights and interest in their Tribal lands, as well as traditional practices. Describe how your agency engaged with Tribes in developing this proposal. Please include offers for Tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

When the legislature initially approved a budget proviso to fund participatory budgeting in the 23-25 Biennium, it directed the Washington State Department of Health (DOH) to administer it. DOH conducted Tribal collaboration and consultation following the DOH procedure. DOH held tribal listening sessions, roundtable discussions, and consultation. As a result, DOH committed to a variety of changes in its grant process to make participation more accessible, flexible, and respectful for tribes. DOH agreed to a 10% set aside of funding available for projects to be equally distributed to Tribes in a non-competitive process.

Commerce built upon the work of DOH when the funds were reappropriated to the agency in the 2025-27 Biennium. Commerce held a Tribal Briefing in October 2025 and February 2026 to solicit input from Tribes about the funding. Through this engagement, a Tribal set-aside of 10% was distributed equally to interested tribes to supplement funds currently being received through the Tribal Climate Resilience program for decarbonization and/or resiliency projects. Twenty tribes indicated interest and received funding. Commerce plans to engage with tribes in the same way for the 27-29 Biennium and to set-aside 10% to be equally distributed to interested tribes.

6. If the decision package is associated with agency request legislation or constitutes a significant agency action under RCW 70A.02.010(12), please describe how your agency is using the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If an environment justice assessment has already been submitted, please provide a link or submit the assessment as an attachment in ABS in lieu of answering this question.
Community Participatory Budgeting engages with communities directly impacted by environmental harms to identify and select projects that promote decarbonization, resilience, or both. Community members themselves assess which projects will most benefit their communities. Commerce is requesting to expand CPB into the Tri-Cities. As mentioned above, Commerce is currently implementing CPB in the Cities of Spokane and Tacoma as well as in the lower Yakima Valley. An initial environmental justice assessment was started and is ongoing. It can be found here: SIGNED DRAFT CPB EJA.pdf | Powered by Box. The assessment will be updated once the current sites have selected their projects. DOH also did an assessment when CPB was housed there. Their assessment is here: Environmental Justice and Climate Change Grants | Washington State Department of Health.

To help OFM understand how HEAL Act agency budget requests meet HEAL Act requirements, covered agencies are required to complete additional questions related to the HEAL Act. These questions are shown below and are in addition to the equity-related questions required by all agencies. Covered agencies are asked to complete the following questions and submit them through ABS.

HEAL Act Questions

If you answer YES to any of the first three questions, please answer the six additional questions and submit them as an attachment through ABS.

1. Is this decision package part of an agency request legislation that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

No.

2. Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

No.

3. Is this decision package requesting funding for a program/project/activity that may provide environmental benefits or reduce, mitigate, or eliminate environmental harms, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely aimed at providing environmental benefits but may have an indirect or unintentional impact.

Yes.

If you answer YES to any of the above questions, please complete the six additional questions below.

1. Please describe assumed environmental benefits or mitigation of environmental harm as defined in RCW 70A.02.010 related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Emission reductions: According to the University of Washington Climate Impacts Group, the effects of climate change disproportionately impact frontline communities – including Black, Indigenous, and People of Color, immigrants, refugees, low-income communities, children, and elders, among many.[1] These communities are hit hardest by heat, fires, and flooding, despite having often contributed the least to the causes. Rapidly reducing

[1] Climate Inequality | Climate Impacts Group

Washington's light-duty vehicle transportation emissions through widespread EV adoption is critical to mitigating harm.

Air quality improvements: While EV drivers are still concentrated in wealthier areas, researchers from UCLA found that EVs improve air quality in all communities[2], including overburdened communities adjacent to highways. Researchers at the Keck School of Medicine at USC[3] found that for every 200 EVs registered, there is a 1.1% reduction in neighborhood-level nitrogen dioxide (NO_2). According to the Washington Department of Health, NO_2 is a respiratory irritant associated with asthma and increased hospital visits for respiratory conditions. Researchers have found that high NO_2 concentrations disproportionately affect non-white populations and are an environmental injustice further amplified in low-income youth and elders.[4]

2. Does this decision package meet a community need formally identified to a covered agency by an overburdened community or vulnerable population that is consistent with the intent of Chapter 70A.02 RCW? If yes, please explain.

The decision package continues to fund EV charging, though at levels below identified targets in the Transportation Electrification Strategy (TES). The TES involved extensive community engagement that identified EV charging as a need of many underserved communities.

3. Does this decision package help the agency achieve environmental justice goals established with the strategic planning requirements in RCW 70A.02.040? If yes, please explain.

Yes. The decision package would help the department meet equitable funding goals as required in the HEAL Act. As noted in the DP narrative, WAEVCP has surpassed those investment floors to date.

4. Does this decision package include funding to help the agency meet engagement standards established by the Community Engagement Plan required by agencies to implement under the RCW 70A.02.050? If yes, please explain

No. The 3% administration cap in the capital budget limits the engagement and technical assistance activities that can be provided. The department has historically used other funding sources to ensure the program is based on community engagement, but those sources will likely not be available this use in the future due to OFM requested reductions.

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[2] Electric vehicles improve air quality for everyone
[3] Adoption of electric vehicles tied to real-world reductions in air pollution, study finds
[4] National Patterns in Environmental Injustice and Inequality: Outdoor NO2 Air Pollution in the United States | PLOS One

5. Please describe any potential significant impacts to federally recognized Tribal rights and interest in their Tribal lands, as well as traditional practices. Describe how your agency engaged with Tribes in developing this proposal. Please include offers for Tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

The department has consistently consulted tribes throughout implementing the program and will continue to do so as future opportunities are developed. There are two key aspects of the program that affect tribes specifically:

1. Tribal consultation on ground disturbance activities. The department implements Executive Order 21-02 on all construction activities. There are no expected changes to standard practice in consulting tribes prior to any ground disturbance on program projects.
2. Lower demand for existing fuel businesses. The department is mindful of the importance of gasoline and diesel fuel sales for economic activity for tribal enterprises. This is why the department has prioritized tribal applications in competitive funding opportunities. Tribes should have the opportunity to lead the transition to EV charging, so that revenue can be substituted or increased due to EV adoption.

6. If the decision package is associated with agency request legislation or constitutes a significant agency action under RCW 70A.02.010(12), please describe how your agency is using the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If an environment justice assessment has already been submitted, please provide a link or submit the assessment as an attachment in ABS in lieu of answering this question.

Not applicable.

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No

2. Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

No

3. Is this decision package requesting funding for a program/project/activity that may provide environmental benefits or reduce, mitigate, or eliminate environmental harms, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely aimed at providing environmental benefits but may have an indirect or unintentional impact.

Yes

If you answer YES to any of the above questions, please complete the six additional questions below.

1. Please describe assumed environmental benefits or mitigation of environmental harm as defined in RCW 70A.02.010 related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Many rural, low-income homeowners live in aging or deteriorating homes that pose serious health, safety, and durability risks such as failing roofs, electrical hazards, inadequate ventilation, and accessibility barriers. These conditions increase household vulnerability, drive up energy and maintenance costs, and make it difficult for residents to safely remain in their homes.

The Home Rehabilitation Grant Program (HRGP) directly addresses these challenges by funding essential repairs that make homes safe, functional, and

resilient to climate impacts like wildfire smoke, excessive heat, and other sources of outdoor air pollution. The program also positions homes for future energy-efficiency upgrades, reducing long-term costs for households and improving overall housing stability.

2. Does this decision package meet a community need formally identified to a covered agency by an overburdened community or vulnerable population that is consistent with the intent of Chapter 70A.02 RCW? If yes, please explain.

No

3. Does this decision package help the agency achieve environmental justice goals established with the strategic planning requirements in RCW 70A.02.040? If yes, please explain.

Yes, this decision package funds services that improve resilience and decrease health disparities among low-income, rural communities related to climate impacts such as extreme heat and air pollution.

4. Does this decision package include funding to help the agency meet engagement standards established by the Community Engagement Plan required by agencies to implement under the RCW 70A.02.050? If yes, please explain

No.

5. Please describe any potential significant impacts to federally recognized Tribal rights and interest in their Tribal lands, as well as traditional practices. Describe how your agency engaged with Tribes in developing this proposal. Please include offers for Tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

Tribes are eligible to apply for funding from the HRGP program for home repairs in their lands. Commerce completed an Environmental Justice Assessment for the program when it was originally authorized in 2023 and tribes were engaged to provide input and feedback. There were no significant changes made to the program resulting from suggestions from tribes. They were supportive of how funding is administered.

6. If the decision package is associated with agency request legislation or constitutes a significant agency action under RCW 70A.02.010(12), please describe how your agency is using the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If an environment justice assessment has already been submitted, please provide a link or submit the assessment as an attachment in ABS in lieu of answering this question.

N/A

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1. Is this decision package part of an agency request legislation that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

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2. Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

No

3. Is this decision package requesting funding for a program/project/activity that may provide environmental benefits or reduce, mitigate, or eliminate environmental harms, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely aimed at providing environmental benefits but may have an indirect or unintentional impact.

Yes

If you answer YES to any of the above questions, please complete the six additional questions below.

1. Please describe assumed environmental benefits or mitigation of environmental harm as defined in RCW 70A.02.010 related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Solar and energy storage projects contribute to broad decarbonization efforts and reduce greenhouse gas emissions, improve air quality, preserve ecosystems, reduce habitat destruction, and promote conservation of water resources.

Associated health impacts include fewer respiratory and cardiovascular issues, decreased climate-driven illnesses (spread of infection diseases), and reduced asthma-related illnesses.

2. Does this decision package meet a community need formally identified to a covered agency by an overburdened community or vulnerable population that is consistent with the intent of Chapter 70A.02 RCW? If yes, please explain.

Commerce has conducted community engagement sessions and worked closely with tribes throughout the region to tailor Solar and Energy Storage funding opportunities to the needs of overburdened communities, vulnerable populations, and tribal communities.

This decision package requests funding to advance direct appropriation projects that are receiving technical assistance through 2023-2025 grants. Commerce put a strong emphasis on the technical assistance services application process through community and tribal engagement. By funding these projects through completion, and by funding additional technical assistance services, this decision package would ensure ongoing support for these communities' priorities and incentivize projects with strong overburdened community/vulnerable population leadership.

Other dedicated engagement efforts for the past two biennia have included:

- 25-27 Biennial Consolidated RFA Listening Session
- 23-25 Biennial Consolidated RFA Listening Session
- 23-25 Written Request for Information
- Regular attendance at Affiliated Tribes of Northwest Indians (ATNI) conferences, by the Energy Division's Tribal Energy Specialist and members of the Energy Programs In Communities team
- Commerce Tribal Advisory Committee (COMTAC) listening sessions
- Dear Tribal Leader Letters

The following are common themes expressed to Commerce by individuals claiming affiliation with overburdened communities (we typically do not collect demographic information during community engagement sessions, as this can discourage participation by marginalized communities):

- Renewable energy, particularly solar and energy storage, can offer significant resilience benefits to vulnerable populations in the event of a power outage.
- The following measures make it easier for smaller, less well-resourced organizations to apply for funding (organizations led by and for members of overburdened communities are often marginalized in traditional funding models, and governments representing rural overburdened communities may have smaller tax bases):
    - Simplifying the application process.
    - Consolidating funding opportunities, so applicants can submit one funding application and be matched with the right funding.
    - Offering technical assistance for early-stage projects.
- Reduced match requirements for projects benefiting overburdened communities.

Commerce made significant strides on all these measures in the 2023-25 and 2025-27 Consolidated RFAs, and we hope to build on this progress using the funding requested under this decision package.

3. Does this decision package help the agency achieve environmental justice goals established with the strategic planning requirements in RCW 70A.02.040? If yes, please explain.

Equity and environmental justice are fundamental to Commerce's strategic plan. By providing funding to vulnerable populations, overburdened communities, and tribes for clean energy technologies, Commerce is creating opportunities for community-led (Strategic Direction 1) responses to environmental harms caused by climate change.

4. Does this decision package include funding to help the agency meet engagement standards established by the Community Engagement Plan required by agencies to implement under the RCW 70A.02.050? If yes, please explain

Through the 3% dedicated for staffing the Solar and Energy Storage Program, staff will continue to engage overburdened communities, vulnerable populations and Tribes to reduce barriers and ensure grants are more accessible to tribes, first-time applicants and applicants with high administrative burdens. Staff will do this by hosting pre-conference Request for Applications community engagement events using the principles outlined in Commerce's Environmental Justice Community Engagement Plan.

5. Please describe any potential significant impacts to federally recognized Tribal rights and interest in their Tribal lands, as well as traditional practices. Describe how your agency engaged with Tribes in developing this proposal. Please include offers for Tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

Tribes have been engaged in developing the program through pre-conference Request for Applications (RFA) meetings where staff have solicited input each time funding has been available. Feedback has been evaluated and used to inform the final RFA. As shared in the primary decision package document, this ongoing engagement has resulted in significant changes to how the Energy Division solicits funding opportunities for clean energy projects.

Since the Solar and Energy Storage Program produces capital projects, it inherently could impact Tribal rights and interest in their Tribal lands, as well as traditional practices. Commerce has established procedures for tribal engagement with capital projects to ensure grantees are complying with Executive Order 21-02 and Commerce conducts the appropriate level of tribal consultation.

The Energy Division also has a Tribal Energy Specialist that regularly engages with tribes at conferences, in-person meetings, as well as through committee meetings. Often these result in follow-up conversations between program staff and tribes to address programmatic questions or concerns.

6. If the decision package is associated with agency request legislation or constitutes a significant agency action under RCW 70A.02.010(12), please describe how your agency is using the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If an environment

justice assessment has already been submitted, please provide a link or submit the assessment as an attachment in ABS in lieu of answering this question.

N/A

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No

2. Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

No

3. Is this decision package requesting funding for a program/project/activity that may provide environmental benefits or reduce, mitigate, or eliminate environmental harms, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely aimed at providing environmental benefits but may have an indirect or unintentional impact.

Yes

If you answer YES to any of the above questions, please complete the six additional questions below.

1. Please describe assumed environmental benefits or mitigation of environmental harm as defined in RCW 70A.02.010 related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Multifamily efficiency grants and HEAR incentives/rebates provide funding mechanisms for low- and moderate-income households to access energy equipment upgrades that improve energy efficiency and provide access to cooling. This reduces energy burden, improves health outcomes by reducing exposure to and decreasing outdoor air pollution, and improves resilience to climate impacts and increasing extreme heat events.

2. Does this decision package meet a community need formally identified to a covered agency by an overburdened community or vulnerable population that is consistent with the intent of Chapter 70A.02 RCW? If yes, please explain.

Yes, access to cooling to improve resilience to increasing summer temperatures and extreme heat events.

3. Does this decision package help the agency achieve environmental justice goals established with the strategic planning requirements in RCW 70A.02.040? If yes, please explain.

Yes, this improves health outcomes in low and moderate-income households that can't afford expensive but cost-effective energy efficiency improvements. Doing so helps reduce energy burden, and also improve disproportionate environmental health disparities.

4. Does this decision package include funding to help the agency meet engagement standards established by the Community Engagement Plan required by agencies to implement under the RCW 70A.02.050? If yes, please explain

no

5. Please describe any potential significant impacts to federally recognized Tribal rights and interest in their Tribal lands, as well as traditional practices. Describe how your agency engaged with Tribes in developing this proposal. Please include offers for Tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

n/a

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n/a

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2. Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW 70A.02.010(12)?

No

3. Is this decision package requesting funding for a program/project/activity that may provide environmental benefits or reduce, mitigate, or eliminate environmental harms, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely aimed at providing environmental benefits but may have an indirect or unintentional impact.

Yes

If you answer YES to any of the above questions, please complete the six additional questions below.

1. Please describe assumed environmental benefits or mitigation of environmental harm as defined in RCW 70A.02.010 related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Weatherization services improve health outcomes by making homes more resilient to air pollution and extreme heat events. They reduce energy burden by improving the energy efficiency of homes, and repair physically unsafe structures.

2. Does this decision package meet a community need formally identified to a covered agency by an overburdened community or vulnerable population that is consistent with the intent of Chapter 70A.02 RCW? If yes, please explain.

Yes. Weatherization services build community resilience to climate impacts, and can enable cooling in homes that don't currently have it or can't afford it. The repairs funded by the

program directly improve health conditions related to indoor and outdoor air pollution and increasing summer temperatures.

3. Does this decision package help the agency achieve environmental justice goals established with the strategic planning requirements in RCW 70A.02.040? If yes, please explain.

Yes, the weatherization program funds services that help ensure low- and middle-income communities live in safe and healthy households, while also enabling further energy efficiency upgrades that can reduce energy burden, preserve affordable housing, and expand access to cooling.

4. Does this decision package include funding to help the agency meet engagement standards established by the Community Engagement Plan required by agencies to implement under the RCW 70A.02.050? If yes, please explain

no

5. Please describe any potential significant impacts to federally recognized Tribal rights and interest in their Tribal lands, as well as traditional practices. Describe how your agency engaged with Tribes in developing this proposal. Please include offers for Tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

n/a

6. If the decision package is associated with agency request legislation or constitutes a significant agency action under RCW 70A.02.010(12), please describe how your agency is using the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If an environment justice assessment has already been submitted, please provide a link or submit the assessment as an attachment in ABS in lieu of answering this question.

n/a

Department of Commerce
Grants and Loans Projects

Priority	Project	Request
1	Housing Capital	$ 881,000,000
2	Connecting Housing to Infrastructure Program (CHIP)	$ 125,000,000
3	Weatherization	$ 41,000,000
4	Economic Competitiveness: Strategic Investments	$4,000,000
5	Public Works Board	$ 500,900,000
6	Electric Vehicle Charging	$ 45,000,000
7	Community Economic Revitalization Board	$ 25,000,000
8	Clean Energy	$ 45,000,000
9	Supporting Housing Authority with Infrastructure	$ 25,000,000
10	Solar & Energy Storage	$ 25,000,000
11	Clean Buildings Compliance Assistance Program	$ 10,000,000
12	State Electric Appliance and Building Efficiency Program	$ 33,200,000
13	Transit Oriented Development Grants	$ 25,000,000
14	Library Capital Improvement Program	$ 10,000,000
15	Building for the Arts	$ 18,000,000
16	Behavioral Health Facilities	$ 20,000,000
17	Home Rehabilitation Grant Program	$ 5,000,000
18	Early Learning Facilities	$ 70,000,000
19	Youth Recreational Facilities	$ 8,000,000
20	Defense Community Compatibility Account	$ 70,863,000
21	ELF School District	$ 8,108,000
22	Building Communities Fund	$ 75,000,000
23	Regional Approaches Program	$ 2,000,000
24	Pacific Tower Renovations	$ 715,000
25	Community Participatory Budgeting	$ 5,000,000

$ 2,077,786,000

OFM

103 - Department of Commerce
Capital Project Request
2027-29 Biennium

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40002026
Project Title: 2027-29 Housing Trust Fund
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2028
Agency Priority: 1

Project Summary

Washington needs 1.1M new homes over the next 20 years and 36% of all Washington households are cost burdened. The private market alone cannot meet the needs of households below 50% AMI. In the most recent competitive funding cycle, FY25, the Housing Trust Fund (HTF) could only fund 42% of multifamily projects that applied for funds, and 39% of homeownership projects seeking capital funding. This proposal requests $881 million investment in the Housing Trust Fund (HTF) balanced across the housing ecosystem. This funding will create or preserve approximately 8,610 affordable rental and shelter units and approximately 2,620 affordable homeownership units, including targeted investments in Tribal nations and By-and-For organizations. Where feasible, Commerce will prioritize funding for eligible projects that have been impacted by gubernatorial emergency declarations between December 2025 and June 2029.

Project Description

1.See Housing Trust Fund CBS Attachment For More Details

2.1.What will the request produce or construct? Who or whatwill be impacted by the budget request and how will they be impacted?

What the funding produces

Approximately 5,755 new rental and shelter units, 2,855 preserved rental units and 2,620 total homeownership units. Rental units serve households earning 0-80% of area median income (AMI),including Permanent Supportive Housing (PSH). Homeownership units and manufactured housing preservation serve households earning up to 80% AMI in urban areas and up to 100% AMI in rural areas as designated by Commerce.

Who or what will be impacted by the budget request

RCW 43.185A requires that Commerce's affordable housing programs serve "persons and families with special housing needs and who are low-income households.

Commerce's affordable housing investments primarily serve households with the greatest housing needs. Based on the HTF Investment report, more than half of the shelter and rental units funded since 2023 serve households experiencing homelessness, and approximately 75% of households served have very low incomes, below 50% of area median income. Investments support a range of housing types, includinge emergency shelter, transitional housing, group homes, affordable rental housing, and permanent supportive housing (PSH). According to Growth Management Services projections,122,469 units of PSH are needed to meet the needs of Washington's most complex and vulnerable citizens. Approximately 20%of 2023–25 investments supported the development of PSH.

Commerce established application scoring that prioritizes the creation of workforce housing in rural communities and pairs with investments from the Amazon Housing Equity Fund and others in creating Transit-Oriented Development. In all areas, Commerce will prioritize investments in By-and-For organizations and tribal entities.

Geographically, the proposal supports affordable housing development across Washington, including rural communities where limited development capacity, higher infrastructure costs, and historically lower levels of public and private investment can make affordable housing

Description

particularly difficult to produce. The Housing Trust Fund statute includes a 30% rural set-aside. Continued and expanded funding would allow Commerce to further address housing needs in communities where projects may otherwise struggle to compete for financing.

3.HTF Traditional Competitive Funding – 58% | $337m | 5,000 Units

HTF Competitive Funding awards will be made through the existing combined funders application, which allows applicants to pair state capital with federal and local sources in a streamlined process. The program will be administered following RCW 43.185A which includes target minimum investments of 10% for By-and-For organizations and a 30% target for rural and statewide investment. Projects funded by this program serve seniors with low incomes, farmworkers and households between 0-80% AMI. This funding will create workforce housing in rural communities, transit-oriented development and similar projects meeting essential needs. The number of units proposed reflects aggregate HTF investment over the 2023-25 biennium, and FY25competitive solicitations of the total number of units created through HTF investments and total amounts awarded, e.g.: FY25 awarded $133.6M and created1,965 units through HTF investment. $133.6M/1,965= $68,014/unit.

Timeline: Commerce will award these funds over a two-year cycle, releasing a competitive solicitation approximately 90 days after the budget is final. All funds will be committed within the biennium. The total appropriation will be split between FY27 and FY28, with Commerce awarding the maximum number of projects possible. This program is consistently over-subscribed for each competitive solicitation, so all funds appropriated for this biennium will be allocated to projects in response to the competitive solicitations.

Apple Health and Homes Permanent Supportive Housing 10% | $60m | 140 Units

This funding will invest in projects under the Apple Health and Homes Capital Program established in RCW 43.330.187, with 50% ($30 million) of the funding requested to be used explicitly for Reentry Permanent Supportive Housing in alignment with Executive Order 24-03. This funding will create 140 AHAH-restricted units and 440 additional units created by leveraging this capital with other capital funds. AHAH units are also subsidized and leverage federal Medicaid-covered services through the Health Care Authority's Foundational Community Supports Program and some limited rent support. The number of units proposed reflects cost data averages of AHAH investments over the 2023-25 biennium, as well as FY25 competitive solicitations for the total number of units created through AHAH investments and total amounts awarded. When calculating the AHAH PSH Capital investment per unit amount, Commerce specifically calculates the number of AHAH restricted units created through this funding. Commerce utilizes a formula to determine how many PSH units are restricted specifically to AHAH PSH by calculating the total investment of AHAHPSH Capital dollars as a percentage of the total development cost of the project. The resulting percentage determines the number of PSH units that are restricted to AHAH PSH units. For example; a project that requests $5,000,000in AHAH PSH Capital with a total development cost of $20,000,000 would

Project Number: 40002026
Project Title: 2027-29 Housing Trust Fund
Project Class: Grant/Loan

Description

require25% of the units to be restricted to AHAH PSH units ($5M/$20=25%) However, itis important to note that AHAH PSH Capital investments leverage other public and private capital funding sources to deliver the full amount of funding needed for an affordable housing project. For example, in FY25 Commerce awarded$35.7M in AHAH Capital Program funds, which resulted in 84 AHAH-restricted units that were components of projects delivering a total of 349 affordable housing units.

Timeline: Commerce will use these funds over a two-year cycle, releasing a competitive funding application approximately 90days after the budget is final. Commerce will strive to commit all the funds within the biennium.

Intellectual and Developmental Disability - 8% | $50m | 175 Units

This funding will create units set aside for individuals with intellectual and developmental disabilities (IDD). Awards are made under the requirements of RCW 43.185A, using the combined funders application to leverage all other public sources of capital funding available through local funders, such as cities and counties, as well as the Washington State Housing Finance Commission, that utilize the combined funders application. Competitive solicitations are administered in coordination with DSHS's Developmental Disability Administration (DDA). Projects awarded funds through this competitive solicitation are generally considered scattered-site projects, which is the acquisition and rehabilitation/redevelopment of single-family homes to provide housing and services for individuals with intellectual and developmental disabilities. However, projects are not limited to solely scattered-site project structures. Commerce estimates 175 IDD units will be created through this funding. Utilizing aggregate cost data from recent competitive solicitations, Commerce estimates that the average investment per unit for IDD housing is $285,000. It is important to note that for FY25, the average investment per unit for IDD housing was $410k, however, several projects that received funding were large scale scattered site projects in major metropolitan areas, where market rate single family housing acquisitions had higher costs per unit than the rest of the projects awarded funds in FY25, therefore creating a large upward swing in the overall investment per unit metric.

Timeline: Commerce will use these funds over a two-year cycle, releasing a competitive solicitation approximately 90 days after the budget is final. All funds will be committed within the biennium through these competitive solicitations by splitting the total appropriation between FY27 solicitations and FY28 solicitations. The HTF IDD competitive solicitations are generally over-subscribed; the FY26 HTF IDD solicitation received $44M in funding requests for $26.9M in available funding.

Multifamily Housing for Tribal Nations 5% | $30m | 440 Units

This funding will provide a dedicated capital investment for multifamily housing owned by and serving tribes and tribal members, addressing the disadvantages tribes face under a competitive process designed for local governments and nonprofit organizations. The 2025 capital budget (§1021(1)(i)) directed Commerce to invest at least 10% of the appropriations

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under the HTF Traditional appropriation for affordable multifamily housing benefiting low-income households in federally recognized Indian tribes in Washington. Commerce conducted extensive engagement sessions with tribal leadership in the fall of 2025 to understand the housing needs of tribes and tribal members, and to use the information gathered to develop a separate evaluation criterion to solicit tribal housing projects. Commerce developed a specific competitive solicitation and application materials tailored to address the disparities that tribes and tribal housing developers face when seeking capital funding through traditional means, which is currently expected to award approximately $25.7M in FY26. This funding request is in alignment with the funding amount the Legislature set aside in the 25-27capital budget. Commerce created a specific application and program standards for tribal housing.; Therefore, it is appropriate to create a specific budget line item for tribal housing projects rather than a set-aside of the HTF Traditional funds. By requesting this, Commerce is solidifying its commitment to advance tribal housing. This way, tribes are more likely to seek capital investments through Commerce knowing there is a program that is designed specifically to meet tribal needs. The estimated number of units proposed to be created using this funding is based on aggregate cost data from recent competitive solicitations through the HTF Traditional competitive solicitations, using the average investment per unit calculation of $68,014/unit. This may not be reflective of true cost data for tribes, where access to other sources of capital funding may be limited, therefore requiring deeper investment in projects.

Timeline: Commerce will release a competitive funding application approximately 90 days after the budget is final, utilizing a specifically tailored application process developed to address tribal housing needs. This tailored application process removes barriers that exist in the traditional solicitations by removing certain requirements for supporting materials that do not apply to tribes, such as 501(c)(3) nonprofit corporation designations, and most importantly, provides a mechanism for tribes to self-score projects based on the housing needs of the tribe. This component evaluates a project’s impact on health and safety concerns for tribes, as well as the impact the project may have on reducing overcrowding and the return of tribal members to the community. Commerce will strive to allocate all funds in the biennium, however, there is no pre-existing data points that can be used for this specific competitive solicitation to warrant a full commitment to allocating all funds in the biennium.

HTF Preservation – 16% | $95m | 2,855 Units Preserved

This funding invests in properties in the HTF portfolio with deferred maintenance, and health and safety concerns, as well as investments in affordable housing projects at-risk of becoming market rate or losing affordability restrictions. Rent-restricted properties have limited access to private capital across a 40-to-50-year building lifespan, so this funding fills that gap. This program is authorized under RCW 43.185A. Projects that have been impacted by severe weather events, or gubernatorial emergency declarations between December 2025 and June 2029 will receive priority status for funding awards.

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Description

This funding will be distributed through three programs:

1. **HTF Urgent Repair Fund ($5million)** addresses urgent repairs in HTF projects to return units to habitability when properties experience crises such as water leaks, fires and methamphetamine contamination or severe damage. The HTF Repair Fund will be available on an ongoing basis through an online portal until all funds are spent.

2. **Housing Preservation Program ($75million)** invests in properties to address deferred maintenance and health and safety concerns. Commerce will release a competitive funding application within the first six months of FY 2027. If more than $60,000,000 is appropriated, a second application cycle will be available in the second year of the biennium. All funds will be committed within the biennium.

3. **Continuing Affordability Program ($15 million)** retains affordable housing in a community through acquisition of existing properties, and in the case of USDA properties, ensures that valuable housing vouchers remain available to a community. Without these investments, rural affordable housing properties become unsustainable and a real risk of being converted to market-rate housing or other purposes. Commerce will release a competitive funding application within six months into FY 2027. All funds will be committed within the biennium.

Capacity Building, Outreach, and Support - 1% | $9m

This funding provides technical assistance and predevelopment funding to rural developers, tribes, By and For organizations and other applicants that have historically been unable to access state capital funding. Eligible costs include due diligence, site assembly and preparing applications for Commerce capital programs. Direct grants build organizational capacity to develop affordable housing. Additionally, funding will be used to continue the Technical Assistance programs that Commerce has operated previously to provide funding to organizations, typically development consultants, to deliver technical assistance and capacity building services in response to a competitive procurement.

Timeline: Commerce will release a competitive funding application in FY 2027 and commit all funding within a two-year period to spend all funds. If more than $5,000,000 is appropriated by the Legislature for the 2027-29 biennium, the remaining funds will be released through a second application cycle in FY 2028. All funds will be committed within the biennium. The FY26 competitive solicitation for these funds received over $15M in funding requests, awarding $2.86M in available funds; Therefore, Commerce is confident that all these funds will be allocated in the biennium.

4.Homeownership Capital Funding – 77% |$230M | 2,230 Units

This funding will support new construction, down payment assistance and acquisition and rehabilitation of properties for sale to income-eligible homebuyers. The program will be administered under RCW 43.185A

Definition of “Affordability Subsidy” from the Housing Trust Fund Handbook: Funding which allows a Housing Trust Fund awardee that acquires an interest in real property and sells that

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Description

unit to an eligible homebuyer to assure that property remains affordable to the buyer and in perpetuity by lowering the cost of the overall property to the homebuyer and future low-income homeowners. This does not require additional investment as Commerce will also place restrictions on the land for a minimum of 25 years such as deeds and low-income housing covenants.

Timeline: Projects will be funded through a competitive process. Projects awarded funds will create first-time home buyer opportunities within one to three years (SFYs 2027-2029). Commitments of funds to New Construction, Affordability Subsidy, Acquisition and Rehabilitation and Down Payment assistance will be determined by Commerce through the competitive process. We estimate no more than 15% will be used for Down Payment Assistance based on historical allocations of funding in competitive processes. All funds will be committed within the biennium.

Homeownership Capital Funds for TribalNations - $40M | 13% | 390 Units

This funding will provide a dedicated capital appropriation for housing owned by and serving tribal members, addressing the disadvantages tribes face under a competitive process designed for local governments and nonprofit organizations. The Legislature required us to award 10% or about $13M of the 2025-27 biennial competitive capital funds to tribal communities. For the 2027-29 biennium, we are requesting an increase and dedicated fund of $40M to address the specific needs in tribal communities; particularly prioritizing designated natural disaster areas.

Timeline: Commerce will release a competitive funding application approximately 90 days after the budget is final, utilizing a specifically tailored application process developed to address tribal housing needs.

Home Repair Assistance - $20M | 7%

By funding existing homeownership non-profit organizations' home repair assistance programs, Commerce will preserve affordable homeownership units and stabilize homeowners. Homeowners need assistance with aging in place conversions (e.g., ramps, grab bars, flooring) while resident-owned manufactured/mobile home communities need support with failing water and sewer infrastructure, and payment of impact fees required to install additional affordable homes into their communities. These eligible uses are not allowable through the Connecting Housing to Infrastructure Program (CHIP) and the Home Rehabilitation Grant Program (HRGP).CHIP requires the creation of new units rather than sustaining existing units and HRGP is only available in rural non-entitlement areas of Washington and is limited in the scope of improvements. The program will be administered following RCW 43.185A.

Timeline: Projects will be funded through a competitive process and awarded within the biennium; projects awarded funds will be completed within three years. Special Note: This request is informed by the needs expressed by stakeholders in the Affordable Housing Assembly Group and other Commerce-led groups for the last several biennia. In 2025, the Legislature appropriated funding for manufactured housing repair and infrastructure

Description

improvements. Commerce received those funds on July 1, 2026. The funding will be awarded in the fall of calendar year 2026.

Homeownership Technical Assistance, $10M / 3%

Investment to support emerging affordable homeownership program developers. These funds will be available to By-and-For organizations that have historically faced barriers to access affordable capital in the private market and state funding in support of development activities and overall organizational development. This includes organizations that are specified as eligible for Housing Trust Fund in RCW43.185A.140.

Timeline: Projects will be funded through a competitive process; All funds will be committed within the biennium.

Special Note: In Commerce's 2025 capital funding request, we proposed $10M in capital funding provided to the Home Futures Institute for graduates, to assist them through capacity-building and pre-development support so they would be better positioned to building new units for affordable homeownership. Awards will be based on the volume of the solicitations received and awards will be equitably distributed based on their needs.

5.2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Washington faces a housing shortfall that market production cannot close for households with low and moderate incomes. Development costs, interest rates, and land prices have risen faster than the subsidy available to offset these increases, according to the 2023-28 Affordable Housing Advisory Board Five Year Plan. Projects serving households below 50%AMI cannot reach financial feasibility without capital investment, and rental, homeownership, preservation, and tribal housing projects that are otherwise ready to proceed remain unbuilt.

According to the most recent National Low Income Housing Coalition Gap Report, 87% of extremely low-income households(30% Area Median Income) are cost-burdened in Washington. In Walla Walla, WA,54% of renter households and 24% of owner-households are cost burdened, according to U.S. Census Bureau data. Per the U.S. Census Bureau, in the Seattle-Bellevue-Tacoma metro area, the share of cost-burdened renter and owner-households are at 49% and 25%, respectively. These conditions do not affect all households equally. In a 2023 report from the Puget Sound Regional council, 59% of Black renter households were experiencing housing cost-burden, compared to 45% of white renter households. This disparity also exists among homeowners. Based on the 2024 American Community Survey (ACS) data, 67.9% of white households in Washington owned their home, compared to only 45.8% of Hispanic and 36% of Black households, even those non-white racial groups that do achieve homeownership at or near parity to white Washingtonians face cost disparities. A 2026 report by the Consumer Federation of America found that Washington homeowners living in majority Hispanic zip codes paid 18% more(more than $500 per year) on their insurance premiums than those in majority white zip codes.

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Current housing investment levels will not meet the state's housing targets
Housing targets released by the Department in 2023 as required under RCW 36.70A.070 (HB1220) estimates:

~ 1.1M new units are needed by 2044.
~ Of these new units, 523,000 should be affordable to households with income less than 50% AMI.
~ More than 122,000 units of Permanent Supportive Housing are needed.

A separate analysis released by Commerce also shows the need to invest in affordable homeownership opportunities to encourage household stability, long term wellness, and, according to the Urban Institute, investment in affordable housing extends the impact of affordable rental housing by freeing up more units for other cost-burdened households.

Land use reforms enacted in the 2019-2026 legislative sessions should expand supply and housing type diversity, according to a planner's report by Commerce's Growth Management Services unit. These reforms can plausibly deliver market-rate housing affordable to middle class households, but the private market cannot meet the housing needs for households earning 50% AMI or below. Meeting the needs of households earning 50% AMI or below will require substantial increases in housing subsidies. Meeting the 1.1 million new homes target would require the addition of more than 26,000 subsidized units each year.
Federal action could address a significant share of this need, but there are no indications that additional federal subsidies will be available in the near term. Households with federal Housing Choice Vouchers frequently cannot locate available units within HUD timeliness requirements, demonstrating the need to build units those households can occupy.

Tribes do not receive enough funding to address disparities their members experience
According to the U.S. Department of Housing and Urban Development's 2025 Housing Needs Survey, compared to other populations, tribal communities experience higher rates of overcrowding, cost burden, substandard housing conditions, homelessness, and lower rates of homeownership. tribes are eligible for Housing Trust Fund capital and compete successfully in some cycles, but allocation processes built for local governments and nonprofit organizations do not account for tribal sovereign status. In the most recent biennium, the Legislature appropriated 10% of the HTF allocation to tribes and required Commerce to utilize a separate application process and criteria to solicit tribal projects. Traditional Competitive Capital funding has solicited Competitive bids from tribal and non-tribal communities in the same process, which often disadvantages tribes due to the way that competitive solicitations have been structured. Dedicating a specific funding request to Tribal Capital Investments will allow us to improve our tracking of tribal Investments through pre-planning and clarifying the scope of our funding rounds. The Puget Sound RegionalCouncil in 2023 found that tribal households were

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26% less likely to own their homes, despite new programs established to address this gap a mixture of federal policy changes and unenforced state legislation has not closed this homeownership disparity gap.

Preserving existing affordable housing is critical

Currently, about 60,000 units exist within the rental and shelter housing portfolio, of which, over 34,000 units are aged 15 years or more since initial HTF investment was provided. As properties age and affordability covenants approach expiration, preservation is the lower cost path to retain units the state has already paid to build. Commerce utilizes data from the USDA RD Multifamily Housing Program Exit report to estimate units that may be at risk of selling to the private market or have existing use restrictions expire to estimate the need of preservation funding for farmworker and rural affordable housing projects under the USDA 514/515programs. Using this data, Commerce estimates that over the next 10 years, approximately 1,300 units of subsidized housing are at risk of losing their affordability status in those programs alone. Using cost data from recent funding solicitations, Commerce estimates that an additional $1.6 billion dollars of funding will be needed over the next 10 years to maintain the existing affordable housing stock throughout the state.

Existing affordable units have also been impacted by recent natural disasters that have impacted the state. Both the flooding at the end of 2025 and the 2026 wildfires have increased the need for preservation of the state's existing stock. With extreme weather events becoming more common, this will continue to be a consideration.

Why this request is a priority

Washington needs 1.1M new homes by 2044and 36% of all Washington households are cost burdened. The private market alone cannot meet the needs of households earning below 50% AMI. In the most recent competitive funding cycle, FY25, the Housing Trust Fund (HTF) could only fund 42% of multifamily projects that applied for funds, and 39% of homeownership projects seeking capital funding. This proposal requests $881million investment in the Housing Trust Fund (HTF) balanced across the housing ecosystem. This funding will create or preserve approximately 8,610 affordable rental and shelter units and approximately 2,620 affordable homeownership units, including targeted investments in tribal nations and By-and-For organizations. Where feasible, Commerce will prioritize funding for eligible projects that have been impacted by gubernatorial emergency declarations between December 2025 and June 2029.

~Recent land use reforms at the state level have opened up more housing opportunities statewide while also removing regulatory barriers that slowed development, so capital funding appropriated now may result in completed units faster than in previous years.

~17%,or approximately 10,000 units, of the state portfolio reaches expiring affordability covenants in the next three to nine years, and major capital needs are incurred in the same period, making preservation now less expensive than replacement of lost units later.

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~Demand is immediate rather than projected. FY2025 Multifamily solicitations for preserving existing units received 91 applications requesting approximately$97M in funding, while only 50 projects were able to be funded with $51M in capital investments, leaving 41 projects representing over 1,800 units still in need of capital investment for preservation needs. Funding more affordable housing builds more affordable housing. Units carry regulatory agreements enforcing affordability for a minimum of 25 years for homeownership and 40 to 50 years for rental housing. A unit funded in this biennium remains affordable through2077. Preservation funding extends existing agreements on units the state has paid for, at approximately $27k per unit, which is far less than the $68k per unit the state contributes to build new units. Achieving the rental housing target for households with income below 50% AMI is only possible with substantial increases in housing subsidies. Each year that the state delays increasing housing investments makes achieving the 20-year affordability targets more difficult. Missing the targets exacerbates the existing problem of affordability and related homelessness.

The result of not acting

If the state were to not make additional funding investments in affordable housing capital, existing programs would continue to operate, but no new action would be taken to close the gap between projected housing need and current production. Because current levels of affordable housing production are insufficient to meet projected need, this approach would allow the shortage of housing affordable to grow over time, increasing housing cost burdens and making the state's long-term housing targets more difficult to achieve.

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

Commerce received access to the 2026 appropriated funds for Multifamily Housing and Homeownership development on July 1 and issued a Notice of Funding Availability that month. Capital funding will be awarded to eligible organizations in the Fall of the 2026 calendar year. This funding has not been spent or contracted yet.

In the current biennium, $660.4 million of capital funding was appropriated for affordable housing including permanent supportive housing. This dollar total does not include projects that received Direct Appropriations from the Legislature but rather encompasses the total funds available to be offered through competitive solicitations. Combined with leveraged federal, local and private funding, this investment is expected to produce an estimated 8,000 units of subsidized housing. FY2025 Competitive Solicitations across the programs operated under HTF funding totaled $256Mawarded for multifamily projects, and $63M for homeownership projects. FY26Competitive Solicitations will provide an additional $213M in funding for multifamily projects and approximately $117M for homeownership projects. Based on data from recent competitive solicitations, Commerce anticipates that available funding will continue to fall well below the level of demonstrated need, resulting in many otherwise eligible projects not receiving

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state capital investment.
In the previous 2025 calendar year, the demand for housing capital funding significantly exceeded available resources:
~ FY2025 solicitations received $772.7M in requests but were only able to award $322M, leaving $450.7M requests unfunded
~ FY2025 Multifamily solicitations for new units received 105 total applications, requesting $515M in capital funding, while only 45 projects were able to be awarded $201M, leaving 60 projects unfunded and unable to begin development, representing approximately 4,000 units of affordable housing.
~ FY2025 Multifamily solicitations for preserving existing units received 91applications requesting approximately $97M in funding, while only 50 projects were able to be funded with $55M in capital investments, leaving 41 projects representing over 1,800 units still in need of capital investment for preservation needs.
~ In FY 2025, Homeownership solicitations for capital investments (new units ,affordability subsidy, down-payment assistance and rehabilitation) received a total of 74 applications, requesting $160,734,411 in funding but were only able to award $63,049,787 to 43 projects; 19 of which created or preserved affordable units. FY 2025 Homeownership competitive solicitations awarded$63,049,787 and funded the construction of 257 new units, affordability subsidies for 139 units and provided Down-Payment Assistance for 220 units.
When units become available: Multifamily rental projects awarded in the 2027-29 biennium are projected to be placed in service within 15-36 months of award on average. Homeownership projects create homebuyer opportunities within 18-48 months of award. Preservation and Urgent Repair investments retain units already occupied, so the benefit is immediate.
4. Does this project or program leverage non-state funding? If yes, how much by source?
This funding proposal will allow applicants to leverage state funds with other public and private funds. At Commerce’s historical?leverage?ratios?from?additional?public and private sector investments of $4 to $1 with homeownership projects and $5 to $1?for multifamily projects, this appropriation is expected to draw approximately $3.5billion?in?additional?capital funds. The public-private program administered by the Washington State Housing Finance Commission (WSHFC) allocates tax credits and private activity bond capacity to help developers generate approximately$500 - $800 million through a combination of equity and debt every year. Through a combination of sources, including affordable and supportive housing local sales and use tax remittances (Chapter 338, Laws of 2019), local referenda, and Federal HOME funds, local governments contribute an additional$300-$400 million on an annual basis. Many projects obtain permanent financing from lenders motivated by community reinvestment act requirements or federally backed loans, which cover a portion of affordable housing projects. The leverage ratio is subject to macro environmental concerns such as interest rates and tax credit pricing, which makes it difficult to predict accurately. Continued advocacy for federal

Description

funding and access to private investments by increasing mixed-income developments may help maintain the $5 to $1 leverage. However, opportunities to fully fund a project means projects may be expedited and less cumbersome to developers. The Apple Health and Homes (AHAH) capital funding will also leverage federal Medicaid funded services through the Foundational Community Supports benefit. These pre-tenancy and tenancy-sustaining services called Community Support Services are estimated to leverage over $20 million in federal funds and are the cornerstone for the AHAH initiative. Commerce will expand home repair from manufactured housing to other units either owned by non-profit organizations or individual households that work with non-profit organizations. The fund will capitalize the home repair funds of non-profits and prioritize households impacted by Natural Disasters in FY 2026 and 2027.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

This proposal directly advances Commerce's strategic vision by making major capital investments that expand and preserve affordable housing across Washington. It centers

community-led and equitable impact (Commerce Strategic Direction 1) by directing resources to

lower income households, tribal communities, and households served by By-and-For organizations, ensuring that those most affected by the housing crisis benefit from new and preserved homes. It strengthens partnerships and public trust (Commerce Strategic Direction 2) by working closely with affordable housing developers, tribal partners, community based organizations, and by demonstrating responsible stewardship of state capital funds through transparent, competitive awards. It also scales innovative, data driven solutions (Commerce Strategic Direction 3)by aligning capital investments with Commerce's statewide housing needs

analyses and long-term planning efforts, helping the state move closer to meeting its projected

housing needs over the next two decades.

This proposal supports the following budget priorities:

~ Housing:?Increase housing availability and affordability for all.

~ Affordability: Make life more affordable for all individuals and families.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

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People with lower incomes and greater housing cost burdens are disproportionately members of communities that have historically experienced exclusion, discrimination, and barriers to housing opportunity. According to the most recently available Comprehensive Housing Affordability Strategy data, based on the 2018–2022 ACS 5-year estimates, 48%of Black renter households in Washington experience housing cost burden, compared with 29% of White renter households. A similar disparity exists in home ownership: 2024 ACS data show that 36% of Black households own their homes, compared with 68% of White households in Washington. Investments in affordable housing help address these disparities by increasing access to stable, affordable homes for households with the greatest housing needs. Washington's affordable housing investments further advance equity by intentionally directing resources toward organizations and communities that have historically had less access to public funding.
~ RCW43.185A.140 requires Commerce to prioritize allocating at least 10% of applicable funds to By-and-For organizations and 30% to rural communities.
~ RCW43.330.185 requires Commerce to prioritize allocating at least 10% of AHAH expenditures to organizations that serve and are substantially governed by individuals disproportionately impacted by homelessness and behavioral health conditions.
~ This proposal includes $70M in dedicated tribal housing capital across rental and homeownership programs, compared to the $38.3M set-aside in the 2025-27biennium.
~ Predevelopment and technical assistance funding builds the capacity organizations need to compete for, develop and manage affordable housing investments which helps ensure that funding decisions reflect community needs and that communities most affected by historic inequities have a meaningful role in shaping the housing investments intended to serve them. Investments are made through nonprofit organizations, tribal nations, housing authorities and local governments. Limiting eligibility to public and nonprofit entities ensures ongoing publica accountability for how taxpayer funds are used.

7. Is there additional information you would like decision makers to know when evaluating this request?

This funding request is consistent withprior capital funding requests to continue the work of existing capitalprograms administered by Commerce. Since the inception of the Housing TrustFund in 1986, funding has been appropriated to Commerce under this program toprovide capital investments in affordable housing.

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

The Department of Commerce considered the following alternatives:

~ Relying on the federal government to provide 100% of the housing or income subsidies needed to meet statewide targets.

Federal housing assistance will remain an important part of meeting Washington's housing needs. However, there is significant uncertainty regarding whether federal funding will increase

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Description

sufficiently, or quickly enough, to meet the state's projected need. Washington will need to begin increasing its own investment and development capacity now to remain on track to meet its 20-year housing targets.

~ Relying primarily on tenant-based vouchers rather than capital investment.

Proviso
N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: Not applicable
Application process used
Various

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	1,634,750,000				326,950,000
355-1	St. Bld Const Acct-State	2,770,250,000				554,050,000
	Total	**4,405,000,000**	**0**	**0**	**0**	**881,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	326,950,000	326,950,000	326,950,000	326,950,000
355-1	St. Bld Const Acct-State	554,050,000	554,050,000	554,050,000	554,050,000
	Total	**881,000,000**	**881,000,000**	**881,000,000**	**881,000,000**

Operating Impacts

No Operating Impact

Narrative
N/A

OFM

103 - Department of Commerce
Capital Project Request
2027-29 Biennium

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Project Number: 40002018
Project Title: 2027-29 Connecting Housing to Infrastructure Program (CHIP)
Project Class: Grant/Loan

Description

Project Number: **40002018**
Project Title: **2027-29 Connecting Housing to Infrastructure Program (CHIP)**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 2

Project Summary

The Connecting Housing to Infrastructure Program (CHIP) was initiated with a 2021 budget proviso with funding for infrastructure to serve new residential developments when at least 25% of the new units are affordable to low-income households for a minimum of 25 years. CHIP provides grants and deferred loans to cities, counties and public utility districts for: Construction of drinking water, sewer and storm water infrastructure Reimburses to local jurisdictions and utilities when they waive all or a portion of water, sewer or system development charges for the affordable housing units. CHIP contributes on average $20,000 per housing unit. This means that $125 million in CHIP funds could support the development of 6,250 units.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

Commerce requests $125 million in additional funding for the Connecting Housing to Infrastructure Program (CHIP). This budget request also seeks to update CHIP authorities:

expand eligible applicants to include federally recognized tribes.

remove the requirement to have a sales and use tax for affordable housing.

reduce the population requirement to a jurisdiction with a population of less than 25,000.

The request for additional funding will help produce new housing with at least 25% of units being affordable. Housing developers will have the opportunity to have construction of water, sewer and storm water infrastructure reimbursed. Local jurisdictions and utilities would be reimbursed when they waive all or a portion of water, sewer or system development charges for the affordable housing units.

CHIP contributes on average $20,000 per housing unit. This means that $125 million in CHIP funds could support 87 projects at the program average investment ($1.4 million) and support the development of 6,250 new housing units.

Expanding eligibility to federally recognized tribes would make the program more equitable and expand opportunities for additional affordable housing to be built. There are several scenarios in which a tribe may be funded by CHIP:

A tribe may be an applicant where development is proposed on land owned or controlled by the tribe in partnership with another entity that operates and maintains the waterworks infrastructure.

A tribe may be a direct applicant when they own and operate their own sewer, water, or stormwater systems that support affordable housing development on tribal lands.

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Description

Currently only two counties and the cities within them are not eligible for CHIP. Removing the requirement to have a sales and use tax for affordable housing would expand eligibility to include Ferry and Steven's counties. Both counties are overburdened communities with the need for more affordable housing.

Reducing the population requirement to small jurisdictions with a population of less than 25,000 reserves the funding for the most disadvantaged communities which typically have less access to public funding. This will incentivize the development of affordable housing in the smaller communities who often need the most help with infrastructure investments.

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Washington has a critical need for more housing. More than half of the housing needed is for households earning under 80% area median income. The high cost of infrastructure is one of the barriers to creating more affordable housing.

An additional $125 million in the 2027-29 biennium would allow the program to meet growing demand from local governments across Washington and accelerate the delivery of affordable housing in communities experiencing severe housing shortages. Because infrastructure serves not only the initial development but also future growth, these investments provide lasting public benefits well beyond the single project. There is not enough housing for everyone, particularly low-income and CHIP can provide funds that allow a housing project, particularly low-income housing projects, to move forward when otherwise the additional costs and needs for infrastructure may be an obstacle. CHIP leverages private funding that allows housing development to proceed when it may not otherwise be built.

Commerce suggests the following proviso language to update CHIP authorities:

(1)(a) The appropriation in this section is provided solely for grants or deferred loans to local governments, federally recognized tribes and public utility districts to defray the cost of waiving a portion of or all of the fees normally applied to developers for utility connection charges and related street improvements related to new affordable housing projects for low- and moderate-income households.
(b) Where applicable, the utility extension and related street improvements must be consistent with the approved comprehensive plans under the growth management act and must be within the established boundaries of the urban growth area as set forth in the approved comprehensive plans. Street improvements are eligible if the improvements are related directly to the utility extension or connection and are adjacent to the new housing units being constructed.
(c) Projects must be located within a jurisdiction that imposes a sales and use tax under RCW 82.14.530(1)(a)(ii) or (b)(i)(B), 82.14.540, or 84.52.105.
(2)(a) $30,000,000 of the state building construction account state appropriation is provided solely for grants or deferred loans for system development charges, utility improvements, and street improvements associated with utility infrastructure for affordable housing projects serving low-income households located within a city or county with a population of 150,000 25,000 or fewer persons.
(b) $5,000,000 of the state building construction account—state appropriation in this section is provided for the department for pilot grants for system development charges, utility improvements, and street improvements associated with utility infrastructure for affordable housing projects serving moderate-income households. The pilot program must be offered in three counties located in the north central region of the state. The counties must share borders with one another, be located east of the crest of the Cascade mountains, and each have a population of 85,000 persons or fewer. By June 1, 2027, the department must submit a report to the office of financial management and to the appropriate committees of the legislature that:

Project Number: 40002018
Project Title: 2027-29 Connecting Housing to Infrastructure Program (CHIP)
Project Class: Grant/Loan

Description

(i) Summarizes the results of the pilot program, including an analysis of the need for infrastructure assistance for local governments to support the development of housing affordable to moderate-income households, and the benefits to communities that may result from increasing economic diversity in housing that is made more affordable through infrastructure subsidies;
(ii) Describes the number and total dollar amount of application requests and funding awards; and
(iii) Makes recommendations regarding continuation or expansion of the pilot program and recommended future funding levels.
(3) To be eligible for funding under this section, an applicant must demonstrate, at minimum:
(a) That affordable housing development will begin construction within 24 months of the grant or loan award; and
(b) A strong probability of serving the original target group or income level for a period of at least 25 years.
(4) For purposes of this section, the following definitions apply.
(a) "Affordable housing" means residential housing that requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the household's income.
(b) "Low-income household" has the same meaning as in RCW 43.185A.010.
(c) "Moderate-income household" means: For purposes of the pilot program authorized in this section, a single person, family, or unrelated persons living together whose adjusted income is above 80 percent of the median household income adjusted for family size, for the county where the affordable housing project is located, but less than the state median income, as reported by the United States department of housing and urban development.
(d) "System development charges" means charges for new utility improvements.
(e) "Utility improvements" means drinking water, wastewater, or stormwater utility improvements.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

CHIP has awarded 202 projects for a total of $163.5M since its beginning in 2021. These investments have supported 13,978 units of affordable housing to be built.

CHIP received $90 million for competitive grants in the 2025-27 biennium and $10 million for one direct appropriation. In January 2026, we awarded $55 million to 70 projects to support the development of affordable housing. The remaining funding (approximately $31 million) has been allocated to a second funding round that opened on July 20, and we anticipate all remaining funds to be awarded in January 2027.

Does this project or program leverage non-state funding? If yes, how much by source?

Yes, CHIP leverages local and private funding connected to both the infrastructure and housing development aspects of the project. In the 2025 CHIP funding cycle, CHIP investments had secured more than $1.1 billion non-state funding, millions more in state direct and competitive investment, with active applications for many millions more.

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

Project Number: 40002018
Project Title: 2027-29 Connecting Housing to Infrastructure Program (CHIP)
Project Class: Grant/Loan

Description

This proposal aligns with two Commerce strategic directions, as follows.

Strategic Direction 1: Center Community-Led and Equitable Impact: This proposal seeks to expand eligible applicants to include Tribes. Tribal sovereignty guarantees Tribe's authority to regulate their land uses outside of the Growth Management Act. However, tribal members are part of historically marginalized and current vulnerable populations. Adding Tribes as eligible recipients will increase the equitable impact of the program and responds to community-led requests to add them as recipients of these critical funds.

Strategic Direction 2: Strengthen Partnerships: CHIP partners with cities, counties and public utilities to provide funding for critical infrastructure. The Local Government team supports partnerships with local jurisdiction and community-based organizations. Operational teams are enhancing operation resilience and ensuring transparent stewardship of public funds. Commerce is seen as a trustworthy and equitable partner by both newly developed and established partners, including prospective applicants.

In addition, CHIP investments meet the governor's 2027-29 budget priorities by:

Funding infrastructure improvements that connect to affordable housing.

Making life more affordable for individuals and families by providing funding to help create additional affordable housing units.

Increase housing availability and affordability for all by funding critical yet costly infrastructure.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

CHIP advances equity by removing one of the largest barriers to affordable housing development: the cost of essential water, sewer and stormwater infrastructure. By reducing these upfront costs, CHIP enables more affordable housing to be built in communities across Washington, increasing access to safe stable housing for low-income households.

Tribal households in Washington experience poverty at roughly four times the rate of the general population. Tribal housing is included in our inventory of state housing and in our projections of housing need for each county. Thus, expanding CHIP authority to include funding for tribal housing needs will add to the housing stock for each county, and will be an equitable expansion. Commerce has heard many requests from tribes to be added to the program and may have some of the biggest need.

The communities impacted include residents who have historically faced disproportionate housing cost burdens and limited access to affordable housing opportunities, as well as local governments working to address housing shortages. Measurable outcomes include the number of affordable housing units constructed, infrastructure projects completed, reductions in development costs through infrastructure construction and waived system development charges and the long-term affordability of housing for at least 25 years.

Project Number: 40002018
Project Title: 2027-29 Connecting Housing to Infrastructure Program (CHIP)
Project Class: Grant/Loan

Description

Is there additional information you would like decision makers to know when evaluating this request?

An additional $125 million in the 27-29 biennium would allow the program to meet growing demand from local governments across Washington and accelerate the delivery of affordable housing in communities experiencing severe housing shortages. Because infrastructure serves not only the initial development but also future growth, these investments provide lasting public benefits well beyond the single project.

Expand opportunities for siting housing

By funding these improvements, the state expands the pool of buildable sites, improves lender confidence, and allows limited affordable housing resources to support the development of more units. Ultimately, CHIP increases the likelihood that additional affordable housing projects are constructed. We request that the requirement to have enacted a sales and use tax for affordable housing be removed. As it stands, this requirement leaves only Ferry and Stevens counties, and the cities within, ineligible for CHIP and provides more program complexity than it does to limit community access to CHIP Removing this requirement will allow CHIP to help these rural communities and fund projects across Washington.

CHIP is one of the state's most effective tools for reducing the cost of affordable housing because it addresses a barrier that developers and local governments often cannot overcome on their own. The investment in water, sewer, stormwater infrastructure unlocks housing that otherwise would not be financially feasible, making CHIP a high-leverage investment that compliments other state housing programs rather than duplicating them.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

N/A

For major construction projects, what project delivery method has been or will be selected and why?

N/A

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

OFM

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Capital Project Request
2027-29 Biennium
*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40002018
Project Title: 2027-29 Connecting Housing to Infrastructure Program (CHIP)
Project Class: Grant/Loan

Description

Project Type

Grants - Competitive

Growth Management impacts

These investments help expand the state's supply of affordable housing.

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	625,000,000				125,000,000
	Total	**625,000,000**	**0**	**0**	**0**	**125,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	125,000,000	125,000,000	125,000,000	125,000,000
	Total	**125,000,000**	**125,000,000**	**125,000,000**	**125,000,000**

Operating Impacts

No Operating Impact

OFM

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Capital Project Request
2027-29 Biennium

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: **40002016**
Project Title: **2027-29 Weatherization Funding**
Project Class: **Grant/Loan**

Description

Project Number: **40002016**
Project Title: **2027-29 Weatherization Funding**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 3

Project Summary

Weatherization Funding seeks $41 million per biennium to fund the Weatherization Plus Health and Community Scale Weatherization Programs. These programs provide weatherization and health-related upgrades to approximately 3,000 low-income households statewide through insulation, heating system upgrades, essential home repairs, ventilation upgrades, and other health and safety measures.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

This request is for $41 million in capital funding for the 2027–2029 biennium. This amount includes $30 million for Weatherization Plus Health, and $11 million for Community Scale Weatherization. Together, these investments will deliver weatherization and health-related upgrades for approximately 3,000 low-income households statewide and will support energy efficiency improvements including insulation, heating system upgrades, essential home repairs, ventilation upgrades, and health and safety measures. Community scale projects, authorized in the 2026 Supplemental Budget, expand access for underserved communities, including Tribal and rural households.

The Weatherization Program has long been a core Energy Division service, providing cost-effective improvements that reduce energy bills and enhance the health, safety, and durability of affordable housing. The program strongly aligns with state priorities of lowering energy burden, preserving affordable housing, and supporting workforce development. The investment supports jobs by sustaining contractor workloads across the building trades, including carpenters, electricians, plumbers, insulators, HVAC installers, and roofers.

In 2026, the Legislature reinforced this commitment by adding $11 for pilot community-scale projects, expanding our ability to reach more households and respond to community-identified needs. This request continues support for initiatives that reduce energy burden, preserve affordable housing, and improve health outcomes in low-income, rural, and tribal communities. It also creates additional efficiencies in the delivery of services and governmental operations through the implementation of new community-scale projects.

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Weatherization and whole home energy efficiency upgrades are aligned with Washington's Comprehensive Climate Action Plan (CCAP) as a strategy to reduce greenhouse gas emissions while delivering direct benefits to residents, especially those facing high energy burdens and living in older, inefficient homes. The program directly improves energy affordability by lowering energy bills while also helping preserve affordable housing.

Many low-income residents live in older homes and experience high energy burdens, unhealthy indoor environments, and structural issues requiring costly repairs. Many of these residents live in affordable housing units which they are unable to maintain. Without continued capital investment, agencies would face service gaps, longer wait times, increases in deferrals, and reduced ability to deliver cost-effective energy and health improvements. Sustained investment is necessary to keep contractors working, maintain production pipelines, and meet statewide goals for lowering energy burden and preserving affordable housing. Data collected from the network of weatherization service providers in 2026 shows a waitlist of more than

Project Number: **40002016**
Project Title: **2027-29 Weatherization Funding**
Project Class: **Grant/Loan**

Description

3,400 households needing weatherization services. By not maintaining funding, waitlists will grow, homes will fall further into disrepair, and vulnerable communities will face an increasing energy burden.

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

Weatherization has received state capital investments since 1991. As energy and housing affordability challenges have increased, so have demands on the program. Of the $35 million in Weatherization Plus Health funds in the 2025–27 biennium, the initial appropriations have been fully contracted, and we anticipate using all available funds within the biennium as they are passed through to weatherization service providers.

Separately, the Legislature provided an additional $11 million in the 2026 Supplemental Budget for Community Scale Weatherization, HB 2338. These funds are in the rulemaking phase, and no contracts have been executed to date. It is our goal to have the $11 million Community Scale contracts executed by February 2027.

4. Does this project or program leverage non-state funding? If yes, how much by source?

Yes. The program leverages significant federal funding, including DOE Bipartisan Infrastructure Law funds, DOE formula funds, LIHEAP, and Bonneville Power Administration contributions. State funding is critical because federal rules limit certain activities, such as pre-weatherization repairs, health and safety measures, and energy efficiency installations that must meet a savings-to-investment ratio (SIR).

Because Washington has low energy costs and high labor costs, Weatherization Plus Health funding provides essential flexibility to unlock federal funding. State funding helps agencies meet SIR requirements, complete health and safety measures, and perform necessary pre-weatherization repairs. Together, these sources expand program reach and reduce reliance on state funds.

- $43M from the U.S. Department of Energy (DOE) through the Bipartisan Infrastructure Law (BIL) over the next 5 years, awarded.
- $6.3M from the U.S. DOE regular formula funds annually, pending.
- $8.1M from Low Income Home Energy Assistance Program (LIHEAP) annually, pending.
- $2.5M from Bonneville Power Administration (BPA) annually, awarded.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

The Weatherization Plus Health program supports Commerce's mission to improve housing quality, reduce energy burden, and protect vulnerable residents. This request fits within the agency's strategic priorities of advancing equity, strengthening low-income housing, and improving service delivery through community partnerships. This request also aligns with the Climate Commitment Action Plans goal of supporting rebates for single and multifamily housing energy retrofits. Continued funding will maintain agency performance, support local capacity, and ensure homes receive both energy and health-related improvements. Without it, agencies would face service gaps and diminished ability to meet statewide goals.

Project Number: **40002016**
Project Title: **2027-29 Weatherization Funding**
Project Class: **Grant/Loan**

Description

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

The program prioritizes households with the highest energy burdens and health risks, including low-income families, seniors, renters, people with disabilities, and residents in overburdened communities. Expected outcomes include reduced energy burden, improved indoor air quality, fewer deferrals due to health and safety issues, and increased completion of weatherization projects statewide.

7. Is there additional information you would like decision makers to know when evaluating this request?

Washington's Weatherization Program is nationally recognized for effective delivery and strong community partnerships. Continued funding ensures agencies can address health and safety issues that would otherwise delay or prevent weatherization, improving program efficiency and long-term housing stability.

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

Weatherization Plus Health program is not a major construction project. It weatherizes individual households through a network of service providers, typically Community Action Agencies, Housing Authorities, or Tribal agencies.

9. For major construction projects, what project delivery method has been or will be selected and why?

Not applicable.

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

Weatherization Plus Health is not linked to the Puget Sound Action Agenda or the Governor's Salmon Strategy.

Proviso
N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

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Project Number: 40002016
Project Title: 2027-29 Weatherization Funding
Project Class: Grant/Loan

Description

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	205,000,000				41,000,000
	Total	**205,000,000**	**0**	**0**	**0**	**41,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	41,000,000	41,000,000	41,000,000	41,000,000
	Total	**41,000,000**	**41,000,000**	**41,000,000**	**41,000,000**

Operating Impacts

No Operating Impact

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Capital Project Request
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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40002020
Project Title: 2027-29 Economic Competitiveness: Strategic Investments Capital
Project Class: Grant/Loan

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: **40002020**
Project Title: **2027-29 Economic Competitiveness: Strategic Investments Capital**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 4

Project Summary

The proposed solution is to build off existing work and establish a targeted BEST Act Business Growth and Innovation Fund to support high-impact business recruitment, retention, expansion, manufacturing, and R&D opportunities in Washington State. The program would provide $2 million in grant funding that Commerce could deploy quickly and strategically to support priority projects with strong economic development potential. Individual grants would typically range from $50,000 to $500,000 depending on project scale, competitiveness, and anticipated economic impact. Statutory program with goals that are not going to be met in current practice

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

This request supports the successful future implementation of the **Washington State Economic Development and Competitiveness Strategic Plan** (referenced as Strategic Plan), currently underway to strengthen Washington and is due to the Legislature before June 2027. The Strategic Plan will focus on identifying ways to create quality jobs, attract investment, support business growth, and enhance the state's long-term competitiveness through long-term economic development priorities and industry sector strategies. This funding request focuses on translating these publicly vetted priorities into action.

The proposed Strategic Investments will specifically focus on providing a minimum of 50/50 cost-share matching grants for strategic business opportunities and industry sector development elements of the Strategic Plan and supports the Governor's priority to strengthen Washington's economic competitiveness and resilience. The Washington State Economic Development and Competitiveness Strategic Plan will be vetted with and aligned to the Governor's Economic Development Council recommendations, the private sector, communities, and the legislature.

This request learns from and complements existing state initiatives, including the Building Economic Strength Through Manufacturing (BEST) Act and the work through the Governor's office around the Strategic Reserve Fund. Funds through the Strategic Investments account will be run through a targeted review process using the criteria and specific details of the Economic Strategic Plan as its guide and focused on private sector cost-shared investments industrial projects across sectors such as, but not limited to: aerospace, space, clean technology, maritime and food processing.

The Department of Commerce's Office of Economic Development and Competitiveness (OEDC) has been tasked with developing the state's Economic Development and Competitiveness Strategic Plan, funded in Governor Ferguson's first budget and due June 2027. The plan will establish the state's economic development priorities and provide a framework for future investments. **By the time the requested funding becomes available we anticipate the plan will be complete, and its priorities will have been identified.**

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Commerce is developing Washington's Economic Development and Competitiveness Strategic Plan to establish a coordinated, long-term approach for creating quality jobs, attracting investment, supporting business growth, and strengthening the state's competitiveness. As the plan is being developed, Washington's current economic development toolkit does not match the scale or pace of national and international competition for business investment. For example, Washington is facing increasing competition for large-scale industrial, clean energy, advanced manufacturing, aerospace, and research and development investment. These projects are highly mobile and increasingly select non-Washington locations based on speed, certainty, site readiness, workforce availability, and coordinated state support. The result is that communities large and small miss out on family-wage jobs and opportunities for more economic development. This request provides implementation tools needed to begin achieving the plan's objectives and fill key, strategic gaps that will help recruit, retain, and expand business investment here in Washington.

Project Number: **40002020**
Project Title: **2027-29 Economic Competitiveness: Strategic Investments Capital**
Project Class: **Grant/Loan**

Description

It is important to distinguish this proposed tool from existing programs such as CERB and the Governor's Strategic Reserve Fund. CERB is designed primarily to finance public infrastructure through local governments and other eligible jurisdictions, while the proposed Strategic Investments account would provide direct support to companies as part of a competitive business recruitment, retention, or expansion effort. Like the Governor's Strategic Reserve Fund, the proposed program could be incorporated quickly into a competitive offer and allocated once a company makes a commitment to create or retain jobs and make a capital investment in Washington. While the funds would be used to support infrastructure or other project-related needs, the company would typically be making a much larger investment—often tens of millions of dollars or more. The proposed awards would be relatively modest compared with the overall investment, but could be important in signaling the state's commitment, strengthening Washington's competitive position, and helping bring the investment and jobs to the state.

OEDC continues to receive requests for discretionary support for significant business recruitment, retention, and expansion opportunities. The Governor's Strategic Reserve Fund is currently the primary state tool available for this purpose and is necessarily highly selective. The proposed program would broaden Commerce's ability to respond to a wider range of high-impact opportunities through a rolling, flexible funding source, while maintaining accountability through defined company commitments and performance requirements. It would allow the Director of Commerce and OEDC to make timely decisions based on the priorities established in the Economic Development Strategic Plan.

The grant is not intended to serve as a traditional capital construction program. Rather, Strategic Investments would provide targeted support for facilities, infrastructure, or other project-related costs when that support is critical to securing or retaining a high-impact business investment in Washington.

Without this Strategic Investment Fund, Washington will continue to unsuccessfully compete for projects representing hundreds—and occasionally more than 1,000— new jobs. These projects often require a clear demonstration of state partnership and investment readiness. Highly competitive projects often require **firm, timely commitments** that can help reduce infrastructure and operating costs, such as grants, property tax abatements and workforce funding.

For example, Commerce recently supported a maritime manufacturing project with the potential to create more than 1,000 family-wage jobs. The company ultimately narrowed its search to six other states that demonstrated competitive advantages through available sites, infrastructure, workforce, and economic development support. While Commerce presented a strong value proposition, Washington's proposal did not include the full range of competitive tools—particularly infrastructure investment resources—offered by other states. This missed opportunity illustrates the importance of providing Commerce with the competitive tools to implement the Economic Development Strategic Plan to quickly respond to high-impact investment opportunities.

If no action is taken, the result will be reduced private investment, fewer family-wage jobs, slower growth in strategic industries, and further missed opportunities to strengthen regional economies across Washington, particularly in rural and underserved communities. Specifically:

- Washington will have inadequate resources to implement the Economic Development Strategic Plan and will continue to lose competitive projects to other states.
-Washington will have limited ability to intervene in the prevention of business closures or capitalize on time-sensitive economic development opportunities that create and retain jobs.
-Washington will risk prolonged recessionary pressures, continued job losses, weakened industry competitiveness, and reduced economic opportunity for communities across the state.

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

Project Number: **40002020**
Project Title: **2027-29 Economic Competitiveness: Strategic Investments Capital**
Project Class: **Grant/Loan**

Description

This is a new funding request supporting implementation of Washington's Economic Development Strategic Plan, which is currently under development and will reflect inputs from the Governor's Economic Development Council. No prior appropriations have been made, and no funds have been spent or placed under contract for this proposed program. However, similar targeted economic development tools and project support efforts have demonstrated the value of providing responsive resources to help communities and businesses compete for high-impact investment opportunities.

Does this project or program leverage non-state funding? If yes, how much by source?

Yes. This program is expected to leverage significant non-state investment, primarily through private capital investment (CAPEX) from companies expanding or locating in Washington, as well as additional local resources where applicable. The proposed Strategic Investments would act as an accelerator to leveraging non-state funding. That said, state funding through this program would represent a small portion of overall project costs, serving as a critical catalyst for significantly larger private and local investments in site readiness, facilities, infrastructure, equipment, and job creation.

Historically, Commerce-supported projects which utilized tools such as the Strategic Reserve Fund (SRF), Evergreen Manufacturing Growth Grants, and other economic development programs have leveraged substantial private investment.

The proposed program would also incorporate a strong governance and review process modeled on the existing Governor's Strategic Reserve Fund (SRF). Commerce currently has an established SRF process that includes review by a committee of subject-matter experts, economic development analysis, and input from relevant program areas. Local economic development organizations play an important role in the process by providing information about the project, demonstrating local support, and helping assess the project's potential impact on the community. Other supporting organizations may also provide letters of support or other information to help inform the review. Commerce also consults with the Governor's Office as part of the process.

The agency would carry forward these core checks and balances for Strategic Investments, with multiple levels of review and approval, including review by the OEDC Director and final approval by the Director of Commerce. The process would be tailored to the purpose of the fund and the priorities established through the Economic Development Strategic Plan. This approach would provide appropriate oversight and accountability while allowing Commerce to respond more quickly and flexibly to a broader range of strategic investment opportunities.

Examples of Recent Investments

The state has previously used targeted investments to support projects similar to those envisioned under the proposed Strategic Investments program. Examples include support for IonQ's quantum computing manufacturing expansion in Bothell, Twelve Benefit Corporation's carbon transformation and sustainable aviation fuel project in Moses Lake, and Inventech Marine Solutions' advanced marine manufacturing expansion in Bremerton. These examples demonstrate the type of high-impact projects where targeted state support can help advance facility improvements, site development, infrastructure planning, and other pre-development activities while leveraging significant private investment and supporting job creation in strategic industries.

Importantly, these investments were made through programs or funding sources that are no longer available or are now significantly constrained. The proposed Strategic Investments program is intended to restore and expand the state's ability to provide this type of targeted support through a dedicated, flexible funding source. The Governor's Strategic Reserve Fund remains available for select opportunities but is limited in funding and necessarily reserved for a small number of high-priority projects. The proposed program would provide Commerce with an additional tool to respond to a broader range of competitive, high-impact business opportunities.

Project Number: 40002020
Project Title: 2027-29 Economic Competitiveness: Strategic Investments Capital
Project Class: Grant/Loan

Description

Targeted investments in manufacturing can help create and retain family-wage jobs while strengthening local economies. For example, Commerce's Evergreen Manufacturing Growth Grants have supported projects expected to create hundreds of jobs: the most recent $1 million round is expected to support up to 463 new jobs over three years, including family-wage manufacturing opportunities in rural and underserved communities, while the 2024 round supported 10 projects expected to create up to 526 jobs over three years.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

The proposed Strategic Investments will support implementation of the Strategic Plan and align with the Governor's Economic Development priorities per the recently established EO-2602. This work of using a community vetted, targeted strategic plan to guide investments is a core part of how Commerce implements our mission to, "foster resilient communities by building partnerships, delivering resources, and advancing equity through responsive, transparent, and collaborative public service."

The $4 million fund for Strategic Investments will more adequately support business recruitment, retention, expansion, and strategic growth opportunities, while addressing a key gap identified through the planning process – the lack of readily available funding to quickly respond to highly-competitive business investment opportunities.

To illustrate how the Agency anticipates implementing this fund, Commerce expects to support grants ranging from **$50,000 to $500,000**, based on project scope, anticipated economic impact, and the extent to which the investment advances the state's economic development priorities. These grants would represent a relatively small state investment compared with the scale of private investment they are intended to help secure. In some cases, companies considering Washington may be investing **$100 million or more in new facilities and operations**, making a $50,000–$500,000 state incentive a small but potentially important component of a competitive investment offer. The goal is to leverage substantial private capital and generate a strong return to the state through new jobs, increased economic activity, and long-term business investment.

Projects would be prioritized based on factors such as the number and quality of jobs created or retained, the level of private capital investment, the strategic importance of the industry or project to Washington, the project's potential economic impact and competitiveness, and the leverage achieved by state support to secure or retain the investment. Commerce would also consider the availability of other public or private funding and whether the proposed investment would address a specific gap such as site preparation that could affect the project's ability to move forward in Washington. Applicants would be expected to demonstrate significant company or other matching investment. The proposed program would require a **minimum 50/50 match**, meaning the state's contribution could not exceed the amount of non-state investment committed to the project. In practice, the expectation would generally be for substantially greater private investment relative to the state award, given the scale of the projects contemplated. The matching requirement would help ensure that state funds are used to leverage significant private investment and are directed toward projects where the company and other partners have a substantial financial commitment.

The governance structure would build on the existing SRF model. Applications would be reviewed by a committee of subject-matter experts and relevant Commerce program staff, with economic development analysis and input from local economic development organizations and other project partners. Local partners would play an important role in demonstrating community support, providing information about the project and local conditions, and helping assess the project's potential economic impact. Supporting organizations could also provide letters of support or other documentation. Commerce would consult with the Governor's Office on significant opportunities, and awards would be subject to multiple levels of review and approval, including the OEDC Director and the Director of Commerce.

These governance and review elements are based on processes Commerce already uses for the Governor's Strategic Reserve Fund and other competitive grant programs, rather than creating an entirely new oversight structure. The specific eligibility requirements, prioritization criteria, matching expectations, and performance requirements for Strategic Investments would be further defined as the program is established and aligned with the priorities identified through the Economic Development

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Description

Strategic Plan. This approach would provide clear accountability and multiple levels of review while preserving the flexibility needed to respond quickly to competitive, high-impact investment opportunities.

Guided by the Strategic Plan with priority on public-private partnerships, equitable economic opportunity, and robust partner engagement, eligible investments may include:

- Project-specific feasibility and predevelopment activities,

-Site due diligence, environmental review, engineering, and design,

-Infrastructure planning and development,

- Capital budget-eligible expenses that improve the state's competitiveness,

-Strategic industry initiatives to bolster innovation across the key sectors, and

-Targeted, industry-specific research activities to advance the statewide Strategic Plan.

Given the program's multi-layered review process—requiring subject-matter expert evaluation, coordinated input from local partners, economic analysis, consultation with the stakeholders, and multiple levels of internal approval, Commerce would require authority for up to 5% of amounts appropriated for the grant program for costs that result from the ongoing administration of the program.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

This proposal advances equity by strengthening Washington's ability to support businesses and communities that face greater barriers to competing for economic development opportunities, particularly in rural, regional, and historically under-resourced areas. These communities often have fewer economic development resources and less access to the strategic support needed to compete for high-impact business investment opportunities.

The Strategic Investments help address these disparities by providing responsive resources that improve investment readiness and expand access to economic development tools. By supporting business recruitment, retention, expansion, and strategic investment opportunities, the program will help ensure communities across the state are better positioned to compete for investment, create jobs, and participate in Washington's economic growth.

The proposal also supports Washington businesses seeking to expand, innovate, and create jobs within their existing communities, helping distribute economic opportunity more broadly across urban, rural, and regional economies.

Measurable outcomes may include the number of businesses receiving support, the number and geographic distribution of projects assisted, private capital investment leveraged, jobs created or retained and increased business investment across rural and urban communities.

7. Is there additional information you would like decision makers to know when evaluating this request?

- Commerce currently has a more limited set of economic development tools and resources than many competing states, which can constrain our ability to respond to strategic investment opportunities and implement economic development priorities. For example, a missed opportunity for industrial development that would have advanced clean energy, and decarbonization goals included a proposed large-scale renewable diesel facility at the Phillips 66 Ferndale refinery in Washington State that was

Project Number: 40002020
Project Title: 2027-29 Economic Competitiveness: Strategic Investments Capital
Project Class: Grant/Loan

Description

withdrawn by project sponsors, with permitting uncertainty and timeline risk cited as contributing factors. The project represented a significant potential clean fuels investment, with facilities of this type typically requiring capital investment on the order of $1 billion or more, along with substantial construction and long-term operational employment.

- Strong advocates: This fund will strengthen partnerships with industry, economic development organizations, and sector associations to support business attraction, retention, expansion, and investment across Washington. It will enhance collaboration with statewide and regional partners – including the Washington Economic Development Association (WEDA), Associate Development Organizations (ADOs), Greater Seattle Partners, the Cowlitz Economic Development Council, Greater Spokane Inc., and the Tri-City Development Council (TRIDEC) – as well as industry organizations such as the CleanTech Alliance, Washington Technology Industry Association (WTIA), Washington Maritime Blue, Aerospace Futures Alliance, and other strategic industry partners.

These partnerships will expand economic opportunity, strengthen Washington's competitive advantages, and improve coordination in implementing the Statewide Economic Development and Competitiveness Strategic Plan.

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

This request is not intended to serve as a traditional capital construction program; however, the Strategic Investments may provide targeted investments in facilities or infrastructure when they are critical to securing or retaining high-impact business investments. Alternative approaches considered included relying solely on existing state grant programs and the Governor’s Strategic Reserve Fund (SRF).

Those alternatives are not sufficient to address the full range and volume of opportunities OEDC is currently seeing. Washington’s economic development toolkit has been reduced in recent years, including the elimination of the Evergreen Manufacturing Growth Grant and the loss of dedicated support for industry clusters. The SRF remains an important tool for high-priority opportunities, but its limited funding requires it to be reserved for a highly selective set of projects. As a result, Commerce has fewer resources available to provide the type of targeted state support that has helped advance significant private-sector investments in the past.

The proposed Strategic Investments program would provide an additional, dedicated source of funding that could be deployed as part of a competitive investment offer, with defined eligibility and prioritization criteria, a minimum 50/50 match, and a structured review and approval process. This would give Commerce greater capacity to respond to high-impact business recruitment, retention, and expansion opportunities while maintaining appropriate oversight and accountability.

The proposed Strategic Investments account is the approach that will provide Commerce with the responsiveness to address project-specific barriers that could determine whether an investment moves forward in Washington. Depending on the project, eligible activities may include planning and due diligence, site preparation, utility extensions, transportation improvements, or targeted facility and infrastructure investments that improve investment readiness. For example, the fund could support the rehabilitation of existing facilities, utility improvements, site readiness, and other enabling infrastructure investments when they are necessary to secure major manufacturing, maritime, or industrial projects that generate significant private capital investment and family-wage jobs.

By providing this responsive tool, Washington will be stronger positioned to implement the Economic Development Strategic Plan, respond quickly to strategic business opportunities, and compete more effectively for transformational projects across the state.

9. For major construction projects, what project delivery method has been or will be selected and why?

This proposal will use a grant-based delivery model administered by the Washington State Department of Commerce as a key implementation tool of the Economic Development Strategic Plan. Strategic Investments will provide responsive,

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Project Title: 2027-29 Economic Competitiveness: Strategic Investments Capital
Project Class: Grant/Loan

Description

project-specific grants to support business recruitment, retention, expansion, and strategic investment opportunities that strengthen Washington's competitiveness.

Commerce will award grants to eligible private-sector businesses and, where appropriate, public and nonprofit economic development partners, based on project readiness, anticipated economic impact, alignment with state economic development priorities, and the potential to create jobs and leverage significant private investment. Funding may support eligible capital investments associated with business recruitment, retention, and expansion projects, including facility improvements, site preparation, infrastructure improvements, and other capital activities necessary to enable high-impact economic development projects.

These investments will be targeted toward projects that demonstrate a significant public benefit through job creation, capital investment, strengthening of strategic industries, and increased economic competitiveness for Washington. Projects will be evaluated based on economic impact, investment commitment, readiness to proceed, and alignment with statewide economic development priorities and applicable capital budget requirements.

This delivery model will provide Commerce with the opportunity to respond quickly to time-sensitive economic development opportunities while leveraging existing partnerships and grant administration expertise. This Strategic Investments will enable the state to tailor assistance to individual projects, address barriers to investment, and implement the Economic Development Strategic Plan, by supporting transformational projects that generate long-term economic growth and family-wage jobs across Washington.

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

This proposal is not directly linked to the Puget Sound Action Agenda or the Governor's Salmon Strategy. However, the objectives outlined in the Puget Sound Action Agenda may be relevant for projects located within the Puget Sound region.

Any projects supported through this program will remain subject to applicable environmental review and permitting requirements, including state and local requirements related to shoreline management, critical areas, and other regulatory frameworks.

All funded activities will continue to comply with existing environmental laws and permitting requirements throughout project implementation at both the state and local levels.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	24,000,000				4,000,000
	Total	**24,000,000**	**0**	**0**	**0**	**4,000,000**

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Funding

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	5,000,000	5,000,000	5,000,000	5,000,000
	Total	**5,000,000**	**5,000,000**	**5,000,000**	**5,000,000**

Operating Impacts

No Operating Impact

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Project Number: **40001983**
Project Title: **2027-29 Public Works Board**
Project Class: **Grant/Loan**

Description

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Project Number: **40001983**
Project Title: **2027-29 Public Works Board**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 5

Project Summary

The PWB requests $500 million from the Public Works Assistance Account (PWAA) for the FY27-29 biennium to address the significant need for local infrastructure financing. Infrastructure across the state is aging, and small, rural, and overburdened communities are not financially equipped to maintain and/or replace it. At the same time, demand for infrastructure financing continues to exceed available state-appropriated funds. In FY26, Public Works Board (PWB) financing demand exceeded available funds by more than $200 million. PWB received 78 applications totaling $335.9 million and awarded 31 projects $133.6 million. Access to infrastructure financing tools is critical to ensuring that Washington communities can safely function, grow, and thrive.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The Public Works Board (PWB) requests appropriation authority for $500.9 million from the Public Works Assistance Account (PWAA) to address the significant need for local infrastructure financing. The PWB issues loans and grants to local governments to fund critical water, wastewater, stormwater, roads/streets, bridges, and solid waste facilities. Investment in public works infrastructure is foundational to public health and safety, environmental benefits, continued resilience, and overall economic prosperity for communities large and small. The PWB also supports local governments with emergency infrastructure financing, generally approving funding within two weeks of emergency applications.

The PWB plans to solicit construction projects with $220 million available in FY28 and another $220 million for FY29. The PWB plans to allocate $20 million each fiscal year for continuous solicitation of essential preconstruction projects to help communities plan for and design resilient infrastructure. With continued emergency events including unprecedented wildfires, extreme flood events, and failing water and sewer systems becoming more regular and more severe, the PWB plans to set aside $10 million each fiscal year for emergency public works projects. This supports the infrastructure repair and recovery needs in the transition from local emergency response to long-term recovery.

Infrastructure investments of this scale generate advanced economic activity for the project and subsequent economic activity when the contractor and construction workers spend their income from the project. Nearly 2,000 construction jobs are generated from $500 million in local government construction funding, in addition to up to an estimated $45 million in retail sales and use tax revenue for local governments statewide.

Pursuant to RCW 43.155.050(1), up to 10% of the biennial appropriation may be awarded in the form of grants for distressed and severely distressed jurisdictions. The remaining funds are issued as low interest loans. The interest rate for most projects is set at half of the interest rate average for municipal bonds. For FY26 projects, the highest interest rate was 2.12% and for FY27, the highest interest rate is 2.31%. For non-distressed communities, a $10 million loan paid back over 20 years means the borrower pays about $2.4 million in interest compared to upwards of $4 million through market rate loans. That means more taxpayer money is spent on actual construction rather than financing. The PWB reduces the interest rate further for jurisdictions experiencing financial hardship. In our most recent funding cycle, interest rates were as low as 0.58% for a five-year preconstruction loan or 1.16% for a 20-year construction loan.

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Much of the infrastructure across the state has passed its useful life, and small, rural, and overburdened communities are not financially equipped to maintain it or replace it. At the same time, demand for infrastructure financing continues to exceed available state-appropriated funds.

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Project Title: **2027-29 Public Works Board**
Project Class: **Grant/Loan**

Description

Access to infrastructure financing tools is critical to ensure that communities across Washington can safely function, grow, and thrive. A 2025 PWB construction project as mundane as installation of 18-inch water transmission main supporting Spokane's Northwest Terrance Pressure Zone was quoted by the City of Spokane's principal engineer as "playing a significant role in fighting the Spokane fires" experienced in early August 2026. Without the funding, this project may not have been possible and the current "situation could have been much worse." An appropriation of $500 million will ensure the Board is able to support local public works infrastructure that communities depend on not just day-to-day, but during increasingly frequent floods, wildfires, and extreme weather events. The PWB funding maintains rapid response for financing emergency repairs, and creates affordable financing tools that support long-term economic, community, and housing growth.

Without this appropriation, many smaller jurisdictions cannot access capital for critical infrastructure improvements. Large jurisdictions will be forced to rely on private credit markets, which spend more taxpayer dollars on financing and less on building the actual project. Additionally, as the demand for housing grows, so too does the need for the infrastructure necessary that underpins housing development and economic growth. Clean drinking water and reliable sewer systems are needed to provide affordable and accessible housing. Public works are often unnoticed until they fail, but they are undoubtedly the foundation for building successful, sustainable and resilient communities.

PWB's 41-year track record of providing consistently affordable financing for these critical projects is matched by its partnerships with other funders around the state in support of goals such as housing and climate resilience. The Connecting Housing to Infrastructure Program (CHIP), State Revolving Funds administered by the Departments of Health and Ecology, and Washington State Department of Transportation are examples of frequent collaborators. Not acting on this request would also impact these other funders' abilities to meet the infrastructure demands around the state. PWB often provides matching or gap funds for projects funded in partnership with these other programs. Without PWB funding, many critical projects around the state would be left with significant funding gaps and feasibility concerns.

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

The PWB received appropriation authority of $379.5 million for 2025-27 biennium. The 2026 supplemental budget instructed the PWB to use $379.5 million of state bond funds for all capital project draws in the 2025-27 biennium. This ensures the availability of $777 million in PWAA cash transfers to the State General Fund and the Move Ahead WA Account.

In FY26, the PWB financing demand exceeded available funds by $196 million. For construction, PWB received 78 applications totaling $336 million. Of the 70 construction applications that met eligibility criteria, 33 were awarded, totaling $140.2 million. With an increase in demand for preconstruction awards, the PWB shifted funds from the emergency program to support 27 preconstruction and planning projects for approximately $15 million and a combined fund obligation of $155 million.

For FY27, the PWB opened its second construction funding cycle with $202 million available for projects to be awarded in October 2026. Available continuously until exhausted is $20 million for preconstruction projects and $7.5 million for emergency projects. The PWB expects to commit the remaining $202 million as it received 64 construction applications requesting $290 million. In addition, PWB expects to commit most of its remaining preconstruction resources as it also received 13 preconstruction applications requesting $4.7 million.

Projects awarded in October 2026 will be under contract within three to five months, with less than 1% spending in the first fiscal year. Spending is anticipated to increase in FY28 to 25%, FY29 at 23%, FY30 at 15% and the last 12% of the project awards should be spent by the end of FY31. This same spending rate is assumed for 2027-29 construction awards, creating capacity in the PWAA fund balance to pay construction draws over the span of six years. For several biennia, the state has leveraged this accelerated lending model to use cash balance forecasting to track upcoming repayments and program income to maximize program cash and commit loan funds ahead of revenue capitalization. In tandem with consistent tax revenues, this approach allows communities to access financing and begin their planning, design, and construction work before complicating factors, such as inflation or disrepair, can increase project costs that may be passed on to ratepayers.

The PWB also received $10 million in Natural Climate Solutions Account resources for the Flood Resilience Grant program for

Project Number: **40001983**
Project Title: **2027-29 Public Works Board**
Project Class: **Grant/Loan**

Description

local governments impacted by the December 2025 atmospheric river events. This funding opened August 17 and will be available on a first-come, first-serve basis. Staff will document best practices for supporting resilient infrastructure reconstruction post-disaster to help prepare PWB and other funding rapid responders for future events.

If the state does not appropriate this funding to the PWB, critical local infrastructure projects will continue to stall, inflation and construction costs will continue to accelerate, and infrastructure investments will become increasingly out of reach for jurisdictions to serve their growing needs and ensure the health and safety of their communities.

4. Does this project or program leverage non-state funding? If yes, how much by source?

The PWB is directed in RCW 43.155.070(4) to consider “the extent to which the project leveraged other funds” and “whether the applicant sought or is seeking funding for the project from other sources.” The PWB prioritizes projects for which PWB would provide the matching funds to secure other funding, which is often a requirement of non-state funding. The PWB also has a policy not to award funds to projects for which non-state funding has already been secured. Additionally, the PWB collaborates with other state and federal funding partners through the interagency, multijurisdictional system improvement team (Sync) to ensure proposed projects are supported by the best-fit funding option for the project and the community.

Another aspect of leveraging non-state funding is the PWB’s increased effort to make planning and preconstruction funding accessible. This reduces competition for communities needing planning and preconstruction funding while also allowing the community to spread out the costs of essential growth and future infrastructure planning and design work across the incoming rate payers using a five-year low interest loan. The flexible and easy to access preconstruction funds also position communities for competitive and ready-to-proceed construction projects that utilize PWB’s construction funding and ideally positioning the project for other state and federal infrastructure funding. The planning and design space also creates opportunities for more technical assistance and inter-connections with other Commerce programs that support climate and energy resilience infrastructure concepts.

5. Provide context on how this request fits into the agency’s work. Describe how this project supports the agency’s strategic plan or would improve agency performance.

Public works infrastructure investments are aligned with Commerce’s strategic direction to:

- support community-led and equitable impact;

- strengthen partnerships and public trust;

- scale innovative, data-driven solutions;

- promote growth; and

- improve organizational health.

For over 40 years, PWB has served as a trusted and reliable source of infrastructure financing. At the end of this fiscal year, PWB will have awarded $4 billion in grants and loans to over 2,300 infrastructure projects across Washington. The PWB funds construction, pre-construction, and emergency projects across all infrastructure system types, including domestic water, sanitary sewer, roads, bridges, solid waste and stormwater, and broadband. These projects promote community and economic growth, environmental protection, public health, and safety. With the authorization of $500 million for capital budget funding for the biennium, the PWB will deploy resources from the PWAA to fix critical and failing infrastructure, while advancing environmental goals, public health, and public safety. Maintaining access to robust funding for local governments is the primary mission of the PWB and without appropriation authority, the primary function of the PWB is stymied.

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Project Class: **Grant/Loan**

Description

In the event of emergencies, the PWB acts as one of the state's first responders for financing when a local bridge, sewer pipe, or water treatment plant fails, jeopardizing public safety. With an average response time of two weeks, jurisdictions rely upon the PWB's agility to address emergency situations.

Applying for a PWB loan is also easier, cheaper, and faster than borrowing from private banks or through the bond market. PWB provides low-interest loans to all eligible communities as well as grants to distressed and severely distressed communities

PWB also has a robust technical assistance program to help local governments plan, apply, and qualify for loans and grants. The PWB supports communities by improving their ability to plan for, finance, acquire, construct, repair, replace, rehabilitate, and maintain public facilities. In efforts to refine its technical assistance strategy, the PWB plans to consult with partners within the Association of Washington Cities (AWC), the Washington Association of Sewer and Water Districts (WASWD), the Washington Association of Counties (WSAC), the Washington Public Utility Districts Association (WPUDA), as well as direct engagement with communities to develop a robust technical assistance strategy for the years ahead.

Strategic Direction 2, 3, and 4: PWB staffs the Sync collaborative, which is directed in RCW 43.155.150 to bring together infrastructure funders across PWB, the departments of Commerce, Ecology, Health, and Transportation, and the Transportation Improvement Board to ensure cross-agency collaboration for infrastructure funding. For example, Sync's project data dashboard centralizes and maps funders' project data to illustrate state infrastructure investments.

The PWB aims to strengthen its capacity to harness data to make strategic infrastructure financing decisions. While the 2026 Legislature did not approve a budget proviso directing PWB and Sync to conduct and report on a comprehensive infrastructure needs assessment, PWB and Sync are continuing some of the work as planned, including prioritizing enhancements to Sync's data dashboard. For example, beginning with FY26 data, Sync's dashboard will centralize unfunded infrastructure project data from across the state. This data will provide a clearer understanding of where gaps exist in communities' ability to access infrastructure financing and why. This data can also inform more targeted technical assistance efforts.

Strategic Directions 1 through 5: As the state begins planning to reach the goal of 1.1 million new homes by 2044, the PWB seeks to more meaningfully connect their funding tool with Growth Management Services, including their housing-related programs, such as the Connecting Housing to Infrastructure Program (CHIP). Affordable housing requires affordable infrastructure, and collaboration between these teams will be essential in meeting that goal.

In 2026, the Legislature approved additional PWAA funding for the PWB to support its contract management capacity and improve its technical expertise in growth management planning and housing to tighten the strategic connection to this space. This role will provide technical assistance to local governments and other stakeholders, such as housing developers, to align financing tools that support infrastructure system improvements to unlock housing and growth, including incentivizing affordable housing options, where appropriate. This position will also develop strategies for how to integrate this work with other statewide initiatives, such as Washington's Water Futures, to ensure PWB's programs remain responsive to the changing realities of the state.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

Nearly 3,000 governmental organizations are eligible for PWB Traditional Programs funding: Cities (281), counties (39), special purpose districts (approximately 1,300, excluding ports and school districts), and municipal and quasi-municipal corporations (1,580 estimated). The infrastructure systems they manage touch the lives of every resident in the state and provide the backbone for economic growth.

Because there are more applications than available funding, there is a competitive bidding process. The PWB is required under RCW 43.155.070 to distribute funds equitably across eligible system types, among rural and urban communities, and spread geographically across the state. To bolster that requirement, the PWB has undergone several continuous improvement

Project Number: **40001983**
Project Title: **2027-29 Public Works Board**
Project Class: **Grant/Loan**

Description

measures since 2024 to ensure the application process not only remains accessible and easy to navigate, but that additional supports are built into the process. These efforts ensure applicants in economically distressed communities can request needed funding without undue barriers to access.

The PWB leans into equity by helping economically distressed jurisdictions to secure affordable infrastructure financing. Distressed communities made up more than half of the funding awards for FY24, FY25, and FY26. In the most recent FY27 application cycle for construction and preconstruction, 61% of requests are from economically distressed communities across Washington. By leveraging the authority in RCW 43.155.050 for the PWB to award up to 10% of the biennial appropriation in grants, the PWB has been able to offer nearly all distressed and severely distressed awardees up to 50% grant and 50% loan combination awards. This policy has allowed many small, under-resourced jurisdictions across the state to complete the projects necessary for public health and safety in their communities that may have otherwise been out of reach.

