



Department of Commerce

**2025-27 Biennial Capital Budget Request
September 2024**



Capital Budget • Table of Contents

Director's Letter

Ten-Year Capital Program Summary

DAHP Review Letter

FTE Summary

Backlog Reduction Plan

Preservation Projects

Programmatic Projects

Grant and Loan Programs

Re-appropriations



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE

1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000
www.commerce.wa.gov

September 10, 2024

Pat Sullivan, Director
Office of Financial Management
P.O Box 43113
Olympia, WA 98504

Re: Department of Commerce 25-27 Biennial Budget Submission

Dear Director Sullivan:

It's no secret that Washington has grown exponentially over the last several decades and with that growth the needs of community have only increased. Here at Commerce, our staff works every day to serve the people of Washington state in a multitude of ways that we know they rely on. Whether it's meeting the basic needs of housing, supporting small businesses, providing equitable access to clean energy upgrades, or providing support for some of our highest-need communities – the Commerce team is working every day for the people of Washington State. And since day one, it has been my directive that equity be front and center in all the work we do.

Our 25-27 biennial budget proposal continues to build on this critical work. It maintains funding we know the community relies on, centers around equity, and ensures we invest resources that encourage local solutions, foster innovation, leverage talent and community assets, and meet the needs of our residents today and into the future. When drafting these proposals, I directed my team to receive guidance from the community and the Governor's office to ensure our proposals were inclusive and holistic.

This budget submission focuses on five priorities:

- Provide critical support and tools to ensure we meet the needs around housing stability and preventing homelessness in communities across Washington, including infrastructure support to local communities and a dedicated fund for tribal partners
- Provide support systems for the backbone of our economy—the small businesses that keep Washington innovative and thriving.
- Sustaining and addressing emergent needs for important safety net programs our communities have come to rely on

Director Pat Sullivan
September 10, 2024
Page 2 of 2

- Empower communities by providing tools so they can leverage other funding opportunities, grow the programs that are working for them, and ensure their needs are being addressed

While all of these priorities are outward-facing, critical infrastructure needs within Commerce must be addressed to ensure we are making equitable investments across Washington state. It is time that our systems serve the community in a way that meets them where they are and for us to have a clear understanding of the impacts our investments are making. That is why I am asking to update our systems and provide more tools to my team so we can better serve the community.

We also know that we must continuously recommit to our values of equity and antiracism work, and ensuring our foundational systems meet the needs of those furthest from opportunity is necessary. Our programs can only sustainably function with agency central services working at full capacity. I am answering the call made from OFM to address these needs specifically. Commerce is looking to make critical internal staffing investments in our ability to serve our communities better. That requires central service levels to increase staffing, optimize systems, and better support our programs. We owe that to Commerce employees and to prioritize the increased service quality our communities have been asking for.

I want to thank the more than 700 dedicated and mission-driven employees in the Department of Commerce for their work each and every day on behalf of all Washingtonians.

We welcome the opportunity to engage around our policy and funding proposals.

Sincerely,



Michael Fong
Director

103 - Department of Commerce Ten Year Capital Plan by Project Class

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Program

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	4000009 PWAA Preconstruction and Emergency Loan Programs									
	355-1 St. Bld Const Acct-State	19,000,000	17,924,000	986,000	90,000					
0	40000130 2021 Local and Community Projects									
	057-1 State Bldg Constr-State	32,672,000	23,643,000	9,029,000						
0	40000141 2021-23 Public Works Assistance Account-Construction									
	058-1 Public Works Assist-State	249,000,000	62,095,000	41,240,000	145,665,000					
0	40000144 2021-23 CERB Capital Construction									
	26V-1 Capital Comm Asst Ac-State	40,000,000	4,997,000	12,820,000	22,183,000					
	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	19,997,000	12,820,000	32,183,000					
0	40000152 2021-23 PWB Broadband Infrastructure									
	23J-1 SW Broadband Account-State	14,000,000			14,000,000					
	373-2 Corona Cap Proj Acct-Federal	36,998,000			36,998,000					
	373-8 Corona Cap Proj Acct-Federal Stimulus	47,581,000	1,581,000	46,000,000						
	Project Total:	98,579,000	1,581,000	46,000,000	50,998,000					
0	40000230 2022 Local & Community Projects									
	057-1 State Bldg Constr-State	170,567,000	70,551,000	27,255,000	72,761,000					
0	40000266 2023 Local and Community Projects									
	057-1 State Bldg Constr-State	53,318,000	13,800,000	16,729,000	22,789,000					

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Program

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	40000266 2023 Local and Community Projects									
	26V-1 Capital Comm	309,000	309,000							
	Asst Ac-State									
	Project Total:	53,627,000	14,109,000	16,729,000	22,789,000					
0	40000278 Ports Infrastructure									
	057-1 State Bldg	16,046,000	4,664,000	1,111,000	10,271,000					
	Constr-State									
0	40000281 2023-25 CERB Capital Construction									
	887-1 Pub Facil Const	25,000,000			25,000,000					
	Ln-State									
0	40000299 2023-25 Behavioral Health Community Capacity Grants									
	057-1 State Bldg	287,478,000		4,205,000	283,273,000					
	Constr-State									
	26V-1 Capital Comm	6,248,000			6,248,000					
	Asst Ac-State									
	Project Total:	293,726,000		4,205,000	289,521,000					
0	40000300 2023-25 Early Learning Facilities Fund Grant Program									
	22C-1 Early Lrng Fac	6,720,000			6,720,000					
	Rev-State									
	22D-1 Early Lrng Fac	84,968,000		7,191,000	77,777,000					
	Devel-State									
	Project Total:	91,688,000		7,191,000	84,497,000					
0	40000301 2024 Local and Community Projects									
	057-1 State Bldg	229,543,000		35,107,000	194,436,000					
	Constr-State									
	23N-1 MTC Capital	3,500,000		3,041,000	459,000					
	Account-State									
	Project Total:	233,043,000		38,148,000	194,895,000					
0	40000561 DOE Hydrogen Hub -State Match									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Program

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	40000561 DOE Hydrogen Hub -State Match									
	26C-1 Climate Commit Accou-State	20,000,000		9,873,000	10,127,000					
0	40000576 Rising Strong Project Grant Pass Through									
	057-1 State Bldg Constr-State	13,356,000			13,356,000					
0	40000601 Crisis Stabilization Facility-Trueblood Phase 3									
	26V-1 Capital Comm Asst Ac-State	5,000,000		3,000	4,997,000					
0	91000943 CERB Administered Broadband Infrastructure									
	058-1 Public Works Assist-State	3,450,000		966,000	2,484,000					
	355-1 St. Bld Const Acct-State	10,000,000	9,070,000	930,000						
	373-2 Corona Cap Proj Acct-Federal	19,456,000			19,456,000					
	373-8 Corona Cap Proj Acct-Federal Stimulus	31,297,000	6,297,000	25,000,000						
	Project Total:	64,203,000	15,367,000	26,896,000	21,940,000					
0	91001278 Rapid Response Community Preservation Pilot Program									
	057-1 State Bldg Constr-State	2,000,000	2,000,000							
	26V-1 Capital Comm Asst Ac-State	2,000,000	315,000	777,000	908,000					
	Project Total:	4,000,000	2,315,000	777,000	908,000					
0	91001659 Continuing Affordability in Current Housing									
	057-1 State Bldg Constr-State	10,000,000	967,000	6,374,000	2,659,000					
0	91001660 2021-23 Dental Capacity Grants									
	057-1 State Bldg Constr-State	6,225,000	1,568,000	1,911,000	2,746,000					

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Program

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	91001675 Substance Use Disorder Recovery Housing									
	355-1 St. Bld Const Acct-State	150,000			150,000					
0	91001677 2021-23 Early Learning Facilities									
	057-1 State Bldg Constr-State	1,089,000	243,000	473,000	373,000					
	22C-1 Early Lrng Fac Rev-State	7,500,000	7,413,000	87,000						
	22D-1 Early Lrng Fac Devel-State	23,911,000	7,326,000	5,313,000	11,272,000					
	26V-1 Capital Comm Asst Ac-State	30,000,000	7,741,000	5,046,000	17,213,000					
	Project Total:	62,500,000	22,723,000	10,919,000	28,858,000					
0	91001681 Early Learning COVID-19 Renovation Grants									
	057-1 State Bldg Constr-State	8,500,000		26,000	8,474,000					
0	91001682 2023-25 Youth Shelters and Housing									
	057-1 State Bldg Constr-State	15,622,000		800,000	14,822,000					
0	91001685 Grants for Affordable Housing Development Connections									
	057-1 State Bldg Constr-State	18,300,000	1,889,000	4,736,000	11,675,000					
	706-8 Coro St Fisc Reco Fd-Federal Stimulus	28,045,000	1,045,000	10,971,000	16,029,000					
	Project Total:	46,345,000	2,934,000	15,707,000	27,704,000					
0	91001686 Work, Education, Health Monitoring Projects									
	057-1 State Bldg Constr-State	826,000	44,000	4,000	778,000					
0	91001687 Infrastructure Projects									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Program

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	91001687 Infrastructure Projects									
	057-1 State Bldg Constr-State	12,795,000	6,864,000	2,316,000	3,615,000					
	058-1 Public Works Assist-State	747,000	747,000							
	26V-1 Capital Comm Asst Ac-State	25,832,000	442,000	3,659,000	21,731,000					
	706-8 Coro St Fisc Reco Fd-Federal Stimulus	97,926,000	8,118,000	27,761,000	62,047,000					
	Project Total:	137,300,000	16,171,000	33,736,000	87,393,000					
0	91001688 Capital Grant Program Equity									
	057-1 State Bldg Constr-State	5,000,000	21,000	532,000	4,447,000					
0	91001690 Food Banks									
	057-1 State Bldg Constr-State	12,586,000	9,983,000	1,405,000	1,198,000					
0	91001991 Homeless Youth Facilities									
	26V-1 Capital Comm Asst Ac-State	14,895,000	5,181,000	519,000	9,195,000					
0	91002160 2022 Permanent Supportive Housing Remediation									
	057-1 State Bldg Constr-State	200,000	194,000		6,000					
0	91002195 2023-25 Rural Rehabilitation Grant Program									
	057-1 State Bldg Constr-State	6,000,000			6,000,000					
0	91002447 HB 2131 - Thermal Energy Networks									
	26C-1 Climate Commit Accou-State	5,000,000			5,000,000					
0	91002471 Harborview									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Program

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	91002471 Harborview									
	057-1 State Bldg Constr-State	5,000,000			5,000,000					
0	91002476 Climate Resilience & Environmental Equity Campus									
	355-1 St. Bld Const Acct-State	250,000			250,000					
0	91002641 Hard-to-Decarbonize Sector & Economic Development Grants									
	26C-1 Climate Commit Accou-State	49,800,000		231,000	49,569,000					
0	92000953 2021-23 Broadband Office									
	057-1 State Bldg Constr-State	28,074,000	7,272,000	5,712,000	15,090,000					
	373-2 Corona Cap Proj Acct-Federal	117,965,000			117,965,000					
	373-8 Corona Cap Proj Acct-Federal Stimulus	124,749,000	62,000	124,687,000						
	706-8 Coro St Fisc Reco Fd-Federal Stimulus	150,996,000	1,723,000	16,079,000	133,194,000					
	Project Total:	421,784,000	9,057,000	146,478,000	266,249,000					
0	92001175 2022 Dental Capacity Grants									
	057-1 State Bldg Constr-State	5,801,000	714,000	593,000	4,494,000					
0	92001178 2022 Broadband Office									
	001-2 General Fund-Federal	50,000,000	4,913,000	13,177,000	31,910,000					
0	92001286 2022 Crisis Stabilization Facilities									
	26V-1 Capital Comm Asst Ac-State	49,208,000	911,000	16,970,000	31,327,000					
0	92001364 Port of Everett									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Program

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	92001364 Port of Everett									
	26C-1 Climate Commit Accou-State	5,000,000		47,000	4,953,000					
0	92001367 Public Facility Improvement Fund									
	057-1 State Bldg Constr-State	1,522,000		59,000	1,463,000					
	818-1 Youth Athletic Facil-State	24,000,000		4,009,000	19,991,000					
	Project Total:	25,522,000		4,068,000	21,454,000					
0	92001393 2023-25 Dental Capacity Grants									
	057-1 State Bldg Constr-State	22,532,000		1,807,000	20,725,000					
0	92001669 Large Scale Solar Innovation Projects									
	26C-1 Climate Commit Accou-State	39,000,000		44,000	38,956,000					
0	92001720 Energy Northwest									
	26C-1 Climate Commit Accou-State	25,000,000			25,000,000					
0	92001925 Geothermal Energy Resources									
	26C-1 Climate Commit Accou-State	542,000			542,000					
Total: Program		2,485,095,000	307,627,000	497,611,000	1,679,857,000					

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	30000726 Clean Energy and Energy Freedom Program									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	30000726 Clean Energy and Energy Freedom Program									
	057-1 State Bldg Constr-State	23,400,000	21,713,000	150,000	1,537,000					
	355-1 St. Bld Const Acct-State	17,000,000	14,490,000	1,064,000	1,446,000					
	Project Total:	40,400,000	36,203,000	1,214,000	2,983,000					
0	30000872 2017-19 Housing Trust Fund Program									
	057-1 State Bldg Constr-State	21,131,000	20,081,000	631,000	419,000					
	355-1 St. Bld Const Acct-State	83,500,000	79,055,000	1,348,000	3,097,000					
	532-1 Wa Housing Trst Fd-State	8,658,000	7,182,000		1,476,000					
	Project Total:	113,289,000	106,318,000	1,979,000	4,992,000					
0	30000873 Economic Opportunity Grants									
	689-1 Rural WA Loan Acct-State	6,750,000	6,434,000	3,000	313,000					
0	30000878 Public Works Assistance Account Construction Loans									
	355-1 St. Bld Const Acct-State	77,220,000	64,706,000	6,401,000	6,113,000					
0	30000879 Weatherization Plus Health Matchmaker Program									
	057-1 State Bldg Constr-State	18,500,000	18,278,000		222,000					
	355-1 St. Bld Const Acct-State	5,000,000	1,508,000		3,492,000					
	Project Total:	23,500,000	19,786,000		3,714,000					
0	30000881 Clean Energy Funds 3									
	057-1 State Bldg Constr-State	38,073,000	19,969,000	5,238,000	12,866,000					
	22M-1 Energy Efficncy Acct-State	5,500,000	643,000	907,000	3,950,000					

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	30000881 Clean Energy Funds 3									
	355-1 St. Bld Const Acct-State	127,000	127,000							
	Project Total:	43,700,000	20,739,000	6,145,000	16,816,000					
0	30000882 Energy Efficiency and Solar Grants									
	057-1 State Bldg Constr-State	5,501,000	5,283,000	12,000	206,000					
	22M-1 Energy Efficncy Acct-State	5,500,000	4,247,000	680,000	573,000					
	Project Total:	11,001,000	9,530,000	692,000	779,000					
0	40000036 2019-21 Housing Trust Fund Program									
	057-1 State Bldg Constr-State	40,368,000	37,593,000	492,000	2,283,000					
	355-1 St. Bld Const Acct-State	132,666,000	109,636,000	10,539,000	12,491,000					
	Project Total:	173,034,000	147,229,000	11,031,000	14,774,000					
0	40000038 Public Works Board									
	058-1 Public Works Assist-State	93,578,000	80,244,000	2,889,000	10,445,000					
0	40000040 2019-21 Community Economic Revitalization Board									
	887-1 Pub Facil Const Ln-State	18,600,000			18,600,000					
0	40000041 2019-21 Youth Recreational Facilities Grant Program									
	057-1 State Bldg Constr-State	5,880,000	2,717,000	179,000	2,984,000					
0	40000042 Clean Energy Transition 4									
	057-1 State Bldg Constr-State	21,300,000	7,062,000	3,057,000	11,181,000					
	355-1 St. Bld Const Acct-State	11,300,000	10,739,000	32,000	529,000					
	Project Total:	32,600,000	17,801,000	3,089,000	11,710,000					

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	40000043 2019-21 Building Communities Fund Program									
	057-1 State Bldg Constr-State	36,785,000	21,706,000	1,149,000	13,930,000					
0	40000044 2019-21 Early Learning Facilities									
	057-1 State Bldg Constr-State	9,362,000	6,414,000	750,000	2,198,000					
	22C-1 Early Lrng Fac Rev-State	22,248,000	11,834,000	3,307,000	7,107,000					
	22D-1 Early Lrng Fac Devel-State	3,410,000	2,270,000	77,000	1,063,000					
	Project Total:	35,020,000	20,518,000	4,134,000	10,368,000					
0	40000049 2019-21 Energy Efficiency and Solar Grants Program									
	057-1 State Bldg Constr-State	12,500,000	7,844,000	3,486,000	1,170,000					
0	40000139 2021-23 Youth Recreational Facilities Grant Program									
	057-1 State Bldg Constr-State	3,689,000	861,000	64,000	2,764,000					
0	40000140 2021-23 Early Learning Facilities-School Districts Grant									
	22D-1 Early Lrng Fac Devel-State	4,719,000	3,336,000	601,000	782,000					
0	40000142 2021-23 Building Communities Fund Grant Program									
	057-1 State Bldg Constr-State	30,146,000	11,143,000	1,997,000	17,006,000					
0	40000143 2021-23 Building for the Arts Grant Program									
	057-1 State Bldg Constr-State	16,000,000	11,828,000	645,000	3,527,000					
0	40000147 2021-23 Library Capital Improvement Program (LCIP) Grants									
	057-1 State Bldg Constr-State	15,844,000	2,490,000	8,734,000	4,620,000					
0	40000148 2021-23 Clean Energy V-Investing in Washington's Clean Energy									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	40000148 2021-23 Clean Energy V-Investing in Washington's Clean Energy									
	057-1 State Bldg Constr-State	53,798,000	1,900,000	6,655,000	45,243,000					
	355-1 St. Bld Const Acct-State	2,500,000	90,000		2,410,000					
	Project Total:	56,298,000	1,990,000	6,655,000	47,653,000					
0	40000149 2021-23 Energy Retrofits for Public Buildings Grant Program									
	057-1 State Bldg Constr-State	9,957,000	2,181,000	1,012,000	6,764,000					
0	40000150 2021-23 Weatherization Plus Health									
	001-2 General Fund-Federal	47,115,000	584,000	2,502,000	44,029,000					
	057-1 State Bldg Constr-State	10,000,000	7,132,000	1,435,000	1,433,000					
	26V-1 Capital Comm Asst Ac-State	10,000,000	8,749,000	510,000	741,000					
	Project Total:	67,115,000	16,465,000	4,447,000	46,203,000					
0	40000153 2021-23 Housing Trust Fund Investment in Affordable Housing									
	057-1 State Bldg Constr-State	33,597,000	9,335,000	10,870,000	13,392,000					
	26V-1 Capital Comm Asst Ac-State	110,641,000	17,467,000	41,290,000	51,884,000					
	355-1 St. Bld Const Acct-State	69,848,000	25,548,000	21,078,000	23,222,000					
	706-2 Coro St Fisc Reco Fd-Federal	73,606,000	18,158,000	20,259,000	35,189,000					
	Project Total:	287,692,000	70,508,000	93,497,000	123,687,000					
0	40000219 2021-23 Behavioral Health Community Capacity Grants									
	057-1 State Bldg Constr-State	95,164,000	13,513,000	30,230,000	51,421,000					

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	40000219 2021-23 Behavioral Health Community Capacity Grants									
	26V-1 Capital Comm	26,323,000	1,291,000	5,287,000	19,745,000					
	Asst Ac-State									
	Project Total:	121,487,000	14,804,000	35,517,000	71,166,000					
0	40000220 2019-21 Housing Trust Fund Investment from Operating									
	532-1 Wa Housing Trst	47,441,000	39,028,000	5,357,000	3,056,000					
	Fd-State									
0	40000222 2021-23 Rapid Capital Housing Acquisition									
	057-1 State Bldg	97,603,000	69,716,000	3,328,000	24,559,000					
	Constr-State									
	706-2 Coro St Fisc	6,001,000		5,338,000	663,000					
	Reco Fd-Federal									
	706-8 Coro St Fisc	16,531,000	16,531,000							
	Reco Fd-Federal									
	Stimulus									
	Project Total:	120,135,000	86,247,000	8,666,000	25,222,000					
0	40000223 2021-23 Rural Rehabilitation Loan Program									
	355-1 St. Bld Const	2,842,000	458,000	366,000	2,018,000					
	Acct-State									
0	40000246 Economic Opportunity Grants Authority									
	689-1 Rural WA Loan	903,000			903,000					
	Acct-State									
0	40000260 2022 Rapid Capital Housing Acquisition									
	057-1 State Bldg	19,035,000		7,214,000	11,821,000					
	Constr-State									
	26U-1 Apple Hlth	60,000,000	66,000	4,940,000	54,994,000					
	Homes Acc-State									
	26V-1 Capital Comm	202,000,000	132,898,000	24,397,000	44,705,000					
	Asst Ac-State									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	40000260 2022 Rapid Capital Housing Acquisition									
	706-8 Coro St Fisc	15,065,000		12,022,000	3,043,000					
	Reco Fd-Federal Stimulus									
	Project Total:	296,100,000	132,964,000	48,573,000	114,563,000					
0	40000279 2023-25 Building Communities Fund Grant Program									
	057-1 State Bldg Constr-State	30,579,000		9,573,000	21,006,000					
0	40000280 2023-25 Building for the Arts									
	057-1 State Bldg Constr-State	18,000,000		11,797,000	6,203,000					
0	40000282 Dig-Once Pilot Project and Enhanced Program Development									
	057-1 State Bldg Constr-State	500,000			500,000					
0	40000283 2023-25 Energy Retrofits and Solar Power for Public Buildings									
	26C-1 Climate Commit Accou-State	50,000,000		515,000	49,485,000					
0	40000284 High Efficiency Electric Home Rebate Program									
	001-2 General Fund-Federal	83,000,000			83,000,000					
	26C-1 Climate Commit Accou-State	80,000,000		10,422,000	69,578,000					
	Project Total:	163,000,000		10,422,000	152,578,000					
0	40000285 2023-25 Early Learning Facilities – School Districts									
	22D-1 Early Lrng Fac Devel-State	5,406,000		2,194,000	3,212,000					
0	40000286 2023-25 Library Capital Improvement Program									
	057-1 State Bldg Constr-State	10,951,000		2,371,000	8,580,000					
0	40000289 2023-25 Public Works Assistance Account (PWAA)									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	40000289 2023-25 Public Works Assistance Account (PWAA)									
	058-1 Public Works Assist-State	400,000,000		8,529,000	391,471,000					
0	40000291 2023-25 Weatherization Plus Health									
	057-1 State Bldg Constr-State	5,000,000		662,000	4,338,000					
	26C-1 Climate Commit Accou-State	35,000,000		9,840,000	25,160,000					
	Project Total:	40,000,000		10,502,000	29,498,000					
0	40000292 2023-25 Youth Recreational Facilities Grant Program									
	057-1 State Bldg Constr-State	8,000,000		807,000	7,193,000					
0	40000294 2023-25 Clean Energy Fund Program									
	26C-1 Climate Commit Accou-State	50,000,000		703,000	49,297,000					
0	40000295 2023-25 Housing Trust Fund									
	057-1 State Bldg Constr-State	103,680,000		4,875,000	98,805,000					
	355-1 St. Bld Const Acct-State	415,359,000		16,016,000	399,343,000					
	532-1 Wa Housing Trst Fd-State	8,500,000			8,500,000					
	Project Total:	527,539,000		20,891,000	506,648,000					
0	40000296 2023-25 Connecting Housing to Infrastructure (CHIP)									
	057-1 State Bldg Constr-State	60,000,000		104,000	59,896,000					
0	40000298 Transit Oriented Housing Development Partnership Match									
	001-7 General Fund-Private/Local	25,000,000			25,000,000					
	355-1 St. Bld Const Acct-State	25,000,000			25,000,000					

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
Project Total:		50,000,000			50,000,000					
0	40000421 Tribal Climate Adaptation Pass-through Grants									
	26C-1 Climate Commit Accou-State	50,000,000		358,000	49,642,000					
0	40000564 Inflation Reduction Act HOMES Program									
	001-2 General Fund-Federal	83,200,000		572,000	82,628,000					
0	40000572 2023-25 Defense Community Compatibility Projects									
	057-1 State Bldg Constr-State	33,950,000		9,786,000	24,164,000					
	23N-1 MTC Capital Account-State	3,720,000			3,720,000					
Project Total:		37,670,000		9,786,000	27,884,000					
0	40000603 Communities of Concern									
	057-1 State Bldg Constr-State	6,367,000			6,367,000					
0	40000604 Green Jobs and Infrastructure Catalytic Funds									
	26C-1 Climate Commit Accou-State	25,000,000			25,000,000					
0	40000606 Clean Energy Community Decarbonization									
	26C-1 Climate Commit Accou-State	50,000,000			50,000,000					
0	40000614 2025 Local and Community Project									
	057-1 State Bldg Constr-State	59,362,000			59,362,000					
	23N-1 MTC Capital Account-State	4,641,000			4,641,000					
	23R-1 MTC Stormw Account-State	5,122,000			5,122,000					
	26C-1 Climate Commit Accou-State	140,000		4,000	136,000					