7. Is there additional information you would like decision makers to know when evaluating this request?

The PWAA is funded by the Real Estate Excise Tax, the Solid Waste Collection Tax, the Public Utility Tax, and annual loan payments from previously issued loans. The PWB projects that those revenues will support $500 million in grants and loans during the 2027-29 biennium with some consideration. The timing of the transfers of PWAA funds to the state transportation budget through the Move-Ahead WA required $114 million transfers are dictated by state budget law to be transferred quarterly. This impacts the flow of cash availability month to month. If changed to an end of fiscal year transfer for $57 million, the total transfer amount remains the same, yet the monthly cash balance is projected to remain positive with the full use of the 2025-27 authority. This cash flow deficiency happens regardless of an additional $500.9 million appropriation for 2027-29.

If a change in the Move-Ahead WA transfer timing is not made, the PWB will require authority to have a negative cash deficiency for approximately five months in 2028 and a few months in FY29. If the PWAA carries a negative cash deficiency, there must be language that points negative interest to the PWAA (Fund 058) rather than the Public Facility Construction Loan Revolving Account (Fund 887) to avoid negative impacts for the Community Economic Revitalization Board (CERB).

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

N/A

9. For major construction projects, what project delivery method has been or will be selected and why?

N/A

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

PWB staff submits a list of applications received from the 12-county Puget Sound area to the Puget Sound Partnership as part of the PWB's application threshold review. The Partnership staff considers whether projects are or are not consistent with the Puget Sound Action Agenda. Any wastewater or stormwater project found to be in conflict with the Action Agenda will not be funded pursuant to RCW 43.155.070(9). The Partnership includes information on relevant PWB-funded projects annually in its required reporting to the National Estuary Program.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

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Project Class: Grant/Loan

Description

Project Type

Grant/Loan - Unidentified

Growth Management impacts

N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
058-1	Public Works Assist-State	2,504,500,000				500,900,000
	Total	**2,504,500,000**	**0**	**0**	**0**	**500,900,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
058-1	Public Works Assist-State	500,900,000	500,900,000	500,900,000	500,900,000
	Total	**500,900,000**	**500,900,000**	**500,900,000**	**500,900,000**

Operating Impacts

No Operating Impact

Narrative

N/A

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Project Title: 2027-29 Electric Vehicle Charging Program
Project Class: Grant/Loan

Description

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Project Number: **40002021**
Project Title: **2027-29 Electric Vehicle Charging Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 6

Project Summary

Through the Washington Electric Vehicle Charging Program (WAEVCP), the state makes critical investments in community-based electric vehicle charging infrastructure. Providing $45 million in the 27-29 biennium will fill access gaps by constructing an estimated 1,000 to 2,000 ports through 30 to 60 grants.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The department requests $45 million to implement the Washington Electric Vehicle Charging Program (WAEVCP) Round 3 and expand community access to electric vehicle (EV) charging.

WAEVCP is the state's community charging grant program, which fills gaps in private investment and ensures all Washington residents have access to cleaner, more affordable transportation. Through WAEVCP Rounds 1 and 2, the state invested $135 million for 618 projects and more than 5,500 charging ports, a third of which are currently in operation.

The need for additional funding is clear: In WAEVCP 2, funding requests exceeded available funding by more than $100 million and the state was unable to fund 500 Level 3 (L3) fast-charging ports at more than 100 project sites across the state. Presently, the state is more than 700 L3 ports behind targets identified in the state's Transportation Electrification Study (TES), a profound risk to the State's EV adoption targets and associated emissions reduction goals.

With a $45 million appropriation, WAEVCP will fill access gaps by constructing an estimated 1,000 to 2,000 ports through 30 to 60 grants. The department is actively engaging with implementation partners and stakeholders to make improvements to the program but currently assumes six subprograms with illustrative figures in Table 1.

See attached document for Table 1: Funding for awards and illustrative charging capacity added, by subprogram

This investment will provide public benefit through the following impacted parties:
- **State** - greenhouse gas emissions will be reduced by about 15,000 metric tons CO2e annually, according to the WSDOT EV infrastructure calculator.
- **Direct grantees** – including tribes, local governments, nonprofits, small businesses, and utilities —will benefit from increased economic development, energy sovereignty, and energy resilience.
- **Subcontractors** will benefit from increased job opportunities that provide competitive wages and apprenticeship labor hours.
- **Site hosts (property owners)** will benefit from increased site traffic and associated economic activity.
- **EV industry** will continue to invest in and innovate in Washington, maintaining the state's position as a leader in beneficial technology advancement.
- **Consumers** will have increased access to EV charging. For existing EV drivers, this will reduce queueing and range anxiety. Future EV drivers will have the confidence to invest in EVs and benefit from more affordable, stable domestic transportation fueling.
- **Communities** will benefit from cleaner air and quieter streets. There will also be increased individual and community-level energy resiliency provided by EV battery innovations.

Consideration in context of all EV charging funding as a share of CCA revenue

While EV charging has previously been funded through a combination of transportation and CCA funding, the department has been informed that WSDOT is not making a request for additional funding. This request ($45 million) is $16 million lower than the 2025-2027 funding level ($61 million) when both WAEVCP ($36 million) and WSDOT's state highway corridor program ($25 million) are taken into consideration.

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Description

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Compliance with state statute. Not acting increases state legal risk of non-compliance with two sections of statute:
- RCW 70A.45.020 – Greenhouse gas emissions reductions — Reporting requirements.
- RCW 70A.30.010 – Department of Ecology to adopt rules to implement California motor vehicle emission standards.

The two sections act together to set economy-wide greenhouse gas (GHG) limits, and more specifically, ensure a transition to zero-emission vehicles (ZEVs) in alignment with the broader limits. On-road vehicle use of gasoline and diesel fuel is the single largest subsector, representing 24% of the state's emissions. A net-zero emissions future in compliance with RCW 70A.45.020 ultimately requires EV adoption, which in turn requires a robust EV charging network.

But the state fell short of its 2025 L3 fast charging port target of 2,705 by about 700 ports. Current investments cover just 4% of costs for all charging ports needed in the state. A higher share is needed to meet the state's targets.

The requested funding level amounts to a modest increase in CCA investment share for EV charging. The table below shows a funding share to date of 4% for the two major state EV charging programs serving the public.

See attached document for Table 2: CCA investments to date, in millions, categorized by budget type, on-road electrification, and EV charging programs

The department estimates that a $45 million funding level would be 5.6% of the Department of Ecology's estimated $800 million available between transportation and capital CCA accounts for the 2027-2029 biennium. This level is well below the 24% of emissions benchmark, but slightly higher than the previous 4% share.

This shift toward more EV funding cannot wait until a future biennium. Figure 1 shows new EV sales share by month, a fitted trend line to before and after public policy interventions boosted the EV market, and the state's new EV market share targets required to meet the statutes. The gap between the trend and state targets is large and expected to grow without more state support for EV programs.

See attached document for Figure 1: Comparison of EV share of all new light-duty vehicles sold in Washington between DOL title data, trend line, and state target

Lower fuel costs. Not acting keeps overall fuel costs higher than if the request is enacted.

There is no better state than Washington in which to drive an EV and save on fuel costs. The Comprehensive Climate Action Plan (CCAP) identifies electric vehicles (EVs) as the most significant near-term pathway to reduce household energy costs, saving most households between $1,000-$2,000 annually depending on mileage and vehicle type. Without funding the request, that value proposition diminishes. Even if the same EV adoption materializes without more public funding, fewer public charging ports means higher demand per port, raising prices. Fewer multifamily and workplace ports mean more reliance on higher-rate public charging, further increasing prices. Even in the unlikely scenario that private investment fills the gap, prices must increase to recoup higher capital costs.

Better EV charging experiences. Not acting will result in a higher number of negative charging experiences, including long waiting times and failed charging attempts.

The L3 shortage of 700 ports noted above means the state is at risk of waiting times growing at busy stations and expanding to more locations. It also means some areas outside King County do not have enough public charging available to meet growing EV adoption. This could lead to inconvenience that frustrates EV drivers and slows adoption.

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Description

Meanwhile, the TES assumed 29% of multifamily residents would have access to at-home charging in 2025. The only data source available is Yardi Matrix's 2025 large apartment buildings data , which says 14% of multifamily units provided charging access. This is a critical access gap that can only be addressed through continued public investment.

Jobs for electricians, machinists, construction laborers, and engineers. Not acting will miss an opportunity to increase work opportunities for engineers, electricians, and other building trades, losing income to other states.

WAEVCP 1 and 2 investments have already created, or will create, an estimated 87,518 job days, equivalent to 365 full-time jobs, for the planning and administration, design, assembly, construction, installation, and servicing of charging ports. Assuming an average annual wage of $105,000, based on Employment Security Department data, this equates to $38.3 million in annual income created, or more than a quarter of the total appropriated for the program to date. WAEVCP 3 funding will create proportional jobs and earnings.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

At the time of request submission, 98% of funding from the previous two biennium is under contract and 47% of funding has been spent. These projects are complex, involving partnerships between grantees, site hosts, utilities, and subcontractors. All projects have been decided, and the in-progress sites are critical infrastructure. There are no available funds to cover new projects.

See attached document for Table 3: Status of pass-through expenditures by biennium funding, rounded to nearest thousand

While there may be a time to decrease state investment once public charging becomes profitable, the market is not yet self-sufficient. Other states have found that without sufficient charging ports to meet growing demand, consumers will blame the state for negative EV charging experiences. The large reduction in funding in the 2025-2027 biennium already delayed project timelines that could have started with a larger initial investment.

This request is focused on preventing Washington from joining places like California, Hawaii , and Mid-Atlantic states, who see negative consumer experiences from not keeping up with growing needs. Paren, a leading EV charging industry data source, recently listed Washington as one of a handful of states at risk of further stress.

While EV charging has previously funding from the transportation budget, the department has been informed that WSDOT is not making a request for additional funding. This request is lower than the 2025-2027 funding level when considering both WAEVCP and WSDOT's state highway corridor program.

3. Does this project or program leverage non-state funding? If yes, how much by source?

While WAEVCP grants provide critical capital, grantees are expected to contribute additional funding beyond award caps. WAEVCP covers a range of project costs, depending on project type. On average, the program leverages 30% non-state funding.

Non-state funding sources include federal tax credits, utility programs, clean fuel standard credit revenue, and private financing.

The WAEVCP team anticipates the state cost share will decrease, as the program team engages with stakeholders on other funding mechanisms and innovations that reduce costs. Additionally, the project team uses parcel-level data to ensure investments are targeted to locations that will serve the greatest need and receive significant use, further reinforcing state dollars.

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4. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

Center Community-Led and Equitable Impact: WAEVCP works closely with tribes, local governments, nonprofits, utilities, contractors, and businesses to implement projects. The relationships and earned trust of grantees embedded in the community are critical to success. Additionally, WAEVCP aims to meet or exceed CCA investment goals. In WAEVCP Round 2 (WAEVCP2), 65% of projects were sited in over-burdened communities and 20% of project funds were awarded to tribal entities.

Scale Innovative, Data-Driven Solutions: WAEVCP uses a data-driven approach to siting EV charging projects. Using a first-of-its-kind mapping tool, WAEVCP evaluate sites based on a variety of metrics – including potential future use, distance to existing EV charging infrastructure, and location in overburdened communities – to ensure investments are cost effective and the application process is easy-to-access and transparent.

Promote Growth: WAEVCP helps ensure all communities have access to EV charging. Presently, private capital tends to site EV charging in locations where EVs are more concentrated, where the return on investment is high and risk is low. However, as the state pursues its decarbonization goals, it is critical that EV infrastructure is built in all regions of the state, to ensure past transportation inequities are not further embedded. For many communities, particularly tribal and rural, transportation fueling is an important economic driver. Research on charging infrastructure in California shows that EV charging is associated with increased consumer spending at nearby businesses, making charging infrastructure a community development tool.

5. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

By accelerating the adoption of EVs, WAEVCP plays a pivotal role in reducing emissions, increasing air quality, improving transportation affordability, and facilitating economic development. WAEVCP prioritizes populations within the state facing the largest barriers to electrification, such as tribes, overburdened communities, multifamily housing, and rural communities. More than nine of every 10 sites funded in the 2025-27 biennium fall into one of these categories:

- 65% of sites funded are in overburdened communities
- 47% of sites are multi-family housing
- 18% in tribal communities, and
- 17% in rural areas.

These investments exceed statutory equity targets. Grantees report that, without the state's support, EV charging projects would not be possible.

The WAEVCP program team hears daily from community leaders about the value of investing in EV charging and the need for continued investment. For example, one rural, remote tribal grantee shared that the state's support of an L2 charger allowed a critical service provider to charge their vehicle and better provide community support. A community services nonprofit in central Washington shared that the state's investment is helping them electrify their fleet.

Tribes highlight the importance of EV charging in retaining transportation refueling and tourism as economic drivers, while also reducing dependence on fossil fuels and building energy resiliency in the face of climate change. The funding request will allow the department to continue increasing investments in tribal projects to $11,250,000, if maintaining the 25% investment percentage achieved in the program's second round.

Beyond equitable investment, WAEVCP has important environmental justice benefits:

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- Emission reductions: According to the University of Washington Climate Impacts Group, the effects of climate change disproportionately impact frontline communities – including Black, Indigenous, and People of Color, immigrants, refugees, low-income communities, children, and elders. These communities are hit hardest by heat, fires, and flooding, despite having often contributed the least to the causes. Rapidly reducing Washington's light-duty vehicle transportation emissions through widespread EV adoption is critical to mitigating harm.
- Air quality improvements: While EV drivers are still concentrated in wealthier areas, researchers from UCLA found that EVs improve air quality in all communities , including overburdened communities adjacent to highways. Researchers at the Keck School of Medicine at USC found that for every 200 EVs registered, there is a 1.1% reduction in neighborhood-level nitrogen dioxide (NO2). According to the Washington Department of Health, NO2 is a respiratory irritant associated with asthma and increased hospital visits for respiratory conditions. Researchers have found that high NO2 concentrations disproportionately affect non-white populations and are an environmental injustice further amplified in low-income youth and elders.
- Transportation affordability: With rising prices across the board, consumers want to spend less. They want reliable vehicles, with minimal repair costs and stable fuel prices – a combination EVs offer. Models demonstrate that switching from an internal combustion engine to an EV is financially impactful for all drivers. However, it is particularly meaningful for rural drivers. According to the U.S. Department of Transportation, the rate of rural EV adoption is 40% lower than urban areas. Yet rural drivers spend 44% more on gasoline and motor oil than urban drivers, due to low population density and distance to services. The reduced rural adoption rate is associated with a variety of factors, including the lack of EV charging infrastructure. Without adequate access to EV charging infrastructure, rural drivers, including many tribal members, are unable to participate in the $1,000-$2,000 annual cost savings facilitated by EVs.
- Economic development: WAEVCP facilitates economic development by building charging stations where they are most needed – including tribal, rural, and overburdened communities – which benefit from increased job opportunities associated with installation, as well as retaining important economic drivers. Tribal and rural communities depend on tourism from urban dwellers, many of whom increasingly drive EVs. However, without state investment, charging stations remain out of reach for many governments, enterprises, and small businesses.

Is there additional information you would like decision makers to know when evaluating this request?

As outlined above, WAEVCP is highly effective at expanding access to EV charging and creating associated benefits. However, the project team requests proviso language changes, to reflect lessons learned, as well as advances in technology and financing mechanisms.

Proviso changes:

- The current language in the budget proviso was developed in partnership with the Governor's Office in 2022 and has not yet been updated to address implementation lessons.
- The program continues to receive less interest in multifamily housing charging despite the need and importance. The program team has identified that the application and grant structure makes it challenging for housing authorities and other affordable housing owners and managers to participate.
- Considering the state is facing severe revenue constraints, it is not realistic to expect the 21% state share mentioned earlier. However, the state may be able to better leverage dollars for Level 3 charging by providing a financial backstop, reducing risks from demand uncertainty for new locations, rather than directly funding project installation.
- To provide flexibility to match financing mechanisms to specific use cases, the program team proposes updating proviso language to allow for the following mechanisms: issuing rebates, providing formula funds through housing authorities or electric utilities, or awarding funding to Washington Builds to backstop demand for fast-charging projects in select areas that meet equitable investment and anticipated use.

6. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
N/A

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7. For major construction projects, what project delivery method has been or will be selected and why?
N/A

8. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
N/A

Proviso

Proviso changes: - The current language in the budget proviso was developed in partnership with the Governor's Office in 2022 and has not yet been updated to address implementation lessons. - The program continues to receive less interest in multifamily housing charging despite the need and importance. The program team has identified that the application and grant structure makes it challenging for housing authorities and other affordable housing owners and managers to participate. - Considering the state is facing severe revenue constraints, it is not realistic to expect the 21% state share mentioned earlier. However, the state may be able to better leverage dollars for Level 3 charging by providing a financial backstop, reducing risks from demand uncertainty for new locations, rather than directly funding project installation. - To provide flexibility to match financing mechanisms to specific use cases, the program team proposes updating proviso language to allow for the following mechanisms: issuing rebates, providing formula funds through housing authorities or electric utilities, or awarding funding to Washington Builds to backstop demand for fast-charging projects in select areas that meet equitable investment and anticipated use.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	225,000,000				45,000,000
	Total	**225,000,000**	**0**	**0**	**0**	**45,000,000**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State	45,000,000	45,000,000	45,000,000	45,000,000
	Total	**45,000,000**	**45,000,000**	**45,000,000**	**45,000,000**

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Capital Project Request
2027-29 Biennium
*

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Operating Impacts

No Operating Impact

OFM

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Project Number: **40001984**
Project Title: **2027-29 Community Economic Revitalization Board**
Project Class: **Grant/Loan**

Description

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Project Number: **40001984**
Project Title: **2027-29 Community Economic Revitalization Board**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 7

Project Summary

Washington communities continue to face substantial infrastructure needs while construction costs, staffing constraints, and the expiration of one-time federal resources make projects harder to assemble. CERB fills a critical financing gap between local capacity and the public infrastructure and reliable broadband connectivity needed for a business to locate, remain, or expand in Washington. Continued funding is a priority because infrastructure often determines whether a community can compete for a time-sensitive business opportunity, and CERB must be ready to respond when that opportunity emerges.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The Community Economic Revitalization Board (CERB) is requesting $25 million from the Public Facility Construction Loan Revolving Account (Fund 887) to provide low-cost loans and grants for planning broadband and economic development infrastructure projects. Eligible investments include industrial water and sewer systems, roads and bridges, port and rail facilities, rural broadband/telecommunications, utilities, industrial buildings and facilities, and other infrastructure necessary to support business development.

A $25 million appropriation will assist Washington communities build the public infrastructure needed to attract and retain businesses, create permanent jobs, leverage private investment, and connect rural communities with high-speed broadband access.

CERB delivers this assistance through several project pathways that address different stages of community and economic development. CERB programs include:

Committed Private Partner investments to support infrastructure tied to a specific business location, expansion, or retention decision.

Prospective Development investments to help communities prepare infrastructure and development-ready sites to recruit future businesses.

Planning and site readiness investments to fund the early work needed to move viable opportunities toward construction.

Rural broadband investments that expand connectivity in underserved communities.

Together, these pathways allow CERB to respond to immediate business opportunities while also helping communities prepare for future economic growth.

CERB does not construct a single state-owned asset. It finances a statewide portfolio of locally delivered projects selected through public board review and tied to measurable economic outcomes. This structure allows CERB to respond to different economic opportunities and infrastructure needs across Washington, while maintaining clear expectations for job creation, business investment, and public benefit. In more than 40 years of providing infrastructure financing, CERB has experienced zero loan defaults, demonstrating responsible stewardship of public funds and the strength of its project review process.

Investment projections: Based on CERB 2020-2025 completed project averages, an additional $25 million would result in the following:

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Description

-13 Construction Projects ($23.4 million @ $1.7 million average)

-20 Planning Projects ($1.5 million @ $75,000 average)

-$50 million leveraged local match (2020-25 avg: $2 per $1 CERB invests)

-$150 million leveraged private investment (2020-25 avg: $6 per $1 CERB invests)

-1,104 Full-time Jobs (2020-25: $22,642 cost per job)

CERB's impact extends beyond the business or industrial site directly served. Depending on the project, the same infrastructure may also help unlock housing, improve the reliability of water, sewer, transportation, and utility systems, expand rural broadband connectivity, and support nearby health and educational facilities. These additional benefits multiply the public return on CERB's core economic development investments and strengthen communities that have historically had fewer resources to prepare and finance infrastructure and broadband projects.

CERB investment in a community is not only in support of businesses, job creation, private investment, increased tax revenue, and broadband connectivity. CERB's investment has many ancillary benefits when it invests in a community, such as housing and homelessness, health care and mental health care, and education.

Eligible recipients include federally recognized Tribes, cities, counties, ports, special purpose districts, and municipal or quasi-municipal corporations statewide. CERB's statute requires a focus on projects in rural communities. This priority makes CERB especially important to smaller communities with significant infrastructure and broadband connectivity needs. CERB gives these communities a reliable state funding partner when they are ready to pursue a business development or expansion opportunity or expand rural broadband connectivity.

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Washington communities continue to face substantial infrastructure needs while construction costs, staffing constraints, and the expiration of one-time federal resources make projects harder to assemble. CERB fills a critical financing gap between local capacity and the public infrastructure and reliable broadband connectivity needed for a business to locate, remain, or expand in Washington. Continued funding is a priority because infrastructure often determines whether a community can compete for a time-sensitive business opportunity, and CERB must be ready to respond when that opportunity emerges.

Through CERB's "Right Project, Right Time" approach, CERB works with communities as projects develop and provides financing when the project, community, and economic opportunity are ready to move forward.

Reducing CERB's capacity during this temporary period could create a funding gap just as communities are ready to pivot back to longer-term priorities or respond to time-sensitive business opportunities. CERB must have resources available when the right project and a business location or expansion opportunity come together, not several years after the opportunity has passed.

Without continued funding, fewer communities would be able to move projects from planning to construction, Washington could lose opportunities to attract, retain, or expand businesses, and rural and under-resourced communities would have one less

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Description

accessible source of gap financing. Projects could also face additional delays and higher costs while communities attempt to assemble financing from other sources. Planning grants are also essential: they support feasibility studies, site-development strategies, market analyses, and other early work that turns infrastructure and connectivity needs into financeable projects capable of attracting business investment and leverage other funding. Without that early support, promising projects may never become ready for construction financing.

Grant and loan program demand

CERB maintains a project pipeline that captures projects that are in the development phase, but not ready to apply. CERB has developed this pipeline through direct engagement with communities as they identify infrastructure needs, evaluate options, develop an action plan, begin planning, assemble financing, or prepare to apply. Every project on the list reflects direct communication with CERB and an identified need from communities.

CERB also funds many planning grants, that in turn, lead to CERB funded construction projects. With the combination of project and planning pipelines, CERB has approximately $222 million in future demand.

Project pipeline:
-45 construction projects estimated to require $118 million
-32 planning projects estimated to require $2.4 million
-117 projects requiring $120.4 million in new resources

Based on program historical averages (2020-2025), this project pipeline could leverage $236 million in local match resources and $708 million private investment to create 5,211 full-time jobs.

Planning Pipeline

From 2020-2025, CERB funded 80 planning studies and assume 75% of these studies could return to CERB for construction funding. This would result in 60 additional construction projects at $102 million. This planning project pipeline could leverage $204 million in local match resources and $612 million in private investment to create 4,504 full-time jobs.

This demand pipeline of $222 million represents eight times the requested appropriation. Although all these projects will not become application ready on the same schedule, the scale of the list demonstrates substantial known demand and highlights the meaningful projects CERB investment may support.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

For the 2025-27 biennium CERB received $75 million in funding authority. CERB has 5 more meetings before the end of the current biennium to continue investments.

Total funds available

$95,086,140

CERB Appropriation

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Description

$75,000,000

Carry-Forward

$7,849,261

Core CERB De-Obligations

$12,236,879

Projected obligations as of 9/2026

$22,440,001

25-27 CERB awards (27 projects)

$17,010,001

Applications for 9/2026 business Meeting (6 projects)

$5,430,000

Balance remaining

$72,646,139

This biennium will also reflect unique post-pandemic conditions that have slowed the speed at which communities and their committed or prospective business partners advance new investment, including:

Pandemic disruptions delayed planning and construction through staffing shortages, supply-chain constraints, cost escalation, and competing operational demands.

A temporary influx of federal recovery, infrastructure, and broadband funding provided communities with time-limited alternatives and required small local teams to focus on applying for and administering those programs.

Many smaller and rural communities continue to operate at or beyond capacity. Their infrastructure needs have not disappeared, but limited staff may not yet have been able to turn those needs into application-ready projects.

As one-time federal programs sunset and delayed projects mature, CERB will likely return to community focus as an important source of flexible infrastructure financing.

CERB administers a First-In-First-Out (FIFO) model when reimbursing funds to communities which funds are committed before they are drawn. CERB uses the oldest appropriation first until all funds are expended. It can take approximately three biennia to expend ALL funding from an appropriation. Some things that impact the commitment and spending for CERB investments are:

-Timing of pre-contract conditions

-Projects that do not start drawing funds as soon as the contract is executed.

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Description

-Contract de-obligations

-Carryforward of unobligated resources from the previous biennium.

-Appropriations from state bonds are used before Fund 887 resources.

As a result, the amount spent at a particular point in time does not capture the amount already committed to projects or the future reimbursements CERB is obligated to make. Remaining appropriation authority should therefore not be interpreted as idle or unnecessary funding. The relevant question is how the authority is distributed among funding still available for new awards, approved projects completing pre-contract requirements, and executed contracts awaiting future reimbursements.

4. Does this project or program leverage non-state funding? If yes, how much by source?

CERB investments require match funding and are designed to provide gap financing and typically participate alongside local, federal, private, and other funding sources. In its history, CERB has leveraged more than $7.5 billion in local and private resources. In the last five years alone, CERB has leveraged more than $420 million in local and private resources to grow Washington communities.

CERB financing helps communities close the remaining gap in a project's funding package, allowing public infrastructure, rural broadband connectivity, and related business investment to move forward. CERB planning grants help communities complete the feasibility studies, site development strategies, and other early work needed to develop competitive, financeable projects that can leverage additional local, federal, private and philanthropic resources. Each project has a different funding package, so the exact amount and source of non-state funding associated with the 2027-29 appropriation cannot be determined until projects are selected and their financial packages are finalized.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

CERB is a permanent economic development tool created to stimulate private investment and job opportunities in communities across the state. While CERB is an independent policy making board, its mission is a core mechanism through which the Department of Commerce invests in the public infrastructure and rural broadband connectivity that business development depends on; but that local communities, particularly smaller and rural jurisdictions, often cannot fund alone. By connecting state resources with locally identified opportunities, CERB helps communities build the capacity, infrastructure, and connectivity needed to participate in Washington's economic growth.

CERB is one of Washington's few capital programs whose performance is measured through permanent jobs created and retained, private investment generated, number of broadband connections, and resulting economic activity. CERB follows funded projects for five years after project completion, to measure their economic impact and ensures that public investments remain tied to measurable results. Its recurring application process and "Right Project, Right Time" approach allows communities to advance projects when the community, project, and economic opportunity are ready to move forward, rather than forcing local needs into a narrow, one-time funding window. CERB's planning grants and project-development approach also help communities move from an early idea toward a viable, financeable project that can attract additional public and private resources.

Maintaining this flexible, dependable capacity improves Commerce's ability to respond quickly when a business is deciding whether to locate, expand, remain in the state, or move elsewhere. CERB provides the infrastructure financing component needed to turn Commerce's business recruitment, retention, and community development work into completed projects and measurable economic outcomes.

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Description

The request directly advances Commerce's vision of Washington where every community grows through access to opportunity and innovation, as well as its mission to foster resilient communities by building partnerships and delivering resources. CERBputs Commerce's "Invest. Build. Serve." commitment into practice by investing in locally owned infrastructure, expanding rural broadband connectivity, supporting partnerships among communities and businesses, and serving urban, rural, and Tribal communities statewide. CERB also complements investments in housing, health, education, workforce development, and climate resilience because those outcomes often depend on the same water, sewer, transportation, utility, broadband, and site capacity. These complementary benefits increase the public return on CERB's core economic development investment.

CERB's revolving structure extends the value of state dollars. Loan principal and interest return to the Public Facility Construction Loan Revolving Account and can be invested again in future projects. Sustained appropriation authority therefore preserves both near-term responsiveness and long-term program capacity. As federal funding resources recede, maintaining this permanent state tool will help Commerce provide continuity for communities and remain ready when the right project and economic opportunity come together. CERB is one of the state's most direct, accountable, and durable tools for converting public infrastructure investment into jobs, private investment, and stronger communities.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

The proposal preserves access to economic development financing for communities that face the greatest barriers planning, financing, and delivering infrastructure projects. By statute, CERB has a focus on rural communities, 75% of the biennial appropriation is designated for projects in rural counties. The program is available to all 29 federally recognized tribes in Washington, as well as cities, counties, ports, and special purpose districts. Areas with high unemployment can receive reduced interest rates, helping direct investment toward places where job creation is most needed. Together, these provisions help ensure that access to economic development financing is not determined solely by a community's size, tax base, or ability to borrow at conventional rates.

Smaller, rural, tribal, and historically underinvested communities often have limited staff, smaller tax bases, and fewer financing options. A community may have a clear infrastructure need but lack the capacity to pursue multiple funding programs or make a project shovel-ready, while administering time-limited federal awards. CERB's planning grants and "Right Project, Right Time" approach help communities develop viable, financeable projects and position them to leverage additional local, federal, private, and philanthropic resources. Maintaining CERB funding ensures that communities are not disadvantaged simply because limited capacity causes their projects to become shovel-ready later. It also ensures CERB can respond when the community, project, and economic opportunity are ready to move forward.

CERB's impact on access and opportunity is both geographic and economic. The public infrastructure it finances can make possible permanent jobs, business investment, housing-supportive utility capacity, access to employers that provide health benefits, education and training facilities, and a stronger local tax base. Rural broadband investments also connect businesses and communities to markets, jobs, education, health services, and other essential resources. While each project will produce different benefits, these investments help communities build the conditions for long-term economic stability and participate more fully in Washington's growth.

Measurable outcomes associated with the appropriation will include construction and planning projects in rural and underserved communities; permanent jobs created or retained in under-served communities; and additional funding leveraged through CERB-supported projects in underserved communities. CERB also tracks geographic distribution of awards, including funding directed to rural and Tribal communities and the number of projects receiving reduced interest rates in high-need areas. CERB follows funded projects for five years after completion to capture their fuller economic impact on Washington communities.

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Project Number: 40001984
Project Title: 2027-29 Community Economic Revitalization Board
Project Class: Grant/Loan

Description

7. Is there additional information you would like decision makers to know when evaluating this request?

Maintaining CERB funding ensures financing is available when a community has an infrastructure or broadband project ready and a business is prepared to locate, expand, or be retained in Washington. The number of projects in the project pipeline at any single point does not reflect the full level of need because communities require different amounts of time to plan projects and prepare applications.

CERB has identified approximately $222 million in potential projects through its project and planning pipeline. Every project in that pipeline reflects direct engagement with CERB, including all CERB-funded planning projects and additional projects communities have discussed with CERB staff. These are credible projects with the potential to advance and seek out funding. The pipeline therefore demonstrates significant known need beyond the applications submitted to CERB that are visible at any single point in time.

Similarly, undrawn appropriation authority should not be viewed as unused funding because portions may already be committed to approved projects completing pre-contract requirements or reserved for future payments under executed contracts.

CERB's record demonstrates the value of maintaining that capacity. In more than 40 years of financing public infrastructure, CERB reports zero loan defaults. This record reflects disciplined project review, responsible stewardship or public funds, and the strength of a revolving model in which repayments can be invested in future projects and communities.

CERB is not ancillary to Washington's economic strategy. It provides the foundational public infrastructure that allows business growth and other state priorities to succeed. Maintaining funding at $25 million preserves a flexible, state-controlled tool as temporary federal resources recede and communities regain capacity to advance delayed projects.

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

Not Applicable.

9. For major construction projects, what project delivery method has been or will be selected and why?

Not Applicable.

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

Not applicable.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

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Project Number: 40001984
Project Title: 2027-29 Community Economic Revitalization Board
Project Class: Grant/Loan

Description

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
887-1	Pub Facil Const Ln-State	125,000,000				25,000,000
	Total	**125,000,000**	**0**	**0**	**0**	**25,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
887-1	Pub Facil Const Ln-State	25,000,000	25,000,000	25,000,000	25,000,000
	Total	**25,000,000**	**25,000,000**	**25,000,000**	**25,000,000**

Operating Impacts

No Operating Impact

Narrative
N/A

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Report Number: CBS002
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Project Number: **40002012**
Project Title: **2027-29 Clean Energy Fund**
Project Class: **Grant/Loan**

Description

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Report Number: CBS002
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Project Number: 40002012
Project Title: 2027-29 Clean Energy Fund
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2028
Agency Priority: 8

Project Summary

Through the Clean Energy Fund program, Washington State makes critical investments in clean energy technology innovation and transformation. Providing $45 million in the 27-29 biennial budget will ensure that the Clean Energy Fund can continue the predevelopment, design, and construction of projects that provide a public benefit through research, development, demonstration, technical assistance, or deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or increase energy independence for the state.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

Commerce requests $45,000,000 for the 2027-2029 biennium for pass-through funding for competitive grants for clean energy projects. Rough cost breakdowns are as follows:

- Competitive Grants: $30 million
- Competitive Tribal Grants: $15 million

These funds would be used for the predevelopment, design, and construction of projects that provide a public benefit through research, development, demonstration, technical assistance, or deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or increase energy independence for the state. Priority for competitive grants must be given to projects that benefit vulnerable populations and overburdened communities, including tribes. The competitive grants would include 3% administrative costs.

Grants from the Clean Energy Fund (CEF) would benefit communities across Washington by supporting projects that deliver meaningful public benefits, particularly for vulnerable populations and overburdened communities, as defined under the HEAL Act. Direct beneficiaries include tribal and local governments, retail electric utilities, community-based organizations, research institutions, universities, ports, and private-sector partners. These investments will advance clean energy innovation, reduce energy costs and emissions, and strengthen tribal and community energy resilience.

Program Administration Costs:

This one-time funding would support the retention of approximately 3.5 existing full-time equivalents (Employees) to conduct stakeholder outreach, design and administer the grant program, and negotiate and manage resulting contracts.

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Washington’s growing electricity demand, driven in part by large new loads, requires rapid innovation to meet affordability and reliability needs. The Clean Energy Fund (CEF) is one of the state’s most effective tools for accelerating this innovation. Since 2013, CEF has invested $313 million, including recent appropriations from the 2026 supplemental session to develop, demonstrate, and deploy clean energy technologies, leveraging significant private, federal, and utility investments. These high-impact partnerships support living-wage jobs, strengthen local economies, and advance Washington’s clean energy goals.

CEF-supported projects benefit the public through the design and construction of technologies that save energy, increase energy affordability, reduce harmful air emissions, and increase energy independence for the state as well as energy sovereignty for tribes. These funds also enable testing and deployment of new technologies that can scale to wider use and address unsolved emission-reduction challenges. They also create pathways for emerging solutions to scale and address persistent decarbonization challenges. For example, improved integration of distributed energy resources helps utilities avoid expensive infrastructure upgrades, reducing costs for customers.

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Project Title: **2027-29 Clean Energy Fund**
Project Class: **Grant/Loan**

Description

Since its inception, CEF has sought to make continuous improvements and be responsive to community and tribal needs. This includes, but is not limited to, expanding community and tribal feedback and participation through workgroups and other targeted outreach and engagement, reducing match requirements for specific applicants, setting aside funds for tribes in solicitations, compensating community evaluators, and reducing barriers to applicants through new program design considerations. For example, in 2024, Commerce increased accessibility by launching a new solicitation process that combines multiple funding streams, including CEF, into tailored clean energy opportunities. This approach allowed communities and tribes to submit one application for a range of funding opportunities rather than applying to multiple funding opportunities.

Demand continues to exceed available funding, which illustrates funding availability, estimated application demand and award amounts for the most recent four fiscal years (Table 1). In the 2025 round, Commerce received $31 million for competitive grants, including tribal-specific funding, yet applications exceeded available funds by more than $78 million for non-tribal projects. The Legislature added $20 million in the 2026 supplemental budget to support the unfunded tribal projects, demonstrating continued need and strong interest.

Communities and tribes recognize the need to transition to clean energy. Nearly every round of the Clean Energy Fund has received more qualified applications than available funding could support. Because this program supports projects from design through construction, reducing or eliminating funding would prevent many projects that recently received pre-development and design grants from moving into construction and delivering their intended benefits. Underfunding or not funding CEF could also stall development of the state's clean energy sector and challenge our ability to affordably meet rising electricity demand, greenhouse gas emissions targets and equity targets. It would also make our research institutions and entrepreneurs less competitive, thereby limiting job growth or encouraging employer flight. This could reduce clean technology patents and prevent in-state development of clean energy solutions.

With the reduction of federal research and development energy grant programs, CEF support for new and emerging technologies is critical. The Clean Energy Fund is already filling gaps left by these cuts and ensuring that remaining federal incentives are maximized for the benefit of Washington communities. Further investment is necessary to meet our climate goals and meet environmental justice requirements of the Healthy Environment for All and Climate Commitment Acts.

CEF investments support the innovators in Washington who are developing the vital technologies that will enable our state to achieve its greenhouse gas emission reduction goals at the lowest possible cost and with the greatest benefit to residents. Continued investment in CEF is critical to meeting Washington's climate, equity, and energy affordability goals. Without sustained funding, the state risks slowed innovation, reduced competitiveness, and missed opportunities to support communities, especially tribes and overburdened populations, transitioning to a clean energy future.

Table 1: See attached document for Table 1

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

See attached document for list of how much has been spent or put under contract.

On average CEF projects take about 2.7 years to complete. These estimates include both planning and construction projects.

4. Does this project or program leverage non-state funding? If yes, how much by source?

Clean Energy Fund leverages federal and private sector funding and most competitive solicitations require projects to secure match funding prior to contract execution. Cost sharing amounts have historically varied by solicitation and applicant. As programs have evolved over the years, CEF has adjusted match amounts based on community and tribal feedback. For example, beginning in the 2019-2021 biennium, Commerce responded to input that high match requirements posed barriers to

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Description

tribal, nonprofit and other applicants like smaller research institutes, so Commerce adjusted the required match amounts for these entities in the Research, Development and Demonstration (RD&D) program. In the 2025 Consolidated RFA round only for-profit entities were required to provide non-state matching funds at a minimum 1:1 (50%) ratio. Match was voluntary for all other applicants but prioritized in the event of a scoring tie. Some programs still require match but continue to provide reduced levels for certain applicants. Despite reduced levels and voluntary match for some programs, CEF continues to leverage non-state match. Of the $18.2 million in 25-27 CEF funding competitively awarded in the 2025 RFA, grantees leveraged approximately $12.9 million in match.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

Strategic Direction 1: Center Community-Led and Equitable Impact:
The Clean Energy Fund invests in communities across the state to accelerate the transition to clean energy. Over the past two biennia, Commerce has made significant improvements to program administration, dismantling barriers and ensuring that grants are more accessible to tribes, first-time applicants and applicants with high administrative burdens. In 2024, Commerce launched a new approach that combines multiple funding streams, including CEF, into tailored clean energy opportunities. This allows communities and tribes to submit one application for a range of funding opportunities rather than applying to multiple.

Alongside continued implementation of the combined solicitation, CEF will offer technical assistance to eligible applicants needing added support. This may include predesign, design, and engineering work, which is essential for smaller communities to meaningfully participate in the clean energy transition.

CEF also provides flexible funding solely for tribes, for all project phases — from technical assistance through construction. This enables tribes to design projects that meet their unique needs and priorities.

Strategic Direction 2: Strengthen Partnerships and Public Trust:
Commerce has deepened relationships with tribes and communities through expanded outreach and engagement. Key approaches that will continue include dedicated tribal funding opportunities and a Community Advisory Committee composed of advisors with lived experience aligned with equity and climate justice goals to evaluate proposals. CEF programs also encourage partnerships among diverse applicants, including tribal governments, local governments, research institutions, and the private sector. Commerce has partnered with various entities including the Washington State Academy of Sciences (WSAS), Washington State University, and Retired Engineers, Scientists, Technicians, Administrators, Researchers, and Teachers (RESTART Institute) around program design, evaluation and contracting for technical programs like RD&D and Grid Modernization. The Clean Energy Fund has also leveraged cross-divisional expertise throughout Commerce to forge relationships and partnerships with tribes, industry experts, businesses and communities across the state.

Strategic Direction 3: Scale Innovative, Data-Driven Solutions:
The program also advances Strategic Direction 3, by scaling innovative, data-driven solutions while also supporting the Washington Comprehensive Climate Action Plan through developing emerging technologies for long-term decarbonization.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

The Clean Energy Fund (CEF) benefits communities across Washington by supporting projects that deliver meaningful public benefits, particularly for vulnerable populations and overburdened communities, as defined under the HEAL Act. Direct beneficiaries include tribal and local governments, retail electric utilities, community-based organizations, research institutions, universities, ports, and private-sector partners. These investments advance clean energy innovation, reduce energy costs and emissions, and strengthen tribal and community energy resilience.

Although Commerce doesn't consistently collect job and workforce development data for Clean Energy Fund programs, CEF projects provide both potential short-term and permanent jobs and workforce development opportunities such as job

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Description

shadowing, training and engineering internships. CEF applicants have cited prospective opportunities for specialized positions such as program management, engineering, quality control, manufacturing, logistics, operations and maintenance of project equipment. In addition, CEF applicants have indicated their projects could provide opportunities for workers in the extractive sector to transition to clean energy, underscoring CEF's role in helping communities equitably participate in the clean energy economy.

CEF-funded projects accelerate technology development and deployment, foster diverse partnerships, and attract significant federal and private co-investment. These projects contribute to economic development, support clean energy jobs, and help the state meet its clean electricity and greenhouse gas reduction targets. CEF programs from recent appropriations are on track to achieve or exceed statutory equity targets, including directing 40% of investments to overburdened communities and 10% to tribes. CEF directly aligns with the Comprehensive Climate Action Plan's (CCAP) measure on supporting the development of clean energy projects through state-funded programs. The CCAP cites wide ranging statewide benefits, but emphasizes potential benefits to overburdened communities and recommends targeted support for rural, tribal and other communities. CEF outcomes also include new living-wage employment opportunities and expanded workforce development tied to clean energy construction and technology deployment.

Commerce will aim to develop success indicators and set up a framework to measure outcomes for the Clean Energy Fund at the beginning of the new biennium.

Initial indicators include:
- Number of new grantees (#)
- Percent of funding to tribes (%)
- Percent of funding to vulnerable populations within overburdened communities (%)

7. Is there additional information you would like decision makers to know when evaluating this request?
No

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
N/A

9. For major construction projects, what project delivery method has been or will be selected and why?
N/A

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
N/A

Proviso

N/A

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grants - Competitive

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Project Title: **2027-29 Clean Energy Fund**
Project Class: **Grant/Loan**

Description

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
Various

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	225,000,000				45,000,000
	Total	**225,000,000**	**0**	**0**	**0**	**45,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	45,000,000	45,000,000	45,000,000	45,000,000
	Total	**45,000,000**	**45,000,000**	**45,000,000**	**45,000,000**

Operating Impacts

No Operating Impact

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Project Number: 40002023
Project Title: 2027-29 Supporting Housing Affordability W/ Infrastructure (SHIP)
Project Class: Grant/Loan

Description

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Project Number: 40002023
Project Title: 2027-29 Supporting Housing Affordability W/ Infrastructure (SHIP)
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2028
Agency Priority: 9

Project Summary

Commerce is requesting $25 million in the 27-29 biennium for a new program to fund impact fees for transportation, parks, schools and fire, which are a significant expense for new housing projects. Communities may choose to charge impact fees, and they must be proportionate to the impact of the development. They may also choose to reduce or waive up to 80% of the fees for affordable housing under RCW 82.02.060.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

Commerce is requesting $25 million in the 27-29 biennium for a new program to fund impact fees for transportation, parks, schools and fire, which are a significant expense for new housing projects. Communities may choose to charge impact fees, and they must be proportionate to the impact of the development. They may also choose to reduce or waive up to 80% of the fees for affordable housing under RCW 82.02.060.

The program is similar in approach to the Connecting Housing to Infrastructure Program (CHIP), with a different scope of investment, but also aimed at advancing affordable housing development. The Supporting Housing through Infrastructure Program (SHIP) would enable cities and counties to waive impact fees or other State Environmental Policy Act (SEPA) mitigation charges necessary to develop affordable housing. Communities would be required to have adopted a program to waive impact or other fees for affordable housing, and SHIP would reimburse these waived costs.

Communities where housing development are occurring and the developers leading them would be impacted by this proposal, as would the future resident families that would live in these new developments.

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Commerce is requesting $25 million in the 27-29 biennium.

Commerce proposes to create a new program to reduce the cost of affordable housing production by covering the cost of local impact fees for transportation, schools, parks and fire services, or other means of exacting transportation or other development costs, such as through SEPA mitigation.

Commerce has operated CHIP since 2021. This program has been highly successful. However, it is limited to covering the cost of water, sewer and stormwater connection fees, and related utility improvement costs. The cost of transportation, school, fire, and park impact fees are also a significant expense for affordable housing units. Commerce proposes to build on this successful model with a new program to cover the cost of providing these other necessary infrastructure expenses. The program would use the same program systems and practices as CHIP. This program would require the adoption of waived impact fees or other forms of development exactions, as authorized by statute, and would reimburse the waived cost, along with replacing the final percentage of these fees that must be provided with public funds.

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Description

The program may also cover any transportation-related costs associated with the housing development such as roads, sidewalks, or bike lanes to the development, whether required through roadway design standards, or SEPA mitigation.

Acting now to create SHIP may add a multiplier effect to CHIP and other state housing investments to accelerate housing development by removing financial obstacles. By lowering the effective cost of development, we accelerate creation of new units. Washington remains in a housing crisis, and SHIP is another useful tool developers can use to increase housing supply. Commerce suggests the following proviso language:

The appropriation in this section is subject to the following conditions and limitations:

(1)(a) The appropriation in this section is provided solely for grants or deferred loans to local governments, federally recognized tribes and special purpose districts to defray the cost of waiving a portion of or all of the fees normally applied to developers for school, park, fire impact fees, related other local mitigation fees, whether required through roadway design standards or mitigation under the state environmental policy act, and physical improvements required by local development regulations related to new affordable housing projects for low-income households. Physical improvements include but are not limited to frontage improvements, sidewalks and bike lanes.

(b) Where applicable, projects must be located within the established boundaries of the urban growth area as set forth in the approved comprehensive plans.

(2) To be eligible for funding under this section, an applicant must demonstrate, at minimum:

(a) That affordable housing development will begin construction within 24 months of the grant or loan award; and
(b) A strong probability of serving the original target group or income level for a period of at least 25 years.

(3) For purposes of this section, the following definitions apply.

(a) "Affordable housing" means residential housing that requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the household's income.

(b) "Low-income household" has the same meaning as in RCW 43.185A.010.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

This would be a new program request and there are no previous funds or appropriations.

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Project Class: Grant/Loan

Description

Does this project or program leverage non-state funding? If yes, how much by source?

No match would be required, but SHIP investments may leverage local, federal and private resources dedicated to the affordable housing projects.

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

Commerce Strategic Direction 1, Center Community-Led and Equitable Impact: This proposal seeks to provide an incentive for local governments to adopt an impact fee waiver program for affordable housing.

Commerce Strategic Direction 2, Strengthen Partnerships: SHIP partners with cities, counties and public utilities to provide funding to offset the costs of building housing with affordable units. The Local Government team supports partnerships with local jurisdiction and community-based organizations. Operational teams are enhancing operation resilience and ensuring transparent stewardship of public funds. Commerce is seen as a trustworthy and equitable partner by both newly developed and established partners, including prospective applicants.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

The people who would benefit most from SHIP are those who need affordable housing. SHIP would help remove one of the biggest costs of building affordable housing by reimbursing some or all of the costs of transportation, park, fire, and school impact fees or development exactions.

The communities impacted include residents who have historically faced disproportionate housing cost burdens and limited access to affordable housing opportunities, as well as local governments working to address housing shortages. The outcome would be new affordable housing units created, and the long-term affordability of housing for at least 25 years.

Is there additional information you would like decision makers to know when evaluating this request?

SHIP is one of Gov. Ferguson's housing priorities. Commerce is requesting an initial appropriation of $25 million for this new program, anticipating that demand will exceed available funds. This request is a data informed approach based on the 2025 Connecting Housing to Infrastructure Program (CHIP) awards and jurisdictions which impose impact fees.

Not every GMA jurisdiction charges impact fees. Eleven small counties and their cities are not fully-planning under the GMA and therefore are not authorized to charge impact fees under RCW 36.70A.040. If a local government is fully planning under the GMA, then funding from this program would require the community to have an adopted fee schedule which includes proportionate impact fees, a fee waiver up to 80% for affordable housing.

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Project Class: Grant/Loan

Description

Significant mitigation costs for transportation impacts can be required under SEPA or through concurrency requirements. This program could cover fees related to development impacts for transportation, park, fire, and school impacts for affordable housing if they are levied under a different authority. Transportation-related costs such as roads, sidewalks, frontage improvements, other costs required through design standards or SEPA mitigation could be reimbursed.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

Not applicable.

For major construction projects, what project delivery method has been or will be selected and why?

Not applicable

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

Not applicable.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Growth Management impacts
These investments help expand the state's supply of affordable housing.

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	225,000,000				25,000,000
	Total	**225,000,000**	**0**	**0**	**0**	**25,000,000**

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	50,000,000	50,000,000	50,000,000	50,000,000
	Total	**50,000,000**	**50,000,000**	**50,000,000**	**50,000,000**

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Project Number: 40002023
Project Title: 2027-29 Supporting Housing Affordability W/ Infrastructure (SHIP)
Project Class: Grant/Loan

Operating Impacts

No Operating Impact

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: **40002025**
Project Title: **2027-29 Solar and Energy Storage**
Project Class: **Grant/Loan**

Description

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Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: **40002025**
Project Title: **2027-29 Solar and Energy Storage**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 10

Project Summary

The Department of Commerce requests $25 million in capital funds to address the demand for solar and energy storage projects in communities across Washington, including Tribes. Funding solar and storage projects will not only contribute to broad decarbonization efforts, but it will also provide numerous benefits to communities and tribes across the state by strengthening resilience, providing clean, affordable electricity, creating job opportunities, and reducing energy costs.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

Commerce requests $25 million to support pass-through funding for solar and storage competitive grants and direct appropriations for communities across Washington, including tribes. Funding solar and storage projects will not only contribute to broad decarbonization efforts, but it will also provide numerous benefits to communities and tribes across the state by strengthening resilience, providing clean, affordable electricity, creating job opportunities, and reducing energy costs. Commerce is requesting two types of funding:

- Competitive Grant Program ($5 million): The Competitive Grant Program could be used for upfront technical assistance, project design and engineering, and/or construction.

Solar and energy storage projects, solar-only projects, and energy storage-only projects would be eligible for financial assistance. This broad eligibility empowers communities to design projects that best fit their needs. Distributed solar is one of the few ways to access clean energy onsite and is a widely available and well-understood technology. While energy storage is somewhat nascent in Washington, there has been an increase in interest as more communities have begun to adopt it and understand its affordability and resilience benefits. Most of Commerce's current grantees would not have contemplated a solar and storage project without the technical assistance that Commerce provided to educate communities about the availability, safety, and beneficial impacts of these technologies

- Direct Appropriations ($20 million): Funding for a selection of projects awarded technical assistance (TA) through the 2025 solicitations to construct projects once their feasibility studies are completed.

Through the 2025 Clean Energy Grants and Tribal Clean Energy Grants RFAs, Commerce awarded technical assistance to 24 solar and battery energy storage projects to complete feasibility studies or preliminary project design. Commerce requests funding in the 2027-2029 biennium for a selection of these construction-ready projects. The consultant chosen to provide technical assistance completed preliminary project budget estimates and feasibility screening and identified 15 projects for consideration totaling $28.7 million.
Given the level of early-stage uncertainty in cost estimates and additional contingency, the totals are higher than $20 million we are requesting. Estimates will become more accurate as projects advance and estimates are completed through the feasibility process. Commerce will narrow the list of projects to $20 million by prioritizing the most cost-effective and feasible projects. A final list of recommended direct appropriations with precise estimates will be provided in October 2026.

See attached document for Table 1: Summary of Proposed Direct Appropriations by Technology and Cost

See attached document for Table 2: Direct Appropriations by Organization and Project Title

By October, we will have a clear list of projects that will be able to move forward with construction once funding is secured. Commerce intends to reserve any excess funding not awarded to direct appropriations for projects awarded through design- or construction-ready competitive grants.

Project Number: **40002025**
Project Title: **2027-29 Solar and Energy Storage**
Project Class: **Grant/Loan**

Description

Program Administration Costs:
The 3% administrative funding supports the retention of approximately two existing full-time employees to provide technical assistance, conduct outreach and engagement with tribes and communities, design and administer the grant program, and negotiate and manage contracts.

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Communities across Washington are increasingly interested in adopting onsite solar energy paired with energy storage to improve resilience, flexibility, and access to clean energy. Solar provides clean, onsite electricity that can reduce utility bills, while energy storage offers backup power during outages. Together, solar-plus-storage systems strengthen community resilience, lower demand charges, and can support grid services that further reduce costs.

Despite these benefits, many communities cannot pursue these technologies without financial support. Washington's Solar for All program, funded by the U.S. Environmental Protection Agency, aimed to extend solar benefits to income-qualified households, tribes, and disadvantaged communities. With the attempted termination of this and other federal initiatives, along with the repeal of solar tax credits, a significant funding gap has emerged — one that the Solar and Energy Storage program is uniquely positioned to fill.

Commerce has received increased levels of solar funding programs since 2013. We have gathered valuable feedback and lessons learned over the past several biennia that have informed process improvements for each solicitation. This includes, but is not limited to, expanding community and tribal outreach and engagement, providing essential technical assistance for early-stage projects, compensating community evaluators, and reducing barriers to applicants through new program design considerations. For example, in 2024, Commerce attempted to increase accessibility to solar by launching a new solicitation process that combines multiple funding streams, including solar and storage, into tailored clean energy opportunities. This approach enables communities and tribes to submit one application for a range of funding opportunities rather than apply for multiple funding opportunities. Communities now rely on this accessible process to meet critical community and tribal needs.

Since 2022, Commerce has seen substantial growth in demand for community-owned solar and storage projects, driven largely by the success of technical assistance (TA) initiatives that have built a strong pipeline of construction-ready projects. Yet demand continues to outpace available funding, leaving many projects waitlisted or unfunded. Continued investment in this program will help meet the current demand for distributed energy projects while expanding TA support to new applicants and strengthening the pipeline of future resilience-focused projects.

In the 2025 Clean Energy Grants solicitation, approximately $167 million construction projects primarily eligible for solar and/or storage were unfunded, and 24 entities received TA awards to conduct feasibility studies. These projects will require construction funding once studies conclude, underscoring the need for the requested $25 million to advance both ready-to-build and emerging projects.

Table 3 illustrates funding availability, estimated application demand and award amounts for the most recent four fiscal years. Demand consistently exceeded available funding across each biennium.

See attached document for Table 3: Available, Demand and Awards for the past four fiscal years

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

See attached document for list of how much has been spent or put under contract.

On average, solar and storage construction projects take 2.3 years to complete, and feasibility and planning projects take 1.2

Project Number: **40002025**
Project Title: **2027-29 Solar and Energy Storage**
Project Class: **Grant/Loan**

Description

years to complete).

4. Does this project or program leverage non-state funding? If yes, how much by source?

Early solar programs required grantees to provide non-state match funding. However, over time, Commerce has received feedback from communities and tribes that these requirements posed a barrier for less-resourced applicants. Non-state match contribution is now voluntary for local, tribal and state governments and nonprofits, while for-profits must provide a 50% (1:1) match. Additionally, applicants with the highest match are prioritized in the event of a scoring tie with another project and the program continues to leverage funding. On average, non-state match comprises 18% of the project cost for solar contracts. Of the $16.9 million in solar and storage funding awarded through recent 25-27 competitive solicitations including the 2025 Clean Energy Grants and Tribal Clean Energy Grants solicitations, grantees leveraged $3.3 million in non-state matched funds.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

This proposal closely aligns with Strategic Direction 1 by centering community-led and equitable impact through expanded access to clean energy in underserved communities and by reducing barriers to participation. Consistent with the strategic plan's call for "supporting high-impact programs with expansive community representation," the program will continue simplifying solicitation and contracting processes and provide technical assistance (TA) for predesign, design, and engineering work. This support is especially critical for under-resourced communities and tribes exploring solar and energy storage for the first time. Through this work Commerce is advancing opportunities for tribes to obtain energy sovereignty.

Commerce has advanced community-driven grant evaluation by adopting new approaches such as compensating a Community Advisory Committee in 2024, composed of advisors with expertise in social equity, anti-racism, tribal rights, climate justice and related fields to review proposals. Commerce will aim to involve an advisory committee earlier in program design, leveraging previous feedback to improve the process in future solicitations.

The proposal also supports Strategic Direction 2 by strengthening partnerships and public trust. Through equitable grantmaking, TA, and accessible funding pathways, the program enables communities, tribes, and nonprofits — particularly those with limited capacity — to pursue solar and storage projects. Early engagement in program design and sustained collaboration with entities currently receiving TA will deepen relationships and reinforce Commerce's role as a reliable and transparent partner.

Finally, the program advances Strategic Direction 3 by scaling innovative, data-driven solutions. Investments in innovative technologies, particularly energy storage, align with community, legislative, and statewide clean-energy goals. This work reflects the strategic plan's emphasis on piloting and scaling holistic, equity-centered solutions that address urgent community needs.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

Commerce anticipates this funding would support approximately 30 solar and energy storage projects statewide. Assumptions for this estimate are as follows:

- Direct Appropriations: 15 projects
- Projects receiving TA in 2027: 10 feasibility studies
- Competitive awards: 6-7 projects (based on 25-27 grant amount)

Funding will back a broad range of efforts, from smaller-dollar technical assistance needs—such as upfront feasibility support

Project Number: **40002025**
Project Title: **2027-29 Solar and Energy Storage**
Project Class: **Grant/Loan**

Description

and project design to full construction. Projects are anticipated to benefit critical infrastructure, tribal facilities, community buildings, and schools, providing clean backup power during outages and strengthening local resilience.

Continued investment in solar and storage is essential to meet Washington's climate mitigation and adaptation goals. Statewide benefits include progress toward pollution reduction, greater energy resilience, and reduced energy burdens for Washington communities. Distributed solar and energy storage will generate clean electricity close to where it is used, support electrification of buildings and transportation, and strengthen community resilience, in broad alignment with the State Energy Strategy and Comprehensive Climate Action Plan.

Technical assistance and planning grants will ensure a continued pipeline of cost-effective, shovel-ready projects and support distributional equity for smaller communities. We anticipate that most projects would be construction-ready within the biennium. However, a handful of more complex, single-node microgrid projects may need an additional year for construction and commissioning.

Solar and storage projects will also yield job creation and workforce development opportunities around the installation of solar and battery systems and ongoing monitoring and maintenance. Although Commerce doesn't collect consistent job data for solar and storage grants, applicants and grantees have cited potential and actual temporary and permanent opportunities including, but not limited to, apprenticeships, education and training, construction jobs, electricians, roofers, and renewable energy technicians.

Commerce will aim to develop success indicators and set up a framework to measure outcomes for Solar and Storage at the beginning of the new biennium.

Initial indicators include:
- Number of new grantees (#)
- Clean energy capacity (MW) and energy storage (MWh)
- Number of communities receiving technical assistance (#)
- Percent of funding to tribes (%)
- Percent of funding to vulnerable populations within overburdened communities (%)

7. Is there additional information you would like decision makers to know when evaluating this request?
No

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
N/A

9. For major construction projects, what project delivery method has been or will be selected and why?
N/A

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

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Project Number: 40002025
Project Title: 2027-29 Solar and Energy Storage
Project Class: Grant/Loan

Description

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	125,000,000				25,000,000
	Total	**125,000,000**	**0**	**0**	**0**	**25,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	25,000,000	25,000,000	25,000,000	25,000,000
	Total	**25,000,000**	**25,000,000**	**25,000,000**	**25,000,000**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: 40002013
Project Title: 2027-29 Clean Buildings Compliance Assistance Program
Project Class: Grant/Loan

Description

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Project Number: **40002013**
Project Title: **2027-29 Clean Buildings Compliance Assistance Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 11

Project Summary

The Clean Buildings Compliance Assistance Program seeks $10 million per biennium to fund the Clean Buildings Performance Grant and the Energy Efficiency Retrofits for Public Buildings Programs. These grants are available to both privately and publicly owned buildings and help to increase building efficiency, reduce operating costs, mitigate energy burden, and help preserve affordable housing.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The Clean Buildings Compliance Assistance Program combines the existing work of the Clean Buildings Performance Grant Program with the Energy Efficiency Retrofits for Public Buildings Program to deliver grants to both privately and publicly owned building owners. The grants offset the cost of compliance with the Clean Buildings Performance Standard and ensure that investments are setting buildings on a compliance pathway that increases building efficiency, reduces operating costs, mitigates energy burden, and helps preserve affordable housing. These grants directly support required compliance activities including energy efficiency retrofits, contracted services such as energy audits, energy benchmarking, developing an energy management plan (EMP), and developing an operations and maintenance program (O&M).

Customers served in these programs include but are not limited to K-12 schools, higher education institutions, state-owned facilities, multi-family housing and local governments. The benefits gained from reducing operating costs in these buildings reduces ongoing operating budget costs for the state.

Commerce proposes combining these programs with a combined reduction of $20 million to $10 million to streamline the delivery of funding, improve administrative efficiency, and reduce complexity for grant recipients. We recommend removing the previously appropriated carve out of $5 million for state project improvement grants. Those types of projects are still eligible for funding under the combined program, but Commerce recommends removing the specific carve out as a cost saving measure. Further details are available on request, along with proposed budget proviso language.
There are nearly 30,000 covered buildings in the state that need to document compliance between June 2026 - June 2028, and every five years thereafter through 2050. While there is an upfront cost to building owners to achieve compliance, there are also countless ongoing benefits such as reduced cost to operate these buildings, healthier indoor air environments, and reduced carbon pollution. Providing assistance to Tier 2 building owners in particular helps reduce energy burden for multifamily housing tenants and preserves affordable housing by mitigating the cost of compliance and incentivizing beneficial long-term efficiency upgrades that continue to provide cost savings and reduce the energy burden for tenants.

These programs also directly benefit small business owners who may face increased costs associated with compliance requirements either for themselves or for building owners who also operate their business on the premises. The program helps identify cost-effective improvements that save small businesses cost in the short and long term by improving energy efficiency and energy affordability.

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

The Clean Buildings Performance Standard (CBPS) was passed in 2019 and aims to reduce carbon emissions from the state's largest buildings. The law has subsequently been expanded and modified to increase flexibility in nearly every legislative

Project Number: 40002013
Project Title: 2027-29 Clean Buildings Compliance Assistance Program
Project Class: Grant/Loan

Description

session since 2019. As some buildings struggle to complete their compliance requirements by the first CBPS deadlines, these grants are an important resource to ensure that Tier 1 and Tier 2 buildings stay on track with their statutory requirements without imposing undue financial burden. These grants also help avoid penalties that could be incurred for noncompliance. They help enable cost-effective energy efficiency upgrades that reduce energy burden for building occupants and help preserve affordable housing among Tier 2 buildings.

The first compliance deadlines for the CBPS are coming up very fast and building owners need all the assistance they can get to stay on track and avoid fines. The largest Tier of buildings must comply starting in the summer of 2026, with subsequent dates based on building size coming in 2027 and 2028. Without continued support for building owners, many may miss deadlines. This will delay the benefits of operating and energy cost savings which improve energy affordability and reduce energy burden for households and businesses across the state. These improvements also ensure the built environment remains on track to meet economy-wide emissions targets set by the state, while mitigating the cost of required improvement on business owners and families living in affordable multifamily housing units.

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

Table 1: See attached document for Table 1.

4. Does this project or program leverage non-state funding? If yes, how much by source?

The program helps building owners identify cost-effective energy efficiency improvements they can invest in to meet compliance with statutory requirements. In doing so, the program leverages private capital provided by building owners to fund the most effective technologies and improvements that lock in long-term savings for businesses and households. Building owners also leverage utility rebate programs. Statewide utilities offer incentives to help offset the cost of compliance with clean buildings, but these utility rebates cover just a portion of these costs, so state investment is critical to unlock these energy and carbon savings from the built environment.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

Clean buildings performance grants and energy efficiency retrofits for public buildings are two core existing programs administered by Commerce to assist with CBPS compliance. These programs help Commerce to partner with public and private building owners to reduce the burden of compliance with the CBPS, increasing trust in the agency while ensuring performance targets are met. These programs help Commerce work with building owners as partners to meet building performance targets, rather than positioning Commerce as an enforcement agency.

Clean buildings performance grants and energy efficiency retrofits for public buildings are two core existing programs administered by Commerce to assist with CBPS compliance. These programs strengthen partnerships and public trust in the agency by enabling Commerce to work directly with public and private building owners to reduce the burden of compliance with the CBPS. These partnerships position Commerce as collaborator rather than enforcer, fostering trusting relationships that help the agency work with different stakeholders to scale innovative, data-driven solutions that achieve legislative, executive, and community objectives via CBPS compliance. These programs focus on community-led impacts and relationships, working to build resilient communities by delivering important services and resources that center community needs and co-benefits.

Project Number: **40002013**
Project Title: **2027-29 Clean Buildings Compliance Assistance Program**
Project Class: **Grant/Loan**

Description

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

The proposed program centers community-led and equitable impact by enabling energy efficiency improvements that provide long-term savings to reduce energy burden and preserve existing affordable housing. The funding provided by this grant program directly benefits business owners in the state by alleviating the increasing cost of electricity and enabling long term operational savings. It will also provide funding to reduce the energy burden on multifamily building residents and households and keeps multifamily units affordable and available in the long term.

7. Is there additional information you would like decision makers to know when evaluating this request?

Draft proviso language for combined program is available upon request.

Demand for these programs substantially exceed available funding, as demonstrated through application and funding requests received when Commerce opens a request for applications.

Clean Buildings Performance Grants 25/27
-Total funding requested in applications: $13,922,856
-Available funding: $4,800,000
-Number of responsive applications received: 160
-Number of applications funded: 56

Energy Retrofits for Public Buildings 25/27
-Total funding requested in applications: $34,490,612
-Available funding: $10,600,000
-Number of responsive applications received: 47
-Number of applications funded: 20

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

N/A

9. For major construction projects, what project delivery method has been or will be selected and why?

N/A

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the

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Project Title: 2027-29 Clean Buildings Compliance Assistance Program
Project Class: Grant/Loan

Description

instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

N/A

Proviso

N/A

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grants - Competitive

Growth Management impacts

N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	50,000,000				10,000,000
	Total	**50,000,000**	**0**	**0**	**0**	**10,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	10,000,000	10,000,000	10,000,000	10,000,000
	Total	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: 40002015
Project Title: 2027-29 State Electric Appliance and Buildings Efficiency Program
Project Class: Grant/Loan

Description

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Project Number: **40002015**
Project Title: **2027-29 State Electric Appliance and Buildings Efficiency Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 12

Project Summary

The State Electric Appliance and Buildings Efficiency Program seeks $33.2 million per biennium to fund the High Efficiency Electric Appliance Rebate and the Multifamily Efficiency Grants Programs. These two programs serve low- and moderate-income households and small businesses through preserving affordable housing, increasing energy affordability, and reducing energy burden from energy efficiency improvements.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

This proposal combines two existing programs serving low- and moderate-income households and small businesses to deliver a comprehensive approach that preserves affordable housing, increases energy affordability, and reduces energy burden through energy efficiency improvements. This request will fund the existing High Efficiency Electric Appliance Rebate Program (HEAR) and the Multifamily Efficiency Grants Program, combined, at a reduced budget request of $33.2 million. These programs, individually and combined, have a successful track record of improving the comfort, health and livelihoods of moderate- and low-income communities in the state.

Multifamily efficiency grants fund capital upgrades such as heat pump technology for space and water heating, building shell improvements, lighting upgrades, building controls, etc. in multifamily housing stock. They also provide funding for energy planning and operational management work required for compliance with the Clean Buildings Performance Standard. These funds help preserve affordable housing by reducing energy costs for low-income families and mitigating the cost of policy compliance for affordable multifamily housing.

State incentives and rebates for the installation of high-efficiency electric equipment provide a benefit to the public consistent with the state's energy strategy and climate mandates by reducing greenhouse gas emissions from the built environment, improving health and economic opportunities in the communities they serve, improving health outcomes, improving climate resilience and resilience to extreme weather events, and reducing energy burden.

Combining these two programs simplifies delivery of program services, which streamlines and increases access to this support. This simplified approach creates administrative efficiencies and cost savings within Commerce and improves the overall customer experience. Applicants seeking funding from multiple building efficiency grant programs will be able to submit one application instead of two, reducing administrative burden. This change is in alignment with Executive Order 25-06, as well as new guidelines from the federal government that limit funding for fuel switching.

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Preservation of existing affordable housing is critical to ensure that the state has adequate housing supply that is safe, healthy and affordable to operate. Low-income households bear a disproportionate energy burden when considering the cost of utilities relative to household income. Additionally, there are 1,902,153 homes in Washington (representing 60% of all residential homes/units) that rely on electricity as their primary fuel type. Funding grants and incentives to improve the energy efficiency of these homes preserves affordable housing by providing relief to families who are the most in need and the most vulnerable to the rising cost of electricity. These opportunities lock in long-term energy savings measures such as heat pumps and other high-efficiency electric equipment upgrades for families who would otherwise not be able to afford them.

Moderate- and low-income households and communities in Washington are also disproportionately exposed to harmful air pollutants and are often less resilient to heat and wildfire events. The improvements these programs enable help reduce exposure, achieving further cost savings for families and the state from avoided negative health impacts. They also provide households access to cooling, a costly improvement that can make housing less affordable without state assistance, and one

Description

which mitigates the impacts from increasing summer temperatures and extreme heat events.

Residential energy efficiency retrofits are identified in Washington's Comprehensive Climate Action Plan (CCAP) as a key strategy to reduce greenhouse gas emissions and provide direct benefits to residents. These technologies, paired with building efficiency, are also a critical part Washington's state energy strategy to reduce greenhouse gas emissions from the built environment and meet the state's climate goals. Energy efficiency improvements funded by these programs are necessary to keep the buildings on pace with economy-wide greenhouse gas reductions required by law. If funding is not continued for these programs, households and communities with the greatest need will be left further behind in the clean energy transition and will face an even larger energy burden over time. Additionally, gains in decarbonizing buildings will need to be made elsewhere (potentially more costly and less equity-focused) to stay on track with Washington's climate goals. These programs are a timely and cost-efficient approach towards necessary economic and environmental goals.

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

Table 1: See attached document for Table 1

4. Does this project or program leverage non-state funding? If yes, how much by source?

The program helps unlock private capital for the most effective technologies and improvements that provide long-term savings for businesses and households. It also helps building owners identify cost-effective energy efficiency improvements they can invest in to meet compliance with clean buildings statutory requirements. The program also leverages utility rebate programs. Utilities around the state have incentive offerings to help offset the cost of installation of heat pump technology and activities that focus on compliance with clean buildings. Utility rebates cover only part of these costs, so state funding is critical to help building owners make upgrades that reduce energy use and carbon emissions. Commerce does not track the exact amount of leverage by source.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

The improvements and incentives these programs provide are necessary as Washington works to achieve compliance with the Clean Energy Transformation Act and the Clean Buildings Performance Standard. It also helps keep the built environment on pace with our economy-wide emission reduction targets. Both programs implement key strategies identified in Washington's Comprehensive Climate Action Plan and State Energy Strategy in ways that align with Commerce's strategic direction as an agency to center community-led and equitable impacts.

By combining these programs, this proposal improves agency performance by saving time and administrative capacity. Commerce will only need to issue a single RFP, rather than two, and can manage the programs more efficiently as a combined effort.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

These programs, individually and combined, have a successful track record of improving the comfort and livelihoods of moderate- and low-income communities in the state. The programs work to center equitable community impacts by identifying households with the greatest need in terms of affordable energy and pollution exposures.
The projects funded through these programs reduce energy use and related greenhouse gas emissions by 20 percent on average. This contributes to direct relief for communities experiencing disproportional health impacts from air pollution and

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Project Number: 40002015
Project Title: 2027-29 State Electric Appliance and Buildings Efficiency Program
Project Class: Grant/Loan

Description

helps reduce energy burden by increasing energy efficiency. The program also works to preserve affordable housing by directly reducing energy costs via efficiency upgrades.

These upgrades, such as heat pump installations, also allow households access to cooling which is critical to protect community health and foster resilience, especially as summer temperatures rise and the frequency increases for extreme weather events and wildfires.

7. Is there additional information you would like decision makers to know when evaluating this request?

Commerce is working on draft proviso language for a combined program - available upon request.

Demand for these programs substantially exceed available funding, as demonstrated through application and funding requests received when Commerce opens a request for applications.

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

N/A

9. For major construction projects, what project delivery method has been or will be selected and why?

N/A

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

N/A

Proviso
N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	166,000,000				33,200,000

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Project Number: 40002015
Project Title: 2027-29 State Electric Appliance and Buildings Efficiency Program
Project Class: Grant/Loan

Funding

	Total	**166,000,000**	**0**	**0**	**0**	**33,200,000**

		Future Fiscal Periods			
		2029-31	**2031-33**	**2033-35**	**2035-37**
057-1	State Bldg Constr-State	33,200,000	33,200,000	33,200,000	33,200,000
	Total	**33,200,000**	**33,200,000**	**33,200,000**	**33,200,000**

Operating Impacts

No Operating Impact

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Project Number: **40002024**
Project Title: **2027-29 Transit-oriented Development Grants (TOD)**
Project Class: **Grant/Loan**

Description

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Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40002024
Project Title: 2027-29 Transit-oriented Development Grants (TOD)
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2028
Agency Priority: 13

Project Summary

This proposal addresses the requirement created by HB 1491(2025), to plan for transit-oriented development (TOD) around rail and bus rapid transit (BRT) stations. HB 1491 made significant changes to the Growth Management Act, creating new minimum density, parking and incentive programs that must be implemented in stations areas across the state on a very rapid timeline.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The proposed grant program will pay for infrastructure in transit oriented development (TOD) station areas, including water, sewer, stormwater, parks, and transportation to facilitate the development of housing.

There are approximately 450 bus rapid transit (BRT) and rail station areas currently, and more than 1,000 will be in service by 2050 in Vancouver, Spokane, and the Puget Sound region. Market forces are already anticipating land use changes, and planning for these station areas is of primary importance for the state to provide housing opportunity, while reducing the transportation and land consumption impacts of traditional development. TOD station areas often need substantial infrastructure upgrades to reach their potential and this program can assist communities to plan for and build these upgrades.

This grant program will provide $25 million to place infrastructure necessary to support the requirements created by HB 1491(2025), to create TOD station areas, around rail and bus rapid transit stops, that:

Allow floor area ratios (FAR) of 2.5 – 3.5 (about 5-7 stories) with increases in FAR for mass-timber or greater levels of affordable housing

Require mandatory 10-20% of units as low-income or workforce housing affordable for fifty years

Require 50% reductions of impact fees

Prohibit local government requirements for off street parking

Require cities to provide a new 20-year multifamily tax exemption to developments proposed in station areas.

Funding for TOD station area infrastructure will benefit residents that work in dense urban corridors across Washington and advance development opportunities which support affordable and workforce housing. TOD investment can reduce climate impacts and improve local economic conditions by creating more housing choice in Washington's most populated cities. This includes reducing vehicle miles traveled and a key source of carbon emissions.

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

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Description

Commerce requests $25 million for a competitive TOD infrastructure program and to implement the unfunded capital program created for Commerce in HB 1491 (2025). This program can pay for TOD infrastructure, planning, and predevelopment costs. To date, no funds have been appropriated for this program. Also, the TOD bill requires cities to reduce impact fee collection and requiring property tax exemptions, further impacting city's ability to support and realize the objectives of HB 1491.

Priority will be given to cities that have proactively planned for TOD in station areas, specifically:

Projects where pre-construction planning is complete and (shovel-ready) groundbreaking can be scheduled within 24 months.

Projects that leverage significant local or private funding.

Projects that consolidate infrastructure upgrades and prepare more land for development.

Locations where zoning matches or exceeds residential density requirements for TOD.

Locations where affordable housing levels exceed TOD requirements.

Local conditions limit development of a fully functional station area. In some places, station areas lack services for high density development and infrastructure upgrades are planned but funding is not fully available. In other areas, existing suburban density will need significant upgrades to be able to accommodate new TOD densities. Cities must plan and build infrastructure that ensures:

Adequate water and sewer service can be provided. Some pipes will need to be upgraded or replaced, or new pumps or water tanks installed.

Regional stormwater will allow each development to occur without having to develop individual stormwater vaults.

Pedestrian and multimodal access to and across station areas is provided to allow the transit system to work most effectively.

Station area plazas, linear parks, or stormwater parks provide multiple benefits.

This approach will help communities to achieve the goals of the TOD bill, as existing infrastructure must be up-sized to meet the needs for increased density, including affordable housing and workforce housing.

New preemptive zoning will take effect in the following places on the following dates.

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June 30, 2026: Vancouver for its 71 current BRT station areas

June 30, 2027: Spokane for its 34 current BRT station areas

Dec. 31, 2029: Central Puget Sound for its approximately 350 BRT and rail station areas

This means that developments must be permitted, according to RCW 36.70A.840, by the provided dates. However, without station area planning to identify the boundaries of the station area and how these areas will be served with infrastructure, this could be difficult and slow down much needed development. Without these grant funds, TOD implementation will be slower and shift significant costs to developers, restricting the feasibility of TOD development.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

This would be a new TOD infrastructure program, would fund short-term, ready to implement projects. It would supplement local planning through local improvement districts or other tools to prepare station areas for development or redevelopment. At completion, the infrastructure project would become the responsibility of the city for long-term management and maintenance.

Does this project or program leverage non-state funding? If yes, how much by source?

Yes, the proposed grant program would fund shovel-ready local projects and leverage private, local and federal resources depending on the size and scope of the project and availability of non-state capital funds. As this program has not yet made awards, it is too early to identify how much non-state funding may be leveraged, but most capital projects are not funded by a single funder The program also leverages the significant federal and local investment to build high capacity transit services made possible by these TOD infrastructure investments, in addition to the related housing development TOD is designed to incentivize.

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

The proposed grant program fits within Governor Ferguson's budget priorities:

Housing: Increase housing availability and affordability for all. One of the most effective ways to increase attainable housing is to build it at higher densities. Providing infrastructure for station areas provides the catalyst to enable new development to occur and is a wise investment for the state.

Affordability: Make life more affordable for all individuals and families. Housing within a station area can be developed at a lower price point because units are small. An added benefit of living within a station area is that transportation costs are also lower using transit than owning and operating a private vehicle.

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Climate and Environment: Protect and sustain Washington's environmental, cultural and natural resources. Supporting development within station areas is one of the most basic ways to absorb population growth while reducing the environmental impact of each new household.

Infrastructure. Preserve, maintain and improve the state's public infrastructure to ensure Washington's long term success and resilience. Investing in infrastructure to catalyze high density development is a good investment for the state in resilience, climate-friendly, and creating high quality places where people can live work and play, supported by a regional transportation system. High quality infrastructure in the form of solid water and wastewater systems, but also green infrastructure and public spaces make the difference in creating high quality communities.

The proposed grant program also fits within Commerce's Strategic Direction #2 to strengthen partnerships and public trust. We deepen engagement with communities, tribes and government partners through transparent communication, collaboration and co-governance models. Increasing the volume and rate of housing development is a top priority for our state. This grant funding can leverage the development of thousands of units of housing by private development in the places that state policy wants development to occur.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

TOD station area development provides mandatory inclusionary zoning for lower income housing and workforce housing, for a minimum of 50 years, while encouraging market rate housing (RCW 36.70A.840). Station area planning and development, coupled with increased housing and employment opportunities in these areas, provide broad benefits to the entire community, and the impacted regions. This type of development is intended to be inclusive supporting equity for all residents.

Additionally, the program advances meaningful environmental and economic development outcomes, aligning with the state's economic, emissions reduction and clean energy goals. More housing provided in station areas means less pressure on rural areas, and fewer emissions associated with the transportation patterns of these households.

The impact and beneficiaries of the proposed grant program are reflected, in part, by the list of jurisdictions required to comply with the statutory changes (see Attachment Table 1).

Balancing equity will be important as Commerce administers the grant program. Some cities are ready to advance infrastructure plans and projects, because they have adequate public works departments and professional grant writers. This grant should be administratively weighted to ensure that smaller communities, with less resources will be competitive. This is necessary as small cities often have smaller service capacity and need a greater level of support to achieve the TOD densities required in the TOD bill. Commerce will recognize these equity challenges within the competitive grant program.

Is there additional information you would like decision makers to know when evaluating this request?

Infrastructure is a significant limiting factor for development at every scale. Providing support to TOD cities will increase the viability of development in TOD station areas. The proposed grant funding is necessary to achieve the state's objectives for

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Project Class: **Grant/Loan**

Description

“vibrant, walkable, accessible urban” TOD station areas.

Findings from HB 1491 (laws of 2025)—2025 c 26 "The legislature finds that the state has made groundbreaking investments in state-of-the-art mass transit and intermodal infrastructure. The legislature finds that to maximize the state's return on these investments, land use policies and practices must allow housing development to keep pace with progress being implemented in transportation infrastructure development. The legislature also intends new development to reflect the state's commitment to affordable housing and vibrant, walkable, accessible urban environments that improve health, expand multimodal transportation options, and include varied community facilities, parks, and green spaces that are open to people of all income levels.

As the state and region have made a substantial investment in passenger rail and bus service, this is the essential next step to realize the promise of significant public investment. More information on this is available in a set of three interrelated land use reports:

The Financial Feasibility of Transit-Oriented Development: Barriers and Opportunities for Expanding Housing Supply

Mandating Density Near Transit: Practices by States and Provinces in the United States and Canada to Direct Housing Growth to Transit Areas

Tracking Transit-Oriented Development: Key Performance Indicators to Assess Progress in Creating Vibrant, Livable, and Affordable Communities Near Transit

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

Not applicable

For major construction projects, what project delivery method has been or will be selected and why?

Not applicable

If this project is linked to the Puget Sound Action Agenda and/or the Governor’s Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

The proposed grant fund supports the Puget Sound Action Agenda 2026 strategies 05.03 and 19.03 (respectively):

Increase demand for and reduce barriers to infill and redevelopment in high growth areas.

Action 05.03.07: Provide financial support for infrastructure improvements (both gray and green) to accommodate infill and

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Description

redevelopment in preferred high growth areas

Action 05.03.05 incentivize redevelopment in residential and mixed-use areas that lack effective stormwater management.

Integrate wastewater and land use planning

Action 19.03.06: Strengthen connections between sewer availability and density through utilities and capital facilities that are planning to concentrate development in UGA's.

The majority of station areas are located in the Puget Sound region. The proposed grant funds will be a sound investment consistent with the Puget Sound Action Agenda, guiding development towards preferred high growth areas.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Growth Management impacts
These investments help expand the state's supply of affordable housing.

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	225,000,000				25,000,000
	Total	**225,000,000**	**0**	**0**	**0**	**25,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	50,000,000	50,000,000	50,000,000	50,000,000
	Total	**50,000,000**	**50,000,000**	**50,000,000**	**50,000,000**

Operating Impacts

No Operating Impact

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Project Title: **2027-29 Library Capital Improvement Program**
Project Class: **Grant/Loan**

Description

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Project Number: **40001979**
Project Title: **2027-29 Library Capital Improvement Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 14

Project Summary

In the 2025-27 State Capital Budget (Sec. 1009), the Department of Commerce (department) is required to submit a prioritized list of recommended projects not to exceed $10 million to the governor and Legislature by October 1, 2026, for inclusion in the department's 2027-2029 biennial capital budget request.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The Library Capital Improvement Program (LCIP) was created by the Legislature in the 2019 session to assist libraries operated by governmental units, as defined in RCW 27.12.010 to acquire, construct, or rehabilitate their facilities. It has remained a biennial funding program solely in capital proviso since that time.

LCIP must produce a legislatively required list to finance public library capital improvements with priority to those listed on registers of historic places and/or located in distressed or rural counties. It may submit a list up to $10 million, though the Legislature has appropriated beyond this level previously.
The 2027-2029 recommended LCIP list is provided by project title, grantee and recommended award:

1. Republic Childcare Facility: Library, and Community Center, City of Republic, $2,000,000
2. Pink House Exterior Restoration and Improvement Project: City of Port Townsend, $331,000
3. Kalispel Library Modernization: Pend Oreille County Library District, $125,000
4. Ione Library & Town Project: Pend Oreille County Library District, $150,000
5. Palouse Library Capital Improvement: Whitman County Library, $ 15,206
6. Roof Replacement and Solar Panels: Columbia County Rural Library District, $62,000
7. Vernetta Smith Library Outdoor Sensory Experience Area: City of Chehalis, $193,887
8. Kelso Public Library: City of Kelso, $1,500,000
9. Kennewick Branch Critical Facility Rehabilitation and Accessibility Improvements: Mid-Columbia Libraries, $152,000
10. Selah Library Infrastructure and Capital Improvements: Yakima County Regional Library, $133,963
11. Asotin County Library Roof Replacement: Asotin County Library, $181,550
12. West Valley Library Capital Improvements: Yakima County Regional Library, $628,812
13. Port Orchard Library: Kitsap Regional Library, $2,000,000
14. Columbia Branch Library: Seattle Public Library, $2,000,000
15. Arlington Library Remodel and Expansion Project: Sno-Isle Regional Inter-County Libraries, $526,582 (If funding is limited to $10,000,000 this project would be $2,430,080 underfunded from the full project amount of $2,956,662.)

Importantly, the top 15 ranked LCIP projects have a total funding request of $12,430,080. The $10 million limit ensures that the 15th ranked project, Arlington Library Remodel and Expansion Project, City of Arlington, may only receive partial funding. Without full funding, Arlington may not be able to advance this project.

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

In the 2025-27 State Capital Budget (Sec. 1009), the Department of Commerce (department) is directed to submit a prioritized list of recommended projects not to exceed $10 million to the governor and Legislature by October 1, 2026, for inclusion in the department's 2027-2029 biennial capital budget request.

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Description

The LCIP establishes a competitive grant providing libraries operated by governmental units as defined in RCW 27.12.010 with capital funding for acquisition, construction, or rehabilitation of their public library facilities. Grant assistance may not exceed 50% of the total project costs and may award no more than $2 million per project. The department established an LCIP Advisory Committee to assist the department by reviewing program guidelines and ranking project proposals.

Capital funds will be required in the 2027-2029 biennium to support the efforts of the legislature and meet the need to invest in public libraries ensuring all Washingtonians have access to a wide range of free community support and services. Public libraries are a critical community resource that provides accessible and free community support and services that are otherwise unavailable to the public, such as internet and computer access, warming and cooling centers, social services, meeting spaces, early literacy and language programs, after-school and educational programs, senior services, voter registration and ballot boxes, as well as traditional literature collections.

Investing in public libraries assists communities in reducing barriers and providing equitable access to much needed community support and services for everyone, especially in public libraries located in distressed or rural areas where libraries often provide the only accessible and free community support and services otherwise unavailable to the public.

For example, libraries provide internet and computer access, warming and cooling centers, meeting spaces, early literacy and language programs, after-school and educational programs, senior services, and voter registration and ballot boxes, as well as traditional literature collections. Community residents will have improved access to receive support and services which expand employment opportunities and enhance educational or recreational opportunities because of these projects.

This request will fund library facility projects statewide. Priority is given to projects in rural or distressed areas and to historic buildings. Additional consideration is given to projects of highest unmet need.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?
The 2025-27 LCIP recommended project list was not funded in its entirety, and each of the projects that did receive funding have executed contracts for approximately $6.5 million.

Does this project or program leverage non-state funding? If yes, how much by source?
LCIP proviso requires that state grant assistance may not exceed 50% of the total eligible project costs. This means for every $1 of state funds, $1 of community funding is leveraged to complete these projects.

There is very little funding available for libraries, so most funding is provided by local entities or by direct appropriation. Funding includes City, County, Library District, library foundations, State funds, Community Development Block Grant, United States Department of Agriculture, and others.

The execution of a grant of state funds for the construction, acquisition, or rehabilitation of public library facilities may be given only after matching funds are committed. Applications that provide a higher level of project readiness by identifying committed funding match at application received additional points in the evaluation process and had a greater likelihood of being awarded funds. Additionally, projects that demonstrated secured funding match at application were given a higher score in the readiness category.

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Description

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.
Libraries are the center of community spaces, services, knowledge and connection. Investments in libraries leverage community capital to build community, which is an investment in their own equitable strategies and future community growth and empowerment. The program will impact equity by funding expanded and improved access to community support and services, including low-income, rural, and distressed communities statewide. Grantees will be able to provide community residents with support, services and opportunities that address educational, health, social and economic disparities through equitable access that public libraries are able to offer.

LCIP investments align with Commerce strategic directions to center community-led and equitable impact, to strengthen partnerships and public trust, and to promote growth by:

· Enriching community spaces to demonstrate and employ cultural competency.
· Understanding the needs and challenges affecting their access to resources through deep community engagement and outreach.
· Consulting with community partners on our data and data-informed decisions (LCIP advisory committee supports outreach and application evaluations).
· Dismantling barriers to access and provide support so that communities across the state are positioned to access resources.
· Build systems that enable data-informed decision-making to improve equity.
· Providing proactive assistance and building capacity in organizations.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?
The program will impact equity by funding expanded and improved access to community support and services. Investing in public libraries assists communities in reducing barriers and providing equitable access to much needed community support and services for everyone, especially in public libraries located in distressed or rural areas where libraries often provide the only accessible and free community support and services otherwise unavailable to the public. Grantees will be able to provide community residents with support, services and opportunities that address educational, health, social and economic disparities through equitable access that public libraries are able to offer.

Is there additional information you would like decision makers to know when evaluating this request?
The 2027-29 LCIP competitive cycle included a total of 22 applications seeking more than $22.8 million in funding. Of the requests, two are historic properties, 11 are in rural areas, and six projects are in distressed areas. The top-ranked 15 projects were selected and are recommended for funding. The top 14 ranked projects will be fully funded. The 15th project (Arlington Library Remodel and Expansion Project, City of Arlington) will be partially funded at 26% of the funds requested due to the $10 million LCIP funding limit.

This program provides the state an opportunity to support public libraries and their central role they play in communities, especially in distressed and rural areas. These projects will assist communities with their economic vitalization efforts, in ensuring their residents have reduced barriers and equitable access to, in some cases the only, public space that is accessible and free, providing a wide range of community support and services that would otherwise be unavailable to the public. Libraries play a vital role in communities which:

· Enhance educational and recreational opportunities

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Description

· Expand employment opportunities
· Accommodate growth and promotion of economic development and business opportunities
· Improve the overall quality of life of its residents
· Expand social services to meet community needs, such as warming and cooling centers and community meeting space

It is especially critical now to fund libraries due to increased demand for their community support and services from those suffering unemployment, homelessness, the lack of child-care, access to internet or computer services, and the impacts of climate change.

Commerce requests the statutory cap of $10 million for this program. This is an ongoing program and will not require additional staffing. Commerce assumes the base 3% administrative deduction.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
N/A

For major construction projects, what project delivery method has been or will be selected and why?
N/A

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	50,000,000				10,000,000
	Total	**50,000,000**	**0**	**0**	**0**	**10,000,000**

Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37

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		Future Fiscal Periods			
		2029-31	**2031-33**	**2033-35**	**2035-37**
057-1	State Bldg Constr-State	10,000,000	10,000,000	10,000,000	10,000,000
	Total	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**

Operating Impacts

No Operating Impact

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Project Number: **40001976**
Project Title: **2027-29 Building for the Arts**
Project Class: **Grant/Loan**

Description

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Project Title: **2027-29 Building for the Arts**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 15

Project Summary

RCW 43.63A.750 requires the Department of Commerce to submit a list of competitively selected projects for the Building For the Arts program (BFA) to the governor and Legislature each biennium. BFA will produce a legislatively required list to finance performing arts, art museums, and cultural facilities. State grants require 67% matching funds. The program may submit up to $18 million in project requests. The current 2027-29 BFA application round opened May 12 and will close July 9.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The Building for the Arts Program (BFA) was created by the Legislature in 1991 to award grants to performing arts, art museum, and cultural organizations. The program awards grants to performing arts, art museum and cultural organizations for as much as 33% state match of eligible project costs for acquisition, construction and/or major renovations of capital facilities. 43.63A.750 RCW.

BFA is a reimbursement-style grant and operating costs are ineligible. The grants are funded by the sale of state bonds only. Awardees are selected through a competitive grant application process held every two years. Grant applications are screened by staff and then ranked by an advisory board of Building for the Arts.

The Department of Commerce (department) is required to submit a ranked list of recommended projects not to exceed $18 million to the governor and Legislature by October 1, 2026, for inclusion in the department's 2027-2029 biennial capital budget request. The list is provided by project title, grantee and recommended award:

27-29 BFA Recommended List:
1. Bathroom Remodeling, 7th Street Theatre, $12,034.
2. Pacific Northwest Ballet SODO School, Peter Boal Center, Pacific Northwest Ballet Association, $1,195,136.
3. Taproot Theatre Renovations, Taproot Theatre Company, $192,375.
4. Snoqualmie Tribal Canoe Barn/Wood Carving Classroom, Snoqualmie Indian Tribe, $690,750.
5. Khmer Community and Cultural Center, Khmer Community of Seattle-King County, $1,000,000.
6. Seattle Chamber Music Society Center for Chamber Music, Seattle Chamber Music Festival, $1,000,000.
7. Smokehouse Cultural/Ceremonial Center Renovation, Swinomish Indian Tribal Community, $295,096.
8. Pottery Northwest South Lake Union Facility Relocation and Build-Out, Pottery Northwest, $870,853.
9. Bainbridge Island Japanese American Exclusion Memorial Visitor Center, Bainbridge Island Japanese American Exclusion Memorial Association (BIJAEMA), $1,000,000.
10. Historic Paramount Theatre: Performer ADA Supports + Systems Upgrade, Seattle Theatre Group, $227,700.
11. Benaroya Hall Public Spaces Improvements Phase 2, Seattle Symphony Orchestra, $1,000,000.
12. HVAC System Modernization and LEED Integration Project, Imagine Children's Museum, $276,694.
13. VERA Georgetown, The Vera Project, $253,935.
14. Reframing SAM: Art, Community, and Connection, Seattle Art Museum, $1,000,000.
15. Building4Arts 2026, Port Angeles Community Players, $34,906.
16. Estelita's Library Freedom Cultural Center & Solidarity House, Estelita's Library, $1,000,000.
17. Wenatchee Valley Museum and Cultural Center Gallery Expansion, Wenatchee Valley Museum and Cultural Center, $1,000,000.
18. Meyer Art Center, Stanwood-Camano Arts Advocacy Commission DBA Meyer Art Center, $1,000,000.
19. Alchemy Field Campus Acquisition & Renovation, Alchemy Art Center, $719,235.
20. Lobby Expansion, Chewelah Performing and Cultural Arts Center, $350,000.
21. Nebula Seattle Cultural Facility Renovation Project, Ripple Productions, $870,000.
22. Hillman Hub, SouthEast Effective Development dba SEEDArts, $1,000,000.

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Description

23. African Diaspora Cultural Anchor Village (ADCAV), African Community Housing & Development. $1,000,000.
24. SJCT Stage House Renovation and Upgrades, San Juan Community Theatre, $102,597.
25. Port Orchard Historic Theatre Renovation & Reopening, The Port Orchard Historic Theatre Foundation, $396,000.
26. Walla Walla Summer Theater Cast House, Walla Walla Summer Theater Group, $76,636.
27. Phase 1 - Part 2 Furnishings and Equipment, Museum of Glass, $525,129.
28. Music Theatre of Wenatchee Riverside Playhouse Annex, Music Theatre of Wenatchee Inc., $495,000.
29. Pilchuck Campus Improvements Campaign, Pilchuck Glass School, $179,383.
30. Union Arts Center: Phase One: Security and Accessibility, Union Arts Center, $236,541.

As a result of the state's investment in these local projects provide:
· Temporary construction jobs
· Permanent arts-related jobs
· Improved quality of life for residents

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?
RCW 43.63A.750 requires the Department of Commerce to submit a list of competitively selected projects for the Building For the Arts program (BFA) to the governor and Legislature each biennium.

BFA will produce a legislatively required list to finance performing arts, art museums, and cultural facilities. State grants require a minimum of 67% matching funds. The program may submit up to $18 million in project requests. The current 2027-29 BFA application round opened May 12 and closed on July 9.

If no action were taken, it would delay eligible projects. Project delays increase construction costs for the State and communities. The opportunity to create economic activity and stimulus through construction projects in communities would be missed, and valuable community cultural and economic drivers would be delayed indefinitely.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?
In the 2025-27 biennium 38 projects were awarded $18 million, and each have executed contracts.

Does this project or program leverage non-state funding? If yes, how much by source?
Yes, the BFA program is limited to financing 33% of a project. At an $18 million investment, BFA projects must provide at least $36 million and due to the nature of these projects, it is likely local, private, nonprofit and philanthropic resources that will move projects forward.

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.
BFA aligns with Commerce strategic directions to center community-led and equitable impact, to strengthen partnerships and public trust and to promote growth. These grants fund construction, expansion, and renovation of arts and cultural facilities that offer multiple benefits to their communities. Through this proposal, organizations can provide art education & professional development to communities that otherwise would lack art and cultural accessibility. These investments lead with equity to finance culture and disadvantaged populations and serve as a positive influence on the public trust and promote local growth for small nonprofits, tribes and community-based organizations.

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Report Number: CBS002
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Project Number: 40001976
Project Title: 2027-29 Building for the Arts
Project Class: Grant/Loan

Description

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?
BFA investments impact equity in the state by providing capital infrastructure resources to performing arts, art museums, and cultural organizations. All communities including those who are mostly impacted such as BIPOC, Tribal Nation and people of color through the programs outreach and engagement have applied through this biennium competitive process.

By financing construction and renovation costs, the Building for the Arts not only encourages and improves art and cultural facilities in our communities, but it also frees up funds that would otherwise be spent on facility mortgage or lease payments, thereby increasing funds available for local organizations to commit to direct arts and cultural services.