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
Project Total:		69,265,000		4,000	69,261,000					
0	40000620 2023-25 Community Solar Resilience Hubs									
	26C-1 Climate Commit Accou-State	38,000,000		3,411,000	34,589,000					
0	40000621 2023-25 Community Solar									
	26C-1 Climate Commit Accou-State	6,000,000		1,341,000	4,659,000					
0	40000622 2023-25 Community EV Charging									
	26C-1 Climate Commit Accou-State	105,000,000		2,236,000	102,764,000					
0	40000629 Energy Efficiency Revolving Loan Fund Capitalization Program									
	27A-1 Ener Eff Rev Ln Cap-State	1,869,000			1,869,000					
0	40000650 2026 FIFA World Cup									
	057-1 State Bldg Constr-State	10,000,000			10,000,000					
	28S-1 StadWorldCupCapAcct -State	10,000,000			10,000,000					
Project Total:		20,000,000			20,000,000					
0	40000676 2025-27 BEAD State Match									
	057-1 State Bldg Constr-State	257,000,000				257,000,000				
0	40000685 2025-27 BEAD Federal Authority									
	001-1 General Fund-State	982,182,000				982,182,000				
0	91002449 Multifamily Bldg Efficiency Grants									
	26C-1 Climate Commit Accou-State	55,000,000			55,000,000					
0	91002451 Clean Building Performance Grants									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	91002451 Clean Building Performance Grants									
	26C-1 Climate Commit Accou-State	45,000,000			45,000,000					
0	92000939 Enhanced Shelter Capacity Grants									
	057-1 State Bldg Constr-State	4,611,000	722,000	1,195,000	2,694,000					
0	92000957 2021-23 Community Relief									
	057-1 State Bldg Constr-State	14,450,000	5,623,000	3,734,000	5,093,000					
	355-1 St. Bld Const Acct-State	300,000	300,000							
	Project Total:	14,750,000	5,923,000	3,734,000	5,093,000					
0	92001004 Reimann Roads, Telecomm and Utility Relocation (Pasco)									
	057-1 State Bldg Constr-State	7,500,000	1,977,000	8,000	5,515,000					
0	92001122 Increasing Housing Inventory									
	057-1 State Bldg Constr-State	2,500,000	699,000	592,000	1,209,000					
1	40000677 2025-27 Housing Trust Fund									
	057-1 State Bldg Constr-State	324,014,000				50,000,000	56,500,000	63,845,000	72,145,000	81,524,000
	26U-1 Apple Hlth Homes Acc-State	874,839,000				135,000,000	152,550,000	172,382,000	194,792,000	220,115,000
	355-1 St. Bld Const Acct-State	6,577,471,000				1,015,000,000	1,146,950,000	1,296,053,000	1,464,539,000	1,654,929,000
	Project Total:	7,776,324,000				1,200,000,000	1,356,000,000	1,532,280,000	1,731,476,000	1,956,568,000
2	40000675 2025-27 Connecting Housing to Infrastructure Program									
	057-1 State Bldg Constr-State	100,000,000				100,000,000				
3	40000290 2023-25 Broadband Infrastructure Federal Match Projects									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
3	40000290 2023-25 Broadband Infrastructure Federal Match Projects									
	001-2 General	1,227,560,000			245,560,000	982,000,000				
	Fund-Federal									
	057-1 State Bldg	307,000,000			50,000,000	257,000,000				
	Constr-State									
	Project Total:	1,534,560,000			295,560,000	1,239,000,000				
4	40000665 2025-27 Clean Energy Community Grants									
	057-1 State Bldg	250,000,000				50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
	Constr-State									
5	40000656 2025-27 Early Learning Facilities - Eligible Organizations									
	22C-1 Early Lrng Fac	50,000,000				50,000,000				
	Rev-State									
6	40000669 2025-27 Building Communities Fund Program									
	057-1 State Bldg	50,000,000				50,000,000				
	Constr-State									
7	40000666 2025-27 High Efficiency Electric Appliance Rebates (HEAR) Program									
	26C-1 Climate Commit	400,000,000				80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
	Accou-State									
8	40000674 2025-27 Supporting Housing Affordability Infrastructure Program									
	057-1 State Bldg	250,000,000				50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
	Constr-State									
9	40000683 2025-27 Clean Buildings Performance Grants									
	057-1 State Bldg	250,000,000				50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
	Constr-State									
10	40000680 2025-27 Communities of Concern									
	057-1 State Bldg	10,000,000				10,000,000				
	Constr-State									
11	40000673 2025-27 Community EV Charging									
	26C-1 Climate Commit	525,000,000				105,000,000	105,000,000	105,000,000	105,000,000	105,000,000
	Accou-State									
12	40000682 2025-27 Solar and Energy Storage Grants									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
12	40000682 2025-27 Solar and Energy Storage Grants									
	057-1 State Bldg	350,000,000				70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
	Constr-State									
13	40000671 2025-27 Weatherization Plus Health Grants									
	26C-1 Climate Commit	180,000,000				36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
	Accou-State									
14	40000684 2025-27 Low-Income Home Rehabilitation Grant Program (HRGP)									
	26C- Climate Commit									
	Accou-Unknown									
	26C-1 Climate Commit	30,000,000				6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
	Accou-State									
	Project Total:	30,000,000				6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
15	40000657 2025-27 Regional Approaches Program									
	057-1 State Bldg	10,000,000				10,000,000				
	Constr-State									
16	40000679 2025-27 Clean Energy Fund Program									
	057-1 State Bldg	300,000,000				60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
	Constr-State									
17	40000664 2025-27 Multifamily Efficiency Grants									
	26C-1 Climate Commit	275,000,000				55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
	Accou-State									
18	40000681 2025-27 Clean Energy Project Match									
	26C-1 Climate Commit	100,000,000				100,000,000				
	Accou-State									
19	40000670 2025-27 Energy Retrofits for Public Buildings Grants									
	057-1 State Bldg	112,500,000				22,500,000	22,500,000	22,500,000	22,500,000	22,500,000
	Constr-State									
20	40000668 2025-27 Building for the Arts Grant Program									
	057-1 State Bldg	18,000,000				18,000,000				
	Constr-State									
21	40000661 2025-27 Youth Recreational Facilities Program									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
21	40000661 2025-27 Youth Recreational Facilities Program									
	057-1 State Bldg Constr-State	7,688,000				7,688,000				
22	40000662 2025-27 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
23	40000663 2025-27 Early Learning Facilities - School Districts									
	22C- Early Lrng Fac Rev-Unknown									
	22D-1 Early Lrng Fac Devel-State	8,630,000				8,630,000				
	Project Total:	8,630,000				8,630,000				
24	40000667 2025-27 Behavior Health Facilities									
	057-1 State Bldg Constr-State	92,000,000				92,000,000				
25	40000660 2025-27 Defense Community Compatibility Account									
	057-1 State Bldg Constr-State	50,000,000				50,000,000				
26	40000659 2025-27 Pacific Tower Capital Improvements									
	057-1 State Bldg Constr-State	8,208,000				1,913,000	1,543,000	1,794,000	1,052,000	1,906,000
27	40000658 2025-27 CERB Capital Construction									
	887-1 Pub Facil Const Ln-State	75,000,000				75,000,000				
28	40000672 2025-27 Public Works Board Investment in Essential Infrastructure									
	058-1 Public Works Assist-State	400,000,000				400,000,000				
Total: Grant		18,342,024,000	965,399,000	360,167,000	2,809,926,000	5,245,913,000	1,952,043,000	2,128,574,000	2,327,028,000	2,552,974,000

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Project Class: Grant - Pass Through

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
0	40000114 2019-21 Behavioral Health Capacity Grants									
	057-1 State Bldg Constr-State	125,151,000	97,916,000	10,943,000	16,292,000					
	355-1 St. Bld Const Acct-State	1,000,000	1,000,000							
	Project Total:	126,151,000	98,916,000	10,943,000	16,292,000					
0	40000116 2020 Local and Community Projects									
	057-1 State Bldg Constr-State	166,007,000	124,679,000	41,328,000						
0	40000117 Washington Broadband Program									
	23J-1 SW Broadband Account-State	21,550,000	6,236,000	313,000	15,001,000					
0	91002184 Local Emission Reduction Projects									
	26C-1 Climate Commit Accou-State	31,695,000		1,617,000	30,078,000					
	26D-1 Natural Clim Solu Ac-State	6,975,000			6,975,000					
	Project Total:	38,670,000		1,617,000	37,053,000					
0	91002197 Health Care Infrastructure									
	057-1 State Bldg Constr-State	38,918,000		6,632,000	32,286,000					
0	91002637 The Arc Legacy Center									
	057-1 State Bldg Constr-State	1,000,000			1,000,000					
Total: Grant - Pass Through		392,296,000	229,831,000	60,833,000	101,632,000					

Total Account Summary

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Total Account Summary

<u>Account-Expenditure Authority Type</u>	<u>Estimated Total</u>	<u>Prior Expenditures</u>	<u>Current Expenditures</u>	<u>Reapprop 2025-27</u>	<u>New Approp 2025-27</u>	<u>Estimated 2027-29</u>	<u>Estimated 2029-31</u>	<u>Estimated 2031-33</u>	<u>Estimated 2033-35</u>
001-1 General Fund-State	982,182,000				982,182,000				
001-2 General Fund-Federal	1,490,875,000	5,497,000	16,251,000	487,127,000	982,000,000				
001-7 General	25,000,000			25,000,000					
Fund-Private/Local									
057-1 State Bldg Constr-State	5,085,621,000	674,792,000	311,919,000	1,352,500,000	1,216,101,000	370,543,000	378,139,000	385,697,000	395,930,000
058-1 Public Works Assist-State	1,146,775,000	143,086,000	53,624,000	550,065,000	400,000,000				
22C- Early Lrng Fac									
Rev-Unknown									
22C-1 Early Lrng Fac Rev-State	86,468,000	19,247,000	3,394,000	13,827,000	50,000,000				
22D-1 Early Lrng Fac Devel-State	131,044,000	12,932,000	15,376,000	94,106,000	8,630,000				
22M-1 Energy Efficncy Acct-State	11,000,000	4,890,000	1,587,000	4,523,000					
23J-1 SW Broadband	35,550,000	6,236,000	313,000	29,001,000					
Account-State									
23N-1 MTC Capital Account-State	11,861,000		3,041,000	8,820,000					
23R-1 MTC Stormw	5,122,000			5,122,000					
Account-State									
26C- Climate Commit									
Accou-Unknown									
26C-1 Climate Commit	2,275,177,000		40,642,000	724,535,000	382,000,000	282,000,000	282,000,000	282,000,000	282,000,000
Accou-State									
26D-1 Natural Clim Solu Ac-State	6,975,000			6,975,000					
26U-1 Apple Hlth Homes	934,839,000	66,000	4,940,000	54,994,000	135,000,000	152,550,000	172,382,000	194,792,000	220,115,000
Acc-State									
26V-1 Capital Comm Asst	522,456,000	180,301,000	111,278,000	230,877,000					
Ac-State									
27A-1 Ener Eff Rev Ln Cap-State	1,869,000			1,869,000					
28S-1	10,000,000			10,000,000					
StadWorldCupCapAcct-State									
355-1 St. Bld Const Acct-State	7,465,533,000	349,651,000	58,760,000	479,651,000	1,015,000,000	1,146,950,000	1,296,053,000	1,464,539,000	1,654,929,000
373-2 Corona Cap Proj	174,419,000			174,419,000					
Acct-Federal									

**103 - Department of Commerce
Ten Year Capital Plan by Project Class**

2025-27 Biennium

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS001

Date Run: 9/27/2024 11:37AM

Total Account Summary

<u>Account-Expenditure Authority Type</u>	<u>Estimated Total</u>	<u>Prior Expenditures</u>	<u>Current Expenditures</u>	<u>Reapprop 2025-27</u>	<u>New Approp 2025-27</u>	<u>Estimated 2027-29</u>	<u>Estimated 2029-31</u>	<u>Estimated 2031-33</u>	<u>Estimated 2033-35</u>
373-8 Corona Cap Proj Acct-Federal Stimulus	203,627,000	7,940,000	195,687,000						
532-1 Wa Housing Trst Fd-State	64,599,000	46,210,000	5,357,000	13,032,000					
689-1 Rural WA Loan Acct-State	7,653,000	6,434,000	3,000	1,216,000					
706-2 Coro St Fisc Reco Fd-Federal	79,607,000	18,158,000	25,597,000	35,852,000					
706-8 Coro St Fisc Reco Fd-Federal Stimulus	308,563,000	27,417,000	66,833,000	214,313,000					
818-1 Youth Athletic Facil-State	24,000,000		4,009,000	19,991,000					
887-1 Pub Facil Const Ln-State	128,600,000			53,600,000	75,000,000				
Total	21,219,415,000	1,502,857,000	918,611,000	4,591,415,000	5,245,913,000	1,952,043,000	2,128,574,000	2,327,028,000	2,552,974,000

Ten Year Capital Plan by Project Class

*

Report Number: CBS001
Date Run: 9/27/2024 11:37AM

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2025-27	2025-27
Functional Area	*	All Functional Areas
Agency	103	103
Version	02-A	02-A
Project Classification	*	All Project Classifications
Include Enacted	No	No
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

Review Documentation from DAHP 2025- 2027 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.