Is there additional information you would like decision makers to know when evaluating this request?
This program provides the state an opportunity to support Tribes and nonprofit organization with defraying the eligible capital costs to acquire, construct, or rehabilitate arts and cultural facilities.

Commerce requests the statutory cap of $18 million for this program.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
N/A

For major construction projects, what project delivery method has been or will be selected and why?
N/A

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
N/A

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40001976
Project Title: 2027-29 Building for the Arts
Project Class: Grant/Loan

Description

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	90,000,000				18,000,000
	Total	**90,000,000**	**0**	**0**	**0**	**18,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	18,000,000	18,000,000	18,000,000	18,000,000
	Total	**18,000,000**	**18,000,000**	**18,000,000**	**18,000,000**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: 40001982
Project Title: 2027-29 Behavioral Health Facilities Program
Project Class: Grant/Loan

Description

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Project Number: 40001982
Project Title: 2027-29 Behavioral Health Facilities Program
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2028
Agency Priority: 16

Project Summary

Commerce requests $20 million to continue its BHF closure prevention program. Maintenance and expansion of behavioral health facilities aligns with Washington's commitment to improve discharge planning and outcomes for people civilly committed to Eastern State Hospital and Western State Hospital.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The Department of Commerce (Commerce) requests $20 million in capital funding solely for capital improvements through the noncompetitive, Behavioral Health Facilities (BHF) closure prevention program (first piloted in 2023-25).

The funding will be used to cover critical upgrades for maintenance and introduce limited expansion for existing facilities that are already providing licensed services through established providers in order allow currently operational facilities to continue to provide important behavioral and mental health services. We are requesting the authority to incorporate limited expansion into closure prevention investments via updated proviso language, as we have learned from our stakeholders that in some cases the addition of even a few beds within Institution for Mental Diseases (IMD) limitations can increase operating margins just enough to allow facilities to stay afloat financially. This is in direct alignment with what is needed in Washington's community behavioral health ecosystem right now as we navigate federal funding uncertainties and existing facilities begin to have vulnerabilities in operational sustainability.

Behavioral health closure prevention investments sustain existing facilities that treat individuals with behavioral health issues, especially those transitioned from or diverted from the state hospitals and those who are publicly funded. Such services would otherwise be in jeopardy of ending due to facility closure. and many licensed behavioral health services would be unavailable to those utilizing public funds.

This funding will affect equity by ensuring continued access to licensed, existing, community-based, publicly funded behavioral health facilities and services. Through this program, grantees will be able to provide community members with continued support, services and opportunities that address health disparities through equitable access that community-based behavioral health facilities are able to offer. This proposal removes barriers so that communities are positioned to access resources vital to keeping existing facilities open and serving Washingtonians. Funding supports small communities to address behavioral health needs and improves regional outcomes.

This request will fund behavioral health projects statewide. Priority will be given to projects in rural and underserved communities that lack smaller facilities. This allows patients to stay closer to home and rehabilitate in their community.

As background, beginning in 23-25 biennium, the Legislature added closure prevention funds for the behavioral health program to grant to community providers. These funds prevented the closure of existing behavioral health facilities. The funding identified how preventive maintenance plays a crucial role in maintaining and improving facilities that are currently operational in order to stabilize the current bed count available statewide. The investment also plays a role in ensuring that facilities could seek additional funding to expand the same facility in the future so as long as the licensing criteria are met through preventive maintenance. This funding preserved nine community-based behavioral health facilities that will ensure long-term preservation of 288 behavioral health beds and maintain outpatient treatment services.

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Project Number: 40001982
Project Title: 2027-29 Behavioral Health Facilities Program
Project Class: Grant/Loan

Description

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?
Commerce requests $20 million to continue its BHF closure prevention program. Maintenance and expansion of behavioral health facilities align with Washington's commitment to improve discharge planning and outcomes for people civilly committed to Eastern State Hospital and Western State Hospital.

Investments in closure prevention play a crucial role in maintaining and improving facilities that are currently operational to stabilize the current bed count available statewide. The investment also plays a role in ensuring that facilities could seek additional funding to expand the same facility in the future so as long as the licensing criteria are met through preventive maintenance. Not taking action will put Washington's existing inpatient and outpatient, publicly funded, licensed Behavioral Health facilities at risk of closure.

Without this funding, Washington risks the progress it has made in creating community-based behavioral health capacity and a return of individuals to the state hospital setting. The state risks losing facilities that provide vital mental and behavioral health services to Washingtonians. Withholding this proposal would delay results for the states' initiative to improve discharge planning and outcomes for people civilly committed to Eastern and Western state hospitals. It is likely that diminished community behavioral health capacity will force more individuals into those state facilities and may cause the state to fail in fulfilling its behavioral health obligations.

Most importantly, lack of adequate facilities will impede efforts toward reducing barriers and providing equitable access to much needed support, services and opportunities for community behavioral health support, especially in distressed and rural areas. This funding will sustain effective behavioral health treatment options in the community. It will also ensure patients can be appropriately discharged from the state hospitals. It will help to address behavioral health issues early on, preventing some individuals from needing psychiatric hospitalization.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?
In the 2023-25 budget, Commerce received $7.5 million specifically for a brand new, non-competitive Closure Prevention program. The program began awarding projects in March 2024 and awarded the entire $7.5 million within approximately six months of launching. The Behavioral Health Team was able to move additional funds from less successful competitive programs to the Closure Prevention and to date has awarded approximately $15 million.

In collaboration with our state partners, Commerce reserved its 2025-27 appropriation authority as we awaited clarity after significant federal funding uncertainties for existing providers. After the 2026 legislative session and the 2026 State Supplemental Capital Budget were enacted, $60 million in BHF appropriations were re-routed to other state purposes. The remaining $10 million for the BHF Closure Prevention Program remained and Commerce is working to open these non-competitive applications later this summer or early in the fall. For this reason, none of the 2025-27 BHF appropriations are obligated or under contract.

Does this project or program leverage non-state funding? If yes, how much by source?
This program preserves and protects buildings and services that the state has already invested in. This program does not require match but could leverage private or local resources to complete closure prevention projects.

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's

Project Number: **40001982**
Project Title: **2027-29 Behavioral Health Facilities Program**
Project Class: **Grant/Loan**

Description

strategic plan or would improve agency performance.
BHF investments align with the Commerce strategic direction to center community-led and equitable impact and to scale innovative, data-driven solutions. This program helps to create community-led and equitable impacts by helping to ensure that much needed, existing inpatient and outpatient behavioral and mental health services are maintained throughout the state of Washington, including in Tribal and rural communities. This program also helps to strengthen partnerships and public trust through continued investment in facilities that serve publicly funded individuals in need of support.

As the BHF program and behavioral health investments in new capacity have matured, our shared future is now at a crossroads and needs to consider how to drive maximum impact. BHF is proposing a scaled investment strategy wholly focused on sustaining community-based behavioral health capacity to ensure what it has achieved in the last 10 years can endure for the benefit of the thousands of individuals experiencing mental health challenges now and into the future. This would be the first time in BHF history that we did not request resources to create new BHF capacity and are looking to pivot our short-term focus on maintaining current facilities and services.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?
The program will affect equity by funding expanded and improved access to community-based behavioral health facilities and services. Through this program, grantees will be able to provide community members with support, services and opportunities that address health disparities through equitable access that community-based behavioral health facilities are able to offer.

Is there additional information you would like decision makers to know when evaluating this request?
Local governments continue to make extraordinary strides in aiding communities accessing capital investment throughout Washington. The behavioral health program provides the state an opportunity to support mental health and services to those who need it most. An equitable healthcare system exists when all people can attain their full health potential. Through the behavioral health program, maintenance and expansion of existing, licensed behavioral health facilities will:

· Continue to ensure geographical availability of behavioral health services in regions that historically have not been served,
· Serve persons who are publicly funded (Medicaid eligible) and persons detained for involuntary commitment under chapter 71.05 RCW and;
· Serve individuals who will be transitioned from or diverted from the state hospitals and those who are serving civil commitments and an alternative to treatment.

As we continue to transition into the next biennium, our evaluations and efforts have improved the way we address the behavioral health needs. The funding is critical to ensuring continuance of the important behavioral health services already available in Washington.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
Not applicable.

For major construction projects, what project delivery method has been or will be selected and why?
Not applicable.

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Project Title: 2027-29 Behavioral Health Facilities Program
Project Class: Grant/Loan

Description

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
Not applicable.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	100,000,000				20,000,000
	Total	**100,000,000**	**0**	**0**	**0**	**20,000,000**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	20,000,000	20,000,000	20,000,000	20,000,000
	Total	**20,000,000**	**20,000,000**	**20,000,000**	**20,000,000**

Operating Impacts

No Operating Impact

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Project Number: 40002014
Project Title: 2027-29 Home Rehabilitation Grant Program
Project Class: Grant/Loan

Description

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Project Number: **40002014**
Project Title: **2027-29 Home Rehabilitation Grant Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 17

Project Summary

The Home Rehabilitation Grant Program requests $5 million each biennium to provide essential health, safety, and durability repairs for low-income homeowners in eligible, rural, non-entitlement areas of Washington. These repairs ensure homes are safe, functional, and structurally sound, and prepare them for energy-efficient upgrades. Those impacted include rural low-income homeowners, particularly seniors, people with disabilities, families with young children, and veterans who face disproportionate barriers to safe housing.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

This request maintains existing funding levels for the 2027–2029 biennium, totaling $5 million. The Home Rehabilitation Grant Program (HRGP) provides essential health, safety, and durability repairs for low-income homeowners in eligible rural, non-entitlement areas of Washington.

Funding will support improvements such as roof repairs, electrical system upgrades, ventilation improvements, accessibility modifications, and other critical home health and safety needs. These repairs ensure homes are safe, functional, and structurally sound, and prepare them for energy-efficiency upgrades. Those impacted include rural low-income homeowners, particularly seniors, people with disabilities, families with young children, and veterans who face disproportionate barriers to safe housing. Stable funding also helps local rehabilitation community-based organizations plan ahead, keep skilled workers employed, and complete projects on time.

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Many rural, low income homeowners live in aging or deteriorating homes that pose serious health, safety, and durability risks such as failing roofs, electrical hazards, inadequate ventilation, and accessibility barriers. These conditions increase household vulnerability, drive up energy and maintenance costs, and make it difficult for residents to safely remain in their homes. Rural areas also face limited contractor availability and long travel distances, which add cost and complexity to repair projects.

The Home Rehabilitation Grant Program (HRGP) directly addresses these challenges by funding essential repairs that make homes safe, functional, and resilient. The program also positions homes for future energy efficiency upgrades, reducing long term costs for households and improving overall housing stability. These services are essential to ensure the preservation and availability of affordable housing in Washington, particularly in rural areas of the state, and directly reduce energy burden for low- and moderate-income households. HRGP strengthens housing affordability by preserving existing homes, reducing costly future repairs, and enabling low-income homeowners to safely remain in stable, affordable housing.

HRGP supports local job creation by sustaining steady workloads for rural contractors and rehabilitation community-based organizations, helping maintain skilled employment across essential building trades.

If funding is not provided at this time, many low-income rural homeowners will continue living in homes with serious health, safety, and structural hazards and repairs will become more costly to address in the future.

Project Number: **40002014**
Project Title: **2027-29 Home Rehabilitation Grant Program**
Project Class: **Grant/Loan**

Description

Substitute House Bill 1250 (Chapter 380, Laws of 2023) created Home Rehabilitation Grant Program (HRGP) within Commerce, replacing the former low income revolving loan program and forgiving all outstanding loans as of July 1, 2023. Over the past year, Commerce completed rulemaking to establish the program's structure and processes and received biennial funding to support rehabilitation grants for low-income homeowners in rural communities.

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

Based on current contracting information HRGP has:

Table 1: See attached document for Table 1

All funds are actively being drawn down as community-based organizations complete ongoing projects. In the prior biennium, the program completed 51 home repair projects. Currently, 91 projects are in progress and the program is projected to complete a total of 150 projects this biennium.

4. Does this project or program leverage non-state funding? If yes, how much by source?

HRGP is primarily state funded through Commerce. Local rehabilitation community-based organizations may combine HRGP grants with federal, state, and utility weatherization resources when repairs are needed to support energy efficiency measures, but these funds are not guaranteed or directly tied to HRGP. No dedicated, consistent nonstate funding stream exists for HRGP the way it does for Weatherization Plus Health.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

HRGP directly supports Commerce's strategic directions by:

- Centering community led and equitable impact by serving rural homeowners facing the greatest health and housing quality disparities, including tribal communities.
- Strengthening partnerships and public trust by delivering services through local rehabilitation community-based organizations with strong community relationships.
- Improving agency performance by shifting from loans to grants (Substitute House Bill 1250) to reduce administrative burden and improve program efficiency for both Commerce and partner community-based organizations.

HRGP aligns with Commerce's mission to strengthen communities and preserve and expand equitable access to safe, stable, affordable housing.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are

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Project Title: 2027-29 Home Rehabilitation Grant Program
Project Class: Grant/Loan

Description

the measurable outcomes that would result from the project.

HRGP prioritizes households who experience the most significant disparities: rural, low-income homeowners; seniors; individuals with disabilities; families with children under five; and veterans.

The program delivers significant public benefits by improving health and safety, strengthening housing stability, preserving affordable homes, and reducing long-term energy and housing costs for rural residents.

Measurable outcomes include:

- Number of homes repaired (estimated 60+ per biennium, increasing as capacity expands).
- Reduction in health and safety risks documented through home assessments.

Increased eligibility for weatherization services following repairs.

7. Is there additional information you would like decision makers to know when evaluating this request?

- Demand exceeds available resources; more than 370 households are on waitlists across multiple rural counties.
- The program has expanded from 10 to 25 community-based organizations statewide, increasing equitable access.
- Transitioning from loans to grants has significantly increased applications and improved outcomes for vulnerable households.
- Approximately 97% of funding goes directly to community-based organizations for household repairs, making HRGP highly efficient.

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

HRGP is not a major construction project. The program funds small repairs for many households across the state. Other approaches such as centralized construction, state-run crews, or homeowner-managed contracts would not work well or provide equitable access. Program delivery through local rehabilitation community-based organizations remains the most cost-effective and community-aligned approach.

9. For major construction projects, what project delivery method has been or will be selected and why?

Not applicable. HRGP uses a distributed delivery model through contracted local rehabilitation community-based organizations, ensuring culturally competent service delivery, efficient use of funds, and strong local partnerships.

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

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Project Class: Grant/Loan

Description

The HRGP program is not linked to the Puget Sound Action Agenda or the Governor's Salmon Strategy.

Proviso
N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
355-1	St. Bld Const Acct-State	25,000,000				5,000,000
	Total	**25,000,000**	**0**	**0**	**0**	**5,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
355-1	St. Bld Const Acct-State	5,000,000	5,000,000	5,000,000	5,000,000
	Total	**5,000,000**	**5,000,000**	**5,000,000**	**5,000,000**

Operating Impacts

No Operating Impact

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Project Number: 40001977
Project Title: 2027-29 Early Learning Facilities, Eligible Organizations
Project Class: Grant/Loan

Description

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Project Number: **40001977**
Project Title: **2027-29 Early Learning Facilities, Eligible Organizations**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 18

Project Summary

Washington continues to experience a statewide shortage of childcare capacity, limiting access for families and negatively affecting workforce participation and economic stability. Without significant public investment, families who do not have access to affordable, high-quality childcare will experience negative economic outcomes. In 2026, the Department of Children Youth and Families (DCYF) estimates that approximately 99,235 children, birth to age five, are being served in Washington's mixed-delivery system, yet more than 357,893 children, birth to age five, may currently not be accessing care. Of those that are receiving childcare, more than half are not served by state programs.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

Commerce requests $70 million for the Early Learning Facilities (ELF) program (RCW 43.31.575), comprised of $55 million for eligible organizations for expansion or maintenance of subsidized slots/spaces and $15 million for minor renovations. ELF investments help to close the childcare supply gap for low-income families across Washington. These funds will be used for the construction, renovation or acquisition of facilities that expand or maintain existing childcare slots.

This request will increase the number of quality early learning opportunities for low-income children, as well as reliable care and education for low-income families so that parents participate equitably in the economy, including to get or maintain employment in support of their families' self-sufficiency.

Since 2017, the Commerce Early Learning Facilities (ELF) program has invested $260 million in state resources to create or maintain 20,485 slots across 380 projects with community childcare providers and primarily in low-income or rural communities. This includes an additional 2,056 new slots for projects awarded funding in the 2025-27 biennium. ELF is an efficient investment with an effective cost per slot of $12,692.

This proposal will benefit children, families, providers, communities, and state early learning systems by increasing access to licensed childcare and early learning opportunities across Washington. Specifically, this proposal benefits:
· Low-income families seeking access to affordable early care and education.
· Children eligible for the Early Childhood Education and Assistance Program (ECEAP) and Working Connections Childcare (WCCC).
· Families living in childcare access deserts, rural communities, and areas with limited licensed childcare capacity.
· Childcare providers and early learning organizations seeking to expand, preserve, renovate, or establish licensed facilities.
· Employers and local economies that rely on a stable workforce supported by access to reliable childcare.

Currently, 3.5% of appropriated funding also supports targeted technical assistance for communities seeking to access the ELF program through the Department of Children Youth and Families (DCYF). DCYF technical assistance can help prospective and existing providers to improve project readiness and to develop strong applications for ELF funding.

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Washington continues to experience a statewide shortage of childcare capacity, limiting access for families and negatively affecting workforce participation and economic stability. Without significant public investment, families who do not have access to affordable, high-quality childcare will experience negative economic outcomes. In 2026, the Department of Children Youth and Families (DCYF) estimates that approximately 99,235 children, birth to age five, are being served in Washington's

Project Number: 40001977
Project Title: 2027-29 Early Learning Facilities, Eligible Organizations
Project Class: Grant/Loan

Description

mixed-delivery system, yet more than 357,893 children, birth to age five, may currently not be accessing care. Of those that are receiving childcare, more than half are not served by state programs (https://dcyf.wa.gov/practice/oiaa/reports/early-learning-dashboards/child-care-need-supply-data).

The childcare access and availability issue requires timely action because Washington's current licensed childcare and early learning capacity is insufficient to meet existing demand and projected growth in ECEAP and WCCC. To support DCYF's Early Childhood Education Assistance Program (ECEAP) entitlement and Washington families who want to access early care and education facilities would need to serve an additional 20,519 ECEAP children. This would be approximately 1,026 new classrooms (20,519 slots divided by 20, the average classroom size). Additionally, at least 1,847 classrooms would be needed to support the additional 36,935 Working Connections Child Care (WCCC) slots needed (36,935 slots divided by 20, the average classroom size).

In total, this is 57,454 needed slots across an estimated 2,873 classrooms. A $55 million investment, less DCYF and Commerce administration, could produce approximately 4,000 new childcare slots. The requested minor renovations funds could sustain many more existing childcare slots in support of families across Washington.

Early learning facility development typically requires multiple years for planning, permitting, financing, construction, licensing, and operational readiness. Delays in capital investment today will directly affect the state's future ability to expand and sustain access to care and meet ECEAP entitlement requirements.

Without ELF funding, Washington will likely continue to experience shortages in licensed childcare and early learning capacity, particularly in childcare access deserts, rural communities, and other underserved areas. Providers may also face continued barriers to expanding or preserving facilities due to rising construction, acquisition, and renovation costs.

Failure to address facility capacity needs will also contribute to broader economic impacts, including reduced workforce participation among parents and caregivers who cannot reliably access childcare. Over time, insufficient facility infrastructure may limit the effectiveness of state investments in early learning programs by constraining the physical capacity needed to serve eligible children and families.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?
Commerce's received a total of $65,900,000 million for eligible organizations for expansion or maintenance of subsidized slots and minor renovations projects in the 2025-27 biennial and supplemental budgets. ELF has awarded $61,468,220 to 121 expansion and renovation projects that are each under contract or in negotiation. These investments will create an additional 2,056 early care slots in communities statewide. The remaining resources were deducted for contract administration and technical assistance. While not each of the 325 applications ELF received were for eligible projects, the program has an identified project need from applications in 2025-27 alone for $117 million.

In addition, ELF received more than $18 million for nine direct appropriations projects that are all under contract or in negotiation.

Does this project or program leverage non-state funding? If yes, how much by source?
ELF investments may leverage local, private, and philanthropic funds for providers expanding or renovating their facilities.

Project Number: 40001977
Project Title: 2027-29 Early Learning Facilities, Eligible Organizations
Project Class: Grant/Loan

Description

However, ELF can no longer require match, per recent statutory changes (HB 1314, 2025), and applications are still encouraged to leverage non-state funds as project realities allow.

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.
ELF projects align with the Commerce strategic directions to:

· Create community-led and equitable impacts through competitive funding that encourages both family home and center based early learning facilities to expand their ability to provide services to children in childcare deserts throughout the state.
· Strengthen partnerships and public trust with a broad range of diverse communities and tribes throughout the state through direct, reimbursement based contracts for construction and renovation of childcare facilities.
· Promote growth by creating better access to ECEAP and WCCC childcare facilities so that working parents can enroll their children in programs that improve outcomes.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?
This proposal would benefit children, families, providers, communities, and state early learning systems by increasing access to licensed childcare and early learning opportunities across Washington.

Primary beneficiaries include:

· Low-income families seeking access to affordable early care and education;
· Children eligible for ECEAP and WCCC;
· Families living in childcare access deserts, rural communities, and areas with limited licensed childcare capacity;
· Childcare providers and early learning organizations seeking to expand, preserve, renovate, or establish licensed facilities; and
· Employers and local economies that rely on a stable workforce supported by access to reliable childcare.

The proposal would also support statewide early learning infrastructure and implementation efforts led by Washington State Department of Children, Youth, and Families and Washington State Department of Commerce by increasing the physical capacity needed to support ECEAP entitlement and projected WCCC demand.

Intended outcomes include:
· Increase licensed childcare and early learning capacity statewide;
· Expand access to ECEAP and WCCC in underserved communities, utilizing the Early Learning Need and Supply Data provided by DCYF to prioritize projects in extreme childcare deserts;
· Support the state's ability to meet ECEAP entitlement requirements;
· Reduce barriers to facility development for providers through technical assistance and project readiness support;
· Preserve existing licensed childcare capacity at risk of closure or deterioration;
· Improve geographic equity in access to childcare and early learning opportunities; and
· Support workforce participation and economic stability for families by increasing access to reliable childcare.
Long-term intended outcomes include improved kindergarten readiness, stronger economic participation for parents and caregivers, and a more stable and sustainable mixed-delivery early learning system.

OFM

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Capital Project Request
2027-29 Biennium
*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40001977
Project Title: 2027-29 Early Learning Facilities, Eligible Organizations
Project Class: Grant/Loan

Description

Is there additional information you would like decision makers to know when evaluating this request?
This proposal is a conservative request and will only take us part of the way towards our statewide goal of meeting ECEAP and WCCC goals. DCYF estimates that 57,454 WCCC and ECEAP slots are needed across an estimated 2,873 classrooms. A $55 million investment under this proposal, less DCYF and Commerce administration, could produce approximately 4,000 new childcare slots. The requested minor renovations funds could sustain many more existing childcare slots in support of families across Washington. However, for the necessary ECEAP and WCCC slots identified, this would cost the state approximately $3.3 billion.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
Not applicable.

For major construction projects, what project delivery method has been or will be selected and why?
Not applicable.

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
Not applicable.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
22D-1	Early Lrng Fac Devel-State	470,000,000				70,000,000
	Total	**470,000,000**	**0**	**0**	**0**	**70,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
22D-1	Early Lrng Fac Devel-State	100,000,000	100,000,000	100,000,000	100,000,000
	Total	**100,000,000**	**100,000,000**	**100,000,000**	**100,000,000**

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Project Number: 40001977
Project Title: 2027-29 Early Learning Facilities, Eligible Organizations
Project Class: Grant/Loan

Operating Impacts

No Operating Impact

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: **40001980**
Project Title: **2027-29 Youth Recreational Facilities**
Project Class: **Grant/Loan**

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: **40001980**
Project Title: **2027-29 Youth Recreational Facilities**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 19

Project Summary

RCW 43.63A.135 requires the Department of Commerce to submit a list of competitively selected projects for the Youth Recreational Facilities (YRF) program to the governor and Legislature each biennium.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

Commerce requests $8 million for the 11 recommended projects and 2027-29 Youth Recreational Facilities (YRF) program. These projects will acquire, build or renovate nonresidential youth recreational facilities.

1. Boys & Girls Clubs of Benton & Franklin Counties: Richland Teen Center, $1,200,000
2. Wenatchee Valley Museum and Cultural Center: Community Makerspace, $640,000
3. Lummi Indian Business Council: BGC Facility Improvement Project, $125,675
4. YMCA OF Snohomish County: YMCA Camp Casey, $250,000
5. Camp Solomon Schechter: Mercaz Community Building, $1,200,000
6. YMCA of Pierce & Kitsap Counties: YMCA Camp Lake Helena, $500,000
7. Bainbridge Island Child Care Centers: BICCC Rain Collection System, $10,000
8. We Are Comunidad: Comunidad La Plaza Center, $1,200,000
9. YMCA of Pierce & Kitsap Counties: Pearl Street Family YMCA Phase 2, $1,016,000
10. South Sound YMCA: Y Adventure Day Camp, $1,016,000
11. East African Community Services: Hub Recreational Center, $842,325

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

RCW 43.63A.135 requires the Department of Commerce to submit a list of competitively selected projects for the Youth Recreational Facilities (YRF) program to the governor and Legislature each biennium.

YRF investments include Boys & Girls Clubs, YMCAs, youth centers, community pools, and a diverse collection of recreational facilities. They are key conduits for young people to come together, have fun, and learn and grow.

Capital projects must feature an indoor youth recreational component and a supporting social service or educational component. State grants require 75% matching funds. The program may submit up to $8 million in project requests.

By funding the YRF prioritized project list, the state invests in ready and supported community projects that are designed to bring cultural programming and benefits to the residents that live in that area. As YRF can finance up to only 25% of the project, the state is leveraging substantial community, non-profit, and other funds to advance projects that strengthn community youth recreational and service programming.

If no action is taken, it would delay eligible projects. Project delays increase construction costs for the State and communities. The opportunity to create economic activity and stimulus through construction projects in communities would be missed, and valuable community youth recreational, services programming and economic drivers would be delayed indefinitely.

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Project Number: 40001980
Project Title: 2027-29 Youth Recreational Facilities
Project Class: Grant/Loan

Description

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?
All 14 2025-27 YRF projects totaling approximately $7.7 million are under contract.

Does this project or program leverage non-state funding? If yes, how much by source?
Yes, YRF projects must provide 75% match and may include other state funding sources. Projects on the 2027-29 YRF recommended list will leverage approximately $35 million in private, local, nonprofit and other philanthropic resources.

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.
YRF aligns with Commerce strategic directions to center community-led and equitable impact, to strengthen partnerships and public trust and to promote growth.

These grants fund construction, expansion, and renovation of youth recreational facilities that offer multiple benefits to their communities. YRF investments impact equity in the state by providing capital infrastructure resources nonprofits to bring community recreation to communities statewide. Through this proposal, organizations can provide youth-focused activities to communities that otherwise lack the capacity to invest in recreational activities. These investments lead with equity to finance disadvantaged populations and serve as a positive influence on the public trust and promote local growth for small nonprofits, tribes and community-based organizations. Ultimately, investments in youth are investments in the future, including growth or community leaders now and for the future.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?
By financing construction and renovation costs, the Youth Recreational Facilities Program not only encourages and improves the health and well-being of Washington's youth, it frees up funds that would otherwise be spent on facility mortgage or lease payments, thereby increasing funds available for local organizations to commit to direct youth program services.

Is there additional information you would like decision makers to know when evaluating this request?
Commerce requests the statutory cap of $8 million for this program. This is an ongoing program and will not require additional staffing. Commerce assumes the base 3% administrative deduction.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
N/A

For major construction projects, what project delivery method has been or will be selected and why?
N/A

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

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Report Number: CBS002
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Project Number: 40001980
Project Title: 2027-29 Youth Recreational Facilities
Project Class: Grant/Loan

Description

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	40,000,000				8,000,000
	Total	**40,000,000**	**0**	**0**	**0**	**8,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	8,000,000	8,000,000	8,000,000	8,000,000
	Total	**8,000,000**	**8,000,000**	**8,000,000**	**8,000,000**

Operating Impacts

No Operating Impact

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40001985
Project Title: 2027-29 Defense Community Compatibility Account Grant Pgm (DCCA)
Project Class: Grant/Loan

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40001985
Project Title: 2027-29 Defense Community Compatibility Account Grant Pgm (DCCA)
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2028
Agency Priority: 20

Project Summary

RCW 43.330.515 and RCW 43.330.520 require Commerce to submit a list of competitively selected projects the Defense Community Compatibility Account (DCCA) grant program to the governor and Legislature each biennium. The 2019 Legislature created DCCA to support compatible land use and necessary infrastructure near Washington military installations. The program provides a framework for evaluating and prioritizing projects that enhance the economy, environment and quality of life opportunities for local communities, including military personnel. Additionally, it facilitates coordination between military installation commanders, local governments and tribal governments by providing a funding mechanism for the implementation of compatible land use solutions.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The DCCA was created in 2019 as a competitive grant program to fund civilian-military compatibility projects for local governments, federally recognized Indian tribes and non-profit organizations with an agreement through a Readiness and Environmental Protection Integration (REPI) agreement. RCW 43.330.515 and RCW 43.330.520 require the Department of Commerce (Commerce) to submit a list of competitively ranked projects to the governor and Legislature each biennium.

The DCCA budget request impacts defense communities (military and civilian residents and families) throughout our state. The 2027-29 recommended funding list contains 15 projects requesting $70,863,000.

Whidbey Camano Land Trust: Keystone Conservation Center Development, $2,750,000

Kitsap County Public Works: CKTP Solids Handling Facility Project, $10,000,000

Great Peninsula Conservancy: Green Mountain Compatibility Protection, $4,600,000

Thurston County: Thurston County Habitat Conservation Plan: Conservation Land Acquisition, $5,750,000

Spokane County: Thorpe Road Reconstruction, $300,000

Oak Harbor Public Schools: Olympic View Elementary / Regatta Infrastructure Program, $7,000,000

North Thurston Public Schools: Lacey Education & Family Center, $7,000,000

Thurston Regional Planning Council: South Sound Military Mobility and Access Assessment, $2,375,000

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Project Title: 2027-29 Defense Community Compatibility Account Grant Pgm (DCCA)
Project Class: Grant/Loan

Description

Olympic College: Olympic College Healthcare Expansion Ph 2, $10,000,000

Bremerton Housing Authority Trailhead at the Preserve, $7,500,000

City of Airway Heights: Downtown Business Empowerment Program, $400,000

City of DuPont: Traffic Control Lights Upgrade at JBLM Gate, $149,500

Bremerton Housing Authority: North Star Project, $6,000,000

Puyallup Tribe Of Indians: Puyallup Tribe of Indians Multifamily Housing, $1,000,000

City of Spokane: Sunset/Royal/Lewis Water Main Extensions, $3,338,400

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Commerce and the DCCA advisory commission recommend 15 projects requesting $70,863,000. By financing these projects, the DCCA program reduces encroachment, encourages and improves the economy, environment and quality of life for residents living in communities impacted by military operations, and it leverages federal, other state and local funding to maximize the impact of state investments.

This request addresses the broad need for civilian-military compatibility projects across the state, promotes the resiliency of our military installations, and alleviates impacts on communities associated with their operations. Taking no action would delay eligible projects from moving forward with the improvements needed. No action could also lead to increases in and persistence of incompatible land uses between civilian and military areas, which could lead to the threat of federal base realignment and closure (BRAC) in our state, most concerning being that of land-use encroachment adjacent to military installations that hinders and threatens military operations, a top concern for military leadership.

Additionally, the state's residents as well as military families are experiencing housing and childcare availability and affordability crises. DCCA enables grant opportunities for housing, childcare and community center projects to assist in alleviating these significant issues.

Federally recognized Indian tribes received eligibility for DCCA in 2023 and the Puyallup Tribe of Indians is the first to apply for a DCCA grant and several others have shown interest in applying to support much-needed housing projects as well.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

Project Number: 40001985
Project Title: 2027-29 Defense Community Compatibility Account Grant Pgm (DCCA)
Project Class: Grant/Loan

Description

In the 2025-27 biennium, Commerce received $11.151 million in appropriations for three of the nine recommended projects. These projects are each under contract.

Does this project or program leverage non-state funding? If yes, how much by source?

While leveraging or match is not a requirement for DCCA funding, RCW 43.330.515(b) requires that DCCA applications be prioritized by select criteria including whether non-state funds have been secured or are leveraged in the project. While this is not the only statutory prioritization criteria, 12 of the 15 applications have secured non-state funds (federal, local, and private).

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

This proposal provides economic stimulus through reliable infrastructure investment and promotes community development by funding housing, transportation, education and social service facilities, and infrastructure. This request is also consistent with Governor Ferguson's budget priorities for the economy, climate and the environment, and infrastructure.

This proposal also aligns with Commerce strategic directions to strengthen partnerships and public trust. DCCA is a unique program that can bring together local governments, tribal governments and military installation personnel, strengthening these partnerships. Additionally, DCCA funding can help leverage federal funds for projects that are crucial to local communities and military readiness, which also builds public trust when entities work together on projects that improve and/or enhance the local economy, environment and quality of life.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?

This is the only state grant program that targets community betterment and land-use mitigation projects near military installations. Washington is one of several states with similar programs and it is acknowledged by the Department of Defense as a successful state program eligible as a matching fund for the federal Defense Community Infrastructure Program (DCIP) grant program. Civilians, military families, and tribes are all affected and can benefit greatly from funding the proposed and current DCCA funded projects.

This program impacts equity by providing all affected communities with access to explore grant opportunities through continuous outreach and engagement with stakeholders. Additionally, in coordination with the Commerce Growth Management tribal liaison and the Washington Military Department tribal liaison, we reached out to tribal nations in proximity to military installations to ensure they were aware of their eligibility for the program. The Puyallup Tribe was the first tribe to ever apply for a DCCA grant, and are working to increase housing supply.

Measurable outcomes would consist of decreasing housing shortages, enabling military spouses to work when childcare is available, resolving critical public water issues from forever chemical contamination, increasing transportation resources and infrastructure, preserving critical habitat and natural resources, and ultimately mitigating any potential federal concerns over BRAC in our state.

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Project Title: 2027-29 Defense Community Compatibility Account Grant Pgm (DCCA)
Project Class: Grant/Loan

Description

Is there additional information you would like decision makers to know when evaluating this request?

Applications that include indication of matching funds are prioritized per statute, but matching funds are not a requirement to be considered for DCCA grant funds.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

Not applicable.

For major construction projects, what project delivery method has been or will be selected and why?

Not applicable.

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

Not applicable.

RCW 43.330.515 and RCW 43.330.520 require Commerce to submit a list of competitively selected projects the Defense Community Compatibility Account (DCCA) grant program to the governor and Legislature each biennium. The 2019 Legislature created DCCA to support compatible land use and necessary infrastructure near Washington military installations. The program provides a framework for evaluating and prioritizing projects that enhance the economy, environment and quality of life opportunities for local communities, including military personnel. Additionally, it facilitates coordination between military installation commanders, local governments and tribal governments by providing a funding mechanism for the implementation of compatible land use solutions

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Not Competitive

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps

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Project Title: 2027-29 Defense Community Compatibility Account Grant Pgm (DCCA)
Project Class: Grant/Loan

Funding

057-1	State Bldg Constr-State	350,863,000				70,863,000
	Total	**350,863,000**	**0**	**0**	**0**	**70,863,000**

		Future Fiscal Periods			
		2029-31	**2031-33**	**2033-35**	**2035-37**
057-1	State Bldg Constr-State	70,000,000	70,000,000	70,000,000	70,000,000
	Total	**70,000,000**	**70,000,000**	**70,000,000**	**70,000,000**

Operating Impacts

No Operating Impact

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40001978
Project Title: 2027-29 Early Learning Facilities School District & Tribal Compac
Project Class: Grant/Loan

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40001978
Project Title: 2027-29 Early Learning Facilities School District & Tribal Compac
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2028
Agency Priority: 21

Project Summary

Commerce is required to submit a prioritized project list for early learning facilities in school districts under RCW 43.31.573 and RCW 43.31.579. The Early Learning Facilities School District (ELF SD) program provides funding to public school districts and Tribal Compact Schools for major construction, purchase and renovation to create and expand facilities for subsidized early learning. Projects are scored and ranked, with projects meeting eligibility requirements forwarded to the Legislature for their consideration and approval for funding in the next capital budget. There is no funding cap associated with the prioritized project list.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The goal of the Early Learning Facilities School District and Tribal Compact Schools (ELF SD&TC) program is to increase high-quality early learning opportunities for low-income children and to address a severe shortage of early learning facility capacity that is necessary to meet the Early Childhood Education Assistance Program (ECEAP) legislative mandate.

The Department of Commerce (Commerce) requests $8,107,374 for 6 projects ranked here for the 2027-29 ELF SD&TC program.

1. Chief Leschi Schools: Chief Leschi Schools ECEAP & Early Learning Childcare, $1,000,000
2. College Place Public Schools: Davis Elementary ECEAP Outdoor Learning Environment, $75,544
3. Fife Public Schools: Fife SD ELC Expansion, $2,976,359
4. Granite Falls School District: Granite Falls Early Learning Center, $597,602
5. North Thurston Public School: Lacey Education & Family Center, North Thurston Public Schools (Lacey, WA), $2,220,000
6. Toppenish Early Learning Center/Toppenish School District: Inclusive Early Learning Expansion and Cultural Learning Environment Enhancement Project, $1,237,869

These projects intend to create approximately 550 new childcare slots, including Working Connections Childcare (WCCC), ECEAP, transitional kindergarten, developmental preschool, and private pay slots.

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Commerce is required to submit a prioritized project list for early learning facilities in school districts under RCW 43.31.573 and RCW 43.31.579. The ELF SD&T program provides funding to public school districts for major construction, purchase and renovation to create and expand facilities for subsidized early learning. Projects are scored and ranked, with projects meeting eligibility requirements forwarded to the Legislature for their consideration and approval for funding in the next capital budget. There is no funding cap associated with the prioritized project list.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

All $12,119,000 funding from the 2025-27 biennium has been awarded and contracted.

Does this project or program leverage non-state funding? If yes, how much by source?

Projects may have local or private funding to fully fund their projects. In many cases, the project is part of a larger effort funded

Project Number: 40001978
Project Title: 2027-29 Early Learning Facilities School District & Tribal Compac
Project Class: Grant/Loan

Description

by school district bond levies. The six recommended projects indicate they will leverage approximately $77 million in district funds. However, ELF can no longer require match, per statutory changes (HB 1314 (2025). Applicants are still encouraged to leverage non-state funds as project realities allow.

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.
ELF projects align with the Commerce strategic directions to:
· Create community-led and equitable impacts through competitive funding that encourages both family home and center based early learning facilities to expand their ability to provide services to children in childcare deserts throughout the state.
· Strengthen partnerships and public trust with a broad range of diverse communities and tribes throughout the state through direct, reimbursement-based contracts for construction and renovation of childcare facilities.
· Promote growth by creating better access to ECEAP and WCCC childcare facilities so that working parents can enroll their children in programs that improve outcomes.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?
This proposal would benefit children, families, providers, communities, and state early learning systems by increasing access to licensed childcare and early learning opportunities across Washington.

Primary beneficiaries include:
· Low-income families seeking access to affordable early care and education;
· Children eligible for ECEAP and WCCC;
· Families living in childcare access deserts, rural communities, and areas with limited licensed childcare capacity;
· Childcare providers and early learning organizations seeking to expand, preserve, renovate, or establish licensed facilities;
· Employers and local economies that rely on a stable workforce supported by access to reliable childcare.

The proposal would also support statewide early learning infrastructure and implementation efforts led by Washington State Department of Children, Youth, and Families and Commerce by increasing the physical capacity needed to support ECEAP entitlement and projected WCCC demand.

Intended outcomes include:
· Increase licensed childcare and early learning capacity statewide;
· Expand access to ECEAP and WCCC in underserved communities, utilizing the Early Learning Need and Supply Data dashboard hosted by DCYF to prioritize projects in extreme childcare deserts;
· Support the state's ability to meet ECEAP entitlement requirements;
· Reduce barriers to facility development for providers through technical assistance and project readiness support;
· Preserve existing licensed childcare capacity at risk of closure or deterioration;
· Improve geographic equity in access to childcare and early learning opportunities; and
· Support workforce participation and economic stability for families by increasing access to reliable childcare.

Long-term intended outcomes include improved kindergarten readiness, stronger economic participation for parents and caregivers, and a more stable and sustainable mixed-delivery early learning system.

Is there additional information you would like decision makers to know when evaluating this request?

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Project Title: 2027-29 Early Learning Facilities School District & Tribal Compac
Project Class: Grant/Loan

Description

Financing for this proposal leverages existing relationships schools have with the children they serve to create or renovate facilities to ensure school-aged children have a place to receive care while parents' work. Investment in the Early Learning Facilities School District and Tribal Compact Schools Program is an investment in the future of Washington families.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
Not applicable.

For major construction projects, what project delivery method has been or will be selected and why?
Not applicable.

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
Not applicable.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
22D-1	Early Lrng Fac Devel-State	40,508,000				8,108,000
	Total	**40,508,000**	**0**	**0**	**0**	**8,108,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
22D-1	Early Lrng Fac Devel-State	8,100,000	8,100,000	8,100,000	8,100,000
	Total	**8,100,000**	**8,100,000**	**8,100,000**	**8,100,000**

Operating Impacts

No Operating Impact

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Capital Project Request
2027-29 Biennium
*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40001981
Project Title: 2027-29 Building Communities Fund
Project Class: Grant/Loan

Description

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Capital Project Request
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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
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Project Number: **40001981**
Project Title: **2027-29 Building Communities Fund**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 22

Project Summary

RCW 43.63A.125 requires the Department of Commerce to submit a list of competitively selected projects for the Building Communities Fund (BCF) to the governor and Legislature each biennium.

Project Description

What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

Commerce is requesting $75 million for the Building Communities Fund (BCF) recommended project list. BCF awards state grants to nonprofits and Tribes to help cover costs to buy, build or improve non-residential community and social service facilities. If approved in the capital budget, grantees receive reimbursements for 25% of the project's eligible costs.

The Legislature created the BCF program in 2008 to fund projects that expand community and social services. It helps nonprofits, Tribes and their partners build or renovate facilities that serve communities in need. These investments support economic, social and educational opportunities in these communities.

BCF awards grants through a competitive process. Approved projects will receive funding through the state capital budget. Funds for this program come from selling state bonds. They do not include any federal funds.

Building Communities Fund Contract List TBD

Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

RCW 43.63A.125 requires the Department of Commerce to submit a list of competitively selected projects for the Building Communities Fund (BCF) to the governor and Legislature each biennium.

BCF must produce a legislatively required list to finance non-residential community facilities for nonprofit organizations and tribes. This includes social service and multipurpose community centers for the acquisition, construction, or rehabilitation of facilities. It does not come with a funding cap, and the recommended project list is generally $50 million each biennium but can increase or decrease based on the magnitude of ready community projects that have secured all other project financing. From cultural centers, community pools and dance studios to community theatres, dispute resolution centers and food storage/distribution facilities and boys and girls clubs, these projects are the cornerstone community investments that literally build community.

By providing capital for social service and multipurpose community center construction projects, this program enhances the livability of our communities. Low-income and distressed communities will receive expanded and improved social services. Community residents will receive services which expand employment opportunities and enhance educational or recreational opportunities because of these projects.

The program is set to open its competitive solicitation in June and will be evaluated in concert with the BCF advisory committee. Commerce has routinely submitted a placeholder resource request in alignment OFM's timeline for requests given the timing of when the actual list is ready for distribution. We will not know the full list until mid-October and will follow-up with OFM about that time with the actual list to move a place holder capital request to a firm request figure.

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Project Number: 40001981
Project Title: 2027-29 Building Communities Fund
Project Class: Grant/Loan

Description

Commerce is requesting a placeholder of $75 million for state grant funds to be used for acquisition, construction, or rehabilitation of facilities that defray up to 25% of capital costs.

For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?
All 38 projects from the 2025-2027 BCF project list have executed contracts for approximately $49.1 million in appropriated funds.

Does this project or program leverage non-state funding? If yes, how much by source?
By BCF statute, grant assistance may not exceed 25% of the total eligible project costs. This means for every $1 of state funds, $3 must be matched by the grantee to complete these projects.

Grantees must provide either through bank statements, donations, commitment letters or loans to show they have the money to finish the project before Commerce goes to contract. BCF projects generally leverage local, private, nonprofit and philanthropic funding.

Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.
BCF investments align with Commerce strategic directions to center community-led and equitable impact, to strengthen partnerships and public trust and to promote growth.

These grants fund construction, expansion, and renovation of community and social service centers that offer multiple benefits to their communities. BCF funds are critical state investments in projects by community and for community, which represent a clear connection to state support for community development across the cultural, economic, and social service spectrum. There is not another program that has broad applicability and history of investments as BCF does.

This request supports Commerce strategic directions to:
· Support entrepreneurship, small nonprofits and regional economic growth;
· Promote development of the innovation economy

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?
The program will impact equity by funding expanded and improved access to community support and services, including low-income, rural, and distressed communities statewide. Grantees will be able to provide community residents with support, services and opportunities that address educational, health, social and economic disparities through equitable access that community and social service centers are able to offer.

Is there additional information you would like decision makers to know when evaluating this request?
Commerce is requesting a placeholder of $75 million for state grant funds to be used for acquisition, construction, or rehabilitation of facilities that defray up to 25% of capital costs.

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Project Title: 2027-29 Building Communities Fund
Project Class: Grant/Loan

Description

In order for the project to be eligible, it must meet these 10 requirements for planning and readiness:
· Expand services or improve their quality or efficiency
· Serve a distressed community or a substantial number of low-income or disadvantaged people
· Offer a variety of on-site activities that meet multiple community needs
· Reflect a long-term vision for community growth shared by residents, businesses, leaders and partners
· Need state funding to complete a specific project phase (fully funded or finished projects are not eligible)
· Be ready to start and use funds right away
· Have a sponsor with the long-term ability to manage the project and funds
· Address unmet need for community services
· Have the ability to achieve project's goals
· Be a community priority, with commitments of resources from residents, leaders, businesses, government partners or others.

For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
N/A

For major construction projects, what project delivery method has been or will be selected and why?
N/A

If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	375,000,000				75,000,000
	Total	**375,000,000**	**0**	**0**	**0**	**75,000,000**

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	75,000,000	75,000,000	75,000,000	75,000,000

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Project Title: 2027-29 Building Communities Fund
Project Class: Grant/Loan

Funding

Total	**75,000,000**	**75,000,000**	**75,000,000**	**75,000,000**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: 40001992
Project Title: 2027-29 Regional Approaches Program
Project Class: Grant/Loan

Description

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Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: **40001992**
Project Title: **2027-29 Regional Approaches Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 23

Project Summary

This Regional Approach proposal can assist overburdened tribes and local governments with an opportunity to: build their organizational capacity, develop robust project proposals, finance pre-development needs to advance projects to the construction stage, and remove barriers that lead to inequity in overburdened community access to grant funding.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The Department of Commerce requests $2M to continue the Regional Approaches Program. This funding will finance pre-development capital projects, including associated capacity building and technical assistance in overburdened communities. Commerce's report to the legislature on Equity in Capital Funding observed a critically important need to increase access and address capacity issues for overburdened communities across Washington. An ongoing pressing issue facing overburdened communities is the lack of capacity to advance needed community capital housing, energy and infrastructure projects. This proposal will enable Commerce to provide local governments and federally recognized tribal governments with significant technical assistance, capacity, and pre-development grants that could range from $50,000 to $500,000 each. Commerce would secure a professional services consultant(s) to help applicants and grantees in overburdened communities build their organizational capacity and advance their pre-development capital projects. Commerce will give priority to capital projects that benefit the areas identified on Washington's Overburdened Communities Map.

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

This Regional Approach proposal can assist overburdened tribes and local governments with an opportunity to: build their organizational capacity, develop robust project proposals, finance pre-development needs to advance projects to the construction stage, and remove barriers that lead to inequity in overburdened community access to grant funding.

This is a priority request that recognizes the increased available funding under new and expanded programs for community energy, housing and infrastructure projects. As the level of funding and diversity of programming has expanded, the opportunity to apply has not kept pace for all communities. This has resulted in a capacity deficit that leaves overburdened communities further behind other geographic areas in Washington whose populations aren't as highly impacted by cumulative environmental and health impacts. Without the means to address project development and technical capacity deficits, they will remain behind.

Critical capital projects can stall without the support necessary to address the technical needs in overburdened communities. Stalled community capital projects can have ripple effects on community service delivery and delay community development, often with significant negative consequences in these already overburdened communities.

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

In FY26, the Regional Approaches program completed a consultant contract for $30K to produce the "Foundations of Capital Project Planning," a four-part webinar series that covered important teachings and offers tools for a broad-range of entities to consider during early-stage planning of a capital project. In FY26 Commerce completed a similar competitive funding cycle using very limited operating funds to support Capital Project Capacity Grants for nonprofit organizations. Demand from community organizations was exceedingly high and demonstrated significant unmet need. Commerce was able to fund only 10 contracts from approximately 500 applications. FY27 will include a competitive RFA for local governments and federally recognized tribal governments. Grants totaling approximately $1.7M are expected to be under contract in FY27. Commerce projects a high demand for these capital capacity grants, with significant unmet need for small rural local and tribal governments.

Project Number: **40001992**
Project Title: **2027-29 Regional Approaches Program**
Project Class: **Grant/Loan**

Description

4. Does this project or program leverage non-state funding? If yes, how much by source?
The program grant recipients would have the potential to leverage non-state funding which will be known when the scopes of work are completed for each of the awarded local governments and tribal governments. While this program is initially focused on local governments and tribes in overburdened communities and state funding opportunities only, it could scale to include community-based organizations and federal funding opportunities.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.
Commerce's 2026-2031 Strategic plan features a **Vision** "A Washington where every community grows through access to opportunities and innovation" A **Mission**: Commerce fosters resilient communities by building partnerships, delivering resources, and advancing equity through responsive, transparent and collaborative public service. And a **Shared Commitment**: Invest. Build. Serve. The Regional Approaches program helps bring Commerce's Vision, Mission, and Shared Commitment to life by increasing access and addressing capacity issues for overburdened communities across Washington. This small, but important capital investment will help overburdened communities stay on track with their capital projects, which ultimately will serve their communities for years to come.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?
This proposal leads with equity to prioritize investment to overburdened communities and vulnerable populations. The Overburdened Communities of Washington State Map illustrates the areas that these benefits would be concentrated and this proposal reflects a genuine opportunity to lead with equity by focusing resources so they will benefit those overburdened communities. This proposal focuses on all Federally recognized Washington tribal governments as well as other local government entities such as small/rural cities/counties, quasi-municipal organizations, and special purpose districts.

Each community and their capital project needs are unique, and this proposal seeks to make investments that represent true community need. Anticipated measurable outcomes include but are not limited to the final number of awards for planning, technical assistance, and predevelopment grants to local governments and federally recognized tribal governments as well as a description of the solicitation and evaluation process, including, but not limited to, applications received, the total amount of funding requested, and issues encountered.

7. Is there additional information you would like decision makers to know when evaluating this request?
The department would require authority for up to 4% of amounts appropriated for the grant program for costs that result from ongoing administration of the program.

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
N/A

9. For major construction projects, what project delivery method has been or will be selected and why?
N/A

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.

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Project Number: 40001992
Project Title: 2027-29 Regional Approaches Program
Project Class: Grant/Loan

Description

N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	8,000,000				2,000,000
	Total	**8,000,000**	**0**	**0**	**0**	**2,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	2,000,000	2,000,000	2,000,000	
	Total	**2,000,000**	**2,000,000**	**2,000,000**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: 40002027
Project Title: 2027-29 Pacific Tower Renovations and Maintenance
Project Class: Grant/Loan

Description

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Project Number: **40002027**
Project Title: **2027-29 Pacific Tower Renovations and Maintenance**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2028
Agency Priority: 24

Project Summary

The Department of Commerce is requesting $715,000 to remodel and renovate spaces within the Pacific Tower Building. Multiple spaces in the Pacific Tower building need maintenance or renovations to be leasable spaces. Currently, these spaces are vacant, resulting in a loss of sublease revenue to pay for the increasing operations cost or provide needed space for community organizations. This proposal requests the necessary funding to make updates to specific unleased spaces in the tower.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

The request is to address capital renovation and maintenance issues that have arisen outside of the 20-year capital maintenance plan for the Pacific Tower building. The funding would allow for the following modifications:

Convert Suite 130 from a café to an office space – Estimated Cost: **$148,971.44**
- Remove the countertops and display case/ Patch walls, update carpet, paint/ Add a wall for the common area side of the space.

Remodel and convert Suite 205 from a kitchen space to office spaces – The last tenant improvements for this space occurred in 2014. - Estimated Cost: **$434,117.67**
- Demolition work/ Concrete Core/ Structural Engineering Patching of existing roof/ Flooring and ceiling work/ Paint/ Plumbing, HVAC, and electrical work
- Xray services are also needed to view into concrete in order to locate rebar and electrical infrastructure behind walls.

Bring AV System in the Panoramic Room to a reliable and supportable state. Estimated Cost: **$41,003.36**
- Replace video matrix switcher/ Replace audio processor/ Replace amplifier/ Replace wireless mic receivers/ Replace control processor with new control architectures and interface devices/ Replace network router

Repair heating and air conditioning unit - Estimated Cost: **$17,699**
- Recover refrigerant per EPA regulations/ Remove and dispose of defective compressor/ Install new compressor & new oil/ Install new liquid line drier, contactor, sight glass, & spring kit/ Welding/ System evacuation/ Recharge system and add 21 lbs. of new R-22 refrigerant/ Restart unit and check for proper operation.

Remodel and repair Suite 210 – Once remodeled, this space has a new prospective tenant that will commit to a five-year lease. Estimated Cost: **$60,055.75**
- The space will be split into two smaller spaces/ Needs new carpet and paint/ Potential ceiling and HVAC work if split/ Needs additional door to separate spaces

Update and replace the internet switches and wireless access points – Estimated Cost: **$13,124**

Total estimated project costs: **$714,971.22.**

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

The proposed solution would maintain and renovate portions of the unleased spaces within the Pacific Tower Building. The funding will allow for repairs and renovations, which will allow spaces to be leased. Multiple tenants have vacated their leases within the Pacific Tower building, with one suite being an industrial kitchen. Two of the spaces require remodeling and repair

Project Number: 40002027
Project Title: 2027-29 Pacific Tower Renovations and Maintenance
Project Class: Grant/Loan

Description

due to previous tenant use. By renovating previously leased spaces, Pacific Tower and Commerce can attract new tenants and organizations as lessees. Pacific Tower will generate additional sublease revenue to help fund the ongoing management costs and other smaller maintenance items. The Urban Renaissance Group (URG) and Jones, Lang, Lasalle Americas Inc. (JLL), the building's on-site management teams, bear these operational costs.

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?
This is a new funding request for the 2027-29 biennium. Commerce received $1.9 million in capital funding in the 2025-27 biennium for the Pacific Tower Capital Improvements project (40000659). That project is ongoing and includes costs for capital improvements such as HVAC, elevators, electrical equipment, exterior brick, exterior windows, exterior hardscapes, and roofs.

4. Does this project or program leverage non-state funding? If yes, how much by source?
This project does not leverage non-state funding.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.
This request aligns with the Department of Commerce's mission to strengthen communities by ensuring access to safe, functional, and affordable facilities that support organizational and community needs. Maintaining and improving the Pacific Tower Building spaces directly supports Commerce's strategic goals of effective asset stewardship, operational efficiency, and strong partnerships with public-serving organizations.

Renovating these unleased spaces will increase Commerce's ability to generate sustainable sublease revenue, which offsets building management costs and supports long-term financial stability. Updated, leasable spaces also expand opportunities for community-based organizations to operate within the tower, reinforcing Commerce's commitment to supporting inclusive community services and strengthening local infrastructure.

By proactively addressing maintenance and renovation needs, Commerce improves overall building performance, reduces vacancy rates, prevents future cost escalation, and ensures that state-owned assets remain safe, usable, and financially viable. This investment ultimately supports the agency's strategic plan by maximizing the value of state facilities, promoting fiscal responsibility, and enhancing support for community organizations that rely on functional and well-maintained work environments.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?
The renovations and maintenance outlined in this request will benefit the current and future lessees of the Pacific Tower. Renovating and converting the current spaces will improve uses and offer more available space for the public and nonprofit organizations to lease.

7. Is there additional information you would like decision makers to know when evaluating this request?
The department is legally obligated to cover the cost of capital improvements associated with the department's use of the Pacific Tower campus. The renovations and remodeling of certain suites are needed to provide usable spaces to new tenants. Delaying or avoiding these renovations and repairs will deter use of rental space and rental income for the building.

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?

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Project Title: 2027-29 Pacific Tower Renovations and Maintenance
Project Class: Grant/Loan

Description

Several alternatives were considered for addressing the deteriorated and unusable leased spaces within the Pacific Tower building:

1. Do nothing and leave the spaces vacant.
This option was not viable, as leaving the spaces in their current condition would continue to result in lost sublease revenue, increased operational costs, and fewer opportunities to provide space for community-serving organizations. Prolonged vacancy would also accelerate deterioration, leading to higher future repair costs.

2. Limit improvements to only the most critical repairs.
Completing only partial repairs was evaluated but determined insufficient. Many of the spaces require full renovation—including HVAC, electrical, plumbing, structural work, and tenant-ready improvements. In order to meet building standards and lease requirements. Partial improvements would still leave the spaces unusable or unattractive to tenants.

3. Fully renovate the spaces to return them to leasable condition.
This option was chosen because it provides the greatest long-term value to the building and the agency. Full renovation will allow Pacific Tower to regain tenants, generate sub-please revenue, offset operating costs, and ensure that the building remains a functional, safe, and financially sustainable public asset. It also supports Commerce's responsibility to maintain state facilities and provide community organizations with adequate, affordable office space.

The selected alternative—complete renovation—best aligns with Commerce's strategic goals, prevents future cost escalation, and maximizes the building's financial and operational performance.

9. For major construction projects, what project delivery method has been or will be selected and why?
Not applicable.

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
This project is not linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy.

Location
City: Seattle **County:** King **Legislative District:** 022

Project Type
Grants - Not Competitive

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Expenditures **2027-29 Fiscal Period**

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Project Title: 2027-29 Pacific Tower Renovations and Maintenance
Project Class: Grant/Loan

Funding

Acct Code	Account Title	Estimated Total	Prior Biennium	Current Biennium	Reapprops	New Approps
057-1	State Bldg Constr-State	8,715,000				715,000
	Total	**8,715,000**	**0**	**0**	**0**	**715,000**

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State	2,000,000	2,000,000	2,000,000	2,000,000
	Total	**2,000,000**	**2,000,000**	**2,000,000**	**2,000,000**

Operating Impacts

No Operating Impact

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Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: **40002017**
Project Title: **2027-29 Community Participatory Budgeting**
Project Class: **Grant/Loan**

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40002017
Project Title: 2027-29 Community Participatory Budgeting
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2028
Agency Priority: 25

Project Summary

Through the Community Participatory Budgeting (CPB) program, Washington State supports existing projects that promotes decarbonization and resilience for Tribes. Engaging with the Tri-Cities communities to conduct a process to identify capital projects that promote decarbonization, resilience, or both and mitigate the disproportionate impacts of climate change on overburdened communities. The CPB program supports the Department of Commerce's strategic direction to improve organizational health by implementing equitable, community-centered program design and shares learnings with other units and divisions - building institutional capacity for meaningful equity and community engagement work.

Project Description

1. What will the request produce or construct? Who or what will be impacted by the budget request and how will they be impacted?

There are two distinct components to the Community Participatory Budget request:
- 10% set-aside funds for Tribes to support existing projects that promote decarbonization, resilience, or both.
- Engage with the Tri-Cities communities (Pasco, Kennewick and Richland) to conduct a participatory, community-driven process to identify capital projects that promote decarbonization, resilience, or both and mitigate the disproportionate impacts of climate change on overburdened communities.

2. Identify the problem or opportunity addressed by this request. Why is the request a priority? What would be the result of not acting?

Washington's overburdened communities and tribes continue to face disproportionate health, environmental, and climate impacts. Community Participatory Budgeting (CBP) provides a participatory, community-driven process for identifying projects that mitigate these historic and ongoing injustices. Phase 1 of the CPB program was funded in Section 1029 of the ESSB 5195, with direction to work with at least two of the six overburdened communities identified by the Department of Health (DOH). Commerce is currently implementing CPB in Tacoma, Spokane, and Yakima County, alongside a 10% carve-out for tribes.

The opportunity now is to advance the original vision developed with DOH and community partners by expanding CPB to the Tri-Cities and continue tribal partnerships from Phase 1.

3. For new funding requests for programs or projects that have received previous appropriations (either a phase of construction or previous grant rounds), how much has been spent or put under contract?

Community Participatory Budgeting has two distinct components to it:
- A Tribal Set-Aside of $533,500 that was distributed equally to interested tribes to supplement funds currently being administered through the Tribal Climate Resilience program for decarbonization and/or resiliency projects. Twenty tribes indicated interest and received $26,675 each.
- Engage with three communities to conduct a participatory, community-driven, process for identifying projects that mitigate the disproportionate impacts of climate change on overburdened communities. The cities of Spokane and Tacoma and Nuestra Casa in the lower Yakima Valley each received $650,000 to implement participatory budgeting and are in contract. Each community will receive an additional $1,600,500 for capital projects selected by community members. These are expected to be in contract by April/May 2027.

4. Does this project or program leverage non-state funding? If yes, how much by source?

The program does not require leveraged funding. The communities involved in participatory budgeting will select projects no later than April/May 2027. At that time, the communities will have a better idea of sources of funding available to them. However, the cities of Spokane and Tacoma are already looking at different funding sources including federal funds they may be able to use for projects.

5. Provide context on how this request fits into the agency's work. Describe how this project supports the agency's strategic plan or would improve agency performance.

Community participatory budgeting aligns with the Department of Commerce's strategic direction to create community-led and

Project Number: 40002017
Project Title: 2027-29 Community Participatory Budgeting
Project Class: Grant/Loan

Description

equitable impacts. CPB allows community members to engage in a participatory, community-driven process for identifying projects through the following steps:

- Design the Process: Convene a steering committee composed of representatives from the community. The steering committee identifies goals, values, and scope of the project, develops an outreach and engagement plan to engage the broader community, and oversees the voting process.
- Brainstorm Ideas: Community members have an opportunity to generate ideas for projects that promote decarbonization, community resilience, or both.
- Develop Proposals: A subset of the steering committee and other interested community members review the ideas generated in the previous step to determine which are aligned with the stated goals and are achievable with the funding available.
- Plan the Vote and Vote: Community members vote on their top choices.
- Fund Winning Projects and Evaluate the Process: The selected project receives capital funds.

CPB helps support Commerce's strategic direction to strengthen partnership and public trust by continuing strong partnerships with tribes, local governments, community-based organizations, and philanthropic partners. CPB is built on trust, transparency, and deep engagement, and represents one of the leading edges of true community partnership for Commerce.

The participatory budgeting model itself, a structured, data-informed, community-driven framework with clear procedural steps and evaluation metrics, supports Commerce's strategic direction to scale innovative, data-driven solutions.

CPB is an opportunity to strengthen Commerce's strategic direction to promote growth by demonstrating how state and local governments can partner with communities to identify projects that will receive public funding. The CPB process can surface best practices in shared decision-making.

Finally, CPB supports Commerce's strategic direction to improve organizational health by implementing equitable, community-centered program design and shares learnings with other units and divisions - building institutional capacity for meaningful equity and community engagement work.

6. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? What are the measurable outcomes that would result from the project?
The Department of Commerce will continue to set aside 10% of available funds for Tribes, reinforcing commitments from both the HEAL Act and the Climate Commitment Act. As in the previous biennium, these funds will be noncompetitive and equally distributed among Tribes that express interest in receiving the funds. Funds will supplement existing Tribal resilient grants.

Commerce is proposing to expand community participatory budgeting to the Tri-Cities which encompass the cities of Kennewick, Richland, West Richland, and Pasco. These cities are located within Benton and Franklin counties, which were priority communities for participatory budgeting identified by the Department of Health. The Tri-Cities saw significant growth during the past few years, particularly their communities of color. The City of Pasco has approximately 80,000 residents, and 64% are Hispanic, with a median age of about 30 years old. The City of Kennewick has approximately 87,000 residents, and 33% of the population is Hispanic. The City of Richland has approximately 63,000 residents, 15% of whom are Hispanic.

The Tri-Cities is home to the Hanford Nuclear Site which greatly influenced how the area was settled including Black families who were forced to live in East Pasco because of segregation. Though segregation is no longer legal, its legacy continues with the highest concentration of Hispanics in Pasco. In addition, the presence of radioactive waste remains an issue. According to the Department of Ecology, there are currently 177 underground storage tanks on the Hanford Site, holding about 56 million gallons of highly radioactive and chemically hazardous waste. The Tri-Cities are attracting new energy-related industries including small modular reactors and wind and solar farms that have surfaced concerns among residents.

Agriculture and food processing continue to be major employers in the area. According to the Environmental Health Disparities map, areas of Pasco and Kennewick have pesticide exposure ranks of 9 and 10. This is coupled with socioeconomic rankings of 9 and 10, including high rates of poverty. The cumulative impact of these various factors compromises the health and well-being of these communities.

Project Number: **40002017**
Project Title: **2027-29 Community Participatory Budgeting**
Project Class: **Grant/Loan**

Description

Measurable outcomes resulting from participatory budgeting include:
A. Leadership by Impacted Community Members
- The proportion of steering committee members who represent the demographic composition of their community, with a focus on those most impacted by inequality and environmental harm.
- Number of steering committees established that reflect community demographics.

B. Tailored Outreach and Engagement
- Number and diversity of outreach and engagement strategies implemented (e.g., partnerships with Spanish language radio stations, tabling at local stores, collaboration with trusted messengers, schools, and community-based organizations).
- Percentage of community members reached through culturally and contextually relevant engagement methods.

C. Feasibility Assessment of Project Ideas
- Number of project ideas researched for cost and community impact.
- Number of partnerships formed with local governments and stakeholders to assess and implement proposed projects.
- Percentage of project ideas determined feasible and aligned with community goals.

D. Community Participation in Project Selection
- Number of community members participating in the voting process.
- Percentage of winning projects selected through community voting.
- Level of satisfaction among participants regarding the transparency and inclusiveness of the selection process.

7. Is there additional information you would like decision makers to know when evaluating this request?
Participatory budgeting originated in Porto Alegre, Brazil, in 1989 and has spread to over 7,000 cities around the world including Seattle, New York City, Boston and Los Angeles. As far as we are aware, Washington state is the only state in the nation that is investing in participatory budgeting at a statewide level.

The Department of Commerce is currently funding the Cities of Spokane and Tacoma as well as Nuestra Casa, a community-based organization located in the lower Yakima Valley, to implement participatory budgeting. Though CPB didn't start in these communities until April/May 2026, community engagement in all three communities is showing great promise. When the City of Tacoma held its first community leadership meeting, 93 people attended. Of those attendees, 30 speak Spanish and 40 speak Vietnamese. The City of Spokane started convening its steering committee in July and has a robust plan to engage community members in generating ideas for projects between July and September. Nuestra Casa started with asset mapping in seven communities in the lower Yakima Valley. This was done with trusted messengers from those communities.

Participatory budgeting has applicability throughout various grants and loans programs within the Department of Commerce as well as other state agencies. The lessons we are and will be learning can inform how Commerce engages with communities in impactful ways and has the potential to demonstrate transformative partnerships between state agencies and communities.

8. For major construction projects, describe the viable alternative solutions you considered. Why was this alternative chosen?
N/A

9. For major construction projects, what project delivery method has been or will be selected and why?
N/A

10. If this project is linked to the Puget Sound Action Agenda and/or the Governor's Salmon Strategy, please follow the instructions in Chapter 14 of the operating budget instructions and Chapter 3 of the capital budget instructions.
N/A

Proviso

N/A

Location

OFM

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Capital Project Request
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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:08AM

Project Number: 40002017
Project Title: 2027-29 Community Participatory Budgeting
Project Class: Grant/Loan

Description

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	25,000,000				5,000,000
	Total	**25,000,000**	**0**	**0**	**0**	**5,000,000**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State	5,000,000	5,000,000	5,000,000	5,000,000
	Total	**5,000,000**	**5,000,000**	**5,000,000**	**5,000,000**

Operating Impacts

No Operating Impact

Capital Project Request

2027-29 Biennium

*

Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	40001976, 40001977, 40001978, 4000	40001976, 40001977, 40001978, 4000
Sort Order	Project Class	Project Class
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

Department of Commerce
Reappropriation Projects

Division	Total Appropriation	Total Contract Obligated	Expended	Total Reapprop Request
Local Government	$ 4,047,823,656	$ 3,136,877,796	$ 564,615,321	$ 3,486,467,000
Housing	$ 2,353,318,000	$ 1,459,555,069	$ 1,208,553,167	$ 1,151,437,000
Energy	$ 1,006,361,478	$ 549,356,286	$ 176,468,807	$ 816,917,000
OEDC	$ 45,000,000	$ 37,720,725	$ 21,698,168	$ 19,520,000
Program Support	$ 3,913,000	$ 3,913,000	$ 640,196	$ 3,273,000
	$ 7,456,416,134	**$ 5,187,422,876**	**$ 1,971,975,659**	**$ 5,477,614,000**

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:26AM

Project Number: 40000130
Project Title: 2021 Local and Community Projects
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2021
Agency Priority: 0

Project Summary
Funding for local and community projects throughout Washington.

Project Description
Funding for local and community projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	32,286,000	28,995,000	738,000	2,553,000	
	Total	**32,286,000**	**28,995,000**	**738,000**	**2,553,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:26AM

Project Number: **40000144**
Project Title: **2021-23 CERB Capital Construction**
Project Class: **Program Improvement (State-Owned)**

Description

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Capital Project Request
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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:26AM

Project Number: **40000144**
Project Title: **2021-23 CERB Capital Construction**
Project Class: **Program Improvement (State-Owned)**

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary

The Community Economic Revitalization Board (CERB) provides low-cost infrastructure financing and site-specific planning funds to local governments, special purpose districts and federally recognized tribes to attract and retain private businesses, create permanent private jobs, and promote community economic development (RCW 43.160). CERB requests $25 million in resources to construct public infrastructure to facilitate private business development and expansion in Washington's communities from the Public Facility Construction Revolving Loan Account) and State Taxable Building Construction Account.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The department and CERB request $25 million in resources to construct public infrastructure to facilitate private business development and expansion in Washington's communities from the Public Facility Construction Revolving Loan Account and State Taxable Building Construction Account. These projects include industrial water, general purpose industrial buildings and port facilities, sanitary and storm sewers, industrial wastewater treatment facilities, railroad spurs, telecommunications, electricity, natural gas, roads and bridges, and incubation/research/testing facilities.

As funding recipients repay loan funds to CERB, those funds will return to the Public Facility Construction Loan Revolving Account and can finance other public infrastructure related to economic development.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

For the 2019-21 biennium, CERB received a capital appropriation of $8.6 million. Due to high demand, in the 2020 supplemental session CERB received an additional capital appropriation of $10 million. At this time, CERB anticipates awarding all currently available funds in late 2020, and it is very likely that CERB could be without funding for approximately 7 months.

CERB is a vital business recruitment and retention program for the state, often preventing existing businesses from moving out of state and attracting new businesses to Washington. CERB's economic development mandate requires that all projects approved by the board demonstrate significant job creation, job retention, or significant private investment outcomes.

Areas of high unemployment receive reduced interest rate loans from CERB to incentivize job creation where it is most needed. A continuation of CERB's funding, at $25 million for the biennium, will provide the critical gap funding to make local economic development projects a reality. CERB primarily provides gap funding that leverages other local, state, and federal funds and private investments.

CERB investment in a community is not only in support of businesses, job creation, private investment, and increased tax revenue. CERB's investment has many ancillary benefits when it invests in a community, such as:
· Housing and Homelessness
· Health Care and Mental Health Care
· Education

2013-19: 95* CERB funded Planning Studies (Assumptions: 2/3's of the original studies could return to CERB construction funding at an average of $1.2 million per project.)

Results:
61 Constructions Projects

Project Number: **40000144**
Project Title: **2021-23 CERB Capital Construction**
Project Class: **Program Improvement (State-Owned)**

Description

$73.2 million CERB Construction Funds
$517 million leveraged local match (2017-19 average: $7.07 per $1 CERB)
$732 million leveraged private investment (2017-19 average: $10 per $1 CERB)
10,028 Full-time Jobs (2017-19: $7,299 cost per job)

Project Development Pipeline:
44 - $57.2 million, Construction Projects
16 - $600,000 Planning Projects
60 - $57.8 million Total

Results:
44 Construction Projects
$57.2 million CERB Construction Funds
$404.9 million leveraged local match (2017-19 average: $7.07 per $1 CERB)
$572.7 million leveraged private investment (2017-19 average: $10 per $1 CERB)
7,847 Full-time Jobs (2017-19: $7,299 cost per job)

$131 million** – Total Pipeline Projects
Results:
105 Construction Projects
$131 million CERB Construction Funds
$926.1 million leveraged local match (2017-19 average: $7.07 per $1 CERB)
$1.31 billion leveraged private investment (2017-19 average: $10 per $1 CERB)
17,947 Full-time Jobs (2017-19: $7,299 cost per job)
**Economic Development and Broadband Planning*
***does not include rural broadband construction projects*

CORE CERB Projections:
Based on the 2017-19 averages, an additional $25 million would result in the following:
22 Construction Projects ($24.2 million)
16 Planning Projects ($800,000)
$176.75 million leveraged local match (2017-19 average: $7.07 per $1 CERB)
$250 million leveraged private investment (2017-19 average: $10 per $1 CERB)
23,719 Full-time Jobs (2017-19: $7,299 cost per job)

2017-19 CERB Biennial Review: https://deptofcommerce.app.box.com/v/cerb201719biennialreviewWhat will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
CERB funds will be used to construct public infrastructure and to facilitate private business development and expansion. These projects include industrial water, general purpose industrial buildings and port facilities, sanitary and storm sewers, industrial wastewater treatment facilities, railroad spurs, telecommunications, electricity, natural gas, roads and bridges, and incubation/research/testing facilities. Site-specific economic feasibility and planning studies will also be eligible for CERB funds

Project Number: **40000144**
Project Title: **2021-23 CERB Capital Construction**
Project Class: **Program Improvement (State-Owned)**

Description

on a limited basis.

Clients will have increased access to funding, particularly jurisdictions in urban counties. By statute, CERB must award the first 75 percent of its available funding in a biennium to rural communities, limiting the number of projects in urban communities that the board can finance. With increased resources available for projects, rural communities within urban counties have increased opportunity to use CERB for economic development projects.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
CERB's capital appropriation of $25 million in loan funds will leverage more than $330 million in private investment ($22 private investment per $1 CERB – 5 year average) and create and retain a minimum of 1,420 permanent jobs (1 job for every $10,557 CERB – 5 year average).
The $25 million requested will support the creation of permanent, high-wage jobs in the state, recruit and retain businesses, and support economic vitality statewide. By taking no action, rural communities would have one less prospect for investment that will increase resiliency, and promote collaboration and innovation.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

The demand for CERB funding exceeds resources available. If funding is not received or partial funding, it would make an impact in addressing this demand. Due to the increase in funded planning grants, since 2013, CERB has a pipeline of thoroughly vetted projects ready for the next stage of investment, which supports the economic, environmental, and social needs of local governments, federally recognized tribes, and their residents.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Almost 10,000 government organizations are eligible for CERB funding. Federally recognized tribes (29), cities (281), counties (39), public port districts (75), special purpose districts (1670), and municipal and quasi-municipal corporations (1,580 estimated) are all eligible for CERB funding. CERB responds to immediate business siting and expansion needs. Businesses need to know that public infrastructure will be provided before committing to locate or expand operations. CERB's investments strengthen communities by creating and retaining jobs, leveraging private investment, and increasing tax revenue.

The construction jobs related to these projects will pay prevailing wage. CERB provides funding in an ongoing basis throughout the year. CERB currently has 27 projects under contract with an additional 11 jurisdictions that have been approved for funding and are working on the conditions necessary to go to contract.

Refer to pipeline information provided in question #1.

Will other funding be used to complete the project? How much, what fund source, and could the request result in matching federal, state, local, or private funds?

It is unusual for a project to be fully funded by one source, and frequently multiple sources are necessary to complete a project. CERB projects are required to have a matching component and will attract additional project investment. Specifics vary, as individual projects each have a unique situation regarding other funds.

Project Number: **40000144**
Project Title: **2021-23 CERB Capital Construction**
Project Class: **Program Improvement (State-Owned)**

Description

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
The 2021-2023 Commerce Strategic plan is rooted in two focus areas: Equity in Community Development and an Equitable Economic Recovery. This proposal provides economic stimulus through reliable infrastructure.
Authorizing funding for the construction loan programs will directly reduce the emissions of greenhouse gases by local governments, reduce the amount of potable water used for non-potable purposes, improve the quality of water discharged into Washington waterways, increase transportation mobility, and create jobs.
This funding supports the Governor's Results Washington Goal 2: Prosperous Economy and related outcomes:
Increasing Access to living wage jobs: CERB will increase the number of jobs in the state by providing gap funding to make local economic development projects a reality that will create an additional 1,420 jobs.
Ensuring Access to Quality Healthcare: Approximately 98% of businesses supported by CERB's investment provide healthcare to their employees and dependents.
Increasing the Economic Security of Washingtonians: CERB's investment supports businesses who hire full-time positions and pay higher than the current county median. This allows an employee to investment of themselves into a company and into their future.
Reducing Homelessness: As stated above, CERB's investment supports businesses who hire full-time positions and pay higher than the current county median. Sustainable higher wage jobs, ensure that housing can be paid for
CERB is required to report biennially on the outcome-based evaluations of its funding programs. This report identifies actual jobs created as reported by the borrowing jurisdictions and businesses themselves, and specifically identifies that between 2012 and 2018, 1,264 permanent private-sector jobs were created. An additional 5,945 construction jobs were created from the public and private facilities construction associated with CERB funded projects.
(https://www.commerce.wa.gov/wp-content/uploads/2013/01/2018-CERB-Legislative-Report-Final.pdf)

Local governments' ability to offer adequate infrastructure (such as transportation systems to move goods, sufficient clean water to ensure adequate fire flow and potable water, plus effective wastewater management) is vital to accommodate growth and the promotion of economic development and business opportunities, while also enhancing the quality of life in the Northwest. This proposal directly supports the ability of local governments to provide these services, which are becoming increasingly expensive and complex to build and maintain to modern standards. This is especially true in non-urban areas, where fewer people spread over larger distances means that single services to multiple communities are not feasible, thus individual community systems are more expensive on a per capita basis.

For IT-related costs: N/A
· Does this project fund the development or acquisition of a new or enhanced software or hardware system or service?
· Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.)
· Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)
If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (Puget Sound Recovery) in the 2019-21 Operating Budget Instructions.
N/A

Does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? If yes, please elaborate.
CERB is dedicated to the long-term sustainability of Washington's communities, investing in public infrastructure using new and innovative technologies. CERB's construction loan program provides a strategic tool that supports these goals.

Does this project mitigate the effects of climate change and strengthen the resiliency of communities and the natural environment? If yes, please elaborate.

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Report Number: CBS002
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Project Number: 40000144
Project Title: 2021-23 CERB Capital Construction
Project Class: Program Improvement (State-Owned)

Description

CERB is dedicated to the long-term sustainability of Washington's communities, investing in public infrastructure using new and innovative technologies. CERB's construction loan program provides a strategic tool that supports these goals.

Is there additional information you would like decision makers to know when evaluating this request?
As stated above, CERB investment in a community is not only in support of businesses, job creation, private investment, and increased tax revenue. CERB's investment has many ancillary benefits when it invests in a community, such as:

Housing and Homelessness – Investing in a stable future
· Sustainable higher wage jobs, ensure that housing can be paid for.
· Instills confidence that they can afford a home long-term.
· Builds confidence and self-reliance.
Health Care and Mental Health Care – Investing gives access to health care
· Jobs that provide: medical benefits and sick time and vacation leave
· Wages that allow for payment of co-pays & prescriptions.
· Removes a barrier to medical services.
Education – Investing in parents
· Gives children stability.
· Gives children hope for the future
· Gives the community a future workforce.

The investments from the CERB account are an economic powerhouse – OFM's prior years' conservative estimate of 10.89 construction related jobs for each $1 million CERB invested underestimates the job creation from CERB investment. This figure does not take into account the additional funds provided by the local governments through other funding partners. Historically, CERB money has been matched at a 33:1 ratio.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants

Growth Management impacts
N/A

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26V-1	Capital Comm Asst Ac-State	40,000,000	20,832,000	5,381,000	13,787,000	
355-1	St. Bld Const Acct-State	15,000,000	15,000,000			
887-1	Pub Facil Const Ln-State	10,000,000			10,000,000	
	Total	**65,000,000**	**35,832,000**	**5,381,000**	**23,787,000**	**0**

Future Fiscal Periods

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Project Title: **2021-23 CERB Capital Construction**
Project Class: **Program Improvement (State-Owned)**

Funding

		2029-31	2031-33	2033-35	2035-37
26V-1	Capital Comm Asst Ac-State				
355-1	St. Bld Const Acct-State				
887-1	Pub Facil Const Ln-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
Date Run: 9/13/2026 10:26AM

Project Number: 40000141
Project Title: 2021-23 Public Works Assistance Account-Construction
Project Class: Program Improvement (State-Owned)

Description

Project Number: **40000141**
Project Title: **2021-23 Public Works Assistance Account-Construction**
Project Class: **Program Improvement (State-Owned)**

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary

Infrastructure is the backbone of sustained economic recovery, growth, and job creation. It is critical to environmental protection, public health, and safety. The Public Works Board (PWB) requests $130 million from the Public Works Assistance Account (PWAA) to address the statewide need for financing infrastructure, as demonstrated by a known project pipeline of eligible, shovel ready projects totaling more than $673 million.

Project Description

The PWB utilizes an infrastructure revolving fund to administer three loan programs for traditional infrastructure systems (roads, bridges, sanitary sewer, domestic water, stormwater and solid waste/recycling). These programs are: a) construction, b) pre-construction, and c) emergency. The competitive construction and pre-construction programs award funds through annual funding cycles. The emergency loan program is open as long as funds are available. The PWB sets the amount of funds available under each category.

This request will use approximately $130 million from the PWAA to fund projects in the aforementioned funding programs. Application rating and ranking follows the funding considerations and criteria outlined in RCW 43.155.070. After loans are awarded, loan repayments and interest earnings return to the revolving account. These resources can finance future public infrastructure. Since new legislation enacted in 2018 moved the funding process from a list to a competitive process, projects seeking PWB support are at a high degree of readiness. Under this new framework, the projected average time from application to project completion is 2.1 years, rather than 5.4 years or longer, with the previous process. Thus, investments in public works board projects can ensure an immediate infusion of funds that will help revive local economies.

Funding in this request will be directed toward local priority infrastructure projects that are ready-to-go, meaning they can be completed within one-to-four years of award dates.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Infrastructure systems are the backbone of economic recovery and growth, the cornerstone of public health and safety, and a first line of defense against environmental damage. PWB funding awards allow local jurisdictions to address their specific public and environmental health and safety concerns, such as raw sewage discharge, flooding, contamination, and fire flow. Project awards also enable community economic growth and development. In rural communities, access to low cost financing is the key to development and a requirement for maintaining service affordability for customers. These benefits are not limited to new construction. System rehabilitation and upgrades not only ensure the proper functioning of infrastructure systems, they also reduce operating expenses and increase local efficiency.

The 2019-21 capital appropriation for the PWB traditional infrastructure program was $95 million. The PWB closed a competitive construction and pre-construction funding cycle on July 12, 2019 that resulted in 75 applications with more than $246 million in resource requests. There was such a large need for construction funds that the PWB, after funding all qualified pre-construction applications, utilized all remaining funds to award additional construction projects. The PWB awarded the full $95 million capital appropriation in that single application cycle, and still had to deny 35 qualified applicants due to lack of funds. The PWB also had to cancel subsequent application cycles scheduled for the biennium.

This funding cycle demonstrates that the demand for infrastructure funding far surpasses recent appropriations. Local governments are struggling to provide basic infrastructure services to the citizens of Washington state. The cost of maintaining aging systems is sustained as long as possible until either the system fails, or regulatory mandates require replacement or improvement. This style of system management drives up operations costs, negatively impacts customer budgets and service availability, and greatly increases the likelihood of catastrophic failure resulting in harm to the public and environment. Half of

Project Number: 40000141
Project Title: 2021-23 Public Works Assistance Account-Construction
Project Class: Program Improvement (State-Owned)

Description

the construction awards in the PWB's recent funding cycle were to replace infrastructure at or well past end of life. Rate affordability issues, revenue limitations, and the competing demands for funding resources limit local jurisdictions' ability to absorb the cost of addressing these critical infrastructure needs. Population growth, regulation, and reduced resources have put a burden on local governments to meet the demands of providing and maintaining basic services.

Statutory flexibility allows the PWB to address multiple needs through one funding award. This means that while fixing a road, PWB also supports culvert replacement, stormwater upgrades, even access to schools, parks and improved economic development opportunities. By utilizing this multi-system approach, jurisdictions realize cost savings in labor and materials and reduce the impact on area residents. During Fiscal Year 2020, the PWB supported 15 multi-system benefit projects across construction, pre-construction, and emergency.

In June 2020, staff revisited this pipeline of projects, and when engaging with these applicants, learned of an additional $169 million in funding needs. These are ready-to-go projects, meaning completion within one to four years of funding award. These potential applicants told staff 69 shovel-ready projects that address systems that are beyond useful life and that pose public health and safety concerns. The funding needed for these projects totals $504 million and, due to the limited scope of contacts made, only scratches the surface of the state's true funding need.

Public resources available to fund these projects are declining. According to a May 2019 report by Brookings Institute, federal spending on infrastructure from 2007-2017 $9.9 billion in real terms while operations and maintenance costs rose 9.5% over the same time frame and capital investments in infrastructure declined by 16 percent (source data: https://www.brookings.edu/research/shifting-into-an-era-of-repair-us-infrastructure-spending-trends/).

Resources are needed to bridge the gap between alternative state and federal infrastructure programs and a communities' need for repair or replacement, but for which there is no other funding than the private market. The private market is a costly alternative that is out of reach for smaller communities, and requires millions in added interest payments for those who do qualify. Analysis of the costs for local governments to borrow indicates nearly a two percent difference between the PWB interest rate and the private market.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

The request of $130 million in resources from the PWAA will fund projects that meet current infrastructure demands across the state. The projects used to justify this request are ready to go, meaning they can be completed in 2-4 years. One example of a Fiscal Year 2020 project that passed scoring threshold, but did not receive an award due to lack of funds, is the city of Quincy's Phase 2 Wastewater and Recycled Water project. The two primary economic activities for the city are food processing and data storage, both water intensive activities. In order to continue economic growth in the region and maintain regulatory compliance, water reuse is the only affordable solution. This project is still seeking funding and is part of the PWB pipeline of projects. If the city is unable to secure other financing to complete this project, the city may have to shut down one of its food processing locations and halt expansion of data center operations. Investing $130 million in local priority infrastructure projects achieves a job multiplier of 10.89, for a total 1,416 jobs. The economic output generated with this investment is $256 million, based on a total output modifier of 1.97.

This represents a much-needed economic boost during this pandemic-induced recession. These funds will plan and build Washington's next legacy infrastructure systems and support communities to deliver essential public services.

Infrastructure not only provides essential services, it is the backbone of economic recovery, and is a vital component of community development. For instance, in Fiscal Year 2020 the city of Camas received PWB financing for their State Route 500 and Lake Road interchange project. This project resolves traffic issues that are preventing the development of 235 acres of commercial/industrial land, 225 acres of residential land. This roadway solution also provides for safe parking and pedestrian access to recreational areas on Lake Lacamas. Stormwater management and treatment is also being addressed during this

Description

project, which results in decreased contaminant introduction into the lake.

Kitsap County's Fiscal Year 2020 application to finance improvements along Bay Shore and Washington Avenues in Silverdale passed threshold, but did not receive award due to lack of funding. This project addresses traffic flow, ADA compliance issues, wastewater and stormwater management, aging domestic water services, parking, and pedestrian access concerns that have hampered the continued development of the Old Town neighborhood. Visitors come to this waterfront area year-round for community events, recreational activities, and access to commercial and service industries. Public involvement in the design of this project is high, with over 500 inquiry respondents at multiple public meetings. This project is still seeking funding and is part of the PWB pipeline of projects.

Beginning in the 2017-2019 biennium, the Legislature authorized the PWB to fund construction projects with an appropriation. Prior to this, funding for PWB projects was done through a loan list that required prior legislative approval. Changing from a list to an appropriation not only makes the funding cycle faster, it allows for PWB to serve as leverage for other infrastructure funding programs, thus extending the "reach" of limited federal and state resources, and facilitates packaging of funding sources to benefit local projects; making viable projects whole.

To achieve this, four funding windows per biennium have been established that align with the federally capitalized State Revolving Funds (both Clean Water and Drinking Water). This subtle change allows greater coordination with other funders and for projects to be packaged, which brings substantially greater value to communities. In Fiscal Year 2020, 17 PWB financed projects were co-funded efforts with state and/or federal partners. The emergency award to the city of Moxee is an example of a co-funded project between the PWB and the Drinking Water State Revolving Fund (DWSRF). This project was in response to the failure of one of the city's wells and was funded with $282,000 in local funds, $500,000 from DWSRF, and $1,000,000 from PWB. Completion of this project will ensure access to domestic water for city residents and local agricultural industry. By financing this project rather than using local funds exclusively, the city is able to continue their system maintenance program without interruption or curtailment.

The PWB anticipates $130 million going towards construction. Based on the average award of the PWB's last two construction loan cycles ($3.5 million), $130 million would fund approximately 37 construction projects throughout the biennium. Construction projects are complete within five years, with loan repayments funding the next generation of local infrastructure projects.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

The proposal would reduce the backlog of critical infrastructure projects that exists in most communities due to aging infrastructure and limited fiscal capacity.
Funding for communities with infrastructure needs is limited, especially for those with limited capacity to take on large infrastructure projects or private market loans. The PWB's open competitive construction loan program conducts a competitive process that ensures all projects are vetted, including the financial capability to assume a loan, effective local systems management, and that projects will meet a critical public need. The new funding structure authorized by the legislature enabled the PWB to meet local governments where and when they need it, and not be restricted by either annual or biennial funding windows. This appropriation will allow the PWB to continue exercising that authority, and effectively support infrastructure development statewide.

The PWB is a self-sustaining program that can augment other state and federal financing programs. The process is highly competitive and allows the PWB to invest in only the highest priority projects. This supports the execution of state policies, such as the reduction of greenhouse gases, protection of Puget Sound, and implementation of the Growth Management Act.
PWB funding also assists the state in addressing Diversity, Equity, and Inclusion (DEI) goals. National studies indicate that communities of color are less likely to have access to clean, affordable drinking water and wastewater services. These communities are also at a higher likelihood to have services turned off as rates increase (emergency repairs are the leading cause of dramatic increases in ratepayer costs). Similarly, implementation of stormwater management and maintenance of

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Description

roads lags behind in these communities. Such investments move the state towards a sustainable infrastructure system that accounts for environmental, social, and economic realities while increasing resilience, functionality, and access.

It is important to note that two primary funding programs for water infrastructure, the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF), using an accelerated funding cycle have been unable to fund all of the projects seeking financing. On average, the demand on these resources has been 2:1. That means that half of the projects receive no funding and must wait for the next annual funding cycle. During that time, funding may shrink or disappear altogether. That is, costs may increase significantly, funding may be lost due to match requirements, and communities may experience emerging demands or new regulation. Additionally, delaying the replacement of aging system components increases the chance for catastrophic failure and emergency repair, which dramatically increases the cost to the community. In the most recent funding cycle, the DWSRF and CWSRF only funded 38 percent of project requests. In the PWB's most recent funding cycle, the ratio of request to award was 3:1 and only 40 percent of projects were funded.

If no action is taken, the PWB will not be able to address critical and failing infrastructure systems, resulting in negative impacts on public health and safety, reduced environmental protection, and stalled economic recovery and development. Every year there is a deficit of infrastructure financing, communities must absorb the environmental, social, and economic costs associated. Infrastructure connects the daily lives of people and businesses. Without it, communities are less capable of growing in a sustainable way. For communities that must access the private credit market and guarantee future revenues to large principal and interest payments, the future growth capability of the community is restrained and other priorities must be sacrificed.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

Knowing the demand for infrastructure financing, the PWB explored two options for increasing the requested appropriation. Through the agency request legislation process, the PWB is pursuing reinstatement of PWAA revenue streams that have been redirected to other state priorities over the last two biennia. This would increase the amount of funds available in the account, and enable the PWB to provide a greater level of financial assistance to Washington communities. Until these statutory changes are made, this is not a legal option.

The PWB also considered an appropriation request more consistent with known local financing demand by requesting an additional $120 million in taxable bonds, which would bring the appropriation request up to $250 million. The PWB rejected this option due to the increased costs to the state and because a revolving loan fund like the PWB's, when left to operate as designed, should be self-sustaining.

A final alternative to funding the $130 million requested by the PWB is to not provide an appropriation. However, with the state facing critical revenue challenges at all levels due to the COVID-19 pandemic, local resources to fund priority areas such as infrastructure in support of economic recovery and growth, culvert replacement to restore salmon habitat, and updating legacy infrastructure systems that are moving beyond useful life into failure are even more constrained. The PWB is an affordable resource for local governments that moves the state towards an effective infrastructure solution that ensures public health and safety, protects the environment, and drives economic recovery and growth.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Nearly 2,000 government organizations are eligible for PWB Traditional Programs funding: Cities (281), counties (39), special purpose districts (approximately 1,300 excluding ports and school districts), and municipal and quasi-municipal corporations (1,580 estimated). The infrastructure systems they manage touch the lives of every resident in the state and provide the backbone for economic recovery and growth. Many communities eligible for these funds are responding to regulatory requirements to upgrade their facilities. Without financial assistance, the communities do not have the resources to meet the requirements. At best, failure to meet a system's regulatory requirements will result in economic stagnation; at worst, public and

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environmental health and safety are jeopardized.

This request will allow the PWB to help local governments to address critical needs. For the Fiscal Year 2020 funding cycle, every applicant who had a permit violations passed scoring threshold and were eligible for award; however, five of them did not score high enough to be awarded before the PWB ran out of funds. Looking to the future, the PWB project pipeline is a limited snapshot in time and represents the current needs of only 48 cities, 18 counties, and 35 special purpose districts. The $673 million in funding sought benefits 46 domestic water, 34 wastewater, and 9 stormwater systems; 9 roadways; and 3 solid waste/recycling facilities. Each project funded impacts a unique group of citizens; however, affordability and access are negatively impacted when systems are managed by crisis rather than proactive maintenance, expansion, and upgrade.

Additionally, infrastructure is a prime determining factor when deciding to locate, maintain, and expand business. A prime example is the city of Pasco's Process Water Reuse Facility (PWRF) improvements project, which is part of the PWB pipeline of projects that applied for financing in Fiscal Year 2020, passed scoring threshold, did not receive an award because of lack of funds, and is still looking for funding. By Department of Ecology order, the city must transition wastewater service for a food processing plant from the city's wastewater treatment plant to the PWRF. The PWRF is already at capacity with the five current food processing plants it services and cannot service additional connections without upgrades and expansion. By completing this project, the city will be able to retain at least 1,200 jobs and create an additional 250 jobs, not counting the jobs retained within the agricultural jobs associated with growing and harvesting. The upgraded wastewater management system will allow for the expanded operations at existing food processing plants, the locating of new processing plants, and expanded residential and commercial capacity. This is a necessary step for the city as its anticipated population growth is 68% over the next 20 years.

Will other funding be used to complete the project? How much, what fund source, and could the request result in matching federal, state, local, or private funds?

It is unusual for a project to be fully funded by one source, and frequently multiple sources are necessary to complete a project. In Fiscal Year 2020, the $93 million in PWB loan awards leveraged more than $289 million in state, federal, and local infrastructure investment.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This request would support the Department of Commerce and the PWB's strategic priorities for reliable infrastructure and building outreach to communities.

Authorizing funding for the construction and pre-construction loan programs will directly:

· Reduce the emissions of greenhouse gases by local governments. The Horn Rapids Landfill construction project in the city of Richland, awarded by PWB in Fiscal Year 2020, will collect landfill gas emissions for re-use as biogas.

· Reduce the amount of potable water used for non-potable purposes. The King County Pre-construction Brightwater Reclaimed Storage project, awarded PWB funding in Fiscal Year 2020, reduces the area's draw on potable water sources for irrigation purposes and allows for aquifer recharge. The construction phase of this project is part of the PWB pipeline of known projects.

· Improve the quality of water discharged into Washington waterways. The Fiscal Year 2020 awarded King County Georgetown Wet Weather Treatment Station construction project manages stormwater flows in the Georgetown area of Seattle. Completion of this project will keep hundreds of thousands of gallons of partially treated effluent from discharging into the Duwamish River every year.

· Increase transportation mobility. The Fiscal Year 2020 construction award to the city of Long Beach for its Washington Avenue South project will not only allow the City to place a new water main to ensure clean domestic water and fire flow to the southern

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Description

half of their distribution system, it will also allow the City to widen and resurface Washington Avenue South to create an alternate route through town. This alternate route will increase pedestrian safety, facilitate the efficient movement of goods and services, and relieve congestion.

· Create jobs. The PWB does not collect job data directly from its applicants. However, 25% of the applicants for funding in Fiscal Year 2020 indicated economic development as a driver for their infrastructure project. Additionally, 87% of the Fiscal Year 2020 applicants were addressing failing or failed systems. The failure of infrastructure results in economic decline, the loss of commercial and industrial employers, and the inability to provide affordable housing. One such construction project awarded in Fiscal Year 2020 by the PWB is the city of Connell's Country Estates Sewer Improvements. The current sewer system is failing, costing the City in staff time and reserve funding to deal with backups and blockages. Additionally, due to these system issues, the City is unable to develop several parcels of land that would be connected for sewer service.

Infrastructure is the backbone of economic recovery, and is a vital component of community development. Investing $130 million in local priority infrastructure projects achieves a job multiplier of 10.89, for a total 1,416 jobs. The economic output generated with this investment is $256 million, based on a total output modifier of 1.97.