**103 - Department of Commerce
Capital FTE Summary
2025-27 Biennium**

*

Version: 02 2025-27 Capital Budget Request

Report Number: CBS004
Date Run: 9/13/2024 3:44PM

FTEs by Job Classification

<u>Job Class</u>	Authorized Budget		2025-27 Biennium	
	2023-25 Biennium		2025-27 Biennium	
	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
AA3, AA4			3.0	3.0
BA4			2.1	2.1
CS1, CS2, CS3, CS4, CS5			82.8	82.8
EMS2, EMS3, EMS4			1.6	1.6
MA3, MA4, MA5			7.2	7.2
PS3			0.2	0.2
WMS2			8.3	8.3
WMS3			2.9	2.9
Total FTEs			108.1	108.1

Account

<u>Account - Expenditure Authority Type</u>	Authorized Budget		2025-27 Biennium	
	2023-25 Biennium		2025-27 Biennium	
	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
001-1 General Fund-State			7,616,335	10,000,000

Narrative

- Commerce can provide this data outside of CBS
- Commerce can provide this data outside of CBS
- Commerce can provide this data outside of CBS

Capital FTE Summary
2025-27 Biennium
*

Report Number: CBS004
Date Run: 9/13/2024 3:44PM

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2025-27	2025-27
Agency	103	103
Version	02-A	02-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 2025-27 Capital Budget Instructions.

The department does not manage maintenance or repair project backlogs.

Department of Commerce

All Preservation Projects

The Department of Commerce does not currently have any preservation related projects as defined in Chapter 3 of the 2025-27 Capital Budget Instructions.

Department of Commerce

All Programmatic Projects

The Department of Commerce does not currently have any programmatic related projects as defined in Chapter 3 of the 2025-27 Capital Budget Instructions.

Department of Commerce

Grants and Loans Projects

1. 2025-27 Housing Trust Fund
2. 2025-27 Connecting Housing to Infrastructure Program
3. 2023-25 Broadband Infrastructure Federal Match Projects
4. 2025-27 Clean Energy Community Grants
5. 2025-27 Early Learning Facilities - Eligible Organizations
6. 2025-27 Building Communities Fund Program
7. 2025-27 High Efficiency Electric Appliance Rebates (HEAR) Program
8. 2025-27 Supporting Housing Affordability Infrastructure Program
9. 2025-27 Clean Buildings Performance Grants
10. 2025-27 Communities of Concern
11. 2025-27 Community EV Charging
12. 2025-27 Solar and Energy Storage Grants
13. 2025-27 Weatherization Plus Health Grants
14. 2025-27 Low-Income Home Rehabilitation Grant Program (HRGP)
15. 2025-27 Regional Approaches Program
16. 2025-27 Clean Energy Fund Program
17. 2025-27 Low Income Multifamily Efficiency Grants
18. 2025-27 Clean Energy Project Match
19. 2025-27 Energy Retrofits for Public Buildings Grants
20. 2025-27 Building for the Arts Grant Program
21. 2025-27 Youth Recreational Facilities Program
22. 2025-27 Library Capital Improvement Program
23. 2025-27 Early Learning Facilities - School Districts
24. 2025-27 Behavioral Health Facilities
25. 25-27 Defense Community Compatibility Program
26. 2025-27 Pacific Tower Capital Improvements
27. 2025-27 CERB Capital Program
28. 2025-27 Public Works Board Investment in Essential Infrastructure

2025-27 Housing Trust Fund

Agency Priority	1
Starting Year:	FY26
Project #	40000677

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

This proposal requests \$1.2 Billion for the 2025-2027 biennial budget to support [affordable housing capital programs](#) administered by the Homeownership Unit, Multifamily Unit, and Apple Health and Home Unit with a set-aside for Tribal housing initiatives.

Office of Financial Management and Commerce forecast in a 2023 housing estimate that in order to meet the 2044 Housing goals, Washington State will need 1.1 million more homes. To achieve the state's housing goals Commerce will need to fund the construction of new homes, preserve homes as affordable housing, and build the capacity of community-based developers. The tribal set-aside will also allow Commerce to dedicate a position to work in tandem with Tribal nations on housing priorities.

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

Commerce is requesting \$1.2 billion in capital funding for the 2025-2027 biennium to develop and preserve approximately 15,500 subsidized housing units as part of achieving the state 1.1 million new affordable housing unit target published by the Department in 2023, as required under RCW [36.70A.070](#) (HB1220 (2021) - Commerce website - Updating [GMA Housing Elements](#))

Beyond capital investments, achieving the new unit goal will require implementation of recently enacted changes to land use regulations. In any plausible scenario, a significant increase in capital investments is necessary to achieve the state's affordability targets.

Additionally, 5% of the capital funding should be set aside for Tribes to ensure they receive an appropriate share of funding.

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.

Current investment levels fall short

More than 219,000 extremely low-income households are severely cost-burdened in Washington State. Housing targets released by the Department in 2023 as required under RCW [36.70A.070](#) (HB1220) estimates that an additional 1.1 million new units are needed by 2044, of which 523,000 should be affordable to households with incomes less than 50% of Area Median Income (AMI). According to the same analysis, over 122,000 units of Permanent Supportive Housing are also needed. DSHS's Research and Data Analysis reported to the Legislature (as required by the 2022 supplemental budge)

Significant changes to land use passed in the last two legislative sessions are expected to expand the housing supply and the variety of housing types, reducing overall housing costs and the need for subsidies. These include increased middle housing, diverse types of housing, emphasis on allowing

supportive housing and shelter services, and increased density in many areas. However, even under optimistic assumptions regarding the impact of land use changes on housing costs, large increases in housing subsidies or income supports will be needed to meet the affordability targets for households with incomes between 0-50% AMI.

Key measures of housing affordability show that Washington State is somewhat more affordable overall than the national average. For instance, in 2022, 13.3% of households in the United States as a whole were extremely housing cost burdened, while in Washington 12.7% were extremely cost burdened. By the same measure affordability in Washington is similar or better than in Texas, Georgia, and Florida (12.5%, 12.8%, and 15.8%, respectively) [Census Bureau 2022 American Community Survey, [Table S2503](#)].

However, these aggregate statistics mask the significant affordability problems faced by people in Washington, where plentiful, higher wage jobs create affordability for the majority while leaving people at the margins behind. For instance, federal disability payments are the same nationwide, but \$900 per month goes a lot further in a lower cost of living state than Washington.

Recent and proposed land use reforms are critical to meet the needs of Washington's growing communities, and additional supply will moderate housing price inflation. Higher wages lead to higher housing prices, even when there is an abundant supply of units. To accommodate all household income levels in Washington, investments in affordable housing need to scale to meet the need.

In the current biennium \$590 million of capital funding was appropriated for affordable housing including permanent supportive housing. Combined with leveraged federal, local, and private funding, this investment is expected to produce an estimated 8,000 units of subsidized housing (4,000 per year).

Using optimistic assumptions about the impacts of land use reforms, meeting the 1.1 million target would require the addition of more than 26,000 subsidized units each year. Ideally, increases in federal housing vouchers, federal capital investments, or federal income supports could address a large portion of this unmet need. However, the state should not wait for federal action to begin addressing housing needs and scaling-up development capacity to meet the state housing targets.

People with Housing Choice Vouchers issued by HUD are often not able to locate available units in the timeliness standards set by the federal agency. This indicates the need to build more affordable housing projects that can utilize the federal vouchers for sustainability.

Tribes are not receiving an appropriate share of funding

Collected data indicate that in Washington, Tribes tend to experience higher rates of overcrowding in homes, are more likely to be cost burdened (or pay more than 30% of their income on housing expenses), have lower rates of homeownership, are more likely to live in housing with moderate-to-severe structural problems, experience higher rates of unemployment, earn lower household incomes, and experience disproportionately higher rates of homelessness in comparison to statewide averages.

Accepted methodology for ensuring fair competitive funding access fails to provide equitable funding access for Tribal nations. Commerce follows the established direction provided by statute to ensure that funding competition is fair. The uniform approach to competitive funding disadvantages Washington's Tribes by omitting consideration of their sovereign status. Even though Tribes are eligible for and do in some cases successfully compete for Commerce housing funding, in practice allocation processes that work well for local governments and non-profit organizations are not delivering an appropriate share of funding to Tribes.

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.

\$1.2 billion in capital funding could result in approximately 15,500 units of affordable housing (11,000 new and 4,500 preserved units). This projected number of units considers that some of the funding is for the preservation of existing units, smaller amounts of leveraged funds from other funding sources as those sources are exhausted, increased building materials and labor costs, and higher interest rates. This proposal can scale up or down, and the associated number of units and staff would scale based on actual final appropriation levels. Projected new units assuming a \$1.2 billion appropriation include:

- **75% - \$900 million for Multifamily/Rental Housing incl. Permanent Supportive Housing (PSH):** Approx. **12,000 units impacted (7,500 new units; 4,500 units preserved)**
 - **60%** of the affordable housing investment will support the open competitive investment strategy using the existing combined funders application process, which provides the greatest opportunity to meet local priorities, pair with other funding sources (federal and local), and fund deep investments in pro-equity projects. Addressing critical housing needs for persons with intellectual and developmental disabilities, seniors on fixed incomes facing increasing risk of homelessness, building workforce housing in rural communities, transit-oriented development and meeting other essential needs are achieved through scoring, funding targets and the coordinated funding process. The program will be administered following [RCW 43.185A.140](#) which includes target minimum investments of 10% for By and For organizations and 30% target for rural and statewide investment. The low-income portions of housing projects, including social or mixed income housing, would be eligible for this funding.

Timeline: Commerce will utilize these funds over a two-year cycle, releasing a competitive funding application approximately 90 days after the budget is final. All funds will be committed within the biennium.

- **15%** of funding will target rapid, permanent supportive housing (Apple Health and Homes Capital Program set in [RCW 43.330.187](#). Previous Apple Health and Homes (AHAH) Capital awards include 14 projects and 2 direct appropriations. The 263 units of PSH will be leveraged with federal Medicaid-covered services through the Foundational Community Supports program (at Health Care Authority) and some limited rent support. AHAH is a testament to the growing intersection between health and housing.

Timeline: Commerce will utilize these funds over a two-year cycle, releasing a competitive funding application approximately 90 days after the budget is final. All funds will be committed within the biennium.

- **24%** of the capital investment will be reserved for current affordable housing in need of repairs and preservation and to acquire/retain housing with expiring affordability restrictions (aka Continuing Affordability Program). Persons living in the state's affordable housing portfolio deserve high quality housing and these investments ensure that existing housing is safe, decent and affordable. These three programs provide critical resources at three points in the life cycle of an affordable housing development:

- The HTF Repair Program addresses urgent repairs to return units to habitability when properties experience crisis such as water leaks, fires, meth contamination or severe damage.

Timeline: The HTF Repair Fund will be available on an ongoing basis through an online portal until all funds are spent.

- The Housing Preservation Program invests in properties with deferred maintenance issues which contribute to long-term vacancies, safety and health issues. Over the 40–50-year lifespan of a property, rent restricted properties experience challenges and are limited in the ability to access private capital. This

source fills a major gap in the housing ecosystem. Refer to related statute [43.185A.180](#).

Timeline: Commerce will release a competitive funding application six months into the fiscal year. If more than \$40,000,000 is appropriated, a second application cycle will be available in the second year of the biennium. All funds will be committed within the biennium.

- The Continuing Affordability program 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 properties become unsustainable and are at jeopardy for loss to market activity.

Timeline: Commerce will release a competitive funding application six months into the fiscal year. If more than \$10,000,000 is appropriated, a second application cycle will be available in the second year of the biennium. All funds will be committed within the biennium.