The Fiscal Year 2020 awarded Seattle Public Utilities Pearl Street Drainage and Wastewater Improvements construction project deals with both economic vitality and community development. This Beacon Hill area in Seattle has a combined sewer system that experiences repeated backups into the public right-of-way across from Maple Elementary School and neighborhood homes and businesses. Additionally, stormwater flooding has been significant in the elementary school and the public Maplewood Playfield. Resolution of these issues will enable businesses to thrive, ensure that school is uninterrupted, allow public access to recreational facilities, and mitigate adverse impacts on utility human and financial resources.

Does this project include IT related costs, including hardware, software, cloud based services, contracts or staff?

N/A

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (Puget Sound Recovery) in the 2021-23 Operating Budget Instructions.

PWB staff submits a list of prioritized projects to the Puget Sound Partnership (Partnership) as a part of threshold review. This process also includes consideration and feedback from Partnership staff on whether projects are consistent with the Puget Sound Action Agenda. The Partnership includes information on relevant PWB funded projects annually in its required reporting to the National Estuary Program.

Does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? If yes, please elaborate.

The steady decrease of funding options for local governments has occurred simultaneously with the need to rehabilitate or replace systems that have been in place for 30 or more years. These aging systems need to be brought up to current standards to align with the governor's carbon reduction strategy. Replacing outdated infrastructure will improve environmental quality and be able to provide strategic traffic linkages for more efficient transport of goods. Infrastructure can contribute to reducing carbon pollution and energy efficiency, but consistent investment is necessary to realize this potential.

A prime example of the positive impacts stemming from replacing an aged sewer system is the use of methane recapture technology that both reduces greenhouse gas emissions and saves energy as the methane is used to provide power. In addition to this technology, modern sewage processing creates compost that can be used on farms and by residents to reduce the need for petroleum-based fertilizers. This process can make the water clean enough that it can be used for irrigation, flushing, washing clothes, and other non-potable uses, therefore decreasing the demand on our limited water supply.

These examples provide the building blocks necessary for sustainable communities. The clean water created by modern sewer

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technology can be used as the water necessary to provide sufficient fire flow, irrigation, and other nonpotable uses. The use of methane to power sewer plants makes them self-sustaining and keeps costs within reach of the ratepayers, residential and commercial alike. The use of treated water for non-potable uses frees up the potable water for food processing and other commercial water-intensive activities. The PWB and the department are dedicated to the long-term sustainability of Washington's communities. The construction loan program provides a strategic tool that supports these goals.

Does this project mitigate the effects of climate change and strengthen the resiliency of communities and the natural environment? If yes, please elaborate.

PWB financing enable communities to design, construct, rehabilitate, and upgrade the infrastructure systems that mitigate the impact of human activities on the environment. Replacement of outdated systems allows for the recovery of fish habitat, local ecology, and water quality.

The modernization of infrastructure is a clear and necessary step in moving towards resilient communities. It allows legacy systems to utilize the most current technologies to move towards carbon neutral solutions and increased energy efficiency.

PWB funding also assists the state in addressing Diversity, Equity, and Inclusion (DEI) goals. National studies indicate that communities of color are less likely to have access to clean, affordable drinking water and wastewater services. These communities are also at a higher likelihood to have services turned off as rates increase (emergency repairs are the leading cause of dramatic increases in ratepayer costs). Similarly, implementation of stormwater management and maintenance of roads lags behind in these communities.

Such investments move the state towards sustainable infrastructure that accounts for environmental, social, and economic realities while increasing resilience, functionality, and access.

Is there additional information you would like decision makers to know when evaluating this request?

Presently, the PWB has $554,243 dollars available for emergency and preconstruction projects. There is no available funding to hold a construction cycle. Without an infusion of dollars as proposed in this request, the PWB will not have a construction cycle for the foreseeable future.

Emergency Construction - 12-month period to complete the projects and 20 years to pay back principle and interest.

Pre-Construction - 24-month period to complete the projects and five years to pay back principle and interest. They have the option of extending to 20 years if the project goes to construction.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Acquisition-Land

Growth Management impacts
NA

New Facility: No
How does this fit in master plan
na

Funding

OFM

103 - Department of Commerce
Capital Project Request
2027-29 Biennium
*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:26AM

Project Number: 40000141
Project Title: 2021-23 Public Works Assistance Account-Construction
Project Class: Program Improvement (State-Owned)

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
058-1	Public Works Assist-State	249,000,000	140,582,000	82,000	108,336,000	
	Total	**249,000,000**	**140,582,000**	**82,000**	**108,336,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
058-1	Public Works Assist-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative

Operating costs for Capital investments are covered in a separate operating appropriation. That operating appropriation covers 9.0 FTEs, and all costs associated with administering the Board. The cost of administering the $130 million capital request is less than 2.3 percent.

OFM

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Capital Project Request
2027-29 Biennium

*

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Report Number: CBS002
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Project Number: 40000278
Project Title: Ports Infrastructure
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for ports infrastructure projects throughout Washington.

Project Description
Funding for ports infrastructure projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	16,047,000	10,573,000	2,717,000	2,757,000	
	Total	**16,047,000**	**10,573,000**	**2,717,000**	**2,757,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Capital Project Request
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Project Number: **30000872**
Project Title: **2017-19 Housing Trust Fund Program**
Project Class: **Grant/Loan**

Description

Project Number: **30000872**
Project Title: **2017-19 Housing Trust Fund Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2018
Agency Priority: 0

Project Summary

The Department of Commerce (department) requests a new appropriation from the State Taxable Building Construction Account (Fund 355) of $150 million to reduce the backlog of affordable housing projects seeking capital funding through the Housing Trust Fund (HTF) Program. The HTF Program addresses the ongoing need to develop and preserve affordable housing for low-income and special needs populations. The Department is also requesting $10 million for preservation of the existing affordable housing stock in the HTF portfolio that is in need of critical building repairs. The total request is for $160 million.

Project Description

The department's request is twofold:
Part A: The department requests a new appropriation of $150 million to the HTF Program to add approximately 3,000 new affordable housing units to the state's affordable housing portfolio. Funds will be allocated to projects statewide on a competitive basis (per RCW 43.185 and RCW 43.185A), serving a broad spectrum of low-income to extremely low-income households, including homeless families and individuals, seniors, and individuals with special needs. At least 30 percent of the funds appropriated will be targeted to rural area projects, unless the department does not receive enough suitable rural applications.

Projects will include new construction of units, as well as rehabilitation of privately owned housing stock, per the priorities established in the RCW. These investments are highly effective at leveraging other public and private investments and protecting the health and safety of vulnerable individuals. Over the past five years, the HTF has leveraged an average $5 for every state dollar invested. Construction activity and resulting projects also generate substantial social and economic benefits for local communities
Part B: The department requests a new appropriation of $10 million for an affordable housing portfolio preservation program. Funds will be solely used for the preservation of the existing affordable housing stock in the HTF portfolio, which are in need of critical capital repairs in order to remain in service.

Identify the problem or opportunity addressed. Why is the request a priority? (Provide numbers of people or communities not served, students without classroom space, operating budget savings, public safety improvements, history, or other backup necessary to understand the need for the request.) Be prepared to provide detailed cost backup.
Part A: HTF Program ($150 million)
Washington State is currently experiencing an affordable housing crisis. Stagnant wages, steady population increase, declining rental vacancy rates, high rates in the rental market, increasing costs to purchase a home, and rising utility costs continue to make access to affordable housing more and more difficult for low-income households and special needs populations. This puts many people at risk of homelessness. Capital investments in affordable housing will help protect low-income and vulnerable households and house people affected by homelessness. Housing construction projects are also proven to create jobs, attract new businesses, and generate local revenues.
Part B: Affordable Housing Portfolio Preservation Program ($10 million)
The HTF Program has created affordable housing for Washingtonians for 30 years, and its 43,000-unit portfolio of affordable housing is in jeopardy. At this time there are hundreds of at-risk and aging units in the HTF portfolio that are in need of critical building repairs in order to stay in service. While preserving existing housing is more cost effective than new construction, some projects do not generate sufficient cash flow to cover much needed capital repairs and system replacements that become necessary as buildings age due to the extremely low incomes of the households served. Another factor making repairs difficult for property owners is their financial capacity. Out of a sample of 1,152 HTF projects, 28% reported an operating deficit for the 2014 calendar year and 14% had no cash reserves on hand to address basic maintenance needs, let alone capital repairs (on their physical buildings and units). It cannot be emphasized enough that loss of any HTF portfolio units would result in increased homelessness in Washington and cause the displacement of our state's most vulnerable families and individuals.

What will the request produce or construct (i.e., design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in

Project Number: **30000872**
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Description

the request.

Part A: HTF Program

The HTF Program funds capital projects that construct or rehabilitate existing buildings to create approximately 3,000 affordable housing units. A typical HTF Program project starts construction within 6 to 12 months from an award.

Part B: Affordable Housing Portfolio Preservation Program

Recapitalizing aged housing units is more cost effective than building new ones. Repair and renovation costs typically average at $50,000 per unit, whereas new development costs often exceed $230,000 per unit (based on the 2015 HTF funding round). This proposal will require no additional staffing. The department's Housing Finance Unit already administers the HTF program and monitors and services the HTF contracts. These contracts typically have a 40-year commitment period during which the contractors are required to provide affordable housing serving the intended target population. 100 percent of the allocated preservation funding can be directed to actual housing preservation efforts (i.e., capital repairs).

A Portfolio Preservation Program will establish a permanent mechanism and funding source for the maintenance and preservation of the current 43,000-unit portfolio. Through an annual competitive application process, the department can provide financial support to the existing HTF projects that require additional public investment in order to remain viable and stay affordable for their intended population. Awards will be for capital building repairs, with priority given to units serving extremely low income households (Area Median Incomes (AMIs) at or below 30%) and other special needs populations (e.g., homeless families and individuals, veterans, people with disabilities or chronic mental illness, seniors, farmworkers, etc.). Disbursement of preservation funds will be contingent on the accomplishment of identified benchmarks and milestones, such as obtaining a third-party capital needs assessment (CNA), procuring independent construction contractors, and limiting reimbursement of costs to completed repairs only.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Part A: HTF Program

The point in time count (Department of Commerce 2016) forecasts 28,015 people may experience homelessness by 2018. Capital investments in affordable housing development reduce our state's affordable housing gap, reduce homelessness, create living wage jobs, and generate revenues to local communities. The construction and rehabilitation of affordable housing projects benefits the construction industry, and the availability of affordable housing helps to attract businesses to project areas, resulting in yet additional job creation. Access to stable housing has been shown to improve overall job stability, increase educational attainment, and reduce health problems in our communities.

Part B: Affordable Housing Portfolio Preservation Program

A $10 million will protect/preserve approximately 200 units that require renovations of $50,000. The department would focus on the most critical units within its portfolio.

The HTF Program currently does not have funds available to address the emergent capital needs of existing projects in its 43,000-unit portfolio. The affordable housing community has been struggling to balance the investment of limited resources with the creation of additional units, often at the expense of existing units facing functional obsolescence and leaving the HTF portfolio. Affordable housing projects need to be recapitalized periodically to remain viable and do not have the same degree of access to private capital as market-rate housing properties do. A Portfolio Preservation Program will directly benefit residents of aging HTF properties and ensure that new units are adding to the total affordable housing stock, instead of replacing units lost to obsolescence and disrepair.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc. Be prepared to provide detailed cost backup.

Part A: HTF Program

This appropriation will result in projects creating approximately 3,000 units of affordable housing statewide for low-income households and people with special needs. Projects will be built to the Evergreen Sustainable Development Standard, which requires resource efficiency be incorporated into design, construction, and operations. Once homes are occupied, they will continue to provide benefits to the community through ongoing local economic activity, neighborhood stabilization, and reduced demand for health care and other costly emergency services.

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Project Class: Grant/Loan

Description

Part B: Affordable Housing Portfolio Preservation Program
Project awards will be for capital repairs (to physical buildings), with priority given to rental units serving extremely low income households (AMIs at or below 30%) and other special needs populations (e.g., homeless families and individuals, veterans, people with disabilities or chronic mental illness, seniors, farmworkers, etc.).

Does this request include funding for any IT-related costs? (See the IT Appendix for guidance on what is considered an IT-related cost.) [If yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review. What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup.]
No

Will non-state funds be used to complete the project? How much, what fund source, and could the request result in matching federal, state, local, or private funds?
Part A: HTF Program
Historically, the HTF Program has funded approximately 20-25% of the project costs on average. The rest of the funding comes from local, federal, and private investments.
Part B: Affordable Housing Portfolio Preservation Program
Unknown at this time, however, for comparison purposes, awards in 2015 typically leveraged $2-3 dollars in private equity for every HTF dollar lent.

Describe how this project supports the agency's strategic master plan, contributes to statewide goals, or would enable the agency to perform better. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
Part A: HTF Program
These projects support the Governor's Results Washington **Goal 4: Healthy and Safe Communities**, by helping the most vulnerable people become independent and self-sufficient. Affordable housing also promotes **Goal 2: Prosperous Economy**, by generating quality jobs and creating vibrant communities. This package will have a large impact (e.g., creating approx. 3,000 new units of affordable housing) on Results Commerce performance measure OM7-2A (Commerce Funded Affordable Housing Units Built), adding an average of more than 400 affordable housing units to current stock each quarter beginning in 2019. With current funding we average only a quarter of those units.
Part B: Affordable Housing Portfolio Preservation Program
These projects support the Governor's Results Washington **Goal 4: Healthy and Safe Communities**, by helping the most vulnerable people stay independent and self-sufficient. Affordable housing also promotes **Goal 2: Prosperous Economy**, by generating quality jobs and creating vibrant communities. This program will have a large impact on Results Commerce performance measure OM7-2B (Department Funded Affordable Housing Units Preserved). The Department estimates an average per unit cost of $50,000, which would allow preservation of approximately 200 units per biennium.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 14.4 (Puget Sound recovery) in the2017-19 Operating Budget Instructions.
N/A

Is there additional information you would like decision makers to know when evaluating this request?
N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

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Project Number: 30000872
Project Title: 2017-19 Housing Trust Fund Program
Project Class: Grant/Loan

Description

Project Type

Loans - Competitive

Grant Recipient Organization: Various

RCW that establishes grant: RCW 43.185 and 43.185A

Application process used

Part A: HTF Program These funds are distributed using a competitive funding process based on HTF's legislative priorities (see RCW 43.185 and RCW 43.185A). The governing legislation requires that 30 percent of the resources go to rural communities (unless Commerce does not receive enough suitable rural applications) and that priority be given to preserve existing privately owned housing stock. It also requires that preference is given to projects that leverage other funds, demonstrate ability by the applying organization to remain stable, and serve the greatest need and lowest income populations. Funding decisions are carefully coordinated with other funding sources such as the Washington Housing Finance Commission (HFC) and local (city and county) and federal government agencies. Final award decisions are reviewed and approved by the Commerce Director. Part B: Affordable Housing Portfolio Preservation Program As a long-term plan, in order to implement this Preservation Program and ensure its sustainability in the future, the Department is currently considering a policy proposal to amend the HTF's legislation to allow some of the HTF loan repayments to be used to fund the Preservation Program (Washington Housing Trust Account, Fund 532).

Growth Management impacts

None

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	21,130,000	20,711,000		419,000	
355-1	St. Bld Const Acct-State	83,500,000	80,524,000	310,000	2,666,000	
532-1	Wa Housing Trst Fd-State	8,658,000	7,182,000		1,476,000	
	Total	**113,288,000**	**108,417,000**	**310,000**	**4,561,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
532-1	Wa Housing Trst Fd-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: 40000005
Project Title: 2018 Local and Community Projects
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2018
Agency Priority: 0

Project Summary
Funding is modified for certain local and community projects throughout Washington.

Project Description
Funding is modified for certain local and community projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	128,337,000	113,951,000	5,715,000	8,671,000	
	Total	**128,337,000**	**113,951,000**	**5,715,000**	**8,671,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: 40000220
Project Title: 2019-21 Housing Trust Fund Investment from Operating
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary

Housing Trust Fund (HTF) investments address the ongoing and critical need to develop and preserve affordable housing for low-income and special needs populations, while creating living wage jobs. These investments are highly effective at leveraging other public and private investments and protecting the health and safety of vulnerable individuals. The construction activity and resulting projects also generate substantial social and economic benefits to local communities.

Project Description

Housing Trust Fund (HTF) investments address the ongoing and critical need to develop and preserve affordable housing for low-income and special needs populations, while creating living wage jobs. These investments are highly effective at leveraging other public and private investments and protecting the health and safety of vulnerable individuals. The construction activity and resulting projects also generate substantial social and economic benefits to local communities.

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grants - Not Competitive

Grant Recipient Organization: Various
RCW that establishes grant: 43.185 and 43.185A
Application process used

N/A

Growth Management impacts

None

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
532-1	Wa Housing Trst Fd-State	47,441,000	45,413,000	951,000	1,077,000	
	Total	**47,441,000**	**45,413,000**	**951,000**	**1,077,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
532-1	Wa Housing Trst Fd-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: **40000036**
Project Title: **2019-21 Housing Trust Fund Program**
Project Class: **Grant/Loan**

Description

Project Number: **40000036**
Project Title: **2019-21 Housing Trust Fund Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2020
Agency Priority: 0

Project Summary

The Department of Commerce (department) requests a new appropriation from the State Taxable Building Construction Fund (Fund 355) of $200 million to reduce the backlog of affordable housing projects seeking capital funding through the Housing Trust Fund (HTF) Program. The HTF Program investments address the ongoing and critical need to develop and preserve affordable housing for low-income and special needs populations, while creating living wage jobs.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The department requests a new appropriation of $200 million to the HTF Program for four funding priorities:
· Rehabilitation of privately owned housing stock to create new affordable housing units
· New construction of new affordable housing stock
· Ultra High Energy Efficiency ($10 million special set-aside from total above, which would be allocated to approximately 10-15 projects)
· Affordable Housing Preservation ($20 million special set-aside from total above, which would be allocated an estimated 10-20 HTF projects)

Funds will be allocated to projects throughout the state on a competitive basis (per RCW 43.185 and RCW 43.185A), serving a broad spectrum of low-income to extremely low-income households, including homeless families and individuals, seniors, and individuals with special needs. At least 30 percent of the funds appropriated will be targeted to rural area projects, unless the department does not receive enough suitable rural applications.
These investments are highly effective at leveraging other public and private investments and protecting the health and safety of vulnerable individuals. Over the past five years, the HTF has leveraged an average $5 for every state dollar invested. Construction activity and resulting projects also generate substantial social and economic benefits for local communities.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Washington state is currently experiencing an affordable housing crisis. Stagnant wages, steady population increase, declining rental vacancy rates, high rates in the rental market, increasing costs to purchase a home, and rising utility costs continue to make access to affordable housing more difficult for low-income households and special needs populations. This puts many people at risk of homelessness. Capital investments in affordable housing will help protect vulnerable households and house people affected by homelessness. Housing construction projects are also proven to create jobs, attract new businesses, and generate local revenues.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

HTF Program funds capital projects that construct or rehabilitate existing buildings to create affordable housing units. A typical HTF Program project starts construction within 6 to 12 months of an award.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

In 2018, the point-in-time count forecasts 28,015 people in Washington will experiencing homelessness. Capital investments in

Project Number: **40000036**
Project Title: **2019-21 Housing Trust Fund Program**
Project Class: **Grant/Loan**

Description

affordable housing development reduce our state's affordable housing gap, reduce homelessness, create living wage jobs, and generate revenues to local communities. The construction and rehabilitation of affordable housing projects benefits the construction industry, and the availability of affordable housing helps to attract businesses to project areas, resulting in yet additional job creation. Access to stable housing has been shown to improve overall job stability, increase educational attainment, and reduce health problems in our communities.

This appropriation will also allow the Housing Trust Fund to meet statewide needs for preservation of its existing housing stock. Solicitation for applications for $10 million in funding resulted in more than $14 million worth of requests in 39 applications. More than 1,500 units would be impacted were if the program received enough funding to meet demand for this round of applications. However, the program is not able to provide funding to all applicants. It is also important to note that proviso criteria restricted eligibility to only a small share of HTF projects. The department recommends that it be allowed to select its own criteria for funding preservation, while meeting the HTF statute and intent.

This appropriation also requests $10 million for Ultra High Energy Efficiency. Reducing the carbon footprint is a major priority for the governor and state. Providing affordable housing with low or no energy cost not only meets the governor's goals, but also provides low-income tenants with sustainable and cost-effective housing. HTF received a $2.5 million appropriation in the 2016 budget, which has been allocated to four projects, creating an estimated 156 units of net-zero affordable housing. A new appropriation will incentivize the affordable housing developers to continue to develop energy efficient housing for low-income Washingtonians.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

The Housing Trust Fund is an established mechanism for providing affordable housing for Washingtonians. In its more than 32 years of existence, the HTF has played a role in creation of more than 48,000 units of affordable housing statewide.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

This appropriation will create approximately 4,000 units of affordable housing statewide for low-income households and people with special needs or experiencing homelessness. Projects will be built to the Evergreen Sustainable Development Standard, which requires resource efficiency be incorporated into design, construction, and operations. Once homes are occupied, they will continue to provide benefits to the community through ongoing local economic activity, neighborhood stabilization, and reduced demand for health care and other costly emergency services.

Will other funding be used to complete the project? How much, what fund source, and could the request result in matching federal, state, local, or private funds?

Historically, the HTF Program has funded approximately 20-25 percent of the project costs on average. The rest of the funding comes from local, federal, and private investments.

Proposed leverage for preservation activities is estimated to be at nearly a 4.5:1 ratio. Recent applicants proposed $62 million in leveraged funding (non HTF).

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

These projects support the Governor's Results Washington Goal 4: Healthy and Safe Communities, by helping the most vulnerable people become independent and self-sufficient. Affordable housing also promotes Goal 2: Prosperous Economy, by generating quality jobs and creating vibrant communities. This package will have a large impact (e.g., creating approximately 4,000 new units of affordable housing) on Results. It also reflects the department performance measure OM7-2A (Funded

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Project Class: **Grant/Loan**

Description

Affordable Housing Units Built) of adding an average of more than 500 affordable housing units to current stock each quarter beginning in 2020.

This decision package also directly affects our agency strategic goal of reducing homelessness and increasing self-sufficiency.

For IT-related costs:
· **Does this project fund the development or acquisition of a new or enhanced software or hardware system or service?**
· **Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.)**
· **Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)**

N/A

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (Puget Sound Recovery) in the 2019-21 Operating Budget Instructions.

N/A

Does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? If yes, please elaborate.

The $10 million Ultra High Energy Efficiency/Net-zero set-aside specifically prioritizes investment in building design and materials targeting reduction in energy consumption.
In addition, all awards for new construction/renovation projects must meet the Evergreen Sustainable Development Standard.

Is there additional information you would like decision makers to know when evaluating this request?

N/A

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

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Project Number: 40000036
Project Title: 2019-21 Housing Trust Fund Program
Project Class: Grant/Loan

Description

Grant Recipient Organization: Various

RCW that establishes grant: RCW 43.185 and 43.185A

Application process used

These funds are distributed using a competitive funding process based on HTF's legislative priorities (see RCW 43.185 and RCW 43.185A). The governing legislation requires that 30 percent of the resources go to rural communities (unless the department does not receive enough suitable rural applications) and that priority be given to preserve existing privately owned housing stock. It also requires that preference be given to projects that leverage other funds, demonstrate ability by the applying organization to remain stable, and serve the greatest need and lowest-income populations. Funding decisions carefully coordinated with other funding sources such as the Washington Housing Finance Commission (HFC) and local (city and county) and federal government agencies. The agency director reviews and approves final award decisions.

Growth Management impacts

None

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	40,084,000	38,109,000		1,975,000	
355-1	St. Bld Const Acct-State	132,666,000	122,052,000	2,430,000	8,184,000	
	Total	**172,750,000**	**160,161,000**	**2,430,000**	**10,159,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000116
Project Title: 2020 Local and Community Projects
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2020
Agency Priority: 0

Project Summary
Funding for local and community projects throughout Washington.

Project Description
Funding for local and community projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	162,714,000	146,099,000	4,963,000	11,652,000	
	Total	**162,714,000**	**146,099,000**	**4,963,000**	**11,652,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000148
Project Title: 2021-23 Clean Energy V-Investing in Washington's Clean Energy
Project Class: Grant/Loan

Description

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Project Number: **40000148**
Project Title: **2021-23 Clean Energy V-Investing in Washington's Clean Energy**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary

Since 2013, the Clean Energy Fund (CEF) has successfully catalyzed statewide investments in clean energy technology and infrastructure development. Continued funding for CEF is critical to effectively and equitably meet Washington's aggressive climate goals. CEF is a proven pathway that strengthens Washington leadership on clean energy innovation and deployment. These highly leveraged investments strengthen Washington's communities through living wage jobs, workforce skill development, and local economic activity.

Project Description

Project description. **Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.**

Washington's Clean Energy Fund (CEF) achieves the strategic goal articulated in 2013 of "developing, demonstrating and deploying clean energy technology that saves energy and reduces energy costs, reduces harmful air emissions, or otherwise increases energy independence for the state." Strongly supported by stakeholders and advocates in the business, academic, and energy sectors, the CEF has been instrumental in facilitating a diverse portfolio of public-private partnerships ranging from backup power systems supporting emergency operations to bio-digesters that convert agricultural waste to renewable energy fuel.

Washington's energy landscape has shifted with the adoption of aggressive climate goals in 2019. In the coming years, our state's 100% clean electricity goal combined with aggressive greenhouse gas reduction targets will necessitate further changes in Washington's energy landscape and transformation of an essential service: electricity. Further, COVID-19 has dramatically affected our economy. In the short term, CEF investments offer a proven opportunity to put skilled workers and businesses to work and position Washington to leverage private and federal clean energy funds. In the long term, the CEF has a structure that can help support the innovation and infrastructure adaption that will be necessary for a successful and equitable transition to clean energy.

The CEF has received appropriations through a series of biennial budgets up to and including appropriations in the 2019 capital budget. Washington's CEF investments have successfully leveraged over $400 million to support innovative projects including grid modernization and storage; energy efficiency and renewable energy projects (wind, solar, bioenergy) on farms, commercial buildings, and homes; and electrification charging infrastructure. CEF is designed to ensure funds are distributed both east and west of the Cascades and has resulted in projects that demonstrate energy savings, emission reductions, clean tech development, and job creation throughout the energy supply chain.

The CEF programs are growing in demand and are consistently oversubscribed. In the most recently completed CEF grant round, the program was oversubscribed by $65M, resulting in 50 deferred projects.

With $100 million in requested funding, CEF will leverage more than $200 million in other public and private investments and allow the state to demonstrate its leadership in spurring economic development, transportation electrification, and job growth within the clean energy field. The Clean Energy Fund will direct investments in these key areas:
Grid Modernization Grants ($25 million): Grants will be distributed to support emerging grid-scale energy storage technologies, distributed generation, and advanced microgrid controls. Cutting edge investments can go hand in hand with addressing inequities. Grid modernization funds will be targeted towards supporting clean energy resiliency hubs: well-trusted, community-centered facilities (e.g., food banks, community centers) sited in vulnerable communities and retrofitted with on-site clean energy systems to maintain power and services during outages. The opportunities to provide continuous power service for essential community services are vast and the benefits are great. Resiliency hubs could include elements such as Wi-Fi hot spots, charging stations, electrical outlets, medical equipment, and refrigeration for temperature sensitive medicines and breast milk.
Grants to Nonprofit Lenders ($25 million): This program will offer grants to lenders who provide revolving loans to address

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Project Title: 2021-23 Clean Energy V-Investing in Washington's Clean Energy
Project Class: Grant/Loan

Description

multiple market sectors, as well as to clean energy technologies helping small businesses, nonprofit organizations, multifamily building owners, and homeowners reduce operating costs and achieve sustainability goals. The revolving nature of the fund allows it to be utilized many times over. By connecting clean energy projects with innovative financing, Washington can accelerate market expansion and unlock opportunities for underserved markets to participate in the green economy while avoiding unmanageable debt. Historically, every $1 invested in this program is leveraged by $6 or more while supporting over 5,000 energy projects across the state. With current economic conditions further inhibiting access to capital, lending will play an increased role in recovery efforts. Grants will continue to focus on reducing the risk and capital requirements for underserved markets, such as low-income and tribal communities.

Electrification Transportation Grants ($20 million): According to the Department of Ecology, the transportation sector accounts for about 45% of Washington's greenhouse gas emissions. Reaching our state's climate goals requires steep reductions in those emissions. Insufficient charging infrastructure is a significant barrier to accelerated electric vehicle (EV) adoption in the state. Adequate and equitable charging infrastructure cannot be achieved by the private sector alone. CEF funding will continue to support deployment to cover charging "gaps," enabling more Washingtonians to access this technology. Based on known barriers, identified market needs, and historical results, future CEF investments will prioritize both urban and small-town charging solutions, rural electrification, and infrastructure to support tribal communities. The Office of Clean Transportation Infrastructure (OCTI) Agency Request Legislation establishes a new executive office within the Department of Commerce to plan for and invest in affordable statewide transportation electrification charging and refueling infrastructure. The CEF ETS program and the OCTI grant and loan program will not overlap due to the time required for OCTI office establishment and subsequent rulemaking. In future iterations of CEF, ETS may serve as the sole transportation electrification grant program or the grant programs may exist in parallel to accomplish different transportation electrification policy goals.

Strategic Research, Development & Demonstration (RD&D) ($15 million): The CEF RD&D grant program initially started as a federal match program targeted to a narrow set of research organizations to research, develop, and demonstrate new and emerging technologies. The program later expanded to support wider categories of private and public organizations involved in pre-commercialization technology development. Grants will focus on encouraging collaboration across sectors and projects that play to Washington's strengths in aerospace, maritime, information and communications technology, grid modernization, and the built environment. Focusing on these areas will help develop technologies to meet the state's climate goals, offer opportunities for economic and job growth, and strengthen technology supply chains. These efforts can help ensure our existing and future industries have access to the tools needed to reduce the carbon intensity of their operations.

Bio-digester program grants ($10 million): The biodigester program provides competitive grants to help on-farm digester operators become more economically viable while substantially reducing methane emissions from dairy and food processing waste. Specifically, this program helps digester projects access new markets for bioenergy and recovered nutrient products, increase energy efficiency, and improve soil health and air and water quality. The program targets digesters in rural communities across Washington.

Maritime Electrification Grants ($5 million): Washington's Maritime sector comprises a robust and growing set of industries that contribute to our economy. There is significant opportunity for partnerships to decarbonize the maritime sector through the electrification of ferries, vessels, ports, and on-land cargo movement. Grants will support pilot demonstrations of various maritime electrification projects and will encourage partnership efforts from applicants.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Washington's clean energy future includes achieving the 100% clean electricity goal of the 2019 Clean Energy Transformation Act and meeting the state's greenhouse gas reduction targets with policies designed through the forthcoming State Energy Strategy. This future creates fundamental changes to Washington's energy landscape and transforms an essential service: electricity. Washington is poised to design, build, and export the innovation necessary to meet this challenge.

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Project Number: 40000148
Project Title: 2021-23 Clean Energy V-Investing in Washington's Clean Energy
Project Class: Grant/Loan

Description

Electric utilities will need to transition their portfolios and their infrastructure to cleaner sources. Industries will have to adopt new technologies to reduce their carbon intensity while remaining competitive. Consumers and businesses will be required to adopt and adapt to new efficiencies in buildings and transportation. To reach our ambitious decarbonization goals, the state will need to embrace nature-based and other agriculture and forestry solutions to reduce emissions and sequester carbon. At the same time, communities are asserting their desire to shape their own energy future and ensure an equitable distribution of the costs and benefits of the clean energy economy. Successfully implementing this clean energy transformation over the upcoming years presents our state with significant challenges, but also economic opportunity. In the long term, the CEF has a structure that can help support the innovation and infrastructure adaption that will be necessary to this transition. In the short term, CEF investments can provide a proven opportunity to accelerate the transition and put skilled workers and businesses to work.

With its strategic goal of “developing, demonstrating and deploying clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or otherwise increase energy independence for the state,” the CEF can continue to be a tool to build on Washington’s clean energy policies and sectoral strengths, help ensure costs and benefits are equitably distributed, and help the state rebuild our economy.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
Among other things, the CEF will be used to facilitate the construction of clean energy infrastructure in electricity distribution, production and consumption, thereby facilitating tangible change on the ground in industrial, commercial, and residential settings across our state. CEF grants and loans will accelerate a reduction in consumption of fossil fuels and result in the production of more clean energy. These efforts can be phased depending on the availability of funds, but they are critical to meeting our climate goals effectively and equitably. CEF investments will result in a wide range of tangible, clean energy benefits including thousands of clean energy projects serving energy consumers across the state. A $100 million CEF fund, matched at least 1 to 1 by non-state funds, effectively doubles the state’s investment in clean energy with thousands of jobs created.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
The CEF plays a unique role in incentivizing projects that wouldn’t have otherwise been completed due to inadequate regulatory or market conditions. CEF investments will strategically advance the transition to clean electricity and reduced greenhouse gas emissions consistent with the implementation of the Clean Energy Transformation Act and the 2021 State Energy Strategy. These investments will be additive, not directed towards actions that are already required by existing law. CEF programs reduce greenhouse gas emissions through the adoption of clean technologies and diffusion of best practices on how to optimize these technologies on Washington’s grid. CEF programs have the opportunity to support Washington’s clean energy businesses in growing their market share and moving Washington’s clean energy forward as the next export-rich industry. Finally yet importantly, CEF encourages an equitable transition to Washington’s clean energy future by channeling investments into underserved communities.

CEF funds are consistently in high demand. Every grant cycle, there are many more applications than can be funded. Underfunding or not funding the Clean Energy Fund may stall development of the state’s clean energy sector and forgo not only job growth, but also reductions in greenhouse gas emissions and the equity benefits of the Fund’s programs. Forgoing funding would decrease employment in a sector devastated by COVID-19 pandemic and make our key research institutions and entrepreneurs in nascent clean technology sector less competitive, thereby encouraging employer flight. This would likely reduce the number of clean technology patents and clean energy solutions developed in state by reducing private, research and utility investments in clean energy technologies and the state’s broader clean energy economy.

Project Number: 40000148
Project Title: 2021-23 Clean Energy V-Investing in Washington's Clean Energy
Project Class: Grant/Loan

Description

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

While there are different ways to approach the projects proposed, without significant state participation Washington risks being behind the curve in the transition to the clean energy economy, decreasing clean technology business investment in Washington, and jeopardizing the state's goal of positioning Washington as a leader in decarbonization. If left to the private sector to fill investment gaps, we risk leaving vulnerable populations behind and forgoing an important opportunity to advance our statewide emission reduction goals in a coordinated, equitable, and enduring way.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
Through a broad portfolio of investments, the Clean Energy Fund (CEF) invests in communities across the state to accelerate the transition to clean energy. The program has historically benefitted local government, research institutions, large and small businesses, and workers in the clean energy economy.
Beginning with the third iteration of CEF, the program has incorporated appropriations, programs, and scoring preferences to encourage project teams with diverse membership across these groups. For example, the Electrification of Transportation program pioneered the use of the Department of Health's Environmental Health Disparities map and energy burden data to inform decisions and target investments in disparately impacted communities. Continuing this work, the 2020 round of CEF solar grants will be aimed exclusively at reducing the energy burden for low income housing providers and tenants. CEF is well positioned to build on this framework and create new opportunities for frontline communities to play an active role in creating a resilient, clean and equitable energy future.

Will other funding be used to complete the project? How much, what fund source, and could the request result in matching federal, state, local, or private funds?
In most cases, the CEF requires a match of at least 1:1, and in many cases the match is closer to 1:3 (for every $1 invested, $3 is leveraged). To date, Washington's CEF investments have unlocked millions of dollars to support innovative projects in: grid modernization and storage; financing energy efficiency and renewable energy in low-income communities; wind, solar and other renewable energy projects; and the electrification of transportation. The funding has resulted in energy savings, prevented \ greenhouse gas emissions, allowed the state to be a leader in clean technology development, and supported jobs in the energy sector. This proposal would attract over $200 million in private financing and utility funding, as well as federal and local funds that would not be available to clean energy technology research institutions, businesses, and entrepreneurs without this investment. State investment in CEF also positions Washington to be more competitive for federal funds, through stimulus or other federal grant opportunities.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
The 2021-2023 Commerce Strategic plan is rooted in two focus areas: Equity in Community Development and an Equitable Economic Recovery. This proposal specifically contributes to all three focus areas in the following ways:
· Prioritizing investment in underserved and vulnerable communities helping them access needed resources.
· Provide economic stimulus through reliable infrastructure and clean energy investments.
This request furthers the agency's priorities of equity and economic recovery by providing economic stimulus through reliable infrastructure and clean energy investments reliable infrastructure, building a clean, just clean energy economy, and increasing living wage jobs. It is crucial to our economic recovery strategy and aligns with state and agency strategies.

Alignment with the Governor's *Results Washington* goals:
· Goal 2: *A prosperous economy*, by creating living wage jobs and economic activity
· Goal 3: *Sustainable Energy and a Clean Environment*, by reducing energy consumption and accelerating clean energy production.

Project Number: 40000148
Project Title: 2021-23 Clean Energy V-Investing in Washington's Clean Energy
Project Class: Grant/Loan

Description

For IT-related costs: N/A

· Does this project fund the development or acquisition of a new or enhanced software or hardware system or service?
· Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.)
· Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (Puget Sound Recovery) in the 2019-21 Operating Budget Instructions.
N/A

Does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? If yes, please elaborate.

Yes, the CEF is entirely focused on reducing carbon pollution and improving energy efficiency. Since 2013, Washington's CEF investments have leveraged millions of dollars to support innovative projects in grid modernization and storage; financing energy efficiency and renewable energy in low-income communities; wind, solar and other renewable energy projects; and the electrification of transportation. The funding has resulted in energy savings, prevented emissions of greenhouse gases, allowed the state to be a leader in clean technology development, and supported jobs in the energy sector.

In the coming years, the 100% clean electricity goal of the 2019 Clean Energy Transformation Act combined with the state's greenhouse gas reduction targets will cause fundamental changes to Washington's energy landscape and transformation of an essential service: electricity. The projects that are facilitated by the CEF will be used to help ensure that the state is successful in meeting those goals equitably and effectively.

Does this project mitigate the effects of climate change and strengthen the resiliency of communities and the natural environment? If yes, please elaborate.
Yes, with its strategic goal of "developing, demonstrating and deploying clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or otherwise increase energy independence for the state," the CEF is an important tool that has and can continue to be used to mitigate the effects of climate change and strengthen the resiliency of communities and the natural environment.

Through a broad portfolio of investments, the Clean Energy Fund (CEF) invests in communities across the state to accelerate the transition to clean energy. Moving forward, the program will incorporate designs and preferences to encourage project teams with diverse membership, and when appropriate link energy policy outcomes to intersectional non-energy programs and policy goals (e.g., low-income housing, health, broadband access, business development).Recently, the Electrification of Transportation program pioneered the use of the Department of Health's Environmental Health Disparities map and energy burden data to inform decisions and target investments in disparately impacted communities. The CEF program structure will continue to build on this framework and provide greater inclusion of rural communities and tribes. Steps will continue to be taken to ensure CEF benefits are distributed equitably across urban and rural settings, and in a way that empowers communities.

Among other things, grid modernization funds will be targeted towards supporting community resiliency hubs: well-trusted, community-centered facilities (e.g., food banks, community centers) sited in vulnerable communities and retrofitted with on-site

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Project Title: 2021-23 Clean Energy V-Investing in Washington's Clean Energy
Project Class: Grant/Loan

Description

clean energy systems to maintain power and services during outages. The opportunities to provide continuous power service for essential community services are vast and the benefits are great. Resiliency hubs could include elements such as Wi-Fi hot spots, charging stations, electrical outlets, medical equipment, and refrigeration for temperature sensitive medicines and breast milk.

Is there additional information you would like decision makers to know when evaluating this request?

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: 43.325
Application process used
Grants are awarded through a competitive process within each fund program area. In the latest appropriation of CEF funding, priority must be given to projects that benefit vulnerable populations, including tribes and communities with high environmental or energy burden.

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	53,799,000	28,889,000	10,162,000	14,748,000	
355-1	St. Bld Const Acct-State	2,500,000	123,000	13,000	2,364,000	
	Total	**56,299,000**	**29,012,000**	**10,175,000**	**17,112,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000149
Project Title: 2021-23 Energy Retrofits for Public Buildings Grant Program
Project Class: Grant/Loan

Description

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Project Number: **40000149**
Project Title: **2021-23 Energy Retrofits for Public Buildings Grant Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary

The Energy Retrofits for Public Buildings program provides a pathway for public agencies to substantially improve building performance, reduce operating costs, and GHG emissions. Many public facilities were constructed prior to the adoption of new energy codes and do not include best practices for energy conservation. This program helps ensure public agencies build sustainable facilities, reduce deferred maintenance backlogs, create living wage jobs, and contribute to our state's climate goals.

Project Description

Project description. **Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.**

Created in 2010, the Energy Retrofits for Public Buildings Grants (renamed from the Energy Efficiency and Solar program) program has a proven track record of helping public agencies reduce their operational costs and achieve climate and sustainability goals through energy efficiency and renewable energy upgrades. These projects stimulate local economic activity and create jobs throughout the trade and construction sectors. With a $50 million request, the department proposes to scale up the Energy Retrofits for Public Buildings program to aid in economic recovery efforts at the local level. The demand for this program continues to grow: in the last grant cycle, $33 million was requested with only $11 million available for awards. This equates to an oversubscription of approximately $22 million, representing 90 projects that were left unfunded and/or deferred.

Grants and resources will be offered to state agencies, public higher education institutions, K-12 school districts, tribal governments, and local governments. These projects will significantly improve the energy performance of public buildings, promote Washington-made clean energy products, and reduce Washington's carbon footprint. This funding will also assist K-12 schools in the removal of lighting fixtures containing toxic polychlorinated biphenyls (PCBs).

To increase the equitable distribution of resources and funding, the program sets aside 20% of the funding for projects located in small towns and cities (populations of 5,000 or less). In addition, set aside projects require a lower match requirement, ensuring that rural communities with fewer resources also benefit from these projects. In 2019, new proviso language was adopted to allow the inclusion of federally recognized tribal governments as eligible applicants. With this expansion, we expect the demand for the program to further increase, as the opportunities for tribal communities to save money through lower energy costs are vast.

This request also supports the Resource Conservation Management (RCM) program at the Department of Enterprise Services (DES). Funding will allow the RCM program to continue to provide critical assistance to public agencies, resulting in operational efficiencies, safety improvements, and increased preservation of state assets.
The $50 million grants will be distributed as follows:
Energy Efficiency Grants ($23 million): Grants support energy efficiency retrofits at public buildings, including lighting projects that eliminate harmful PCBs at public K-12 schools, reduction of water consumption, and fuel switching from fossil fuel to electricity. Twenty percent of awardable funds will be made available for projects in small towns and cities with populations of 5,000 or less.
Solar Grants ($13 million): Grants support solar photovoltaic arrays to be installed on existing public buildings. Twenty percent of awardable funds will be made available for projects in small towns and cities with populations of 5,000 or less.
State Project Improvements ($13.2 million): Grants support energy efficiency upgrades of existing capital projects at state facilities.
Resource Conservation Management Program ($800,000): Funding will support the RCM program within DES. The RCM program focuses entirely on assisting public agencies with the identification and implementation of actionable energy efficiency and renewable energy projects.

Project Number: **40000149**
Project Title: **2021-23 Energy Retrofits for Public Buildings Grant Program**
Project Class: **Grant/Loan**

Description

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.
Wasting energy wastes money. We built many public facilities prior to the adoption of new state energy codes and most do not include best practices for energy conservation. These buildings operate inefficiently, have aging or non-serviceable equipment, do not meet statutory requirements, and do not advance carbon reduction goals. Over the last two decades, energy efficiency technologies have improved significantly, presenting opportunities for public facilities to substantially improve building performance and reduce operating costs. Energy Retrofits for Public Buildings provides a pathway for public agencies to access these opportunities. In addition to improved building performance, this program helps public agencies reduce deferred maintenance backlogs, increases the capital asset life, and creates jobs in the construction and trade industries.

In light of economic conditions and budget cuts brought on by the COVID-19 pandemic, this program puts people to work and saves money on energy bills. This request will support public agencies as they navigate the challenges presented by the COVID-19 pandemic, including reduced funding and access to capital and the changing needs and conditions at public workplaces. For example, facility managers may need to make improvements to heating and ventilation systems that would provide a healthier indoor air environment.

Energy Retrofits for Public Buildings program helps public agencies meet the following requirements:

· Clean Buildings (RCW 19.27.A.200)—requires facilities over 50,000 SF to meet energy performance targets
· Greenhouse Gas Emissions (RCW 70.235.050)—requires state agencies to report greenhouse gas emissions and develop strategies for emissions reductions
· Facility Benchmarking (RCW 19.27.A.190)—requires state and higher education agencies to disclose energy performance at facilities over 10,000 SF
· Executive Order 20-01 (State Efficiency and Environmental Performance)—requires state agencies to invest in projects that reduce energy consumption and greenhouse gas emissions
The cost-effective Resource Conservation Management (RCM) program provides a comprehensive and continuous effort to manage the energy, water, and solid waste costs associated with public facilities operations. Facility managers will gain better control over utility and operating costs and improve the building occupants' experience by adopting health and safety measures.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
A $50 million investment in the Energy Retrofits for Public Buildings program will create an estimated 200 energy efficiency and solar energy projects that will annually save $5,700,000 and 20,000 metric tons of carbon dioxide (CO2). In addition, approximately 656 jobs will be created, contributing to the growing green economy and economic recovery efforts. The grant program will begin in FY22 and grant cycles will be offered throughout the biennium through each specific grant program (energy efficiency, solar, SPI).

The Resource Conservation Management program leverages utility incentives and achieves a return on investment within the first few years. By controlling utility consumption through energy and water equipment upgrades, public agencies will realize up to 15 percent avoided costs annually, improve the working and learning environment, reduce GHG emissions and environmental impacts, meet carbon reduction targets, and increase the preservation of state-owned assets.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
This request enables agencies to take actionable steps towards reducing energy and water consumption in public facilities

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Project Title: 2021-23 Energy Retrofits for Public Buildings Grant Program
Project Class: Grant/Loan

Description

improving the operational bottom line. In addition to realizing cost savings, this program provides opportunities to improve the health and safety for building occupants such as students, teachers, and other public employees, while reducing greenhouse gas emissions. The cost savings could be directed towards filling critical needs, such as hiring additional teachers, addressing deferred maintenance backlogs, or meeting the demands of reduced operating budgets and the health pandemic. These projects also create and support construction jobs in the green economy throughout the state, especially in small towns and cities.

This program has been consistently oversubscribed resulting in unmet needs and deferred projects. If no action is taken, the deferred project list would substantially grow, increasing construction and related costs and leaving agencies to struggle to meet statutory requirements and emissions reduction targets. Further, the opportunities to receive the benefits of reduced operating costs will be lost. Without funding, communities throughout Washington will not benefit from the associated job creation, potentially delaying local economic recovery especially in small towns and cities that have limited economic recovery opportunities.

If the RCM program is not funded, it is at risk of shutting down after June 2021. The pipeline of projects will be deferred resulting in lost opportunities to lower the cost of government operations and greenhouse gas emissions.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

Other alternatives that were explored include scaling the program back or not funding the program at all. Both of these alternatives create lost opportunities to decrease the operating costs of public facilities. Not funding this proposal may leave eligible applicants without a way to fund these important projects or meet statutory requirements during a time of severely limited public resources. This program leverages a pipeline of planned retrofits and upgrades; not funding would lock some of these projects in to less efficient design, equipment, and materials for an indefinite period. Further, no federal program exists that fills these needs and it is unlikely a new federal program will be created anytime soon.

Not funding the RCM program takes away a valuable resource for public agencies to identify operational savings and comprehensive capital projects that align policy objectives with operational realities.

Beyond the alternatives described above, providing comprehensive funding directly to public agencies and institutions through state capital and operating budgets for this work would realize some of the same benefits provided by this grant program.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
Energy Retrofits for Public Buildings serves state agencies, higher educational institutions, K-12 public schools, tribal governments and local governments. To date, the program has consistently awarded funds across the state, with broad geographic distribution. In 2018, 50% of awards were to local governments, 42% were to public schools, 5% to State Agencies and 3% to higher education. In turn, occupants and users of those facilities benefit from the increased safety and comfort of the buildings. These projects also contribute to the economy through job creation, supply chain purchases, and local economic activity.

Will other funding be used to complete the project? How much, what fund source, and could the request result in matching federal, state, local, or private funds?
Grant funds will be leveraged at a minimum of 1:1, with a lower match requirement for projects located in small towns and cities (populations of 5,000 or less). For example, in the last grant cycle, more than $22 million was leveraged in non-state funds. Matching funds come from a variety of sources including energy performance contracting funds, private donations, student

Project Number: **40000149**
Project Title: **2021-23 Energy Retrofits for Public Buildings Grant Program**
Project Class: **Grant/Loan**

Description

fees, private grants and lenders, local funds, and local funds by way of the state treasurer.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
The 2021-2023 Commerce Strategic plan is rooted in two focus areas: Equity in Community Development and an Equitable Economic Recovery. This proposal specifically contributes to all three focus areas in the following ways:

· Prioritizing investment in underserved and vulnerable communities helping them access needed resources.
· Provide economic stimulus through reliable infrastructure and clean energy investments.

This request supports and is consistent with the Governor's *Results Washington* as follows:

· Goal 1: World-Class Education, by improving our schools' environments.
· Goal 2: A prosperous economy, by creating jobs to support these projects.
· Goal 3: Sustainable Energy and a Clean Environment, by reducing energy consumption and carbon emissions.
· Goal 5: Efficient, Effective, and Accountable Government, by reducing operational costs at publicly owned facilities.

It also allows state agencies to meet Executive Order 20-01, the Clean Buildings package, the Clean Energy Transformation Act, The State Toxics reduction plan.
Additionally, this program supports agency wide collaboration. Eligible facilities include those that connect with other important services our agency offers. For example, Public Housing Authorities that provide services through the Housing Finance Unit and the Housing Assistance Unit qualify for this grant, thereby reducing their operational costs and maintaining the infrastructure needed to support vital programs. These retrofits can take place on many of the facilities that the local government division has invested it, helping to maintain these facilities and increasing the lifespan of the facility. This program also supports relationships with eligible applicants (Tribal Governments, local government, schools, other state agencies, etc.).

For IT-related costs: N/A
· Does this project fund the development or acquisition of a new or enhanced software or hardware system or service?
· Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.)
· Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)
If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (Puget Sound Recovery) in the 2019-21 Operating Budget Instructions.
N/A

Does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? If yes, please elaborate.
The State of Washington has set aggressive goals and targets for decarbonization, including the following statues. Energy Retrofits for Public Buildings contributes directly to the following RCW's and executive orders:
· Building Benchmarking RCW19.27A.190
· Building Efficiency RCW 19.27A.200
· Carbon reduction RCW 70.235.50
· Climate Change adaptation RCW 43.21M.040

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Project Title: 2021-23 Energy Retrofits for Public Buildings Grant Program
Project Class: Grant/Loan

Description

· Clean Energy Transformation Act
· E.O. 20-01

These funds also help move public buildings towards compliance with the Clean Buildings objectives.
Enabling energy efficiency measures and activities as well as the installation of solar can make buildings' operational costs more affordable, can improve the health of building occupants, and reduce levels of atmospheric greenhouse gases.

Does this project mitigate the effects of climate change and strengthen the resiliency of communities and the natural environment? If yes, please elaborate.
Yes; by saving energy and installing solar, the eligible applicants will be reducing their impacts on climate change. Many past projects have used this as an opportunity to fuel switch – moving from fossil fuel based system to electricity based systems. For the solar projects, producing clean renewable energy on site also reduces carbon emissions.

These projects contribute to community resiliency by improving the operations of critical infrastructure such as water and wastewater systems, fire stations, hospitals, etc. By reducing energy consumption at these sites, the organizations save operating dollars that can be directed to other critical needs. Also, in the event of a disaster, these projects reduce the need for backup power by reducing the overall energy consumption at the facility, allowing them to operate longer in the event of a power interruption.

Is there additional information you would like decision makers to know when evaluating this request?

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: *
Application process used
Grants are awarded through a competitive process.

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	9,957,000	8,460,000	55,000	1,442,000	
	Total	**9,957,000**	**8,460,000**	**55,000**	**1,442,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				

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Project Class: Grant/Loan

Funding

Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000153
Project Title: 2021-23 Housing Trust Fund Investment in Affordable Housing
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for housing trust fund investments in affordable housing in Washington.

Project Description
Funding for housing trust fund investments in affordable housing in Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: 43.185 and 43.185A
Application process used
N/A

Growth Management impacts
None

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	33,597,000	24,806,000	1,343,000	7,448,000	
26V-1	Capital Comm Asst Ac-State	110,641,000	85,563,000	9,054,000	16,024,000	
355-1	St. Bld Const Acct-State	69,847,000	58,366,000	9,143,000	2,338,000	
706-2	Coro St Fisc Reco Fd-Federal	73,606,000	62,920,000	6,171,000	4,515,000	
	Total	**287,691,000**	**231,655,000**	**25,711,000**	**30,325,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26V-1	Capital Comm Asst Ac-State				
355-1	St. Bld Const Acct-State				
706-2	Coro St Fisc Reco Fd-Federal				
	Total	**0**	**0**	**0**	**0**

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Project Number: 40000153
Project Title: 2021-23 Housing Trust Fund Investment in Affordable Housing
Project Class: Grant/Loan

Operating Impacts

No Operating Impact

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Project Number: 40000222
Project Title: 2021-23 Rapid Capital Housing Acquisition
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding is added to the Parkland Next Chapter shelter project. In addition, fund sources are swapped between federal grants and state bonds.

Project Description
Funding is added to the Parkland Next Chapter shelter project. In addition, fund sources are swapped between federal grants and state bonds.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
Various

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	97,603,000	76,091,000	3,436,000	18,076,000	
706-2	Coro St Fisc Reco Fd-Federal	6,001,000	5,338,000	1,000	662,000	
706-8	Coro St Fisc Reco Fd-Federal Stim	16,531,000	16,531,000			
	Total	**120,135,000**	**97,960,000**	**3,437,000**	**18,738,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
706-2	Coro St Fisc Reco Fd-Federal				
706-8	Coro St Fisc Reco Fd-Federal Stim				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000260
Project Title: 2022 Rapid Capital Housing Acquisition
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for rapid capital housing acquisition projects throughout Washington.

Project Description
Funding for rapid capital housing acquisition projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Expenditures Estimated Total	Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	19,035,000	13,221,000	1,225,000	4,589,000	
26U-1	Apple Hlth Homes Acc-State	60,000,000	19,181,000	9,435,000	31,384,000	
26V-1	Capital Comm Asst Ac-State	202,000,000	178,681,000	11,120,000	12,199,000	
706-8	Coro St Fisc Reco Fd-Federal Stim	15,065,000	12,252,000	1,366,000	1,447,000	
	Total	**296,100,000**	**223,335,000**	**23,146,000**	**49,619,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26U-1	Apple Hlth Homes Acc-State				
26V-1	Capital Comm Asst Ac-State				
706-8	Coro St Fisc Reco Fd-Federal Stim				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000279
Project Title: 2023-25 Building Communities Fund Grant Program
Project Class: Grant/Loan

Description

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Project Number: **40000279**
Project Title: **2023-25 Building Communities Fund Grant Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

The Building Communities Fund Program (BCF) provides state capital grants to nonprofit organizations for social service and multipurpose community centers. State grants may be used for acquisition, construction, or rehabilitation of facilities and may defray up to 100 percent of capital costs dependent on the amount requested. RCW 43.63A.125 requires the Department of Commerce to submit a list of competitively selected projects to the Governor and Legislature each biennium.

Project Description

The department requests $50 million for the BCF project list. The department also requests $1,712,000 to continue to provide technical assistance to eligible organizations interested in applying for the BCF grants and to award $1 million in technical assistance and capacity grants to low capacity eligible organizations.
BCF is a competitive grant program providing nonprofit organizations with capital funding for social service and multipurpose community centers. Eligible projects must be nonresidential facilities, and must be located in a distressed community or serve a substantial number of low-income or disadvantaged persons. The state's share is generally limited to 25 percent of the total project cost, although this amount may be increased under exceptional circumstances. The program solicits applications each even year and works with a citizen's advisory board to review project proposals.
In the 23-25 biennium for project lists submitted during the 2021-2023 fiscal biennium, grant assistance under this section may not exceed:
(A) One hundred percent of the total cost for projects up to $100,000;
(B) Seventy-five percent of the total cost for projects that exceed $100,000, up to $250,000;
(C) Fifty percent of the total cost for projects that exceed $250,000, up to $500,000.
(D) Twenty five percent of the total costs for projects that exceed $500,000.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.
For the first time since the beginning of the Building Communities Fund program in 2009. A total of 64 applications totaling over 36 million in funding request where received through the solicitation process. This increase brought forth many different project demographics including: behavioral health out-patient facilities, youth services, food banks and various clinics that provide extensive social services to the communities they serve. Providing capital funding for social service and multipurpose community center construction projects, this program enhances the livability of our communities. Low-income and distressed communities will receive expanded and improved social services, such as: Expansion of job opportunities and enhanced recreational and educational opportunities.
In 21-23 biennium, the Legislature provided funding for the department to provide technical assistance to applicants. This funding was used in coordination with the BCF equity assessment. Through that process the department was able to identify potentially eligible organizations across the state that had never applied for BCF grants due to lack of awareness of the resource, limited experience or knowledge pursuing state resources, or a significant deficit in capacity to move a project or application forward. These funds were essential in providing resources and support to the lowest capacity organizations. Additional funding will allow the department to continue and build on the technical assistance it was able to provide applicants this past biennium. While also granting $1 million dollars to the lowest capacity organizations so they may better compete for state capital funding by providing financial resources to address capacity barriers, such as hiring a consultant, project manager, grant writer, etc.
What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Grants may be used for acquisition, construction, or rehabilitation of social service and multipurpose community centers. Projects must result in a discrete, usable phase. Historically, projects in this program span over a four year period, based in part

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Project Class: **Grant/Loan**

Description

on construction schedules.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

If no action was taken, it would delay eligible projects. Project delays increase construction costs for the State and communities. The opportunity to create economic activity and stimulus through construction projects in communities would be missed.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

The Department of Commerce is required by RCW 43.63A.125 to establish a competitive process to solicit proposals for and prioritize projects whose primary objective is to assist nonprofit organizations in acquiring, constructing, or rehabilitating facilities used for social service and multipurpose community centers. The department must submit a list of recommended projects to the Governor and the Legislature in its biennial capital budget request.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Social service nonprofit agencies will offer improved facilities and improved educational and social service activities throughout the state with these projects.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

By statute, RCW 43.63A.12- Building Community Fund Program, requires a 75% non-state match from all eligible projects and grant assistance may not exceed twenty-five percent of the total cost of the project, except under exceptional circumstances. For project lists submitted during the 2021-2023 fiscal biennium grant applicants may fall into four tiers as described under the project description.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This request supports and is consistent with the Governor's Results Washington through:
Goal 4: Health and safe communities: Fostering the health of Washingtonians from a healthy start to safe and supported future.
This request supports all five the department's goals:
· Reduce Homelessness and Expand Housing Inventory;
· Create Digital Equity and Connectivity through Broadband;
· Accelerate Clean Energy Transformation through Infrastructure, Investments, and Policy;
· Support Entrepreneurship, Small Businesses and Regional Economic Growth;
· Promote Development of the innovation Economy and Globally Trade Sectors

And supports all of the agency's strategic objectives:
Objective: Enrich Commerce's human capital to demonstrate and employ cultural competency.Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Consult with community partners on our data and data-informed decisions.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Objective: Build systems that enable data-informed decision-making to improve equity.
Objective: Establish internal (real time) information sharing that enables collaboration across the agency.
Objective: Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.
This proposal acts on the significant community outreach and engagement conducted by BCF and Research Services staff over the past two years in identifying how to better serve communities with special attention to Black, Indigenous, People of Color and By and For led organizations.

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?

None.

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If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
Not applicable.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
All projects are required to meet the Leadership in Energy and Environment Design (LEED) Silver Standard or receive an exemption from Commerce. LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC) and includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.
How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
This request funds technical assistance and outreach to increase engagement with BIPOC led, and By-and-For led community based organizations. Tribal governments will also be consulted. The technical assistance and outreach will address systems that are currently not built for BIPOC, By and For, and Tribal Governments' success. This grant can also utilize existing resources within communities by leveraging nonprofit professional expertise to provide trainings in capital campaign fundraising, feasibility studies, grant writing, and other activities that are pre-requirements to applying for a BCF grant.
Is there additional information you would like decision makers to know when evaluating this request?

This request addresses both internal capacity and external equity needs in four ways:
1.) It funds future BCF grant proposals as legislated.
2.) It continues to fund the development and maintenance of a database outreach tool that assists BCF staff and partners to make informed decisions on where to conduct direct and virtual outreach in the state.
3.) It alleviates and expands capacity needs by adding two Technical Assistance (TA) FTEs to provide educational training and early grant application review. These positions will help address the demand for consultation with BCF staff.
4.) It provides grants to the lowest capacity organizations to all them the ability to address capacity barriers and create an opportunity for them to compete for state capital resources.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: 43.63A.750
Application process used
Applicants submit applications electronically through the ZoomGrants online system, then they are ranked and scored by a citizen's advisory board.

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps

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Project Class: Grant/Loan

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	30,021,000	15,487,000	5,217,000	9,317,000	
	Total	**30,021,000**	**15,487,000**	**5,217,000**	**9,317,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: **40000280**
Project Title: **2023-25 Building for the Arts**
Project Class: **Grant/Loan**

Description

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Project Number: **40000280**
Project Title: **2023-25 Building for the Arts**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

The Building for the Arts Program provides state capital grants to nonprofit organizations for performing arts, art museums, and cultural facilities projects. State grants may be used for acquisition, construction, or rehabilitation of facilities and may defray up to 33 percent of capital costs. RCW 43.63A.750 requires the Department of Commerce to submit a list of competitively selected projects to the Governor and Legislature each biennium.

Project Description

The department requests $18 million for the Building for the Arts Program, a competitive grant program for nonprofit organizations that supports capital facilities acquisition, rehabilitation, and construction. A community's cultural resources are a strong indicator of its overall health and vitality, which is why the State of Washington has a long history of providing funding to promote arts related construction projects. The department conducts a statewide competitive grant process every two years to solicit and evaluate project proposals. The Building for the Arts Advisory Board assists the department by establishing program policy and by reviewing and ranking project proposals.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.
This program assists with financing construction and renovation costs, thereby increasing funds available for local organizations to commit to programming and other expenses. The Building for the Arts Program not only encourages and improves cultural and recreational opportunities in our state, it frees up funds that would otherwise be spent on facility mortgage or lease payments.

The RCW change in the 2022 supplemental budget increased the match to thirty-three percent (33%) and the total amount recommended for Building for the Arts Grant. Through the solicitation process, Commerce received 36 applications totaling over $38 million in funding requests. Of the requests, the top-ranked 32 projects were selected and recommended for funding. New organizations brought forward new projects however, we continue to fall short with projects identified in the upper central WA areas, which we would like to remedy. Over $ 18 million dollars' worth of projects from the 23-25 list remained unfunded. The department's request for Capital Infrastructure Pre-Development Funding will provide state support for project development across all state capital projects to include building communities fund, youth recreation, building for the arts, library programs, etc. With funding as proposed, pre-development funds will provide an equitable pathway to state funded capital programs and will help expand access to this program.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
Grants may be used for acquisition, construction, or rehabilitation of arts-related facilities. Projects must result in a discrete, usable phase. Historically, projects in this program span a four year period, based in part on construction schedules.
How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
If no action is taken, it would delay eligible projects, increasing construction and other related costs. Additionally, the opportunity to create economic activity and stimulus through construction projects in communities would be missed.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.
The Department of Commerce is required by RCW 43.63A.750 to establish a competitive process to solicit proposals for and prioritize projects whose primary objective is to assist nonprofit arts organizations in acquiring, constructing, or rehabilitating facilities used for performing arts, art museums, and cultural facilities. The department must submit a list of recommended

Project Number: **40000280**
Project Title: **2023-25 Building for the Arts**
Project Class: **Grant/Loan**

Description

projects to the Governor and the Legislature in its biennial capital budget request.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
Arts-related nonprofits will benefit from this request and the arts and cultural activities throughout the state with these projects.
Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
By statute, RCW 43.63A.750-Building For the Arts requires a 67 percent non-state match from all eligible projects.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
This request supports and is consistent with the Governor's Results Washington through:
· *Goal 4: Healthy and Safe Communities*: Fostering the health of Washingtonians from a healthy start to safe and supported future.
This request supports the department's goal:
· Support Entrepreneurship, Small Businesses and Regional Economic Growth.
And supports two of the agency's strategic objectives:
Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
Not applicable.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
Yes, all projects are required to meet the Leadership in Energy and Environment Design (LEED) Silver Standard or receive an exemption from Commerce. LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC) and includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.
How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
Through this proposal, organizations can provide art education & professional development to all communities, including communities of color, LGBTQ and Tribal, that otherwise would lack art & cultural accessibility. Artists and their work can lift up marginalized voices and have a significant impact on challenging discrimination-based injustices. The Building for the Arts program can support the state's equity initiatives by providing critical funding for capital infrastructure for performing arts, art museums, and cultural organizations in communities farthest from opportunity.

Is there additional information you would like decision makers to know when evaluating this request?

None.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

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Project Title: **2023-25 Building for the Arts**
Project Class: **Grant/Loan**

Description

Project Type
Loans - Competitive

Grant Recipient Organization: Various

RCW that establishes grant: 43.63A.750

Application process used
Applicants submit applications electronically through the ZoomGrants online system, then they are ranked and scored by a citizen's advisory board.

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	18,000,000	13,801,000	509,000	3,690,000	
	Total	**18,000,000**	**13,801,000**	**509,000**	**3,690,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative
None.

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Project Number: 30000726
Project Title: Clean Energy and Energy Freedom Program
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2016
Agency Priority: 0

Project Summary

The Department of Commerce's mission is to grow and improve jobs in Washington State by championing thriving communities, a prosperous economy and sustainable infrastructure. The State Energy Office in the Department of Commerce works toward meeting this mission by helping Washington residents and business owners enjoy a reliable energy infrastructure, supporting Washington's clean energy businesses, and assisting Washington residents and business owners in reducing their energy use. The Clean Energy Fund was established in the 2013-15 biennium to provide a benefit to the public through development, demonstration, and deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or otherwise increase energy independence for the state. The interest has been very strong from businesses and homeowners in the state to make improvements to their buildings.

Project Description

What is the proposed project? Commerce proposes two different types of projects for FY 15-17. One will be a continuation of the revolving loan fund grants. These grants will go to competitively selected nonprofit, or potentially for profit, lenders to make affordable loans to businesses and homeowners for projects including, but not limited to: residential, industrial, and commercial energy retrofits, residential and community scale solar installations, anaerobic digesters to treat dairy and organic waste, and combined heat and power projects using woody biomass as a fuel source. All projects will acquire assets with at least a thirteen year useful life and at least a one-to-one match. The other type of projects will be grants for matching federal or private energy research and demonstration funds and to advance renewable energy. The applicants may be public or private research institutions or utilities. Applicants can use these funds to match federal or other non-state funds with at least a one-to-one match. Commerce will establish an advisory committee to assist with program design and selection of recipients. What opportunity or problem is driving this request? Washington has an opportunity to support Washington's clean energy businesses in growing their market share and moving Washington's clean energy economy forward. How does the project support the agency and statewide results? In the agency strategic plan the Energy Office is tasked with growing and improving jobs in the clean energy sector. This funding will support approximately 600 new and retained jobs. This funding will also support the Governor's Results Washington Priorities Goal 3: Sustainable Energy and Clean Environment. What are the specific benefits of this project? The Governor's top priority is to create and sustain a thriving economic climate that spurs job growth. The Clean Energy Fund directly supports job growth by making affordable loans to businesses and homeowners for projects including, but not limited to: residential, industrial, and commercial energy retrofits, residential and community scale solar installations, anaerobic digesters to treat dairy and organic waste, and combined heat and power projects using woody biomass as a fuel and providing grants for matching federal or private energy research and demonstration funds and to advance renewable energy. With $60 million in requested funding, the Clean Energy Fund will create an average of 351 jobs per year based on the OFM job impact analysis model in the clean energy industry and leverage more than $60 million in other public and private investments demonstrating the state's leadership in spurring economic development and job growth. How will clients be affected and services change if this project is funded? Funds will be available for Washington businesses that will grow Washington's clean energy economy. How will other state programs or units of government be affected if this project is funded? They will not be affected. What is the impact on the state operating budget? There is no operating budget impact to Commerce. Why is this the best option or alternative? The Clean Energy Fund is gaining momentum and has interest from businesses that want to expand. If the fund is not continued those businesses will look elsewhere for support. What is the agency's proposed funding strategy for the project? Issue a Request for Proposals for financial institutions to respond and administer these funds.

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Loans - Competitive

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Project Number: 30000726
Project Title: Clean Energy and Energy Freedom Program
Project Class: Grant/Loan

Description

Grant Recipient Organization: TBD

RCW that establishes grant: 43.325

Application process used

Commerce will set up an advisory committee to assist with program design and selection of recipients.

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	23,399,000	22,251,000	4,000	1,144,000	
355-1	St. Bld Const Acct-State	16,999,000	16,889,000		110,000	
	Total	**40,398,000**	**39,140,000**	**4,000**	**1,254,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 30000881
Project Title: Clean Energy Funds 3
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2018
Agency Priority: 0

Project Summary

The Clean Energy Funds Program (CEF) matches funds from businesses, electric utilities, and research institutions from around the state of Washington dollar-for-dollar to provide energy efficiency, renewable energy generation, and intermittent energy integration to residences and businesses. These funds create resiliency investments in the electrical grid while growing clean energy technology solutions that can be exported nationally and abroad to grow local Washingtonian economies.

Project Description

Funding is provided for the Clean Energy Funds Program (CEF) which provides matching funds to businesses, electric utilities, and research institutions to provide energy efficiency, renewable energy generation, and intermittent energy integration to residences and businesses.

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: 43.325
Application process used

A competitive process within each fund program area will determine the awardees.

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	38,072,000	29,465,000	1,530,000	7,077,000	
22M-1	Energy Efficncy Acct-State	5,500,000	3,394,000	924,000	1,182,000	
355-1	St. Bld Const Acct-State	127,000	127,000			
	Total	**43,699,000**	**32,986,000**	**2,454,000**	**8,259,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
22M-1	Energy Efficncy Acct-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

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Project Title: **Clean Energy Funds 3**
Project Class: **Grant/Loan**

Operating Impacts

No Operating Impact

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Project Number: **40000042**
Project Title: **Clean Energy Transition 4**
Project Class: **Grant/Loan**

Description

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Project Number: **40000042**
Project Title: **Clean Energy Transition 4**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2020
Agency Priority: 0

Project Summary

The Clean Energy Fund Program (CEF) in the Department of Commerce (department) stimulates clean energy investment in Washington state by matching funds from businesses, utilities, and research institutions. It focuses on grid modernization, research development and demonstration, electric vehicle infrastructure, and increasing lending opportunities for energy efficiency projects. This proposal requests funding to continue these efforts.

Project Description

The CEF was established in the 13-15 biennium and renewed for the 15-17 and 17-19 biennia. Its intent is to provide a benefit to the public through the development, demonstration, and deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or otherwise increase energy independence for the state. The interest has been very strong from businesses, state research institutions, homeowners (through the Grants to Non-Profit Lenders Program), and utilities in the state to develop new technologies, electrify the transportation system, make improvements to their buildings and modernize the electric grid.

This request would fund the following programs, push out the edges of technology, and close the divide with low/medium income families to incorporate these technologies into the properties and lifestyles.

Grid Modernization Grants ($30.0 million)
This set-aside would fund the following:
· Engineering and infrastructure build out;
· Breakthrough/Innovation approaches;
· Electric utility grid improvements to integrate intermittent renewable generation; and
· Grid improvements to integrate vehicle electrification.

Strategic Research, Development & Demonstration (RD&D) ($24.3 million)
This set aside funds the following:
· University clean energy technology RD&D;
· Private entity clean energy RD&D;
· RD&D Match; and
· Advanced research and materials science match program**.**

Nonprofit Lenders Grants ($10.0 million)
This would continue a loan loss reserve for residential and commercial energy efficiency, renewable energy, and transportation electrification.

Transportation Electrification Grants ($10.0 million)
This would support local government entities (municipalities, schools, ports, etc.) in developing the next generation electric vehicle infrastructure build.

Nutrient Energy Water Technology ($10.0 million)
This set-aside would help engage water resource recovery facilities to accelerate pathways towards more sustainable infrastructure, including Net Zero Capable facilities. It aims to catalyze the adoption of innovative and best-practice approaches in data management, technology, financing to improve energy efficiency, recovery of nutrients, and the capture of biogas to reduce greenhouse emissions. In the process, efforts could create new markets. Funding would help demonstrate best-practice/cutting-edge approaches and tools toward sustainable wastewater infrastructure and yield road-tested examples for other facilities.

Clean Energy Transition Assistance($10.0 million)
This set-aside would help vulnerable communities and households equitably transition to a clean energy economy. This would

Project Number: **40000042**
Project Title: **Clean Energy Transition 4**
Project Class: **Grant/Loan**

Description

prioritize areas with greater barriers and where pollution is concentrated. This set aside would also lower energy use, increase renewable energy use, and decrease transportation costs in low-income communities through expanded installation of clean energy technologies.

Maritime Blue ($5.0 million)
This set-aside would build the center to house the Washington Maritime Blue Cluster Alliance. The alliance is the primary force to support and accelerate the clean energy transition in the maritime sector. As an example, The Port of Seattle proposes to renovate the Seattle Ship Supply building—co-locating like-minded businesses or startups with collaboration from academia, industry and policy-makers is critical to help facilitate the needed culture for innovation in maritime. The Center will leverage regional expertise in high-tech software and data companies to introduce disruptive technologies in the maritime field and support early-stage maritime companies and product development with a hub-and-spoke model of collaboration across the entire maritime sector in Washington.

State Energy Efficiency Program($700,000)
This set-aside would help support and guide leaders in state government in implementing Executive Order 18-01, as well as to reduce Washington State government's emissions of greenhouse gasses (GHGs) and its purchases of products containing toxic substances. The SEEP Program will convene, oversee and monitor the development of new operational teams, processes, and procedures designed to deliver the greatest possible reductions, in the shortest possible time, at the lowest possible cost.

Washington has an opportunity to support Washington's clean energy businesses in growing their market share and moving Washington's clean energy forward as the next export-rich industry. The state's current $43 million investment in the CEF 3 is expected to leverage more than $100 million in matching funds from industry partners. New grid technologies, developed and deployed in Washington, are now positioned to sell into rapidly growing global markets.

The CEF directly supports job growth by making grants to utilities and businesses for projects including, but not limited to: residential, industrial, and commercial energy retrofits, loan loss reserves enabling affordable loans to homeowners, residential and community scale solar installations, electrification of the transportation system, anaerobic digesters to treat dairy and organic waste, and combined heat and power projects using woody biomass as a fuel. Grants are also provided for matching federal or private energy research, development, and demonstration funds and to advance renewable energy.

With $100 million in requested funding, the CEF will leverage more than $240 million in other public and private investments demonstrating the state's leadership in spurring economic development, vehicle electrification, and job growth within the clean energy field.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The way the public currently uses energy, the amount of energy used, and energy generation pollution is unsustainable over the long-term. Strategic investments and innovative approaches are needed to ensure a future where all citizens have equal access to reliable, clean energy for generations to come.

The CEF provides a benefit to the public through the development, demonstration, and deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or otherwise increase energy independence for the state. The number of applications shows the desirability of the CEF. Each biennium, the CEF program leverages an average of $2.47 for each grant dollar in private financing, public and private research monies, and electric utility funds.

Without the state's investment, the number of clean technology patents in clean energy solutions will be reduced substantially

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Description

across the state. The lack of state investment in clean energy innovations will reduce private financing, public research institutions, and electric utility investments currently leading to the rapid growth of the state's clean technology economy.

As Washington makes the transition to the clean energy economy, the Clean Energy Fund has the opportunity to make equitable investments across the state while ensuring low-income communities share in the benefits of clean energy. Clean energy investments ultimately place Washington at the forefront of the clean energy transition, reduces the true cost of energy, and increases energy self-sufficiency.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

The Clean Energy Funds Program runs competitive solicitations to get the greatest benefit for Washingtonians as possible. Historically, the contractor-provided match has exceeded 110 percent of the state funds with some contractors currently reporting a 7:1 match ratio with projections of 20:1 match by grant closeout. The current average of match for all Clean Energy Funds awarded is $2.47 for each dollar invested. All awarded contracts must meet the minimum 1:1 match of state appropriations to non-state funds.

Since the department facilitates a competitive process, outcomes are approximate. Nonetheless, the following projects will push technology boundaries and help low/medium income families incorporate these technologies into the properties and lifestyles.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

The department will implement the four-fold strategy noted above. The investment provided by non-state match continues to be greater than allocated state funds and consequently the state investment and clean technology businesses and non-profit lenders are clamoring for a larger state investment for this biennium. Program benefits are estimated at 30 percent greater than costs. The non-state funds leveraged dollars by the Clean Energy Fund makes the program a sound investment for Washington.

The department also proposes an expansion to the Strategic RD&D investments to catalyze new facilities and institutions that can become centers of excellence, which in turn attracts additional investment and endures as institutions over time. This includes advanced research capabilities, materials sciences and clean technology research development and commercialization.

Underfunding or not continuing the Clean Energy Fund Program may lead to stalled development of the state's clean energy sector. It would also lower employment rates within this sector, encourage employer flight to other states providing more substantial incentives, or key employees and researchers from the nascent clean technology sector to leave for better opportunities elsewhere. Without the state's investment, the number of clean technology patents in clean energy solutions will be reduced substantially across the state. The lack of state investment in clean energy innovations will reduce private financing, public research institutions, and electric utility investments currently leading to the rapid growth of the state's clean technology economy.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

While there are different ways to approach the projects proposed, without significant state participation Washington risks being behind the curve in the transition to the clean energy economy, decreasing clean technology business investment in Washington, and does not meet the governor's goal of Washington continuing its role as a leader in energy efficiency and carbon reduction.

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Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Washington residents, businesses and research institutions will benefit from the four-fold strategy noted above. The diversity of the Clean Energy Funds Program adds value by maximizing the spectrum of clean energy technology being implemented. This ranges from mature energy efficiency technology retrofits, to the demonstration of cutting-edge solutions in electric utility grid resiliency, and the cutting-edge research in game-changing technology at the state's private and public research institutions.

Additionally, this state investment is training tomorrow's smarter and agile generation of workers This state investment supports Washington's clean energy businesses in growing their market share and moving Washington's clean energy economy forward as the next rich industry. It incrementally solves climate change concerns within the current economic constructs of the state's marketplace.

Will other funding be used to complete the project? How much, what fund source, and could the request result in matching federal, state, local, or private funds?

As a result of Washington's investment of $100 million, the Clean Energy Funds Program has the ability to attract over $247 million in private financing, utility funding, federal and local funds that would not be available to clean energy technology businesses without this statewide investment.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This proposal supports the Governor's Results Washington Goal 3 by prioritizing Sustainable and Clean Energy (Goal 3) through energy efficient buildings (Goal 3.1.3), clean energy demonstration investments promoting the improvement of non-electrical energy efficiency of buildings and industrial processes to reduce greenhouse gas emissions (Goal 3.1.3), increasing the number of plug-in electric vehicles registered in Washington (Goals 3.1.1.c), and integrating intermittent renewable generation, which will decrease non-electric fossil fuel consumption associated with residential and commercial end users (Goal 3.1.3a).

It also supports the department's strategic priorities of funding reliable infrastructure, building a clean energy future, and increasing living wage jobs by investing in electrical grid modernization and new clean energy technology development within the state. The Clean Energy Funds Program creates an estimated 1,000 clean technology jobs.

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?

N/A

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (Puget Sound Recovery) in the 2019-21 Operating Budget Instructions.

N/A

Does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? If yes, please elaborate.

The Clean Energy Fund contributes to the statewide goals of reducing carbon pollution and improving energy efficiency by making direct strategic investments in clean energy technology. The Clean Energy Fund programs outlined in question 2 above cover the spectrum of activities that meet this goal. Those programs are: Grid Modernization, RD&D, Grants to Non-profit lenders, State Energy Efficiency, and Transportation Electrification.

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Description

Is there additional information you would like decision makers to know when evaluating this request?

The governor's top priority is to create and sustain a thriving economic climate that spurs job growth. Clean Energy is a key component of that priority. The Clean Energy Funds Program directly encourages job growth across industries via financing, researching, engineering, constructing various clean energy innovations and energy efficiency products. With $100 million in funding, the Clean Energy Funds Program will leverage at least $100 million in other public and private investments demonstrating the state's leadership in spurring economic development and job growth. Clean Energy Funds will create an estimated 1,000 jobs in the state.

In addition, this project has an opportunity to support Washington's clean energy businesses in growing their market share and moving Washington's clean energy economy forward as the next export-rich industry.

This proposal requires the authorization and addition of 10.6 FTEs. This is based on using 3 percent of the appropriation for program administration costs.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: 43.325
Application process used
Funds will be distributed as grants. A competitive process within each fund program area will determine awardees. $100 million in Clean Energy Funds will generate leveraged funds from other non-state entities and private partners of at least 1:1. CEF 1 and CEF 2 experience has a leverage ratio of nearly 5:1. When CEF 3 funds are placed in contract, they are expected to garner a 5:1 ratio.

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	21,300,000	16,024,000	1,320,000	3,956,000	
355-1	St. Bld Const Acct-State	11,299,000	10,788,000		511,000	
	Total	**32,599,000**	**26,812,000**	**1,320,000**	**4,467,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

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Operating Impacts

No Operating Impact

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Project Title: **Public Works Board**
Project Class: **Grant/Loan**

Description

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Project Number: **40000038**
Project Title: **Public Works Board**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2020
Agency Priority: 0

Project Summary

RCW 43.155 directs The Public Works Board to administer the programs funded by the Public Works Assistance Account (PWAA) and to provide technical assistance to local governments. The Board provides financial assistance in the form of loans and grants to local governments to upgrade bridges, roads, sanitary sewer systems, domestic water systems, storm sewer systems, and solid waste/recycling systems. The Department of Commerce (department) and the Board request funds to launch future public works projects.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The Public Works Board and the department requests authority to use $217 million projected revenues in the Public Works Assistance Account (PWAA) to fund construction, pre-construction, and emergency activities for critical infrastructure projects. The funding window would be between FY20 and FY24. There is $258 million of resources anticipated in the PWAA for the 2019-2021 biennium. The board will award funds to projects using a competitive process based on the funding considerations and criteria as outlined in RCW 43.155.070.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Local governments are struggling to provide basic infrastructure services to the citizens of Washington state. The cost of maintaining aging systems is sustained as long as possible until either the system fails or regulatory mandates require replacement or improvement. Rate affordability issues, taxation limitations, and multiple competing demands for funding resources limit local jurisdictions' ability to absorb the cost of addressing these critical needs. Population growth, regulation, and reduced resources have put a burden on local governments to meet the demands of providing and maintaining basic services.

In addition to these basic prioritization challenges, public resources available to fund these projects are declining. Federal grant and loan programs have been reduced. For example, the federal drinking water program will have $20 million available in the fall 2018, a reduction of 50 percent from previous funding levels. Resources are needed to bridge the gap between what can be funded using federal government programs and what needs repair or replacement, but for which there is no funding other than the private market. The private market is a costly alternative out of reach for smaller communities and will require millions in added interest payments.

The Association of Washington Cities published a video describing the condition of Washington's infrastructure: https://www.youtube.com/watch?v=D9E2tCyb7Ug*This video visually captures the problem that funding Public Works Board construction, pre-construction, and emergency activities will solve.*

The Board's pre-construction loan resources enable local governments to do the preliminary activities necessary to prepare for a complex construction project. A pre-construction loan investment will enable local jurisdictions to meet readiness-to-proceed requirements so they are more competitive for limited state and federal construction resources. Most state and federal financing programs strongly reward readiness in the selection process.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

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Description

Of the $217 million available in the Public Works Assistance Account from loan repayments and 2 percent of the Real Estate Excise Tax (REET), 20 percent ($43 million) can be used for pre-construction and emergency, and the remainder $173.6 million will be dedicated to construction projects. These funds will plan for and build Washington's future infrastructure and help local governments deliver essential services.

The legislature authorized the Board to fund construction projects throughout the FY17-19 biennium via an appropriation without prior legislative approval. This has enabled the Board and department to set a structure that allows them to partner with other infrastructure funding programs to maximize ever-shrinking federal resources and to make viable projects whole. To achieve this, four funding windows per biennium have been established that align with the Federal State Revolving Funds (both Clean Water and Drinking Water). This subtle change allows projects to be packaged to meet the needs of both the state and the local government securing the loans.

Based on historical average loan requests of $6 million (maximum amount is $10 million), $173 million would fund approximately 29 construction projects throughout the biennium. Construction projects will be complete within five years with loan repayments funding the next generation of local infrastructure projects.

The second component is that pre-construction resources will enable local governments to do the planning, predesign, and design of a project to be "ready to proceed". This will ensure that high-value, fully vetted projects that can be maintained are receiving investment. The new structure would allow for 12 funding windows a biennium to meet local government needs when they are ready, instead of when an annual cycle opens up. This flexibility takes away the pressure to meet a deadline.

Based on the historical average loan requests of $600,000 (maximum amount is $1 million), $38 million would fund approximately 63 pre-construction projects throughout the biennium. Pre-construction projects will be complete in two years.

The third component is emergency resources. These resources are available year round, which enables local governments to apply in the heat of an emergency and to receive expedited resources when they are needed most. Available resources for emergency loans are part of the overall 20 percent maximum from a biennial appropriation for pre-construction and emergency. The maximum amount per project is $2 million.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Funding available for all communities with infrastructure needs is limited, and that is true especially for those with limited capacity to take on large infrastructure projects or private market loans. The two primary funding programs are the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF). Using an accelerated funding cycle, these programs have been unable to fund all of the projects seeking financing. On average, the demand on the federal resources has been 2:1. That means that half of the projects receive no funding and must wait for the next annual funding cycle. During that time, costs may increase significantly over that year, and funding may be lost due to matching dollars. In the most recent funding cycle, the DWSRF and CWSRF combined only funded 38 percent of project requests.

The Board's open competitive construction loan program conducts a competitive process that ensures all projects are vetted with the financial capability and system management, and will meet public need. The new funding structure authorized by the legislature enabled the Board to meet local governments where they need it, and not be restricted by either annual or biennial funding windows. This appropriation will allow the Board to exercise that authority, and support infrastructure developments statewide.

This self-sustaining program reduces the number of specific requests made of the legislature to provide grants for financing projects at the local level, and it augments other state and federal financing programs. The process is highly competitive and allows the state to invest in only the highest priority projects. This supports the execution of state policies, such as the reduction of greenhouse gases, protection of Puget Sound, and implementation of the Growth Management Act. Legislative action has kept the program current with updates to the authorizing statute during each of the last three biennia. Programs administered

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Project Class: **Grant/Loan**

Description

by the Board are highly regarded by its users, as evidenced by the letters of support and disappointment over the substantial lack of funding received:

"*The Public Works Assistance Account has been a remarkable success, innovative and effective at getting work funded . . . which helped us keep utility rates low and affordable for an increasingly diverse population . . . our staff has appreciated the relative simplicity of your process." – Alderwood Water and Wastewater District*

"The Public Works Assistance Account provides a straight-forward and easy process for local jurisdictions to obtain low-interest loans to finance public infrastructure construction. . . This program is especially helpful to smaller jurisdictions without the capacity to enter into the commercial bond market. " – Jerry Cummins, Walla Walla City Council Member

"PWAA, we're desperate for you to be funded. Debt is piling up with burdensome regulation slowing down projects and creating bigger backlogs. . . ." – City of Long Beach

"The membership also voted unanimously to support restoring the Public Works Trust Fund. Continued diversion of resources from this Fund breaks a promise that labor, business, utilities, waste haulers, realtors, and transportation advocates cannot support. This program is a model for a national infrastructure bank. It remains a critical source for local agencies to borrow funds for large capital projects that otherwise would remain unattainable." – Washington State Good Roads & Transportation Association

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

Finding resources in the current environment is challenging at best. Over the last two biennia, the resources dedicated to the PWAA have been redirected to other state priorities during the great recession; this includes both loan repayments and tax revenue. For the 2019-21 biennium, there will be approximately $258 million deposited in the PWAA from loan repayments and the current 2 percent of the REET revenue. These funds would cover multiple activities, such as leveraging federal resources by providing state match for the two SRF programs. The balance of $217 million is currently not committed to other activities, and the Board is requesting an appropriation from those dedicated resources to fund critical infrastructure.

In 2017, the legislature passed ESHB 1677 and tasked the Public Works Board with creating a system improvement team in collaboration with the departments of Commerce, Ecology, and Health.

This team is known as Sync and coordinates with state and local agencies, clients, stakeholders, legislators, and industry experts to develop a more efficient and effective process of financing infrastructure. As part of that effort, Sync is convening a group of industry experts to explore alternate financing mechanisms for funding infrastructure. Research will support these efforts and identify best practices other states have adopted, as well as how they finance infrastructure at the state level. This research is part of Sync's phase II, and will be presented to the legislature in 2020.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

More than 2,000 government organizations are eligible for Board funding. Cities (281), counties (39), special purpose districts (approximately 1,300 excluding ports and school districts), and municipal and quasi-municipal corporations (1,580 estimated) are eligible for Board funding. Many communities eligible for these funds are responding to regulatory requirements to upgrade their facilities. Without financial assistance, the communities do not have the resources to meet the requirements At best, failure to meet a system's regulatory requirements will result in economic stagnation; at worst, public health is jeopardized.

This appropriation will allow the Board to help local governments that are trying to address critical needs. Each project funded impacts a unique group of citizens.

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Description

Will other funding be used to complete the project? How much, what fund source, and could the request result in matching federal, state, local, or private funds?

It is unusual for a project to be fully funded by one source, and frequently multiple sources are necessary to complete a project. Specifics are unknown at this time, as individual projects will have a unique situation regarding other funds.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This request supports the Department of Commerce's strategic priorities of addressing communities' most urgent needs by funding reliable infrastructure. An investment in basic infrastructure systems maintains the existing systems in satisfactory condition through 2022, and ensures that citizens have safe drinking water, appropriate and safe wastewater, and safe roads.

Authorizing funding for the construction and pre-construction loan programs will directly reduce the emissions of greenhouse gases by local governments, reduce the amount of potable water used for non-potable purposes, improve the quality of water discharged into Washington waterways, increase transportation mobility, and create jobs.

For IT-related costs:
· Does this project fund the development or acquisition of a new or enhanced software or hardware system or service?

No.

· Does this decision package fund the acquisition or enhancements of any agency data centers? (SeeOCIO Policy 184for definition.)

No.

· Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

No.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (Puget Sound Recovery) in the 2019-21 Operating Budget Instructions.

For sanitary and storm sewer projects that are within the Puget Sound Action (PSA) area, traditionally projects are submitted to the Puget Sound Partnership (PSP) in advance of the legislature funding those projects. For future projects funded out of the PWAA, Board staff would submit a list of prioritized projects for each funding window (four per biennium) to the PSP for review prior to the funding decisions.

Does this project contribute to statewide goals to reduce carbon pollution and/or improve energy efficiency? If yes, please elaborate.

The steady decrease of funding options for local governments has occurred simultaneously with the need to rehabilitate or replace systems that have been in place for 30 or more years. These systems need to be brought up to current standards to align with the governor's carbon reduction strategy, replaced in order to improve the quality of our seas, and be able to provide strategic traffic linkages for the transport of goods.

A prime example of the positive impacts stemming from replacing an aged sewer system is the use of methane recapture

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Description

technology that both reduces greenhouse gas emissions and saves energy as the methane is used to provide power. In addition to this technology, modern sewage processing creates compost that can be used on farms and by residents to reduce the need for petroleum-based fertilizers. This process can make the water clean enough that it can be used for irrigation, flushing, washing clothes, and other non-potable uses, therefore decreasing the demand on our limited water supply.

These examples provide the building blocks necessary for a sustainable community. The clean water created by modern sewer technology can be used as the water necessary to provide sufficient fire flow. The use of methane to power the sewer plants makes them self-sustaining and keeps costs within reach of the rate payers, residential and commercial alike. The use of treated water for non-potable uses frees up the potable water for food processing and other commercial water-intensive activities. The Board is dedicated to the long-term sustainability of Washington's communities. The construction loan program provides a strategic tool that supports these goals.

Is there additional information you would like decision makers to know when evaluating this request?

None

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive
RCW that establishes grant: 43.155
Application process used
A series of actions start the process of developing a project list. • Identification of available resources based on the Public Works Assistance Account predictive model. o The model is based on more than 30 years of loans and how they draw and repay. The model also tracks other obligations on the fund, (re-appropriations, operating, state matches for federal resources, and other activities the legislature identifies). • Identification of loan terms for the cycle (interest rates, loan limits, etc.). • Approval by the Board of the above actions. Applicants may apply for funding during four funding windows each biennium. These cycles align with the federal SRF programs to maximize available federal resources. • Application is developed with consultation from other infrastructure funders, both state and federally sourced (DOE, DOH, etc.), and stakeholder groups. • Significant outreach to inform applicants on the availability of resources. • Webinars and workshops are done to educate clients on the requirements and limitations. • Applications would be due in the spring and fall of each year. • Team of five (including non-Board staff) rate and rank each project, meeting to arrive at a consensus scoring. • Numerically prioritized list with all information is presented to the Public Works Board for consideration. • Financial underwriting on all applicants and projects is completed. • Upon Board approval of projects, the contracting process can start. • Debrief clients not recommended for funding consideration.

Growth Management impacts
n/a

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
058-1	Public Works Assist-State	93,578,000	85,780,000		7,798,000	
	Total	**93,578,000**	**85,780,000**	**0**	**7,798,000**	**0**

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Funding

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
058-1	Public Works Assist-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000117
Project Title: Washington Broadband Program
Project Class: Other

Description

Starting Fiscal Year: 2020
Agency Priority: 0

Project Summary
Funding for the Washington Broadband program

Project Description
Funding for the Washington Broadband program

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Project Management Staff

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
23J-1	SW Broadband Account-State	21,550,000	7,758,000	1,448,000	12,344,000	
	Total	**21,550,000**	**7,758,000**	**1,448,000**	**12,344,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
23J-1	SW Broadband Account-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	30000726, 30000872, 30000881, 4000(	30000726, 30000872, 30000881, 4000(
Sort Order	Project Class	Project Class
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

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Project Number: 40000299
Project Title: 2023-25 Behavioral Health Community Capacity Grants
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for behavioral community capacity projects throughout Washington.

Project Description
Funding for behavioral community capacity projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	284,728,000	67,143,000	109,767,000	107,818,000	
26V-1	Capital Comm Asst Ac-State	6,248,000	4,998,000	1,221,000	29,000	
	Total	**290,976,000**	**72,141,000**	**110,988,000**	**107,847,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26V-1	Capital Comm Asst Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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2027-29 Biennium

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:30AM

Project Number: **40000281**
Project Title: **2023-25 CERB Capital Construction**
Project Class: **Program Improvement (State-Owned)**

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
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Project Number: **40000281**
Project Title: **2023-25 CERB Capital Construction**
Project Class: **Program Improvement (State-Owned)**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

The Community Economic Revitalization Board (CERB) provides low-cost infrastructure financing and site-specific planning funds to local governments, special purpose districts and federally recognized Indian Tribes to attract and retain private businesses, create permanent private jobs, and promote community economic development (RCW 43.160). CERB requests $25 million in resources to construct public infrastructure to facilitate private business development and expansion in Washington's communities from the Public Facility Construction Loan Revolving Account (Fund 887).

Project Description

The department and CERB request $25 million in resources to construct public infrastructure to facilitate private business development and expansion in Washington's communities from the State Taxable Building Construction Account (Fund 355). These projects include industrial water, general purpose industrial buildings and port facilities, sanitary and storm sewers, industrial wastewater treatment facilities, railroad spurs, telecommunications, electricity, natural gas, roads and bridges, and incubation/research/testing facilities.
As funding recipients repay loan funds to CERB, those funds will return to the Public Facility Construction Loan Revolving Account (Fund 887) and can finance other public infrastructure related to economic development.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.
For the 2019-2021 biennium CERB received $8.6 million in funding authority. Due to high demand, in the 2020 supplemental session CERB received an additional $10 million in funding authority.

CERB Appropriation	$18,600,000
Carry-Forward	$2,101,494
De-Obligations	$3,590,436
Awards (43 projects)	$24,415,453
Balance	$402,472

INCREASE OF CONSTRUCTION PROJECT COSTS
Quarter 1 2021 Materials Pricing increased 26.3% (Seattle)
Quarter 1 2021 Construction Cost Index increased 5.2% (Seattle)
Quarter 1 2021 Construction Employment has been flat (lack of skilled people to employee) (Seattle)
2020 to 2021 Construction Labor Cost increased 7.8% (Associated Builders & Contractors-Nationwide)

"Raw material shortages and manufacturing issues have contributed to sharp increases in building materials over the past year."
"As markets rebound with increased private and government spending, the industry may see additional upward pressure on pricing. We continue to monitor this somewhat unpredictable market and know that a resilient, agile approach to projects will be necessary in the months to come." (https://www.mortenson.com/cost-index/seattle)
CERB is a vital business recruitment and retention program for the state, often preventing existing businesses from moving out of state and attracting new businesses to Washington. CERB's economic development mandate requires that all projects approved by the board demonstrate significant job creation, job retention, or significant private investment outcomes.

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Project Title: **2023-25 CERB Capital Construction**
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Description

Areas of high unemployment receive reduced interest rate loans from CERB to incentivize job creation where it is most needed. A continuation of CERB's funding at $25 million for the biennium will provide the critical gap funding to make local economic development projects a reality. CERB primarily provides gap funding that leverages other local, state, and federal funds and private investments.
CERB investment in a community is not only in support of businesses, job creation, private investment, and increased tax revenue. CERB's investment has many ancillary benefits when it invests in a community, such as:
· Housing and Homelessness
· Health Care and Mental Health Care
· Education
· DEI
2013-21: 118* CERB funded Planning Studies (Assumptions: 75% of the original studies could return to CERB construction funding at an average of $1.4m per project.) Data is based on CERB estimated 5 year averages July 2016 - June 2021.
Results:
88 Constructions Projects
$123.2 million CERB Construction Funds
$281.6 million leveraged local match (2016-21 average: $2 per $1 CERB)
$985.6 million leveraged private investment (2016-21 average: $8 per $1 CERB)
10,536 Full-time Jobs (2016-21: $11,693 cost per job)

Project Development Pipeline:
109 - $176.4 million Construction Projects
20 - $750,000 Planning Projects
129 - $177.2 million Total
Results:
109 Construction Projects
$176.4 million CERB Construction Funds
$352.8 million leveraged local match (2016-21 average: $2 per $1 CERB)
$1.4 billion leveraged private investment (2016-21 average: $8 per $1 CERB)
15,085 Full-time Jobs (2016-21: $11,693 cost per job)
$299.6 million** – Total Pipeline Projects
Results:
197 Construction Projects
$299.6 million CERB Construction Funds
$634.4 million leveraged local match (2016-21 average: $2 per $1 CERB)
$2.38 billion leveraged private investment (2016-21 average: $8 per $1 CERB)
25,621 Full-time Jobs (2016-21: $11,693 cost per job)
**Economic Development and Broadband Planning*
***does not include rural broadband construction projects*
CORE CERB Projections: Based on the 2016-2021 averages, an additional $25 million would result in the following:
17 Construction Projects ($23.8 million)
24 Planning Projects ($1,200,000)
$47.6 million leveraged local match (2016-21 average: $2 per $1 CERB)
$190.4 million leveraged private investment (2016-21 average: $8 per $1 CERB)
2,035 Full-time Jobs (2016-21: $11,693 cost per job)

Due to increase in commercial construction materials and labor, $25m will not buy as much as it has historically for CERB.

2020 CERB Biennial Review: https://deptofcommerce.box.com/v/cerb2020legreport
What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

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Project Number: **40000281**
Project Title: **2023-25 CERB Capital Construction**
Project Class: **Program Improvement (State-Owned)**

Description

CERB funds will be used to construct public infrastructure and to facilitate private business development and expansion. These projects include industrial water, general purpose industrial buildings and port facilities, sanitary and storm sewers, industrial wastewater treatment facilities, railroad spurs, telecommunications, electricity, natural gas, roads and bridges, and incubation/research/testing facilities. Site-specific economic feasibility and planning studies will also be eligible for CERB funds on a limited basis.
Clients will have increased access to funding, particularly jurisdictions in urban counties. By statute, CERB must award the first 75 percent of its available funding in a biennium to rural communities, limiting the number of projects in urban communities that the board can finance. With increased resources available for projects, rural communities within urban counties have increased opportunity to use CERB for economic development projects.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
CERB's capital appropriation of $25 million in loan funds will leverage more than $190.4 million in private investment ($8 private investment per $1 CERB – 5 year average) and create and retain a minimum of 2,035 permanent jobs (1 job for every $11,693 CERB – 5 year average).
The $25 million requested will support the creation of permanent, high-wage jobs in the state, recruit and retain businesses, and support economic vitality statewide. By taking no action, rural communities would have one less prospect for investment that will increase resiliency, and promote collaboration and innovation.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.
Demand for CERB exceeds resources available. No funding or partial funding would make an impact in addressing this demand. Due to the increase in funded planning grants, since 2013, CERB has a pipeline of thoroughly vetted projects ready for the next stage of investment, which supports the economic, environmental, and social needs of local governments, federally recognized Indian tribes, and their residents.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Almost 10,000 government organizations are eligible for CERB funding. Federally recognized Indian tribes (29), cities (281), counties (39), public port districts (75), special purpose districts (1670), and municipal and quasi-municipal corporations (1,580 estimated) are all eligible for CERB funding. CERB responds to immediate business siting and expansion needs. Businesses need to know that public infrastructure will be provided before committing to locate or expand operations. CERB's investments strengthen communities by creating and retaining jobs, leveraging private investment, and increasing tax revenue.
The construction jobs related to these projects will pay prevailing wage. CERB provides funding in an ongoing basis throughout the year. CERB currently has 32 projects under contract with an additional 13 jurisdictions that have been approved for funding and are working on the conditions necessary to go to contract.

See pipeline information provided in question #1.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
It is unusual for a project to be fully funded by one source, and frequently multiple sources are necessary to complete a project. CERB projects are required to have a matching component and will attract additional project investment, however specifics vary, as individual projects each have a unique situation regarding other funds.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
This funding supports the Governor's Results Washington Goal 2: Prosperous Economy and related outcome:
Increasing Access to living wage jobs: CERB will increase the number of jobs in the state by providing gap funding to make local economic development projects a reality that will create an additional 1,420 jobs.

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Project Class: Program Improvement (State-Owned)

Description

Ensuring Access to Quality Healthcare: Approximately 98% of businesses supported by CERB's investment provide healthcare to their employees and dependents.
Increasing the Economic Security of Washingtonians: CERB's investment supports businesses who hire full-time positions and pay higher than the current county median. This allows an employee to investment of themselves into a company and into their future.
Reducing Homelessness: As stated above, CERB's investment supports businesses who hire full-time positions and pay higher than the current county median. Sustainable higher wage jobs, ensure that housing can be paid for
This request supports the Department of Commerce's strategic priorities of addressing communities' most urgent needs by funding reliable infrastructure and increasing living wage jobs. Investing in the basic infrastructure systems and thereby maintaining the existing systems in satisfactory condition through 2022 ensures that citizens have safe drinking water, appropriate and safe waste water, and safe roads.

Authorizing funding for the construction loan programs will directly reduce the emissions of greenhouse gases by local governments, reduce the amount of potable water used for non-potable purposes, improve the quality of water discharged into Washington waterways, increase transportation mobility, and create jobs.
CERB is required to report biennially on the outcome-based evaluations of its funding programs. This report identifies actual jobs created as reported by the borrowing jurisdictions and businesses themselves, and specifically identifies that between 2015 and 2020, 3,516 permanent private-sector jobs were created. An additional 4,552 construction jobs were created from the public and private facilities construction associated with CERB funded projects.
(https://deptofcommerce.box.com/v/cerb2020legreport)
Local governments' ability to offer adequate infrastructure (such as transportation systems to move goods, sufficient clean water to ensure adequate fire flow and potable water, plus effective wastewater management) is vital to accommodate growth and the promotion of economic development and business opportunities, while also enhancing the quality of life in the Northwest. This proposal directly supports the ability of local governments to provide these services, which are becoming increasingly expensive and complex to build and maintain to modern standards. This is especially true in non-urban areas, where fewer people spread over larger distances means that single services to multiple communities are not feasible, thus individual community systems are more expensive on a per capita basis.

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
Not applicable.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
CERB is dedicated to the long-term sustainability of Washington's communities, investing in public infrastructure using new and innovative technologies. CERB's construction loan program provides a strategic tool that supports these goals.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
As stated above, CERB investment in a community is not only in support of businesses, job creation, private investment, and increased tax revenue. CERB's investment has many ancillary benefits when it invests in a community, such as:

Housing and Homelessness – Investing in a stable future
· Sustainable higher wage jobs, ensure that housing can be paid for.
· Instills confidence that they can afford a home long-term.
· Builds confidence and self-reliance.

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Project Class: Program Improvement (State-Owned)

Description

Health Care and Mental Health Care – Investing gives access to health care
· Jobs that provide: medical benefits and sick time and vacation leave
· Wages that allow for payment of co-pays & prescriptions.
· Removes a barrier to medical services.
Education – Investing in parents
· Gives children stability.
· Gives children hope for the future
· Gives the community a future workforce.

The investments from the CERB account are an economic powerhouse – OFM's prior years' conservative estimate of 10.89 construction related jobs for each $1 million CERB invested underestimates the job creation from CERB investment. This figure does not take into account the additional funds provided by the local governments through other funding partners. Historically, CERB money has been matched at a 29:1 ratio.

Is there additional information you would like decision makers to know when evaluating this request?

CERB has 40 years of investing in Washington's economic stability. CERB has been able to meet its mission with 0% default, as well, as be flexible to meet community and business needs across the state.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Acquisition-Land

Growth Management impacts
N/A

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
887-1	Pub Facil Const Ln-State	25,000,000			25,000,000	
	Total	**25,000,000**	**0**	**0**	**25,000,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
887-1	Pub Facil Const Ln-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: **40000281**
Project Title: **2023-25 CERB Capital Construction**
Project Class: **Program Improvement (State-Owned)**

Operating Impacts

Narrative

None.

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Report Number: CBS002
Date Run: 9/13/2026 10:30AM

Project Number: 40000300
Project Title: 2023-25 Early Learning Facilities Fund Grant Program
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for early learning facility project throughout Washington.

Project Description
Funding is provided for grants and loans to purchase, construct or modernize facilities, increasing capacity for early learning programs that participate in the Early Achievers or Early Childhood Education and Assistance programs.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Acquisition-Land

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
22C-1	Early Lrng Fac Rev-State	6,720,000	6,720,000			
22D-1	Early Lrng Fac Devel-State	83,668,000	23,853,000	19,244,000	40,571,000	
	Total	**90,388,000**	**30,573,000**	**19,244,000**	**40,571,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
22C-1	Early Lrng Fac Rev-State				
22D-1	Early Lrng Fac Devel-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: 40000301
Project Title: 2024 Local and Community Projects
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for local and community projects throughout Washington.

Project Description
Funding for local and community projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	224,650,000	94,251,000	47,095,000	83,304,000	
23N-1	MTC Capital Account-State	3,500,000	3,500,000			
26D-1	Natural Clim Solu Ac-State	2,400,000		213,000	2,187,000	
	Total	**230,550,000**	**97,751,000**	**47,308,000**	**85,491,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
23N-1	MTC Capital Account-State				
26D-1	Natural Clim Solu Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: **40000561**
Project Title: **DOE Hydrogen Hub -State Match**
Project Class: **Program Improvement (State-Owned)**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Funding is provided as state match funding for a federal regional clean hydrogen hub. The state is competing for one of the limited Infrastructure Investment and Jobs Act (IIJA) federal regional clean hydrogen hub grants. The grants aim to improve clean hydrogen production, processing, delivery, storage, and end use.

Project Description

Funding is provided as state match funding for a federal regional clean hydrogen hub. The state is competing for one of the limited Infrastructure Investment and Jobs Act (IIJA) federal regional clean hydrogen hub grants. The grants aim to improve clean hydrogen production, processing, delivery, storage, and end use

1. Describe the project (and each subproject, if applicable), including the original appropriation year, status of the project, and an explanation why a reappropriation is needed.

State funding match for the US DOE Hydrogen Hub program that supports a $1B investment in WA. The federal funding has been frozen since mid/late 2025 and the contractor has been given a stop work order from US DOE and WA Commerce. Reappropriation would allow WA to preserve match funding while contractor is in active negotiation with US DOE. At last check-in, contractor indicated positive movement forward with US DOE. Conversely, there is no guarantee that negotiations with US DOE will lead to an unfreezing of H2 Hub funds. To date, all hydrogen hubs in the US have been unfrozen except for the CA hub and the PNW hub. Additionally, should funds be unfrozen, the scope will likely have changed in such a way that could drastically differ from the scope this funding was originally meant to bolster.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Acquisition-Land

Growth Management impacts
NA

New Facility: No

Funding

			Expenditures		2027-29 Fiscal Period	
Acct Code	Account Title	Estimated Total	Prior Biennium	Current Biennium	Reapprops	New Approps
26C-1	Climate Commit Accou-State	20,000,000	14,734,000		5,266,000	
	Total	**20,000,000**	**14,734,000**	**0**	**5,266,000**	**0**

Future Fiscal Periods			
2029-31	2031-33	2033-35	2035-37

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Project Number: 40000561
Project Title: DOE Hydrogen Hub -State Match
Project Class: Program Improvement (State-Owned)

Funding

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: **40000294**
Project Title: **2023-25 Clean Energy Fund Program**
Project Class: **Grant/Loan**

Description

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Project Number: **40000294**
Project Title: **2023-25 Clean Energy Fund Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

The 2020 Energy and Climate Policy Advisory Committee report found that in the coming years, the 100 percent clean electricity goal of the Clean Energy Transformation Act, RCW 19.405, combined with the state's greenhouse gas reduction mandates, will cause fundamental shifts in Washington's energy landscape and infrastructure needs. Electric utilities will need to transition their portfolios and their infrastructure to cleaner sources. Industries will have to adopt new technologies to reduce their carbon intensity while remaining competitive. Consumers and businesses will be required to adopt and adapt to new efficiencies in buildings and transportation. At the same time, communities are stepping forward, asserting their desire to shape their own energy future and ensure an equitable distribution of the costs and benefits of the clean energy economy. To be more responsive to policy, market transformation, and community needs, the Clean Energy Fund account is created to support a clean and resilient energy program and to implement the findings of the Energy and Climate Policy Advisory Committee report, which establishes clear goals and targets to advance equity and environmental justice. The scope of the fund aligns with federal programs, including the Infrastructure Investment and Jobs Act, to maximize potential support for high impact infrastructure and planning projects.

Project Description

Since 2013, the Clean Energy Fund (CEF) has successfully catalyzed statewide investments in clean energy technology and infrastructure development. These highly leveraged investments strengthen Washington's communities through living wage jobs, workforce skill development, and local economic activity. Continued funding for CEF is critical to effectively, and equitably, meet Washington's aggressive climate goals. CEF is a proven pathway that strengthens Washington leadership on clean energy innovation and deployment.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The department requests funding for the Clean Energy Fund account, which would be a new account created through agency request legislation. Capital funds will be disbursed as grants to eligible entities for the equitable deployment of clean energy technologies and infrastructure. Eligible projects should: Increase community resilience, incorporate public health metrics, support tribal energy sovereignty, encourage workforce development with union and high road jobs, prioritize use of low-carbon materials and sustainably sourced products, prioritize deployment of projects on preferred sites or provide opportunities for emerging technologies, life cycle and maintenance related to new technologies, or end of life and recycling opportunities. Up to 40% of the funds may be used for grants to support technical assistance.

The department has adapted the CEF within the limits of the capital budget instructions year over year for each technology specific appropriation. This process is administratively burdensome and fails to adequately address the larger structural issues of the program. The ECPAC committee report, which included 29 individuals representing 26 organizations, details the needs and direction to promote equity, access and environmental justice through the grant process. In addition to the need for more equitable processes in state programs, the federal government is currently set to invest tens of billions of dollars in clean energy infrastructure. This fund will be a critical key to unlocking potentially billions of dollars for Washington through state match funding.

By not establishing a new, permanent direction forward for the fund, Washington will miss out on leveraging critical federal dollars and be ill equipped to address equitable access to the clean energy transition.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

The department must use funds to support communities in achieving the 2021 State Energy Strategy and any subsequent updates and biennial energy reports, and in alignment with clean energy and climate mandates per RCW 19.405 and RCW 70A.65.

Funds from the capital budget will be used to support resilient, clean energy infrastructure through grants to eligible entities for the equitable deployment of clean energy technologies and infrastructure. Up to 40% of the funds can be used for grants to

Project Number: **40000294**
Project Title: **2023-25 Clean Energy Fund Program**
Project Class: **Grant/Loan**

Description

support technical assistance.
Eligible projects should: Increase community resilience, incorporate public health metrics, support tribal energy sovereignty, encourage workforce development with union and high road jobs, prioritize use of low carbon materials and sustainably sourced products, prioritize deployment of projects on preferred sites or provide opportunities for emerging technologies, life cycle and maintenance related to new technologies, or end of life and recycling opportunities.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Currently, the Clean Energy Fund is funded through the Capital Budget instructions each biennia. This bill would be the first time that the Clean Energy Fund would be codified in law. The bill would create an account for the Clean Energy Fund and direct the department to do a biennial report including an equity review.
In addition to the need for more equitable processes in state programs, the federal government is currently set to invest tens of billions of dollars in clean energy infrastructure. This fund will be a critical key to unlocking potentially billions of dollars for Washington through state match funding.
By not establishing a new, permanent direction forward for the fund, Washington will miss out on leveraging critical federal funds and be ill equipped to address equitable access to the clean energy transition.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

The department has adapted the CEF within the limits of the capital budget instructions year over year for each technology specific appropriation. This process is administratively burdensome and fails to adequately address the larger structural issues of the program. The ECPAC committee report, which included 29 individuals representing 26 organizations, details the needs and direction to promote equity, access and environmental justice through the grant process. In addition to the need for more equitable processes in state programs, the federal government is currently set to invest tens of billions of dollars in clean energy infrastructure. This fund will be a critical key to unlocking potentially billions of dollars for Washington through state match funding.
By not establishing a new, permanent direction forward for the fund, Washington will miss out on leveraging critical federal funds and be ill equipped to address equitable access to the clean energy transition.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Eligible applicants for projects funded under this program include Washington local governments, Tribal Governments and Tribal entities, retail electric utilities, community based organizations, Washington state agencies, housing authorities, ports, transit agencies and anyone else deemed eligible by the department.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

The nature of grants will be determined by the department. Previous CEF funds have required match, with amounts varied depending on applicant and program. In most cases, the CEF requires a match of at least 1:1, in many cases match is closer to 1:3 (for every $1 invested, $3 is leveraged). To date, Washington's CEF investments have unlocked millions of dollars to support innovative projects in grid modernization and storage; financing energy efficiency and renewable energy in low-income communities; wind, solar and other renewable energy projects; and the electrification of transportation. The funding has resulted in energy savings, prevented emissions of greenhouse gases, allowed the state to be a leader in clean technology development, and supported jobs in the energy sector. This proposal would attract over hundreds of million in private financing, utility funding, federal and local funds that would not be available to clean energy technology research institutions, businesses, and entrepreneurs without this investment. State investments in CEF also position Washington to be more competitive for federal funds, through stimulus or other federal grant opportunities.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This proposal furthers the agency's priorities of funding reliable infrastructure; building a clean, just clean energy economy; and increasing living wage jobs. It is crucial to our economic recovery strategy and aligns with state and agency strategies:
Alignment with the Governor's *Results Washington* goals:
· Goal 2: *A prosperous economy*, by creating living wage jobs and economic activity
· Goal 3: *Sustainable Energy and a Clean Environment*, by reducing energy consumption and accelerating clean energy production.

Project Number: **40000294**
Project Title: **2023-25 Clean Energy Fund Program**
Project Class: **Grant/Loan**

Description

This request supports all five the department's goals:
· Reduce Homelessness and Expand Housing Inventory;
· Create Digital Equity and Connectivity through Broadband;
· Accelerate Clean Energy Transformation through Infrastructure, Investments, and Policy;
· Support Entrepreneurship, Small Businesses and Regional Economic Growth;
· Promote Development of the innovation Economy and Globally Trade Sectors
And supports all of the agency's strategic objectives:
Objective: Enrich Commerce's human capital to demonstrate and employ cultural competency.
Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Consult with community partners on our data and data-informed decisions.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Objective: Build systems that enable data-informed decision-making to improve equity.
Objective: Establish internal (real time) information sharing that enables collaboration across the agency.
Objective: Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.
This request also supports two key recommendations of the 2021 State Energy Strategy:
· 2.5. Advance Grid Modernization with Clean Energy Fund Investments in Resilient & Flexible Projects
· 4.1 Continue to Invest in the Clean Energy Fund
Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
The department is one of the agencies designated to implement the HEAL Act. As the department develops its implementation strategy, it will work to embed agencies strategies into its programs.
How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

Yes, the CEF is entirely focused on reducing carbon pollution and improving energy efficiency. Since 2013, Washington's CEF investments have leveraged millions of dollars to support innovative projects in grid modernization and storage; financing energy efficiency and renewable energy in low-income communities; wind, solar and other renewable energy projects; and the electrification of transportation. The funding has resulted in energy savings, prevented emissions of greenhouse gases, allowed the state to be a leader in clean technology development, and supported jobs in the energy sector.
In the coming years, the 100% clean electricity goal of the 2019 Clean Energy Transformation Act combined with the state's greenhouse gas reduction targets will cause fundamental changes to Washington's energy landscape and transformation of an essential service, electricity. The projects that are facilitated by the CEF will be used to help ensure that the state is successful in meeting those goals equitably and effectively.
How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
Communities of color are disproportionately affected by climate change and industrial pollution. With its strategic goal of developing, demonstrating and deploying clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or otherwise increase energy independence for the state, the CEF is an important tool that has and can continue to be used to mitigate the negative impacts on communities of color and strengthen the resiliency of communities and the natural environment.
The department will determine a process for prioritizing applicants, including first time or underserved applicants, tribes, rural areas of the state. The department may use up to 40% of the funding for grants to support technical assistance.
The department must publish a biennial report detailing funded projects including:
(a) The geographic distribution of funding, projects, direct and indirect benefits and potential harms from funded projects;

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(b) The distribution of benefits to overburdened communities and vulnerable populations, as those terms are defined in RCW 70A.02.010;
(c) The number and type of jobs estimated to be created through funded projects;
(d) The percentage of funds allocated for predevelopment, capacity building, outreach and engagement as authorized under Subsection 2(b) of this section, and a narrative explaining how these funds have helped advance equitable outcomes;
(e) Priority applicants and targeted use cases for the upcoming funding cycle;
(f) Process improvements; and
(g) Community engagement, especially with “by and for” community organizations, as such organizations are defined by the department and Office of Equity.

Is there additional information you would like decision makers to know when evaluating this request?

This proposal requests the authorization of 6.3 FTEs including the administrative services indirect. This is based on using three percent of the appropriation for program administration costs.

This proposal supports agency request legislation and includes an operating proposal.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State					
26C-1	Climate Commit Accou-State	50,000,000	13,287,000	19,429,000	17,284,000	
	Total	**50,000,000**	**13,287,000**	**19,429,000**	**17,284,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: **40000296**
Project Title: **2023-25 Connecting Housing to Infrastructure (CHIP)**
Project Class: **Grant/Loan**

Description

Project Number: **40000296**
Project Title: **2023-25 Connecting Housing to Infrastructure (CHIP)**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

This request seeks to continue funding for the Connecting Housing to Infrastructure (CHIP) program, which provides funding for water, sewer, or stormwater infrastructure connections to affordable housing. It also provides funding to reimburse local governments or public utility providers for any infrastructure fee waivers to affordable housing developments.

Project Description

An appropriation of $50 million in each of the next two biennia would support:
· GRANT: $50 million in grants each biennium to help to connect affordable housing development to infrastructure, through both pipes and fees. Rounds 1 and 2 of the CHIP grants provided about $10,000 per unit in total grant funds, so it may be possible to support the development of about 10,000 affordable housing units with this funding.

· STAFF: 1.5 FTE Commerce Specialist 3s to provide technical assistance, communications support, and technical assistance on applications, implementation, and system develop charge fee structures and 0.5 FTE Commerce Specialist 2 to support grant contracts, invoicing, due diligence, and reporting.
As communities receive their allocation of affordable housing needs for upcoming comprehensive plan updates, there will be significant pressure to identify appropriate locations for affordable housing and ways to support it, such as through fee waivers, bonus densities, etc. The CHIP fund can help to leverage those efforts at the local level and reward both affordable housing developers for infrastructure costs, and the utility providers with reimbursement for affordable housing-supportive fee waivers.
Best case scenario for Washington is:
- Market rate developers include affordable units in their development **because** CHIP can help connect the infrastructure. This scenario likely asks the community to assist with annual income qualifications, etc., which tend to be burdensome to landlords.
- Cities, counties, and utility districts can modify their water/sewer connection fee structures to charge more for larger and further out structures, and less for infill, smaller and multi-unit structures. These fees could be based on the number of fixtures per unit and/or by density per acre, with reductions for affordable housing that CHIP could waive. In one case, fees were reduced for multi-family, and further reduced for affordable housing, and CHIP funds were used to pay for the actual fees due to the utility.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.
Housing affordability and availability has continued to worsen in the last few years. The need for affordable housing has continued to climb. In fact, as Commerce releases projections of housing need for each county and city in January of 2023, the numbers for the lowest income bands will comprise 30-50% of housing need in every county. Though jurisdictions are only required to “plan for and accommodate” housing needs, they chiefly rely on private or nonprofit developers of housing to develop them. Local governments are to review their comprehensive plans and regulations for potential changes in zoning, incentives and subsidies of affordable housing. How can local governments encourage and support developers to build the housing needed at the lower affordability levels? One of the few options for local governments to support the development of affordable housing is to reduce or waive fees to connect to municipal infrastructure and to help with the physical infrastructure connections. However, because these “enterprise” funds rely on this revenue to fund system-wide expansions for system development charges when waivers are provided.
What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
State support for reducing the cost for affordable housing to connect to regional water, sewer, and stormwater systems has multiple benefits:
· It encourages local governments to develop a system of connection fees that favors smaller, infill and multi-unit housing, which encourages the development of more attainable forms of housing that the private market is not likely to support. It also

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Project Title: **2023-25 Connecting Housing to Infrastructure (CHIP)**
Project Class: **Grant/Loan**

Description

allows cities to provide assistance to affordable housing developers and still have sufficient funding to allow sustainable infrastructure systems.
· It encourages the development of housing that connects to regional water and sewer systems in efficient ways, supporting the goals of growth management and reducing sprawl, which has climate and sustainability benefits.
· It helps developers of affordable housing to more cost-effectively deliver affordable housing units.
With funding as proposed, the CHIP program could support 60-70 projects and create 5,000 new affordable housing units per biennium, based on projects awarded in the current biennium.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

By its very nature, to fund affordable housing, CHIP is a program that seeks to support housing for all economic segments. The original CHIP program was available to all areas of the state. It was funded with ARPA funding under the criteria to respond to the negative impacts of the pandemic. As such, it was to be focused towards lower income census tracts. However, it is more beneficial to occupants of low-income housing to be located in housing units throughout a community to offer more opportunities to tenants to connect with high quality schools, jobs, and amenities. CHIP has been offered statewide, however using established criteria to equitably distribute funds around the state to projects that meet program goals.
The program received a large proportion of applications from the King County / Seattle region and from very organized developers of 100% affordable housing. This is likely because these projects were already underway, and the developers were used to looking for and responding to grant opportunities. The program targeted the last of the 2021-2023 funds to projects outside of that region to promote statewide equity.
The department conducted stakeholder outreach for two CHIP applications webinars which were attended by more than 120 interested parties throughout the state. The department worked with the Housing Trust Fund and the Washington State Housing Finance Commission to coordinate our funding assistance. We also reached out to the Affordable Housing Advisory Board contact list to market this program to reach as many developers of affordable housing as possible. We are also working to connect with sewer/water provider associations to promote a more equitable approach to system development charges. Though the hope is to encourage developers of market rate housing to include affordable units to qualify for CHIP funding, more incentives and assistance with monitoring incomes are needed to reach this goal.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

CHIP is a relatively new program with room to grow. Since its inception and implementation by Commerce staff, CHIP has been touted as an excellent program to support the development of affordable housing. Further years of the program could help to support affordable housing at this time when it is critically needed, and could help further concepts of revised infrastructure fees, property tax exemptions, and community land trusts to help with permanent affordability. CHIP is an excellent place to further support these kinds of policy initiatives connecting affordable housing development programs in Commerce with the necessary land use changes that Growth Management Services can support. It is a strong program to connect affordable housing, growth management and climate change goals for the state.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

As communities receive their allocation of affordable housing needs for upcoming comprehensive plan updates, there will be significant pressure to identify appropriate locations for affordable housing and ways to support it, such as through fee waivers, bonus densities, etc. The CHIP fund can help to leverage those efforts at the local level and reward both affordable housing developers for infrastructure costs, and the utility providers with reimbursement for affordable housing-supportive fee waivers.
Best case scenario for Washington is:
- Market rate developers include affordable units in their development because CHIP can help connect the infrastructure. This scenario likely asks the community to assist with annual income qualifications, etc., which tend to be burdensome to landlords.
- Cities, counties, and utility districts can modify their water/sewer connection fee structures to charge more for larger and further out structures, and less for infill, smaller and multi-unit structures. These fees could be based on the number of fixtures per unit and/or by density per acre, with reductions for affordable housing that CHIP could waive. In one case, fees were reduced for multi-family, and further reduced for affordable housing, and CHIP funds were used to pay for the actual fees due to the utility.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the

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Description

request result in matching federal, state, local, or private funds?
CHIP was first included in the 2021 budget proviso, using $7.6 million in state capital funds and $27.0 million in federal ARPA dollars. An additional $9.0 million in state funds were provided in the 2022 supplemental budget for a biennium total of $43.6 million.
In the first two rounds, CHIP has supported 42 projects in fourteen counties throughout the state. A total of $36.0 million has been awarded, with $13 million going to system development charges and $23 million going toward utility infrastructure improvements. The 42 projects will create more than 3,600 new affordable housing units.
With $7.6 million remaining to be awarded in Round 3, the CHIP program has received 86 applications of legitimate need totaling nearly $80 million. The proposed level of funding represents a slight increase to meet anticipated need in the next four years.
Assistant Attorney General Costs assume higher first year costs to expand the program and refine it assuming changes in federal practices and possible changes from the legislature. Annual costs assume a routine level of review for contracts.
Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
This request directly ties to the Results Washington goal Health and Safe Communities; This request aligns with state goals for affordable housing, efficient provision of utilities, more efficient land use, and housing that is often in proximity to multimodal transportation, while supporting equity in housing. It will support innovative forms of housing such as infill, middle housing, community land trusts, workforce housing and affordable housing.
This request supports all five the department's goals:
· Reduce Homelessness and Expand Housing Inventory;
· Create Digital Equity and Connectivity through Broadband;
· Accelerate Clean Energy Transformation through Infrastructure, Investments, and Policy;
· Support Entrepreneurship, Small Businesses and Regional Economic Growth;
· Promote Development of the innovation Economy and Globally Trade Sectors
And supports all of the agency's strategic objectives:
Objective: Enrich Commerce's human capital to demonstrate and employ cultural competency.
Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Consult with community partners on our data and data-informed decisions.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Objective: Build systems that enable data-informed decision-making to improve equity.
Objective: Establish internal (real time) information sharing that enables collaboration across the agency.
Objective: Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers
Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
Not applicable.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
Not applicable.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
HOW CHIP IS EQUITABLE: By its very nature, to fund affordable housing, CHIP is a program that seeks to support housing for all economic segments. The original CHIP program was available to all areas of the state. It was funded with ARPA funding

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Description

under the criteria to respond to the negative impacts of the pandemic. As such, it was to be focused towards lower income census tracts. However, it is more beneficial to occupants of low-income housing to be located in housing units throughout a community to offer more opportunities to tenants to connect with high quality schools, jobs, and amenities. CHIP has been offered statewide, however using established criteria to equitably distribute funds around the state to projects that meet program goals.
The program received a large proportion of applications from the King County / Seattle region and from very organized developers of 100% affordable housing. This is likely because these projects were already underway, and the developers were used to looking for and responding to grant opportunities. The program targeted the last of the 2021-2023 funds to projects outside of that region to promote statewide equity.
OUTREACH AND COORDINATION: Commerce conducted stakeholder outreach for two CHIP applications webinars which were attended by more than 120 interested parties throughout the state. Commerce worked with the Housing Trust Fund and the Washington State Housing Finance Commission to coordinate our funding assistance. We also reached out to the Affordable Housing Advisory Board contact list to market this program to reach as many developers of affordable housing as possible. We are also working to connect with sewer/water provider associations to promote a more equitable approach to system development charges. Though the hope is to encourage developers of market rate housing to include affordable units to qualify for CHIP funding, more incentives and assistance with monitoring incomes are needed to reach this goal.
Is there additional information you would like decision makers to know when evaluating this request?

CHIP will be well supported by all stakeholders as an equitable program that helps affordable housing. As a new source of funding for affordable housing, we coordinate with the Housing Trust Fund and Washington State Housing Finance Commission, and we are working to reach out to other programs to coordinate funding and technical assistance, bringing the growth management lens of matching affordable housing with places of opportunity and cost-effective infrastructure.
This funding is vital to showing state support of the affordable housing that is needed across the state and that will not be provided without government support.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	33,213,000	14,266,000	8,484,000	10,463,000	
355-1	St. Bld Const Acct-State	26,787,000		7,517,000	19,270,000	
	Total	**60,000,000**	**14,266,000**	**16,001,000**	**29,733,000**	**0**

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Funding

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000572
Project Title: 2023-25 Defense Community Compatibility Projects
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for defense community compatibility projects throughout Washington.

Project Description
Funding for defense community compatibility projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	33,950,000	27,488,000	2,677,000	3,785,000	
23N-1	MTC Capital Account-State	3,720,000		251,000	3,469,000	
	Total	**37,670,000**	**27,488,000**	**2,928,000**	**7,254,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
23N-1	MTC Capital Account-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000285
Project Title: 2023-25 Early Learning Facilities – School Districts
Project Class: Grant/Loan

Description

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Project Number: **40000285**
Project Title: **2023-25 Early Learning Facilities – School Districts**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

The Early Learning Facilities grant and loan program provides grants and loans to plan, renovate, construct, or purchase high-quality early learning facilities for low-income children. Communities need more facilities to generate the additional capacity necessary to meet the legislative mandate for the Early Childhood Education Assistance Program (ECEAP) to become an entitlement program by the 2026-2027 school year.

Project Description

In 2017, the legislature passed HB 1777, which established the Early Learning Facilities grant and loan program (RCW 43.31.565-583). The goal of the program is to increase high-quality early learning opportunities for low-income children and to address a severe shortage of early learning facility capacity that is necessary to meet the ECEAP legislative mandate.
The program funds early learning facility projects for eligible organizations (as defined in RCW 43.31.575) and school districts. This request is specific to funding for school districts. RCW 43.31.579(3) requires the department to develop a ranked and prioritized list of early learning projects to provide to the governor and legislature by September 15, 2022.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.
RCW 43.31.579(3) requires the Department of Commerce (department) to submit a ranked and prioritized list of school district early learning facility projects to OFM and relevant Legislative committees.
The department's request for Capital Infrastructure Pre-Development Funding will provide state support for project development across all state capital projects to include building communities fund, youth recreation, building for the arts, library programs, etc. With funding as proposed, pre-development funds will provide an equitable pathway to state funded capital programs and will help expand access to this program.
What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

This request will produce the projects identified on the 23-25 Early Learning Facilities School District Project List, which is developed through a competitive process. That list of projects is below, in ranked order. This request will provide capital funds for school districts. Allowable activities include major construction and renovation grants, as well as grants for facility purchases.
1. Toppenish School District - $1,080,261
2. South Bend School District - $300,000
3. Highline School District - $808,551
4. Orondo School District - $1,080,261
5. Issaquah School District - $1,056,824
6. Bethel School District - $1,080,261

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
Funding this request will provide additional early learning capacity to better position the state to meet the legislative mandate for ECEAP entitlement by the 2026-2027 school year.
Without additional capital funding, it will not be possible for the state to meet the ECEAP mandate, and the number of additional early learning opportunities for low-income children will continue to be limited.
What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.
There are no alternatives available. RCW 43.31.579(3) requires the department to submit a ranked and prioritized list of school district early learning facility projects to OFM and relevant Legislative committees.
Which clientele would be impacted by the budget request? Where and how many units would be added, people or

Project Number: **40000285**
Project Title: **2023-25 Early Learning Facilities – School Districts**
Project Class: **Grant/Loan**

Description

communities served, etc.
This request will increase the number of quality early learning opportunities for low-income children, as well as quality reliable care and education for low-income families so that parents may get and keep their jobs to support their families and promote self-sufficiency.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
Non-state match is strongly encouraged for each project. The department has established a match goal for school districts of 1:3 non-state match. For every 1 dollar of state funds, 3 dollars of non-state funds are expected. Applications that provide a higher level of non-state match will receive additional points in the evaluation process and will have a greater likelihood of being ranked higher.
The commitment of state funds for the construction, purchase, or renovation of early learning facilities may be given only after private or public match funds are committed. Private or public match funds may consist of cash, equipment, land, buildings, and/or in-kind.
This request of $5,406,158 in state Early Learning Facilities funds will generate $21,342,196 in non-state funds utilized across these six sites.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
This request supports and is consistent with the Governor's Results Washington through:
· *Goal 1: World-class education:* Providing every Washingtonian a world-class education that prepared him or her for a healthy and productive life, including success in job or career, in the community and as a lifelong learner;
· *Goal 4: Healthy and Safe Communities:* Fostering the health of Washingtonians from a healthy start to safe and supported future.
This request supports all five the department's goals:
· Reduce Homelessness and Expand Housing Inventory;
· Create Digital Equity and Connectivity through Broadband;
· Accelerate Clean Energy Transformation through Infrastructure, Investments, and Policy;
· Support Entrepreneurship, Small Businesses and Regional Economic Growth;
· Promote Development of the innovation Economy and Globally Trade Sectors
And supports all of the agency's strategic objectives:
Objective: Enrich Commerce's human capital to demonstrate and employ cultural competency.
Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Consult with community partners on our data and data-informed decisions.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Objective: Build systems that enable data-informed decision-making to improve equity.
Objective: Establish internal (real time) information sharing that enables collaboration across the agency.
Objective: Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
Not applicable.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
All projects are required to meet the Leadership in Energy and Environment Design (LEED) Silver Standard or receive an

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Project Number: 40000285
Project Title: 2023-25 Early Learning Facilities – School Districts
Project Class: Grant/Loan

Description

exemption from Commerce. LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC) and includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

The Early Learning Facilities Program provides early learning opportunities to children from low-income families. Projects score higher if they are located in a childcare desert, meaning an area of the state with very limited childcare options. Projects also receive priority points if they are located in a low-income neighborhood. Lastly, Early Learning Facilities projects located in rural communities are prioritized in our competitive application process.

Is there additional information you would like decision makers to know when evaluating this request?

None.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: 43.31.565-583
Application process used
Competitive grant application process.

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
22D-1	Early Lrng Fac Devel-State	5,406,000	3,185,000	323,000	1,898,000	
	Total	**5,406,000**	**3,185,000**	**323,000**	**1,898,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
22D-1	Early Lrng Fac Devel-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative
None.

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Project Number: 40000283
Project Title: 2023-25 Energy Retrofits and Solar Power for Public Buildings
Project Class: Grant/Loan

Description

Project Number: **40000283**
Project Title: **2023-25 Energy Retrofits and Solar Power for Public Buildings**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

The Energy Retrofits for Public Buildings program provides a pathway for public agencies to substantially improve building performance, reduce operating costs, and reduce Greenhouse Gas emissions. Many public facilities were constructed before the adoption of new energy codes and do not address the growing need to provide efficient cooling. This program helps public agencies build sustainable facilities, reduce deferred maintenance backlogs, save on utility bills by installing solar power, create living wage jobs, and contribute to our state's climate goals.

Project Description

The Energy Retrofits for Public Buildings program was created in 2010 and has a proven track record of helping public agencies reduce their operational costs and achieve climate and sustainability goals through energy efficiency and renewable energy upgrades. These projects also stimulate local economic activity and create jobs throughout the trade and construction sectors.

The department proposes $50 million in state funding to support a restructured Energy Retrofits for Public Buildings program that is responsive to a decade of program learnings, a new policy landscape, a shifting market, and evolving community needs. Importantly, the program has prioritized investments that benefit highly impacted and vulnerable communities, federally-recognized tribes, and rural communities. Positioning the program so that public buildings can better leverage the Bipartisan Infrastructure Law (BIL; Infrastructure and Investment Jobs Act (IIJA)) and Inflation Reduction Act (IRA) funding opportunities will unlock even more capital for this purpose.

The department request to scale up the Energy Retrofits for Public Buildings program to meet climate and environmental justice goals for public facilities. The demand for this program continues to exceed funding: in the past two years, application requests totaled $18 million with only $11 million available for awards. This equates to an oversubscription of approximately $7 million, representing 34 projects that were left unfunded and/or deferred. In addition, we have heard that many potential applicants did not bother to apply due to the limited funding available and competitiveness of the program.

Grants and resources will be offered to state agencies, public higher education institutions, K-12 school districts, tribal governments, public housing authorities and local governments. We anticipate funding approximately 240 projects, which will significantly improve the energy performance of public buildings, create local clean energy jobs, and reduce Washington's carbon footprint.

To increase the equitable distribution of resources and funding, the program will prioritize rural, highly impacted, low-income, and tribal communities. Previously, the program has set aside 20% of funding for projects in incorporated small cities and towns, which has directed $4 million to 17 projects since 2020. More recently, Commerce has identified additional under-resourced and vulnerable communities that will greatly benefit from these grants, including unincorporated rural communities, and vulnerable, low-income, and tribal communities. Federally recognized tribal governments were added as eligible applicants in 2019, and five tribes have received grants to date Going forward, we will prioritize these communities to receive grants, and a lower match will be required for these entities, ensuring that communities with fewer resources are able to benefit from this program.

The $50 million grants will be distributed as follows:

Energy Efficiency Grants ($23 million): Grants will support energy efficiency retrofits at public buildings, including lighting projects that eliminate harmful PCBs at public K-12 schools and fuel switching from fossil fuel to electricity. We anticipate awarding approximately 72 energy efficiency grants.

Solar Grants ($13 million): Grants will support net-metered solar photovoltaic arrays to be installed on existing public buildings. We anticipate awarding approximately 130 solar grants.

State Project Improvements ($14 million): Grants will support energy efficiency upgrades at state facilities. We anticipate awarding approximately 36 state project improvement grants.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about

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Project Class: Grant/Loan

Description

the current condition of the facility or system.

The State Energy Strategy highlights the goal for the state to lead by example through investments in public capital projects, especially for schools, hospitals, and rural public buildings. Many older public facilities do not include current best practices for energy conservation. Public entities are often resource-constrained and face significant barriers to accessing clean energy improvements, including shortages in staff time, grant-writing experience, and challenges in obtaining match funds. These challenges will only grow as public entities work toward compliance with the Clean Buildings Performance Standard. The Energy Retrofits for Public Buildings program provides a pathway for public entities to overcome these challenges by accessing these new funding opportunities. In addition to improved building performance, this program helps public agencies reduce deferred maintenance backlogs, increases capital asset life, and creates jobs in the construction and trade industries.
Since 2013, the legislature has invested $73.5 million in the Energy Retrofits for Public Buildings program in order to provide the public a benefit through improved energy efficiency, reduction in building operating costs and GHG emissions. The strategic goals of the program need to be updated in order to further remove restrictive barriers for public buildings to access capital and help public buildings comply with a new policy landscape.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

A $50 million investment in the Energy Retrofits for Public Buildings program will create an estimated 240 energy efficiency and solar energy projects that will save $5,700,000 and 20,000 metric tons of carbon dioxide (CO2) annually. In addition, approximately 656 jobs will be created, contributing to the growing green economy sector and economic recovery efforts. The grant program will begin in FY24 and grant cycles will be offered throughout the biennium through each specific grant program (Energy Efficiency, Solar, and State Project Improvements).
This investment will enable Commerce to leverage the Energy Efficiency and Conservation Block Grant funds that Washington receives in partnership with regional, local and tribal governments for clean energy capital investments, projects, loan programs and performance contracting programs around the state.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

This request provides the funds and resources agencies require to reduce energy consumption and losses in public facilities and to move the state towards meeting State Energy Strategy goals of a 45 percent reduction in Greenhouse Gas emissions by 2030, and a 95 percent reduction below 1990 levels by 2050. By reducing energy use, communities in most cases will also be improving the operational bottom line. This program provides opportunities to improve the health and safety for building occupants such as students, teachers, and other public employees, while reducing greenhouse gas emissions and local air pollution. The cost savings could be directed towards filling critical needs, such as improving services or addressing deferred maintenance backlogs. These projects also create and support construction jobs in the green economy throughout the state, especially in small towns and cities.
Without state support for energy efficiency programs, eligible entities in Washington, like school districts and local governments, will not be able to maximize the benefits from sweeping new federal infrastructure programs like the BIL/IIJA. Most federal programs require match funds and by increasing the number of awards we can make, the Energy Retrofits for Public Buildings program will unlock greater opportunity for schools and other public facilities to qualify. In addition, state funding will help public entities comply with Washington's Clean Buildings law and qualify for the Clean Buildings Early Adopter Incentive program.
Without funding for this program, the opportunities to receive the benefits of reduced air pollution and operating costs will be lost. Communities throughout Washington will not benefit from the associated job creation, potentially delaying local economic recovery, especially in small towns and cities that have limited economic development opportunities.
This program has been consistently oversubscribed resulting in unmet needs and deferred projects. In addition, stakeholder feedback from listening sessions and input from potential applicants indicate that there is a wider interest in these grants. We continue to work at breaking down accessibility barriers by reducing match levels where appropriate, simplifying the application process and adding more predictability to the timing of solicitations. Continued funding will support projects that have struggled to access energy improvements in the past.

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Project Title: **2023-25 Energy Retrofits and Solar Power for Public Buildings**
Project Class: **Grant/Loan**

Description

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.
Other alternatives that were explored include scaling the program back or not funding the program at all. Not funding this proposal may leave eligible applicants without a way to fund these important projects or meet statutory requirements. This program leverages a pipeline of planned retrofits and upgrades; not funding would lock some of these projects into less efficient design, equipment, and materials for an indefinite period.
The Solar plus Storage for Community Resilience program, established in the Fiscal Year 2023 operating budget, funds solar plus energy storage installations for similar building types. Projects funded under that program will primarily enhance resilience, while the Energy Retrofits for Public Buildings program helps local governments and school districts upgrade public facilities while reducing emissions in alignment with Washington's State Energy Strategy, and providing cost savings to governments. Many communities may not be ready to make an investment in energy storage or have facilities that are not suitable for battery systems. These communities would still benefit from the cost savings, pollution reduction, and jobs created from solar-only projects that could be funded under the Energy Retrofits for Public Buildings program.
Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
Energy Retrofits for Public Buildings serves state agencies, higher educational institutions, K-12 public schools, tribal governments, public housing authorities and local governments. To date, the program has consistently awarded funds across the state, with broad geographic distribution. Since 2020, 44 percent of awards were to K-12 public schools, 40 percent to local governments, 8 percent to higher education, 7 percent to tribes, and 1 percent to state agencies, with 23 percent of projects in small cities and towns. In 2022, 81 percent of projects, representing 91 percent of funding, were in low-income, vulnerable, rural, or tribal communities.
Occupants and users of retrofitted facilities benefit from the increased safety and comfort of the buildings, and local communities experience cleaner air. These projects also contribute to the economy through job creation, supply chain purchases, and local economic activity.
Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
The federal government is making unprecedented investments in energy efficiency and renewable energy through the BIL (IIJA) and the IRA. The Energy Retrofits for Public Buildings program unlocks these funds for local, state, and tribal governments by providing matching dollars to federal grant programs and the capital that projects need to take advantage of tax credits. The program could allow local, state and tribal governments to leverage federal investments in areas such as heating and cooling upgrades for public facilities, indoor air quality improvements for schools, more efficient public water treatment facilities, solar energy for community-owned facilities, and energy-efficient public housing. Commerce has been engaged in programs like the Federal Grants for Energy Efficiency and Renewable Energy Improvements at Public School Facilities, which is one of the first energy efficiency programs to roll out from the BIL (IIJA).
The program will set a minimum match requirement for public entities applying for these grant funds. The department will set a lower match requirement for priority communities and will review funding available to state agencies to set an appropriate match for them. In the last grant cycle, more than $7.4 million was leveraged in non-state funds, nearly doubling the state investment. Matching funds typically come from a variety of sources, including energy performance contracting funds, private donations, student fees, private grants and lenders, local funds, and local funds by way of the state treasurer.
Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
This request supports and is consistent with the Governor's *Results Washington* as follows:
· Goal 1: World-Class Education, by improving our schools' environments.
· Goal 2: A prosperous economy, by creating jobs to support these projects.
· Goal 3: Sustainable Energy and a Clean Environment, by reducing energy consumption and carbon emissions.
· Goal 5: Efficient, Effective, and Accountable Government, by reducing operational costs at publicly owned facilities.
It also allows state agencies to meet Executive Order 20-01, the Clean Buildings law, the Clean Energy Transformation Act, and the State Toxics Reduction Plan.
This request supports the department's goals:
· Accelerate Clean Energy Transformation through Infrastructure, Investments, and Policy;
And supports the agency's strategic objectives:

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Project Title: 2023-25 Energy Retrofits and Solar Power for Public Buildings
Project Class: Grant/Loan

Description

Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Consult with community partners on our data and data-informed decisions.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Objective: Build systems that enable data-informed decision-making to improve equity.
Objective: Establish internal (real time) information sharing that enables collaboration across the agency.
Objective: Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.
Additionally, this program supports agency-wide collaboration. Eligible facilities include those that connect with other important services our agency offers. For example, Public Housing Authorities provide services through the Housing Finance Unit and the Housing Assistance Unit, and also qualify for this grant, which can reduce operational costs and maintain the infrastructure needed to support vital programs. Many of the facilities that have benefited from Commerce's Local Government Division's programs can also benefit from energy retrofits, helping to increase the lifespan of public facilities. This program also builds relationships with eligible applicants (tribal governments, local government, schools, other state agencies, etc.).
The program supports the 2021 Washington State Energy Strategy, which highlights the need for the state to lead by example with public capital projects, especially for schools, hospitals, and rural public buildings. The strategy targets a 26 percent reduction in energy use in buildings by 2050 and recommends building electrification as a key strategy.
Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
The department is one of the agencies designated to implement the HEAL Act. As the department develops its implementation strategy, it will work to embed agencies strategies into its programs.
How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
The State of Washington has set aggressive goals and targets for decarbonization, including the following statues. Energy Retrofits for Public Buildings contributes directly to the following RCW's and executive orders:
· Building Benchmarking RCW19.27A.190 - requires state and higher education agencies to disclose energy performance at facilities over 10,000 SF
· Building Efficiency RCW 19.27A.200 - requires facilities over 50,000 square feet to meet energy performance targets by 2026, and benchmarking for buildings over 20,000 by 2027.
· Carbon reduction RCW 70.235.50 - requires state agencies to report greenhouse gas emissions and develop strategies for emissions reductions
· State Efficiency and Environmental Performance (SEEP) E.O. 20-01 - requires state agencies to invest in projects that reduce energy consumption and greenhouse gas emissions
· Climate Change adaptation RCW 43.21M.040
· Clean Energy Transformation Act
These funds also move public buildings towards compliance with the Clean Buildings Performance Standard objectives, by investing in projects that reduce energy use at covered buildings.
By saving energy and installing solar, grant recipients will reduce their carbon footprint and environmental impact. Many past projects have used this as an opportunity to fuel switch – moving from fossil fuel-based system to electricity-based systems. Producing clean renewable energy via on-site solar projects also reduces carbon emissions.
These projects also contribute to community resiliency by improving the operations and resiliency of critical infrastructure such as water and wastewater systems, fire stations, hospitals, etc. By reducing energy consumption at these sites, the organizations save operating dollars that can be directed to other critical needs. Also, in the event of a disaster, these projects reduce the need for backup power by reducing the overall energy consumption at the facility, allowing them to operate longer in the event of a power interruption.

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Project Class: Grant/Loan

Description

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
The Energy Retrofits for Public Buildings program prioritizes projects in rural, lower-income, overburdened, and tribal communities. In 2022, these communities received 91 percent of funds from the Energy Efficiency and Solar grant programs. Projects provide benefits to these communities by reducing the costs of providing public services, improving the comfort, health and safety of communities, building local workforces, and reducing local air pollution.
The program also prioritizes projects that provide benefits to vulnerable populations, and engages with the community during project development. Communities have cited program benefits such as cost stabilization for essential services, educational opportunities for students, improved learning environments and health and safety improvements.
In December 2021, three listening sessions were held for this program, with 216 total attendees representing current and potential grantees, tribes, and other stakeholders. Our proposed solutions have been informed by these listening sessions. If funding is re-instated, we will conduct additional community engagement to tribal, rural and vulnerable communities utilizing environmental justice best practices and tools created through the HEAL Act.
Is there additional information you would like decision makers to know when evaluating this request?

None.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State					
26C-1	Climate Commit Accou-State	51,000,000	24,450,000	17,904,000	8,646,000	
	Total	**51,000,000**	**24,450,000**	**17,904,000**	**8,646,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

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Operating Impacts

No Operating Impact

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Project Number: **40000295**
Project Title: **2023-25 Housing Trust Fund**
Project Class: **Grant/Loan**

Description

Project Number: **40000295**
Project Title: **2023-25 Housing Trust Fund**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

The affordable housing crisis impacts every community in our state. The public sector must make major investments in the housing system to address this crisis and prevent homelessness among those at highest risk. The Department of Commerce requests a new appropriation of $400 million from several potential capital accounts to address the pipeline of affordable housing projects ready to be developed by nonprofits, tribal governments and public housing agencies. This comprehensive funding package enables the state to leverage maximum investment from federal, local and private sources.

Project Description

The state continues to look for solutions to invest in the housing ecosystem and increase supply in holistic ways by focusing on local planning and regulatory environments, making strategic investments and creating new pathways and incentives to increase housing development. Unfortunately, the private housing market will not develop units for the most vulnerable, those at the highest risk for homelessness. The state created the Housing Trust Fund (HTF) in 1986 and since then it has served as the cornerstone of this system. With each capital budget appropriation, local plans and development priorities shift based on the availability of resources. This elevates the importance of this capital appropriation process, and the following investments reflect what stakeholders and public funders are identifying as the highest and best use of these resources.

Commerce primarily recognizes these housing investments must be pro-equity to address the disparities in homelessness and housing burden experienced by historically marginalized populations. The Department has conducted a comprehensive equity study and is in alignment with other public funders around the need to serve these populations while investing in new affordable housing projects. There have also been disruptions to the affordable housing pipeline caused by COVID 19, emergency measures for rapid housing and inflationary increases in existing projects that have increased the pressure on the pipeline. Therefore, the Department of Commerce requests a new appropriation of $400 million from several potential capital accounts from the State Taxable Building Construction Account (Fund 355), State Building Construction Account (Fund 057), and Coronavirus State Fiscal Recovery Funds. This comprehensive funding package enables the state to align funding to maximize local resources and address the most acute needs, and represents:

A. $200 million - NEW development of multifamily/rental housing, including a 20% target for By and For; (Approximately 2,200 New Units)

B. $100 million – Acquisition, Rehab and New Construction for Rapid Permanent Supportive Housing (PSH) for Apple Health and Home (AHAH) (per HB 1866), including a 10% target for By and For; (Approximately 750 New Units)

C. $50 million - Homeownership opportunities, including a 50% target for BIPOC households to address the Disparities Work Group's recommendations; (Approximately 750 New Units)

D. $50 million – Housing preservation for HTF portfolio preservation, continuing affordability, and other preservation projects across the state (Approximately 1,650 Preserved Units)

These cornerstone investments will lay the foundation and create the infrastructure needed to build permanent housing that advances justice and healthcare in sustainable ways. Of the 5,350 units impacted by this investment, Commerce estimates These include:

A.$200 million for Multifamily Housing Development (20% Target for By and For Organizations)

Housing Development happens within a comprehensive financial system, and the state maximizes investments into this critical infrastructure when it can support local priorities and initiatives. There is an effective mechanism used by ten public funders (the Combined Funders Application) that economizes housing developer efforts and produces the maximum housing. HTF needs a steady stream of investment to set up annual practices that effectively move projects through the housing pipeline. In September 2022, the state received proposals for over 60 projects requesting over $270 million in critical gap funds. The production of new housing takes time, but there is no more effective mechanism to programmatically deliver the state's highest quality affordable housing and expand energy-efficient, sustainable homes to vulnerable residents.

The demand for this housing is evident. Communities are now using sales tax revenue generated by the 2019 Encouraging Investments in Affordable and Supportive Housing Act. These are now generating nearly $50 million in annual revenue annually to support projects, but these funds are insufficient for local government to self-fund a project. To achieve a distribution of resources that support a broad array of critical social benefits, HTF allocates resources to pair with other funders, but also steps in to meet critical unmet needs in communities without resources. Based on 2021 application data and stakeholder input, HTF anticipates demand for these resources to be at least two times this request:

· Low-Income Housing Tax Credit Program (4%, 9%) - $200 million+ (2021 Applicants requested $193 million in Funds)

Project Number: **40000295**
Project Title: **2023-25 Housing Trust Fund**
Project Class: **Grant/Loan**

Description

· Rural and Small Community Projects (Non-Tax Credit)- $80 million+ (2021 Applicants requested $78 million)
· Transit Oriented Development - $30-50 million
· Recovery and Transitional Housing - $20-30 million
· Persons with Intellectual and/or Developmental Disabilities - $10-20 million
· Farmworker Housing - $10-20 million
These investments alone are not satisfactory to meet the needs but they can utilize local planning and capacity in the system to address urgent issues. There are great examples of multisectoral approaches to addressing these needs, and a few highlights of these partnerships include:
· Sound Transit's contribution of publicly owned lands to generate Transit Oriented Development;
· Department of Social and Health Services (DSHS)'s efforts to increase housing for persons with Developmental Disabilities led to the transfer of $16 million in funds in the Dan Thompson Account for the HTF to manage in 2022;
· The legislature, Department of Children, Youth and Families (DCYF) and homeless advocates seek housing options for transitional youth and support replication of the Rising Strong project in eastern Washington;
· The Health Care Authority (HCA) funded a Supportive Housing Institute to help nonprofits design and develop housing options for individuals with Substance Use Disorders.
Commerce generally prioritizes new construction as it leads to net creation of units and offers the best, long-term quality. The need is evident in every community and the state can make an impact in expanding housing supply by investing in affordable housing.

The 20% target for by and for organizations is a recognition of the department's commitment to empowering communities to address historic disparities created by racist policies. Washington state can lead the way in remedying historic disparities with efforts to invest in projects serving the population and controlled by Black, Indigenous and Persons of Color (BIPOC) organizations. The corrective investments, as called for in the agency's Capital Equity Analysis conducted in 2021-22, would set aside funds to ensure qualifying organizations gain access to resources to create and own multifamily housing projects eligible through the HTF. Commerce will work with stakeholders to develop definitions for what organizations will qualify with increasing sensitivity to tribal governments and organizations not receiving capital investments previously.
Commerce estimates approximately 2,200 will be created with this funding allocation. Average costs for Traditional funding is highly variable due to volatile construction costs, availability of leverage funding and type of final housing selected. This estimate used the recent per unit average of approximately $88,000. At least 400 of these will be owned by BIPOC organizations.
B.$100 million – Acquisition, Rehab and New Construction for Rapid Permanent Supportive Housing (PSH) for Apple Health and Home (AHAH) (per HB 1866), including a min. 10% target for By and For;
Housing is Health Care. In 2022, Apple Health and Homes codifies that medical providers need the ability to refer persons to housing, and the state's nation-leading Foundational Community Supports needs to be more highly utilized to deal with those experiencing chronic homelessness. Investments in housing reduce the state's reliance on other costly systems, and a substantial investment in the Rapid PSH Program will be vital to administering and expanding the statewide capacity for housing coupled with services.
There is an existing gap of affordable permanent supportive housing of over 17,000 units, and utilizing Rapid PSH to acquire or develop new housing will maximize other resources to create local, permanent solutions. Addressing the existing gap will best position the state and our healthcare providers to address future demand and produce improved public health outcomes, as well as increasing effective hospital capacity by allowing more patients to be successfully discharged from treatment into stable housing.
At this time, the department is not requesting a new appropriation for the Rapid Capital Housing Acquisition (RCHA) program created in the 2021-23 capital budget bill. At the time of writing this DP, the department still has a minimum of $80 million in RCHA scheduled for released in the winter, and another $60 million in Rapid PSH/AHAH capital funds scheduled for release in early in 2023. Meanwhile, we received $237 million in funding requests in the "Traditional" round in 2022, and had less than $50M available to allocate. In 2021, developers requested $271 million in funding with only $125 million to award. Meanwhile inflationary costs are driving gaps in previously funded projects and other capital resources are not increasing to meet this demand.
Commerce estimates approximately 750 units can be created with this funding allocation. Average costs for Rapid projects vary substantially, so it is not possible to provide a firm estimate. In 2021, these averaged $125,000 per unit, and with the new program in the design phase, it's not possible to estimate. $129,000 per unit is used for this estimate.

Project Number: **40000295**
Project Title: **2023-25 Housing Trust Fund**
Project Class: **Grant/Loan**

Description

C.$50 million - Homeownership opportunities, including a 50% target for BIPOC to address the Disparities Work Group's recommendations;
The $50 million investment will be used to enact three (3) of the recommendations in the Reducing the Homeownership Gap for Black, Indigenous, and People of Color in Washington report, to help address the lack of affordable homeownership supply:
· Increase state funding for affordable homeownership programs,
· Increase funding available for direct assistance to homebuyers and homeowners, and
· Increase the per-household funding limits in order to make the current programs more flexible.
The Homeownership Program provides funding assistance to low-income first-time homebuyers. Assistance may include but is not limited to: down payment and closing costs assistance, community land trust models, sweat-equity models, funding for new construction, acquisition, and/or rehabilitation, manufactured home community models, homeowner co-operative models, etc. In addition, a minimum of 50% of the resources will be awarded to organizations targeting populations with documented homeownership disparities (particularly Black, Indigenous and Latinx), as identified in the Homeownership Disparities Work Group report (to be released to the Legislature and public shortly).
The State's investment will be used, in part, to support the $1.95M investment by JP Mortgage Chase for down payment assistance in Shoreline, Seattle, and areas identified as low-to-moderate income census tracts. These funds will also leverage Housing and Urban Development's (HUD) cooperative housing, Section 213, program, as well as other federal, local, and private funders' programs.
The homes created through this funding will be held by households with incomes below 80% of the area median income adjusted to household size and have affordability covenants placed on the property ensuring affordability for 25 years or more. The department estimates at least 750 homeownership units, based on a $65,000 per unit cost, will be produced through this funding.
D.$50 million – Housing preservation for HTF portfolio preservation, continuing affordability, and other preservation projects across the state
Housing Quality Matters. Washington state has invested over $1.5 billion in a housing stock that requires updates and upgrades since being placed in service in the 1990's-2000's. There are issues of deferred maintenance across the portfolio and an inability to self-finance the repairs. Furthermore, there are properties in rural Washington with old USDA contracts that are at risk of losing affordability. This allocation will be distributed through both the Housing Portfolio Preservation ($40 million) and the Continuing Affordability Program ($10 million) so that critical investments can be maintained across the state.
The department estimates nearly 1,500 apartments will receive capital upgrades in health and safety items through the Portfolio Preservation funding. Approximately 150 units will also be preserved through the Continuing Affordability program.
Administration: Commerce is requesting 3% of the capital funding be available for administration for the Housing Development activities. This is cited in the Agency Request for Legislation.
In conclusion, the state's investments in the HTF are highly effective at leveraging other public and private investments and protecting the health and safety of vulnerable individuals. Over the past five (5) years, the HTF has leveraged an average of more than $5 for every $1 state dollar invested. Construction activity and resulting projects generate substantial social and economic benefits for local communities. Upon financial close, new construction of large-scale affordable housing takes approximately 12-14 months, on average, from beginning construction to individuals taking up residence. These investments put millions of dollars into the local economy, providing exponential impacts to local businesses. More rapid procurement activities piloted with the Rapid Capital Housing Acquisition program will be utilized to obtain or develop quality Permanent Supportive Housing in areas of high need.
Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Washington State is experiencing an affordable housing crisis and the negative economic impacts of the global response to COVID-19. Many different factors have made access to affordable housing more difficult for low-income households including:
· Lack of a broad array of housing inventory,
· Changing business models due to virus impacts
· Reduced or eliminated work,

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Project Class: **Grant/Loan**

Description

· Changing housing needs due to work from home orders,
· Stagnant wages,
· High rates in the rental market, driven, in part, by the historic lack of housing production and steadily increasing state population.
· Increasing costs to purchase a home
· Rising utility costs.

This puts many people at risk of homelessness. Capital investments in affordable housing are proven to help protect vulnerable households and house people affected by homelessness and provide much-needed stability to them, so that they can become productive members of their communities and safely live in a home. Housing construction projects are also proven to support local businesses, create jobs, and generate state and local revenues.

The 2021 Legislature tasked the Department of Commerce with convening a diverse homeownership-focused workgroup to "assess perspectives on housing and lending laws, policies, and practices; facilitate discussion among interested parties; and develop budgetary, administrative policy, and legislative recommendations." The Homeownership Disparities Work Group identified 12 ready and actionable items the state of Washington can undertake to begin to bridge the 143,000 homeownership gap between BIPOC and white households. The detailed report is available on Commerce's website: Reducing the Homeownership Gap for Black, Indigenous, and People of Color in Washington. The $50 million investment in homeownership will solidly put the state of Washington on the path to remedying the myriad of institutionally racist policies that have so terribly impacted the BIPOC community.

By investing in a broad array of housing options: multifamily housing, permanent supportive housing, shelters, and homeownership opportunities, Washington will nurture a healthy housing ecosystem that enables housing choice.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Affordable Housing Programs invest in capital projects that construct or rehabilitate existing buildings to create affordable housing units. A typical HTF Program project starts construction within 6 to 12 months from an award. The nature of the HTF program is that Commerce allocates funding after competitive funding rounds, and those projects get under construction when full funding is available. Direct Appropriations tend to take longer to get to completion because designs and funding are typically not ready at the time of award. Rapid PSH processes and other funding cycles have begun to make these rounds continuous, and sometimes not align with other local and state funders. In 2023-25, Commerce will strive to reduce the time between application due dates and contracting by working on aligning funding decisions with state funding partners.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Capital investments in affordable housing development reduce our state's affordable housing gap, reduce homelessness, create living wage jobs, and generate revenues for local communities. The construction and rehabilitation of affordable housing projects benefits the construction industry, and the availability of affordable housing helps attract businesses to project areas, resulting in additional job creation and thriving communities. Access to stable, affordable housing will improve overall job stability, increase educational attainment, and reduce health problems in communities that have been historically disadvantaged.

Failing to invest in housing across the spectrum, shelters to homeownership opportunities, will exacerbate the State's existing housing shortage which will cause prices for housing to continue to rise due to market demand. The result of this will be increased homelessness and longer waiting periods for people exiting homelessness, hospitalization, and incarceration. Failing to invest in homeownership opportunities will cause the flow of people through the housing spectrum to stall as pricing continues to keep households from entering the housing market. This pressure will have a disproportionately large impact on BIPOC communities who are already disproportionately impacted by wage disparities and housing challenges due to our country's history of institutionalized racism.

Failing to address these problems means more than ignoring historic racisms and its impacts; it means perpetuating that racism and reinforcing it as an institutionalized norm.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

Rapid Capital Housing Acquisition produces shelter more quickly but does not expand housing availability overall. It transfers properties from other productive uses and moves it into transitional or emergency shelters.

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Project Title: **2023-25 Housing Trust Fund**
Project Class: **Grant/Loan**

Description

Unless set up as permanent housing, hotels and motels serve well as transitional settings, respite care or other intents and purposes. These are more costly models to operate and require significant capital expenditures later. These are important immediate remedies, but the systemic fix requires new housing production. In Rapid, the state paid for a majority of the capital expenditure, and long-term commitments will be borne by both local and state taxpayers. Setting up projects well in the near term with high-quality housing means lower costs over time. In addition, the department leverages public and private investment of over $5 for every $1 state investment through traditional competition (versus. $0.80 for every $1 in Rapid). These properties are also built in desirable, transit-oriented, service-rich environments.

The two barriers that prevent BIPOC communities from becoming homeowners are lack of housing inventory (supply) and lack resources (financial and technical) to aid in the purchasing process. There are limited federal resources available for construction to increase supply as well as financial and technical assistance to purchase the homes. Some local governments and tribal nations have resources to assist in the creation of homes as well as the purchase of homes within their jurisdiction. A few businesses have created investment funds to leverage public resources (JP Mortgage Chase, Microsoft –Shelter, affordable housing, and homeownership). The foundational element that all these resources require is additional investment by the state in order to realize the housing opportunities possible.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

This appropriation will create approximately 5,000 units of affordable housing statewide for low-income households and people with special needs. Housing investments impact neighborhoods and local communities, and with nearly 200 projects, the appropriation will impact that many communities. Projects will be built to the Evergreen Sustainable Development Standard, which requires resource efficiency be incorporated into design, construction, and operations. Once homes are occupied, they will continue to benefit the community through ongoing local economic activity, neighborhood stabilization, and reduced demand for health care and other costly emergency services.

Fulfillment of this request will have ancillary, secondary, and tertiary impacts.

Ancillary impacts: unsheltered people will become housed; households will become homeowners

Secondary impacts: existing housing units will become available at a minimum of a 1:1 ratio as renters become homeowners and their prior rental housing becomes available for a new family. Cities and counties will benefit with increased housing options and the judicious use of limited land resources.

Tertiary impacts: wealth building opportunities resulting from housing stabilization. Homeownership is a proven wealth building pathway out of generational poverty. Having income appropriate rental housing is a proven way to stabilize households so as to allow space to concentrate on health issues, educational opportunities, and job development.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

Historically, the HTF Program has funded approximately 20-25% of the project costs on average. The remaining funding comes from local (city/county), federal, and private investments. However, due to the extreme pressure on local economies resulting from COVID-19, particularly in rural and small communities, HTF staff anticipate many local traditional funding sources may not be readily available and may require the state to make up a more significant percentage of the project's total development cost. At a minimum, the homeownership funding will be used, in part, to leverage existing local government, federal, and private investment resources such as the federal USDA-RD, HOME and other programs, housing tax revenues generated at the local government level, and the JP Morgan Chase and Microsoft initiatives, as well as a broad array of Community Development Finance Institutions (CDFI).

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

These projects support the Governor's Results Washington Goals:

· Healthy and Safe Communities by helping the most vulnerable people become independent and self-sufficient. These projects improve health care outcomes by increasing capacity of care for individuals with special needs and allowing community health care providers to discharge patients into safe and healthy homes.

· Prosperous Economy affordable housing also promotes generating quality jobs and creating vibrant communities. This package will have a significant impact on priorities of Justice and Safety, Economic Recovery, and ancillary benefits on Health Care and Climate and Clean Energy.

This request supports the department's goal:

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Description

· Reduce Homelessness and Expand Housing Inventory;
And supports six of the agency's strategic objectives:

Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Consult with community partners on our data and data-informed decisions.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Objective: Build systems that enable data-informed decision-making to improve equity.
Objective: Establish internal (real time) information sharing that enables collaboration across the agency.
Objective: Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
Not applicable.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
The current HTF building standards exceed current building code energy efficiency standards. The depth and breadth of this investment will be determined in consultation with affordable housing advocacy organizations and sustainable design industry experts.
How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
The proposed investments in housing are directly informed by both the comprehensive equity study conducted by Commerce on historic housing investments through the HTF and by the *Reducing the Homeownership Gap for Black, Indigenous, and People of Color in Washington* report available on Commerce's website. The Homeownership Disparities Work Group identified 12 ready and actionable items the state of Washington can undertake to begin to bridge the 143,000 homeownership gap between BIPOC and white households. The $50M investment in homeownership will solidly put the state of Washington on the path to remedying the myriad of institutionally racist policies that have so terribly impacted the BIPOC community.
Commerce recommends a comprehensive funding package that enables the state to leverage maximum investment from federal, local and private sources. The housing investment must be pro-equity to address the disparities in homelessness and housing burden experienced by historically marginalized populations.
This proposal represents a 20% direct investment in By and For organizations to increase housing ownership among these communities disparately impacted by historic policies. HTF projects serve vulnerable populations with higher percentages of BIPOC than in the general population and prioritize empowerment opportunities, service rich resources for all low income residents.
Is there additional information you would like decision makers to know when evaluating this request?

None.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

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Project Class: Grant/Loan

Description

Project Type
Loans - Competitive

Grant Recipient Organization: Various

RCW that establishes grant: 43.185 and 43.185A

Application process used
These funds are distributed using a competitive funding process based on HTF's legislative priorities (see RCW 43.185 and RCW 43.185A). The governing legislation requires that 30 percent of the resources go to rural communities (unless Commerce does not receive enough suitable rural applications) and that priority be given to preserving existing privately owned housing stock. It also requires preference to projects that leverage other funds, demonstrates ability by the applying organization to remain stable, and serve the greatest need and lowest income populations. Funding decisions are carefully coordinated with other funding sources such as the Washington Housing Finance Commission (HFC) and local (city and county) and federal government agencies. Final award decisions are reviewed and approved by the Commerce Director.

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	103,433,000	32,090,000	34,314,000	37,029,000	
355-1	St. Bld Const Acct-State	409,108,000	118,158,000	130,353,000	160,597,000	
532-1	Wa Housing Trst Fd-State	8,500,000		2,520,000	5,980,000	
706-2	Coro St Fisc Reco Fd-Federal					
	Total	**521,041,000**	**150,248,000**	**167,187,000**	**203,606,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
532-1	Wa Housing Trst Fd-State				
706-2	Coro St Fisc Reco Fd-Federal				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative
None.

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Project Title: **2023-25 Library Capital Improvement Program**
Project Class: **Grant/Loan**

Description

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Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

The Department of Commerce (department) requests $10 million for 12 selected projects for the Library Capital Improvement Program (LCIP). LCIP provides state capital grants to local governments for acquisition, construction, or rehabilitation of their public library facilities, with priority to those listed on registers of historic places and/or located in distressed or rural counties. Investing in public libraries is essential. They often provide the only accessible and free community support and services otherwise unavailable to the public, such as internet and computer access.

Project Description

In Section 1063, Chapter 332, Laws of 2021, the Department of Commerce (department) is required to submit a prioritized list of recommended projects not to exceed $10 million to the Governor and Legislature by October 1, 2022, for inclusion in the department's 2023-2025 biennial capital budget request. The list is provided as an attachment.
LCIP establishes a competitive grant program providing libraries operated by governmental units as defined in RCW 27.12.010 with capital funding for acquisition, construction, or rehabilitation of their public library facilities. Grant assistance may not exceed 50 percent of the total project costs and no more than $2 million per project. The department established an LCIP Advisory Committee to assist the department by establishing program criteria and reviewing and ranking project proposals. Projects listed on a local, state, or federal register of historic places and those located in distressed or rural counties received priority in the rating and ranking process.
Capital funds will be required in the 2023-2025 biennium to support the efforts of the legislature and meet the need to invest in public libraries ensuring all Washingtonians have access to a wide range of free community support and services. Public libraries often provide the only accessible and free community support and services that are otherwise unavailable to the public, such as internet and computer access, meeting spaces, early literacy and language programs, after-school and educational programs, senior services, and voter registration and ballot boxes.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.
A total of 22 applications totaling over $20 million in funding requests were received through the solicitation process. Of the requests, nine projects are located in distressed or rural areas and five are historic properties. The top-ranked 12 projects were selected and recommended for funding. The top 11 ranked projects will be fully funded. The 12th project will be partially funded at 52 percent of the funds requested due to the requirement to submit a list for no more than $10 million in requests.
Investing in public libraries assists communities in reducing barriers and providing equitable access to much needed community support and services for everyone, especially in public libraries located in distressed or rural areas where libraries often provide the only accessible and free community support and services otherwise unavailable to the public.
Low-income and distressed communities will receive expanded and improved access to community support and services such as internet and computer access, meeting spaces, early literacy and language programs, after-school and educational programs, senior services, and voter registration and ballot boxes. Community residents will receive support and services which expand employment opportunities and enhance educational or recreational opportunities as a result of these projects.
The department's request for Capital Infrastructure Pre-Development Funding will provide state support for project development across all state capital projects to include building communities fund, youth recreation, building for the arts, library programs, etc. With funding as proposed, pre-development funds will provide an equitable pathway to state funded capital programs and will help expand access to this program.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
State grants may be used for acquisition, construction, or rehabilitation of public library facilities. Projects must result in a distinct, usable phase.
How would the request address the problem or opportunity identified in question #1? What would be the result of not

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Description

taking action?

Not taking action would delay projects and result in the department not meeting its statutory obligation, but most importantly, the state would miss an opportunity to support public libraries and their central role they play in communities, especially in distressed and rural areas.
The public library is the primary, and in some cases the only, public space that is accessible and free, providing a wide range of community support and services that would otherwise be unavailable to the public. Lack of adequate funding for libraries will impede efforts to reducing barriers and providing equitable access to much needed support, services, and opportunities that a public library is able to offer to its community resulting in fewer employment, educational, or recreational opportunities.
What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.
The department is required by Section 1063, Chapter 332, Laws of 2021 to establish a competitive process to solicit proposals for and prioritize projects whose primary objective is to assist libraries operated by governmental units as defined in RCW 27.12.010 with capital funding for acquisition, construction, or rehabilitation of their public library facilities. The department must submit a list of recommended projects up to $10 million to the governor and legislature by October 1, 2022, for inclusion in the department's 2023-2025 biennial capital budget request.
Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
As a result of these projects, community residents, especially those in rural or distressed areas, will receive new or expanded access to improved facilities and a wide range of community support and services only public libraries offer and would otherwise be unavailable to the public such as internet service and computer access, meeting spaces, early literacy and language programs, after-school and educational programs, senior services, and voter registration and ballot boxes.
This request will fund library facility projects statewide. Priority will be given to projects in rural or distressed areas and projects in historic buildings. Additional consideration given to projects in areas of highest unmet need.
Of the 22 applications received, totaling over $20 million in funding requests, nine projects are located in distressed or rural areas and five historic properties. Of the top 12 ranked projects, totaling up to $10,950,707 million, eight are located in a rural or distressed area and four are historic properties. The funding request of $10,950,707 would ensure funding for 11 projects and additionally allow for fully funding the 12th ranked project, Pierce County Library System, Sumner Library.
Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
By proviso, grant assistance may not exceed 50 percent of the total eligible project costs. The LCIP Advisory Committee with the department established a match goal for eligible projects of 1:1 match. For every $1 of state funds, $1 of other funding is needed for each project funded. Other matching funds may consist of federal, state, local, private, cash, the value of real property when acquired for the purpose of the project, and in-kind contributions.
Additionally, the execution of a grant of state funds for the construction, acquisition, or rehabilitation of public library facilities may be given only after matching funds are committed. Applications that provide a higher level of project readiness by identifying committed match at application will receive additional points in the evaluation process and will have a greater likelihood of being awarded funds. Projects that had secured match at application were given a higher score in the readiness category.
Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This request supports and is consistent with the Governor's Results Washington through:
Goal 2: Prosperous economy: Fostering an innovative economy where businesses, workers and communities thrive in every corner of our state.
Goal 4: Health and safe communities: Fostering the health of Washingtonians from a healthy start to safe and supported future.
This request supports all five the department's goals:
· Reduce Homelessness and Expand Housing Inventory;
· Create Digital Equity and Connectivity through Broadband;
· Accelerate Clean Energy Transformation through Infrastructure, Investments, and Policy;
· Support Entrepreneurship, Small Businesses and Regional Economic Growth;

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Description

· Promote Development of the innovation Economy and Globally Trade Sectors
And supports all of the agency's strategic objectives:
Objective: Enrich Commerce's human capital to demonstrate and employ cultural competency.
Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Consult with community partners on our data and data-informed decisions.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Objective: Build systems that enable data-informed decision-making to improve equity.
Objective: Establish internal (real time) information sharing that enables collaboration across the agency.
Objective: Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.
Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
Not applicable.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
These grants will be subject to requirements under RCW 39.35D, which requires all major facility projects of public agencies receiving any funding in a state capital budget to be designed, constructed, and certified to at least the Leadership in Energy and Environment Design (LEED) silver standard or receive an exemption from Commerce. This requirement is to ensure that public buildings are built and renovated using high-performance methods that save money and improve energy efficiency performance.
LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC) and includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.
How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
The program will impact equity by funding expanded and improved access to community support and services in low-income and rural and distressed communities statewide. Grantees will be able to provide community residents with support, services and opportunities that address educational, health, social and economic disparities through equitable access that public libraries are able to offer.
Is there additional information you would like decision makers to know when evaluating this request?

Local governments continue to take extraordinary measures to serve their residents in the aftermath of the COVID-19 pandemic while continuing to provide the basic services communities rely on. This program provides the state an opportunity to support public libraries and their central role they play in communities, especially in distressed and rural areas. These projects will assist communities with their economic recovery efforts, in ensuring their residents have reduced barriers and equitable access to, in some cases the only, public space that is accessible and free, providing a wide range of community support and services that would otherwise be unavailable to the public, including: internet service and computer access, meeting space, early literacy and language programs, after-school and educational programs, senior services, and voter registration and ballot boxes. Lack of adequate funding for reliable infrastructure, such as libraries, is a detriment to the services and opportunities a public library offers. Libraries play a vital role in communities which:

· Enhance educational and recreational opportunities,
· Expand employment opportunities,
· Accommodate growth and promotion of economic development and business opportunities, and

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Description

· Improve the overall quality of life of its residents.
It is especially critical now to fund libraries due to increased demand for their community support and services from those suffering unemployment, lack of child-care, and/or access to internet or computer services in the aftermath of to the COVID-19 emergency.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: Section 1053, Chapter 413
Application process used
Competitive grant application process. Applicants must submit applications electronically through the ZOOMGrants online system. Then projects are reviewed and ranked by the Library Capital Improvement Program Advisory Committee.

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	10,951,000	2,877,000	20,000	8,054,000	
	Total	**10,951,000**	**2,877,000**	**20,000**	**8,054,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Title: 2023-25 Public Works Assistance Account (PWAA)
Project Class: Grant/Loan

Description

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Project Number: **40000289**
Project Title: **2023-25 Public Works Assistance Account (PWAA)**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

The Public Works Board (PWB) requests a $425 million appropriation from the Public Works Assistance Account (PWAA) to address the statewide need for infrastructure financing demonstrated by a known project pipeline of eligible, shovel-ready projects totaling more than $1 billion. Infrastructure is the backbone of sustained economic recovery, growth, and job creation. It is critical to environmental protection, public health, and safety. PWB loans and grants to local governments fund installation, repair, and upgrade of six infrastructure types.

Project Description

The PWB requests a $425 million biennial appropriation from the PWAA. The PWAA is a leading source for infrastructure funding, and the account has the capacity for at least $425 million based upon predictive modeling projections. Long-standing equity and current supply chain issues require more resources for focused planning and pre-development activities to create necessary projects and propel them to construction. The PWB intends to put these dollars to work in communities with two competitive funding cycles per biennium for construction and pre-construction activities. Eligible infrastructure systems are roads, bridges, sanitary sewer, domestic water, stormwater and solid waste/recycling. Up to ten percent of the proposed appropriation can be dedicated to grants for eligible uses in distressed and severely distressed jurisdictions. Additionally, the PWB allocates a portion of appropriated funds to the emergency loan program, which is open as long as funds are available. Recent emergency awards include grants to the towns of Malden and Nespelem after wildfires decimated their communities, destroying or threatening essential infrastructure.

The recently submitted 2022 legislative report highlights investments from July 1, 2021 through June 30, 2022:

· $120.5 million in construction funding for 36 projects across the state as authorized under RCW 43.155.060.

· $2.98 million in pre-construction funding to five jurisdictions to move projects towards construction as authorized under RCW 43.155.068.

· $3.3 million in emergency funding to four jurisdictions for emergency infrastructure repairs or replacement authorized under RCW 43.155.065.

· $44.7 million for fifteen federally funded broadband construction grants to further the development of broadband infrastructure in unserved areas of the state as authorized under RCW 43.155.160.

The PWB received $120 million appropriation for fiscal year 2023. The construction and preconstruction loan cycle opened June 6 and closed September 9. The PWB received 65 applicants with $204.9 million in requested funds. Of the applications received, 37 percent are from the east side of Washington State. 48 percent of the applicants have not applied to the PWB in the past two years and 17 percent are from rural, distressed counties. This means the easy to access nature of the PWB funding and extended application cycle is helping to reach communities that haven’t always applied for PWB funding. Even after these investments, there are still pipelines of more than $1 billion for traditional infrastructure and $1 billion for broadband projects.

The PWB is leaning into equity and climate resilience challenges and is poised to incent and encourage communities to build existing infrastructure capacity that protects health and safety, restores and protects ecosystems, sustains economic development and promotes equity and community benefit. Under consideration is an innovative infrastructure pilot program that supports the planning and development of equitable and resilient infrastructure with multiple benefits and leverages opportunities to promote effective innovations in the industry per the 2022 supplemental capital budget proviso section 7004. The PWB is also eager to support dig once with investments that align laying broadband conduit with construction of roads, bridges and other systems to minimize disturbances to commerce and ecosystems, and reduce overall costs. The PWB already has the statutory and policy framework for infrastructure efficiencies. Once appropriated, the PWB can put the requested $425 million to work in communities across the state.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Demand and need for infrastructure investment is substantial. In FY 2020 and 2022, 103 of the 133 PWB construction

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applications were for failed or failing systems. Using all available funds, the PWB was only able to finance 45 percent of these applications. The figure shown below from the PWB 2022 Legislative Report emphasizes further the number of applications that met threshold juxtaposed to awards and the critical nature of health and safety and failed or failing systems the construction applications are facing when applying for financing from the PWB.
Comparing this to the known pipeline, which is a snapshot of eligible projects valued at $1.16 billion, reveals a gap between available dollars and demand that is significant. For additional context, a $425 million appropriation to the PWB represents FY03-05 funding levels for the PWB from the PWAA. Addressing this demand with this $425 million appropriation to the PWB from the PWAA is critical to human health and safety, sustaining economic growth and recovery, increasing resiliency, and protecting and restoring critical habitats. The PWB is one of few funding sources that has the flexibility to address multiple infrastructure issues with a single award to achieve multiple benefits and outcomes.
As a trusted lender, the PWB offers competitive funding cycles with loans at affordable rates and terms. The PWB also provides reduced interest rates and partial grants to distressed and severely distressed jurisdictions, so applicants can maintain affordable rates and services for individual users and businesses. Maintaining and building vital communities requires affordable, modern and functional infrastructure that allows for economic growth, ensures resident health and safety, and provides environmental protection and climate resiliency. Washington communities want certainty that an easy to access and administer fund source is there to address local needs and priorities. This funding request positions the PWB to be that certain fund source.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
The request of $425 million in appropriation from the Public Works Assistance Account (PWAA) will resource projects that meet current infrastructure demands across the state. Based on the PWB experience, the average construction award was approximately $3.35 million. Average preconstruction awards were nearly $500,000 and emergency awards were on average $819,000. A funding request of $425 million is likely to construct about 122 new construction projects, support up to 20 preconstruction projects and be available for up to 6 emergencies.
The PWB offered two application rounds in the 2021-23 biennium. In FY22 the PWB funded $120.5 million in loans for 36 traditional infrastructure construction projects, $2.98 million in preconstruction loans for five jurisdictions and $3.3 million in emergency loans and grants to four jurisdictions. Yet, 32 projects representing $111 million met threshold but not funded. Figure 6 of the PWB 2022 Legislative Report illustrates 38 percent of all funding requests to the PWB (traditional and broadband) were not awarded due to a lack of funds.
Anticipated funding need in the FY23 application cycle likely outpaces the $120 million available. Overall, this represents a much-needed investment. Local governments are counting on having the funds to plan and build Washington's next legacy infrastructure systems and support communities to deliver essential public services. Extreme weather events and shifting climate conditions are more frequently impacting communities. Heat waves, wildfires, flood events are all increasing. Infrastructure not only provides essential services, it is the backbone of economic recovery, and is a vital component of community resilience.
Infrastructure is a prime determining factor when deciding to locate, maintain and expand business. A prime example is the city of Pasco's Process Water Reuse Facility (PWRF) improvement project, which received a preconstruction loan in 2018. In FY22 the city of Pasco applied for construction funding yet were unfunded due to lack of funds. The city of Pasco remains in the pipeline for needed construction loans despite working with the department of Ecology along with a public private partnership to utilize innovative technologies to generate biogas and explore use of biological nitrogen removal process using algae growth. By Department of Ecology order, the city is required to transition wastewater service for a food processing plant from the city's wastewater treatment plant to the PWRF. The PWRF is already at capacity with the five current food processing plants it services and cannot service additional connections without upgrades and expansion. Finding a solution to this problem ensures the city retains at least 1,200 jobs and creates an additional 250 jobs, not counting the jobs retained within the agricultural industry associated with growing and harvesting. The upgraded wastewater management system allows for the expanded operations at existing food processing plants, the locating of new processing plants, and expanded residential and commercial capacity. This is a necessary step for the city as its anticipated population growth is 68% over the next 20 years.
The city of Pasco is just one example where the community is leveraging funding opportunities to ensure it can design and build the innovative infrastructure needed to maintain and support sustainable growth. Across the state, towns, cities and growing

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urban areas are in need of low interest loans and grants to invest in planning, design and construction of infrastructure that provides multiple infrastructure services.
Nutrient reduction investments needed to meet the Puget Sound Nutrient General Permit is an increasingly expensive investment for entities operating in Puget Sound. Accessing low interest loans in order to invest in infrastructure that meets regulatory standards is a significant need. The LOTT Clean Water Alliance was able to utilize $10 million in PWB construction loans that allowed for investment in innovative biological process improvements critical for the proper operation of the treatment plant, and for ensuring permit compliance. Continuing to have available affordable funding for local jurisdictions to access is essential to achieving Puget Sound recovery and restoration.
Multi-beneficial projects that support habitat protection and recovery is key to aligning with salmon recovery efforts. The PWB funds several road and stormwater projects that achieve multiple benefits for salmon habitat, flood protection and overall water quality improvements. The city of Bremerton has received funding for two projects that achieves these outcomes. One that replace culverts with property sized fish passable culverts and another to replace outfall structures, stormwater lines and install water quality facilities at a key discharge point. The goal being to reduce fecal coliform and other water quality concerns caused by untreated discharge and deteriorated piping at a regional watershed basin scale. This project to modernize an aging system was unable to receive funding from the Department of Ecology and is an example of how important PWB funding is to local communities aiming to actualize regional water quality improvements. This project contributes to conditional reopening of shellfish beds at Erlands Point on the Kitsap Peninsula.
Economic conditions of high inflation, rising interest rates and unyielding need for sustainable, resilient growth place significant pressure on communities to provide affordable infrastructure services. The PWB offers the lowest interest rates available on the market and remains a trusted revolving loan program that is easy for small and large communities to access and administer.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
The proposal would reduce the backlog of critical infrastructure projects that exists statewide due to aging infrastructure and limited fiscal capacity. The result of not taking action are the cumulative effects of aging infrastructure and the rising cost of repairing, replacing or upgrading infrastructure systems in operation beyond their useful life. This affects community livability, business viability and environmental integrity. For individual users, reliability, safety and affordability are primary concerns. Residents of the state have a reasonable expectation that a water faucet should issue clean, contaminant free water when it is turned on, that wastewater is treated prior to discharge, that stormwater is managed to minimize local and regional flooding, that transportation networks are function and in good repair, and that solid waste is handled safely and does not pollute groundwater. The PWB financing has assisted in the realization of these expectations since 1985.
Funding for communities with infrastructure needs is limited, especially for those with limited capacity to take on large infrastructure projects or private market loans. The PWB's open competitive construction loan program conducts a competitive process that ensures all projects are vetted, including the financial capability to assume a loan, effective local systems management, and that projects meet a critical public need. The new funding structure authorized by the legislature enabled the PWB to meet local governments where and when they need it, and not be restricted by either annual or biennial funding windows. This appropriation will allow the PWB to continue exercising that authority, and effectively support infrastructure development statewide.
The PWB is a self-sustaining program that can augment other state and federal financing programs. The process is highly competitive and allows the PWB to invest in only the highest priority projects. This supports the execution of state policies, such as the reduction of greenhouse gases, protection of Puget Sound, and implementation of the Growth Management Act. The PWB funding also assists the state in addressing goals of the Healthy Environment for All Act (HEAL Act). National studies indicate that communities of color are less likely to have access to clean, affordable drinking water and wastewater services. These communities are also at a higher likelihood to have services turned off as rates increase (emergency repairs are the leading cause of dramatic increases in ratepayer costs). Similarly, implementation of stormwater management and maintenance of roads lags behind in these communities. Such investments move the state towards a sustainable infrastructure system that accounts for environmental, social and economic realities while increasing resilience, functionality and access. The low cost associated with a PWB loan enables a jurisdiction to look at their projects through a broader, more diverse lens while maintaining the affordability of their end user rates.
If the PWB does not maximize the available revenue stream dedicated to the PWAA for local infrastructure needs, the state will not be able to address critical and failing infrastructure systems, resulting in negative impacts on public health and safety, reduced environmental protection, and stalled economic recovery and development. Every year there is a deficit of

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infrastructure financing, communities must absorb the environmental, social and economic costs associated. Infrastructure connects the daily lives of people and businesses. Without it, communities are less capable of growing in a sustainable way. For communities that must access the private credit market and guarantee future revenues to large principal and interest payments, the future growth capability of the community is restrained and other priorities must be sacrificed.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.
The PWB seeks funding from the PWAA as that is the intended fund source for infrastructure funding and a more affordable alternative for local governments and special purpose districts than state bonds. The PWB is experienced in administering federal funds, as it did for federal drinking water funding before transferring that program to the state department of health. The PWB conducted a successful federal broadband grant cycle awarding all funds appropriated by the legislature for this purpose. Should federal infrastructure funding become available through the Inflation Reduction Act, the PWB could put these dollars to use to fund innovative infrastructure projects as outlined in the Innovative Infrastructure Pilot Study Report and other infrastructure priorities including fish passage barrier removal projects and multi-benefit projects.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
Nearly 2,000 government organizations are eligible for PWB Traditional Programs funding: Cities (281), counties (39), special purpose districts (approximately 1,300 excluding ports and school districts), and municipal and quasi-municipal corporations (1,580 estimated). The infrastructure systems they manage touch the lives of every resident in the state and provide the backbone for economic recovery and growth. Many communities eligible for these funds are responding to regulatory requirements to upgrade their facilities. Without financial assistance, the communities do not have the resources to meet the requirements. At best, failure to meet a system's regulatory requirements will result in economic stagnation; at worst, public and environmental health and safety are jeopardized.
This appropriation will allow the PWB to help local governments to address critical needs. Looking to the future, the PWB infrastructure pipeline is a limited snapshot in time of 243 ready to proceed projects and represents the current needs of 63 clients. The snapshot represents: 34 cities with 140 projects, 18 water and sewer districts with 75 projects, 5 counties with 9 projects, and 6 special purpose districts 19 projects. The $1.16 billion in funding sought benefits 149 domestic water, 32 wastewater, and 14 stormwater systems; 43 roadways and bridges; and 5 solid waste/recycling facilities. This snapshot of project costs estimates $1.16 billion, of which jurisdictions expect to ask the PWB for $761M to fund. Each project funded impacts a unique group of citizens; however, affordability and access are negatively impacted when systems are managed by crisis rather than proactive maintenance, expansion, and upgrade.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
The PWB intends to award the funds appropriated to it from the PWAA to qualifying projects. Eligible applicants may seek other funds, including local sources, to complete the funding required to implement their projects. In fiscal year 2022, the $126.8 million in PWB loans and grants leveraged more than $99.7 million in state, federal and local infrastructure investments.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
This request would support the PWB's strategic priorities for reliable infrastructure and building outreach to communities. Specifically, the addition of capital funds would allow an increase to all PWB Traditional Programs to fund infrastructure systems: bridges/roads and streets, sanitary sewer systems, domestic water systems, storm sewer systems, and solid waste/recycling. Outreach to communities includes tech teams, regional trainings and direct technical assistance.
This request supports the Department of Commerce strategic priorities of addressing communities' most urgent needs by funding Reliable Infrastructure. An investment in basic infrastructure systems maintains the existing systems in satisfactory condition through 2025, and ensures that citizens have safe drinking water, appropriate and safe wastewater, and safe roads.
Authorizing funding for the construction and pre-construction loan programs will directly:
· Reduce the emissions of greenhouse gases by local governments. The Horn Rapids Landfill construction project in the city of Richland, awarded by PWB in FY20, will collect landfill gas emissions for re-use as biogas.

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· Reduce the amount of potable water used for non-potable purposes. The King County Pre-construction Brightwater Reclaimed Storage project, awarded PWB funding in FY20, reduces the area's draw on potable water sources for irrigation purposes and allows for aquifer recharge. The construction phase of this project is part of the PWB pipeline of known projects.

· Improve the quality of water discharged into Washington waterways. The FY20 awarded King County Georgetown Wet Weather Treatment Station construction project manages stormwater flows in the Georgetown area of Seattle. Completion of this project will keep hundreds of thousands of gallons of partially treated effluent from discharging into the Duwamish River every year.
· Address urban stormwater. The Fiscal Year 2020 awarded Seattle Public Utilities Pearl Street Drainage and Wastewater Improvements construction project deals with both economic vitality and community development. This Beacon Hill area in Seattle has a combined sewer system that experiences repeated backups into the public right-of-way across from Maple Elementary School and neighborhood homes and businesses. Additionally, stormwater flooding has been significant in the elementary school and the public Maplewood Playfield. Resolution of these issues will enable businesses to thrive, ensure that school is uninterrupted, allow public access to recreational facilities, and mitigate adverse impacts on utility human and financial resources.
· Increase transportation mobility. The Fiscal Year 2020 construction award to the city of Long Beach for its Washington Avenue South project will not only allow the City to place a new water main to ensure clean domestic water and fire flow to the southern half of their distribution system, it will also allow the City to widen and resurface Washington Avenue South to create an alternate route through town. This alternate route will increase pedestrian safety, facilitate the efficient movement of goods and services, and relieve congestion.
· Create jobs. The PWB does not collect job data directly from its applicants. However, 11% of the applicants that met threshold for funding in Fiscal Year 2020 and Fiscal Year 2022 indicated economic development as a driver for their infrastructure project. Additionally, 40% of Fiscal Year 2020 and Fiscal Year 2022 were addressing failing or failed systems. The failure of infrastructure results in economic decline, the loss of commercial and industrial employers, and the inability to provide affordable housing. One such construction project awarded in Fiscal Year 2020 by the PWB is the city of Connell's Country Estates Sewer Improvements. The current sewer system is failing, costing the City in staff time and reserve funding to deal with backups and blockages. Additionally, due to these system issues, the City is unable to develop several parcels of land that would be connected for sewer service.
Infrastructure is the backbone of economic recovery, and is a vital component of community development. Investing $425 million in local priority infrastructure projects achieves a job multiplier of 10.89, for a total 4,628 jobs. The economic output generated with this investment is $837 million, based on a total output modifier of 1.97.