- **1%** of funding will be set aside for Capacity Building, Outreach, and Support to continue the efforts to provide technical assistance and preconstruction funding to rural developers, Tribes, By and For Organizations, and those historically unable to access state capital investment. In addition to technical assistance, communities tell us about the need for predevelopment funding to assist with the costs associated with performing due diligence, assembling a site and preparing funding applications for our highly competitive capital programs. Direct grants will empower organizations to develop the internal capacity to obtain and effectively manage affordable housing. Refer to related statute: RCW [43.185A.170](#).

Timeline: Commerce will release a competitive funding application in the first fiscal year, 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 2025-27 biennium, a second application cycle will be available in the second year of the biennium. All funds will be committed within the biennium.

- **20% - \$240 million for Homeownership:** This has the potential to support over 3,000+ new homeowners. Creating new homeowners generates rental-housing vacancies for new tenants and provides stability to the new homeowners.

- The Home Futures Institute is a program to build the capacity of nonprofit community land trusts and other organizations interested in developing or preserving affordable housing. \$2 million will fund two, one-year cycles of participants in the Home Futures Institute. A minimum of \$10 million will be directed to the graduates of the Institute for Capital and Operating purposes, which will include providing a continuum of support and technical assistance.

Timeline: Commerce will utilize these funds over a 2-year cycle in partnership with the NW Community Land Trust Coalition.

- **80%** of the remaining homeownership investment will support competitive funding to support new construction, keep subsidized units affordable, support down-payment assistance programs and provide non-profits with the support they need to acquire capital and/or rehabilitate properties. The program will be administered following [RCW 43.185A](#)
Timeline: Projects funded with competitive funding in general, projects awarded funds will be available for occupancy 12 months to 3 years after awards (SFYs 2027-29)

- **20%** of Commerce's remaining funds will preserve homeownership by assisting low-income homeowners with home repair and utility infrastructure issues. Eligible activities would include assisting resident-owned manufactured home communities with failing water and sewer infrastructure, and payment of impact fees needed to move additional affordable homes into resident-owned manufactured communities. The program will be administered following [RCW 43.185A](#)

Timeline: Commerce intends to leverage existing homeownership stakeholder groups to determine the best practices in allocating these funds once they are authorized.

- **5% - \$60 million for Tribal Housing:** Approx. 500 units
Commerce seeks a set-aside funding allocation for Tribal Nations to ensure housing is developed that is owned by and serves tribal members (under statute [43.185A.040](#) funding is restricted to federally recognized tribes).

Existing law allows Commerce to use up to 3% of capital appropriations for affordable housing for administrative costs. The current staff level needed to support the \$600M in capital funding for the current biennium is 37.5 FTE. There will be a need to increase staffing levels to accommodate a larger investment. There will be some efficiencies gained as operations improve, and award sizes increase resulting in fewer contracts per \$100 million. However, these estimates will need adjustments if there are new or one-off provisos requiring new program guidelines, separate solicitations, etc. If this request is funded, Commerce will need to hire the following employees to support the increase in capital awards.

FTE by Position Category	New Additional
AA3	1.1
MA4 – IT and DPU	1.3
CS2	1.6
CS3	6.9
CS4	1.0
CS5	1.7
WMS2	1.0
WMS3	1.0
Total Additional FTEs	15.6

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

There is widespread public recognition of the 1.1 million NEW affordable housing target released by Commerce in 2023.

The county's required housing planning targets date back to the 1990s. The change enacted under HB 1220 (2021) modified the longstanding target requirements under RCW [36.70A.070](#) to segment the target units by household income (as opposed to a single income-blind housing unit target).

Even under very optimistic assumptions regarding housing cost reductions connected to additional aggressive land use reforms, achieving the targets for households with income below 50% AMI is only possible with substantial increases in housing subsidies. Each year the state delays increasing housing

investments, making achieving the 20-year affordability targets more difficult. Missing the targets will exacerbate the existing problem of affordability and related homelessness.

Tribal housing:

As sovereign entities with unique needs, current systems for awarding funding are not well matched to Tribes. Creating a dedicated funding source supported by a dedicated tribal liaison will ensure Tribes receive an appropriate share of funds under an award process and contracts that respect Tribes.

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

The Department of Commerce has considered the following alternatives:

Requesting the federal government provide 100% of the housing or income subsidies needed to meet the targets. Although the current presidential administration has proposed subsidies that would address the targets, there is not any indication that those federal subsidies will be enacted in the near term. Washington should start ramping up investments and development capacity immediately in order to meet the 20-year housing unit targets.

Relying on tenant-based vouchers instead of capital investments. To meet the targets set forth by the Department, the state will need to add an additional 26,000 subsidized units per year. This proposal funds 4,000 units per year, leaving plenty of room to layer in additional tenant-based vouchers if that is a direction policy makers want to pursue. A strategy weighted primarily toward vouchers could cause rental housing inflation. In contrast, significant investments in capital-financed rental units can serve as an anchor against inflation, preventing excessive rental price inflation in the larger for-profit housing market. Finally, although tenant-based vouchers do directly address affordability, vouchers do not directly add units to the overall supply and are thus not well suited to address the needs of an undersupplied housing market.

Relying on land use regulation alone to make housing affordable to lower income households. Land use reforms are foundational to success. Without land use reforms it will be difficult and more costly to build subsidized housing. Land use reforms can plausibly lead to market rate housing being affordable to people with incomes between 50-80% AMI. In modern history, no state or community in the USA has come anywhere near achieving affordability as defined by the comprehensive plan targets for households with incomes between 0-50% AMI. Even places with an overt oversupply of housing (e.g., Detroit) see large percentages of the lowest income households experiencing significant cost burdens. Even employing the most optimistic assumptions about the impacts on housing prices of land use reforms and expanded supply, achieving the state targets will require a dramatic increase in housing subsidies.

Working upstream to increase incomes and housing stability through behavioral health interventions, education, and life skills. Increased investments in education and behavioral health are important, providing real returns that in most cases offset the costs of the interventions [A Unified Welfare Analysis of Government Policies, 2020, Hendren and Sprung-Keyser.] Positive outcomes include recovery from substance use disorder and other behavioral health illnesses and increased work participation. And for some people ongoing behavioral health supports are critical to remaining stably housed: subsidies alone are not enough. However, extensive review of the research literature and related modeling do not show that additional investments in behavioral health treatment and education meaningfully reduce homelessness or the need for housing or income subsidies. More than a decade's research of Washington state and national efforts have confirmed this finding. That said, the state should continue expansion of behavioral health interventions, job training, system navigation, etc. because at the margins those interventions can help people achieve recovery and increased self-sufficiency.

Improve efficiency and effectiveness of interventions and subsidies. Every system, public and private, should continue focusing on, and invest in, improving efficiency and effectiveness. Commerce has a

nation leading performance management system for homelessness interventions, and Commerce funded housing efforts have been scrutinized by multiple public and private audits and performance reviews. Useful information has come from those processes and has been implemented to improve outcomes and efficiencies. In no case has a review identified a change that would dramatically reduce costs or improve effectiveness at a level that would preclude the need for large increases in housing subsidies.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

RCW [43.185A](#) requires that Commerce's affordable housing programs serve rural areas, communities across the state, and overwhelmingly benefit persons with disabilities and those with low incomes. These investments are exclusively made through nonprofit community organizations, federally recognized Tribes, housing authorities and local governments, which, as mission-bound organizations ensures the long-term protections of state assets.

Over half of the units funded by 2023-25 Multifamily Housing investments serve homeless households, and 75% are very low-income households (<50% AMI). These projects are serving the most vulnerable populations in the State of Washington through the development of shelters, transitional housing, group homes and apartment homes. 20% of the 2023-25 investments produce Permanent Supportive Housing units.

In the 2025-27 Biennium, if there is an increase in funding, Commerce will seek to expand eligible projects to include more mixed income housing such as social housing. Scoring will be established that creates 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.

In the [DSHS – RDA report to the Legislature](#), the estimated 83,000 individuals who could benefit from PSH include the following characteristics:

- Were observed to be homeless in the month;
- Were 18 years of age or older in that month;
- Had at least one month of Title XIX Medicaid coverage in the past year (inclusive of the month in question); AND
- Had a mental health diagnosis or substance use disorder in the past two years (inclusive of the month in question) OR an indication of a significant chronic illness based on Medicaid claims data.

According to the [July 2023 Snapshot Report on Homelessness](#), 49,990 individuals are currently in emergency shelters or unsheltered and meet the chronic homeless definition throughout Washington State. Between 58,000 and 53,000 individuals in emergency shelters or unsheltered have a mental health disorder or a substance use disorder. Over 42,000 individuals have both a co-occurring mental health disorder and a substance use disorder.

According to the [GMA projections](#), 122,469 units of PSH are needed to meet the needs of Washington's most complex and vulnerable citizens.

This proposal would fund approximately 11,000 new units and preserve 4,500 existing units.

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?

Historically, Commerce leverages at least \$5 for every \$1 invested. In 2024, Commerce's multifamily investments represented \$2.1 billion in total housing investments, including \$1.7 billion in non-state funding.

Beyond COVID relief funding, federal sources for affordable housing are stagnant and generated primarily through the Low-Income Housing Tax Credit program. 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, in combination of equity and debt. Through a combination of sources, including sales tax for affordable housing (HB 1406, Laws of 2019), local referenda, and Federal HOME funds, local sources contribute an additional \$300-\$400 million. Many projects obtain permanent financing from lenders motivated by community reinvestment act requirements or federally backed loans; these also 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. Continued advocacy through federal 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 (*i.e.* "to go deep") means projects may be expedited and less cumbersome to the developer.

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.

Any capital funding provided in 2025-27 budget will assist with the changes enabled by updates to the Growth Management Act in the 2023-25 biennium. These include increased middle housing, diverse types of housing, emphasis on allowing supportive housing and shelter services, and increased density in many areas.

With the creation of the Covenant Homeownership Program (CHP) (HB 1474) in 2022, the Capital funds requested by Commerce will be leveraged with more than \$100 million in down-payment assistance funding administered by the Washington State Housing Finance Commission. Recipients of CHP funds will be able to purchase homes produced through Capital funding investments and investments in homeownership preservation.

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 request would expand the supply of affordable housing to fulfill the state's 20-year housing targets by increasing affordable housing investments and development capacity.

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.

In 2023, Commerce and OFM released a report that indicated that in order to achieve the Governor's housing goals we would have to build 1.1 million new and preserved units of housing across the state. Various income bands across the AMI spectrum have demonstrated some level of housing need in different jurisdictions across the state. Producing new units and keeping units affordable that have been subsidized is essential to meet the needs of low-income households. Commerce's requests and investments will produce a significant portion of the units at the volume necessary to meet those goals, in line with the Growth Management Act and RCW [36.70A.070](#).

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](#).)

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

Since 2008, the affordable housing projects developed by Commerce have had to meet high efficiency and sustainability standards ([Evergreen Sustainable Design Standards](#)). Residential housing is a major contributor to greenhouse gases, and housing funded by this program has exceeded building code standards for over a decade. These standards will continue to require developers to develop sites in locations that reduce carbon pollution, and these investments will also rehabilitate buildings to make them more energy efficient.

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?

People with lower incomes and higher housing cost burdens are disproportionately from historically marginalized communities. In general, investments in affordable housing directly address these disparities. Washington's investments further promote equity by focusing technical assistance on By and For organizations to ensure funding awards reflect the need to address historic inequities.

RCW [43.185A.140](#) requires Commerce to prioritize allocating at least, but not limited to, 10% of the funds to By and For organizations, and 30% to rural communities. Program investments have been made to support organizations with preconstruction technical assistance to build their capacity to manage these investments. In addition, all applicants are required to submit information in their applications documenting their anti-racist, pro-equity standards. Most nonprofit developers have a long history of providing accountable service to the most marginalized communities and work to include persons with lived experience in positions of authority on boards of directors. Many nonprofit workforces also have a

large share of employees with lived experiences who are highly attuned to the needs of these communities. The fact that investments are limited to public or nonprofit entities further ensures ongoing public accountability. In recent years the housing sector has been directly engaging equity issues and is making real progress in authentic, impactful ways.

The AHAH initiative (RCW [43.330.184](#)) requires Commerce to, “...prioritize allocating at least 10% of the expenditures from the account to organizations that serve and are substantially governed by individuals disproportionately impacted by homelessness and behavioral health conditions, including black, indigenous, and other people of color, lesbian, gay, bisexual, queer, transgender, and other gender diverse individuals.”. Homelessness is traumatic, cyclical, and puts people at risk for Mental Health and Substance Use Disorders. Homelessness also interferes with one’s ability to receive services, including services for behavioral health conditions, and jeopardizes the chances for successful recovery.

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

According to [Commerce’s 2023 report](#) the state needs to produce 1.1 million new homes by 2044 to accommodate new job and population growth. HB 1220 (RCW [36.70A.070](#)) codifies the requirement for the Department of Commerce to help communities plan for the units for moderate, low, very low and extremely low-income households, and for emergency housing and permanent supportive housing. Commerce projected the need at the local and county level and provided guidance to local governments for how they can work together to allocate the projected housing needs. Per the RCW, cities and counties must plan for a variety of housing types in their comprehensive plans as well.

Commerce’s Capital Budget Request builds upon these planning policies by investing in new construction and home preservation, multifamily housing development and support for Tribal Housing Development. Without a significant increase in affordable housing, even with the most accommodative land use communities will be unable to achieve the 0%-50% AMI housing targets promulgated by Commerce.

RCW that establishes grant (if applicable):

[43.185A](#) (Affordable Housing Programs);

43.330.187 (Rapid Permanent Supportive Housing – Apple Health and Home Capital)

<https://app.leg.wa.gov/RCW/default.aspx?cite=43.330.187> 74.09.886 Apple Health and Home Eligibility

Application process used (grants; if applicable): [Housing Trust Fund Application Website](#)

Is a project list available? If so, please attach and/or include this information. The awards will be made through competitive application process. A list of prior awards for the 2023-25 Biennium is available here:

[Multifamily Biennial Investment List 23-25](#)

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.*

Assuming Commerce expends up to 3% of the funds on administrative costs, the following average per-unit costs are expected based on historic actual costs:

	Units	Average State cost per unit	Average total development cost per unit
Homeownership	3,000	\$77,600	\$437,300 – construction only (excludes down

			<i>payment assistance and permanent affordability)</i>
	New: 7,500		
	Preserved: 4,500	New:\$88,800 Preserved: \$50,000	New: \$403,517 Preserved: \$55,000
Multifamily			
Tribal	500	\$116,400	\$403,517

Multifamily estimates: The estimates for “New” units are based on a multi-year average of Average Subsidy and Total Development Cost per unit, using data from the 2023 funding cycle. These include acquisition, rehabilitation and redevelopment projects. The amount of available matching funds are not anticipated to grow, so the average cost per unit will likely increase as the number of funded units increases. The Preservation estimates are higher than historic averages (\$35k) to account for the large capital needs of projects not historically met through the current program due to budget limitations. Therefore, it is likely that higher costs per unit will be required.

For homeownership projects, assumptions include approximately \$3 million per Capital project based on competitive funding (80%) of the remaining allocation and \$1 million per homeownership preservation project.

Estimated Total Expenditures:

By Fund	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
355-1	1,015,000,000	1,146,950,000	1,296,053,000	1,464,539,000	1,654,929,000
057-1	50,000,000	56,500,000	63,845,000	72,145,000	81,524,000
26U-1	135,000,000	152,550,000	172,382,000	194,792,000	220,115,000
By Object:					
A - Salaries and Wages	2,799,000	2,799,000	2,799,000	2,799,000	2,799,000
B - Employee Benefits	940,000	940,000	940,000	940,000	940,000
C – Professional Service Contracts	-	-			
E - Goods and Other Services	602,000	602,000	392,000	392,000	392,000
G - Travel	256,000	256,000	256,000	256,000	256,000
J - Equipment and Capital Outlays	78,000	21,000			
N – Grants, Benefits, Client Services	1,194,095,000	1,350,152,000	1,526,663,000	1,725,859,000	1,725,859,000
T - Intra-agency Reimbursements	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000
Total	1,200,000,000	1,356,000,000	1,532,280,000	1,731,476,000	1,956,568,000

FTE's : (Fund)

FTEs	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
------	-----------	-----------	-----------	-----------	-----------

By Fund:					
355-1	13.3	13.3	13.3	13.3	13.3
057-1	0.6	0.6	0.6	0.6	0.6
26U-1	1.7	1.7	1.7	1.7	1.7
By Position:					
Administrative Assistant 3	1.1	1.1	1.1	1.1	1.1
Commerce Specialist 2	1.6	1.6	1.6	1.6	1.6
Commerce Specialist 3	6.9	6.9	6.9	6.9	6.9
Commerce Specialist 4	1.0	1.0	1.0	1.0	1.0
Commerce Specialist 5	1.7	1.7	1.7	1.7	1.7
Management Analyst 4	1.3	1.3	1.3	1.3	1.3
WMS Band 2	1.0	1.0	1.0	1.0	1.0
WMS Band 3	1.0	1.0	1.0	1.0	1.0
Total	15.6	15.6	15.6	15.6	15.6

2025-27 Connecting Housing to Infrastructure Program

Agency Priority	2
Starting Year:	FY 26
Project #	40000290

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The department proposes \$100 million in CHIP funding and anticipates awarding \$50 million each fiscal year for approximately 25 projects. Over the past four years, requests for CHIP funding were more than double the available funding (\$88.5 million awarded compared to \$178 million requested). The projects CHIP was unable to fund in the past two biennia would have increased the housing supply by approximately 6,000 additional units. More funding would encourage and incentivize more non-profit developers to build affordable housing and leverage the private sector to build housing and set rent at affordable levels in exchange for CHIP funding.

CHIP pays for:

- Onsite water, sewer and stormwater connections to a housing development with at least 25% affordable housing units.
- Offsite water, sewer, and stormwater improvements in the right-of-way, connecting to a housing development with at least 25% affordable housing units.
- Waived system development charges for affordable units.

CHIP pays for:

- Onsite water, sewer and stormwater connections to a housing development with at least 25% affordable housing units.
- Offsite water, sewer, and stormwater improvements in the right-of-way, connecting to a housing development with at least 25% affordable housing units.
- Waived system development charges for affordable units.

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.

Washington needs 1.1 million new homes over the next 20 years, more than half of them need to be affordable to households earning less than 80% AMI. The Connecting Housing to Infrastructure Program (CHIP) was created in 2021 to fund utility connections for affordable housing. By covering the upfront costs of infrastructure and connecting housing to municipal systems, the program makes affordable housing projects more viable and helps bring more affordable housing units online. The program also helps local governments reduce per unit connection fees. When utilities reduce or waive connection fees for affordable, multifamily or infill projects, it can have a catalyst effect, encouraging more development of

similar housing types, which tend to be more affordable and make more efficient use of costly infrastructure.

CHIP funding has been well-received over the past two biennia, and interest is growing. Since 2021, CHIP has been overprescribed, receiving requests for \$178 million and awarding \$88.5 million to subsidize approximately 8,000 affordable housing units. New affordable housing projects require significant support to ensure the long-term sustainability and affordability of units. CHIP provides funding for the public infrastructure costs of affordable housing development and holds the potential to leverage non-traditional source of affordable housing.

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.

Continued CHIP funding will provide more grants to local government and public utility districts for the connection of affordable housing projects to water, sewer and stormwater utilities. It also reimburses local governments for waived portions of system development charges for water, sewer and stormwater connections. CHIP incentivizes the development of proportional charges and fee waiver systems for affordable housing, such that all affordable housing developments may be able to benefit from into the future.

The department anticipates 25 investments at \$2 million each per fiscal year. Based on CHIP's historical units subsidized, this may add more than 9,000 additional affordable housing units to advance the state's housing goals. Depending on the funding request, project would complete in no more than four years.

CHIP is more flexible than other programs and encourages innovative engagement of the resources of the private sector, to provide additional low-income housing opportunities throughout the state. This creates a significant cost savings to the affordable housing developer, as well as improving the public infrastructure and often providing the potential for more future development.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Investing in CHIP is investing in meaningful incentives that will advance affordable housing opportunities. Communities across the state are required to plan for and accommodate their portion of countywide housing need and "make adequate provisions" for and identify barriers to the development of deeply affordable housing. The CHIP program can incentivize local governments to reduce the fees associated with infrastructure development for affordable housing, which can address both requirements above.

Differential fee structures and waived system development changes can help affordable housing, however, because of the types of funding, reimbursement of waivers is essential to ensuring quality infrastructure. CHIP can help fill the gap for the infrastructure funding needed when local governments support affordable housing. It can also help provide infrastructure for other infill housing in the area, meeting state goals for more housing.

Based on CHIP's historical units subsidized, this may add more than 9,000 additional affordable housing units to advance the state's housing goals. If not funded, many developments may not be proposed because the project may not yet be cost efficient.

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

The department has considered seeking federal funding. In the past, some federal ARPA funding was used. There is no readily available source of new federal funding, and continuation of CHIP is only possible with additional state funding. Federal funding also complicates project delivery and adds to project cost especially for smaller projects. Commerce should consider new federal funding sources if and when they become available.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Lack of affordable housing is an issue that is disproportionately experienced by historically disadvantaged communities. According to the [Affordable Housing Advisory Board](#), *“BIPOC households are more likely than white, non-Hispanic households to live in unaffordable housing. Housing is considered unaffordable when a household’s monthly housing costs exceed a certain threshold – most commonly 30 percent of gross income – thereby reducing the budget available for other necessities and amenities. For households with lower incomes, high housing costs mean they must choose between paying for housing or getting other life necessities like food or medications.”*

Washington has 155,214 affordable housing units for households with incomes at or below 50% AMI, yet there are more than 700,000 households at this income level. Additionally, approximately 75% of those units are in the central Puget Sound region, limiting low-income households from accessing affordable housing that they presently need.

Continuing the CHIP program would allow funding of more affordable housing projects across the state. The CHIP proviso has split funding into two parts historically. Grants to address both densely populated areas and also low-population areas where understaffed local government and public utility districts may struggle to respond to the requirements of grant funding. Based on CHIP’s historical units subsidized, this may add more than 9,000 additional affordable housing units to advance the state’s housing goals. If not funded, many developments may not be proposed because the project may not yet be cost efficient.

Total funds: \$55.5M in competitive funding

Amount	Eligible Applicants	Funds Available
\$36.1 million STATE CAPITAL FUNDS	Any city, county, or utility district*	Grants or deferred loans
\$19.4 million STATE CAPITAL FUNDS	Any city, county, or utility district*, in a county a population <= 150,000	Grants

* The city, county or PUD needs to be in a jurisdiction that has implemented a sales and use tax for affordable housing.

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?

Through the first three CHIP funding rounds, 54 project investments totaling nearly \$41 million leveraged more than \$2 billion in state, private, and local project financing. Leveraged funds can include the Housing Trust Fund, low-income housing tax credits, along with community and developer resources.

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.

CHIP aligns with Gov. Inslee's and Results Washington's goals for:

- Goal 4: Healthy and Safe communities: Families with a roof over their head will have stronger health outcomes, and be able to sustain through unforeseen expenditure impacts, like emergency department visits or unemployment.
- Goal 2: Prosperous economy: Residents and families that have reliable, affordable housing will have more opportunity to focus on education and career advancement. CHIP can help create more opportunities for families at risk of homelessness due to unaffordable housing.

In addition, CHIP aligns with the Affordable Housing Advisory Board recommendations and responds to findings in of the Homeownership Disparities Work Group. Specifically, CHIP aligns with Commerce's agencywide equity initiatives to focus state programming on vulnerable or disadvantaged areas and households. CHIP can also be directed to areas of a community where, historically, infrastructure has been underfunded and underdeveloped because the residents were low-income and/or BIPOC.

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.](#))

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

By incentivizing infill development this grant program will reduce vehicle trip miles traveled, because homes closer to amenities and employment can rely on public transportation or non-motorized options to reach the destination (See [The influence of infill development on travel behavior \(fau.edu\)](#)). Additionally, it is possible that these funds could incentivize development of abandoned sites or on surface parking lots in our urban centers and reduce the need for new building materials and thereby lower the development's carbon footprint.

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?