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
PWB staff submits a list of prioritized projects to the Puget Sound Partnership (Partnership) as a part of threshold review. This process includes consideration and feedback from Partnership staff on whether projects are consistent with the Puget Sound Action Agenda. The Partnership includes information on relevant PWB-funded projects annually in its required reporting to the National Estuary Program.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
Decades of limited infrastructure funding options for local governments has occurred simultaneously with the need to rehabilitate or replace systems that have been in place for 30 or more years. These aging systems need to be brought up to current standards to align with the governor's carbon reduction strategy. Replacing outdated infrastructure improves environmental quality and provides strategic traffic linkages for more efficient transport of goods. Infrastructure can contribute to

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reducing carbon pollution and energy efficiency, but consistent investment is necessary to realize this potential.
A prime example of the positive impacts stemming from replacing an aged sewer system is the use of methane recapture technology that both reduces greenhouse gas emissions and saves energy as the methane is used to provide power. In addition to this technology, modern sewage processing creates compost that can be used on farms and by residents to reduce the need for petroleum-based fertilizers. This process can make the water clean enough that it can be used for irrigation, flushing, washing clothes, and other non-potable uses, therefore decreasing the demand on our limited water supply. These examples utilize innovative technologies and provide the building blocks necessary for sustainable and resilient communities. The clean water created by modern sewer technology can be used as the water necessary to provide sufficient fire flow, irrigation, and other non-potable uses. The use of methane to power sewer plants makes them self-sustaining and keeps costs within reach of the ratepayers, residential and commercial alike. The use of treated water for non-potable uses frees up the potable water for food processing and other commercial water-intensive activities. To further support and incentivize communities to plan, design and build infrastructure that achieves these outcomes, the PWB is developing programmatic details for an innovative infrastructure pilot program that identifies model pilot projects that do a better job providing infrastructure services. Innovative infrastructure pilot projects are more likely to:
· Reduce or eliminate CO2 emissions.
· Reduce or eliminate non-renewable energy use.
· Create more energy within traditional infrastructure systems than consumed in order to become energy positive utilities.
· Use byproducts and waste products as feedstock for new products and contribute to a circular economy.
· Directly address equity of access to and quality of infrastructure services.
· Co-design infrastructure solutions with the affected communities.
· Create adaptable and flexible strategies designed to adapt to changing baseline conditions that can affect that infrastructure.
· Enable new safe resilience zones or receiving areas for existing growth to move away from floodways, floodplains or other areas affected by climate impacts.
The PWB and the department of Commerce are dedicated to the long-term sustainability of Washington's communities. The construction and pre construction loan programs are strategic programs that support these goals.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
PWB financing enable communities to design, construct, rehabilitate and upgrade infrastructure systems that mitigate the impact of human activities on the environment. Replacement of outdated systems allows for the recovery of fish habitat, protects local ecology, and increases water quality. The modernization of infrastructure is a clear and necessary step in moving towards resilient communities. It allows legacy systems to utilize the most current technologies to move towards carbon neutral solutions and increased energy efficiency.
PWB funding also assists the state in addressing goals of the Healthy Environment for All Act (HEAL Act). National studies indicate that communities of color are less likely to have access to clean, affordable drinking water and wastewater services. These communities are also at a higher likelihood to have services turned off as rates increase (emergency repairs are the leading cause of dramatic increases in ratepayer costs). Affordable financing for infrastructure in turn keeps infrastructure services affordable.
In addition to providing affordable financing for critical infrastructure, the PWB is driving investment in the development of mapping tools that track the placement of projects funded by the PWB, along with other SYNC partners (departments of Commerce, Ecology, Health, Transportation and the Transportation Improvement Board), beside socio-economic indicators within the Department of Health's Health Disparities Map. Continued planning for assessment of project locations against multiple layers of health disparity indexes as well as climate change and resilience factors at jurisdictional and watershed levels will inform the PWB's actions to improve outreach, build local capacity and provide direct technical assistance in vulnerable or underserved communities. Low interest loans and grants need to be available for communities to make needed infrastructure investments. Such investments move the state towards sustainable infrastructure that accounts for environmental, social and economic realities while increasing resilience, functionality and access.

Is there additional information you would like decision makers to know when evaluating this request?

The PWB is poised to maximize and put to work the locally generated tax revenues of the Real Estate Excise Tax, Public Utility

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Description

Tax and Solid Waste Collection Tax returning to the Public Works Assistance Account. Local governments, public utility districts and other special utility districts are in dire need of the infrastructure funding that is easy to access and administer and flexible and able to fund multiple systems in a single project.
Across Washington communities, infrastructure systems are aging to the point of failure. 103 of the 133 PWB construction applications in FY 2020 and 2022 addressed failed or failing systems. Using all available funding, the PWB was only able to finance 45% of these applications. Maintaining and building vital communities requires modern, functional infrastructure. These systems must meet current and future needs for economic growth, resident health and safety, and environmental protection and climate resiliency. This request for $425M biennial appropriation does just that. It maximizes investment in essential infrastructure for Washington communities.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: 43.155
Application process used
The PWB conducts competitive funding rounds. Current and previous cycles are described on the PWB website.

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
058-1	Public Works Assist-State	400,000,000	67,839,000		332,161,000	
	Total	**400,000,000**	**67,839,000**	**0**	**332,161,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
058-1	Public Works Assist-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative
None.

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Project Number: 40000292
Project Title: 2023-25 Youth Recreational Facilities Grant Program
Project Class: Grant/Loan

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:30AM

Project Number: 40000292
Project Title: 2023-25 Youth Recreational Facilities Grant Program
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

The Youth Recreational Facilities Program is a competitive grant program that funds capital recreational projects for non-profit organizations. RCW 43.63A.135 requires the Department of Commerce (department) to submit a list of competitively selected projects to the Governor and Legislature each biennium.

Project Description

The department requests $8 million for the Youth Recreational Facilities Program. These capital projects must feature an indoor youth recreational component and a supporting social service or educational component. State grants require 75 percent matching funds. The Youth Recreational Facilities Program Advisory Board assists the department by establishing program policy and reviewing and ranking project proposals.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Youth recreational facilities over the past two years saw a significant increase in youth that require an array of youth developmental programming. This cycle brought in total of 12 applications totaling over $10 million in funding. All applications where selected and recommended for funding.

By financing construction and renovation costs, the Youth Recreational Facilities Program not only encourages and improves the health and well-being of Washington's youth, it frees up funds that would otherwise be spent on facility mortgage or lease payments, thereby increasing funds available for local organizations to commit to direct youth program services.

The department's request for Capital Infrastructure Pre-Development Funding will provide state support for project development across all state capital projects to include building communities fund, youth recreation, building for the arts, library programs, etc. With funding as proposed, pre-development funds will provide an equitable pathway to state funded capital programs and will help expand access to this program.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Grants may be used for acquisition, construction, or rehabilitation of non-residential youth recreational facilities. Projects must result in a discrete, usable phase.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

No action would delay eligible projects, increasing construction and related costs.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

The department is required by RCW 43.63A.135 to establish a competitive process to solicit proposals for and prioritize projects whose primary objective is to assist nonprofit youth organizations in acquiring,
constructing, or rehabilitating facilities used for the delivery of nonresidential services, excluding outdoor athletic fields, and must submit a list of recommended projects to the governor and the legislature in the department's biennial capital budget request.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Youth-focused nonprofit organizations such as state Boys & Girls Clubs and YMCAs would be impacted. They would offer improved facilities and improved educational and social service activities to youth.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

By statute, RCW 43.63A.135, Youth Recreational Facilities projects requires a 75 percent non-state match from all eligible

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Description

projects.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
This request supports and is consistent with the Governor's Results Washington through:
Goal 4: Health and safe communities: Fostering the health of Washingtonians from a healthy start to safe and supported future.
This request supports all five the department's goals:
· Reduce Homelessness and Expand Housing Inventory;
· Create Digital Equity and Connectivity through Broadband;
· Accelerate Clean Energy Transformation through Infrastructure, Investments, and Policy;
· Support Entrepreneurship, Small Businesses and Regional Economic Growth;
· Promote Development of the innovation Economy and Globally Trade Sectors
And supports all of the agency's strategic objectives:
Objective: Enrich Commerce's human capital to demonstrate and employ cultural competency.
Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Consult with community partners on our data and data-informed decisions.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Objective: Build systems that enable data-informed decision-making to improve equity.
Objective: Establish internal (real time) information sharing that enables collaboration across the agency.
Objective: Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.
Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
Not applicable.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
All projects are required to meet the Leadership in Energy and Environment Design (LEED) Silver Standard or receive an exemption from Commerce. LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC) and includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.
How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
Through continuous outreach an engagement, this program will impact equity in the state by providing all communities with access to learning how to explore opportunities at accessing grant funds for youth- focused organization. All communities including those who are mostly impacted such as BIPOC, Tribal Nation and people of color have applied through this biennium competitive process. Through this proposal, organizations can provide social services and/or education to youth that address health, social and educational disparities by providing enrichment opportunities through youth programs.
Is there additional information you would like decision makers to know when evaluating this request?

None.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

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Date Run: 9/13/2026 10:30AM

Project Number: **40000292**
Project Title: **2023-25 Youth Recreational Facilities Grant Program**
Project Class: **Grant/Loan**

Description

Project Type
Loans - Competitive

Grant Recipient Organization: Various

RCW that establishes grant: 43.63A.135

Application process used
Applicants submit applications electronically through the ZoomGrants online system, they are ranked and scored by citizen's advisory board.

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	8,000,000	2,046,000	675,000	5,279,000	
	Total	**8,000,000**	**2,046,000**	**675,000**	**5,279,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative
None.

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Report Number: CBS002
Date Run: 9/13/2026 10:30AM

Project Number: 40000606
Project Title: Clean Energy Community Decarbonization
Project Class: Grant/Loan

Description

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Project Number: **40000606**
Project Title: **Clean Energy Community Decarbonization**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Vulnerable, rural, overburdened, and tribal communities often struggle to navigate and access the specifications of available funding opportunities to achieve decarbonization. The Department of Commerce proposes an expansion of the Clean Energy Fund to include Community Decarbonization, a flexible investment program that matches community-specific clean energy and decarbonization goals with place-based investments. The program will help communities develop and implement holistic decarbonization plans and provide or facilitate funding either directly through the program or through other available funding sources, maximizing the investments in places with the greatest environmental health disparities and moving the state more quickly to achieving its decarbonization goals.

Project Description

Community Decarbonization will use the environmental health disparities map to identify vulnerable and overburdened communities. These communities will be categorically eligible for direct clean energy investments. The investments could include a range of clean energy projects, based off specific community-identified clean energy goals. Commerce will work with Washington Clean Energy Ambassadors (see operating decision package for Clean Energy Community Decarbonization) as well as government and community leaders to create and help implement community-driven, place-based decarbonization plans and related capital projects.

Key investment elements include:

- Planning for Clean Energy Communities and Pre-design Work
- Energy Efficiency Improvements
- Renewable Energy Sources
- Critical Infrastructure Resilience
- Community Infrastructure
- Transportation
- Education and Engagement
- Workforce Development

Pre-design work entails feasibility studies and designs and will be the first step for many communities toward successfully phasing a series of community-scale investments. The program also will fund a range of projects, including energy efficiency, renewable energy and storage designed to improve critical and community infrastructure resilience. This includes promoting sustainable transportation options and demonstrating decarbonization and energy resilience where it is visible and beneficial to communities that typically have not seen the benefits of these sorts of investments. Collaborative efforts from local government, utilities, and residents are necessary to successfully implement such a program, especially in tribal, rural, and vulnerable & overburdened communities.

A community could seek investment across all or some of these elements. For example, a community could decide to:

- make all the homes within one area energy efficient,
- make renewable energy and resilience upgrades like solar panels and backup battery storage on a community center,
- electrify fleets for nonprofits and community service organizations

The community would have access to and rely on the expertise of a clean energy ambassador that would help provide general technical assistance, while also facilitating community-scale planning exercises, supporting communities in engaging in local and utility planning processes, and resourcing projects.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

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Project Number: **40000606**
Project Title: **Clean Energy Community Decarbonization**
Project Class: **Grant/Loan**

Description

Revenue primarily from the Climate Commitment Act (CCA), the federal Infrastructure, Investment, and Jobs act (IIJA), and the federal Inflation Reduction Act (IRA) has created an unprecedented opportunity for cross-sector investments in necessary decarbonization projects in Washington state. Despite this, Commerce continues to receive feedback from vulnerable, overburdened, rural, and tribal communities that they struggle to identify and access necessary funding to holistically plan for and implement their decarbonization goals within their community. As a result, many communities in Washington may be left out of critical clean energy projects and related benefits such as energy resilience, reducing energy burden, and workforce development opportunities.
Commerce currently deploys millions of dollars annually to fund projects that help pursue a more just, clean energy future focused on deploying specific technologies, but lacks flexible funding needed to create a place-based approach as communities have indicated they need. This program presents a unique opportunity to achieve many key objectives in the clean energy transition by broadening the number of communities able to participate and helping them to design solutions on their own terms. Doing so will create broader opportunities for workforce development, distribute the economic and environmental benefits of clean energy initiatives in communities that have not seen direct benefits to them, enhance energy resilience, alleviate energy burden, and move the state closer to achieving its climate goals.

What will the request produce or construct (i.e., predesign or design of a building,construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Key elements of community decarbonization include:
1. Planning for Clean Energy Communities and Pre-design Work: This forms the backbone of the decarbonization and resilience program. The pre-design stage should involve both generative community visioning and comprehensive feasibility studies to assess the existing energy usage, infrastructure, and potential for renewable energy integration. Community engagement through clean energy ambassadors will surface the specific needs, capacities, and preferences of the residents. An effective plan should also integrate the community's future growth and consider the broader urban context. Translating these concepts into design guidelines and standards that prioritize energy efficiency and resilience in new construction will ensure the growth of the community fits the new vision.
2. Energy Efficiency Improvements: Improvements to homes similar to existing grants at Commerce, such as renovations for better insulation, installation of energy-efficient appliances and HVAC systems, and smart home technologies can help manage and reduce energy usage. Necessary environmental remediation (oil tank remediation) should be an allowable expense. This work can be connected to workforce development.
3. Renewable Energy Sources: Promotion and facilitation of renewable energy sources such as solar or possibly wind can help decarbonize the community (or community's energy supply and potentially generate revenue and reduce energy burden). Incentives for homeowners to install solar panels or home battery storage systems can also enhance energy resilience. This work can be connected to workforce development.
4. Critical Infrastructure Resilience: Enhancing the energy resilience of essential community services and critical facilities is vital. This might involve installing backup generation or microgrids that can provide power during gridoutages, improving energy efficiency, and using renewable energy sources.
5. Community Infrastructure: The program might include measures to decarbonize communal spaces such as schools and community centers. This could involve installing renewable energy sources, promoting energy-efficient designs in new constructions, and creating green spaces that absorb carbon.
6. Transportation: Encouraging the use of active transport (walking, cycling), public transportation, or electric vehicles can help reduce transportation-relatede missions. This might involve improving infrastructure for cycling and walking, providing charging stations for electric vehicles, or implementing car-sharing programs.
7. Education and Engagement: A successful program would also include an element of public education and community engagement to help residents understand the benefits of planning for an implementing specific projects

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Description

in their community, and to encourage their active participation in the program.
8. Workforce development: Although noted in the energy efficiency and renewable energy elements above, this should connect more broadly to each of the elements above. This program also presents an opportunity to connect with local training and workforce development efforts to bolster place-based opportunities for labor and businesses in the community.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Planning for decarbonized communities enables overburdened, vulnerable, rural, andtribal communities to participate and benefit from the clean energy transition.This holistic approach considers community-specific needs and then connects communities with opportunities to fund projects that meet those needs. Flexible funding would help Commerce engage with communities to develop comprehensive clean energy plans and provide access to related funding for projects andinitiatives that fit their place-based requirements. Such a program will help unlock decarbonization projects in more communities to more equitably distribute the benefits of the clean energy transition and increase participation overall to meet the State's goals for equity and clean energy. It would also help leverage state and federal funding sources and bring real, tangible benefits to communities that need them most.
Without this funding, communities across the state will continue to struggle to participate in the clean energy transition because they are competing for funding in programs not designed for them. They could fall further behind in terms of the financial, environmental, and health benefits from decarbonization. This program presents a unique opportunity to meet communities where they are and design solutions that will achieve Washington's bold targets in ways that are flexible to place-based community needs.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

While it is possible to provide additional funding to existing programs, this approach fails to address the fact that existing program funding is not designed for vulnerable, overburdened, rural,and tribal communities. Simply adding additional funding to programs that communities have said are in accessible and do not work for them will not achieve the emissions reductions and community benefits that a place-based community decarbonization approach can.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

This program would serve communities across the state, primarily focusing on tribal, overburdened, rural, and vulnerable communities. Collaborative efforts from local government, utilities, and residents are necessary to successfully implement such a program.
Communities fitting these definitions will be identified using the Washington Environmental Health Disparities Map, the Environmental Justice screening tool from the Environmental Protection Agency, community feedback and outreach, and geographic tribal lands data.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

Program funding could be used to help communities better position themselves to access funds from related state and federal sources including but not limited to: the Climate Commitment Act, the Infrastructure Investment and Jobs act, and the Inflation Reduction act. The program itself does not leverage non-state funding, but helps Washington communities plan for and meet the requirements of funding sources, making them stronger targets for future grants.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This proposal furthers the agency's priorities of funding reliable infrastructure; building a clean, just clean energy economy; and increasing living wage jobs. It is crucial to our economic recovery strategy and aligns with state and agency strategies:

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Alignment with the Governor'sResults Washington goals:

- Goal 2: *A prosperous economy*, by creating living wage jobs and economic activity
- Goal 3: *Sustainable Energy and a Clean Environment*, by reducing energy consumption and accelerating clean energy production.

The request supports Commerce's goal tostrengthen communitiesby aligning with the outcomes based approaches to the following outcomes:

- *Living Wage Jobs*– Creating living wage jobs through the construction and maintenance of projects
- *Reliable Infrastructure*– Updating our energy systems to be reliable, dynamic and innovative
- *Clean Energy Future*- Reducing energy consumption, increasing clean energy generation, decreasing carbon emissions

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
Not Applicable

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
Not Applicable

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
This project contributes to meeting the greenhouse gas emissions limits established in RCW 70A.45.050 by providing access to decarbonization planning and implementation in communities across the state that have not had access to or been equipped to engage with existing funding opportunities. Place-based, holistic planning efforts needed especially by tribal, overburdened, rural, and vulnerable communities provide a mechanism by which these communities can make significant progress towards reducing greenhouse gas emissions in the immediate and long terms. Specific efforts include: promotion and facilitation of renewable energy sources, enhancing the energy resilience of essential community services and critical facilities, encouraging the use of active transport, public transportation, or electric vehicles, and public education and community engagement to help residents understand the importance of decarbonization and energy resilience

Asa key program element, energy efficiency improvements will help manage and reduce energy usage in homes and buildings pursuant to the goals in RCW19.27A.210. Funding will be used for renovations for better insulation, installation of energy-efficient appliances and HVAC systems, and smart home technologies. Other goals served by this program include: workforce development opportunities and planning and pre-design work in communities that have not yet initiated it.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
This investment is designed to increase equitable participation in, and distribution of the benefits from, a statewide clean energy transition. In direct response to community feedback, funding will be used to meet communities where they are and support them in planning for and executing place-based decarbonization projects to achieve long-term emissions reduction goals. Expanding opportunity to tribal, vulnerable, rural, and overburdened communities who have been yet unable to access funding opportunities will more equitably distribute the benefits from the clean energy transition such as workforce development opportunities, health and environmental benefits, and community resilience.

This program will specifically target tribal, overburdened, rural, and vulnerable communities in Washington identified using the Washington Environmental Health Disparities Map, the Environmental Justice screening tool from the Environmental Protection Agency, community self-identification, and geographic tribal lands data.

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Description

Is there additional information you would like decision makers to know when evaluating this request?
Using the tools described above, this proposal presents an opportunity for Commerce to streamline eligibility for our programs. Doing so can save on administrative costs for Commerce, participating households, and project lead staff.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: N/A
RCW that establishes grant: N/A
Application process used
Funding will be administered through a non-competitive process co-designed with communities that uses community outreach, mapping tools, and community self-identification to identify needed investments. Targeted and self-identified communities will receive funding through a simple, non-competitive grant application.

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	50,000,000		12,300,000	37,700,000	
	Total	**50,000,000**	**0**	**12,300,000**	**37,700,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative
None

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Report Number: CBS002
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Project Number: **40000603**
Project Title: **Communities of Concern**
Project Class: **Grant/Loan**

Description

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Project Number: 40000603
Project Title: Communities of Concern
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

This $10 million request seeks to provide funding to the Communities of Concern Commission for pre-development and development costs to capital infrastructure programs. These funds would provide communities with capacity to develop projects: design, consultation, and other pre-development task necessary to prepare projects for capital funding. This funding would complement $300,000 in operating funds to support and expand Commission operations and provide small grants to member organizations for operating related expenses that can't be covered by capital funds.

Project Description

This proposal seeks funding that continues the work of the Commission, funded in the 23-25 capital budget Chapter 474, Laws of 2023 (sec. 1028) to document pre-development and development related projects. That work will also result in a report due to Commerce and the legislature by December 1, 2023. Initial work has resulted in requests of over 13 projects, adding up to over $13.9 million dollars in requests and documented need for funding.

This proposal also comes out of the work and recommendations from the legislatively directed Capital Equity review The capital equity review provided detailed accounting on the myriad barriers that systemically oppressed communities experience in pursuing and receiving capital funding, while underscoring that these barriers extend beyond capital needs, also impacting communities' ability to provide sustainable housing, community space, energy infrastructure and more.

A key recommendation from the study was providing funding and broader technical assistance, training, tools and practices to simplify and de-mystify grant application processes, particularly for organizations who represent and serve systemically oppressed communities.

Communities throughout the state do not have the capacity to develop projects for state capital funding especially rural and underserved communities. New investments are needed in pre-development programs to support the capital needs of systemically oppressed communities.

Informed directly from community engagement feedback, the following efforts are needed:

• Expanded program-specific technical assistance for applicants and potential applicants to Commerce capital funding.

• Expanded pre-development funding, including both capital and operating funding, to strengthen the ability of By and For and extremely rural entities to compete for capital funding from a variety of sources. This funding would not be contingent upon a future capital funding application to Commerce.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The Communities of Concern Commission (CoCC), a coalition of leaders of nonprofit organizations that work primarily in communities of color in urban and rural areas, has demonstrated the need for continued investment and technical assistance for community-led assets to come to fruition. Commerce's partnership with them also continues to reveal internal processes that need to be adjusted to make funding more accessible, while maintaining our role as a state steward of capital funding. A$10 million capital appropriation for the CoCC identified eligible capital expenses to its growing network of partners can help us see wealth generation supported in communities long left out of the funding systems we oversee.

The Communities of Concern Commission include members with deep experience in building for their communities, yet are still facing barriers to standard funding. These member organizations include:

- - Asia Pacific Cultural Center
- - Bethel Christian Church – Seattle

Project Number: **40000603**
Project Title: **Communities of Concern**
Project Class: **Grant/Loan**

Description

- - Catholic Community Services
- - Catholic Housing Services
- - Chief Seattle Club
- - Community to Community
- - Ethiopian Community in Seattle
- - El Centro de la Raza
- - First AME Church – Seattle
- - FilAm Resources for Educational Advancement for Culture & Technology
- - Latino Civic Alliance
- - Lummi Stepping Stones
- - Native Action Network
- - Partners for Rural Washington
- - SeaMar Community Health Centers
- - Seattle Indian Services Commission
- - Tibetan Association of Washington
- - The Foundation of Homeless & Poverty Management
- - United Indians of All Tribes Foundation
- - Village Spirit Center / FAME – Equity Alliance of Washington
- - Washington State Catholic Conference
- - African Community Housing Development
- - Intramuros Community Development Partners

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

This funding will go to helping build the organizational capacity to support the community based projects led by Commission members. These projects support community housing and facilities, and help to build the generational wealth necessary for equitable recovery. By partnering with trusted and proven community organizations, invested inbuilding the projects needed by their communities, we will have direct impact on community development opportunities that extend far past the boundaries of the facilities being built.

Funding would support the access, and remove barriers to access, to state capital project funding to include:

- Capacity Building
- Technical assistance
- Preliminary technical studies
- Architectural and engineering services
- Archeological and historic structure assessments
- Project related professional and technical services
- Construction management and observation fees
- LEED certification fees

Funding would help Community-based organizations who may be new to capital campaigns prove the feasibility of a project, which can help them then recruit additional non-state resources.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

By their very nature, pre-development funds will provide capacity to underserved communities allowing for greater and more equitable access to the States capital funding. The Communities of Concern Commission was established to promote social welfare and economic development by empowering Black, Indigenous, and People of Color (BIPOC) nonprofit organizations. This includes capacity building by helping BIPOC nonprofits create, manage, and own their own affordable housing

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Project Title: **Communities of Concern**
Project Class: **Grant/Loan**

Description

development projects and community facilities. Their mission is focused on addressing the impacts of poverty and institutional racism that disproportionately affects BIPOC populations.
Funding the projects put forward by the Communities of Concern Commission, a group trusted and closest to the organizations doing work in our communities, is how state agencies like Commerce can partner to see wealth generation fully realized through projects brought forward and prioritized by the Commission itself. The self-determination of communities to develop and build the projects brought forward by the communities themselves, is a way for our state system to be responsive to empowering voices that have historically been left out.
Historically underserved communities have lacked access to resources needed to prepare and plan for capital project funding and program development. Submitting capital and even operating funding applications without well-developed plans and the ability to demonstrate readiness to proceed, is generally a waste of time. Competition for limited funding is steep, and application prerequisites and funding priorities reward experience and demonstrated readiness. Low barrier, on-demand, grants are needed to support community entities in advancing their projects to the point of being eligible for and more competitive for funding programs at Commerce and through other sources. Small to medium sized grants can support efforts like feasibility, engineering design, needs assessments, site assessments and site control activities, and other detailed expert plans. These project development activities are fundamental to implementing a project successfully.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.
While we have similar programs within Commerce that have seen great success, we know that allowing these organizations to develop and implement the work themselves in partnership with Commerce will ensure the most success for the small businesses they are serving. In order to begin this pilot program, we feel that a Direct Proposal is the best path forward for these organizations and for this program so that they can continue to work with Commerce to build out the resources being offered to the business owners but also build culturally and community specific programming that they know will provide direct impact to the communities they are serving.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

- Communities of Concern Commission would be able to capture
  - project readiness progress
  - types of activities most needed by members
  - technical assistance metrics
- Case studies of how communities benefit from operating & pre-development opportunities that are partnered with capital funding
- Communities of Concern Commission should collect data on who they are serving, how services are offered and what projects are most successful
- On-going feedback and information sharing to improve commerce programs that will benefit communities across the state

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
Not Applicable

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
Both the Governor and Commerce strive for equity and strive to ensure resources are getting in to marginalized communities. Supporting a coalition such as Communities of Concern Commission and the organization who make up the coalition will only further that goal. These organizations have worked for years to combat institutional racism. Giving them the tools and resources they need to directly serve their communities will help to dismantle barriers and hurdles these communities have faced to receiving the support they may need. The funding of projects that are self-directed by organizations closest to the work and of the communities they seek to serve is also a core principle of Commerce's equity work.
Under the Commerce 21-23 strategic plan this package will support the following areas:
Equity in community development:
Prioritize investment in underserved, historically disadvantaged and vulnerable communities.
Build capacity through community engagement, outreach and technical assistance.

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Project Title: Communities of Concern
Project Class: Grant/Loan

Description

Partner with racial, geographic, and marginalized communities to understand needs and challenges affecting their access to resources.
Dismantle barrier to access so that communities are positioned to access resources, both through competitive processes and alternative mechanisms when appropriate.
Equitable economic recovery:

- Provide economic stimulus
- Provide a pathway for equitable access to the tools and resources Commerce is offering to communities
- Create economic opportunity for communities who have historically been denied that opportunity

This funding would also support the Results Commerce goal of vibrant communities and targeted outcomes of building and maintaining local capacity.

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
Not Applicable

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.
Not Applicable

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
Not Applicable

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
By their very nature, pre-development funds will provide capacity to underserved communities allowing for greater and more equitable access to the States capital funding. The Communities of Concern Commission was established to promote social welfare and economic development by empowering Black, Indigenous, and People of Color (BIPOC) nonprofit organizations. This includes capacity building by helping BIPOC nonprofits create, manage, and own their own affordable housing development projects and community facilities. Their mission is focused on addressing the impacts of poverty and institutional racism that disproportionately affects BIPOC populations.
Funding the projects put forward by the Communities of Concern Commission, a group trusted and closest to the organizations doing work in our communities, is how state agencies like Commerce can partner to see wealth generation fully realized through projects brought forward and prioritized by the Commission itself. The self-determination of communities to develop and build the projects brought forward by the communities themselves, is a way for our state system to be responsive to empowering voices that have historically been left out.
Historically underserved communities have lacked access to resources needed to prepare and plan for capital project funding and program development. Submitting capital and even operating funding applications without well-developed plans and the ability to demonstrate readiness to proceed, is generally a waste of time. Competition for limited funding is steep, and application prerequisites and funding priorities reward experience and demonstrated readiness. Low barrier, on-demand, grants are needed to support community entities in advancing their projects to the point of being eligible for and more competitive for funding programs at Commerce and through other sources. Small to medium sized grants can support efforts like feasibility, engineering design, needs assessments, site assessments and site control activities, and other detailed expert plans. These project development activities are fundamental to implementing a project successfully.

Is there additional information you would like decision makers to know when evaluating this request?
None

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Report Number: CBS002
Date Run: 9/13/2026 10:30AM

Project Number: 40000603
Project Title: Communities of Concern
Project Class: Grant/Loan

Description

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: N/A
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
None

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	6,367,000	1,494,000	3,324,000	1,549,000	
	Total	**6,367,000**	**1,494,000**	**3,324,000**	**1,549,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative
None

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103 - Department of Commerce
Capital Project Request
2027-29 Biennium
*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:30AM

Project Number: 40000601
Project Title: Crisis Stabilization Facility-Trueblood Phase 3
Project Class: Grant/Loan

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:30AM

Project Number: 40000601
Project Title: Crisis Stabilization Facility-Trueblood Phase 3
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2025
Agency Priority: 0

Project Summary

The Department of Commerce (Commerce), in consultation with the Health Care Authority, request $10 million in capital funding solely for 16 crisis stabilization beds in the Thurston/ Mason region. This proposal is consistent with the settlement agreement in A.B, by and through Trueblood, et al., v. DSHS, et al., No. 15–35462. We proposed to develop 16 licensed crisis stabilization beds in the Thurston/Mason region to meet implementation plan expectations for Phase 3 of the Trueblood Settlement Agreement. These beds will serve as a health care alternative to jail, emergency room settings or evaluation and treatment center services for individuals experiencing a mental health crisis or an acute behavioral health problem by providing short-term, prompt attention and effective support in a respectful environment by a multi-disciplined treatment team within the community. If there is not a provider able to create treatment capacity at a new facility, funds could alternatively create 16 new bed spaces at an existing evaluation and treatment center, or other licensed behavioral health agency.

Project Description

Crisis triage/crisis stabilization (CT/CS) facilities provide an option for law enforcement and other first responders to safely divert individuals away from the legal system into a safe and therapeutic environment. The Phase 3 implementation plan requires HCA to complete an assessment of need for crisis triage and stabilization capacity in the Thurston/Mason region. As outlined in the Trueblood Crisis Triage/Stabilization Bed Gap Analysis Report, Thurston/Mason leadership responded that their current facilities do not meet the CT/CS licensing requirement of the settlement agreement.

Commerce will collaborate with the HCA to award the needed capital funds, and ensure the funded organization(s) meets its financial obligation to make 16 licensed crisis stabilization beds available in the Thurston/Mason region.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Trueblood, et. al. v. Department of Social and Health Services (DSHS), etal., is a class action lawsuit challenging unconstitutional delays incompetency evaluation and restoration services for individuals detained in city and county jails. In July 2016, DSHS was found in contempt of federal court for failure to comply with timeliness deadlines related to inpatient services. In 2016 and 2017, DSHS was found in contempt for the timeliness of evaluation and restoration services. At that time, fines related to this contempt averaged approximately $4 million per month. In February 2018, the parties engaged in a settlement negotiation process, resulting in a December 2018 contempt settlement agreement. The goal of the settlement is to ensure the state timely serves Class Members, as well as reduce the number of potential or existing Class Members. Under the settlement agreement, the majority of the monthly contempt fines, now averaging approximately $13 million per month, are held in abeyance pending the state's ongoing compliance with the settlement agreement.

The Trueblood Contempt Settlement Agreement (Agreement or settlement agreement) establishes a plan for providing services for persons involved in the criminal court system and for providing behavioral health treatment to people when needed so they are less likely to become involved in the criminal court system. The settlement agreement includes a plan for phasing in programs and services regionally. In each phase, the state will focus its efforts within specifically identified and agreed upon region(s). The settlement agreement includes three phases of two years each and can be expanded to include additional phases. Phases run parallel to the legislative biennia beginning with the 2019-2021 biennium.

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Project Class: Grant/Loan

Description

The development of these licensed crisis stabilization beds in the Thurston/Mason region will meet implementation expectations for Phase 3 of the Trueblood Settlement Agreement. These 16 beds willserve as a health care alternative to jail, emergency room settings or evaluation and treatment center services for individuals experiencing a mental health crisis or an acute behavioral health problem by providing short-term, prompt attention and effective support in a respectful environment by a multi-disciplined treatment team within the community.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

The Department of Commerce, serving as the fiscal agent for these funds, will partner with the HCA to draft a competitive grant application for these licensed crisis stabilization beds in the Thurston/Mason Region. This request would be subjected to an application process to which funds will not be interchangeable among other behavioral health allocations, which helps to identify the direct response to the requirements of the Phase 3 Trueblood settlement. The RFP process will determine who will be awarded the funding and whether new construction or renovation of existing facilities will be needed. This project is intended to begin with the RFP process in September 2024. This request will also allow for applicants who are met with funding gaps to re-apply if needed. The project completion date is not yet known. It is likely that this project will extend to the following biennium.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

This request addresses the problem by adding crisis stabilization beds to the Thurston/Mason region incompliance with the Trueblood settlement agreement. This region does not currently have any crisis stabilization beds. The result of not acting would be the State being in breach of the Contempt Trueblood Settlement Agreement. As outlined in the Phase 3 implementation plan, the State has committed to identifying gaps in crisis stabilization bed capacity for these regions and addressing them.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

To meet compliance with federal court orders, the existing gaps in crisis bed capacity were identified and implemented in Trueblood Phases 1 and 2. The settlement agreement requires funding for expansion to Phase 3 regions and beyond for future phases. The elements of the settlement agreement are designed to support the state’s overall compliance with the permanent injunction by reducing demand for forensic services. If the elements cannot be implemented, it is expected that the state will continue to struggle to comply with the permanent injunction.

This proposal assumes investment in 16 licensed crisis stabilization beds specifically for the HCA Thurston/Mason region. These beds could be with either a provider who can expand current treatment capacity at a new or existing facility, or other licensed behavioral health agency.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Individuals to be served by this project would be those that are diverted from arrest, jail, and hospitalization. Those who are experiencing a behavioral health crisis should be served in a therapeutic environment where they can stabilize.

This project must be in the Thurston/Mason region and will include 16 beds.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the

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Project Class: Grant/Loan

Description

request result in matching federal, state, local, or private funds?
Trueblood investments are backed by state bonds and do leverage non-state resources. For Trueblood investments in September 2022, the state's $4.2 million investment leveraged $5.3 million in non-state funding.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
The Legislature allocated $12 million for Trueblood in the 2021-23 biennium for at least two Crisis stabilization facilities within King County. An additional allocation of $74M was approved in the supplemental budget to address CSU gaps in WA overall. This request would identify Thurston-Mason Counties to meet Trueblood Phase 3 objectives to serve as a behavioral health care alternative to jail, emergency room settings or evaluation and treatment center services for individuals experiencing a mental health crisis as described. Commerce's role is to serve as the fiscal agent, which will allow the agency to continue to establish new behavioral health service capacity through acquisition, renovation or new construction of real property that strengthens the Governor's Behavioral Health transformation plan.

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
Not Applicable

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25Operating Budget Instructions.
Not Applicable

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
Not Applicable

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
This proposal impacts equity by addressing the disproportionate number of individuals of color represented in the criminal justice system. These individuals experience greater barriers in access to health care and the community behavioral health system. According to the Vera Institute of Justice report of July 25, 2019, individuals of color are arrested at a much higher rate than Caucasians, and they are incarcerated in prison at nearly five times the rate of their Caucasian counterparts (https://www.vera.org/blog/racial-disparities-in-mental-health-and-criminal-justice).The Bureau of Justice Statistics identifies that at least a quarter of people in jail meet the identified threshold for psychological distress as measured by their history of mental health and the Kessler 6 (K6) nonspecific psychological distress scale (https://www.bjs.gov/content/pub/pdf/imhprpji1112.pdf).
The programs and services outlined in the Settlement Agreement are designed to provide people with mental health conditions therapeutic interventions and connections to community-based support and resources instead of arrest and incarceration.

Is there additional information you would like decision makers to know when evaluating this request?
This proposal supports the state's required actions in the Trueblood settlement, creates new behavioral health treatment capacity, and diverts individuals from jails and emergency rooms.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

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Project Title: Crisis Stabilization Facility-Trueblood Phase 3
Project Class: Grant/Loan

Description

Project Type
Loans - Competitive

Grant Recipient Organization: N/A
RCW that establishes grant: 71.05
Application process used
Zoomgrants

Growth Management impacts
None

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State					
26V-1	Capital Comm Asst Ac-State	5,000,000	3,000		4,997,000	
	Total	**5,000,000**	**3,000**	**0**	**4,997,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26V-1	Capital Comm Asst Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative
None

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Project Number: 40000282
Project Title: Dig-Once Pilot Project and Enhanced Program Development
Project Class: Grant/Loan

Description

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Project Title: Dig-Once Pilot Project and Enhanced Program Development
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Local Governments and state agencies frequently have multiple planned Infrastructure projects in the same location, scheduled just a few years apart. Often one project will be completed, roads and services restored, only to have other projects initiated that impact the finished product of the initial project. The department requests $11 million dollars to complete the Lewis County Dig-Once pilot project and to expand the program into another part of the state, helping catalyze the efficiencies local governments can realize when they coordinate infrastructure investment and planning.

Project Description

The increased efficiencies from conducting a grouping of “dig-once” infrastructure projects can save an estimated 20 to 30 percent in state and federal capital investment dollars—such efficiencies have never been more important than now, as projects are experiencing inflated labor and supply costs. Commerce is currently implementing an $40,000 proviso, from the FY22 Supplemental Capital budget, to develop a coordinated spatial demonstration of overall infrastructure needs in Lewis County using GIS mapping tools. Now, the partners have identified and will prioritize three infrastructure projects in the greater Lewis County area that have unfunded elements and are potential recipients for this funding. (Many of the individual projects have identified or secured funding through loans and grants. However, in some cases there is a need for additional funding assistance to complete the projects and realize the efficiency and financial savings provided by coordinated projects being carried out and completed at one time).

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The department seeks to deepen the state’s investment in the “Dig Once” pilot because of the significant returns we are already seeing. For example, in addition to efficiencies and cost savings anticipated from the coordinated Lewis County projects, a notable side benefit that has already been realized through just publicizing the “dig-once” pilot, has been the emergence of several housing developers that are interested in initiating development of multi-level housing. One project proposes 120 to 150 units, the other is proposing up to 500 units. They are stepping forward now as they realize that the over-all product of the “dig-once” project will bring necessary utilities directly to their projects and allow them to avoid the additional costs of extending services to their developments.

Inducing multi-level housing would be a significant side benefit from extending the pilot to another part of the state that will help prepare the area for the increased need for housing.

The legislature has asked the department to further develop a “Dig-once” pilot program with goals that include:

· Minimizing local disruption,
· Maximizing efficiencies,
· Demonstrate the ability to achieve cost savings to state and local governments.
· The pilot program must be implemented in Lewis County in collaboration with the department of transportation and the economic alliance of
Lewis County.

The department of transportation and local governments must collaborate with the department to identify and coordinate projects in Lewis county that require excavation work on public property, such as projects improving fish passage barriers, roads, broadband, water, wastewater, or stormwater infrastructure.

A successful “dig-once” program depends heavily on local coordination of the individual infrastructure projects that make up the larger effort. This includes to coordination on funding, design and timing of the various phases of larger project. The partners in Lewis County have identified three projects.

If funded and completed, these projects will address and achieve several high-priority items:

· Expand and update essential utilities, water, wastewater, and broadband.
· Provide new access to the essential utilities that will allow development to create various forms of housing and industry.

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Project Class: Grant/Loan

Description

· Provide funding solutions for replacement and upgrades to promote fish passage. Allow an efficient and “one-time” resurfacing of roads in the project areas.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Proposed funding being requested:
· Up to $10.0 million towards funding completion of the pilot project in Lewis County,
· At least $1.0 million to promote local government coordination of planning to identify a location for a second pilot project in Eastern Washington.
· Up to 2.5% of overall funding to Commerce to go towards program development, and administration
The funding Will be used to provide funding to address outstanding funding gaps that would keep the project from being completed in a truly Dig-once concept. Example: Roads, and water, are funded, use these funds to also purchase and install conduit and broadband fiber. Example: all other aspects (roads, water distribution, sewer collection are funded, but there is not funding source for removal of fish passage barriers. Use this funding for addressing the costs of the fish passage.
Lewis County Pilot - The Economic Alliance of Lewis County has identified three potential projects that will be considered for funding in the pilot program. Each of the programs have other funding identified for certain elements. Funding includes local ARPA dollars, and other loans and grants including broadband funding from WSBO.
An example of one of the projects to be included in this capital request:
Project: Harrison/Reynolds Avenue Improvements

Improvements to include surface road improvements, Wastewater Trunk Main improvement/additions from N. Harrison to Reynolds Ave at Pearl Ave, to existing and new underground digital fiber and utilities lines, Zimmerman substation
Partners
City of Centralia
Lewis County
Centralia City Light
Lewis County PUD
BNSF
WSDOT
Port of Centralia
Private Development
Chehalis Basin
Timeline
Planning and coordination Winter 2022
Engineering-Spring 2022
Construction-Spring 2023
Estimated Cost
$35 to 40 million for all phases
More detailed estimate in process
Identified Benefits:
Will allow for additional commercial development and provide opportunity for large scale housing development. Ease pressure on existing sewer infrastructure by looping in area north and west of I-5. Large need for homes in the region and sewer is needed for the development. Road is being repaired, so it is the perfect time to align efforts and save money. Dig-once and lay sewer, add broadband, move utilities underground and resurface road.
Statement on relation to housing:
The Dig Once pilot will greatly benefit affordable housing projects, and has already done so in Lewis County. In cooperation with a longtime nonprofit affordable housing developer, Lewis County is seeking to site a middle-income workforce housing project on Reynolds Road in the Centralia UGA.
The project is designed to fill a gap for workers making wages slightly above the typical 80%-AMI cutoff for affordable housing,

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Description

but nevertheless struggling to find housing locally—and so are commuting to Centralia from Tacoma. The proposed project is roughly one-third for workers at 80% AMI, one-third for workers at 115% AMI, and one-third market-rate housing.
The project would not be viable if it included the cost of extending sewer along Reynolds Road to the site; as a result, the land remained unused. However, the Dig-Once model publicized an existing, funded project to extend sewer along Reynolds Road right past proposed housing site, as well as supplying road and transit improvements. Timing the housing project with the existing road project will provide enormous incidental subsidies to the housing: curbs, gutters, sidewalks, streetlights, sewer, transit improvements, and perhaps (if funded through the Dig-Once pilot project) improved fish passage, stormwater reduction, and broadband. As a result, the housing project is moving forward.
Thus, the certainty, public notice, and timing benefits of Dig-Once alone, even without any money directly for housing, boost affordable housing projects and increase the effectiveness of existing subsidy programs for affordable housing. If a local government is permitted to take the savings from Dig-Once and apply them to other road, utility, and affordable housing projects, this effect can be magnified through additional incidental and direct subsidies to future projects.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Gaps in funding would cause delays or force projects to move forward individually and increase the cost of projects 20 to 30 percent from what a dig-once model could provide.
A successful “dig-once” program depends heavily on local coordination of the individual infrastructure projects that make up the larger effort. This includes to coordination on funding, design and timing of the various phases of larger project.
There may be one or more funding gaps that become a limiting factor for the success of a comprehensive “dig-once” project. For most infrastructure, there is a revenue stream attached to the utility that makes an infrastructure loan a viable funding solution. One component identified in the “dig-once” proviso that does not have a revenue stream attached, or identified funding, are locally owned fish passage barrier removal projects.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.
This is the alternative to traditional individually staged capital project design and construction.

By staging the projects in a sequence that fits the “dig-once” concept, partners will save an estimated twenty to thirty percent on overall project costs.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
The request would be used solely in Lewis County on one or more of the three identified projects in Centralia, Chehalis, and the County. Ideally the County would be the recipient of the grant funding, and it would be administered though the Local Governments Division – Boards Unit. The goal is to make the projects whole and fill funding gaps that will make the overall dig-once projects complete with funding amounts that will allow them to achieve the efficiencies of multiple projects being completed at the same time.
There are over 700 federal, state, local and private fish passage in Lewis county that need to be addressed. The proposed three projects include five locally (County and City) owned in the area of the three identified projects. The current estimated costs on a culvert or fish passage project ranges from $200,000 to $2.0 million.
Lewis County partners are actively trying to address the loss of approximately 800 jobs as a result of the closure of their coal mine and coal generated energy facilities in the past two decades. The proposed dig-once projects will help proactively address the infrastructure needed to support the influx of workers and families coming to the area with the new industries involving hydrogen fuel production.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
Yes, various segments of the projects have secured local and state ARPA dollars, federal grants and loans. Project coordinators are collecting specific information on this for reference.

Describe how this project supports the agency’s strategic master plan or would improve agency performance.

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Description

Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
The completion of the three identified projects, with assistance from the dig-one funding, will embrace many of the agency, executive, and legislative priorities.
The infrastructure upgrades and expansion will support housing, broadband, economic development, climate mitigations of flooding with improved stormwater management and fish passage, clean energy (Hydrogen Fuel Production Facility). The estimated overall savings of twenty to thirty percent on capital construction cost will help provide affordable infrastructure projects that equate to affordable infrastructure rates for customers.

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?
This proposal has no direct impact to state IT resources. The GIS Mapping that is currently taking place for these projects is being completed by the local partners.
If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.

No water from these project flow into Puget Sound, but the intent of this pilot project is to provide a framework that will benefit many capital infrastructure projects statewide, including in the Puget Sound region.
How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

Reduced amount of time that the community will be impacted by construction activities as multiple project will be completed in sequence at or about the same time.
There will be upgrades to multiple existing utilities (energy, water and wastewater, and the addition of essential services including extending broadband service, and providing the opportunity to move from septic and connect to sewerage.

The projects will include upgrades to existing roads and related transit capacity.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
Lewis County is located along the state's I-5 corridor. Though it is considered primarily rural, Lewis County has been identified as a key location for potential industrial and economic growth.
With the current limited tax base and revenue resources, this rural area must look for funding assistance where possible. This proposal will help provide necessary infrastructure for increased housing of various types, and help attract even more jobs to the area through development and expansion of industry.
Additionally, a side benefit of the project will be to continue to address stormwater runoff and flood control that historically has paralyzed the freight transit on Interstate 5.

Is there additional information you would like decision makers to know when evaluating this request?
The funding of dig-once projects can be complex, but provide significant savings in capital construction costs to the overall projects.
Additionally, this will help address many aspects of essential infrastructure that are not always viewed as "projects". Specifically Utility and Pole relocation due to the development of various projects.
The current availability of state and federal funding will initiate many new projects that will serve the needs of our communities for years to come. It makes good sense that we as infrastructure funders would try to do this in the most cost efficient fashion possible.
Saving twenty to thirty percent per overall project, will allow local communities, to utilize some of these once in a generation state and federal funding resources to the fullest extent possible.

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Project Title: Dig-Once Pilot Project and Enhanced Program Development
Project Class: Grant/Loan

Description

Location
City: Centralia **County:** Lewis **Legislative District:** 020

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	500,000	1,000		499,000	
	Total	**500,000**	**1,000**	**0**	**499,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative
None.

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Report Number: CBS002
Date Run: 9/13/2026 10:30AM

Project Number: 40000604
Project Title: Green Jobs and Infrastructure Catalytic Funds
Project Class: Grant/Loan

Description

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Report Number: CBS002
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Project Number: 40000604
Project Title: Green Jobs and Infrastructure Catalytic Funds
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2025
Agency Priority: 0

Project Summary

The federal Bipartisan Infrastructure Law (BIL), Inflation Reduction Act (IRA) and CHIPS and Science Act are infusing billions of dollars into clean energy projects and investments, such as transportation electrification, grid resilience and energy efficiency. States are making investments to complement and match these opportunities, and private investment dollars are following. Washington has near-term manufacturing opportunities related to energy storage, hydrogen, solar, advanced transportation fuels, grid technologies, semiconductors and other supply chain components in these industrial verticals. These opportunities represent the potential for billions in clean energy investments for Washington, through state agencies, private sector, utilities, nonprofits and tribes. Ensuring that Washington-based entities can successfully apply for this unprecedented amount of federal funding requires both financial support for matching funds as well capacity to support applications and administration of funds. This fund will ensure that more local governments, tribes and other Washingtonians can maximize support for high impact infrastructure and planning projects. For Washington to remain competitive for these federal opportunities and cultivate the growth of private-sector green jobs, a robust investment of Climate Commitment Act (CCA) funds must go towards ensuring the necessary elements to attract outside investment, federal and private, as well as ensure the necessary infrastructure is in place to attract the advanced, clean technology jobs of the future. This proposal will support a variety of eligible activities all aimed at growing and keeping green jobs in WA and improving industrial infrastructure across the state, including: matching funds for federal grants for job creators in these industries, risk reduction for and investment in public and private industrial infrastructure, workforce development, and grants to projects that demonstrate high wage green job creation in WA. The projects will be furthering the goals of the Climate Commitment Act as described in RCW 70A.65.260 (1)(j), “Clean energy transition and assistance programs, activities, or projects that assist affected workers or people with lower incomes during the transition to a clean energy economy, or grow and expand clean manufacturing capacity in communities across Washington state…”

Project Description

For reappropriations:

1. Describe the project (and each subproject, if applicable), including the original appropriation year, status of the project, and an explanation why a reappropriation is needed: A clean tech manufacturing and workforce development program with 7 awardees in multiple key clean tech sectors throughout WA. The contracts are all aligned with end of fiscal year, but reappropriation would ensure that surprise shake ups in the funded projects don't result in loss of funding and local job generation efforts.

A $250M fund, appropriated from the Climate Commitment Act funding, which would invest in a variety of activities to encourage investment and job growth in the clean technology and energy industries. Major provisions include:

- Matching funds for federal grants for communities, utilities, non-profits and job creators in high-impact, clean technology industries ($80M);
- Grants to projects that demonstrate high-wage, clean job creation in Washington and help global fight against climate change, to include ($150M):
  - Risk reduction for and investments in public and private infrastructure to enhance industrial lands in order increase a community's capacity for clean manufacturing;
  - Direct investments in workforce development to attract and train the advanced technology workforce required to grow the clean energy economy;
  - Administration, both internal and external, to manage and track the unprecedented investment in

Project Number: 40000604
Project Title: Green Jobs and Infrastructure Catalytic Funds
Project Class: Grant/Loan

Description

this program ($20M)

Example projects for which grants may be awarded include:
- Renewable generation;
- Consumer and residential decarbonization projects like heat pump, community energy planning, and project execution;
- New and incumbent worker training needed for new business development and public sector projects;
- Grant match intended to encourage entry to Washington's market for manufacturing advanced clean technology products related to energy storage, hydrogen, solar, advanced transportation fuels, grid technologies, semiconductors and other supply chain components.

The criteria to guide the distribution of these funds would include the Climate Commitment Act (CCA), HEAL/EJ requirements, workforce development strategies, the Clean Energy Transformation Act (CETA), the Washington State Energy Strategy (SES), and the Energy and Climate Policy Advisory Committee findings.

These funds directly address the Governor's commitment to not only fighting climate change and meeting our state climate laws, but also his desire to see the economic development that comes with this global energy transition. The advanced manufacturing jobs associated with the clean energy transition represent the high-paying, stable jobs of the future that will play increasingly important and sizeable roles in the Washington's economy.

This investment is expected to bring significant economic impact to Washington. Job growth in the clean energy sector outpaces national employment growth[1]and these targeted investments will help ensure these jobs grow here. Additionally, large scale business development projects in this sector support between 1,000 and 3,000 direct and indirect jobs. Projecting approximately 3-5 major projects per year, this investment could add between 3,000-15,000 jobs annually.

The competition for where these jobs locate is fierce across the U.S. and globally. Washington needs to invest to remain competitive. The infrastructure investments will not only directly contribute to expanding advanced, clean manufacturing but will also help bring Washington's industrial zones up to globally-competitive standards and ensure communities are better positioned to attract the clean energy and technology jobs that will anchor the State's future economy.
[1] U.S .Dept. of Energy, "United States Energy & Employment Report 2023."

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify

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unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Unprecedented investment, both federal and private, is pouring into technologies and projects that directly address both state law and global efforts to reduce and mitigate impacts from greenhouse gases and co-pollutants. Washington needs to invest in its communities now in order to attract and capture these opportunities that ensure we meet our carbon reduction requirements and secure Washington's future economy with the clean technology and advanced manufacturing jobs.

With the federal investments in the IRA, IIJA and CHIPS and Science Act, states are making investments to complement and match these opportunities, and private investment dollars are following. For Washington to remain competitive for these federal opportunities and cultivate the growth of private-sector green jobs, a robust investment of Climate Commitment Act (CCA) funds must go towards ensuring the necessary elements to attract outside investment, federal and private, as well as ensure the necessary infrastructure is in place to attract the advanced, clean technology jobs of the future. These federal funding opportunities require buy-in from the State, in the form of matching funds, in order for Washington entities to be competitive.

In addition to federal grant funding, Washington has a number of near term advanced, clean manufacturing opportunities related to energy storage, hydrogen, solar, advanced transportation fuels, grid technologies, semiconductors and other supply chain components in these industrials verticals. Investments in industrial infrastructure and workforce development provide an opportunity to lean into this new competitive environment and bring these investment dollars and jobs to Washington.

Funds will be disbursed as grants to eligible entities for the equitable deployment of clean energy technologies and infrastructure. Eligible projects should increase community resilience and incorporate public health metrics, support tribal energy sovereignty, encourage workforce development with union and high road jobs, prioritize use of low-carbon materials and sustainably sourced products, prioritize deployment of projects on preferred sites or provide opportunities for emerging technologies, life cycle and maintenance related to new technologies, or end of life and recycling opportunities. Eligible entities can include local governments, tribal governments, community-based organizations, non-profits, school districts, utilities, research institutions, for profit entities, and state agencies.

By not providing adequate state support for federal funding opportunities and private industrial investment, WA will miss out on leveraging critical federal dollars and be ill equipped to address equitable access to the clean energy transition. With the federal government and private capital currently

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set to invest tens of billions of dollars in clean energy infrastructure, this fund will be a critical key to unlocking potentially billions of dollars for Washington through state match funds and direct grants to projects.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

This fund would result in the construction of public and private industrial infrastructure. It would also produce a sizeable increase in the amount of federal research and project funding invested in Washington state. These projects would cover the spectrum of project planning and implementation including pre-design, permitting, engineering, and construction. Additionally, funding would go towards investments in required infrastructure and curricula for workforce training and development.

Funds would be distributed on a rolling, competitive basis in order to ensure eligible projects are quickly funded to meet increasingly tight carbon reduction timelines.

The department must use funds to support eligible entities in applying for federal funding opportunities that achieve the 2021 State Energy Strategy and any subsequent updates and biennial energy reports, and in alignment with clean energy and climate mandates per RCW 19.405 and RCW 70A.65.

Eligible projects should strive to increase community resilience and incorporate public health metrics, support Tribal energy sovereignty, encourage workforce development with union and high road jobs, prioritize use of low carbon materials and sustainably sourced products, prioritize deployment of projects on preferred sites or provide opportunities for emerging technologies, lifecycle and maintenance related to new technologies, or end of life and recycling opportunities.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

This request would invest in clean energy transition and assistance programs, activities, or projects that assist affected workers or people with lower incomes during the transition to a clean energy economy, and grow clean manufacturing capacity in communities across Washington state.

During this decisive decade, the federal government is set to invest tens of billions of dollars in clean

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energy infrastructure and manufacturing. This fund will be a critical key to unlocking potentially billions of dollars for Washington through state match funding and investment in public and private industrial infrastructure to win globally competitive clean technology manufacturing opportunities.

By not providing adequate state support for federal and private investment opportunities, Washington will miss out on leveraging critical federal dollars and be ill equipped to address equitable access to the clean energy transition. We will also fail to take advantage of the economic development opportunities presented by this transition. Washington is positioned to secure a place in the future of advanced, clean technology manufacturing globally, but competition is fierce. If these CCA dollars are not reinvested in projects that both help us meet our climate requirements and create the products that the rest of the world will use to meet its climate goals, Washington's economy will lose its position of global leadership. Communities that have historically been unduly burdened by energy infrastructure and pollution now have that chance to benefit from this transition in the form of high quality jobs and economic prosperity. Additionally, these upgrades to public and private infrastructure also contribute to increases in the resiliency of these same communities. The opportunities will be lost if we do not invest in the needed infrastructure and workforce now.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

The Energy Division explored requesting additional funding for the Clean Energy Fund (CEF) matching funds which were provided in the 2023 legislative session. In addition to the $10M, the division would have asked for $40M, additional dollars (for a total of $50M). The division would also request that language changes be made to the previous budget allowing the department to disburse these funds without requiring a competitive process to allow the department to be responsive to grants on a rolling basis and mirrors the current cadence of federal funding opportunities

Ultimately, it was decided that combing that budget request with this larger ask from the Office of Economic Development and Competitiveness (OEDC) was a more strategic approach. The mechanism employed by OEDC to competitively award funds on a rolling basis is more flexible and responsive to the current funding environment than the competitive processes currently used in the CEF.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

The impact would be broad across the state, with the work that OEDC focuses on supporting private

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industry and publicly owned industrial infrastructure, and the Energy Division supporting communities, tribes, CBOs, utilities and other entities.

Major investments in industrial infrastructure would be expected in all regions of the state, with an emphasis on existing industrial zoned areas. Traditionally underserved and under-represented peoples and communities would be invested in, the majority of which would fall outside of the Puget Sound region.

The matching grants would also be expected to significantly impact communities academic, research and planning activities as they chart a course to fight climate change within their communities by bringing significantly more resources to bear on the issues.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

Yes. These funds would be explicitly used to leverage much larger sources of federal funds, as well as private capital and investments. With the federal investments in the IRA, IIJA and CHIPS and Science Act, there is an unprecedented amount of federal funding available to projects that enhance our fight against global climate change. Leveraging state funding for matches to federal grants promises to make Washington competitive for billions of dollars in federal funding.

For example, The Bipartisan Infrastructure Law established the Regional Clean Hydrogen Hubs program, which includes $7 billion to establish regional clean hydrogen hubs across America. The Washington-led Pacific Northwest Hydrogen Association (PNWH2) is a national finalist for US Department of Energy grant funding of $1 billion, to invest in regional hydrogen infrastructure. This billion dollars of federal investment will bring an additional $8 billion of private investment to the region. In order to maintain competitiveness with projects across the United States, Washington state will need the ability to provide significant matching funds to attract those federal and private investments. Washington is competitive for this and many similar opportunities that have arisen from the unprecedented federal investments available, but matching funds such as ones proposed in this fund are crucial to maintaining this competitiveness.

Alongside the federal investment in our country’s installed clean technology manufacturing base, there is a never-before-seen investment of private funds in projects that create jobs and secure the United States’ leadership in advanced manufacturing of clean technologies. This program will ensure that Washington’s communities will be competitive, from a required infrastructure standpoint, in attracting

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Description

and leveraging these private investments. To date, Washington has lost significant investments to other states equaling tens of billions of dollars and thousands of jobs due to industrial areas not being able to respond quickly to potential investment. Leveraging CCA dollars to ensure we remain competitive for job-creating private investment is critical.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

The Washington State Department of Commerce focuses on strengthening our key industries, expanding international trade, helping small businesses grow, providing training to a new generation of workers, providing access to funding, and supporting the work of our local economic development partners in all 39Washington counties. This fund would directly support Commerce's OEDC mission to strengthen communities and create living wage jobs statewide.

It also supports the findings of Commerce Energy Division's 2021 State Energy Strategy. Investments such as those proposed in this fund will not only help us meet our climate and carbon reduction commitments as a state but they will also support the other opportunity presented by the energy transition: supporting high-road jobs in traditionally underserved communities that will ensure Washington retains its place as a global leader in advanced manufacturing and clean energy technologies.

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?

Not Applicable

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.

Not Applicable

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

Not Applicable

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Description

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

Thanks to ambitious and forward-thinking policies and plans like the Climate Commitment Act, Clean Energy Transformation Act, Healthy Environment for All Act, and State Energy Strategy, Washington is a leading state for climate policy in the U.S., with mandates meant to ensure a reduction of burdens and equitable distribution of benefits to frontline communities. The BIL and IRA both have a focus on energy equity, workforce development and community engagement, which puts Washington in an advantageous position for federal funds.

Is there additional information you would like decision makers to know when evaluating this request?

The initial scoping and planning for this new program shall include analysis of most effective reporting metrics to analyze efficacy of expenses towards stated goals of the program related to equity, job creation, non-state investment leveraged and reduced levels of Co2. Commerce would plan to report to the legislature the outcomes of this program.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: N/A
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
None

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
26C-1	Climate Commit Accou-State	25,000,000	2,530,000	8,216,000	14,254,000	
	Total	**25,000,000**	**2,530,000**	**8,216,000**	**14,254,000**	**0**

Future Fiscal Periods

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		2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Narrative
None

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Project Number: 40000284
Project Title: High Efficiency Electric Home Rebate Program
Project Class: Grant/Loan

Description

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Project Title: **High Efficiency Electric Home Rebate Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Washington is experiencing the hottest summers on record, yet only half the state has access to cooling equipment. At the same time, the state needs new tools to decarbonize existing residential buildings and help low to moderate income households and small businesses electrify, save on their energy bills, and access critical cooling equipment. The Department of Commerce (department) requests $80 million to fund a statewide high efficiency electric equipment program, through rebates to low income customers.

Project Description

The department proposes a program targeted to serve two sectors that have proven hardest to reach with energy efficiency and emissions reduction efforts: low-to-moderate income households and small commercial businesses. The program will fund utilities and partnering organizations to offer a scaled rebate on the cost of high efficiency electric equipment, including heat pumps, and their installation. Heat pumps address the intersecting issues of access to cooling and emissions reduction.

Heat pumps:
· Provide both space heating *and* cooling, unlike a gas furnace or traditional air conditioner
· Are the more cost effective choice for customers looking to replace both their gas-powered furnace and install air conditioning, according to a recent Commerce fuel switching study
· Deliver energy efficiency savings to customers and utilities
· Save customers on their energy bills, particularly important as natural gas prices increase due to global market forces and the expected cost of gas company compliance with the Climate Commitment Act (CCA)

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The 2021 State Energy strategy found that building decarbonization through electrification and energy efficiency are the least-cost pathway to meeting the state's Washington emissions limits. While the state has the tools to decarbonize both 1. New buildings (state building codes) and 2. Existing large commercial and multifamily buildings (building performance standard), the state lacks a tool to decarbonize existing residential buildings and small commercial buildings. Existing residential buildings make up a majority of the state's emissions from buildings[1]. Without interventions to decarbonize this major portion of the buildings sector, the state will not meet its GHG emissions limits.

Electric utilities are required by law to pursue energy efficiency within their existing customers, but there is no requirement to help a customer convert from fossil fuel energy sources to high-efficiency electric equipment. With no effective mandate, there is a clear imperative for the state to fund targeted electrification in order to meet our emissions targets and State Energy Strategy goals and to assist single family households and small businesses in getting access to efficient electric equipment.

At the same time, Washington is recording the warmest summers in its history and extreme weather events are increasing in frequency and intensity. Only 53% of homes in Washington have air conditioning, the second least of any state[2]. More and more homes will need air conditioning in the coming years, but only those with financial means to secure cooling services will have access to home comfort in the summer. Cooling is critical to maintain healthy indoor air quality during wildfire season. The summer of 2021 saw 157 heat-related deaths in Washington, with people over 65 or under 4 years of age particularly vulnerable to high heat[3]. The recent 6th National Risk Assessment for Hazardous Heat projects that the number of extreme heat days will double in at least 10 Washington counties over the next three decades.[4]

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Description

[1] 2021 State Energy Strategy
[2] US EIA, RECS Data State Air Conditioning.pdf (eia.gov)
[3]Heat Wave 2021 | Washington State Department of Health
[4]https://report.firststreet.org/heat

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

This request will offer scaled rebates on heat pumps for existing low to moderate income residential and small commercial applications. This funding package will reduce barriers to cooling services and improve indoor air quality for low to moderate income households and small businesses. This program would encompass a tiered income-based incentive which would be administered through program administrators (for example, utilities) contracted through Commerce.

Additional services provided by this program would include educational services to HVAC contractors responsible for installing equipment and offering equipment recipients a maintenance service to ensure lifetime efficiency (see #12 workforce impacts below).

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Heat pumps are a critical technology that, with widespread deployment, can help deliver cooling and electrification benefits to those who need it most, and reduce emissions from existing buildings. Without a dedicated high efficiency electric equipment program, low to moderate income homes will be locked into inefficient, fossil gas-powered space heating equipment for the next 15-20 years *and* lack access to efficient cooling equipment. This program will also help prevent an unjust outcome where low-income households are stuck with the costs of fossil fuel pipelines and infrastructure while most households switch to high-efficiency electric solutions.

States including New York[5], Oregon[6], California[7], and Massachusetts[8] all have similarly structured heat pump and heat pump water heater rebate programs. The Washington program would leverage best practices for rebate delivery from these established programs.

[5]Heating, Cooling, & Ventilation Programs & Incentives - NYSERDA
[6]State of Oregon: INCENTIVES - Heat Pump Incentive Programs
[7]CPUC Provides Additional Incentives and Framework for Electric Heat Pump Water Heater Program (ca.gov)
[8]Residential Rebates & Incentives for Homeowners, Renters, & Landlords (masssave.com)

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

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Description

One alternative to a heat pump incentive program is a bulk buying program[9]. The department or a state entity would purchase heat pumps and local housing authorities would identify eligible homes in which to install them. This type of program works better for publicly owned buildings and with more fluid supply chains.

Another alternative to this proposal is a rebate in the form of a tax credit. The federal Inflation Reduction Act provides a tax credit for this equipment. However, a state tax credit would not be effective in reaching the target customers, as low to moderate income households and small businesses do not typically have the upfront capital to make these expensive purchases or a sufficient state tax liability to use the credit.

Fuel switching delivered fuel homes is part of the department's low income weatherization program, but this proposal is a different program tool for a broader purpose. The Weatherization + Health program can spend up to $25,000 on whole home weatherization – meaning not only energy efficiency measures, but health and safety measures such as removing asbestos and other toxins, seismic retrofitting, and water leakage. This program delivers services to several hundred homes a year through Community Action Agencies. There are Washington homes that do not need deep weatherization, but rather, just need a heat pump and a panel upgrade. This program seeks to serve these households at scale.

[9] See the recent work of the New York City Housing Authority (NYCHA) Mayor Adams, Governor Hochul Announce $70 Million Initial Investment to Decarbonize NYCHA Buildings | City of New York

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

This request finds $80 million an appropriate amount to start this program, in recognition such a program could benefit from a range of funding figures.

Program breakdown: The department would award approximately $76.6 million to program administrators (these could be utilities or other organizations) to rebate high efficiency electric equipment. Approximately $70 million would be used to rebate heat pumps for low and moderate income households, with a carve out for non-residential buildings under 20,000 square feet, $4.3 million for small businesses to convert from gas to high efficiency electric cooking equipment, and 3 percent ($2.29 million) will be awarded for administration of rebates and continuing consumer education. $2.4 million (3 percent) of the $80 million will fund Commerce administration.

While it is difficult to know how many households and businesses this program would serve without knowing what the tiered incentive would look like, initial data suggests it could serve thousands of low income households and small businesses.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

If this proposal were to be leveraged with funding from the Inflation Reduction Act HOPE for Homes and High Efficiency Electric Equipment programs, it could serve thousands more participants. The electric equipment program will provide the State Energy Office formula funding, through which we could rebate up to $8,000 per heat pump in multifamily settings and $840 per electric induction stove. The HOMES retrofit program will depend on the energy savings of each project, but ultimately retrofits in low

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Description

and moderate income households and multifamily units will be eligible for up to $4000 for contractor labor.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This proposal contributes to the Governor's Climate and Clean Energy priorities, but also delivers on the commitment to make decarbonization affordable and within reach of the average household. The Governor has expressed a clear interest in leveraging Inflation Reduction Act funding by establishing a statewide high efficiency electric equipment program. The 2021 State Energy Strategy, Operation 2030: Scaling Building Decarbonization in Washington State[10], the Commerce-commissioned fuel switching study by E3[11], and additional strategic prioritizations outside of the Energy Division point to a critical need for heat pump programs to get equipment into homes and small non-residential buildings.

This request supports all five the department's goals:
· Reduce Homelessness and Expand Housing Inventory;
· Create Digital Equity and Connectivity through Broadband;
· Accelerate Clean Energy Transformation through Infrastructure, Investments, and Policy;
· Support Entrepreneurship, Small Businesses and Regional Economic Growth;
· Promote Development of the innovation Economy and Globally Trade Sectors

And supports all of the agency's strategic objectives:
Objective: Enrich Commerce's human capital to demonstrate and employ cultural competency.
Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Consult with community partners on our data and data-informed decisions.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Objective: Build systems that enable data-informed decision-making to improve equity.
Objective: Establish internal (real time) information sharing that enables collaboration across the agency.
Objective: Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.

[10]CETI: Operation 2030
[11]Financial Impact of Fuel Conversion on Consumer Owned Utilities and Customers in Washington

Does this project include IT-related costs, including hardware, software, cloud-based services, contracts or IT staff?

None.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2023-25 Operating Budget Instructions.

The department is one of the agencies designated to implement the HEAL Act. As the department develops its implementation

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strategy, it will work to embed agencies strategies into its programs.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

This program is a direct investment in household-level energy efficiency and statewide decarbonization efforts for those who can least afford it. Electric heat pumps are by far the most energy efficient space heating and cooling technology on the market. Under CETA, electric generation in Washington State will be greenhouse gas neutral by 2030 and 100 percent renewable or non-emitting by 2045, meaning end uses electrified today are emissions savings today and tomorrow.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

This proposal's focus is providing high efficiency electric equipment to low and moderate income households and small business owners. Part of the funding will be set aside solely to support households and small businesses in overburdened communities.

With all projects that have the potential to involve fuel switching (moving homes from fossil gas to electric heating and cooling systems) for low-income households, energy burden reduction must be prioritized. In the long run, household electrification will decrease energy burden. As higher income households electrify (because they have the resources to do so), low and moderate income fossil gas-powered households will be forced to pay rates that reflect the stranded assets of natural gas utilities.

In the short run, not all fuel switching from natural gas to electric systems lowers the energy burden of low-income homes. Some areas of Washington have lower gas rates, though this is will change with the implementation of the CCA. The first phase of this program will focus on replacing highly expensive delivered fuel systems (oil and propane) where the economics are clearly in favor of electrification[12]. As part of program development, Commerce will develop clear guidelines around fuel switching with a focus on energy burden reduction in cases of natural gas to electric system.

[12]The Economics of Electrifying Buildings - RMI

Is there additional information you would like decision makers to know when evaluating this request?

Workforce impacts: Critical to the success of this program is supporting a workforce that can install and maintain this high efficiency electric equipment. The incentive program will be limited to projects installed by certified installers and permitted by local jurisdictions where required. Projects funded from the incentive will be required to meet high labor standards, including family-sustaining wages, providing benefits including health care and pensions, career development opportunities, and maximize access to economic benefits from such projects for local workers and diverse businesses. This funding would allow the department to contract with a nonprofit trade association, regional market transformation organization, or community organization to assist with implementing the program.

State facilities impacts: State facilities under 20,000 square feet replacing fossil gas powered space heating and cooling equipment, water heading, and gas-powered cooking equipment would be eligible for the non-residential funding available in this program.

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Project Title: High Efficiency Electric Home Rebate Program
Project Class: Grant/Loan

Description

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Loans - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
001-2	General Fund-Federal	83,000,000	151,000	1,726,000	81,123,000	
057-1	State Bldg Constr-State					
26C-1	Climate Commit Accou-State	80,000,000	46,678,000	23,009,000	10,313,000	
	Total	**163,000,000**	**46,829,000**	**24,735,000**	**91,436,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
001-2	General Fund-Federal				
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: **40000564**
Project Title: **Inflation Reduction Act HOMES Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Federal authority is provided to administer the Home Efficiency Rebates Program and distribute rebates for whole-house energy savings.

Project Description

Federal authority is provided to administer the Home Efficiency Rebates Program and distribute rebates for whole-house energy savings. FY 23-25 Buildings: Federal award through DOE. The program is awarded through 9/30/31

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Loans - Competitive

Grant Recipient Organization: Various

Application process used

Various

Growth Management impacts

NA

Funding

Acct Code	Account Title	Expenditures: Estimated Total	Expenditures: Prior Biennium	Expenditures: Current Biennium	2027-29 Fiscal Period: Reapprops	2027-29 Fiscal Period: New Approps
001-2	General Fund-Federal	83,200,000	1,739,000	1,959,000	79,502,000	
	Total	**83,200,000**	**1,739,000**	**1,959,000**	**79,502,000**	**0**

Acct Code	Account Title	Future Fiscal Periods: 2029-31	2031-33	2033-35	2035-37
001-2	General Fund-Federal				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:30AM

Project Number: 40000298
Project Title: Transit Oriented Housing Development Partnership Match
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Funding is provided for matching grants to private investments for-profit and non-profit housing developers and public entities to complete projects designed to increase the supply and affordability of transit-orientated housing.

Project Description

Funding is provided for matching grants to private investments for-profit and non-profit housing developers and public entities to complete projects designed to increase the supply and affordability of transit-orientated housing.

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grant/Loan - Unidentified

Grant Recipient Organization: Various

RCW that establishes grant: N/A

Application process used

Various

Growth Management impacts

N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
001-7	General Fund-Private/Local	25,000,000	2,337,000	18,794,000	3,869,000	
057-1	State Bldg Constr-State					
355-1	St. Bld Const Acct-State	25,000,000	2,500,000	16,405,000	6,095,000	
	Total	**50,000,000**	**4,837,000**	**35,199,000**	**9,964,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
001-7	General Fund-Private/Local				
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:30AM

Project Number: 40000421
Project Title: Tribal Climate Adaptation Pass-through Grants
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for tribal climate adaptation projects throughout Washington.

Project Description
Funding for tribal climate adaptation projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
26C-1	Climate Commit Accou-State	50,000,000	17,395,000	19,368,000	13,237,000	
	Total	**50,000,000**	**17,395,000**	**19,368,000**	**13,237,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Capital Project Request

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*

Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	40000281, 40000282, 40000283, 4000(	40000281, 40000282, 40000283, 4000(
Sort Order	Project Class	Project Class
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: 40000622
Project Title: 2023-25 Community EV Charging
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for community EV charging projects.

Project Description
Funding for community EV charging projects.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	105,000,000	40,388,000	28,009,000	36,603,000	
	Total	**105,000,000**	**40,388,000**	**28,009,000**	**36,603,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: **40000620**
Project Title: **2023-25 Community Solar Resilience Hubs**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Grants to increase solar deployment and installation of battery storage in community buildings to enhance grid resiliency and provide backup power for critical needs, such as plug load and refrigeration for medication, during outages, or to provide incentives to support electric utility demand response programs that include customer-sited solar and battery storage systems. 2024 appropriation year. Reappropriation is needed as the projects and construction are in progress.

Project Description

Grants to increase solar deployment and installation of battery storage in community buildings to enhance grid resiliency and provide backup power for critical needs, such as plug load and refrigeration for medication, during outages, or to provide incentives to support electric utility demand response programs that include customer-sited solar and battery storage systems. 2024 appropriation year. Reappropriation is needed as the projects and construction are in progress.

Proviso

NA

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grants - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used

Various

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	38,000,000	11,936,000	7,788,000	18,276,000	
	Total	**38,000,000**	**11,936,000**	**7,788,000**	**18,276,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

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Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: 40000620
Project Title: 2023-25 Community Solar Resilience Hubs
Project Class: Grant/Loan

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: **40000621**
Project Title: **2023-25 Community Solar**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Grants to provide solar and battery storage community solar projects for organizations serving low-income communities. 2024 appropriation year. Reappropriation is needed as the projects and construction are in progress.

Project Description

Grants to provide solar and battery storage community solar projects for organizations serving low-income communities. 2024 appropriation year. Reappropriation is needed as the projects and construction are in progress.

Proviso

NA

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grants - Competitive

Grant Recipient Organization: Various

Application process used

Various

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	6,000,000	3,141,000	337,000	2,522,000	
	Total	**6,000,000**	**3,141,000**	**337,000**	**2,522,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: 40000614
Project Title: 2025 Local and Community Project
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for local and community projects throughout Washington.

Project Description
Funding for local and community projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	54,769,000	12,466,000	11,249,000	31,054,000	
23N-1	MTC Capital Account-State	4,641,000	829,000	292,000	3,520,000	
23R-1	MTC Stormw Account-State	5,122,000	1,775,000	906,000	2,441,000	
26C-1	Climate Commit Accou-State	141,000	133,000		8,000	
	Total	**64,673,000**	**15,203,000**	**12,447,000**	**37,023,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
23N-1	MTC Capital Account-State				
23R-1	MTC Stormw Account-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: **40000658**
Project Title: **2025-27 CERB Capital Construction**
Project Class: **Grant/Loan**

Description

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: **40000658**
Project Title: **2025-27 CERB Capital Construction**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Community Economic Revitalization Board (CERB) requests $75 million to construct public infrastructure to facilitate private business development and expansion in Washington's communities from the Public Facility Construction Loan Revolving Account (Fund 887). CERB provides low-cost infrastructure financing and site-specific planning funds to local governments, special purpose districts and federally recognized Indian Tribes to attract and retain private businesses, create permanent private jobs, and promote community economic development (RCW 43.160).

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.
CERB requests $75 million to construct public infrastructure to facilitate private business developmnt and expansion in Washington's communities from the Public Facility Construction Loan Revolving Account (Fund 887). These projects include:

- Industrial water, general purpose industrial buildings and port facilities
- Sanitary and storm sewers
- Industrial wastewater treatment facilities
- Railroad spurs
- Telecommunications, electricity, natural gas, roads and bridges
- Incubation/research/testing facilities

As funding recipients repay loan funds to CERB, those funds will return to the Public Facility Construction Loan Revolving Account (Fund 887) and can finance other public infrastructure related to economic development.

1. Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

CERB is a vital business recruitment and retention program for the state, encouraging existing businesses from moving out of state while also attracting new businesses to Washington. CERB's economic development mandate requires that all projects approved by the board demonstrate significant job creation, job retention, and/or significant private investment outcomes. CERB investments grow both state and local tax bases in support of community and economic development. Also, areas of high unemployment receive reduced interest rate loans from CERB to incentivize job creation where it is most needed.

Appropriating $75 million in 2025-27 for CERB will continue to provide critical gap funding for local economic development projects. CERB primarily provides gap funding to fill in what other local, state, and federal funds and private investments do not cover.

CERB's project development pipeline is currently 133 construction projects and $301 million. This has the potential to maximize the use of more than $5 billion in private and local resources, and to create nearly 20,000 full-time, family wage jobs. With a $75 million investment, CERB could invest in 34 construction projects ($71.25 million) and 50 planning projects ($3.75 million). Based on CERB's 2018-2023 investment metrics, this could leverage approximately $1.2 billion in private and local resources and create nearly 4,500 full-time, family wage jobs.
CERB investment in a community supports businesses, job creation, private investment, and increased tax revenue. By creating jobs and growing the local tax base, CERB investments create many ancillary benefits, such as:

• Housing and Homelessness. Jobs attract developers to build more housing and also create opportunity for employment, which are both key to the prevention of, and successful transition out of, homelessness. Without a viable income many individuals, families and youth are unable to sustain housing over the long term.

Project Number: **40000658**
Project Title: **2025-27 CERB Capital Construction**
Project Class: **Grant/Loan**

Description

• Sustainable higher wage jobs, ensure that housing costs can be paid.
• Instills confidence that they can afford a home long-term.
• Builds confidence and self-reliance.
• Health Care, including behavioral health care. A high-wage job provides opportunity to live in healthy neighborhoods, and to buy more nutritious food—all of which affects healthy outcomes and can reduce emergency department or chronic health issues.
• Jobs that provide medical benefits, sick time and vacation leave
• Wages that allow for payment of co-pays and prescriptions.
• Removes a barrier to medical services.
• Education – Investing in working parents so that they can support a quality education for their children, including to afford childcare services.
• Gives children stability.
• Gives children hope for the future.
• Gives the community a future workforce.

Due to increase in commercial construction materials and labor since 2020, $75m will not buy as much as it has historically for CERB. The following data points clarify the need to expand community and economic development investments that CERB provides.

INCREASE OF CONSTRUCTION PROJECT COSTS (Seattle)
Q1 2024 Materials Pricing for commodity-based materials are reported to be mostly stable, although volatility persists in some scopes.
Q1 2021 Construction Cost Index increased .34%, a 1.9% increase over the previous twelve months. Costs in Seattle were flat in the most recent quarter and increased 2.3% over the last twelve months.
Q1 2021 Construction Employment is a 5% decrease (1,500 workers) compared to March 2023. Availability and rising costs for qualified workers remains an ongoing challenge.
“The cost and procurement of labor remains a critical challenge to construction, with various industry sources estimating a need for 450,000 to 550,000 new craft workers above the normal pace of hiring in 2024 just to meet demand. The Associated General Contractors of America further notes that hiring among its members is already more difficult in 2024 than it was in 2023, a trend expected to continue into 2025.”

“Despite those headwinds, the Dodge Construction Network expects total spending on construction starts to eclipse the $1 trillion mark this year. Indeed, the first two months of 2024 saw a 26% year-over-year increase in nonresidential construction spending to $67.6 billion, compared to $53.5 billion in 2023, with the institutional sector, in particular, buoyed by robust activity in both education and healthcare construction.”

2. What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

CERB funds will be used to construct public infrastructure and to help facilitate private business development and expansion. These projects include industrial water, general purpose industrial buildings and port facilities, sanitary and storm sewers, industrial wastewater treatment facilities, railroad spurs, telecommunications, electricity, natural gas, roads and bridges, and incubation/research/testing facilities. Site-specific economic feasibility and planning studies will also be eligible for CERB funds on a limited basis.

CERB’s project development pipeline is currently 133 construction projects and $301 million. This has the potential to leverage more than $5 billion in private and local resources, and to create nearly 20,000 full-time, family wage jobs. With a $75 million investment, CERB could invest in 34 construction projects ($71.25 million) and 50 planning projects ($3.75 million). Based on CERB’s 2018-2023 investment metrics, this could leverage approximately $1.2 billion in private and local resources and create nearly 4,500 full-time, family wage jobs.

Project Number: **40000658**
Project Title: **2025-27 CERB Capital Construction**
Project Class: **Grant/Loan**

Description

Clients will have increased access to funding, particularly jurisdictions in urban counties. By statute, CERB must award the first 75% of its available funding in a biennium to rural communities, limiting the number of projects in urban communities that the board can finance. With increased resources available for projects, rural communities within urban counties have increased opportunity to use CERB for economic development projects.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

CERB's capital appropriation of $75 million in loan funds will leverage more than $997.5 million in private investment ($14 private investment per $1 CERB – 5-year average) and create and retain approximately 4,500 permanent jobs.

Currently, demand for CERB exceeds resources available. By taking no action, rural communities would have one less prospect for investment that will increase resiliency and promote collaboration and innovation. Without CERB funding, communities will also continue to face increased building costs without a low-cost funder, which will exacerbate project costs and delays to the detriment of community and economic development that creates jobs, grows the tax base, and sustains both rural and regional economies.

4. What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered Without funding, community and economic development projects would stall limiting growth of local and regional economies, including the creation or retention of high-wage jobs. Due to the increase in funded planning grants, since 2013, CERB has a pipeline of thoroughly vetted projects ready for the next stage of investment, which supports the economic, environmental, and social needs of local governments, federally recognized Indian tribes, and their residents. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Thousands of governmental entities are eligible for CERB funding. Federally recognized Indian tribes (29), cities (281), counties (39), public port districts (75), special purpose districts (1,670), and municipal and quasi-municipal corporations (1,580 estimated) are all eligible for CERB funding. CERB responds to immediate business siting and expansion needs. Businesses need to know that public infrastructure will be provided before committing to locate or expand operations. CERB's investments strengthen communities by creating and retaining jobs, leveraging private investment, and increasing tax revenue.

The construction jobs related to these projects will pay prevailing wage. CERB provides funding in an ongoing basis throughout the year. CERB currently has 52 projects under contract with an additional 10 jurisdictions that have been approved for funding and are working on the conditions necessary to go to contract.

5. Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

It is unusual for a project to be fully funded by one source, and frequently multiple sources are necessary to complete a project. CERB projects are required to have a matching component and will attract additional project investment. Specifics vary, as individual projects each have a unique situation regarding other funds.

CERB has leveraged $1.7 billion in private investment (2018-23) that results in $14 private dollars for every CERB dollar. In addition, CERB has leveraged $365.4m in local match (2018-23) that results in $3 local dollars for every CERB dollar. Based on these CERB metrics, $75 million from CERB's dedicated revolving account could leverage an additional $1.2 billion in private and local resources. This is in addition to countless more indirect resources through approximately 4,500 new or retained jobs that will increase company sales and state and local retails sales and use taxes, increased property tax valuations and the adjoining taxes and levies from these improved properties.

6. Describe how this project supports the agency's strategic master plan or would improve agency performance.

Project Number: **40000658**
Project Title: **2025-27 CERB Capital Construction**
Project Class: **Grant/Loan**

Description

Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This request supports the Commerce's strategic priorities of addressing communities' most urgent needs by funding reliable infrastructure and increasing living wage jobs. Investing in the basic infrastructure systems and thereby maintaining the existing systems in satisfactory condition ensures that citizens have safe drinking water, appropriate and safe wastewater, and safe roads.
Authorizing funding for CERB construction programs will directly reduce the emissions of greenhouse gases from CERB projects is achieved by designing projects with the community's environmental future at heart and to reduce waste and a project's footprint. This includes using sustainable materials and following LEED, where possible, and compliance with clean buildings standards in addition to optimizing the use of low carbon infrastructure, such as rail, solar and wind. By supporting industries to site/expand in areas with existing infrastructure and close to major transportation routes, CERB investments can help to reduce vehicle miles traveled and resultant carbon emissions.

CERB investments also reduce the amount of potable water used for non-potable purposes, improve the quality of water discharged into Washington waterways, increase transportation mobility, and create jobs.

The requested funding supports the Governor's Results Washington Goal 2: Prosperous Economy and related outcome
• Increasing Access to living wage jobs: CERB will increase the number of jobs in the state by providing gap funding to make local economic development projects a reality that will create an additional 1,420 jobs.
• Ensuring Access to Quality Healthcare: Approximately 98% of businesses supported by CERB's investment provide healthcare insurance to their employees and employees' dependents.
• Increasing the Economic Security of Washingtonians: CERB's investment supports businesses who hire full-time positions and pay higher than the current county median. This allows an employee to investment of themselves into a company and into their future.
• Reducing Homelessness: As stated above, CERB's investment supports businesses who hire full-time positions and pay higher than the current county median. Sustainable higher wage jobs, ensure that housing costs can be paid.
From 2016 to 2022, CERB investments directly led to 4,531 permanent private-sector jobs. An additional 1,079 construction jobs were created from the public and private facilities construction associated with CERB funded projects.

Local governments' ability to offer adequate infrastructure (such as transportation systems to move goods, sufficient clean water to ensure adequate fire flow and potable water, plus effective wastewater management) is vital to accommodate growth and the promotion of economic development and business opportunities, while also enhancing the quality of life in the Northwest. This proposal directly supports the ability of local governments to provide these services, which are becoming increasingly expensive and complex to build and maintain to modern standards. This is especially true in non-urban areas, where fewer people spread over larger distances means that single services to multiple communities are not feasible, thus individual community systems are more expensive on a per capita basis.

7. For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

N/A

8. If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

N/A

9. How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050,

Project Number: **40000658**
Project Title: **2025-27 CERB Capital Construction**
Project Class: **Grant/Loan**

Description

Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

CERB is dedicated to the long-term sustainability of Washington's communities, investing in public infrastructure using new and innovative technologies. CERB's construction loan program provides a strategic tool that supports these goals.

10. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

As stated above, CERB investment in a community is not only in support of businesses, job creation, private investment, and increased tax revenue. CERB's investment has many ancillary benefits when it invests in a community, such as:
Housing and Homelessness – Investing in a stable future
• Sustainable higher wage jobs, ensure that housing costs can be paid.
• Instills confidence that they can afford a home long-term.
• Builds confidence and self-reliance.
Health Care and Behavioral Health Care – Investing gives access to health care
• Jobs that provide medical benefits, sick time and vacation leave
• Wages that allow for payment of co-pays and prescriptions.
• Removes a barrier to medical services.
Education – Investing in parents
• Gives children stability.
• Gives children hope for the future.
• Gives the community a future workforce.

The investments from the CERB account are an economic powerhouse – OFM's prior years' conservative estimate of 10.89 construction related jobs for each $1 million CERB invested underestimates the job creation from CERB investment. This figure does not take into account the additional funds provided by the local governments through other funding partners. Historically, CERB money has been matched at a 1.36:1 ratio and leveraged private investment 13.7:1 ratio.

11. Is there additional information you would like decision makers to know when evaluating this request?

CERB has 42 years of investing in Washington's economic stability. CERB has been able to meet its mission with no community defaults on their loan obligations and is flexible to continue to meet community and business needs across the state.
Application process used (grants; if applicable):
Applicants submit loan funding requests to finance publicly owned infrastructure improvements that encourage new private business development and expansion. Applications for all of CERB's funding programs are considered on an ongoing basis. The Board meets every two months to consider projects and make funding decisions.
CERB has three funding programs:
Committed Private Partner construction loans (CPP). CPP applications require a private business commitment and the requirement that the project must create a significant number of permanent jobs, and / or generate significant private investment.
Prospective Development Construction Loans (PD). PD loans are available only to rural counties/communities with an economic feasibility study that demonstrates that private business development is likely to occur as a result of the publicly owned improvements. The PD program requires that the feasibility study identify that the project will lead to the creation of a significant number of permanent jobs and / or generate significant private investment.
Rural Broadband Construction Loans (RB). RB loans are available only to rural counties/communities with rural broadband feasibility study that demonstrates that it is feasible for the applicant to build, own, and manage an open access high-speed fiber network. The applicant is required to have one committed internet service provider at the time of application. The RB program requires that the feasibility study identify that the project will lead to the creation of high-speed affordable internet connections.

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Project Title: 2025-27 CERB Capital Construction
Project Class: Grant/Loan

Description

Planning Program provides limited funding for studies that evaluate high-priority economic development projects. These projects target job growth and long-term economic prosperity and can include site-specific plans and studies related to:
- Economic Feasibility
- Environmental impacts
- Capital facilities
- Land use
- Permitting
- Marketing
- Project engineering
- Site planning
- Site readiness
- Broadband

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	6,330,000		1,191,000	5,139,000	
887-1	Pub Facil Const Ln-State	75,000,000			75,000,000	
	Total	**81,330,000**	**0**	**1,191,000**	**80,139,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
887-1	Pub Facil Const Ln-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Capital Project Request
2027-29 Biennium

*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: 40000656
Project Title: 2025-27 Early Learning Facilities - Eligible Organizations
Project Class: Grant/Loan

Description

Project Number: 40000656
Project Title: 2025-27 Early Learning Facilities - Eligible Organizations
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Department of Commerce is requesting $50 million in the 2025-27 biennium to finance eligible organizations (RCW 43.31.575) for the Early Learning Facilities Program (ELF). ELF investments help to close the childcare supply gap for low-income families across Washington state. These funds will be used for the construction, renovation or acquisition of facilities that expand or maintain existing childcare slots.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The Commerce Early Learning Facilities program requests $50 million to increase high-quality early learning opportunities for low-income children and to address a severe shortage of early learning facility capacity. A capacity that is necessary to meet the Early Childhood Education and Assistance Program (ECEAP) legislative mandate to ensure all eligible children are entitled for enrollment by the 2026-27 school year.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Washington has a childcare availability crisis. Without significant public investment, the families supporting the thousands of children who do not have access to quality childcare will experience negative economic outcomes. In 2023, the Department of Children Youth and Families (DCFY) estimated that more than 35,000 children were eligible but did not have access to childcare. Current estimates paint a much starker figure of the need, which is nearly three times greater. The 2019 Childcare Collaborative Task Force indicated that a lack of affordable childcare access keeps over 133,000 potential workers from participating in Washington’s economy. This results in an approximate $35 billion per year reduction in state GDP and more than $1 billion in potential state tax revenues.

Private investment alone cannot meet the need for childcare. A complicating factor for private investment is that childcare businesses typically have a low-profit margin. The private market does not support the investment level needed to meet these facilities' demand.

An investment in ELF is an investment in families. The Department of Children, Youth, and Families provides that this funding will help to close the childcare supply gap for the more than 6,500 ECEAP and 13,500 Working Connections Childcare (WCCC) slots needed. ECEAP is

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Project Title: 2025-27 Early Learning Facilities - Eligible Organizations
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Description

Washington's pre-kindergarten program that ensures at-risk 3- and 4-year-old children are ready for kindergarten and must provide the required entitlement slots by the 2026-27 school year. Additionally, WCCC gives subsidized childcare to Washington families. ELF is a primary investment means for ECEAP and WCCC providers, can close the childcare supply gap for at-risk children and families, and indirectly supports greater economic participation.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Based on historical program averages, a $50 million investment will help to create and/or maintain approximately 2,000 childcare slots in approximately 50 facilities statewide. Projects would complete within four-years from contract execution, while acquisition projects would complete much sooner.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Funding this request will provide additional early learning capacity to better position the state to meet the legislative mandate for ECEAP entitlement by the 2026-2027 school year.

Without additional capital funding, it will not be possible for the state to meet the ECEAP mandate, and the number of additional early learning opportunities for low-income children will continue to be limited.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

ELF is the state's primary means of addressing the childcare crisis. ELF has invested more than $180 million to finance the creation of more than 12,500 childcare slots in partnership with community childcare providers, which primarily serve low-income and rural communities.

The alternative to ELF and forgoing public investment is to rely on the private market to address the substantial need for childcare facilities. DCYF estimates that it would cost approximately $1.6 billion to expand service to approximately 35,000 children that are not currently able to access childcare. This is in addition to the approximate 6,500 ECEAP slots needed to come online to meet theDepartment of Children Youth and Families' statutory deadlineto meet program entitlement goals, which ensure that all eligible children are ready for kindergarten by the 2026-27 school year.

As the need for childcare rises, so does the cost of the status quo that includes declining household and economic output. Public investment is critically important to address this childcare crisis.

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Project Title: 2025-27 Early Learning Facilities - Eligible Organizations
Project Class: Grant/Loan

Description

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

This request will increase the quality of early learning opportunities for low-income children and provide reliable care and education for low-income families so that parents can participate equitably in the economy, including getting or maintaining employment to support their family's self-sufficiency.

ELF has financed the creation of more than 12,500 childcare slots in partnership with community childcare providers, primarily in low-income or rural communities. ELF is the state's primary means of addressing the childcare crisis.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

A non-state match is strongly encouraged for each project. The department has established a 3:1 non-state match goal for eligible organizations. For every $3 in state funds, $1 of non-state funds is expected. However, the actual non-state match is often much higher. Since 2017, ELF has invested over $180 million and leveraged nearly twice as many non-state resources to advance community childcare projects.

Applications that provide a higher level of non-state match will receive additional points in the evaluation process and are more likely to receive a higher ranking. State funds may be committed for the construction, purchase, or renovation of early learning facilities only after private or public match funds are committed. Private or public match funds may include cash, equipment, land, buildings, and in-kind.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

Early learning facility investments align with Gov. Inslee's and Result Washington's goals for:

·World class education: The opportunity for early care grows foundational learning habits that are the building blocks for advanced educational opportunities. From critical thinking and relational understanding to problem solving and language development, early care leads to stronger educational outcomes.

·Prosperous economy: Early care influences prosperous economy from both sides of the equation, increasing earning potential and reducing negative cost drivers. Early care is one of the biggest challenges parents face when trying to gain and retain employment. This challenge is compounded further for low-income families with limited financial resources. This program creates additional early learning capacity for low-income families, which provides not only high-quality care and education, but also creates an opportunity for that family to sustain living wage employment. The multiplier effects of early care are just as profound and goes beyond working families. Children that receive early care and education have improved school and professional achievement, and reduced criminal justice, healthcare and other cost drivers.

·Health and safe communities: The linkage between early care and health outcomes are clear and provide lasting health benefits. Socialized and connected children grow emotional intelligence and social skills that serve them throughout their lives. Early care has also shown to improve cardiovascular health and reduced incidence of

Project Number: 40000656
Project Title: 2025-27 Early Learning Facilities - Eligible Organizations
Project Class: Grant/Loan

Description

smoking.

For IT-related costs:Does this project fund the development or acquisition of a new or enhanced software or hardware system or service?Does this decision package fund the acquisition or enhancements of any agency data centers? (SeeOCIO Policy 184for definition.)Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

N/A

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

N/A

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

All projects must meet the Leadership in Energy and Environment Design (LEED) Silver Standard or be exempted from Commerce. LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC). It includes rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

The ELF Program prioritizes investments for low-income families and communities most in need of accessible childcare options. Priority is given to projects located in a childcare desert, meaning an area of the state with very limited childcare options. Projects also receive priority if they are located in a low-income neighborhood or rural community. Since 2017, ELF has financed the creation of more than 12,500 childcare slots in low-income or rural communities and is the state's primary means of addressing the childcare crisis.

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.

Estimated Total Expenditures:

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Project Title: 2025-27 Early Learning Facilities - Eligible Organizations
Project Class: Grant/Loan

Description

Account 2025-2027

22D $50,000,000

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
22C-1	Early Lrng Fac Rev-State	6,000,000		45,000	5,955,000	
22D-1	Early Lrng Fac Devel-State	87,028,000		8,429,000	78,599,000	
	Total	**93,028,000**	**0**	**8,474,000**	**84,554,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
22C-1	Early Lrng Fac Rev-State				
22D-1	Early Lrng Fac Devel-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: **40000657**
Project Title: **2025-27 Regional Approaches Program**
Project Class: **Grant/Loan**

Description

Project Number: **40000657**
Project Title: **2025-27 Regional Approaches Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Department of Commerce requests $10 million for the Regional Approaches Program that will finance pre-development capital projects in overburdened communities, including associated technical assistance. Commerce observes a critically important need to increase access and address capacity issues for overburdened communities across Washington. The most pressing issue facing overburdened communities is the capacity to advance needed community capital housing, energy and infrastructure projects, and the staff to manage and oversee them.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.
This proposal will require $10 million to finance pre-development grants in overburdened communities that would range from $500,000 to $1,000,000 each. In addition, Commerce would secure a professional services consultant to assist overburdened communities advance their pre-development projects to this proposed program. Priority would be given to areas identified on Washington's Overburdened Communities Map.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.
Commerce and community partners seek to increase access to overburdened communities through the Regional Approaches Program. Commerce observes a critically important need to increase access and address capacity issues for overburdened communities across Washington. The most pressing issue facing overburdened communities is the capacity to advance needed community capital housing, energy and infrastructure projects, and the staff to manage and oversee them.

This proposal can assist overburdened communities with technical assistance and outreach to access Commerce energy, housing and infrastructure programs, and presents an opportunity to:
- Build community capacity
- Develop robust project proposals
- Finance pre-development needs to advance projects to the construction stage
- Remove barriers that lead to inequity in overburdened community access to grant funding

The state has increased available funding under new and expanded programs for community energy, housing and infrastructure projects. As the level of funding and diversity of programming has expanded, the opportunity to apply has not kept pace for all communities. This has resulted in a capacity deficit that leaves overburdened communities farther behind. Without the means to address project development and technical capacity deficits, they will remain behind. This proposal will make the best use of the department's recent work on the planning and predesign capital equity program and the securing federal funding initiative. Commerce has built strong relationships with community partners and identified these critical financial and technical gaps in overburdened communities. While this program would initially focus on local governments and tribes in overburdened communities and state funding opportunities only, it could scale to include community-based organizations and federal funding opportunities.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
Project design and pre-construction grants – This proposal would provide approximately $10 million for pre-development and pre-construction grants that would likely range from $500,000 to $1,000,000 each. This may result in 10 to 20 community projects for the unique regional needs across energy, housing and infrastructure. Projects would likely complete in 12 – 24

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Project Title: **2025-27 Regional Approaches Program**
Project Class: **Grant/Loan**

Description

months in alignment with a typical pre-development project and could be completed sooner depending on where they are in the development lifecycle.

Technical Assistance and Support. Without the support necessary to address the technical needs in under-capacity communities, projects can stall. This can have ripple effects on community service delivery and delay community development. Commerce consultants can leverage the department's existing community support to help overburdened communities in a number of ways, including:
Community engagement – helping support equitable outreach to identify community needs and priorities.
Administrative support – identifying, applying for, and managing state grants to support related investments.
Permitting and contracting – identifying associated project and capacity needs to build community technical and managerial capacity that can facilitate quick deployment and delivery.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
Commerce will partner with communities to identify priorities and strategies that consider environmental health impacts and equitable develop principles to create smart growth, which will enhance community opportunity and connectivity to the services needed most. Commerce will engage and partner with each community providing support to strategy development; including community-based organizations, local and regional decision makers, developers, and others that can support the community's vision. The decision package will provide for and support community engagement, shared goals, and principles that will connect the fundamental principles of environmental justice, smart growth, and equitable development. The overlap between these concepts is fundamental to how Commerce will approach engaging with community and their partners in meeting their priorities while addressing environmental, health, and economic disparities and provide opportunities and access for overburdened communities. This proposal would close the access to funding gaps experienced by overburdened communities through the following steps:

Facilitate Meaningful Community Engagement. Meaningful community participation in decision-making can produce development that meets the needs of a diverse group of residents, build broad support for projects, and lead to more effective public processes.
- Conducting multilingual outreach
- Conducting community assessments
- Holding community planning and visioning workshops

Promote a Healthy, Clean, and Safe Environment. Growth strategies focused on air, water, land, and public health
- Promote clean buildings and clean building standards
- Build and maintain safe roads and streets
- Clean energy strategies
- Walkability

Strengthen Existing Communities. Investing in these existing communities rather than in new developments
- Preserving and upgrading existing infrastructure first
- Reusing vacant and abandoned properties
- Redeveloping commercial corridors that support pedestrians and bicycle access

Provide Housing Choices. Create housing options by preserving and building affordable housing allowing for residents at all income levels to live near jobs, services, and public transit; helps to minimize displacement; and reduces transportation costs and air pollution from long commutes.
- Preserving affordable housing

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Project Title: **2025-27 Regional Approaches Program**
Project Class: **Grant/Loan**

Description

- Creating new affordable housing

Improve Access. All residents, regardless of race, ethnicity, or economic status, should have access to the basic ingredients for healthy, productive lives, including employment and educational opportunities; services such as health clinics and childcare; and amenities such as grocery stores, safe streets, parks, and recreational facilities.
- Create safe routes to school
- Equitable access services
- Access to parks and green space

Maintain and preserve the distinctive Community character. Preserving and strengthening the features that make a place special maintains what existing residents value about their homes, attracts new residents and visitors, and spurs economic development that is grounded in community identity.
- Preserve existing cultural features.
- Create new development that strengthens local culture

What alternatives were explored? Why were the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered
Commerce considered an expansion of the planning and predesign capital equity program to incorporate governmental organizations, like cities, counties and tribes. This initiative had a narrow focus on Commerce housing and community capital programs, and the deficits with overburdened community technical and managerial capacity would remain unfilled without this proposal.

Commerce is advancing the Regional Approaches Program to broaden the scope of eligible communities and activities under the current Planning and Predesign Capital Equity Program. The department could build from existing systems, relationships and processes to advance the Regional Approaches Program quickly and set the stage for incorporating federal funding support to the housing, energy and infrastructure portfolios similar to the department's securing federal funding initiative, which is focused on private enterprise. In addition, as the resources appropriated to the Planning and Predesign Capital Equity Program were re-allocated to a different purpose in the 2024 session, the department consider this an opportunity to renew the initiative with a similar but expanded focus on community development.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
This program will support overburdened communities throughout Washington. The recent release of a state mapping tool to identify specific state areas that are experiencing environmental or socioeconomic deficits is a genuine opportunity to lead with equity and focus resources to them. The department assumes 10 to 20 grants and a similar level of community technical assistance support.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
As this program supports community technical assistance and project design and pre-construction activities, it will assist in both leveraging non-state funds and support the readiness for future capital projects.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
The Regional Approaches Program aligns with Commerce's strategic priority for equity in community development that will prioritize investment in underserved, historically disadvantaged and vulnerable communities. It will also build capacity through community engagement, outreach and technical assistance.
Moreover, this proposal aligns with Results Commerce and our core approach to strengthening communities, including:

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Project Title: **2025-27 Regional Approaches Program**
Project Class: **Grant/Loan**

Description

Engaging communities
Equitable distribution of funding, and
Community resilience
This also includes a strategic focus on key outcomes for housing affordability, reliable infrastructure and a clean energy future.

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)
N/A

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.
N/A

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
Predevelopment projects and technical assistance will not increase carbon pollution. All projects financed in future construction stages will meet the various LEED, greenhouse gas emissions, and clean building standards as required by state law and program funding guidelines.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
This proposal leads with equity to prioritize investment to overburdened communities and vulnerable populations. The Overburdened communities of Washington State Map illustrates the communities that would be eligible for pre-development grants and technical assistance. This focuses assistance under this proposal to all Washington tribes and many small and rural cities and counties. Commerce will consider requests on a regional level to add geographic equity and support into this proposal. Each community and their capital project needs are unique, and this proposal seeks to lean into that to make investments that represent true community need.

Is there additional information you would like decision makers to know when evaluating this request?
The department would require authority for up to 5% percent of amounts appropriated for the grant program for costs that result from administration of the program. This would support program formation and early technical assistance and capacity building.

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.
Estimated Total Expenditures:
Fund 057-1 State Building Construction Account
2025-27: $10,000,000

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

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Project Title: 2025-27 Regional Approaches Program
Project Class: Grant/Loan

Description

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	2,000,000		30,000	1,970,000	
	Total	**2,000,000**	**0**	**30,000**	**1,970,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: **40000650**
Project Title: **2026 FIFA World Cup**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding to support projects regarding the 2026 FIFA World Cup.

Project Description
Funding to support projects regarding the 2026 FIFA World Cup.

Location
City: Seattle **County:** King **Legislative District:** 034

Project Type
Loans - Competitive

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	29,500,000	1,134,000	23,356,000	5,010,000	
28S-1	StadWorldCupCapAcct-State					
	Total	**29,500,000**	**1,134,000**	**23,356,000**	**5,010,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
28S-1	StadWorldCupCapAcct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
Date Run: 9/13/2026 10:39AM

Project Number: 40000629
Project Title: Energy Efficiency Revolving Loan Fund Capitalization Program
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding provided for energy efficiency revolving loan projects.

Project Description
Funding provided for energy efficiency revolving loan projects.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various

Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
27A-1	Ener Eff Rev Ln Cap-State	1,869,000			1,869,000	
	Total	**1,869,000**	**0**	**0**	**1,869,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
27A-1	Ener Eff Rev Ln Cap-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

Capital Project Request

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Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	40000614, 40000620, 40000621, 4000(	40000614, 40000620, 40000621, 4000(
Sort Order	Project Class	Project Class
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 11:08AM

Project Number: **40000667**
Project Title: **2025-27 Behavior Health Facilities**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Department of Commerce (Commerce) requests $92 million in capital funding solely for regional assessments of community behavioral health needs and competitive community behavioral health capacity grants that address regional needs, create new capacity or make facility updates to prevent closure. The funding will establish new capacity, maintain or stabilize current bed capacity for behavioral health services through stakeholder's gap analysis. This will address the type of facilities needed throughout the state without limited funding rounds to one specific facility type.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The Behavioral Health Facilities Program (BHF) requests $92 million across the regional needs and closure prevention categories, including $10 million to support one provider under Trueblood, Phase 2, and to identify specific behavioral health needs in each of Washington's 10 regions.

$65 million for regional need facilities to provide an option to community hospitals and community providers to address the need regionally. The funding round will prioritize (a) 23-hour Crisis Relief Centers, (b) Peer Respite, (c) Children and Minor Youth Long-term inpatient facilities, (d) Long-term civil commitment, (e) Special Dementia Care, (f) Substance Use Disorder, and (g) health engagement hubs.

The preference for a regional needs funding comes after two biennia of assessing the program and working with stakeholders to structure the program around needs and implementation. Commerce, in collaboration with stakeholders, may identify additional categories of facilities based on need and may award funding for projects that meet the Behavioral Health Facilities (BHF) capacity grant requirements.

The substance use disorder category allows the department to prioritize facilities that ((1) provide secured withdrawal management and stabilization treatment beds or (2) provide substance use disorder treatment, including opioid treatment projects.

$15 million is to continue the closure prevention program (first piloted in 2023-25) for licensed Behavioral Health Agencies. This is available to both outpatient and inpatient providers, who can apply for funding to complete capital projects needed to expand or maintain needed behavioral services. This could include repairing aging structures, remodeling existing spaces to keep up with treatment needs or program changes, such as American Society for Addiction Medicine (ASAM) 4th edition, or to add on or expand construction (Prevention and Sustainability funding).

$2M for a statewide assessment that will inform the need for behavioral health treatment beds and specific facility types, which is a critically missing data point about the behavioral health gap. Behavioral health administrative service organizations (BH-ASO) would each receive $200,000 to coordinate with community members, and key stakeholders to identify key data indicators that are driving the need for specific behavioral health capacity in their communities. These indicators will measure/communicate behavioral health needs, availability of and access to current services, behavioral health outcomes, and impacts on other systems that creates behavioral health care needs. (BH-ASOs serve specific regions throughout the state: https://www.hca.wa.gov/assets/free-or-low-cost/19-0040-bh-aso-map.pdf)

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The expansion of behavioral health facilities aligns with Washington's commitment to improve discharge planning and outcomes for people civilly committed to Eastern and Western state hospitals. The regional needs allocations focus on people of all backgrounds, including youth aged from 15-22 years old and adults who are experiencing behavioral health crises in any community. By allocating resources to the regional needs category, the department can prioritize facilities according to facility and licensing requirements and create a clear and accessible application process.

This request will fill gaps in the crisis care continuum and strengthen Washington standards for behavioral health. This aligns with prioritizing SB 5853, enabling more crisis centers to provide behavioral health care and substance use treatment to youth

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Project Title: **2025-27 Behavior Health Facilities**
Project Class: **Grant/Loan**

Description

in crisis. For example, health engagement hubs are an emerging facility need that can play a vital role in preempting overdoses, while lowering dependence on emergency rooms and emergency response services. Similarly, data illustrates that in 2022, 4% (24,015) of all emergency department visits and 7% (13,568) of all EMS responses for non-fatal injuries were suspected to be non-fatal overdoses.
The request is updated to address SSB 6228, which adds integrated withdrawal management services into the continuum of care, which could immediately place many providers out of compliance. Through the prevention and sustainability (closure prevention grant program), capital funding providers would require funding for construction or renovation that may not expand services but instead sustain the current bed counts currently online.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
The Department of Commerce, serving as the fiscal agent for these funds, will collaborate with stakeholders to draft a competitive grant application for licensed regional need beds. If we receive an appropriation, an application process will help to identify potential projects to be funded. The application process and review of applications in collaboration with subject matter experts from our partner agencies will determine which projects will be awarded funding and whether new construction or renovation of an existing facility will be needed.
It is important to note that there is currently no community-based data set to identify the need for behavioral health facilities. We have an emerging and robust data set regarding utilization, which only speaks to current providers and those currently seeking treatment, but not for a region's behavioral health needs which are not currently being met. For this reason, the department is requesting $2 million total for each of the state's Behavioral Health Administrative Service Organization's (10) to develop a community-based study of that region's behavioral health needs. This will inform capital investment in a way Washington has never been able to before and complement what we know about demand for the BHF program and existing provider's facility needs.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
Not taking action would delay results for the states initiative that aims to improve discharge planning and out-comes for people civilly committed to Eastern and Western state hospitals. This will cause the state to fail in fulfilling its statutory obligation, but most importantly, the state would miss an opportunity to support development of community-based treatment services, especially in distressed and rural areas.
The updates to American Society of Addiction Medicine (ASAM) puts providers at risk and also delays the behavioral health community base facilities overall mission. This funding would mitigate that risk.
The behavioral health grant program supports Gov. Inslee's five-year plan to reshape how we treat people suffering from acute mental illnesses, while providing a wide range of community support and services that would otherwise be unavailable. Lack of adequate facilities will impede efforts toward reducing barriers and providing equitable access to much needed support, services and opportunities for community behavioral health support. This funding will result in effective behavioral health treatment options in the community. It will also ensure patients can be appropriately discharged from the state hospitals. It will help to address behavioral health issues early on, preventing some individuals from needing psychiatric hospitalization.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered
The department is responding to direction provided in the Washington State Capital Budget and is not exploring other alternatives. It is required by Section 1023, Chapter 474, Laws of 2023 to establish a competitive process to expand and establish new capacity for behavioral health services in communities with capital funding for acquisition, construction, or rehabilitation. Since the start of the program in 2013, the BHF program has made significant strides to prioritize community-based behavioral health facilities.
The department was directed by the Legislature to provide a progress report, which will include, (a) the total number of

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Project Class: Grant/Loan

Description

applications and amount of funding requested. (b) A list and description of the projects approved for funding including state funding, total project cost, services anticipated to be provided, bed capacity, and anticipated completion date. (c) Provide a statewide map of new capacity since 2018, including projected bed capacity and opening dates. (d) Status report of projects that received funding in prior funding rounds, including details about the project completion and the date the facility began providing services; and (e) Recommendations for statutory language that would codify the grant program on an ongoing basis.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
As a result of behavioral health projects, patients, especially those transitioned from or diverted from the state hospitals and those who are publicly funded, will receive new or expanded access to facilities and a wider range of community support. Such services would otherwise only be those that privately funded facilities offer and would be unavailable to those utilizing public funds.
This request will fund behavioral health projects statewide. Priority will be given to projects in rural and underserved communities that lack smaller facilities. This allows patients to stay closer to home and rehabilitate in their community.
During the 23-25 biennium, the department received $263 million in requests for eligible behavioral health facilities. The department awarded $49M through three funding categories, which will establish 17 new facilities. The new facilities will provide 3,000 new outpatients slots, more than100 new beds and 2 recliners.
In addition to the funding categories allocated in the 23-25 biennium for the behavioral health program, the capital budget added closure prevention funds to grant to community providers. These funds prevented the closure of existing behavioral health facilities. The funding identified how preventive maintenance plays a crucial role in maintaining and improving facilities that are currently operational in order to stabilize the current bed count available statewide. The investment also plays a role in ensuring that facilities could seek additional funding to expand the same facility in the future so as long as the licensing criteria is met through preventive maintenance. This funding preserved five community-based behavioral health facilities that will ensure long-term preservation of 236 behavioral health beds and maintain outpatient treatment services.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
The BHF Advisory Committee, including the department, will establish a match goal incentive for eligible projects not to exceed 75% of the total project cost. Other matching funds may consist of federal, state, local, private, cash and the value of real property when acquired for the purpose of the project.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
The 2023-2025 Commerce Strategic plan is rooted in two focus areas: Equity in Community Development and an Equitable Economic Recovery. This proposal removes barriers so that communities are positioned to access resources, both through competitive processes and alternative mechanisms where appropriate. It supports small communities to address behavioral health needs and improves regional outcomes.
This request is also consistent with the Governor's Results Washington priority of promoting healthy and safe communities. This request adds value to addressing the behavioral health needs in children and youth in a timely and effective manner while also reassessing federal Medicare and Medicaid services and the improvements in our stated managed care oversight as addresses in the action plan.

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)
NA

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If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.
NA

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
These grants will be subject to requirements under RCW 39.35D, which requires all major facility projects of public agencies receiving any funding in a state capital budget to be designed, constructed, and certified to at least the Leadership in Energy and Environment Design (LEED) silver standard or receive an exemption from Commerce. This requirement is to ensure that public buildings are built and renovated using high-performance methods that save money and improve energy efficiency performance.
LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC) and includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
The program will affect equity by funding expanded and improved access to community-based behavioral health facilities and services. Through this program, grantees will be able to provide community members with support, services and opportunities that address health disparities through equitable access that community-based behavioral health facilities are able to offer.

Is there additional information you would like decision makers to know when evaluating this request?
Local government continues to make extraordinary strides in aiding in communities accessing capital investment throughout Washington. The behavioral health program provides the state an opportunity to support mental health and services to those who need it most. An equitable healthcare system exists when all people can attain their full health potential. Through the behavioral health programs, new and expanded facilities would continue to:
Meet gaps in geographical availability of behavioral health services in regions that historically have not been served,
Serve persons who are publicly funded (Medicaid eligible) and persons detained for involuntary commitment under chapter 71.05 RCW and;
Serve individuals who will be transitioned from or diverted from the state hospitals and those who are serving civil commitments and an alternative to treatment.
As we continue to transition into the next biennium, our evaluations and efforts have improved the way we address the behavioral health needs. The funding is critical to continue to transform services and address the geographical gaps throughout the state.

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.
Estimated Total Expenditures:
Account
2025-2027
2027-2029
2029-2031

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Description

2031-2033
2033-2035
Fund 057-1
$92,000,000
Total
$92,000,000

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	84,259,000		12,518,000	71,741,000	
	Total	**84,259,000**	**0**	**12,518,000**	**71,741,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Title: 2025-27 Building Communities Fund Program
Project Class: Grant/Loan

Description

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Project Number: 40000669
Project Title: 2025-27 Building Communities Fund Program
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

RCW 43.63A.125 requires the Department of Commerce to develop and submit a list of competitively selected projects to the governor and Legislature each biennium for the Building Communities Fund Program (BCF). BCF is a foundational community development tool that provides state capital grants to nonprofit organizations for social service and multipurpose community centers. State grants may be used for acquisition, construction, or rehabilitation of facilities and may defray up to 25% of capital costs dependent on the amount requested. There is no funding cap for the BCF prioritized project list. Commerce received 62 applications requesting $116 million in funding for the 2025-27 BCF funding cycle, which is the largest request total in BCF history.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The department of Commerce requests $50 million for the BCF project list. Note: the request amount is a placeholder amount until the prioritized project list is available approximately October 28, 2024.

BCF is a competitive grant program providing nonprofit organizations with capital funding for social service and multipurpose community centers. Eligible projects must be nonresidential facilities and must be located in a distressed community or serve a substantial number of low-income or disadvantaged persons. The state's share is generally limited to 25% of the total project cost, although this amount may be increased under exceptional circumstances. The program solicits applications each even year and works with a citizen's advisory board to review project proposals.

1.Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

BCF funds many different project demographics including: behavioral health out-patient facilities, youth services, food banks and various clinics that provides extensive social services to the communities they serve. Providing capital funding for social service and multipurpose community center construction projects, this program enhances the livability of our communities. Low-income and distressed communities will receive expanded and improved social services. Community residents will receive services which expand employment opportunities and enhance educational or recreational opportunities as a result of these projects.

1.What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

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Description

Grants may be used for acquisition, construction, or rehabilitation of social service and multipurpose community centers. Projects must result in a discrete, usable phase. Historically, many projects in this program span over a four-year period, based in part on construction schedules. While it is unknown how many facilities would be funded under the 2025-27 BCF grant program, there is no funding cap on the prioritized project list. In 2023-25, nearly 50 projects received more than $30 million in state funds.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

By funding the BCF prioritized project list, the state invests in ready and supported community projects that are designed to bring services, programming and immediate benefits to specific needs and populations. As BCF can finance up to only 25% of the project, the state is leveraging substantial community, non-profit, and other funds to advance projects that strengthen communities in the most profound ways.

If no action was taken, it would delay eligible projects. Project delays increase construction costs for the State and communities. The opportunity to create economic activity and stimulus through construction projects in communities would be missed.

1.What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

The Department of Commerce is required by RCW43.63A.125to establish a competitive process to solicit proposals for and prioritize projects whose primary objective is to assist nonprofit organizations in acquiring, constructing, or rehabilitating facilities used for social service and multipurpose community centers. The department must submit a list of recommended projects to the governor and the Legislature in its biennial capital budget request.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Social service nonprofit agencies will offer improved facilities and improved educational and social service activities throughout the state with these projects.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

By statute, RCW 43.63A.12- Building Community Fund Program, requires a 75% non-state match from all eligible projects and grant assistance may not exceed 25% of the total cost of the project, except under exceptional circumstances. While it is unknown how many projects would be funded and the related state funds needed, BCF leverages substantial community, non-profit, private and local financing.

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Description

1.Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This request supports and is consistent with the Governor's Results Washington through: Goal 4: Health and safe communities: Fostering the health of Washingtonians from a healthy start to safe and supported future.

This request supports all five of the department's goals:

·Reduce Homelessness and Expand Housing Inventory;
·Create Digital Equity and Connectivity through Broadband;
·Accelerate Clean Energy Transformation through Infrastructure, Investments, and Policy;
·Support Entrepreneurship, Small Businesses and Regional Economic Growth;
·Promote Development of the innovation Economy and Globally Trade Sectors

And supports the agency's strategic objectives:

·Enrich Commerce's human capital to demonstrate and employ cultural competency.
Understand the needs and challenges affecting their access to resources through deep community engagement anc outreach.
Consult with community partners on our data and data-informed decisions.
Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Build systems that enable data-informed decision-making to improve equity.
Establish internal (real time) information sharing that enables collaboration across the agency.
Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.

This proposal acts on the significant community outreach and engagement conducted by BCF and Research Services staff over the past two years in identifying how to better serve communities with special attention to Black, Indigenous, People of Color and By and For led organizations.

1.For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service?Does this decision package fund the acquisition or enhancements of any agency data centers? (SeeOCIO Policy 184for definition.)Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

N/A

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

N/A

1.How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

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Project Title: **2025-27 Building Communities Fund Program**
Project Class: **Grant/Loan**

Description

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	49,082,000		13,926,000	35,156,000	
	Total	**49,082,000**	**0**	**13,926,000**	**35,156,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Title: 2025-27 Building for the Arts Grant Program
Project Class: Grant/Loan

Description

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Project Title: 2025-27 Building for the Arts Grant Program
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

RCW 43.63A.750 requires the Department of Commerce to submit a list of competitively selected projects to the Governor and Legislature each biennium for the Building for the Arts (BFA) Program. BFA provides state capital grants to nonprofit organizations for performing arts, art museums, and cultural facilities projects. State grants may be used for acquisition, construction, or rehabilitation of facilities and may defray up to 33% of capital costs. BFA may submit a prioritized list of up to $18 million state funding.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The department requests $18 million for the BFA's prioritized project list, which includes 38 community cultural and arts projects (see attached).

BFA is a competitive grant program for nonprofit organizations that supports capital facilities acquisition, rehabilitation, and construction. A community's cultural resources are a strong indicator of its overall health and vitality, and Washington has a long history of providing funding to promote arts-related construction projects. The department conducts a statewide competitive grant process every two years to solicit and evaluate project proposals. The BFA Advisory Board assists the department by reviewing program guidelines and ranking project proposals.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The department is required (RCW 43.63A.750) to develop and a submit a prioritized project list for the BFA. The 2025-27 BFA project solicitation received a total of 52 applications totaling more than $39 million in funding requests. Community organizations applied to the BFA program for the first time and submitted excellent projects to strengthen the arts in their communities. However, few projects were submitted for the upper central region.

This program assists with financing construction and renovation costs, thereby increasing funds available for local organizations to commit to programming and other expenses. The BFA Program both encourages and improves cultural and recreational opportunities in our state and frees up funds that would otherwise be spent on facility mortgage or lease payments.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Grants may be used for acquisition, construction, or rehabilitation of arts-related facilities. Projects must result in a discrete, usable phase. Historically, many projects in this program span over a four-year period, based in part on construction schedules. The 2025-27 BFA grant program seeks to award $18 million for 38 community cultural and arts projects. In 2023-25, 32 projects received $18 million in state funds.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

By funding the BFA prioritized project list, the state invests in ready and supported community projects that are designed to bring cultural programming and benefits to the residents that live in that area. As BFA can finance up to only 33% of the project, the state is making good use of substantial community, non-profit, and other funds to advance projects that strengthen community cultural capacity in the most critical and culturally relevant ways.

If no action were taken, it would delay eligible projects. Project delays increase construction costs for the State and communities. The opportunity to create economic activity and stimulus through construction projects in communities would be

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Project Title: 2025-27 Building for the Arts Grant Program
Project Class: Grant/Loan

Description

missed, and valuable community cultural and economic drivers would be delayed indefinitely.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered
The Department of Commerce is required by RCW 43.63A.750 to establish a competitive process to solicit proposals for and prioritize projects whose primary objective is to assist nonprofit arts organizations in acquiring, constructing, or rehabilitating facilities used for performing arts, art museums, and cultural facilities. The department must submit a list of recommended projects to the governor and the Legislature in its biennial capital budget request.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
Arts-related nonprofits will be impacted by this request and the arts and cultural activities throughout the state with these projects.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
By statute, RCW 43.63A.750-Building For the Arts requires a 67% non-state match from all eligible projects. While it is unknown how many projects would be funded and the related state funds needed, BCF leverages substantial community, non-profit, private and local financing

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
This request supports and is consistent with the Governor's Results Washington through:
Goal 4: Health and safe communities: Fostering the health of Washingtonians from a healthy start to safe and supported future.
This request supports the agency's strategic goals for community support and equity.
And supports the agency's strategic objectives:
Enrich Commerce's human capital to demonstrate and employ cultural competency.
Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Consult with community partners on our data and data-informed decisions.
Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Build systems that enable data-informed decision-making to improve equity.
Establish internal (real time) information sharing that enables collaboration across the agency.
Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)
N/A

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.
N/A

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Project Class: Grant/Loan

Description

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
Yes. All projects are required to meet the Leadership in Energy and Environment Design (LEED) Silver Standard or receive an exemption from Commerce. LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC) and includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
The BFA program will impact equity in the state by providing capital infrastructure resources to performing arts, art museums, and cultural organizations. Through the programs outreach and engagement, communities including those who are mostly impacted such as BIPOC, tribal nations and people of color have applied through this biennium competitive process. Through this proposal, organizations can provide art education and professional development to communities that otherwise would lack art and cultural accessibility.

Is there additional information you would like decision makers to know when evaluating this request?
The Building for the Arts Advisory Board has reviewed and recommended the attached list of 38 community cultural and arts projects, which represents up to 33% of the capital costs for them.

RCW that establishes grant (if applicable): RCW 43.63A.750

Application process used (grants; if applicable): Applicants submit applications electronically through the ZoomGrants online system, then they are ranked and scored by a citizen's advisory board.

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.
Estimated Total Expenditures:
Account
2025-2027
2027-2029
2029-2031
2031-2033
2033-2035
Fund 057
$18,000,000
Fund
Total
$18,000,000

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 11:08AM

Project Number: 40000668
Project Title: 2025-27 Building for the Arts Grant Program
Project Class: Grant/Loan

Description

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	18,000,000		1,603,000	16,397,000	
	Total	**18,000,000**	**0**	**1,603,000**	**16,397,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 11:08AM

Project Number: 40000665
Project Title: 2025-27 Clean Energy Community Grants
Project Class: Grant/Loan

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 11:08AM

Project Number: 40000665
Project Title: 2025-27 Clean Energy Community Grants
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The legislature appropriated $50 million in the supplemental capital budget for this grant program for planning, design, and implementation of capital projects and clean energy technologies that reduce greenhouse gas emissions in vulnerable, overburdened, and tribal communities. This funding is not effective until January 2025 and is contingent on the outcome of initiative 2117. Commerce is proposing $50 million for this program in the 25-27 biennial budget which is equal to maintenance level. Alternatives in order of preference: Scale down to $50M – maintenance level; recommended alternative Scale down to $25M – 50% less than maintenance level We recommend at least $25M. Funding below this level will have minimal impact on addressing community needs and diminishing returns when factoring in the cost of administration and technical assistance needed to distribute funds equitably to overburdened communities and vulnerable populations.

Project Description

Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

Vulnerable, overburdened, and tribal communities often struggle to navigate and access available funding opportunities to achieve decarbonization. Commerce designed this innovative and flexible investment program to match community-specific clean energy and decarbonization Lum goals with place-based investments. Commerce will use the environmental health disparities map to identify vulnerable and overburdened communities who are eligible for this program. All federally recognized tribes in Washington will also be eligible for these funds. The Clean Energy Community Grants program will help communities develop and implement holistic decarbonization plans and provide funding for clean energy investments in places with the greatest environmental health disparities.

Qualified communities will be eligible for feasibility studies and design work which will be the first step for many communities in successfully phasing a series of community-scale investments. The program will also fund a range of projects, including energy efficiency, renewable energy, and energy storage designed to improve and decarbonize critical and community infrastructure. This includes promoting sustainable transportation options and demonstrating resilience where projects are visible and beneficial to communities that have not previously experienced these types of investments.

A community could seek investment across all or some of these elements. For example, a community could decide to make all the homes within one area energy efficient, deploy electrify fleets for nonprofits and community service organizations or pursue other clean technologies to decarbonize community facilities.

Collaborative efforts from local government, utilities, and residents are necessary to successfully implement this program, especially in tribal, vulnerable, and overburdened communities. Commerce and eligible third-party administrators will partner with government and community leaders to create and help implement community-driven, place-based decarbonization plans and related capital projects. As established by the legislature, eligible third-party administrators are entities that have sufficient expertise and relationships within the identified community to help plan for, design, or implement capital projects that reduce greenhouse gases or develop clean energy resources for a community.

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Report Number: CBS002
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Project Number: 40000665
Project Title: 2025-27 Clean Energy Community Grants
Project Class: Grant/Loan

Description

1. Identify the problem or opportunity addressed. Why is the request apriority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Commerce currently deploys millions of dollars annually to fund projects that help pursue a more just, clean energy future. These funding opportunities have historically focused on deploying specific technologies and Commerce lacks the flexible funding needed to create a place-based approach as communities have indicated they need. This program presents a unique opportunity to achieve many key objectives in the clean energy transition by broadening the number of communities able to participate and helping them to design solutions on their own terms. Doing so will create broader opportunities for workforce development, distribute the economic and environmental benefits of clean energy initiatives in communities that have not seen direct benefits to them, enhance energy resilience, alleviate energy burden, and move the state closer to achieving its climate goals.

2. What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Key elements of community decarbonization could include:

Planning for decarbonization and Pre-design Work: This forms the backbone of the Clean Energy Community Grants program. The pre-design stage should involve both community visioning and comprehensive feasibility studies to assess the existing energy usage, infrastructure, and potential for clean energy integration. Community engagement will surface the specific needs, capacities, and preferences of residents. An effective community decarbonization plan should also integrate the community's future growth and consider the broader urban context. Translating these concepts into design guidelines and standards that prioritize energy efficiency and resilience in new construction will ensure the growth of the community fits the new vision.

- Energy Efficiency Improvements: Improvements to community buildings or a defined community area (e.g., neighborhood) to install measures such as insulation, energy-efficient appliances and HVAC systems, and smart home technologies. Funds could also be used for environmental remediation (oil tank removal or remediation) to remove the cost barrier to converting to more cost-effective and energy efficient technologies.

- Renewable Energy Sources: Promotion and facilitation of renewable energy sources to help decarbonize the community (or community's energy supply) and potentially generate revenue and reduce energy burden.

- Increasing affordable, energy efficient housing: Building homes that are developed with energy efficiency at the forefront and potentially come with distributed generation already installed, like rooftop solar.

Project Number: **40000665**
Project Title: **2025-27 Clean Energy Community Grants**
Project Class: **Grant/Loan**

Description

- Community Infrastructure: Decarbonizing communal spaces such as schools and community centers. This could involve installing renewable energy sources, promoting energy-efficient designs in new constructions, and creating green spaces that absorb carbon.

- Transportation: Encouraging the use of active transport (walking, cycling), public transportation, or electric vehicles can help reduce transportation-related emissions. This might involve improving infrastructure for cycling and walking, providing charging stations for electric vehicles, or implementing car-sharing programs.

- Education and Engagement: The program also includes funding for public education and community engagement to help residents understand the benefits of implementing specific clean energy projects in their community, and to encourage their active participation in the program.

- Workforce development: Workforce development can be part of any of the eligible elements above. This program also presents an opportunity to connect with local training and workforce development efforts to bolster place-based opportunities for labor and businesses in the community.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Developing plans for economy-wide decarbonization that are place-based enables overburdened, vulnerable, and tribal communities to participate and benefit from the clean energy transition. This holistic approach considers community-specific needs and then connects communities with opportunities to fund projects that meet those needs. In other words, this flexible funding helps Commerce engage with communities to develop comprehensive decarbonization plans and provide access to funding to implement those plans. Such a program will help unlock clean energy projects in new communities to more equitably distribute the benefits of the clean energy transition while promoting the state’s greenhouse gas emission reduction goals. It will also help leverage state and federal funding sources and bring real, tangible benefits to communities that need them the most.

Without this funding, communities across the state will continue to struggle to participate in the clean energy transition because they are competing for funding in programs not designed for them. These communities could fall further behind in terms of accessing the financial, environmental, and health benefits of decarbonization. This program presents a unique opportunity to meet communities where they are and design solutions that will achieve Washington’s bold targets in ways that are responsive to community needs.

4. What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered.

Project Number: 40000665
Project Title: 2025-27 Clean Energy Community Grants
Project Class: Grant/Loan

Description

While it is possible to provide additional funding to existing programs, this approach fails to address the fact that existing programs are still not accessible for many vulnerable, overburdened, and tribal communities. Simply adding additional funding to programs that communities have said do not work for them will not achieve the emissions reductions and community benefits that are possible through a place-based community decarbonization approach. Notably, the Energy Programs in Communities (EPIC) unit has set the stage for this funding to be immediately accessible. In the spring of 2024, EPIC piloted a new approach through the consolidated RFA procurement. EPIC tailored a grant round to meet community decarbonization needs and successfully awarded $70 million in community-designed projects. Through this procurement $162 million (representing 162 projects) was requested. EPIC was able to award $70 million to 68 projects by combining nine different fund sources to match projects with available fund uses. While EPIC was able to successfully execute this approach, a single fund source that is designed to meet community need from the onset will streamline administration and reduce complexity for fund source matching and management.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Commerce will prioritize grants providing meaningful benefit to vulnerable populations in overburdened communities as defined under RCW 70A.02.010 (HEAL Act). Nonprofit organizations, local governments, federally recognized tribal governments and tribal entities, state agencies, housing authorities, ports, transit agencies, and research organizations are all eligible for this program. With a $50 million program, we anticipate being able to award approximately 50 projects to targeted vulnerable populations, overburdened communities and tribal nations.

6. Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

This funding can be braided and leveraged with non-state funding to maximize investment and reduce costs. Programs that we anticipate recipients will leverage with these funds includes federal funding through the Infrastructure Investment and Jobs Act, and the Inflation Reduction Act (rebates, tax incentives, grants for clean energy technologies and energy efficient equipment).

7. Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This proposal furthers the agency's priorities of funding reliable infrastructure; building a clean, just clean energy economy; and increasing living wage jobs. It is crucial to our economic recovery strategy and aligns with state and agency strategies:

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Project Title: **2025-27 Clean Energy Community Grants**
Project Class: **Grant/Loan**

Description

Alignment with the Governor's Results Washington goals:
- Goal 2: A prosperous economy, by creating living wage jobs and economic activity
- Goal 3: Sustainable Energy and a Clean Environment, by reducing energy consumption and accelerating clean energy production.

The request supports Commerce's goal to strengthen communities by aligning with the outcomes-based approaches to the following outcomes:
- Living Wage Jobs – Creating living wage jobs through the construction and maintenance of projects
- Reliable Infrastructure – Updating our energy systems to be reliable, dynamic and innovative
- Clean Energy Future - Reducing energy consumption, increasing clean energy generation, decreasing carbor emissions

8. For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency datacenters? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

N/A

9. If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

N/A

10. How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

This project contributes to meeting the greenhouse gas emissions limits established in RCW70A.45.050 by providing access to decarbonization planning and implementation in communities across the state that have not been equipped to engage with existing funding opportunities. Place-based, holistic planning efforts are needed in tribal, overburdened, and vulnerable communities. Planning is thecritical first step for these communities to identify preferred actions throughwhich they can reduce greenhouse gas emissions. Specific efforts include the promotion and facilitation of renewable energy sources, enhancing the energy efficiency and resilience of community infrastructure, encouraging the use of active transport, public transportation, or electric vehicles, and public education and community engagement to help residents understand the importance of decarbonization and energy

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Project Title: **2025-27 Clean Energy Community Grants**
Project Class: **Grant/Loan**

Description

resilience.

As a key program element, energy efficiency improvements will help manage and reduce energy usage in homes and buildings pursuant to the goals in RCW 19.27A.210.Funding may be used for renovations for better insulation, installation of energy-efficient appliances and HVAC systems, and smart home technologies.

Other goals served by this program include: workforce development opportunities and planning and pre-design work in communities.

11. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

Commerce continues to receive feedback from vulnerable, overburdened, and tribal communities that they struggle to identify and access necessary funding to holistically plan for and implement their decarbonization goals within their community. As a result, many communities in Washington may be left out of critical clean energy projects and related benefits such as energy resilience, reducing energy burden, and workforce development opportunities.

As mentioned above, the Energy Programs in Communities (EPIC) unit has set the stage for this funding to be immediately accessible. In the spring of 2024, EPIC piloted a new approach through the consolidated RFA procurement. EPIC tailored a grant round to meet community decarbonization needs and successfully awarded $70 million in community-designed projects. Through this procurement $162 million (representing 162 projects) was requested. EPIC was able to award $70 million to 68 projects by combining nine different fund sources to match projects with available fund uses.

Like the community decarbonization grants EPIC awarded, this program will prioritize serving the most overburdened and disadvantaged communities in our state who have had the least access to benefit from clean energy technologies. By providing grants, Commerce can support under-resourced entities in designing decarbonization projects and securing funding since the competitive grant application process can be burdensome.

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.

Estimated Total Expenditures:

*The revised budget below aligns with the recommended $50M scaled-down alternative. In order to stay within the 3% capital budget admin cap, we eliminated travel—all engagement will be conducted virtually instead of in

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Project Number: 40000665
Project Title: 2025-27 Clean Energy Community Grants
Project Class: Grant/Loan

Description

person—reduced the budget by 50% for community participation and compensation for lived experience and reduced the staffing level by approximately 50%.

See attachment for Estimated Total Expenditures.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State					
26C-1	Climate Commit Accou-State	10,000,000		338,000	9,662,000	
	Total	**10,000,000**	**0**	**338,000**	**9,662,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Report Number: CBS002
Date Run: 9/13/2026 11:08AM

Project Number: 40000660
Project Title: 2025-27 Defense Community Compatibility Account
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Defense Community Compatibility Account (DCCA) was created as a competitive grant program to fund civilian-military compatibility projects for local governments, federally recognized Indian tribes and non-profit organizations with an agreement through a Readiness and Environmental Protection Integration (REPI) agreement. RCWs 43.330.515 and 43.330.520 require the Department of Commerce (department) to submit a list of competitively selected projects to the Governor and Legislature each biennium.

Project Description

The Defense Community Compatibility Account (DCCA) was created as a competitive grant program to fund civilian-military compatibility projects for local governments, federally recognized Indian tribes and non-profit organizations with an agreement through a Readiness and Environmental Protection Integration (REPI) agreement. RCWs 43.330.515 and 43.330.520 require the Department of Commerce (department) to submit a list of competitively selected projects to the Governor and Legislature each biennium.

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used

NA

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	7,700,000			7,700,000	
23N-1	MTC Capital Account-State	3,451,000			3,451,000	
	Total	**11,151,000**	**0**	**0**	**11,151,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
23N-1	MTC Capital Account-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

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Project Number: 40000660
Project Title: 2025-27 Defense Community Compatibility Account
Project Class: Grant/Loan

Operating Impacts

No Operating Impact

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Report Number: CBS002
Date Run: 9/13/2026 11:08AM

Project Number: 40000663
Project Title: 2025-27 Early Learning Facilities - School Districts
Project Class: Grant/Loan

Description

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Project Number: 40000663
Project Title: 2025-27 Early Learning Facilities - School Districts
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Department of Commerce (department) is required to submit a prioritized project list for early learning facilities in school districts under RCW 43.31.573 and RCW 43.31.579). The Early Learning Facilities School District (ELF SD) program provides funding to public school districts for major construction, purchase and renovation to create and expand facilities for subsidized early learning. Projects are scored and ranked, with projects meeting eligibility requirements forwarded to the Legislature for their consideration and approval for funding in the next capital budget. There is no funding cap associated with the prioritized project list.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The goal of the Early Learning Facilities – School District (ELF SD) program is to increase high-quality early learning opportunities for low-income children and to address a severe shortage of early learning facility capacity that is necessary to meet the ECEAP legislative mandate. The department requests approximately $8,628,687 for 9 projects for the 2025-27 ELF SD program.

The list is provided as an attachment and bulleted below by grantee, project title and recommended award:

Valley School District, Valley Early Learning Center, $1,101,946
Walla Walla School District #140, WW Center for Children and Families WCCC Expansion, $285,000
West Valley School District (Spokane), Early Learning Center to Millwood Transition, $1,035,000
Prosser School District, Prosser ECEAP Expansion, $1,101,946
Orting School District, Orting School District Early Learning center, $1,101,946
Meridian School District, Whatcom Early Learning Center, $1,110,000
Lind-Ritzville Cooperative Schools, Doubling Subsidized Care Capacity for Rural Communities, $822,667
Medical Lake School District, Early Learning Center Project, $1,101,946
Cle Elum School District, Roslyn Early Learning, $978,236

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the

Project Number: 40000663
Project Title: 2025-27 Early Learning Facilities - School Districts
Project Class: Grant/Loan

Description

current condition of the facility or system.
RCW 43.31.579(3) requires the department to submit a ranked and prioritized list of school district early learning facility projects to OFM and relevant legislative committees. There is substantial need for expanded childcare capacity statewide. The Department of Children, Youth and Families recently estimated a need for more than 6,500 ECEAP slots, and this request will advance toward that important benchmark to serve Washington's children.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
This request will provide capital funds for school district construction, renovation, or facility acquisition for projects identified on the 25-27 Early Learning Facilities School District Project List. The project list is developed through a competitive process with emphasis on readiness to proceed to construction. Projects would complete within four years from the time funds are available after the final 2025-27 State Capital Budget is effective. The recommended list has nine projects that will increase childcare capacity by 240 slots.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
Funding this request will provide additional early learning capacity to better position the state to meet the legislative mandate for ECEAP entitlement by the 2026-2027 school year.
Without additional capital funding, it will not be possible for the state to meet the ECEAP mandate, and the number of additional early learning opportunities for low-income children will continue to be limited.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered
There are no alternatives available. RCW 43.31.579 requires the department to submit a ranked

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Project Title: 2025-27 Early Learning Facilities - School Districts
Project Class: Grant/Loan

Description

and prioritized list of school district early learning facility projects to OFM and relevant Legislative committees.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

This request will increase the number of quality early learning opportunities for low-income children, as well as quality reliable care and education for low-income families so that parents may get and keep their jobs to support their families and promote self-sufficiency. The recommended project list would expand early care availability by 240 slots, which will serve families in trusted school environments statewide.
Valley School District, Valley Early Learning Center
Walla Walla School District #140, WW Center for Children and Families WCCC Expansion
West Valley School District (Spokane), Early Learning Center to Millwood Transition
Prosser School District, Prosser ECEAP Expansion
Orting School District, Orting School District Early Learning center
Meridian School District, Whatcom Early Learning Center
Lind-Ritzville Cooperative Schools, Doubling Subsidized Care Capacity for Rural Communities
Medical Lake School District, Early Learning Center Project
Cle Elum School District, Roslyn Early Learning

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

Non-state match is strongly encouraged for each project. The department has established a match goal for school districts of 1:3 non-state match. For every $1 state funds, $3 of non-state funds are expected. Applications that provide a higher level of non-state match will receive additional points in the evaluation process and will have a greater likelihood of receiving a higher ranking.
The commitment of state funds for the construction, purchase, or renovation of early learning facilities may be given only after private or public match funds are committed. Private or public match funds may consist of cash, equipment, land, buildings, and/or in-kind.
This request of $8,628,687 in state ELF funds will leverage $27.8 million in non-state funds. These

Project Number: 40000663
Project Title: 2025-27 Early Learning Facilities - School Districts
Project Class: Grant/Loan

Description

numbers will be updated after final decisions have been made by our subject matter experts.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

Early learning facility investments align with Gov. Inslee's and Result Washington's goals for:
World class education: The opportunity for early care grows foundational learning habits that are the building blocks for advanced educational opportunities. From critical thinking and relational understanding to problem solving and language development, early care leads to stronger educational outcomes.
Prosperous economy: Early care influences prosperous economy from both sides of the equation, increasing earning potential and reducing negative cost drivers. Early care is one of the biggest challenges parents face when trying to gain and retain employment. This challenge is compounded further for low-income families with limited financial resources. This program creates additional early learning capacity for low-income families, which provides both high-quality care and education, and creates an opportunity for that family to sustain living wage employment. The multiplier effects of early care are just as profound and go beyond working families. Children that receive early care and education have improved school and professional achievement, and reduced criminal justice involvement, healthcare needs and other cost drivers.
Healthy and safe communities: The link between early care and health outcomes are clear and provide lasting health benefits. Socialized and connected children grow emotional intelligence and social skills that serve them throughout their lives. Early care has also shown to improve cardiovascular health and reduce incidence of smoking.

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

N/A

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Report Number: CBS002
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Project Number: 40000663
Project Title: 2025-27 Early Learning Facilities - School Districts
Project Class: Grant/Loan

Description

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.
N/A

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
All projects are required to meet the Leadership in Energy and Environment Design (LEED) Silver Standard or receive an exemption from Commerce. LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC) and includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
The ELF Program provides early learning opportunities to children from low-income families. Projects score higher if they are located in an area of the state with very limited childcare options. Projects also receive priority points if they are located in a low-income neighborhood. Lastly, ELF projects located in rural communities are prioritized in our competitive application process

Is there additional information you would like decision makers to know when evaluating this request?
N/A

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Report Number: CBS002
Date Run: 9/13/2026 11:08AM

Project Number: 40000663
Project Title: 2025-27 Early Learning Facilities - School Districts
Project Class: Grant/Loan

Description

RCW that establishes grant (if applicable): RCW 43.31.565-583

Application process used (grants; if applicable): Competitive grant application process.

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
22D-1	Early Lrng Fac Devel-State	12,119,000		1,350,000	10,769,000	
	Total	**12,119,000**	**0**	**1,350,000**	**10,769,000**	**0**

Future Fiscal Periods

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Project Title: 2025-27 Early Learning Facilities - School Districts
Project Class: Grant/Loan

Funding

		2029-31	2031-33	2033-35	2035-37
22D-1	Early Lrng Fac Devel-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000670
Project Title: 2025-27 Energy Retrofits for Public Buildings Grants
Project Class: Grant/Loan

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 11:08AM

Project Number: **40000670**
Project Title: **2025-27 Energy Retrofits for Public Buildings Grants**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Department of Commerce requests continued funding of the Energy Retrofits for Public Buildings and State Project Improvement (SPI) Grant Programs. Administered in parallel, these programs have helped local governments, higher education institutions, K-12 schools, and state agencies invest in clean energy, energy efficiency, and decarbonization improvements in their buildings

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

This funding request would support two related energy programs that Commerce currently administers:

State Project Improvement (SPI) Grants provide funding for state agencies to redesign building projects to increase energy efficiency and environmental performance. SPI grants cut energy costs, reduce pollution, and improve the health and comfort of state buildings in communities across the state. Applications for award are reviewed on a first-come, first-serve basis, and applications are accepted as long as funding is available.

Energy Retrofits for Public Buildings Grants provide grant funding for public entities, including towns, cities, tribes and public agencies, to make energy updates to public buildings and facilities. These retrofits save money and reduce pollution from schools, hospitals, community centers, affordable housing, and other public buildings.

These programs are currently funded at $19.5M (combined) in the 2023-2025 capital budget, $5M for SPI and $14.5M for Energy Efficiency Retrofits. Commerce seeks to continue funding at this level.
Identify the problem or opportunity addressed.

Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Buildings are the second largest energy-using sector in Washington and the fastest-growing. Many older public facilities need to include current best practices for energy conservation. Public entities are often resource-constrained and need help accessing clean energy improvements, including shortages in staff time, grant-writing experience, and challenges in obtaining match funds. These challenges will only grow as public entities work toward compliance with the Clean Buildings Performance Standard. These buildings need upfront capital to make meaningful energy efficiency improvements to their buildings, thus saving state and local governments in the long run and avoiding energy costs.

The Energy Retrofits for Public Buildings and State Project Improvement Grants programs were created in 2010. They have a proven track record of helping public agencies reduce operational costs and achieve climate and sustainability goals through energy efficiency upgrades. These projects also stimulate local economic activity and create jobs throughout the trade and construction sectors.

These grants fund projects in publicly owned buildings to benefit communities by reducing energy use and costs. These grant programs were designed to align with and advance the goals of the 2021 Washington State Energy Strategy to meet greenhouse gas emission limits while benefitting rural, urban, and vulnerable communities throughout the state. In the 2021-2023 solicitation, half of the funds were awarded to small towns or cities with populations below 5,000. The grant awards have and will provide economic, environmental and quality of life benefits to under-resourced communities in our state, including several highly impacted communities based on Washington’s Environmental Health Disparities Map.

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Project Title: 2025-27 Energy Retrofits for Public Buildings Grants
Project Class: Grant/Loan

Description

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Funding through SPI and the Energy Retrofits program covers the additional costs of more efficient project options, such as higher-efficiency heating systems or windows, for projects at existing state- and local government-owned buildings (see project list below for additional examples). Depending on the size of applications received, this funding could support between 50 and 80 projects, representing an estimated 4,500 MT CO2e in avoided emissions.

This program has been consistently oversubscribed, resulting in unmet needs and deferred projects. In addition, stakeholder feedback from listening sessions and input from potential applicants indicate that there is a wider interest in these grants. We continue to work at breaking down accessibility barriers by reducing match levels where appropriate, simplifying the application process, and adding more predictability to the timing of solicitations. Continued funding will support projects that have previously struggled to access energy improvements.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

This request provides the resources agencies require to reduce energy consumption and losses in public facilities and move the state towards meeting State Energy Strategy goals of a 45 percent reduction in greenhouse gas emissions by 2030, and a 95 percent reduction below 1990 levels by 2050. By reducing energy use, communities will, in most cases, also improv the operational bottom line.

This program provides opportunities to improve the health and safety of building occupants, such as students, teachers, and other public employees while reducing greenhouse gas emissions and local air pollution. The cost savings could be directed towards filling critical needs, such as improving services or addressing deferred maintenance backlogs. These projects also create and support construction jobs in the green economy throughout the state, especially in small towns and cities.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

Other explored alternatives include scaling the program back or not funding the program at all.

Not funding this proposal may leave eligible applicants unable to fund these critical projects or meet statutory requirements. This program leverages a pipeline of planned retrofits and upgrades; not funding would lock some of these projects into less efficient design, equipment, and materials for an indefinite period.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Energy Retrofits for Public Buildings serves state agencies, higher educational institutions, K-12 public schools, tribal governments, public housing authorities and local governments. To date, the program has consistently awarded funds across the state, with broad geographic distribution. In 2022, 81 percent of projects, representing 91 percent of funding, were in low-income, vulnerable, rural, or tribal communities.

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Project Title: 2025-27 Energy Retrofits for Public Buildings Grants
Project Class: Grant/Loan

Description

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

This program leverages:
• EECBG: This investment will enable Commerce to leverage the Energy Efficiency and Conservation Block Grant funds that Washington receives in partnership with regional, local and tribal governments for clean energy capital investments, projects, loan programs and performance contracting programs around the state.
• Federal Funding and Tax Credits: Without state support for energy efficiency programs, eligible entities in Washington, such as school districts and local governments, will not be able to maximize the benefits from sweeping new federal infrastructure programs like the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA). Most federal programs require match funds and by increasing the number of awards we can make; the Energy Retrofits for Public Buildings program will unlock greater opportunity for schools and other public facilities to qualify.
• State Clean Buildings Funding: State funding will help public entities comply with Washington's Clean Buildings law and potentially qualify for the Clean Buildings Early Adopter Incentive program.
• Utility funding in the form of incentives for energy efficiency and electrification improvements, which a large number of utilities across the state offer for commercial customers.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

Washington's 2021 State Energy Strategy identifies energy efficiency in buildings as a core strategy for meeting state climate goals. The strategy targets a 26 percent reduction in energy use in buildings by 2050. These targets and the work of the State Efficiency and Environmental Performance (SEEP) Office demonstrate the state's commitment to lead by example with public capital projects. This action directly delivers on the recommendation that buildings improve the efficiency of their performance and electrify, in addition to the following relevant State Energy Strategy recommendations:

Prioritize decarbonization of public buildings in low-income communities, specifically public schools and hospitals.
• Ensure decarbonization for rural public buildings through funding allocations.
• Require existing public buildings to minimize building energy loads and convert carbon-based fuel systems to all electric high-efficiency systems.
• Implement robust energy management and operations and maintenance programs for each public building or site consistent with the state BPS and to work towards low or zero greenhouse gas emissions.

This request supports and is consistent with the Governor's Results Washington as follows:

• Goal 1: World-Class Education, by improving our schools' environments.
• Goal 2: A prosperous economy, by creating jobs to support these projects.
• Goal 3: Sustainable Energy and a Clean Environment, by reducing energy consumption and carbon emissions.
• Goal 5: Efficient, Effective, and Accountable Government, by reducing operational costs at publicly owned facilities.

It also allows state agencies to meet Executive Order 20-01, the Clean Buildings law, the Clean Energy Transformation Act, and the State Toxics Reduction Plan. The 2023-2025 Commerce Strategic plan is rooted in three focus areas: Economic Recovery, Equity, and Community Development. This proposal specifically contributes to all three focus areas in the following ways:

Prioritizing investment in underserved and vulnerable communities, helping them access needed resources.
• Providing economic stimulus through reliable infrastructure and clean energy investments

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers?

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Project Class: Grant/Loan

Description

(See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

No IT-related costs.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

N/A

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

Energy Retrofits for Public Buildings contributes directly to the following RCW's and executive orders:
• Building Benchmarking RCW19.27A.190 - requires state and higher education agencies to disclose energy performance at facilities over 10,000 SF
• Clean Buildings Performance Standard RCW 19.27A.200 - requires commercial facilities over 50,000 square feet to meet energy performance targets by 2026, and benchmarking for buildings over 20,000 by 2027.
• Carbon reduction RCW 70.235.50 - requires state agencies to report greenhouse gas emissions and develop strategies for emissions reductions
• State Efficiency and Environmental Performance (SEEP) E.O. 20-01 - requires state agencies to invest in projects that reduce energy consumption and greenhouse gas emissions
• Climate Change adaptation RCW 43.21M.040
• Clean Energy Transformation Act

By saving energy, grant recipients will reduce their carbon footprint and environmental impact. Many past projects have used this as an opportunity to fuel switch – moving from fossil fuel-based system to electricity-based systems. Producing clean renewable energy via on-site solar projects also reduces carbon emissions.

These projects also contribute to community resiliency by improving the operations and resiliency of critical infrastructure such as water and wastewater systems, fire stations, hospitals, etc. By reducing energy consumption at these sites, the organizations save operating dollars that can be directed to other critical needs. Also, in the event of a disaster, these projects reduce the need for backup power by reducing the overall energy consumption at the facility, allowing them to operate longer in the event of a power interruption.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

The Energy Retrofits for Public Buildings program prioritizes projects in rural, lower income, overburdened, and tribal communities. In 2022, these communities received 91 percent of funds from the Energy Efficiency Retrofit program. Projects provide benefits to these communities by reducing the costs of providing public services, improving the comfort, health and safety of communities, building local workforces, and reducing local air pollution.

The program also prioritizes projects that provide benefits to vulnerable populations and engages with the community during project development. Communities have cited program benefits such as cost stabilization for essential services, educational opportunities for students, improved learning environments and health and safety improvements.

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Project Number: 40000670
Project Title: 2025-27 Energy Retrofits for Public Buildings Grants
Project Class: Grant/Loan

Description

Application process used (grants; if applicable):

State Project Improvement (SPI) Grants: Applications are reviewed for award on a first-come, first-serve basis, and are accepted as long as funding is available. Projects may already be under contract or in construction at the time of application, however costs will not be reimbursed retroactively. Commerce awards funds to projects that meet the minimum qualifications and award criteria listed in the RFA. The agency makes awards in the order that we receive applications, until we have awarded all funding or the application deadline has passed.

Is a project list available? If so, please attach and/or include this information.

While 2023-2025 awards are still being made, the SPI and Energy Retrofit awardees of 2021-2023 provide an example of the type of work this grant program funds:
• Department of Labor & Industries – $3,348,261. For lighting and controls at the headquarters building to augment cooling system upgrades and increase energy efficiency reducing operating costs and greenhouse gas emissions.
• Department of Transportation – $139,406. For the Forest Learning Center at Toutle, to increase quality and efficiency of new heat pumps providing increased energy and operational savings.
• Department of Transportation – $624,731. For 14 radio sites around the state, to add heat pumps and cooling for increased ability to maintain effective operating conditions for monitoring equipment.
• Federal Way School District in King County – $350,000 for heating and cooling controls and lighting retrofits at 18 schools. These updates will improve reliability and reduce energy use in one of the most diverse school districts in the state. With better indoor air quality, thermal lighting and comfort, the district hopes to remove physical barriers that may inhibit learning.
• Goldendale School District in Klickitat County – $350,000 for heat recovery and LED lighting updates to a high school and an elementary school. The improvements will modernize heating and cooling systems and automate facility controls, some of which do not meet health ventilation standards in a district with constrained resources.
• Town of Mabton in Yakima County – $247,861 for lighting and controls in elementary, middle and high schools plus the district office. Lighting retrofits and the installation of digital controls will help to ensure the safety of students and staff with well-lit classrooms, offices and common spaces in a district with a low tax base.
• Mary Walker School District in Stevens County – $350,000 for a complete controls upgrade on a multi-school campus. This update will yield significant utility savings for the district, save on operational costs and ensure each classroom is getting adequate ventilation to improve student learning and safety.
• City of Renton in King County – $267,626 for heating and cooling controls and lighting upgrades in the City Hall, aquatic center, maintenance shop, and a park. By increasing the City Hall's energy efficiency and improving lighting and reliability in other facilities, this project will help address Renton's goals to save energy and reduce its carbon footprint.
• Washington Department of Corrections in Walla Walla County – $284,756 to upgrade plumbing and fixtures in the state penitentiary. This project will decrease domestic water use where the existing outdated domestic water system is a drain on natural resources. The upgrades include water control technologies specifically designed for correctional facilities. This project will significantly reduce both energy and water consumption decreasing economic and environmental impact on the fish, farms, recreation and tribal reservation in the Basin.

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.

Please see attached document for tables.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

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Project Number: 40000670
Project Title: 2025-27 Energy Retrofits for Public Buildings Grants
Project Class: Grant/Loan

Description

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State					
26C-1	Climate Commit Accou-State	20,000,000		202,000	19,798,000	
	Total	**20,000,000**	**0**	**202,000**	**19,798,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000666
Project Title: 2025-27 High Efficiency Electric Appliance Rebates (HEAR) Program
Project Class: Grant/Loan

Description

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Project Number: 40000666
Project Title: 2025-27 High Efficiency Electric Appliance Rebates (HEAR) Program
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

Washington is experiencing the hottest summers on record as a result of climate change, and only half the state has access to cooling equipment. At the same time, the state needs new tools to decarbonize existing residential buildings and help low to moderate income households and small businesses electrify, save on their energy bills, and access critical cooling equipment. This proposal funds Commerce's statewide high efficiency electric equipment program, through rebates to low- and moderate-income customers. This decision package would continue funding for this grant program.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

Commerce's HEAR program serves two sectors that have proven hardest to reach with energy efficiency and emissions reduction efforts: low-to-moderate income households and small commercial businesses. The program funds local governments, utilities, tribal governments, and other partnering organizations to offer a scaled rebate on the cost of high efficiency electric equipment, including heat pumps, and their installation. Heat pumps address the intersecting issues of access to cooling and emissions reduction.

Heat pumps:
• Provide both space heating and cooling, unlike a gas furnace or traditional air conditioner
• Are the more cost-effective choice for customers looking to replace both their gas-powered furnace and install air conditioning, according to a recent Commerce fuel switching study
• Deliver energy efficiency savings to customers and utilities
• Save customers on their energy bills, particularly important as natural gas prices increase due to global market forces and the expected cost of gas company compliance with the Climate Commitment Act (CCA)

This program is currently funded at $80M in the 2024 supplemental capital budget.

1. Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need

Description

for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The 2021 State Energy strategy found that building decarbonization through electrification and energy efficiency are the least-cost pathway to meeting the state's Washington emissions limits. While the state has the tools to decarbonize both 1. New buildings (state building codes) and 2. Existing large commercial and multifamily buildings (building performance standard), the state needs a tool to decarbonize existing residential buildings and small commercial buildings. Existing residential buildings make up a majority of the state's emissions from buildings. Without interventions to decarbonize this major portion of the buildings sector, the state will not meet its GHG emissions limits.

Electric utilities are required by law to pursue energy efficiency within their existing customers, but there is no requirement to help a customer convert from fossil fuel energy sources to high-efficiency electric equipment. With no effective mandate, there is a clear imperative for the state to fund targeted electrification in order to meet our emissions targets and State Energy Strategy goals and to assist single family households and small businesses in getting access to efficient electric equipment.

At the same time, Washington is recording the warmest summers in its history and extreme weather events and wildfires are increasing in frequency and intensity. Only 53% of homes in Washington have air conditioning, the second least of any state. More and more homes will need air conditioning in the coming years, but only those with financial means to secure cooling services will have access to home comfort in the summer. Cooling is critical to maintain healthy indoor air quality during wildfire season. The summer of 2021 saw 157 heat-related deaths in Washington, with people over 65 or under 4 years of age particularly vulnerable to high heat. The recent 6th National Risk Assessment for Hazardous Heat projects that the number of extreme heat days will double in at least 10 Washington counties over the next three decades.

2. What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Project Number: 40000666
Project Title: 2025-27 High Efficiency Electric Appliance Rebates (HEAR) Program
Project Class: Grant/Loan

Description

This program offers scaled rebates on heat pumps for existing low to moderate income residential and small commercial applications. This funding package will reduce barriers to cooling services and improve indoor air quality for low to moderate income households and small businesses. This program includes tiered, income-based incentives by our program partners (for example, utilities) contracted through Commerce.

Additional services provided by this program include educational services to HVAC contractors responsible for installing equipment and offering equipment recipients a maintenance service to ensure lifetime efficiency (see #12 workforce impacts below).

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Heat pumps are a critical technology that, with widespread deployment, can help deliver cooling and electrification benefits to those who need it most, and reduce emissions from existing buildings. Without a dedicated high efficiency electric equipment program, low to moderate income homes will be locked into inefficient, fossil gas-powered space heating equipment for the next 15-20 years and lack access to efficient cooling equipment. This program will also help prevent an unjust outcome where low-income households are stuck with the costs of fossil fuel pipelines and infrastructure while most households switch to high-efficiency electric solutions.

States including New York, Oregon, California, and Massachusetts all have similarly structured heat pump and heat pump water heater rebate programs. The Washington program would leverage best practices for rebate delivery from these established programs.

4. What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

One alternative to a heat pump incentive program is a bulk buying program. Commerce or a

Description

state entity would purchase heat pumps and housing authorities, including tribal housing authorities, would identify eligible homes in which to install them. This type of program works better for publicly owned buildings and with more fluid supply chains.

Another alternative to this proposal is a rebate in the form of a tax credit. The federal Inflation Reduction Act provides a tax credit for this equipment. However, a state tax credit would not be effective in reaching the target customers, as low to moderate income households and small businesses do not typically have the upfront capital to make these expensive purchases or a sufficient state tax liability to use the credit.

Fuel switching delivered fuel homes such as oil and propane is part of the Commerce low-income weatherization program, but this proposal is a different program tool for a broader purpose. The Weatherization + Health program can spend up to $25,000 on whole home weatherization – meaning not only energy efficiency measures, but health and safety measures such as removing asbestos and other toxins, seismic retrofitting, and water leakage. This program delivers services to several hundred homes a year through Community Action Agencies. There are Washington homes that do not need deep weatherization, but rather, just need a heat pump and a panel upgrade. This program seeks to serve these households at scale.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

This proposal finds $80 million an appropriate amount at which to continue funding.

Program breakdown: In continuing this program, Commerce will award funds to program administrators (these could be utilities, local governments, tribes, and other organizations) to rebate high efficiency electric equipment. The Department will also direct a portion of funding for non-residential buildings under 20,000 square feet for small businesses to convert from gas to high efficiency electric cooking equipment.

While it is difficult to know how many households and businesses this program would serve without knowing what the tiered incentive would look like, initial data suggests it could serve

Description

thousands of low-income households and small businesses. Commerce estimates that with current funding, between 2023-2024, nearly 10,000 heat pumps will be installed across Washington through this program.

6. Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

This program leverages:
• IRA Home Energy Rebates: This program has been and will continue to be braided with funds from the Inflation Reduction Act Whole Home Efficiency Program ($83M) and High Efficiency Electric Equipment ($82M) programs, enabling it to serve thousands more participants. The electric equipment program will provide the State Energy Office formula funding, through which we could rebate up to $8,000 per heat pump in multifamily settings and $840 per electric induction stove. The HOMES retrofit program will depend on the energy savings of each project, but ultimately retrofits in low- and moderate-income households and multifamily units will be eligible for up to $4,000 for contractor labor.
• Utility funding in the form of incentives for energy efficiency and electrification improvements, which a large number of utilities across the state offer for commercial customers.
• Local governments (ex. Seattle) have clean heat and fuel switching incentives for low-income households.

7. Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This proposal contributes to the Governor's Climate and Clean Energy priorities, but also delivers on the commitment to make decarbonization affordable and within reach of the average household. The Governor has expressed a clear interest in leveraging Inflation Reduction Act funding by establishing a statewide high efficiency electric equipment program.

Project Number: 40000666
Project Title: 2025-27 High Efficiency Electric Appliance Rebates (HEAR) Program
Project Class: Grant/Loan

Description

The 2021 State Energy Strategy, Operation 2030: Scaling Building Decarbonization in Washington State, the Commerce-commissioned fuel switching study by E3, and additional strategic prioritizations outside of the Energy Division point to a critical need for heat pump programs to get equipment into homes and small non-residential buildings.

8. For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

No IT-related costs.

9. If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

N/A

10. How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

This program is a direct investment in household-level energy efficiency and statewide decarbonization efforts for those who can least afford it. Electric heat pumps are by far the most energy efficient space heating and cooling technology on the market. Under CETA, electric generation in Washington will be greenhouse gas neutral by 2030 and 100 percent renewable or non-emitting by 2045, meaning end uses electrified today are emissions savings today and tomorrow.

Project Number: 40000666
Project Title: 2025-27 High Efficiency Electric Appliance Rebates (HEAR) Program
Project Class: Grant/Loan

Description

11. How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

This program's focus is providing high efficiency electric equipment to low- and moderate-income households and small business owners. Part of the funding is set aside solely to support households and small businesses in overburdened communities. In the 2023-2025 biennium, $12 million was set aside for projects directly administered or supported by State and Federally Recognized Tribal Governments, Tribal supporting entities, and Tribal partnerships

With all projects that have the potential to involve fuel switching (moving homes from fossil gas to electric heating and cooling systems) for low-income households, energy burden reduction must be prioritized. In the long run, household electrification will decrease energy burden. As higher income households electrify (because they have the resources to do so), low- and moderate-income fossil gas-powered households will be forced to pay rates that reflect the stranded assets of natural gas utilities.

In the short run, not all fuel switching from natural gas to electric systems lowers the energy burden of low-income homes. Some areas of Washington have lower gas rates, though this will change with the implementation of the CCA. The first phase of this program will focus on replacing highly expensive delivered fuel systems (oil and propane) where the economics are clearly in favor of electrification. As part of program development, Commerce is developing clear guidelines around fuel switching with a focus on energy burden reduction in cases of natural gas to electric system.

12. Is there additional information you would like decision makers to know when evaluating this request?

Workforce impacts: Critical to the success of this program is supporting a workforce that can install and maintain this high efficiency electric equipment. The incentive program will be limited

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Project Class: Grant/Loan

Description

to projects installed by certified installers and permitted by local jurisdictions where required. Projects funded from the incentive will be required to meet high labor standards, including family-sustaining wages, providing benefits including health care and pensions, career development opportunities, and maximize access to economic benefits from such projects for local workers and diverse businesses. This funding would allow Commerce to contract with a nonprofit trade association, regional market transformation organization, or community organization to assist with implementing the program.

State facilities impacts: State facilities under 20,000 square feet replacing fossil gas powered space heating and cooling equipment, water heading, and gas-powered cooking equipment would be eligible for the non-residential funding available in this program.

Application process used (grants; if applicable): In the 2023-2025 funding cycle, the HEAR program, a total of approximately $77,600,000 from the State Climate Commitment Account was made available for eligible entities to administer rebates and incentive programs across Washington State. Commerce is investing in the following sectors:
• $37 million for Local Governments, including Cities, Counties, and Municipally Owned Utility Providers to administer rebates and incentives to LMI households and small businesses
• $18.6 million to leverage the Federal IRA HEAR Program and existing relationships through the Low-Income Home Energy Assistance Program (LIHEAP), Weatherization Program, and Housing Trust Fund
• $10 million in projects that install heat pumps in adult family homes
• $12 million in projects directly administered or supported by State and Federally Recognized Tribal Governments, Tribal supporting entities, and Tribal partnerships

Application process varies depending on the funding stream being pursued, but generally, the application process is as follows: Commerce opened a Request for Applications (RFA) for State HEAR funds on April 29, 2024, and applications were due by May 30, 2024. Applications were reviewed, evaluated, and funds awarded.

Is a project list available? If so, please attach and/or include this information.

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Project Class: Grant/Loan

Description

Commerce has created a GIS-powered map to show where consumers can find HEAR-funded rebates in their service territory.

https://hear-program-wacommerce.hub.arcgis.com/

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.

Please see attached document for tables.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	45,000,000		269,000	44,731,000	
	Total	**45,000,000**	**0**	**269,000**	**44,731,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

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Operating Impacts

No Operating Impact

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Project Title: **2025-27 Library Capital Improvement Program**
Project Class: **Grant/Loan**

Description

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Project Title: 2025-27 Library Capital Improvement Program
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Department of Commerce recommends $10 million for 13 selected projects for the Library Capital Improvement Program (LCIP). This includes full funding for 12 projects and the remaining LCIP authority for partial funding of the 13th project. LCIP provides state capital grants to public libraries for acquisition, construction, or rehabilitation of their facilities, with priority to those listed on registers of historic places and/or located in distressed or rural counties. Investing in public libraries is essential as they often provide the only accessible and free community support and services otherwise unavailable to the public, such as internet and computer access, warming and cooling centers, social services, meeting spaces, early literacy and language programs, after-school and educational programs, senior services, voter registration and ballot boxes, as well as traditional collections.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

In the 2023-25 State Capital Budget (Sec. 1010), the Department of Commerce (department) is required to submit a prioritized list of recommended projects not to exceed $10 million to the Governor and Legislature by October 1, 2024, for inclusion in the department's 2025-2027 biennial capital budget request. The list is provided as an attachment and bulleted below by project title, grantee and recommended award:

Port Townsend Public Library HVAC and Elevator Modernization, City of Port Townsend, $160,000
Omak Public Library Renovation, North Central Regional Library, $723,440
Yakima Central Library Infrastructure Needs for Yakima Valley Libraries, Yakima County Regional Library, $610,500
Port Angeles Library Accessible Pathways Project, North Olympic Library System, $313,000
Rosalia Library Donation and Renovation, Whitman County Rural Library District, $75,308
Yakima Sunnyside Library Infrastructure Needs for Yakima Valley Libraries, Yakima County Regional Library, $50,000
Aberdeen Library Renovation, City of Aberdeen, $2,000,000
Orcas Island Library Renovation, Orcas Island Library District, $294,100
Lopez Island Library Renovation and Resilience Project, Lopez Island Library District, $276,959
Central Library Interior Renovation, Bellingham Public Library, $2,000,000
University Branch Library Improvements, City of Seattle, $2,000,000
Main Library Exterior Envelope Repair, Everett Public Library, $559,500
Liberty Lake Municipal Library Construction Project, City of Liberty Lake, $937,193 (out of $2 million funding request for partial funding and full allocation of LCIP's $10 million authority).

LCIP establishes a competitive grant program providing libraries operated by governmental units as defined in RCW 27.12.010 with capital funding for acquisition, construction, or rehabilitation

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Project Class: Grant/Loan

Description

of their public library facilities. Grant assistance may not exceed 50% of the total project costs and no more than $2 million per project. The department established an LCIP Advisory Committee to assist the department by reviewing program guidelines and ranking project proposals. Projects listed on a local, state, or federal register of historic places and those located in distressed or rural counties received priority in the rating and ranking process.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Capital funds will be required in the 2025-2027 biennium to support the efforts of the legislature and meet the need to invest in public libraries ensuring all Washingtonians have access to a wide range of free community support and services. Public libraries are a critical community resource that provides accessible and free community support and services that are otherwise unavailable to the public, such as internet and computer access, warming and cooling centers, social services, meeting spaces, early literacy and language programs, after-school and educational programs, senior services, voter registration and ballot boxes, as well as traditional collections.
LCIP 2025-27 received a total of 23 applications seeking more than $28 million in funding. Of the requests, three are historic properties, 15 are in rural areas, and nine projects are located in distressed areas. The top-ranked 13 projects were selected and are recommended for funding. The top 12 ranked projects will be fully funded. The 13th project (Liberty Lake Municipal Library Construction Project) will be partially funded at 46% of the funds requested due to the requirement to submit a list for no more than $10 million.
Investing in public libraries assists communities in reducing barriers and providing equitable access to much needed community support and services for everyone, especially in public libraries located in distressed or rural areas where libraries often provide the only accessible and free community support and services otherwise unavailable to the public.
Library facilities statewide will be improved, in particular low-income and distressed communities will have improved access to facilities, receive expanded and improved access to community support and services such as internet and computer access, warming and cooling centers, meeting spaces, early literacy and language programs, after-school and educational programs,

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Description

senior services, and voter registration and ballot boxes. Community residents will receive support and services which expand employment opportunities and enhance educational or recreational opportunities as a result of these projects.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

State grants will be used for acquisition, construction, or rehabilitation of public library facilities. Projects may be phased if they result in a distinct usable public library facility. The 2025-27 LCIP prioritized project list recommends $10 million for 13 community library projects.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Not taking action would likely delay projects and leave many unable to move forward as there is very little funding available for libraries from any source and would result in the department not meeting its obligation. More importantly, the state would miss an opportunity to support public libraries and their central role they play in communities, especially in distressed and rural areas. The public library is the primary, and in some cases the only, public space that is accessible and free, providing a wide range of community support and services that would otherwise be unavailable to the public. Lack of adequate funding for libraries will impede efforts to reducing barriers and providing equitable access to much needed support, services, and opportunities that a public library is able to offer to its community resulting in fewer employment, educational, social services or recreational opportunities. It is especially critical now to fund libraries due to increased demand for their community support and services from those suffering unemployment, homelessness, the lack of child-care, access to internet or computer services, and the impacts of climate change.

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What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

The department is required by the 2023-25 State Capital Budget (Sec. 1010) to establish a competitive process to solicit proposals for and prioritize projects whose primary objective is to assist libraries operated by governmental units as defined in RCW 27.12.010 with capital funding for acquisition, construction, or rehabilitation of their public library facilities. The department must submit a list of recommended projects up to $10 million to the Governor and Legislature by October 1, 2024, for inclusion in the department's 2025-2027 biennial capital budget request.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

As a result of these projects, community residents, especially those in rural or distressed areas, will receive new or expanded access to improved library facilities and a wide range of community support and services only public libraries offer that would otherwise be unavailable to the public such as internet service and computer access, warming and cooling centers, social services, meeting spaces, early literacy and language programs, after-school and educational programs, senior services, and voter registration and ballot boxes.

This request will fund library facility projects statewide. Priority is given to projects in rural or distressed areas and to historic buildings. Additional consideration given to projects in areas of highest unmet need.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

By proviso, grant assistance may not exceed 50% of the total eligible project costs. This means for every $1 of state funds, $1 of community funding is leveraged to complete these projects. There is very little funding available for libraries, so most funding is provided by local entities or by direct appropriation. Funding includes City, County, Library District, library foundations, State funds, Community Development Block Grant, United States Department of Agriculture, and others.

Additionally, the execution of a grant of state funds for the construction, acquisition, or

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rehabilitation of public library facilities may be given only after matching funds are committed. Applications that provide a higher level of project readiness by identifying committed match at application will receive additional points in the evaluation process and will have a greater likelihood of being awarded funds. Projects that had secured match at application were given a higher score in the readiness category.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This request supports and is consistent with the Governor's Results Washington through:
Goal 4: Health and safe communities: Fostering the health of Washingtonians from a healthy start to safe and supported future.
This request supports the agency's strategic goals for community support and equity by investing in critical community facilities that are open to all and support a wide range of community knowledge, services, recreation, and connectedness.
And supports the agency's strategic objectives:
Objective: Enrich Commerce's human capital to demonstrate and employ cultural competency.
Objective: Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Objective: Consult with community partners on our data and data-informed decisions.
Objective: Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Objective: Build systems that enable data-informed decision-making to improve equity.
Objective: Establish internal (real time) information sharing that enables collaboration across the agency.
Objective: Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for

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definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)
N/A

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.
N/A

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
These grants will be subject to requirements under RCW 39.35D, which requires all major facility projects of public agencies receiving any funding in a state capital budget to be designed, constructed, and certified to at least the Leadership in Energy and Environment Design (LEED) silver standard or receive an exemption from Commerce. This requirement is to ensure that public buildings are built and renovated using high-performance methods that save money and improve energy efficiency performance.
LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC) and includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
The program will impact equity by funding expanded and improved access to community support and services in low-income and rural and distressed communities statewide. Grantees will be able to provide community residents with support, services and opportunities that

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address educational, health, social and economic disparities through equitable access that public libraries are able to offer.

Is there additional information you would like decision makers to know when evaluating this request?

The top 13 ranked LCIP projects have a total funding request of $11,062,808. The $10 million limit ensures that the 13th ranked project, Liberty Lake Municipal Library Construction Project, City of Liberty Lake, may only receive partial funding. The Legislature did ultimately exceed the department's $10 million limitation in the 2023-25 LCIP appropriation, and this would be necessary again to fully fund all recommended projects. Without full funding, the Liberty Lake may not be able to advance this project.

This program provides the state an opportunity to support public libraries and their central role they play in communities, especially in distressed and rural areas. These projects will assist communities with their economic vitalization efforts, in ensuring their residents have reduced barriers and equitable access to, in some cases the only, public space that is accessible and free, providing a wide range of community support and services that would otherwise be unavailable to the public, including: internet service and computer access, meeting space, early literacy and language programs, after-school and educational programs, senior services, and voter registration and ballot boxes. Lack of adequate funding for reliable infrastructure, such as libraries, is a detriment to the services and opportunities a public library offers. Libraries play a vital role in communities which:

Enhance educational and recreational opportunities
Expand employment opportunities
Accommodate growth and promotion of economic development and business opportunities
Improve the overall quality of life of its residents
Expand social services to meet community needs, such as warming and cooling centers and community meeting space

It is especially critical now to fund libraries due to increased demand for their community support and services from those suffering unemployment, homelessness, the lack of child-care, access to internet or computer services, and the impacts of climate change.

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Description

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.

Estimated Total Expenditures:

Account	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
057-1	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	6,503,000			6,503,000	
	Total	**6,503,000**	**0**	**0**	**6,503,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000659
Project Title: 2025-27 Pacific Tower Capital Improvements
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The State of Washington, through the Department of Commerce (department), is legally obligated to pay for capital improvement costs associated with the proportional use of the Pacific Tower campus, as specified in the lease agreement with the Pacific Hospital Preservation and Development Authority (PHPDA). This proposal is for $1,913,000 in state funds for Pac Tower capital improvements.

Project Description

The State of Washington, through the Department of Commerce (department), is legally obligated to pay for capital improvement costs associated with the proportional use of the Pacific Tower campus, as specified in the lease agreement with the Pacific Hospital Preservation and Development Authority (PHPDA). This proposal is for $1,913,000 in state funds for Pac Tower capital improvements.

Location

City: Seattle **County:** King **Legislative District:** 022

Project Type

Grants - Not Competitive

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used

NA

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	1,913,000		610,000	1,303,000	
	Total	**1,913,000**	**0**	**610,000**	**1,303,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Title: 2025-27 Youth Recreational Facilities Program
Project Class: Grant/Loan

Description

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Project Title: 2025-27 Youth Recreational Facilities Program
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

RCW 43.63A.135 requires the Department of Commerce (department) to submit a list of competitively selected projects to the Governor and Legislature each biennium for the Youth Recreational Facilities Program (YRF). YRF is a competitive grant program that may be used for acquisition, construction, or rehabilitation of facilities and may defray up to 25% of capital costs dependent on the amount requested for nonresidential youth recreational facilities from non-profit organizations. The 2025-27 YRF program has reviewed and prioritized 14 projects totaling $7,688,000.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The department requests approximately $7.7 million for the YRF Program. Fourteen (14) YRF applications were prioritized and recommended for funding totaling $7,688,000. The below list outlines each of the 14 recommended projects:

Girl Scouts of Western Washington, Camp Robbinswold Lodge Renovation, $452,812
Boys and Girls clubs of Benton and Franklin Counties, Prosser Clubhouse, $1,200,000
Opportunities Industrialization Center of Washington, OIC Excel Youth Center, $475,000
Boys and Girls Clubs of Snohomish County, Chelan Boys & Girls Club, $180,000
Skagit Valley Family YMCA, Skagit Y Outdoor Capital Campaign, $422,594
Madison House Youth Center of Yakima WA, Madison House Acquisition, $275,350
YMCA of Greater Seattle, Snoqualmie YMCA Expansion Project, $1,200,000
YMCA of Snohomish County, Marysville YMCA Youth Recreation Facility, $1,125,000
Northeast Youth Center, Outdoor Play Area Renovations, $25,000
Wenatchee Valley Museum and Cultural Center, Wenatchee Children's Play, Learning, & Recreation Facility, $774,105
Friends of Lopez Island Pool, Lopez Swim Center, $263,046
Idaho Central Spokane Valley Performing Arts Center, ICSVPAC Music Corner & Rehearsal Room, $1,200,000
Bellevue Boys & Girls Club, Teen Workforce Development Expansion, $26,750
Skagit Valley Family YMCA, Sedro-Woolley Rec Center Remodel, $68,046

YRF capital projects must feature a youth recreational component and a supporting social service or educational component. State grants require 75% matching funds. The YRF Program Advisory Board assists the department by reviewing program guidelines and ranking project proposals.

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Project Class: Grant/Loan

Description

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

This round of YRF over the past two years saw a significant increase in youth that require an array of youth developmental programming. YRF received 18 applications totaling more than $9.7 million in funding requests. Fourteen (14) applications were selected and recommended by the Advisory Board.

By financing construction and renovation costs, the YRF Program both encourages and improves the health and well-being of Washington's youth and frees up funds that would otherwise be spent on facility mortgage or lease payments. It thereby increases funds available for local organizations to commit to direct youth program services.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Grants may be used for acquisition, construction, or rehabilitation of non-residential youth recreational facilities. Projects must result in a discrete, usable phase. Historically, many projects in this program span over a four-year period, based in part on construction schedules. While it is unknown how many facilities would be funded under the 2025-27 YRF grant program, the prioritized project list is capped at $8 million in funding requests. In 2023-25, 12 projects received $8 million in state funds.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

By funding the YRF prioritized project list, the state invests in ready and supported community projects that are designed to bring cultural programming and benefits to the residents that live in that area. As YRF can finance up to only 25% of the project, the state is leveraging substantial

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Project Title: 2025-27 Youth Recreational Facilities Program
Project Class: Grant/Loan

Description

community, non-profit, and other funds to advance projects that strengthen community youth recreational and service programming.
If no action was taken, it would delay eligible projects. Project delays increase construction costs for the State and communities. The opportunity to create economic activity and stimulus through construction projects in communities would be missed, and valuable community youth recreational, services programming and economic drivers would be delayed indefinitely.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered
The department is required by RCW 43.63A.135 to establish a competitive process to solicit proposals for and prioritize projects whose primary objective is to assist nonprofit youth organizations in acquiring, constructing, or rehabilitating facilities used for the delivery of nonresidential services, excluding outdoor athletic fields, and must submit a list of recommended projects to the governor and the legislature in the department's biennial capital budget request.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
Youth-focused nonprofit organizations such as state Boys and Girls Clubs and YMCAs would be impacted. They would offer improved facilities and improved educational and social service activities to youth.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
By statute, RCW 43.63A.135, YRF projects require a 75% non-state match from all eligible projects. While it is unknown how many projects would be funded and the related state funds needed, YRF makes good use of substantial community, non-profit, private and local financing.

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Report Number: CBS002
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Project Number: 40000661
Project Title: 2025-27 Youth Recreational Facilities Program
Project Class: Grant/Loan

Description

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This request supports and is consistent with the Governor's Results Washington through:
Goal 4: Health and safe communities: Fostering the health of Washingtonians from a healthy start to safe and supported future.
This request supports the agency's strategic goals for community support and equity.
And supports the agency's strategic objectives:
Enrich Commerce's human capital to demonstrate and employ cultural competency.
Understand the needs and challenges affecting their access to resources through deep community engagement and outreach.
Consult with community partners on our data and data-informed decisions.
Dismantle barriers to access and provide support so that communities across the state are positioned to access resources.
Build systems that enable data-informed decision-making to improve equity.
Establish internal (real time) information sharing that enables collaboration across the agency.
Provide (proactive) technical assistance and help build capacity in organizations with trusted messengers.

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

N/A

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

N/A

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Project Title: 2025-27 Youth Recreational Facilities Program
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Description

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

All projects are required to meet the Leadership in Energy and Environment Design (LEED) Silver Standard or receive an exemption from Commerce. LEED is a green building certification program developed by the nonprofit U.S. Green Building Council (USGBC) and includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, which aims to help building owners and operators be environmentally responsible and use resources efficiently.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

Through continuous outreach and engagement, this program will impact equity in the state by providing all communities with access to learning how to explore opportunities at accessing grant funds for youth- focused organization. All communities including those who are mostly impacted such as BIPOC and Tribal Nations have applied through this biennium competitive process. Through this proposal, organizations can provide social services and/or education to youth that address health, social and educational disparities by providing enrichment opportunities through youth programs.

Is there additional information you would like decision makers to know when evaluating this request?

N/A

RCW that establishes grant (if applicable): 43.63A.135

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Project Title: 2025-27 Youth Recreational Facilities Program
Project Class: Grant/Loan

Description

Application process used (grants; if applicable): Applicants submit applications electronically through the ZoomGrants online system, then they are ranked and scored by a citizen's advisory board.

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.
Estimated Total Expenditures:
Account 2025-2027
057-1 $7,688,000

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	7,688,000		1,868,000	5,820,000	
	Total	**7,688,000**	**0**	**1,868,000**	**5,820,000**	**0**

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Project Number: 40000661
Project Title: 2025-27 Youth Recreational Facilities Program
Project Class: Grant/Loan

Funding

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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*

Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	40000659, 40000660, 40000661, 4000(	40000659, 40000660, 40000661, 4000(
Sort Order	Project Class	Project Class
Include Page Numbers	N	No
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

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Project Number: 40000683
Project Title: 2025-27 Clean Buildings Performance Grants
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Department of Commerce proposes a budget request to continue funding important energy efficiency and decarbonization work as part of the state's Clean Buildings Performance Standard (CBPS). Building owners across Washington are ready and eager to make energy-use improvements to their buildings through heating and cooling equipment, building envelope measures, and other site-level improvements. However, they lack the capital to do so. This decision package would continue funding for this grant program.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

This funding request would support energy efficiency and electrification projects to bring commercial, public, and multifamily buildings over 20,000 square feet into compliance with the Clean Buildings Performance Standard. Under the standard, buildings are required to measure and lower their energy use; in some cases, where buildings are older or less efficient, this will require capital improvements. Commerce will fund these projects by continuing and expanding its grant program, while prioritizing buildings based on their compliance timeline.

This program is currently funded at $45M in the 2024 supplemental capital budget, to be expended beginning 1/1/25, subject to funding availability.
Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The Clean Buildings Performance Standard, passed in 2019 (HB 1257) and expanded in 2022 (SB 5722), sets first-in-nation energy efficiency standards for large commercial buildings. The largest buildings, termed "Tier 1" buildings, must begin meeting energy use intensity targets (EUI) in 2026. Smaller commercial and multifamily buildings, termed "Tier 2" buildings, must begin reporting their building's energy use, among other data, starting in 2027. Building owners, including public and private, rural and urban, non-profit and commercial, need funding assistance to make capital-intensive improvements. This grant program will support both building tiers, prioritizing supporting projects in underserved communities.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

This request will fund several activities, including:
• Energy efficiency and electrification improvements within existing large buildings: Such as a mechanical system upgrade, ducting work, insulation, window replacement, and more improvements to reduce energy use.
• Energy auditing, reporting, and pre-design work: Includes the diagnostic support to bring buildings to the point where they can determine which projects will bring them into compliance, and sequence capital projects in a technically feasible way.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Commerce estimates that there are over 100,000 covered buildings across both tiers of the CBPS, and not every building owner is well-positioned to make capital-intensive energy efficiency improvements. This grant program will support both building tiers, with a priority on supporting projects in underserved communities. The result of no action is that buildings will be out of compliance with the standard, missing out on energy benefits and long-term cost, rather than energy-efficient technology

Project Number: 40000683
Project Title: 2025-27 Clean Buildings Performance Grants
Project Class: Grant/Loan

Description

benefitting building owners and occupants. Safety, comfort, and cost savings are all critical benefits of energy efficiency and electrification projects, particularly those that incorporate the addition of air conditioning, which provides cooling benefits. Additionally, building owners that are out of compliance may incur fines if their energy use target is not met prior to their compliance date. For Tier 1 buildings, these fines will be $1,50 per square foot.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

One alternative is to provide innovative financing to support energy efficiency improvements, rather than fund part or all of an energy efficiency project. This will likely result in not meeting the needs of underserved communities or affordable housing providers, whose building owners are less likely to be able to invest in large capital improvements, even with financing. As such, funding part or all of an energy efficiency project is the preferred option because it enables projects from a wider array of communities and is more practical in communities with limited financial resources and opportunities to expand large capital projects.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

There are more than 8,000 identified Tier 1 buildings, and approximately half of those (4,000) need capital improvements. The other half are likely already compliant with their energy use intensity (EUI) targets. While the process of Tier 2 building identification is ongoing, Commerce estimates there could be as many as 100,000 smaller commercial, public, and multifamily buildings needing energy reporting, benchmarking, and operations and maintenance planning services.

Only buildings required to comply with the standard are eligible for these funds. Tribes may opt into the standard, in which case they would be eligible for these grants.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

This program enables building owners to leverage programs such as:
• Utility funding in the form of incentives for energy efficiency and electrification improvements, which a large number of utilities across the state offer for commercial customers.
• Federal funding: Home Energy Rebates authorized by the federal Inflation Reduction Act can and must serve low- and moderate-income multifamily buildings. Federal funding for whole home efficiency and electric rebate appliances can be leveraged with this funding request.
• Local governments (such as Seattle) have clean heat and fuel switching incentives for low-income households.
• Federal 179D tax deductions.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

In the Buildings Chapter of the 2021 State Energy Strategy, a combination of efficiency and electrification are identified as the least-cost pathway to achieving the emissions reductions required in statute within the buildings sector. This action directly delivers on the recommendation that buildings improve the efficiency of their performance and electrify, in addition to the State Energy Strategy recommendation: Ensure funding is available for building efficiency projects in all communities.

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Project Title: 2025-27 Clean Buildings Performance Grants
Project Class: Grant/Loan

Description

Governor Jay Inslee identifies the nation-leading Clean Buildings law, which creates the statewide performance standard, as one of the state's top priorities, and this funding proposal directly implements this law.

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

No IT-related costs.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

N/A

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

This decision package directly funds efficiency and emissions reductions in our state's largest buildings, representing some of the largest scale energy users. It is some of the most important work that can be done to cost-effectively meet the state's emissions limits in statute and directly contributes to buildings meeting the Clean Buildings Performance Standard.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

Commerce plans to prioritize projects in buildings located in underserved and overburdened communities through this grant program, recognizing these buildings are probably the least well-positioned to make capital-intensive improvements. This project's budget includes staff time to ensure there is robust engagement in underserved and overburdened communities, including translation services and other assistance.

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.

Please see attached document for tables.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

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Project Title: 2025-27 Clean Buildings Performance Grants
Project Class: Grant/Loan

Description

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State					
26C-1	Climate Commit Accou-State	5,000,000		23,000	4,977,000	
	Total	**5,000,000**	**0**	**23,000**	**4,977,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: **40000679**
Project Title: **2025-27 Clean Energy Fund Program**
Project Class: **Grant/Loan**

Description

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Project Number: **40000679**
Project Title: **2025-27 Clean Energy Fund Program**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

Through the Clean Energy Fund program, Washington State makes critical investments in clean energy technology innovation and transformation. Providing $60 million in the 25-27 biennial budget will ensure that the Clean Energy Fund can continue to support emerging clean energy technologies that are being developed in our state.

Project Description

Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The Department of Commerce requests $60 million in capital funding for the Clean Energy Fund program, the same amount originally appropriated in the 23-25 biennium. Capital funds will be disbursed as grants to eligible entities for the equitable deployment of clean energy technologies and infrastructure. Clean Energy Fund investments will be targeted to continue the successful Tribal Clean Energy Program, accelerate grid integration and innovation, deploy innovative microgrid technologies, hasten decarbonization of industrial, commercial and small business sectors, and catalyze research and deployment of new clean energy technologies. In addition, this request includes approximately $3.5 million in funding as the required state match for year 3 and year 4 of our federal 40101(d) grid resilience and reliability program.

1.Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The Legislature invested $281 million through the Clean Energy Fund since 2013 to develop and demonstrate new clean energy technologies in Washington. To date, Clean Energy Fund grants have catalyzed matching investments from private companies, utilities, research institutions and others, unlocking millions of additional dollars. These highly leveraged investments strengthen Washington's communities through living wage jobs, workforce skill development, and local economic activity. The ongoing public-private partnerships catalyzed by Clean Energy Fund accelerate innovation across numerous sectors that grow our state's economy and help Washington progress toward its clean energy goals.

Projects supported by the Clean Energy Fund benefit the public by developing and deploying technologies that save energy and reduce energy costs, reduce harmful air emissions, and increase energy independence for the state. This benefits society, in addition to the project proponent by enabling the testing and deployment of new technologies that can scale to wider use. For example, by improving how distributed energy resources integrate with the electric grid, a utility can avoid costly infrastructure upgrades. This means that all customers of that utility save money on their bills – not only the customer that hosts a project. Another example is that by addressing innovative new technology solutions for hard-to-decarbonize sectors, the applicable entity saves money in complying with state law and the local community benefits from reduced pollution.

Continued funding for the Clean Energy Fund is critical to effectively and equitably meet Washington's aggressive climate goals and continue the state's leadership on clean energy innovation and deployment.

2.What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

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Project Title: 2025-27 Clean Energy Fund Program
Project Class: Grant/Loan

Description

Funds from the capital budget will be used to support innovative clean energy projects through grants to eligible entities for the equitable deployment of clean energy technologies. To maximize construction timelines, grants are made at the beginning of the biennium. Further, investment is needed to sustain progress toward meeting our climate goals effectively and in alignment with the Healthy Environment for All (HEAL) Act, which prioritizes environmental benefits to communities already experiencing the worst effects of pollution and climate change. Clean Energy Fund investments are vital for supporting innovators in Washington who are working to develop new clean energy technologies that will enable our state to achieve its greenhouse gas emission reduction goals at the lowest possible cost and with the greatest benefit to residents.

3.How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

The Clean Energy Fund plays a unique role to incentivize energy projects that would not otherwise develop due to inadequate regulatory or market conditions. In fact, the Clean Energy Fund is the only dedicated state program that supports research, development, and demonstration of new clean energy technologies. To date, state investments made through the Clean Energy Fund have catalyzed innovation across numerous sectors that grow our state's economy and help Washington progress on our clean energy goals. Clean Energy Fund programs support Washington's clean energy businesses in growing their market share and moving Washington's clean energy forward as the next export-rich industry.

Clean Energy Fund programs reduce greenhouse gas emissions through the adoption of clean technologies and diffusion of best practices on how to optimize these technologies on Washington's grid. These grants will catalyze the development of new energy technologies needed to address climate change and enable adaptation of these technologies to suit the different needs and priorities of communities throughout the state. Importantly, the Clean Energy Fund has a proven track record of channeling investments into underserved communities.

Market transformation of emerging clean energy solutions requires continued investment. Without continued funding for the Clean Energy Fund, equitably meeting Washington's aggressive climate goals will be more challenging; and in the absence of the technology innovation fostered through the Clean Energy Fund, clean energy solutions will be more expensive.