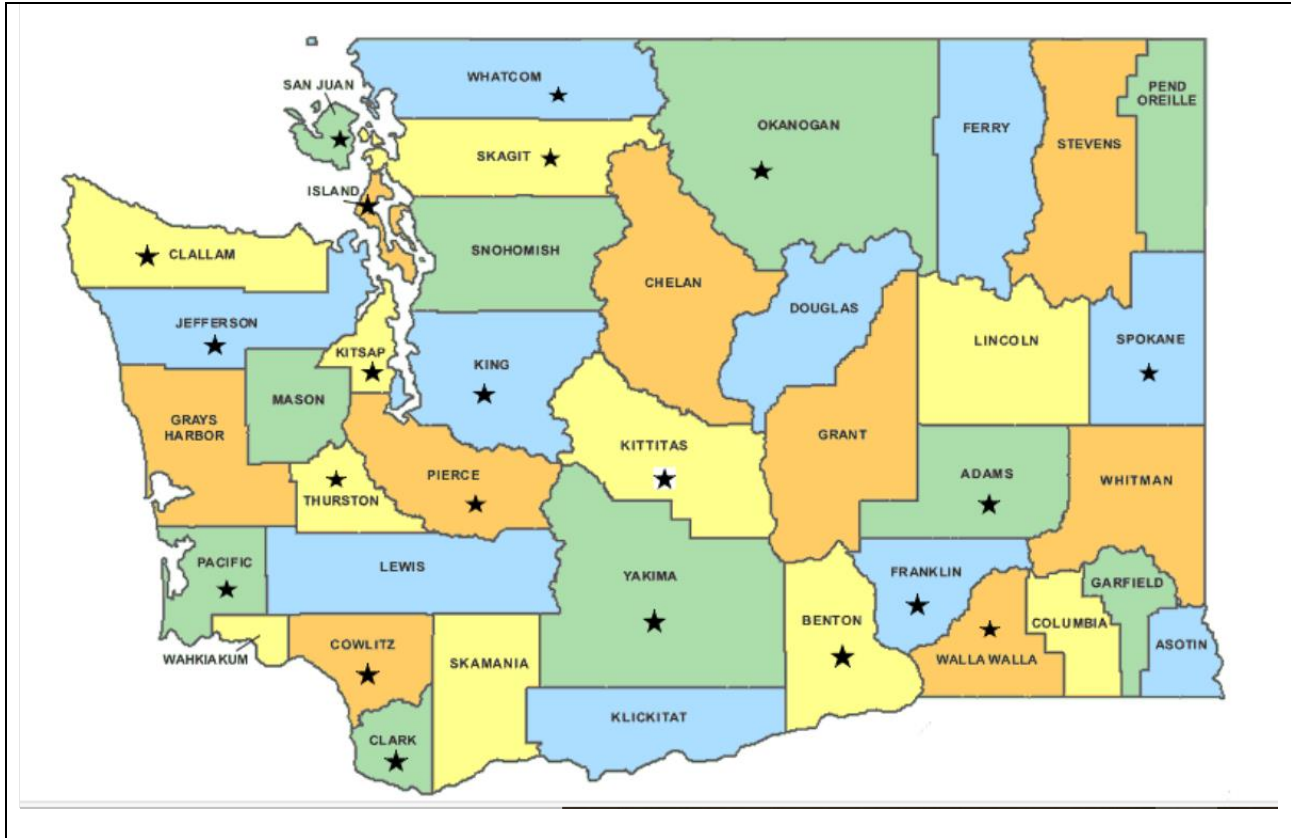
The CHIP proviso has split funding into two parts historically. Grants to address both densely populated areas and also low-population areas where understaffed local government and public utility districts may struggle to respond to the requirements of grant funding.

CHIP can also be directed to areas of a community where, historically, infrastructure has been underfunded and underdeveloped because the residents were low-income and/or BIPOC. This is important for communities across the state looking to undo the impacts of racist policies.

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

CHIP can leverage non-traditional sources of affordable housing, and therefore is a good investment of state dollars. To illustrate, the South Sound Family Support Center in Olympia received a \$2.5 million CHIP grant in a prior funding round and added 62 new units. In addition, the Samish Commons in Bellingham benefitted from a \$502,302 CHIP grant in a prior funding round. The project provided 102 affordable units.

A map of the January 2024 awards is shown below to demonstrate the equity of awards across the state. Stars indicate awards.



RCW that establishes grant (if applicable):

Application process used (grants; if applicable): Competitive grants

Is a project list available? If so, please attach and/or include this information.

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 State Building Construction Account	\$100,000,000				
Total	\$100,000,000				

2023-25 Broadband Infrastructure Federal Match Projects

Agency Priority	3
Starting Year:	FY 2025
Project #	40000290

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

Commerce requests an additional \$257 million in budget authority added to the 2024 supplemental capital budget to meet the 25% match requirements associated with the federal NTIA Broadband Equity, Access and Deployment (BEAD) resources. We anticipate entering into contracts with broadband providers during the spring 2025 which necessitates including the additional funding in the 2025-27 capital budget so the state can ensure it leverages historic federal infusion for broadband infrastructure expansion and can ultimately obligate those funds in the spring 2025. The state's federal allocation for broadband infrastructure under BEAD is \$1,227,742,066.30.

Currently, Commerce has a \$50 million appropriation in state bonds to serve as the state match. This figure was based on an estimated allocation of approximately \$800 million, and because the actual allocation exceeded these initial estimates by more than \$300 million, the additional state match is necessary.

We are also requesting flexible budget language that will allow any unused state match funding to further fund broadband infrastructure projects not leveraging federal BEAD funding. Public and tribal projects would be prioritized with funding that isn't used to meet the initial minimum 25% match.

The Department of Commerce also requests an additional \$982,182,066 in general fund 001-2. This will increase the total expenditure authority to match the fund balance of \$1,227,742,066.30 for the State Broadband Office (SBO) to implement the federal NTIA BEAD Internet for All program in Washington State. Currently, \$245,560,000 in budget authority is already included. Still, the timing of the BEAD program requires that the Department have full budget authority to issue contracts for BEAD projects during the spring of 2025. Adding this authority in the Supplemental Capital Budget will allow us to enter into these contracts as quickly as possible, given that the department anticipates opening the first BEAD funding cycle in fall 2024 with NTIA approval to enter into contracts in spring 2025. This action will ensure there are no technical delays in the Department's ability to commit and reimburse funds expediently as SBO seeks to bring reliable, high-speed broadband access to unserved and underserved communities statewide.

Finally, Commerce is also requesting reappropriations for both 057 and 001-2 from the previous biennium.

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The State Broadband Office requests approximately \$257 million in state resources to leverage approximately \$1.23 billion in federal BEAD resources. In the 2023-25 biennium, based on information available at that time, the department requested \$200 million in required 25% state match funding on an anticipated \$800 million BEAD award. The SBO has received \$50 million in state bonds to begin to meet the match requirement for these generational federal resources.

This investment will continue to support incoming federal funds for broadband development across the state to increase digital equity and connectivity toward the Internet for All goal.

An estimated timeline of BEAD funding and when match resources would need to be in-hand:

- Q4 2024 (October-December): WSBO opens application to project areas across the state for BEAD federal funding. By December, we will have a list of applicants and project areas noting assumed match need.
- Q1 2025 (January – March): Announcement of apparent successful bidders and complete list of projects and assumed project funding needs. The remaining allocation of \$257 million in match spending authority will be needed for FY 2025-27 to go along with the \$50 million in match already included in the 2024 capital budget.
- Q2 2025 (April – June): submittal of project list and funding outline to NTIA for review and final approval. Any remaining state match funds will be prioritized for public and tribal projects that need additional resources
- Q3 and Q4 2025 (July – December): anticipated start of contracting and project construction.

This proposal also requests the remaining \$982,182,066 in federal authority required to enter into contracts in the spring of 2025. This likely necessitates inclusion in the 2025 second supplemental budget so that there are no technical or timing delays associated with moving approved projects forward. Authority for this generational federal investment will assist the state in meeting its broadband speed goals to ensure every home and business has access to high-speed internet, including the more than 230,000 unserved locations statewide.

The department anticipates opening the BEAD application cycle to receive project applications in the fall of 2024. After an approximate six-month NTIA confirmation period, the department may proceed to contract in the spring of 2025 with expenditures beginning in the latter portion of FY25 and the bulk of spending over BEAD's ensuing four-year project period.

BEAD intends to provide access to all unserved and underserved locations statewide as resources allow. However, there are no current plans for additional federal broadband resources. Once BEAD projects are complete four years after contract execution, additional state, private, or local investment will continue as key drivers of community broadband expansion, including to repair or replace existing high-speed broadband networks and infrastructure. Moreover, initial cost estimates indicate that BEAD federal resources, in combination with state match resources, will need to be improved to expand high-speed access to all locations and likely require future investment after the BEAD program concludes.

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.

President Biden's Bipartisan Infrastructure Law aims to deliver \$65 billion in infrastructure investment nationwide. This includes more than \$42.5 billion in broadband construction funds, for which the state submitted a letter of Intent in July 2022. The department, through the State Broadband Office (SBO), will receive \$1.23 billion in NTIA BEAD construction funding, based on a formula using the most recent FCC map. This map identifies more than 230,000 unserved Washington households that lack access to reliable, high-speed internet service. Distribution of these federal resources will address the broadband needs in these identified communities, and ensure they have the connectivity they need to get online and participate in the digital world.

BEAD requires a minimum of 25% match and encourages match above this minimum threshold. It is unlikely that private or local funding sources alone can assist the state to achieve the minimum match requirement. In the scenario where there is inadequate state, local, private resources, the state would leave the federal funds on the table, and we would be unable to fully utilize them. This would limit the golden opportunity to bring high-speed, reliable internet access to the most rural and unserved areas of the state.

During early efforts to inform the NTIA's formula for Washington's BEAD allocation, there was a considerable community effort statewide, and in part facilitated by the SBO, to identify 71,000 additional

unserved locations for inclusion in the FCC map. On a base of 167,000, this was a 42% increase and was among the top 10 increases nationwide. These outcomes demonstrate the passion that Washington residents have for fully engaging in the digital world, and the historic work we are doing to ensure broadband for all.

In addition, President Biden's Bipartisan Infrastructure Law aims to deliver \$65 billion in infrastructure investment nationwide. This includes more than \$42.5 billion in broadband construction funds, for which the state submitted a letter of Intent in July 2022 to access the state's full \$1.23 billion allocation. In the 2024 Supplemental State Capital Budget, the department received authority for approximately \$246 million. Without full authority for this funding, the SBO cannot make the funding available or proceed to contract, which would jeopardize these generational federal resources.

The department, through the State Broadband Office (SBO), will receive approximately [This map](#) illustrates the 230,000 Washington unserved households that lack access to reliable, high-speed internet service. Distribution of these federal resources will address the broadband needs in these identified communities, and ensure they have the connectivity they need to get online and participate in the digital world.

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.

This match funding will support public/private partnerships across Washington in the completion of broadband infrastructure projects as outlined in NTIA BEAD guidance to increase digital equity and connectivity. The funding provided by the department to public partners will purchase infrastructure materials such as fiber, optical line terminals, remote nodes and other equipment, as well as the construction costs to install materials and provide service to last-mile projects that will provide access to high-speed internet service.

This proposal achieves greater digital equity and connectivity and advances the state's broadband access goals in unserved and underserved areas by getting infrastructure funds out to communities and public/private partnerships that are ready to invest in for broadband programs.

Projects will be completed over the next 4 years, from the execution date of each contract award. It is unknown how many project applications would be received, or funded within the more than 200 eligible [project areas](#), but the department is committed to expanding internet access to the more than 230,000 unserved households that need high-speed connectivity and this funding request paired with the historic federal allocation will help us get there.

The federal funding will support public/private partnerships across Washington in completing broadband infrastructure projects and increasing digital equity and connectivity in underserved communities statewide. The funding provided through the department to public partners will purchase infrastructure materials such as fiber, optical line terminals, remote nodes and other equipment, as well as the construction costs to install materials and provide service to end users.

The department anticipates contracting for the work in the first quarter of 2025 following NTIA approval. WSBO will need full expenditure authority to sign contracts for the work. WSBO will make reimbursements during the following years as the construction work is completed.

This proposal achieves greater digital equity and connectivity and advances the state's broadband access goals in unserved or underserved areas by distributing infrastructure funds to communities and public/private partnerships ready to invest in broadband programs.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

There is no other funding readily available for communities with a lack of broadband service. The department believes this is the best and only option to assist many communities to close the digital divide through broadband access and to increase digital equity and connectivity statewide. . Unserved households are largely in areas internet service providers have opted not to serve given their business-oriented focus, and ensuring state and federal resources can get these projects off the ground provides the best chance for Washington to connect all residents for the first time in its history.

State match investment allows the state to receive the full federal funding allocation and to leverage more than \$1.23 billion in federal resources that will bring reliable, high-speed internet access to unserved and underserved communities. BEAD requires a minimum of 25% match and encourages match above this minimum threshold

By not dedicating additional state resources to match federal investment, we rely on contributions from small, unserved communities or the private sector. This may advance select projects with a strong likelihood to return private investment in the near-term, but in all likelihood would leave the high-cost unserved areas without a willing internet service provider. It is widely acknowledged this will prevent hard-to-serve project areas, such as those geographically isolated by Washington's natural terrain, or far from existing infrastructure, from participating in this opportunity. Similarly, small, unserved areas likely do not have the scale of resources needed to ensure a minimum 25% project match.

In addition, if the scenario unfolds where there is inadequate state, local, private resources, the state will leave these generational federal resources on the table and be unable to utilize them fully.

This expenditure authority on the federal side allows the Department to implement the state's full allocation of federal BEAD funding. These funds will directly support broadband infrastructure projects that bring high-speed internet access to the 230,000 identified unserved and underserved communities statewide. By not taking action to provide the full budget authority over these federal resources, the state may lag behind the four-year implementation period and condense the allowable commitment, expenditure and reimbursement for community broadband projects.

4. 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

There are no feasible options to meet the minimum match requirement other than this increased state match.

The alternative is for small, unserved communities or the private sector to provide matching resources either through local financing, bank financing or other untried investment strategies, and it is widely acknowledged this will prevent hard-to-serve project areas, such as those geographically isolated by Washington's natural terrain, or far from existing infrastructure, from participating in this opportunity.

The department anticipates opening the BEAD application cycle to receive BEAD project applications in the fall of 2024, and after an approximate six-month NTIA confirmation period, the department may proceed to contract in the spring of 2025 with expenditures beginning in the latter portion of FY25, and the bulk of expenditures over the four-year project period.

On the federal side, there is no identifiable alternative to receiving this budget authority. The State Broadband Office is solely and wholly responsible for the awarding and allocation of these federal funds.

If full expenditure authority isn't received for BEAD funding, the WSBO will not be able to sign contracts to initiate the work across the state in 2025. Projects will be delayed or may not occur as potential applicants for the funding may choose not to participate in the program.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

All Washingtonians in areas that are currently unserved or underserved by high-speed broadband access would be positively impacted. According to BEAD, unserved is when customers do not have access to internet speeds of 25 megabits per second (Mbps) download, and 3 Mbps upload. Underserved is speeds less than 120/20 download/upload Mbps. This infrastructure funding is prioritized to make broadband available in unserved and underserved communities, ensuring that all Washingtonians have access to broadband infrastructure. Additionally, affordability is a key component of this program and will require ongoing collaboration with internet service providers, as well as support through digital navigators to connect people with the federal Affordably Connectivity Program subsidy.

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 request ensures that \$1.23 billion in federal funding comes to Washington for the build out of broadband infrastructure. From the [BEAD NOFO](#), "all subgrantees that receive BEAD Program funds for network deployment must deploy the planned broadband network and begin providing services to each customer that desires broadband services within the project area **not later than four years after the date on which the subgrantee receives the subgrant from the Eligible Entity (SBO)**." The clock starts when the subgrant is officially awarded from the Eligible Entity (Washington state Broadband Office) to the subgrantee (the lead applicant for a project area), not based on when funding is released from NTIA to the Eligible Entity.

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 request ties to the Results Washington goals:

- World-class education: Providing every Washingtonian a world-class education that prepares him or her for a healthy and productive life, including success in job or career, in the community and as a lifelong learner.
- Prosperous economy: Fostering an innovative economy where businesses, workers and communities thrive in every corner of our state.
- Healthy and safe communities: Fostering the health of Washingtonians from a healthy start to safe and supported future.

This supports the agency's two stated priority areas of:

1. equity in community development and
2. equitable economic recovery.

From the plan overview, with impacts from a fully funded broadband program bolded:

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 the needs and challenges affecting their access to resources.

- Use data validated by community partners to inform funding decisions.
- Dismantle barriers to access so that communities are positioned to access resources, both through competitive processes and alternative mechanisms where appropriate.

Equitable economic recovery

- Promote key industry sectors, such as aerospace, life sciences, agriculture and others.
- Provide economic stimulus through sustainable infrastructure and clean energy investments.
- Create digital equity and connectivity through broadband.
- Support small businesses and regional economies.
- Expand affordable housing.
- Reduce homelessness

This request supports the department's goal:

- Create Digital Equity and Connectivity through Broadband.

And supports six of the agency's strategic objectives:

- Understand the needs and challenges affecting 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.

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](#).)

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

Increased access to broadband can reduce transportation miles through access to telehealth, remote education, work from home and home-based businesses.

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?

Access to high-speed internet is a well-identified barrier to equal opportunities in education, accessing social services, working from anywhere in the state, telehealth, and many other areas. Communities living with many social inequities are also among the most common unserved and underserved areas for broadband accessibility and affordability. Building broadband infrastructure in all parts of the state impacts equity by providing reliable access to all parts of the digital world to all people in the state. We are also requesting flexible budget language that will allow any unused state match funding to further fund broadband infrastructure projects. Public and tribal projects will be prioritized with that funding.

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

Without certainty of state matching funds, local, tribal and private partners would need to quickly uncover new resources to qualify their projects proposals for funding consideration. State match is the clearest and most likely pathway to leveraging the full \$1.23 federal funding allocation, and connecting Washington to reliable, high-speed internet access.

RCW that establishes grant (if applicable):

Application process used (grants; if applicable): Competitive based on federal requirements and the state's five-year action plan, and final plan, as submitted to the NTIA.

Is a project list available? If so, please attach and/or include this information. [View the draft project area maps](#) to obtain insights into the project areas where unserved and underserved Washingtonians reside, and project proposals will be developed.

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 department estimates \$257,000,000 in additional state match expenditures from the new authority requested in this proposal in the spring of 2025, which will pair with the \$50,000,000 it has already received. Expenditures may only occur after project proponents have executed contracts.

Account	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
Fund 057-1 State Building Construction Account	\$257,000,000				
General Fund-Federal 001-2	\$982,182,066				
Total	*1,240,000,000				

*rounded

2025-27 Clean Energy Community Grants

Agency Priority	4
Starting Year:	FY 26
Project #	40000665

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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:

1. Scale down to \$50M – maintenance level; recommended alternative
2. 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 Lumgoals 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.

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.

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., pre-design 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:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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

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:

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 carbon 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 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 answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

Not applicable.

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 RCW 70A.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 the critical first step for these communities to identify preferred actions through which 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 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.

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

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 person—reduced the budget by 50% for community participation and compensation for lived experience, and reduced the staffing level by approximately 50%.**

Account	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
A - Salaries	741,446	741,446	741,446	741,446	741,446
B - Benefits	243,792	243,792	243,792	243,792	243,792
C - Contracts	22,000	22,000	22,000	22,000	22,000
E - Goods and Services	164,642	164,642	164,642	164,642	164,642
G - Travel	484	484	484	484	484
J - Equipment	3,492	3,492	3,492	3,492	3,492
N - Grants	48,500,000	48,500,000	48,500,000	48,500,000	48,500,000
T - Intra Agency Reimbursement	324,144	324,144	324,144	324,144	324,144
057-1 Total	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000

FTEs	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
057-1 FTE	4.0	4.0	4.0	4.0	4.0
057-1 Total	4.0	4.0	4.0	4.0	4.0

2025-27 Early Learning Facilities – Eligible Organizations

Agency Priority	5
Starting Year:	FY26
Project #	40000656

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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.

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.

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 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.

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.

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.

3. 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.

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

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 the [Department of Children Youth and Families' statutory deadline](#) to 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.

5. 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.

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?

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.

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.

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 smoking.

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](#).)

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

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.

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?

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.

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

N/A

RCW that establishes grant (if applicable): RCW 43.31.565-583

Application process used (grants; if applicable): Competitive grant application process.

Is a project list available? If so, please attach and/or include this information.

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 22D	\$50,000,000				
Total	\$50,000,000				

2025-27 Building Communities Fund Program

Agency Priority	6
Starting Year:	FY 26
Project #	400000669

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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.

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.

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.

3. 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.

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

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.

5. 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.

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?

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.

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 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 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.

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.

8. 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? (See [OCIO Policy 184](#) for 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

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

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.

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 request funds technical assistance and outreach to increase engagement with BIPOC led, and By-and-For led community-based organizations. Tribal Governments would be consulted in coordination with the Commerce Tribal Liaison protocols. The technical assistance and outreach will address systems that are 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.

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

The request amount is a placeholder value until the prioritized project list is available approximately October 28, 2024.

RCW that establishes grant (if applicable): 43.63A.125

Application process used (grants; if applicable):

Applicants submit applications electronically through the Zoom Grants online system, then they are ranked and scored by a citizen's advisory board.

Is a project list available? If so, please attach and/or include this information.

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: Placeholder value until the prioritized project list is available approximately October 28, 2024.

Account	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
Fund 057	\$50,000,000				
Total	\$50,000,000				

2025-27 High Efficiency Electric Appliance Rebates (HEAR) Program

Agency Priority	7
Starting Year:	FY 2026
Project #	40000666

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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 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 buildings¹. Without interventions to decarbonize this major portion of the buildings sector, the state will not meet its GHG emissions limits.

¹ 2021 State Energy Strategy

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 state². 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 heat³. 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

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.

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 York⁵, Oregon⁶, California⁷, and Massachusetts⁸ 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.

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>

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 \(masssave.com\)](#)

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 program⁹. Commerce or a 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 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 \$4000 for contractor labor.

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](#)

- 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.

The 2021 State Energy Strategy, *Operation 2030: Scaling Building Decarbonization in Washington State*¹⁰, the Commerce-commissioned fuel switching study by E3¹¹, 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.

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

¹⁰ [CETI: Operation 2030](#)

¹¹ [Financial Impact of Fuel Conversion on Consumer Owned Utilities and Customers in Washington](#)

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 electrification¹². 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 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 heating, and gas-powered cooking equipment would be eligible for the non-residential funding available in this program.

RCW that establishes grant (if applicable):

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 [The Economics of Electrifying Buildings - RMI](#)

- \$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. 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/>

This map captures the multitude of statewide rebates for low-to-moderate income households but does not yet include funding for state and federally recognized tribal governments, nor the \$10 million for adult family homes.

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
A - Salaries	1,004,000	1,004,000	1,004,000	1,004,000	1,004,000
B - Benefits	343,000	343,000	343,000	343,000	343,000
C - Contracts	300,000	300,000	300,000	300,000	300,000
E - Goods and Services	249,000	249,000	249,000	249,000	249,000
G - Travel	48,000	48,000	48,000	48,000	48,000
J - Equipment	13,000	13,000	13,000	13,000	13,000
N - Grants	77,600,000	77,600,000	77,600,000	77,600,000	77,600,000
T - Intra Agency Reimbursement	443,000	443,000	443,000	443,000	443,000
Fund 26C-1 Total	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000

FTE's: (Fund)

FTEs	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
Fund 26C-1	5.8	5.8	5.8	5.8	5.8
Fund 26C-1 Total	5.8	5.8	5.8	5.8	5.8

2025-27 Supporting Housing Affordability Infrastructure Program

Agency Priority	8
Starting Year:	FY 26
Project #	40000674

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

The department proposed to establish a new capital program (**Supporting Housing Affordability with Infrastructure Program**) to cover the cost of impact fees, or other transportation, parks, schools or fire costs related to the development of affordable housing units.

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The department 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. The proposed program complements an existing and highly successful Commerce program, the Connecting Housing to Infrastructure program (CHIP), which has operated since 2021. However, CHIP is limited to covering the cost of water, sewer and stormwater connection fees. The cost for transportation, school and park impact fees are also a significant expense that can be an obstacle for affordable housing development. 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, requiring an adopted program to waive impact or other fees for affordable housing, and reimburse the waived cost, along with replacing the final local share of the fees (20%) that must be provided with public funds.

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.

Washington state needs 1.1 million new homes over the next 20 years, more than half of them need to be affordable to households earning less than 80% AMI. The Connecting Housing to Infrastructure Program (CHIP) was created in 2021 to fund sewer, water and stormwater connections for affordable housing. By covering the upfront costs of infrastructure and connecting housing to municipal systems, the program makes affordable housing projects more viable and helps bring more affordable housing units online. The program also incentivizes local governments to reduce per unit connection fees for affordable housing. When utilities reduce or waive connection fees for affordable, multifamily or infill projects, it can encourage development of more such housing options, which tend to be more affordable and make more efficient use of costly infrastructure.

A current Commerce program, CHIP, is limited to water, sewer and stormwater connection fees and infrastructure development costs. This proposed program would expand the department's capabilities to offset housing development costs and promote additional affordable housing units while maintaining the current focus of CHIP.

Other infrastructure costs for transportation, and impact fees for transportation, parks, schools and fire are also a significant expense for new affordable housing projects. This proposal would create a new program to cover these costs, further reducing the cost of developing new affordable housing units while also providing needed public infrastructure.

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.

The proposed Supporting Housing Affordability with Infrastructure Program