Clean Energy Fund funds are in high demand. Every grant cycle, there are many more applications than can be funded. Underfunding or not funding the Clean Energy Fund could stall development of the state's clean energy sector and forgo job growth, as well as limit reductions in greenhouse gas emissions and the equity benefits of the Clean Energy Fund's programs. Forgoing funding would make our key research institutions and entrepreneurs in emerging clean technology sector less competitive, thereby encouraging employer flight. This would likely reduce the number of clean technology patents and clean energy solutions developed in state.

4.What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

While there are different ways to approach the projects proposed, without significant state participation Washington risks being behind the curve in the transition to the clean energy economy, decreasing clean technology business investment in Washington, and jeopardizing the goal of positioning Washington as a leader in decarbonization. If left to the private sector to fill investment gaps, we risk leaving vulnerable populations behind and forgoing an important opportunity to advance our

Project Number: **40000679**
Project Title: **2025-27 Clean Energy Fund Program**
Project Class: **Grant/Loan**

Description

statewide emission reduction goals in a coordinated, equitable, and enduring way.

5.Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Eligible applicants for projects funded under this program include local governments, tribal governments and tribal entities, retail electric utilities, community-based organizations, research institutions, universities, ports, for-profit entities, and anyone else deemed eligible by the department.

Through a broad portfolio of investments, the Clean Energy Fund invests in communities across the state to accelerate the transition to clean energy. Commerce has implemented important changes in program administration to ensure that grants are more accessible to first-time applicants. The Clean Energy Fund is well positioned to create new opportunities for frontline communities to play an active role in creating a resilient, clean and equitable energy future. To date, the Clean Energy Fund has supported more than 500 projects serving communities statewide. We anticipate this funding request will support an additional 50 to 60 projects.

6.Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

The nature of grants will be determined by Commerce. Previous matching fund requirements have varied depending on the applicant and program. For example, for-profit entities are typically required to provide a 1:1 match and have historically provided match closer to $3 for every $1 Clean Energy Fund awarded.

To date, Washington’s Clean Energy Fund investments have unlocked millions of dollars to support innovative projects in grid modernization and storage; financing energy efficiency and renewable energy in low-income communities; and the electrification measures. The funding has resulted in energy savings, prevented emissions of greenhouse gases, allowed the state to be a leader in clean technology development, and supported jobs in the energy sector. Continued funding would attract millions in private financing, utility funding, federal and local funds that would not be available to clean energy technology research institutions, businesses, and entrepreneurs without this investment. Notably, approximately $3.5 million of the Clean Energy Fund will provide the required state match for the already secured U.S. Department of Energy’s 40101(d) grant award.

7.Describe how this project supports the agency’s strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

This proposal furthers the agency’s priorities of funding reliable infrastructure, building a clean and just energy economy, and increasing living wage jobs. It is crucial to supporting innovation in the clean energy technology section and aligns with state and agency strategies:

The request supports Commerce’s goal to strengthen communities by aligning with the outcome-based approaches to the following outcomes:
- Living Wage Jobs: Creating living wage jobs through the construction and maintenance of projects
- Reliable Infrastructure: Updating our energy systems to be reliable, dynamic and innovative

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Project Title: 2025-27 Clean Energy Fund Program
Project Class: Grant/Loan

Description

- Clean Energy Future: Reducing energy consumption, increasing clean energy generation, decreasing carbon emissions

This proposal also supports two key recommendations of the 2021 State Energy Strategy:
- 2.5. Advance Grid Modernization with Clean Energy Fund Investments in Resilient & Flexible Projects
- 4.1 Continue to Invest in the Clean Energy Fund

8.For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service?

Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.)

N/A

Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

N/A

9.If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

N/A

10.How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

The Clean Energy Fund is entirely focused on reducing carbon pollution and improving energy efficiency. Since 2013, Washington's Clean Energy Fund investments have leveraged millions of dollars to support innovative projects in grid modernization, research and development of new technologies and electrification measures. The funding has resulted in energy savings, prevented emissions of greenhouse gases, allowed the state to be a leader in clean technology development, and supported jobs in the energy sector.

In the coming years, the 2019 Clean Energy Transformation Act's goal of 100% clean electricity, combined with the state's greenhouse gas reduction targets, will fundamentally alter Washington's energy landscape and transform electricity service. The projects that are facilitated by the Clean Energy Fund will help ensure that the state is successful in meeting those goals equitably and effectively.

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Project Class: Grant/Loan

Description

11.How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

With its strategic goal of developing, demonstrating and deploying clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions, or otherwise increase energy independence for the state, the Clean Energy Fund is an important tool that has and can continue to be used to mitigate the effects of climate change and strengthen the resiliency of communities and the natural environment.

Commerce's project proposal evaluation framework focuses on increasing access for first-time applicants and promoting equitable outcomes for tribes, overburdened communities and vulnerable populations. This commitment to equity in our grants programs was underscored by the new approach that the Energy Programs in Communities (EPIC) unit implemented this year to combine nine funding streams (including the Clean Energy Fund) of $117 million into three tailored clean energy funding opportunities: a rolling opportunity for tribes, a community decarbonization opportunity, and a general funding opportunity. The community decarbonization opportunity focused entirely on projects that improve outcomes for communities that face inequitable risks from climate change, including energy burden and health, while the general solicitation for clean energy projects is open to projects and applicant types from all over the state. This approach enables communities to submit one application for a range of funding opportunities. In addition, we supported technical assistance under the Clean Energy Fund for eligible applicants planning a project. This assistance may include pre-design, design, and engineering work and it is often essential for under-resourced communities that may be exploring the implementation of new clean energy technologies for the first time.

EPIC grant programs are on track to reach or exceed the HEAL and CCA goals of 40% of investments directed to overburdened communities and vulnerable populations and 10% to tribes. We will continue to include these targets and mechanisms to achieve these targets with the Clean Energy Fund.

In addition, EPIC will continue to work with the Community Advisory Committee stood up in 2024, involving paid advisors with lived experience in social equity, anti-racism, tribal rights, climate justice and beyond to evaluate proposals and develop funding recommendations to leadership.

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.

See attachment for Estimated Total Expenditures.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

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Project Title: 2025-27 Clean Energy Fund Program
Project Class: Grant/Loan

Description

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
Various

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State					
26C-1	Climate Commit Accou-State	35,000,000		1,745,000	33,255,000	
	Total	**35,000,000**	**0**	**1,745,000**	**33,255,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
Date Run: 9/13/2026 11:59AM

Project Number: 40000680
Project Title: 2025-27 Communities of Concern
Project Class: Grant/Loan

Description

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
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Project Number: 40000680
Project Title: 2025-27 Communities of Concern
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

This $10 million request seeks to provide funding to the Communities of Concern Commission for pre-development and development costs to capital infrastructure programs. These funds would provide communities with capacity to develop projects: design, consultation, and other pre-development task necessary to prepare projects for capital funding.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

This proposal seeks funding that continues the work of the Commission, funded in the amount of $970,000 for 25-27 to document pre-development and development related projects. The Commission has worked with their members to self-direct a list of projects most beneficial to the communities they serve, and in need of investments to continue the capital projects that lead to not only vibrant communities, but generational wealth for those our system has long left out of state processes.

This proposal also comes out of the work and recommendations from the legislatively directed Capital Equity review. The capital equity review provided detailed accounting on the myriad barriers that systemically oppressed communities experience in pursuing and receiving capital funding, while underscoring that these barriers extend beyond capital needs, also impacting communities' ability to provide sustainable housing, community space, energy infrastructure and more.

A key recommendation from the study was providing funding and broader technical assistance, training, tools and practices to simplify and de-mystify grant application processes, particularly for organizations who represent and serve systemically oppressed communities.

Communities throughout the state do not have the capacity to develop projects for state capital funding especially rural and underserved communities. New investments are needed in pre-development programs to support the capital needs of systemically oppressed communities.

Informed directly from community engagement feedback, the following efforts are needed:

• Expanded program-specific technical assistance for applicants and potential applicants to Commerce capital funding.

• Expanded pre-development funding, including both capital and operating funding, to strengthen the ability of By and For and extremely rural entities to compete for capital funding from a variety of sources. This funding would not be contingent upon a future capital funding application to Commerce.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

The Communities of Concern Commission, a coalition of leaders of nonprofit organizations that work primarily in communities of color in urban and rural areas, has demonstrated the need for continued investment and technical assistance for community-led assets to come to fruition. Commerce’s partnership with them also continues to reveal internal processes that need to be adjusted to make funding more accessible, while maintaining our role as a state steward of capital funding. A $10 million capital appropriation for the CoCC to administer for eligible capital expenses to its growing network of partners can help us see wealth generation supported in communities long left out of the funding systems we oversee.

The Communities of Concern Commission include members with deep experience in building for their communities, yet are still facing barriers to standard funding. These member organizations include:

Asia Pacific Cultural Center
Bethel Christian Church – Seattle
Catholic Community Services
Catholic Housing Services
Chief Seattle Club
Community to Community
Ethiopian Community in Seattle
El Centro de la Raza

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Project Title: **2025-27 Communities of Concern**
Project Class: **Grant/Loan**

Description

First AME Church – Seattle
FilAm Resources for Educational Advancement for Culture & Technology
Latino Civic Alliance
Lummi Stepping Stones
Native Action Network
Partners for Rural Washington
SeaMar Community Health Centers
Seattle Indian Services Commission
Tibetan Association of Washington
The Foundation of Homeless & Poverty Management
United Indians of All Tribes Foundation
Village Spirit Center / FAME – Equity Alliance of Washington
Washington State Catholic Conference
African Community Housing Development
Intramuros Community Development Partners

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.
This funding will go to helping build the organizational capacity to support the community based projects led by Commission members. These projects support community housing and facilities, and help to build the generational wealth necessary for equitable recovery. By partnering with trusted and proven community organizations, invested in building the projects needed by their communities, we will have direct impact on community development opportunities that extend far past the boundaries of the facilities being built.
Funding would support the access, and remove barriers to access, to state capital project funding to include:
· Capacity Building
· Technical assistance
· Preliminary technical studies
· Architectural and engineering services
· Archeological and historic structure assessments
· Project related professional and technical services
· Construction management and observation fees
· LEED certification fees
Funding would help Community-based organizations who may be new to capital campaigns prove the feasibility of a project, which can help them then recruit additional non-state resources.
The Commission has 12 capital projects that it has prioritized. Those projects are:
Bryant Manor Redevelopment – Phase II (FAME Housing Association)
Skagit Farmworker Led Community Farm project (Community to Community Development)
Intramuros Village and Cultural Community Center (Intramuros Community Development Partners)
Daybreak Star Storage Unit & Greywater Shower (United Indians of All Tribes Foundation)
Thunderbird Nest at North Seattle College (Chief Seattle Club)
Hummingbird Village – Tiny House Village (Chief Seattle Club)
Building Future Industry Leaders – Workforce Development Program (Latino Civic Alliance)
Cultural Enlightenment Child Care Center (Foundation for Homeless & Poverty Management)
Nuwe Reis at Barker Creek (Foundation for Homeless & Poverty Management)
African Diaspora Cultural Anchor Village (African Community Housing & Development)
Seattle Immigrant & Refugee Public Market (African Community Housing & Development)
Addis Village (Ethiopian Community in Seattle)
While the need far exceeds the 10 million we are requesting, the Commission will be able to self-direct through their tested application process and prioritize funds for the projects listed above.

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Description

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?
By their very nature, pre-development funds will provide capacity to underserved communities allowing for greater and more equitable access to the States capital funding. The Communities of Concern Commission was established to promote social welfare and economic development by empowering Black, Indigenous, and People of Color (BIPOC) nonprofit organizations. This includes capacity building by helping BIPOC nonprofits create, manage, and own their own affordable housing development projects and community facilities. Their mission is focused on addressing the impacts of poverty and institutional racism that disproportionately affects BIPOC populations.
Funding the projects put forward by the Communities of Concern Commission, a group trusted and closest to the organizations doing work in our communities, is how state agencies like Commerce can partner to see wealth generation fully realized through projects brought forward and prioritized by the Commission itself. The self-determination of communities to develop and build the projects brought forward by the communities themselves, is a way for our state system to be responsive to empowering voices that have historically been left out.
Historically underserved communities have lacked access to resources needed to prepare and plan for capital project funding and program development. Submitting capital and even operating funding applications without well-developed plans and the ability to demonstrate readiness to proceed, is generally a waste of time. Competition for limited funding is steep, and application prerequisites and funding priorities reward experience and demonstrated readiness. Low barrier, on-demand, grants are needed to support community entities in advancing their projects to the point of being eligible for and more competitive for funding programs at Commerce and through other sources. Small to medium sized grants can support efforts like feasibility, engineering design, needs assessments, site assessments and site control activities, and other detailed expert plans. These project development activities are fundamental to implementing a project successfully.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered
While we have similar programs within Commerce that have seen great success, we know that allowing these organizations to develop and implement the work themselves in partnership with Commerce will ensure the most success for the small businesses they are serving. In order to begin this pilot program, we feel that a Direct Proposal is the best path forward for these organizations and for this program so that they can continue to work with Commerce to build out the resources being offered to the business owners but also build culturally and community specific programming that they know will provide direct impact to the communities they are serving.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.
The projects would impact clientele associated with:
Bryant Manor Redevelopment – Phase II (FAME Housing Association)
Skagit Farmworker Led Community Farm project (Community to Community Development)
Intramuros Village and Cultural Community Center (Intramuros Community Development Partners)
Daybreak Star Storage Unit & Greywater Shower (United Indians of All Tribes Foundation)
Thunderbird Nest at North Seattle College (Chief Seattle Club)
Hummingbird Village – Tiny House Village (Chief Seattle Club)
Building Future Industry Leaders – Workforce Development Program (Latino Civic Alliance)
Cultural Enlightenment Child Care Center (Foundation for Homeless & Poverty Management)
Nuwe Reis at Barker Creek (Foundation for Homeless & Poverty Management)
African Diaspora Cultural Anchor Village (African Community Housing & Development)
Seattle Immigrant & Refugee Public Market (African Community Housing & Development)
Addis Village (Ethiopian Community in Seattle)

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Description

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?
This proposal hopes to realize activities already funded by Commerce, to the Communities of Concern Commission. $300,000 in state operating funds to support Commission operations to support and expand Commission operations and provide small grants to member organizations for operating related expenses (e.g. computers & financial/management software) that can't be covered by capital funds. This would supplement the $300,000 in funding provided in Commerce's 2023-25 operating budget proviso;
It is the Commission's intent to expand its membership to include more BIPOC nonprofit organizations throughout the state. Operating funds provide the needed flexibility and not have to meet the state's requirement for capital purchases (longer-term life of the product).
$10 million in capital funds for both predevelopment and development-related projects. The Commission can document a need for funding based on their current application process, and their previous request to member organizations request for applications for "Project Readiness funding" authorized under ESSB 5200.

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.
This proposal is about investing in by and for communities, and trusting our community members to know what projects mean the most to them and their communities. This also works to provide the autonomy of decision making to the Commission, while utilizing Commerce's administrative processes to support them.
While this proposal is not captured within our own facility planning work for the agency, we do believe it supports the agency's strategic plan, captured in our answer to Question 11.

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)
This proposal assumes no IT-related costs.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.
This question is not applicable to this proposal.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.
This question is not applicable to this proposal.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?
Both the Governor and Commerce strive for equity and strive to ensure resources are getting in to marginalized communities. Supporting a coalition such as Communities of Concern Commission and the organization who make up the coalition will only further that goal. These organizations have worked for years to combat institutional racism. Giving them the tools and resources they need to directly serve their communities will help to dismantle barriers and hurdles these communities have faced to receiving the support they may need. The funding of projects that are self-directed by organizations closest to the work and of

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the communities they seek to serve is also a core principle of Commerce's equity work.
Under the Commerce strategic plan this package will support the following areas:
Equity in community development:
Prioritize investment in underserved, historically disadvantaged and vulnerable communities.
Build capacity through community engagement, outreach and technical assistance.
Partner with racial, geographic, and marginalized communities to understand needs and challenges affecting their access to resources.
Dismantle barrier to access so that communities are positioned to access resources, both through competitive processes and alternative mechanisms when appropriate.
Equitable economic recovery:
Provide economic stimulus
Provide a pathway for equitable access to the tools and resources Commerce is offering to communities
Create economic opportunity for communities who have historically been denied that opportunity
This funding would also support the Results Commerce goal of vibrant communities and targeted outcomes of building and maintaining local capacity.

Is there additional information you would like decision makers to know when evaluating this request?
Communities of Concern Commission would be able to capture project readiness progress types of activities most needed by members technical assistance metrics
Case studies of how communities benefit from operating & pre-development opportunities that are partnered with capital funding
Communities of Concern Commission should collect data on who they are serving, how services are offered and what projects are most successful
On-going feedback and information sharing to improve commerce programs that will benefit communities across the state

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.
Estimated Total Expenditures:
Account
2025-2027
2027-2029
2029-2031
2031-2033
2033-2035
Fund 057-1
$10,000,000
Fund
Total

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

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Project Title: 2025-27 Communities of Concern
Project Class: Grant/Loan

Description

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
Various

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	4,022,000		728,000	3,294,000	
	Total	**4,022,000**	**0**	**728,000**	**3,294,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: **40000673**
Project Title: **2025-27 Community EV Charging**
Project Class: **Grant/Loan**

Description

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Project Number: 40000673
Project Title: 2025-27 Community EV Charging
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

Through the Washington Electric Vehicle Program (WAEVCP), the state makes critical investments in community-based electric vehicle charging infrastructure. Providing $105 million in the 25-27 biennial budget will ensure the state can narrow gaps in charging access and keep pace with growing electric vehicle adoption. Charging investments are an essential component of the state's strategy to limit greenhouse gas emissions as required in RCW 70A.45.020 and reach motor vehicle emission standards set in RCW 70A.30.010.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The department requests $105 million in capital funding for WAEVCP, the same amount appropriated in the 23-25 biennium. Capital funds will be disbursed as grants for the equitable deployment of charging infrastructure, including along state routes and community destinations with shorter dwell times, apartment buildings where residents face current barriers to home charging, and large electric grid distribution system projects needed to power priority charging projects in overburdened communities (i.e., ports and school bus and transit bus yards).

This investment includes:

- $101,950,000 for grants
- $1,000,000 for technical assistance
- $2,050,000 for program administration

Commerce is putting forward a proposal that continues maintenance-level funding despite receiving more than $140 million in applications in the current funding round. This reflects the guidance from OFM not to expand current programs.

This proposal would also absorb the state route charging function of WSDOT's Zero-Emission Vehicle Infrastructure Program (ZEVIP) without lowering the state's overall investment in charging infrastructure. This is due to an additional $59.7 million in funding for Commerce's WAEVCP proposed in the operating budget decision package that would be implemented through home charging rebates. Overall, the state's investment in EV charging for passenger vehicles would stay the same as 23-25 funding levels.

Through program coordination work between agencies on the EV Council, WSDOT and Commerce program units recommended that the state continue implementing the state highway as part of a broader Washington Electric Vehicle Charging Program administered by Commerce. This is included in the decision package as the conversation between agencies continues with agency leadership. If pursuing the option as included in this proposal to combine into one administered broader program, Commerce and WSDOT would share program design

Project Number: 40000673
Project Title: 2025-27 Community EV Charging
Project Class: Grant/Loan

Description

responsibilities to ensure alignment with the National Electric Vehicle Infrastructure Program and other electrification work at WSDOT. This is explained in detail in a memo presented to the EV Council in July. Commerce and WSDOT will reach out to OFM and the Governor's Office with updated guidance and are available to talk through options as the budget is developed.

1.Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Combined with the Electric Vehicles for All – Operating DP, this proposal implements priority recommendations of the Transportation Electrification Strategy (TES), the state's action roadmap developed by the Interagency Electric Vehicle Coordinating Council (EV Council) as required by Move Ahead Washington. The TES is benchmarked to state emissions limits and motor vehicle emission standards and creates targets for EV charging.

The TES identifies a preferred modeling scenario – Strong Electrification Policy – as the maximum feasible adoption pathway. The scenario sets targets that 23-25 biennium investments made progress toward meeting:

Fast charging

·The state must narrow and quickly close the shortage of public direct current fast charging (DCFC) as demonstrated in the data above. As stated in the operating DP, Lack of charging stations is the #2 barrier for EV considerers and #1 barriers for EV skeptics in Cox Automotive research, and #2 in the TES opinion research. For consumers without experience using an EV, it is often not clear that most charging takes place at home unless such access is not feasible or driving exceeds 150-200 miles each day. This makes public charging convenience and reliability a key component of public willingness to make the transition to electric.

·It should be noted that the TES public charging modeling should be considered a minimum estimate because of assumptions made on residential charging, power level, and reliability. Reliability is especially key because there was no reliability factor assumed, meaning a port needed is assumed to be a port that functions. Commerce is also advancing ARL to implement charging reliability standards based on strategies used for state funded charging stations.

Multifamily charging

·Commerce prioritized multifamily charging in the 23-25 biennium, resulting in awards for 11% of need in the biennium. While reliable data does not exist on multifamily charging progress, it is a safe assumption that 11% state investment leaves much of the state's multifamily residents without home charging access. The 11% figure is of the assumed 26-29% of residents who would have access to multifamily charging, not of all multifamily residents. Feedback from multifamily property owners and managers indicates that they are largely not installing charging unless required to do so by building codes (new construction only) or funded to do so.

·The TES survey research found large disparities for renters versus homeowners. Of current EV drivers 78% are homeowners, and 67% own their own personal garage, while, of the next wave ready to adopt EVs, 65% are homeowners, and 55% own their own personal garage. The homeownership rate continues to go down with each readiness segment of those willing to consider an EV as their next vehicle.

·The Commerce survey of 84 stakeholders asked respondents for their highest priority of light-duty vehicle

Project Number: **40000673**
Project Title: **2025-27 Community EV Charging**
Project Class: **Grant/Loan**

Description

charging type. The four top choices of respondents to the question were:
·Multifamily: 36%
·Public fast-charging: 33%
·Single family: 12%
·Public level 2: 11%
·In addition to the preference among stakeholders and equity implications, residential charging is of huge importance to making overall investments more cost effective. This is because home charging is the least expensive to install and use. According to analysis by the International Council on Clean Transportation, increasing home charging access from 70% to 82% would save $5.6 billion nationally.
·This policy preference is built into the assumptions at the core of the TES model, which assumed 100% home charging access for single-family homes and an increase from 23% access in 2023 to 60% in 2035. The investments proposed in this decision package will help narrow the investment gap between previous state funding and what is needed.
·By adding increasing investment for multifamily buildings and starting to support cost for more affordable single-family homes, the state can strategically address the home ownership-renter disparity in EV access.

1.What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Charging infrastructure

While the request does not specify exact breakdowns of types of charging, here is an estimation of what it could look like if the state funds 33% of multifamily charging ports needed at an average of 90% of project costs and 45% of public fast charging ports needed at an average of 70% of project costs:

820 fast charging ports assumed to be capable of delivering 150 kW on average
·This equates to $49.1 million, or 49% of the capital proposal.
·7,090 multifamily charging ports, assumed to be capable of delivering 7.2 kW on average
·This equates to $32.9 million, or 31% of the capital proposal.
·Commerce will explore the possibility of allowing the installation of lower Level 2 power outlets or chargers in apartment parking facilities and on curbsides. If worked into program design, this could significantly increase the number of electrified parking spots serving multifamily buildings.
·Commerce is also proposing a rebate program for smaller multifamily unit buildings in the operating budget that would fund 5,913 ports. Combined, the proposals would fund 13,003 multifamily charging ports, or one-third of need during the biennium. This is triple the effort of the 23-25 biennium, and a significant shift in policy approach toward maximizing home charging – an essential equity and cost effectiveness priority identified in the TES.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

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Project Title: 2025-27 Community EV Charging
Project Class: Grant/Loan

Description

Grant Recipient Organization: Various

RCW that establishes grant: NA

Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
26C-1	Climate Commit Accou-State	36,000,000		868,000	35,132,000	
	Total	**36,000,000**	**0**	**868,000**	**35,132,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: 40000675
Project Title: 2025-27 Connecting Housing to Infrastructure Program
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

This proposal seeks to continue the Connecting Housing to Infrastructure Program (CHIP), which invests in waterworks utility infrastructure and to offset system development charges to support affordable housing development. With $100 million in new funding for 2025-27, CHIP can expand on its previous successes (approximately 8,000 affordable housing units subsidized) and help cities and counties seek incentives to meet their affordable housing goals.

Project Description

This proposal seeks to continue the Connecting Housing to Infrastructure Program (CHIP), which invests in waterworks utility infrastructure and to offset system development charges to support affordable housing development. With $100 million in new funding for 2025-27, CHIP can expand on its previous successes (approximately 8,000 affordable housing units subsidized) and help cities and counties seek incentives to meet their affordable housing goals.

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grant/Loan - Unidentified

Grant Recipient Organization: Various

RCW that establishes grant: NA

Application process used

NA

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	100,000,000		1,100,000	98,900,000	
	Total	**100,000,000**	**0**	**1,100,000**	**98,900,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

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Project Number: 40000675
Project Title: 2025-27 Connecting Housing to Infrastructure Program
Project Class: Grant/Loan

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: 40000677
Project Title: 2025-27 Housing Trust Fund
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for housing trust fund projects throughout Washington.

Project Description
Funding for housing trust fund projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	216,750,000		3,625,000	213,125,000	
26U-1	Apple Hlth Homes Acc-State					
355-1	St. Bld Const Acct-State	511,874,000		14,232,000	497,642,000	
	Total	**728,624,000**	**0**	**17,857,000**	**710,767,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26U-1	Apple Hlth Homes Acc-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Capital Project Request
2027-29 Biennium

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 11:59AM

Project Number: 40000677
Project Title: 2025-27 Housing Trust Fund
Project Class: Grant/Loan

Operating Impacts

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 11:59AM

Project Number: 40000684
Project Title: 2025-27 Low-Income Home Rehabilitation Grant Program (HRGP)
Project Class: Grant/Loan

Description

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2027-29 Biennium

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 11:59AM

Project Number: 40000684
Project Title: 2025-27 Low-Income Home Rehabilitation Grant Program (HRGP)
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

Home Rehabilitation Grant Program (HRGP) is a precedent of the Low-Income Rehabilitation Revolving Loan Program (WAC365-175). It is designed to address deferred maintenance and repair needs for low-income housing in rural communities. A $6 million dollar investment will allow HRGP to make home repairs, preserve affordable housing for low-income families, and prepare homes for energy efficiency measures.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

Home Rehabilitation Grant Program (HRGP) provides funding to low-income households located in rural “non-entitlement” areas to address repair and durability issues in low-income housing. The program provides home repair services to individuals who own and reside in single-family residential structures. The maximum grant amount allowed per rehabilitation project is $50,000. HRGP prioritizes homeowners who are senior citizens, persons with disabilities, families with children five years old and younger, and veterans.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Washington state has a shortage of affordable, low-income housing. Maintaining our existing housing stock is vital to addressing housing insecurity. HRGP improves the safety and durability of low-income housing by ensuring basic housing necessities are accessible and affordable to more communities including those in rural parts of our state. Program design includes carving out funding for our state’s Tribal communities and income eligibility requirements ensure resources are directed to households who need this support.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

HRGP results in homes that are safer and more comfortable by addressing home repairs for low-income households. This will be achieved by allocating funds to four (4) regions in our state through a process that accounts for county, population, and reasonable distance service territory.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

HRGP program capitalizes on the existing relationships with Washington state’s network of low-income weatherization providers, but new program design allows for any other entity responsible for rehabilitating homes as set forth in RCW 43.330.480 to apply for grant funding. Not taking action would allow for the increasing scarcity of safe and affordable low-income housing and would result in more weatherization deferrals.

During the 2021-23 biennium, when this program was known as the Home Rehabilitation Loan Program, it received approximately $10 million in funding. For the 2023-25 biennium, the program was modified to the Rural Rehabilitation Grant Program and $6 million in funding was provided.

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Description

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

HRGP is a grant program developed from a revolving loan program. The grant program is established in statute. HRGP funding allows for major home repairs that are not necessarily restricted to energy efficiency or federal requirements. A revolving loan program was explored but it proved too difficult for the Community Action Network to implement making it less effective at serving low income need. Now, as a grant program, Tribal agencies and agencies outside of the weatherization network of community action programs can now apply allowing for greater equity and program accessibility.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

HRGP provides funding to low-income households to do home repair. Income eligibility criteria is set at 60% state median income and 80% annual median income, located in “non-entitlement” areas. Program design ensures all Tribal communities are eligible to apply for this program.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

HRGP projects will see leveraged funding if they are weatherized, which is an expectation of the program, but not a requirement.

Washington State also expects the following leveraging funds to be available to both Weatherization Plus Health and HRGP:
• $43M from the U.S. Department of Energy (DOE) through the Bipartisan Infrastructure Law (BIL) over the next 3 years, or until expended.
• $9.5M from Low Income Home Energy Assistance Program (LIHEAP) annually
• $5.6M from the U.S. Department of Energy (DOE) annually
• $2.5M from Bonneville Power Administration (BPA) annually

Describe how this project supports the agency’s strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

Weatherization Plus Health and HRGP programs support the 2021 Washington State Energy Strategy in the following ways:
• Preserves affordable housing for low-income Washingtonians.
• Facilitates an equitable transition to clean energy by targeting low-income and energy burdened households.
• Prepares homes for energy efficiency work by addressing repair needs.
• Serves rural and under sourced communities with energy efficiency and home repair measures.

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

Not applicable.

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Description

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

HRGP are not linked to the Puget Sound Action Agenda.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

HRGP makes homes that are in disrepair ready for energy efficiency measures. For example, HRGP can repair or replace a leaky roof before weatherization insulates the attic and electrical upgrades can be made before installing a heat pump.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

HRGP program design includes the following elements that positively impact equity in the state:
• Funding is available to all Tribal and rural communities.
• Funding is allocated by region and not by formula.
• Funding requests are capped to facilitate fairer distribution.

Is there additional information you would like decision makers to know when evaluating this request?

Over the past two years, the statewide network of weatherization advocates has grown to include environmental and social justice organizations. Commerce engages with this stakeholder network on an ongoing basis. This funding request is supported by the Washington State Community Action Partnership, The Weatherization Advisory Committee, and the state's network of weatherization providers.

RCW that establishes grant (if applicable):
HRGP: RCW 43.330.483

Application process used (grants; if applicable):
HRGP is a Competitive Grant

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.

Please see attached document for tables.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

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Project Title: 2025-27 Low-Income Home Rehabilitation Grant Program (HRGP)
Project Class: Grant/Loan

Description

Grant Recipient Organization: Various

RCW that establishes grant: NA

Application process used
NA

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	10,000,000		198,000	9,802,000	
26C	Climate Commit Accou-Unknown					
26C-1	Climate Commit Accou-State					
	Total	**10,000,000**	**0**	**198,000**	**9,802,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C	Climate Commit Accou-Unknown				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: 40000672
Project Title: 2025-27 Public Works Board Investment in Essential Infrastructure
Project Class: Grant/Loan

Description

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Report Number: CBS002
Date Run: 9/13/2026 11:59AM

Project Number: 40000672
Project Title: 2025-27 Public Works Board Investment in Essential Infrastructure
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Public Works Board (PWB) requests $400 million from the Public Works Assistance Account (PWAA) to address the significant need for local infrastructure financing. The PWB issues loans and grants to local governments to fund the installation, repair, and upgrade of roads, bridges, sanitary sewer, domestic water, stormwater, and solid waste/recycling. Washington's counties, cities, and special districts have more than $1 billion in shovel-ready projects waiting to move forward.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The PWB requests a $400 million biennial appropriation from the PWAA for the 2025-27 biennium. That is the same appropriation that the Legislature granted the PWB for 2023-25 biennium. The local infrastructure projects funded by the PWB promote sustained economic growth, job creation, environmental protection, public health, and safety. The PWB also supports local governments with emergency infrastructure financing, generally approving funding within two weeks of emergency applications.

The PWAA is funded by the Real Estate Excise Tax, the Solid Waste Collection Tax, the Public Utility Tax, and annual loan payments from previously issued loans. The PWB projects that those revenues will fund $400 million in grants and loans during FY26-FY27. The PWB will put those dollars to work through two competitive bidding cycles per biennium, funding construction, preconstruction and emergency activities. Eligible infrastructure includes roads, bridges, sanitary sewer, domestic water, stormwater, and solid waste/recycling. Pursuant to RCW 43.155.050(1), up to 10% of the biennial appropriation may be awarded in the form of grants, not to be repaid, for distressed and severely distressed jurisdictions. The remaining funds are issued as low interest loans. The interest rate for most projects is set at one-half of the interest rate average for municipal bonds. For FY25 projects, that interest rate is 1.71%. The PWB reduces the interest rate further for jurisdictions experiencing financial hardship.

The PWB has authority to use up to 20% of the appropriation to issue preconstruction and emergency grants and loans, to help jurisdictions with planning and design work and to expeditiously fix failed infrastructure posing a threat to public health or safety. In FY24, PWB awarded $8.5 million to fund 13 emergency projects and another $7.9 million to fund 16 preconstruction projects.

1.Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

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Project Title: 2025-27 Public Works Board Investment in Essential Infrastructure
Project Class: Grant/Loan

Description

The need for infrastructure investment is substantial — and the needs are unmet.
In FY24, cities, counties, and special districts applied for a total of $312 million to repair or replace infrastructure systems, including pre-construction planning. But the PWB could only fund $230 million in grants and loans — an $82 million gap between the qualifying applications and the available funding.
For FY25, cities, counties, and special districts have applied for a total of $268.4 million for 69 construction and pre-construction projects. But the PWB has the resources to finance only $155.3 million in projects — a $113 million gap between the initial applications and the available funding. The need by local governments for grants and below-market financing is greater than the resources the PWB can provide.
Distressed communities made up more than half of the funding awards for FY24. Of the 90 total construction, pre-construction, and emergency awards, 51 were located in distressed or severely distressed areas. Of those 90 awards, 45 were located in rural areas. This trend continues with over half of the funding requests for FY25 coming from distressed and rural communities. Of the 58 applications for construction funding, 30 are from rural areas and 28 are from distressed or severely distressed areas. Of the 11 applications for pre-construction funding, six are from rural areas and five are from distressed or severely distressed areas. The PWB is indeed serving the entire state, targeting extra resources to distressed communities.
That is especially true for emergency projects. Of the 13 awards for emergency situations, 12 of those projects were in distressed areas, and 11 were located in rural areas. Of the $8.5 million awarded for emergency situations, the PWB issued $2.9 million in grants.
Small cities, towns, and special districts often to do not have the staff or expertise to even apply for public works funding. To meet that need, the PWB extends technical assistance to those jurisdictions through training webinars and workshops at the annual meeting of the Infrastructure Assistance Coordinating Council.

1.What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

With the full authorization of $400 million for capital budget funding for the biennium, the PWB will deploy resources from the Public Works Assistance Account to fix critical and failing infrastructure, while at the same time advance environmental goals, public health, and public safety. Without this funding, some small jurisdictions will never have the capital to make critical infrastructure improvements. For large jurisdictions, they will have to apply to the private credit markets for their projects, which spends more taxpayer dollars on financing — and less money

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Project Title: 2025-27 Public Works Board Investment in Essential Infrastructure
Project Class: Grant/Loan

Description

building the actual project. The PWB acts as one of the state's first responders for financing when a local bridge, sewer pipe, or water treatment plant fails, jeopardizing public safety. With an average response time of two weeks, jurisdictions rely upon the PWB's agility to address emergency situations.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Improving infrastructure benefits human health and safety, as well as the environment. Improved designs for roads and bridges reduce traffic deaths and injuries. Modern bridges and culverts allow fish and wildlife movement. New water and sewer lines reduce the chance of disease spreading to humans and wildlife. Water treatment facilities reduce pollution and the spread of disease. New technology to capture methane gas from waste reduces greenhouse gas emissions. Stormwater infrastructure designed to meet future rainfall patterns reduces erosion and makes communities more resilient to climate change.

The fiscal impact of PWB grants and loans is dramatic, creating waves of economic stimulus that ripple through local jurisdictions across Washington.

Lower Interest Rates — The PWB loans money at less than 2 percent: 1.72 percent in FY24 and 1.71 percent in FY25. For a $10 million loan paid back over 10 years, the borrower pays only $886,000 in interest. For a $10 million loan paid back over 20 years, the borrower pays $1.8 million in interest. That means more taxpayer money is spent on actual construction rather than financing.

·Beats Inflation — A $10 million project in 2014 now costs $13.1 million in 2024. A $10 million project in 2004 currently costs $16.6 million 20 years later. Therefore, interest payments on low interest loans cost less than the inflation increase. Waiting to start a project increases its ultimate cost.

·Employment Multipliers — Each project generates advanced economic activity by suppliers for the project and subsequent economic activity when the contractor and construction workers spend their income from the project. These multipliers generate local jobs at suppliers, restaurants, gas stations, and retail stores — as well as sales tax revenue for local governments. For every $1 million spent on construction, the average public works project will generate 5.5 direct jobs, 4.8 supplier jobs, and 6.1 "induced" jobs from contractors and their workers spending their earnings. That's 16 total jobs generated by each $1 million of construction spending.1 That calculation builds on a previous calculation by the U.S. Department of Transportation that each $1 million of infrastructure spending generates 13 jobs.2

·No Cost to Apply — Applying for a loan from the Public Works Board is easier, cheaper, and faster than borrowing from private banks or through the bond market. Issuing public bonds requires paying fees to advisors, lawyers, bond trustees, escrow verification agents, auditors, rating agencies, and other agents. The PWB charges no fees, and decisions whether to approve a loan are usually made within months.

·Quick Benefits for Residents — PWB loans help start and finish projects sooner, improving the health, safety, and well-being of residents, the local community, and the environment.

If this initiative is not funded, wealthier jurisdictions will have to borrow money through the bond market to replace infrastructure. That means more taxpayer money will be siphoned off by financing consultants with less money for actual projects.

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Project Class: Grant/Loan

Description

For small, rural, or distressed jurisdictions, they simply will not replace outdated infrastructure. That will jeopardize the health and safety of their residents.

If the appropriation is less than $400 million, the PWB will fund a lower percentage of applications than the previous biennium, negatively impacting the health and safety of residents whose infrastructure goes unfunded. In addition, local governments have come to rely upon the consistency of funding cycles. Not having similar funding levels into the future biennia will burden communities just learning to trust that the State is available to support the growing demand for infrastructure planning and development that is critical to a growing economy and growing housing market.

1.What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

The Public Works Assistance Account is projected to raise $560 million during the 25-27 biennium (including $185 million in PWB loan repayments). The PWB requests only $400 million of that amount as presumably the other diversions from the PWAA will continue.

The PWB ran several budget models that examined different levels of funding. First, the lower the capital funding, the lower the funding that PWB may spend on infrastructure grants and loans to local governments, including distressed communities. Those communities rely upon grants and low-interest loans to fund their critical infrastructure projects.

Second, because the PWB runs a revolving loan fund, the PWB accounts for the timing of revenue from previous loans coming in and the withdrawal of newly issued loans going out. The PWB always plans funding with a capital reserve to ensure that cash balances do not drop too low. The budget modeling by PWB shows that the revolving loan fund, with an existing capital reserve, will adequately handle another $400 million biennial appropriation. At its Board Meeting on July 12, 2024, Public Works Board Members considered alternative levels of spending at $300 million, $350 million, and $400 million for the coming biennium. The Board voted unanimously to request $400 million because that amount will serve more people with infrastructure to protect human health and safety, make environmental progress, and yet remain within the means of the revolving loan fund.

1.Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Nearly 2,000 government organizations are eligible for PWB Traditional Programs funding: Cities (281), counties (39), special purpose districts (approximately 1,300, excluding ports and school districts), and municipal and quasi-municipal corporations (1,580 estimated). The infrastructure

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Project Title: 2025-27 Public Works Board Investment in Essential Infrastructure
Project Class: Grant/Loan

Description

systems they manage touch the lives of every resident in the state and provide the backbone for economic growth.

Because there are more applications than available funding, there is a competitive bidding process. The PWB staff and the Board make an extra effort to distribute significant funds across eligible system types, among rural and urban communities, and spread geographically across the state. That effort ensures applicants in economically distressed communities are able to request needed funding.

The PWB heads the Sync program, a collaborative partnership among the PWB, the departments of Commerce, Ecology, Health, Transportation, and the Transportation Improvement Board with a shared strategy to engage communities and transform the delivery of state infrastructure financial and technical assistance. While the PWB does not manage federal (or other non-state funding), the PWB coordinates with other state agencies that do have access to federal funding. As a result, a local government or special district may build a water project or replace a bridge by combining federal funding through another state agency with a loan or grant from the PWB. PWB serves these local governments by helping them identify funding sources to complement their grants and loans from PWB.

The Sync partner agencies have collaborated on a new web-based "Dashboard" where local jurisdictions and the public may see all the state-funded infrastructure projects on aninteractive GIS map. That creates opportunities on a regional scale where adjacent jurisdictions design projects that complement each other, improving efficiency and reducing disruption. This coordination serves local governments by helping them secure federal funding for various projects.

As stated above, cities, counties, and special districts have applied for a total of $268.4 million for 69 construction and pre-construction projects in FY25. But the PWB has the resources to finance only $155.3 million worth of projects — a $113 million gap between the initial applications and the available funding. Local governments' needs for grants and below-market financing is greater than the resources the PWB can provide.

Cutting the PWB's biennial budget request below $400 million would reduce the funding allocated to local governments across the state.

1.Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

Infrastructure projects often contain more than one funder and PWB investments leverage local, federal and other state funding. In FY24 alone, PWB investments leveraged $155 million in other

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Project Class: Grant/Loan

Description

state, local and federal funding. Loan repayments for rate-based projects, like water and sewer projects, are repaid by consumers, or ratepayers, of these utilities.

Describe how this project supports the agency's strategic master plan or

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	40,000,000		16,496,000	23,504,000	
058-1	Public Works Assist-State					
26D-1	Natural Clim Solu Ac-State	10,000,000		11,000	9,989,000	
355-1	St. Bld Const Acct-State	339,500,000		148,743,000	190,757,000	
	Total	**389,500,000**	**0**	**165,250,000**	**224,250,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
058-1	Public Works Assist-State				
26D-1	Natural Clim Solu Ac-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Project Number: **40000682**
Project Title: **2025-27 Solar and Energy Storage Grants**
Project Class: **Grant/Loan**

Description

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Project Number: 40000682
Project Title: 2025-27 Solar and Energy Storage Grants
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

The Department of Commerce requests $70 million in capital funds to address the demand for solar and energy storage projects in communities throughout the state. This streamlined grant program will consolidate several existing grant programs, facilitating administrative efficiencies and providing clarity to communities seeking to access funds for solar and energy storage.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

Communities across Washington are increasingly interested in adopting onsite solar energy generation paired with energy storage for the increased resilience, flexibility, and access to clean energy that these systems provide. This streamlined grant program would support the dramatic growth in demand for these technologies that Commerce has witnessed in grant solicitations last fall and this spring. Funds could be used for upfront technical assistance, project design and engineering, and construction. Solar and energy storage projects, solar-only projects, and energy storage-only projects would all be eligible for financial assistance. This broad eligibility empowers communities to design projects that best fit their needs.

This streamlined grant program would combine three successful, existing, state solar grant programs (Solar plus Storage for Resilient Communities, Low-Income Community Solar, and the solar subsection of Energy Retrofits and Solar Power for Public Buildings) while also enabling the state to leverage $156 million in federal funding under Solar for All. Putting these four related efforts under the umbrella of one program both streamlines grant administration and minimizes confusion for communities who have had to navigate among several related, but previously separate, programs.

The current Solar plus Storage for Community Resilience program was enacted by the Legislature in July of 2022. The first awards were made in Fall 2023 when $35.4 million was awarded to 91 projects for planning and implementation of clean back-up power solutions for critical community needs. This includes supporting emergency services and creating community resilience hubs in communities that have experienced frequent and long duration power outages.

The Low-Income Community Solar program was created by the Legislature in July 2023. This program provides grants for solar and battery storage community solar projects for public assistance organizations serving low-income communities. The full approximately $5.8 million available under this program has been allocated and there is significant additional interest.

Enacted in 2010, the Energy Retrofits and Solar Power for Public Buildings program provides

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Project Title: 2025-27 Solar and Energy Storage Grants
Project Class: Grant/Loan

Description

grants to local governments, tribes, state facilities, and schools for energy efficiency measures and solar installations on existing buildings. The Legislature appropriated $22.5 million for this program in the 23-25 biennium, all of which has been awarded to 30 projects. This program has never covered installation of energy storage technologies. The Solar and Storage grant program will absorb the Solar Power work of this existing program and importantly, allow access to energy storage funding. Meanwhile, the Energy Retrofits work will be folded into broader energy efficiency efforts under a separate DP proposal.

Commerce's Solar and Storage grant program will also compliment the $156 million federal grant award that Commerce received spring 2024 under the U.S. EPA's Solar for All opportunity for eligible individual households. Solar for All funding will become available to communities in fall 2025 and will help reduce household energy burden through solar deployment. Notably, the federal Solar for All award was not funded at a level from which we can offer energy storage systems alongside solar energy installations. As such, our Solar for All programs will not include battery storage technology. State funding from this combined grant program could be paired seamlessly with the federal Solar for All funding to enable income-qualified households to weather power outages and to access additional grid benefits from community solar projects.

This grant program will build on the no wrong door consolidated funding approach that the Energy Division's Energy Programs in Communities (EPIC) unit implemented with great success this spring. This approach resulted in extremely high interest from applicants – for example, in the recently awarded Community Decarbonization Request for Applications, more than $162 million in requests were submitted, twice the amount Commerce had available to allocate. Notably, more than 90% of funds were awarded to solar and energy storage planning or deployment projects. Through the new $70 million Solar and Storage grant program, Commerce will further support communities, critical facilities, and tribes who are eager to install solar and/or energy storage systems. This program will also enable public buildings (e.g. schools, public infrastructure, government facilities) and income-qualified households participating in Solar for All to add energy storage to solar projects to create resilience, further reduce their electric bills, and enable more seamless grid integration. Commerce may also explore opportunities to assist grantees with financing costs that might otherwise prevent grantees from accessing federal tax incentives, thereby leveraging state dollars to support additional projects.

1.Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 11:59AM

Project Number: 40000682
Project Title: 2025-27 Solar and Energy Storage Grants
Project Class: Grant/Loan

Description

Solar energy installations provide clean, onsite electricity generation that reduce customers' electric bills. Energy storage can provide backup power when there is a power outage. By pairing solar and storage, these integrated systems can provide greater resilience in a power outage, reduce customers' demand charges, and be leveraged by utilities to provide grid services, creating additional savings for customers.

In the past few years, Commerce has seen a significant increase in demand for community-owned solar and energy storage projects. This is in large part a result of the very successful technical assistance that Commerce provided through the Solar plus Storage for Resilient Communities program starting in 2022. There is now a pipeline of solar and storage projects ready to be constructed but waitlisted due to demand significantly greater than the funding Commerce had available. Through this streamlined grant program, Commerce can support the existing demand for distributed solar and storage projects across the state and provide technical assistance to a broader group of applicants to continue to build a pipeline of future projects focused on community resilience.

The Solar plus Storage for Resilient Communities was enacted through the 2022 supplemental budget session. In the 23-25 biennial budget, Solar plus Storage was initially funded through the operating budget at $74 million and was later moved to the capital budget and reduced to $38 million. This reduction has resulted in an oversubscription of funds and unmet demand.

The Low-Income Community Solar Program was initially funded at $39 million in the operating budget for the 23-25 biennial budget. In the supplemental budget it was moved to the capital budget and reduced to $6 million. The full amount was immediately allocated to awardees who had applied for qualified projects.

The Energy Retrofits for Solar Power on Public Buildings is a long-standing program at Commerce. In the 23-25 biennium, the solar portion of this program was funded at $22.5 million. This appropriation is fully awarded and was significantly oversubscribed.

Through the recent procurements, there is a waitlist of approximately $220 million requested by local governments, tribes, school districts and other public entities for 200 solar projects, many of which include energy storage.

We propose combining the three existing programs and link with our Solar for All programs to provide a comprehensive suite of solar and energy storage options and optimize program administration and implementation. Combined, the three existing solar programs were originally funded at $135 million in the 23-25 biennial budget and then reduced to $66 million in the supplemental budget. This means that a request of $70 million for the Solar and Storage Grant

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Project Class: Grant/Loan

Description

program is on par with the amount appropriated in the supplemental budget and significantly lower than the amount initially appropriated by the Legislature in the biennial budget. Community demand for solar paired with storage technologies is significantly higher than this funding request of $70 million for Solar and Storage Grants.

1.What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Funding would support solar and/or energy storage project planning as well as purchase and installation of solar and energy storage equipment. Planning grants will help ensure a continued project pipeline. We anticipate that most solar and storage projects could be constructed and completed within the biennium. A handful of more complex, single-node microgrid projects might need an additional year to finalize construction and complete commissioning.

1.How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Distributed solar is one of the few ways to access clean energy onsite and is a commercially available, increasingly well understood technology. Meanwhile, energy storage is much more nascent in Washington and many communities are just beginning to understand the benefits of installing batteries at their facility. In addition, energy storage is undervalued in current electric utility tariff structures. The majority of Commerce's current grantees would not have contemplated a solar and storage project without the vital technical assistance that Commerce provided to educate communities about the availability and safety of these technologies and expose them to the benefits of enhanced resilience.

While the cost of rooftop solar declined significantly over the past decade, the upfront costs to install these systems is still very high. The economics of onsite solar in Washington prevent tribes, local governments, nonprofits, and schools from being able to finance the installation of solar equipment, let alone energy storage, which typically doubles the price tag of the project. Simply put, most communities will be unable to deploy these technologies without financial support and technical assistance. By providing the requested funding for this grant program, Commerce can support the significant demand from communities to increase local clean energy generation and resilience.

1.What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

Commerce could have instead requested funding for the three existing solar-related state grant programs and also requested funding for an energy storage grant program for Solar for All

Project Number: 40000682
Project Title: 2025-27 Solar and Energy Storage Grants
Project Class: Grant/Loan

Description

recipients. Having four stand-alone programs that fund solar-only, solar and energy storage, and energy storage-only projects would create confusion among applicants as they try to decipher which program they are eligible for. It also maintains multiple-program administrative costs. Instead, Commerce is proposing a one-stop solar grant program to streamline existing efforts into one program that reduces grant administration and makes all applicants eligible for both solar and energy storage technologies, so they can customize their project depending on their needs.

1.Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Commerce anticipates being able to support approximately 75 distributed solar and energy storage projects of various sizes across the state with the requested funding level for this grant program. That support would range from relatively small dollar, upfront technical assistance to project design and engineering to full construction of projects. Eligible facilities include community buildings, critical infrastructure, tribal facilities, schools, homes of income qualified households and others determined by Commerce.

1.Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the request result in matching federal, state, local, or private funds?

This request will leverage Commerce's recent grant award of $156 million under the U.S. Environmental Protection Agency's Solar for All program. Solar for All will fund solar energy installations for single family homeowners, multifamily properties, and community solar projects. The funding from Solar and Storage Grants would be utilized to pair energy storage with those federally funded solar projects.

In addition, Commerce will continue to pursue opportunities to support grantees as they leverage federal tax incentives for solar and energy storage technologies. These tax incentives, including direct pay for nonprofits and governmental entities, can stretch state dollars further. For certain entities, match funding will be required (private entities and/or utility companies).

1.Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

In the coming years, the 100% clean electricity goal of the Clean Energy Transformation Act, RCW 19.405, combined with the state's greenhouse gas reduction mandates, will cause fundamental shifts in Washington's energy landscape and infrastructure needs. At the same time, communities in Washington are experiencing more extreme weather events and increased risk of wildfires, which are resulting in more frequent electricity outages. Communities are stepping forward, asserting their desire to deploy clean energy locally and develop resilience

Project Number: 40000682
Project Title: 2025-27 Solar and Energy Storage Grants
Project Class: Grant/Loan

Description

centers where residents can access clean back-up power during power outages.

Distributed solar and energy storage will play a vital role in our clean energy future. The State Energy Strategy highlights these type of projects as important elements of Washington's future electric supply. The solar and energy storage projects funded by this grant program will both generate clean electricity closer to load and enhance community resilience while enabling beneficial integration of electrification of both building loads and transportation.

1.For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service?Does this decision package fund the acquisition or enhancements of any agency data centers? (SeeOCIO Policy 184for definition.)Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

Not applicable.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

Not applicable.

1.How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

Deployment of distributed solar across Washington will reduce greenhouse gas emission from electricity and lower electric bills for tribes, local governments, schools, households and others.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: N/A
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State					
26C-1	Climate Commit Accou-State	20,650,000		2,322,000	18,328,000	
	Total	**20,650,000**	**0**	**2,322,000**	**18,328,000**	**0**

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Funding

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
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Project Number: **40000671**
Project Title: **2025-27 Weatherization Plus Health Grants**
Project Class: **Grant/Loan**

Description

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Report Number: CBS002
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Project Number: **40000671**
Project Title: **2025-27 Weatherization Plus Health Grants**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

Weatherization Plus Health delivers health and safety improvements and energy efficiency upgrades to low-income households. A $36 million investment will allow the Weatherization Plus Health program to address these issues and maximize federal and local utility funding while also serving more homes. An additional service of this program is that it provides enhanced healthy homes measures to medically qualifying individuals who live in low-income households.

Project Description

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

Weatherization Plus Health. According to the 2022 United States Census Bureau, 736,000 households in Washington live in poverty. More than half of these households are in need of weatherization services. The Weatherization Plus Health program is a sound, statewide investment in Washington's clean energy future. It also creates positive health outcomes and preserves affordable housing for Washington's low-income communities.

Washington 2021 State Energy Strategy recommends the state fund weatherization at a level that allows 10 percent of the 750,000 eligible homes to be served annually. With all current funding sources (including state, federal and utility contributions - approximately $60 million annually), the weatherization program currently serves approximately 3,500 households a year, which is less than 1 percent of eligible households.

Established by the legislature in 2015, the Weatherization Plus Health program makes targeted investments in energy efficiency, clean energy, and preservation of affordable housing for the state's most vulnerable and underserved households. The Weatherization Plus Health Program and leveraged funding will significantly improve the energy efficiency, health, and safety for households in hard-to-reach markets, including rental and multi-family households.

Commerce is working with the weatherization provider network to address labor shortages, and to increase production. Due to rising labor and material costs, increased attention to repair and preservation needs, and installations of heat pumps and other costly technologies, average have increased from $17,870 in 2020, to $25,817 in 2024. Commerce is requesting a state funding level that will help our network meet the increasing needs of weatherization services for low-income communities.

Costs have risen for all direct and indirect expenditures associated with low-income weatherization, as has the need for these services. To meet the needs of low-income households and to help achieve the state's ambitious climate goals, Weatherization Plus Health funding is a critical component that helps providers address the home rehabilitation needed to get a home weatherization ready for energy efficiency measures, but it is the only fund source available to provide enhanced healthy-home measures for households with residents who have respiratory illnesses or need slips, trip and fall hazards mitigated.

Identify the problem or opportunity addressed. Why is the request a priority? This narrative should identify unserved/underserved people or communities, operating budget savings, public safety improvements, or other backup necessary to understand the need for the request. For preservation projects it is helpful to include information about the current condition of the facility or system.

Weatherization Plus Health. Low-income weatherization helps address the underlying disparities and systemic inequalities that prevent low-income residents from accessing and benefiting from healthy, affordable, energy efficient homes. The preservation of affordable, energy-efficient housing improves community resiliency while advancing Washington's clean energy goals. Weatherization Plus Health Funding helps ensure low-income households are included in the clean energy transformation.

Addressing inequities in energy costs: Washington's 750,000 households that are below 200 percent of the federal poverty level have an average energy burden (utility costs as shared monthly expenses) of 6 percent. This is classified as a high energy

Project Number: 40000671
Project Title: 2025-27 Weatherization Plus Health Grants
Project Class: Grant/Loan

Description

burden and is more than three times the energy burden of the typical Washington household. The average home that received weatherization saved $371 per year in energy costs.

Weatherization Plus Health investments are exclusively aimed at serving communities and neighbors in need. Two-thirds of households receiving weatherization services are located in census tracts classified by the Department of Health as having greater social and economic needs. The improved health conditions and reduced energy and health costs that result from the Weatherization Plus Health program have a positive ripple effect on the state by reducing energy assistance needs, Medicaid costs, carbon emissions, and energy arrearages. Non-energy benefits are conservatively estimated at three times the direct energy benefits. Moreover, the program provides consistent energy savings to markets and clients that utilities cannot effectively or efficiently serve.

Improving self-sufficiency and health: Many low-income household members have underlying health conditions such as limited mobility, asthma, COPD, hypertension, or compromised immune systems that are made worse by substandard housing conditions. There is strong evidence linking residents' health outcomes to substandard housing, and further evidence suggests that targeted healthy home investments can improve health outcomes and lower health costs. Over the last five years, Commerce has demonstrated the potential of integrating weatherization and healthy home measures through the Weatherization Plus Health initiative. Without Weatherization Plus Health funding, community action agencies are not able to deliver enhanced healthy home services or develop partnerships and referral arrangements with public health organizations such as the local Department of Health and Regional Accountable Communities of Health for integrated services. In response to the reduced FY2022 funding level, many community action agencies chose not to provide "Plus Health" services and redirected limited funding towards basic weatherization program needs. When the legislature provided $10 million through the FY2023 Supplemental Budget Process, Commerce was able to reinstate "Plus Health" as a required service for each county in Washington.

Addressing affordable housing crisis: Preserving affordable housing must be prioritized as an anti-displacement measure and to protect the health and safety of vulnerable populations. The Weatherization Plus Health program does this by repairing and weatherizing homes, making them safer, healthier and more comfortable. Furthermore, by reducing energy costs and addressing other health and safety concerns, the investment ensures that excessive housing and utility costs do not push people into homelessness and that elderly clients are better able to age in place.

What will the request produce or construct (i.e., predesign or design of a building, construction of additional space, etc.)? When will the project start and be completed? Identify whether the project can be phased, and if so, which phase is included in the request. Be prepared to provide detailed cost backup.

Weatherization Plus Health The request will help provide funding for the continuation of the Weatherization Plus Health program. With a $36 million state investment, combined with federal and utility contributions, more than 7,000 homes will be weatherized over the next biennium.

How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Weatherization Plus Health. Given the significant investment that has already been made to establish procedures, contracting capacity, and local partnerships, $36 million in the 25-27 budget will provide the needed funding for leveraging new and existing federal funding, help the Weatherization program continue and better establish "Plus Health" as a statewide service, and enable Commerce to expand access to weatherization services by authorizing agencies to spend state funding to 1) address deferral repairs, 2) enhance services to non-utility fueled homes, and 3) expand services to tribal homes.

Commerce has worked to scale up the weatherization network in an effort to impact how many households can be served through weatherization over the next several years. Commerce will continue to make progress to:

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Project Class: Grant/Loan

Description

1. Implement the workforce development plan that was created by a diverse workgroup – this will assist weatherization agencies and contractors by adding worker capacity through recruitment, training and retaining people in the weatherization industry.
2. Implement a new multi-family weatherization program -- recognizing that many low-income individuals live in multi-family housing and are more prone to experience energy insecurity (falling behind on energy bills, inability to cover food or other necessities costs so they can pay their energy bill, etc), Commerce is planning to dedicate a portion of the federal BIL funding to focus specifically on households living in multi-family buildings.
3. Help enhance stakeholder engagement -- by working closely with tribes and tribal entities performing weatherization, conduct state-level outreach campaigns for weatherization services, and support clear and timely communication between Commerce and weatherization agencies.

Without funding for the Weatherization Plus Health program, we expect there to be a decline in the availability of affordable housing. Homes would continue to fall into uninhabitable disrepair causing unsafe and unhealthy living conditions for low-income families. This could further push households living on the edge into homelessness or displacement. Additionally, because of the condition of many homes needing weatherization it would make it difficult to expend federal grants if providers were unable to use state funds to help cover the non-energy efficiency work needed such as electrical upgrades, roofing repairs, mechanical ventilation, etc.

What alternatives were explored? Why was the recommended alternative chosen? Be prepared to provide detailed cost backup. If this project has an associated predesign, please summarize the alternatives the predesign considered

Weatherization Plus Health. Commerce utilizes alternative funding sources such as federal and utility funding. Both are insufficient to fill client service needs and gaps. Weatherization Plus Health funds are less restrictive than federal funds and are a critical component to ensuring a comprehensive weatherization program. Relying on utility funding alone would create service gaps and inequities, as not all utilities in Washington provide funding for home rehabilitation or integrated health initiatives. Utility funding also needs to be directed to customers within their service territory, leaving non-utility customers with fewer options.

The additional flexibility of Weatherization Plus Health funding makes it an invaluable funding source to complement federal low-income weatherization grants from the U.S. Department of Energy, U.S. Health and Human Services (through the Low Income Home Energy Assistance Program), and Bonneville Power Administration, and will be critical in order to leverage the Bipartisan Infrastructure Law funding. All of these federal fund sources have restrictions and extensive requirements that limit measures and services. For example, federal fund sources have a 15 percent limit of funding repair costs (e.g. repair to a roof so attic insulation can be installed). In many instances repair costs are required to be included in savings to investment ratio (SIR) calculations. If the total cost of the weatherization measure and the repair do not meet SIR requirements, then the project cannot proceed unless other sources of funding fill the gap. This is where state funding is instrumental in providing flexibility.

Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Weatherization Plus Health serves households at or below 200% of the Federal Poverty Level, 60 percent State Median Income, or 80% Area Median Income, with priority given to households with children, disabilities, aging adults, Native Americans, and those with a high-energy use/burden. It is a statewide program with services in every county. The program serves rental and owner-occupied single-family, multi-family, and manufactured housing.

With $36 million in Weatherization Plus Health funding for the 25-27 biennium, combined with federal and utility contributions, an estimated 7,000 homes will be weatherized. Program funds will be targeted to serving previously deferred homes, households with non-utility fuels (oil, propane, or wood), expanding services to tribal households, and expanding Weatherization Plus Health services to medically vulnerable households statewide.

Does this project or program leverage non-state funding? If yes, how much by what fund source, and could the

Project Number: **40000671**
Project Title: **2025-27 Weatherization Plus Health Grants**
Project Class: **Grant/Loan**

Description

request result in matching federal, state, local, or private funds?

Weatherization Plus Health dollars are highly leveraged. In addition to the federal funding shown below, Washington's weatherization network expects to receive approximately $36,000,000 in leveraged utility funding for the next biennium.

Washington State also expects the following leveraging funds to be available to both Weatherization Plus Health and HRGP:
• $43M from the U.S. Department of Energy (DOE) through the Bipartisan Infrastructure Law (BIL) over the next 3 years, or until expended.
• $9.5M from Low Income Home Energy Assistance Program (LIHEAP) annually
• $5.6M from the U.S. Department of Energy (DOE) annually
• $2.5M from Bonneville Power Administration (BPA) annually

Describe how this project supports the agency's strategic master plan or would improve agency performance. Reference feasibility studies, master plans, space programming, and other analyses as appropriate.

Weatherization Plus Health and HRGP programs support the 2021 Washington State Energy Strategy in the following ways:
• Preserves affordable housing for low-income Washingtonians.
• Facilitates an equitable transition to clean energy by targeting low-income and energy burdened households.
• Prepares homes for energy efficiency work by addressing repair needs.
• Serves rural and under sourced communities with energy efficiency and home repair measures.

For IT-related costs: Does this project fund the development or acquisition of a new or enhanced software or hardware system or service? Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.)

Not applicable.

If the project is linked to the Puget Sound Action Agenda, describe the impacts on the Action Agenda, including expenditure and FTE detail. See Chapter 13 (HEAL Act and Puget Sound Recovery) in the 2025-27 Operating Budget Instructions.

Weatherization Plus Health and HRGP are not linked to the Puget Sound Action Agenda.

How does this project contribute to meeting the greenhouse gas emissions limits established in RCW 70A.45.050, Clean Buildings performance standards in RCW 19.27A.210, or other statewide goals to reduce carbon pollution and/or improve energy efficiency? Please elaborate.

Weatherization Plus Health reduces greenhouse gas emissions by making homes more energy efficient by adding insulation, air sealing, and installing heat pumps.

HRGP makes homes that are in disrepair ready for energy efficiency measures. For example, HRGP can repair or replace a leaky roof before weatherization insulates the attic and electrical upgrades can be made before installing a heat pump.

How is your proposal impacting equity in the state? Which communities are impacted by this proposal? Include both demographic and geographic communities. How are disparities in communities impacted?

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Report Number: CBS002
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Project Number: 40000671
Project Title: 2025-27 Weatherization Plus Health Grants
Project Class: Grant/Loan

Description

Weatherization Plus Health. The Weatherization Plus Health program directly addresses the problem of energy insecurity and equity in every county and seven Native American reservations in Washington. The program makes cost-effective energy efficiency and home repairs that improve the lives of vulnerable community members.

The program also strengthens the resiliency of communities through direct benefits of weatherization measures, such as ductless heat pumps that provide critical cooling benefits and allow households to better withstand heat waves and a warming climate. In addition, the integration of healthy home services with weatherization adds health resiliency and housing stability for communities that suffer from the greatest economic and social disparities. With the goal of reducing avoidable hospitalization and emergency department visits, healthy home services reduce household hazards to make homes safer, prevent injury, and reduce illness by completing improvements that prevent slips, trips, and falls as well as mitigate triggers for respiratory issues including asthma and Chronic Obstructive Pulmonary Disease.

The program prioritizes services to the most vulnerable sectors of our low-income population including the elderly, persons with disabilities, households with children, high residential energy users, households with a high energy burden, and Tribal residents.

Is there additional information you would like decision makers to know when evaluating this request?

Over the past two years, the statewide network of weatherization advocates has grown to include environmental and social justice organizations. Commerce engages with this stakeholder network on an ongoing basis. This funding request is supported by the Washington State Community Action Partnership, The Weatherization Advisory Committee, and the state's network of weatherization providers.

RCW that establishes grant (if applicable):
Weatherization Plus Health: RCW 70A.35.030

Application process used (grants; if applicable):
Weatherization Plus Health is a Formula allocation

Expenditure calculations and assumptions – Display the calculations (e.g., unit costs and formulas) used to arrive at expenditure and workload estimates connected with the Capital Project Request. Clearly identify the factual basis of any policy or workload assumptions and how the cost estimates are derived from these assumptions.

Please see attached document for tables.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

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Project Title: 2025-27 Weatherization Plus Health Grants
Project Class: Grant/Loan

Description

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Expenditures Estimated Total	Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	10,000,000		3,773,000	6,227,000	
26C-1	Climate Commit Accou-State	36,000,000		8,915,000	27,085,000	
	Total	**46,000,000**	**0**	**12,688,000**	**33,312,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Report Number: CBS002
Date Run: 9/13/2026 11:59AM

Project Number: 40000709
Project Title: 2026 Local and Community Projects
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for local and community project throughout Washington.

Project Description
Funding is provided for local and community projects throughout Washington state.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	187,814,000		43,591,000	144,223,000	
23N-1	MTC Capital Account-State	4,000,000		254,000	3,746,000	
26C-1	Climate Commit Accou-State	2,440,000		1,861,000	579,000	
	Total	**194,254,000**	**0**	**45,706,000**	**148,548,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
23N-1	MTC Capital Account-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

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Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	40000671, 40000672, 40000673, 4000(	40000671, 40000672, 40000673, 4000(
Sort Order	Project Class	Project Class
Include Page Numbers	N	No
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:07PM

Project Number: 40000812
Project Title: 2025-27 Tribal Climate Adaptation Pass-through Grants
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
2025-27 Tribal Climate Adaptation Pass-through Grants

Project Description
Funding is provided for grants to assist tribes with preparing for the effects of climate change, including supporting the relocation of tribal communities.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	50,000,000		4,535,000	45,465,000	
	Total	**50,000,000**	**0**	**4,535,000**	**45,465,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

103 - Department of Commerce
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2027-29 Biennium

*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:07PM

Project Number: **40001949**
Project Title: **2025-27 Multifamily Bldg Efficiency Grants**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for multifamily building efficiency grant projects.

Project Description
FY 25-27 Buildings: Multifamily funding needs more time to contract with Housing Authorities.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Not Competitive

Grant Recipient Organization: Various

Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	10,000,000		1,000	9,999,000	
	Total	**10,000,000**	**0**	**1,000**	**9,999,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

103 - Department of Commerce
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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:07PM

Project Number: 40001947
Project Title: 2027 Local and Community Projects
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for local and community projects throughout Washington.

Project Description
Funding is provided for local and community projects throughout Washington state.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Direct Appropriation

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	27,801,000			27,801,000	
26C-1	Climate Commit Accou-State	2,706,000			2,706,000	
	Total	**30,507,000**	**0**	**0**	**30,507,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:07PM

Project Number: **40000829**
Project Title: **Community Participatory Budgeting**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

Grants for local facilitation of the Community Participatory Budgeting process. 2025 appropriation year. Facilitation of the construction of the capital projects is expected in the next biennium.

Project Description

Grants for local facilitation of the Community Participatory Budgeting process. 2025 appropriation year. Facilitation of the construction of the capital projects is expected in the next biennium.

Proviso

NA

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grant/Loan Administration Staff

Grant Recipient Organization: Various

Application process used

VArious

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26E-1	AirQualHeaDispImpAcc-State	8,300,000		1,103,000	7,197,000	
	Total	**8,300,000**	**0**	**1,103,000**	**7,197,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26E-1	AirQualHeaDispImpAcc-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:07PM

Project Number: 40001951
Project Title: Water Quality Projects
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for water quality projects throughout Washington.

Project Description
Funding for water quality projects throughout Washington.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	4,800,000		613,000	4,187,000	
23N-1	MTC Capital Account-State	9,810,000		323,000	9,487,000	
	Total	**14,610,000**	**0**	**936,000**	**13,674,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
23N-1	MTC Capital Account-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

Capital Project Request

2027-29 Biennium

*

Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	40000812, 40000829, 40001947, 4000	40000812, 40000829, 40001947, 4000
Sort Order	Project Class	Project Class
Include Page Numbers	N	No
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

OFM

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2027-29 Biennium

*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91001157
Project Title: 2019 Local and Community Projects
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2018
Agency Priority: 0

Project Summary
Funding for local and community projects throughout Washington.

Project Description
Funding for local and community projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	40,530,000	37,300,000	130,000	3,100,000	
	Total	**40,530,000**	**37,300,000**	**130,000**	**3,100,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: **91002195**
Project Title: **2023-25 Rural Rehabilitation Grant Program**
Project Class: **Program Improvement (State-Owned)**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Funding is provided for grants for home rehabilitation for low-income households in rural areas, as provided in SHB 1250.

Project Description

Funding is provided for grants for home rehabilitation for low-income households in rural areas, as provided in SHB 1250.The Home Rehabilitation Grant Program provides funding for structural repairs that preserve affordable housing in rural communities across Washington. The original appropriation was in 2023, and 91 homes are currently in progress. Reappropriation is needed due to the addition of several new partner agencies and the logistical challenges of completing rehabilitation projects in rural areas.

Proviso

NA

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Acquisition-Land

Growth Management impacts

NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	6,000,000	2,046,000	1,109,000	2,845,000	
	Total	**6,000,000**	**2,046,000**	**1,109,000**	**2,845,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: **91001682**
Project Title: **2023-25 Youth Shelters and Housing**
Project Class: **Program Improvement (State-Owned)**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for youth shelter and housing projects throughout Washington.

Project Description
Funding for youth shelter and housing projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
N/A

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	10,622,000	6,297,000	2,527,000	1,798,000	
	Total	**10,622,000**	**6,297,000**	**2,527,000**	**1,798,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: **91000943**
Project Title: **CERB Administered Broadband Infrastructure**
Project Class: **Program Improvement (State-Owned)**

Description

Starting Fiscal Year: 2018
Agency Priority: 0

Project Summary
Funding for CERB administered broadband infrastructure projects throughout Washington.

Project Description
Funding for CERB administered broadband infrastructure projects throughout Washington.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
058-1	Public Works Assist-State	3,450,000	1,538,000	1,912,000		
355-1	St. Bld Const Acct-State	10,000,000	10,000,000			
373-2	Corona Cap Proj Acct-Federal					
373-8	Corona Cap Proj Acct-Federal Stim	25,000,000	13,625,000	11,375,000		
	Total	**38,450,000**	**25,163,000**	**13,287,000**	**0**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
058-1	Public Works Assist-State				
355-1	St. Bld Const Acct-State				
373-2	Corona Cap Proj Acct-Federal				
373-8	Corona Cap Proj Acct-Federal Stim				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: **91001690**
Project Title: **Food Banks**
Project Class: **Program Improvement (State-Owned)**

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for food bank projects throughout Washington.

Project Description
Funding for food bank projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	12,586,000	11,553,000	905,000	128,000	
	Total	**12,586,000**	**11,553,000**	**905,000**	**128,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91002471
Project Title: Harborview
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for the Harborview project.

Project Description
Funding for the Harborview project.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	5,000,000		7,000	4,993,000	
	Total	**5,000,000**	**0**	**7,000**	**4,993,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91002641
Project Title: Hard-to-Decarbonize Sector & Economic Development Grants
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for the hard-to-decarbonize related and economic development related projects throughout Washington.

Project Description
Funding for the hard-to-decarbonize related and economic development related projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
26C-1	Climate Commit Accou-State	49,800,000	7,463,000	4,800,000	37,537,000	
	Total	**49,800,000**	**7,463,000**	**4,800,000**	**37,537,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91002447
Project Title: HB 2131 - Thermal Energy Networks
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Grants for the thermal energy network pilot project program. 2024 appropriation year. Reappropriation is needed as the projects and construction are in progress.

Project Description

Grants for the thermal energy network pilot project program. 2024 appropriation year. Reappropriation is needed as the projects and construction are in progress.

Proviso

NA

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Program Improvement - Unidentified

Growth Management impacts

NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	5,000,000		72,000	4,928,000	
	Total	**5,000,000**	**0**	**72,000**	**4,928,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91001991
Project Title: Homeless Youth Facilities
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding is provided for homeless youth facilities projects.

Project Description
Funding is provided for homeless youth facilities projects.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
N/A

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
26V-1	Capital Comm Asst Ac-State	10,576,000	6,277,000	3,880,000	419,000	
	Total	**10,576,000**	**6,277,000**	**3,880,000**	**419,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26V-1	Capital Comm Asst Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91001687
Project Title: Infrastructure Projects
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for infrastructure projects throughout Washington.

Project Description
Funding for infrastructure projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	12,795,000	11,239,000	99,000	1,457,000	
058-1	Public Works Assist-State	747,000	747,000			
26V-1	Capital Comm Asst Ac-State	25,832,000	7,354,000	4,519,000	13,959,000	
706-2	Coro St Fisc Reco Fd-Federal					
706-8	Coro St Fisc Reco Fd-Federal Stim	97,926,000	72,325,000	14,175,000	11,426,000	
	Total	**137,300,000**	**91,665,000**	**18,793,000**	**26,842,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
058-1	Public Works Assist-State				
26V-1	Capital Comm Asst Ac-State				
706-2	Coro St Fisc Reco Fd-Federal				
706-8	Coro St Fisc Reco Fd-Federal Stim				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91001239
Project Title: Library Capital Improvement Program
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2020
Agency Priority: 0

Project Summary
Funding for library capital improvement projects throughout Washington.

Project Description
Funding for library capital improvement projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	12,838,000	11,575,000	213,000	1,050,000	
	Total	**12,838,000**	**11,575,000**	**213,000**	**1,050,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91001686
Project Title: Work, Education, Health Monitoring Projects
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for work, education, and health monitoring projects throughout Washington.

Project Description
Funding for work, education, and health monitoring projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	826,000	290,000	534,000	2,000	
	Total	**826,000**	**290,000**	**534,000**	**2,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: **91000419**
Project Title: **City of Centralia Nitrates Project**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for the city of Centralia for a nitrates project

Project Description
Funding for the city of Centralia for a nitrates project

Proviso
NA

Location
City: Centralia **County:** Lewis **Legislative District:** 020

Project Type
Grants - Direct Appropriation

Grant Recipient Organization: NA
RCW that establishes grant: NA
Application process used
NA

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	5,000,000			5,000,000	
	Total	**5,000,000**	**0**	**0**	**5,000,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: **91002685**
Project Title: **Grants for Recovery Residences**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Grants for recovery residences

Project Description
Grants for recovery residences

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	14,773,000		750,000	14,023,000	
	Total	**14,773,000**	**0**	**750,000**	**14,023,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91002197
Project Title: Health Care Infrastructure
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for health care infrastructure projects throughout Washington.

Project Description
Funding for health care infrastructure projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	38,918,000	12,161,000	12,164,000	14,593,000	
	Total	**38,918,000**	**12,161,000**	**12,164,000**	**14,593,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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2027-29 Biennium
*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91002184
Project Title: Local Emission Reduction Projects
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for local emission reduction projects throughout Washington.

Project Description
Funding for local emission reduction projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	31,695,000	11,983,000	8,492,000	11,220,000	
26D-1	Natural Clim Solu Ac-State	6,976,000	321,000	3,718,000	2,937,000	
	Total	**38,671,000**	**12,304,000**	**12,210,000**	**14,157,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
26D-1	Natural Clim Solu Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91002449
Project Title: Multifamily Bldg Efficiency Grants
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for multifamily building efficiency projects throughout Washington.

Project Description
Funding for multifamily building efficiency projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
26C-1	Climate Commit Accou-State	55,000,000	540,000	11,865,000	42,595,000	
	Total	**55,000,000**	**540,000**	**11,865,000**	**42,595,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: **91002686**
Project Title: **Youth Shelters and Housing**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for youth shelters and housing projects throughout Washington.

Project Description
Funding for youth shelters and housing projects throughout Washington.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
Various

Growth Management impacts
NA

Funding

			Expenditures		2027-29 Fiscal Period	
Acct Code	Account Title	Estimated Total	Prior Biennium	Current Biennium	Reapprops	New Approps
057-1	State Bldg Constr-State	9,094,000		388,000	8,706,000	
	Total	**9,094,000**	**0**	**388,000**	**8,706,000**	**0**

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:09PM

Project Number: 91002637
Project Title: The Arc Legacy Center
Project Class: Other

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for the Arc Legacy Center project.

Project Description
Funding for the Arc Legacy Center project.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Other - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Expenditures			2027-29 Fiscal Period	
		Estimated Total	Prior Biennium	Current Biennium	Reapprops	New Approps
057-1	State Bldg Constr-State	1,000,000		970,000	30,000	
	Total	**1,000,000**	**0**	**970,000**	**30,000**	**0**

Acct Code	Account Title	Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

Capital Project Request

2027-29 Biennium

*

Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	91000419, 91000943, 91001157, 91001	91000419, 91000943, 91001157, 91001
Sort Order	Project Class	Project Class
Include Page Numbers	N	No
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

OFM

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Capital Project Request
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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002217
Project Title: Open Doors Multicultural Village
Project Class: Preservation (State-Owned)

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for the Open Doors multicultural village project.

Project Description
Funding for the Open Doors multicultural village project.

Location
City: Kent **County:** King **Legislative District:** 033

Project Type
Major Projects-Rehab/Restoration.

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	13,800,000			13,800,000	
	Total	**13,800,000**	**0**	**0**	**13,800,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 91002939
Project Title: Revitalized Local and Community Projects
Project Class: Preservation (State-Owned)

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for revitalized local and community projects throughout Washington.

Project Description
Funding for revitalized local and community projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Preservation - Unidentified

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	14,596,000		936,000	13,660,000	
	Total	**14,596,000**	**0**	**936,000**	**13,660,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: **92002513**
Project Title: **Soil Remediation**
Project Class: **Preservation (State-Owned)**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for soil remediation projects throughout Washington.

Project Description
Funding for soil remediation projects throughout Washington.

Location
City: Unincorporated **County:** Okanogan **Legislative District:** 007

Project Type
Major Projects-Rehab/Restoration.

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
23N-1	MTC Capital Account-State	4,000,000		14,000	3,986,000	
	Total	**4,000,000**	**0**	**14,000**	**3,986,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
23N-1	MTC Capital Account-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92001393
Project Title: 2023-25 Dental Capacity Grants
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for dental capacity grant projects throughout Washington.

Project Description
Funding for dental capacity grant projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	22,532,000	8,648,000	4,494,000	9,390,000	
	Total	**22,532,000**	**8,648,000**	**4,494,000**	**9,390,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92001669
Project Title: Large Scale Solar Innovation Projects
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for large scale solar innovation projects throughout Washington.

Project Description
Funding for large scale solar innovation projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
26C-1	Climate Commit Accou-State	39,000,000	2,893,000	7,382,000	28,725,000	
	Total	**39,000,000**	**2,893,000**	**7,382,000**	**28,725,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: **92001364**
Project Title: **Port of Everett**
Project Class: **Program Improvement (State-Owned)**

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary

Project is to update and modernize the Port of Everett Seaport Facility, focusing on the electrification of Pier 3, with the primary objective of reducing carbon emissions. 2023 appropriation year. Reappropriation is needed as the project and construction are in progress.

Project Description

Project is to update and modernize the Port of Everett Seaport Facility, focusing on the electrification of Pier 3, with the primary objective of reducing carbon emissions. 2023 appropriation year. Reappropriation is needed as the project and construction are in progress.

Proviso

NA

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Program Improvement - Unidentified

Growth Management impacts

NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	5,000,000	601,000	120,000	4,279,000	
	Total	**5,000,000**	**601,000**	**120,000**	**4,279,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92001367
Project Title: Public Facility Improvement Fund
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2024
Agency Priority: 0

Project Summary
Funding for public facility improvement projects throughout Washington.

Project Description
Funding for public facility improvement projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	222,000	59,000	95,000	68,000	
818-1	Youth Athletic Facil-State	24,000,000	11,745,000	3,765,000	8,490,000	
	Total	**24,222,000**	**11,804,000**	**3,860,000**	**8,558,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
818-1	Youth Athletic Facil-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92000957
Project Title: 2021-23 Community Relief
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for community relief projects throughout Washington.

Project Description
Funding for community relief projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	14,450,000	12,805,000	612,000	1,033,000	
355-1	St. Bld Const Acct-State	300,000	300,000			
355-B	St. Bld Const Acct-Debt Limit					
	Total	**14,750,000**	**13,105,000**	**612,000**	**1,033,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
355-B	St. Bld Const Acct-Debt Limit				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92001952
Project Title: 2025-27 Dental Capacity Grants
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for dental capacity projects throughout Washington.

Project Description
Funding for dental capacity projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	7,483,000		1,848,000	5,635,000	
	Total	**7,483,000**	**0**	**1,848,000**	**5,635,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002230
Project Title: 2025-27 School-based Health and Behavioral Health Clinics
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for school-based health and behavioral health clinic projects throughout Washington.

Project Description
Funding for school-based health and behavioral health clinic projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	2,604,000			2,604,000	
	Total	**2,604,000**	**0**	**0**	**2,604,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 91002979
Project Title: 2026 Mobile and Manufactured Homes Assistance
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for mobile and manufactured home assistance projects throughout Washington.

Project Description
Funding for mobile and manufactured home assistance projects throughout Washington.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
355-1	St. Bld Const Acct-State	17,000,000		3,000	16,997,000	
	Total	**17,000,000**	**0**	**3,000**	**16,997,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002468
Project Title: 2027 Revitalized Local and Community Projects
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for revitalized local and community projects throughout Washington.

Project Description
Funding for revitalized local and community projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	33,831,000		2,573,000	31,258,000	
355-1	St. Bld Const Acct-State	11,215,000			11,215,000	
	Total	**45,046,000**	**0**	**2,573,000**	**42,473,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92001957
Project Title: Affordable Housing Supply and Preservation
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for affordable housing supply and preservation projects throughout Washington.

Project Description
Funding for affordable housing supply and preservation projects throughout Washington.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	37,499,000		2,708,000	34,791,000	
355-1	St. Bld Const Acct-State	21,566,000			21,566,000	
	Total	**59,065,000**	**0**	**2,708,000**	**56,357,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 91002965
Project Title: Algae Carbon Sequestration and Regenerative Soils
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

This project will use microalgae systems to provide soil restoration services to agricultural land across Washington. This will revitalize the soil for better crop production, better water retention, and increased carbon sequestration capacity. No spending has happened from this project, however the same funding recipient received funds under 2023-25 Local Emission Reduction Projects (91002184) and has expended funds from that funding source. Expect extension. 2025 appropriation year.

Project Description

This project will use microalgae systems to provide soil restoration services to agricultural land across Washington. This will revitalize the soil for better crop production, better water retention, and increased carbon sequestration capacity. No spending has happened from this project, however the same funding recipient received funds under 2023-25 Local Emission Reduction Projects (91002184) and has expended funds from that funding source. Expect extension. 2025 appropriation year.

Proviso

NA

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grants - Not Competitive

Grant Recipient Organization: Various

Application process used

Various

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	2,500,000		22,000	2,478,000	
	Total	**2,500,000**	**0**	**22,000**	**2,478,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

OFM

103 - Department of Commerce
Capital Project Request
2027-29 Biennium

*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: **91002965**
Project Title: **Algae Carbon Sequestration and Regenerative Soils**
Project Class: **Grant/Loan**

Operating Impacts

No Operating Impact

OFM

103 - Department of Commerce
Capital Project Request
2027-29 Biennium

*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92001947
Project Title: Anaerobic Digester Development
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2025
Agency Priority: 0

Project Summary

Grants for cost share agreements regarding anaerobic digester development and maintenance projects at dairies. 2025 appropriation year. Reappropriation is needed as projects and construction are in progress.

Project Description

Grants for cost share agreements regarding anaerobic digester development and maintenance projects at dairies. 2025 appropriation year. Reappropriation is needed as projects and construction are in progress.

Proviso

NA

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used

Various

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	23,700,000		215,000	23,485,000	
	Total	**23,700,000**	**0**	**215,000**	**23,485,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92001948
Project Title: Broadband Infrastructure Federal Match Projects
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2025
Agency Priority: 0

Project Summary
Funding for broadband infrastructure projects throughout Washington.

Project Description
Funding for broadband infrastructure projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	114,034,000		37,000	113,997,000	
15T-2	Broadband Mapping-Federal	1,227,743,000		1,443,000	1,226,300,000	
FBB-2	Federal Broadband-Federal					
	Total	**1,341,777,000**	**0**	**1,480,000**	**1,340,297,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
15T-2	Broadband Mapping-Federal				
FBB-2	Federal Broadband-Federal				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002497
Project Title: Disaster and Flood Response
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2027
Agency Priority: 0

Project Summary
Funding for disaster and flood response projects throughout Washington.

Project Description
Funding for disaster and flood response projects throughout Washington.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	1,000,000			1,000,000	
26D-1	Natural Clim Solu Ac-State	25,157,000		1,000	25,156,000	
	Total	**26,157,000**	**0**	**1,000**	**26,156,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26D-1	Natural Clim Solu Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002496
Project Title: Local and Water Infrastructure
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for local and water infrastructure projects throughout Washington.

Project Description
Funding for local and water infrastructure projects throughout Washington.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	8,812,000		353,000	8,459,000	
26D-1	Natural Clim Solu Ac-State	7,168,000		4,000	7,164,000	
26V-1	Capital Comm Asst Ac-State	125,000		9,000	116,000	
	Total	**16,105,000**	**0**	**366,000**	**15,739,000**	**0**

		Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26D-1	Natural Clim Solu Ac-State				
26V-1	Capital Comm Asst Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: **92002496**
Project Title: **Local and Water Infrastructure**
Project Class: **Grant/Loan**

Operating Impacts

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92001953
Project Title: Local Infrastructure
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for local infrastructure projects throughout Washington.

Project Description
Funding for local infrastructure projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	25,593,000		2,797,000	22,796,000	
	Total	**25,593,000**	**0**	**2,797,000**	**22,796,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002197
Project Title: Medically Tailored Meals Coalition of WA
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for the medically tailored meals coalition of Washington.

Project Description
Funding for the medically tailored meals coalition of Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Direct Appropriation

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	6,625,000			6,625,000	
	Total	**6,625,000**	**0**	**0**	**6,625,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002383
Project Title: Montlake Homes
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for Montlake Homes project.

Project Description
Funding for Montlake Homes projects.

Location
City: Seattle **County:** King **Legislative District:** 043

Project Type
Grants - Direct Appropriation
RCW that establishes grant: 36.70A.030
Application process used
N/A

Growth Management impacts
N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
355-1	St. Bld Const Acct-State	6,050,000			6,050,000	
355-B	St. Bld Const Acct-Debt Limit					
	Total	**6,050,000**	**0**	**0**	**6,050,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
355-1	St. Bld Const Acct-State				
355-B	St. Bld Const Acct-Debt Limit				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002227
Project Title: New Health Medical Dental Behavioral Workforce
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for new health medical dental behavioral workforce projects throughout Washington.

Project Description
Funding for new health medical dental behavioral workforce projects throughout Washington.

Location
City: Chewelah **County:** Stevens **Legislative District:** 007

Project Type
Grants - Direct Appropriation

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	5,050,000			5,050,000	
	Total	**5,050,000**	**0**	**0**	**5,050,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002328
Project Title: Regional Needs
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for reginal need projects throughout Washington.

Project Description
Funding for reginal need projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grants - Competitive

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	46,210,000			46,210,000	
26C-1	Climate Commit Accou-State	8,723,000			8,723,000	
26D-1	Natural Clim Solu Ac-State	773,000			773,000	
	Total	**55,706,000**	**0**	**0**	**55,706,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				
26D-1	Natural Clim Solu Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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Capital Project Request
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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92001004
Project Title: Reimann Roads, Telecomm and Utility Relocation (Pasco)
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for Reimann roads, telecom and utility location projects.

Project Description
Funding for Reimann roads, telecom and utility location projects.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
TBD

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	7,500,000	2,713,000	3,997,000	790,000	
	Total	**7,500,000**	**2,713,000**	**3,997,000**	**790,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: **91002964**
Project Title: **Seattle District Energy Electrification**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
FY 25-27 Buildings: Seattle Community College needs additional time to finalize the contract and execute work.

Project Description
FY 25-27 Buildings: Seattle Community College needs additional time to finalize the contract and execute work.

Proviso
NA

Location
City: Seattle **County:** King **Legislative District:** 034

Project Type
Grants - Direct Appropriation

Grant Recipient Organization: Various

Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Expenditures: Estimated Total	Expenditures: Prior Biennium	Expenditures: Current Biennium	2027-29 Fiscal Period: Reapprops	2027-29 Fiscal Period: New Approps
26C-1	Climate Commit Accou-State	4,000,000		28,000	3,972,000	
	Total	**4,000,000**	**0**	**28,000**	**3,972,000**	**0**

Acct Code	Account Title	Future Fiscal Periods: 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92001956
Project Title: Transit Oriented Housing Development
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for transit-oriented housing development projects throughout Washington.

Project Description
Funding for transit-oriented housing development projects throughout Washington.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various
RCW that establishes grant: NA
Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
355-1	St. Bld Const Acct-State	8,271,000			8,271,000	
	Total	**8,271,000**	**0**	**0**	**8,271,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
355-1	St. Bld Const Acct-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002299
Project Title: Tribal Clean Energy and Climate Resilience
Project Class: Grant/Loan

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

Grants to tribes for clean energy development projects that contribute to achieving the state's greenhouse gas emissions reduction goals and related policies. Construction of a permanent tribal courthouse on the upper village relocation site (previous structure was located in tsunami zone and was destroyed by fire). This project serves public safety by restoring essential justice infrastructure, and advances disaster resilience by relocating out of the tsunami zone. Contract is currently being negotiated. Reappropriation is needed as project is expected to begin Fall 2026. 2026 appropriation year.

Project Description

Grants to tribes for clean energy development projects that contribute to achieving the state's greenhouse gas emissions reduction goals and related policies. Construction of a permanent tribal courthouse on the upper village relocation site (previous structure was located in tsunami zone and was destroyed by fire). This project serves public safety by restoring essential justice infrastructure, and advances disaster resilience by relocating out of the tsunami zone. Contract is currently being negotiated. Reappropriation is needed as project is expected to begin Fall 2026. 2026 appropriation year.

Proviso

NA

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grants - Competitive

Grant Recipient Organization: Various

Application process used

Various

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
057-1	State Bldg Constr-State	8,209,000			8,209,000	
26C-1	Climate Commit Accou-State	26,282,000			26,282,000	
26D-1	Natural Clim Solu Ac-State	4,100,000			4,100,000	
	Total	**38,591,000**	**0**	**0**	**38,591,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26C-1	Climate Commit Accou-State				

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002299
Project Title: Tribal Clean Energy and Climate Resilience
Project Class: Grant/Loan

Funding

		Future Fiscal Periods			
		2029-31	2031-33	2033-35	2035-37
26D-1	Natural Clim Solu Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: **92002336**
Project Title: **Washington Builds**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary

Provides accessible and affordable financing for energy efficiency and renewable energy projects for eligible applicants that reduce costs, lower greenhouse gas emissions, and create jobs statewide. Supports commercial energy efficiency, including meeting clean buildings performance standard compliance and helping small businesses and tribes in procuring clean energy and pursuing fleet electrification projects. Contract currently being negotiated. Reappropriation is needed as projects are expected to start being funded in Fall 2026. 2026 appropriation year.

Project Description

Provides accessible and affordable financing for energy efficiency and renewable energy projects for eligible applicants that reduce costs, lower greenhouse gas emissions, and create jobs statewide. Supports commercial energy efficiency, including meeting clean buildings performance standard compliance and helping small businesses and tribes in procuring clean energy and pursuing fleet electrification projects. Contract currently being negotiated. Reappropriation is needed as projects are expected to start being funded in Fall 2026. 2026 appropriation year.

Proviso

NA

Location

City: Statewide **County:** Statewide **Legislative District:** 098

Project Type

Grants - Direct Appropriation

Grant Recipient Organization: Various

Application process used

Various

Growth Management impacts

NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
26C-1	Climate Commit Accou-State	25,000,000		23,000	24,977,000	
	Total	**25,000,000**	**0**	**23,000**	**24,977,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
26C-1	Climate Commit Accou-State				
	Total	**0**	**0**	**0**	**0**

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 92002336
Project Title: Washington Builds
Project Class: Grant/Loan

Operating Impacts

No Operating Impact

OFM

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*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/13/2026 12:14PM

Project Number: 91002988
Project Title: District Energy Campus Upgrades Committee
Project Class: Other

Description

Starting Fiscal Year: 2026
Agency Priority: 0

Project Summary
Funding for energy campus upgrade projects throughout Washington.

Project Description
Funding for energy campus upgrade projects throughout Washington.

Proviso
NA

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Other - Unidentified

Grant Recipient Organization: Various

Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
355-1	St. Bld Const Acct-State	650,000			650,000	
355-B	St. Bld Const Acct-Debt Limit					
	Total	**650,000**	**0**	**0**	**650,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
355-1	St. Bld Const Acct-State				
355-B	St. Bld Const Acct-Debt Limit				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

Capital Project Request

2027-29 Biennium

*

Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	91002939, 91002964, 91002965, 9100	91002939, 91002964, 91002965, 9100
Sort Order	Project Class	Project Class
Include Page Numbers	N	No
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

OFM

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/14/2026 1:11PM

Project Number: 40000230
Project Title: 2022 Local & Community Projects
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for local and community projects throughout Washington.

Project Description
Funding for local and community projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	167,016,000	126,387,000	16,928,000	23,701,000	
	Total	**167,016,000**	**126,387,000**	**16,928,000**	**23,701,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

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2027-29 Biennium

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Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/14/2026 1:11PM

Project Number: 40000266
Project Title: 2023 Local and Community Projects
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for local and community projects throughout Washington.

Project Description
Funding for local and community projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
057-1	State Bldg Constr-State	51,618,000	38,942,000	3,768,000	8,908,000	
26V-1	Capital Comm Asst Ac-State	309,000	309,000			
	Total	**51,927,000**	**39,251,000**	**3,768,000**	**8,908,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
057-1	State Bldg Constr-State				
26V-1	Capital Comm Asst Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

Capital Project Request

2027-29 Biennium

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Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	40000230, 40000266	40000230, 40000266
Sort Order	Project Class	Project Class
Include Page Numbers	N	No
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

OFM

103 - Department of Commerce
Capital Project Request
2027-29 Biennium

*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/30/2026 12:18PM

Project Number: 40000152
Project Title: 2021-23 PWB Broadband Infrastructure
Project Class: Program Improvement (State-Owned)

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for Public Works Board broadband infrastructure projects throughout Washington.

Project Description
Funding for Public Works Board broadband infrastructure projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Program Improvement - Unidentified

Growth Management impacts
NA

New Facility: No

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Current Biennium	2027-29 Fiscal Period Reapprops	New Approps
23J-1	SW Broadband Account-State	14,000,000	1,216,000	1,063,000	11,721,000	
373-8	Corona Cap Proj Acct-Federal Stim	46,000,000	22,204,000	8,358,000	15,438,000	
	Total	**60,000,000**	**23,420,000**	**9,421,000**	**27,159,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
23J-1	SW Broadband Account-State				
373-8	Corona Cap Proj Acct-Federal Stim				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

OFM

103 - Department of Commerce
Capital Project Request
2027-29 Biennium

*

Version: 11 2027-29 Capital Budget Request

Report Number: CBS002
Date Run: 9/30/2026 12:18PM

Project Number: **40000150**
Project Title: **2021-23 Weatherization Plus Health**
Project Class: **Grant/Loan**

Description

Starting Fiscal Year: 2022
Agency Priority: 0

Project Summary
Funding for weatherization plus health projects throughout Washington.

Project Description
Funding for weatherization plus health projects throughout Washington.

Location
City: Statewide **County:** Statewide **Legislative District:** 098

Project Type
Grant/Loan - Unidentified

Grant Recipient Organization: Various

Application process used
Various

Growth Management impacts
NA

Funding

Acct Code	Account Title	Estimated Total	Expenditures Prior Biennium	Expenditures Current Biennium	2027-29 Fiscal Period Reapprops	2027-29 Fiscal Period New Approps
001-2	General Fund-Federal	47,115,000	6,608,000	5,468,000	35,039,000	
057-1	State Bldg Constr-State	10,000,000	9,991,000		9,000	
26V-1	Capital Comm Asst Ac-State	10,000,000	9,988,000	3,000	9,000	
	Total	**67,115,000**	**26,587,000**	**5,471,000**	**35,057,000**	**0**

Acct Code	Account Title	Future Fiscal Periods 2029-31	2031-33	2033-35	2035-37
001-2	General Fund-Federal				
057-1	State Bldg Constr-State				
26V-1	Capital Comm Asst Ac-State				
	Total	**0**	**0**	**0**	**0**

Operating Impacts

No Operating Impact

Capital Project Request

2027-29 Biennium

*

Parameter	Entered As	Interpreted As
Biennium	2027-29	2027-29
Agency	103	103
Version	11-A	11-A
Project Classification	*	All Project Classifications
Capital Project Number	40000150, 40000152	40000150, 40000152
Sort Order	Project Class	Project Class
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids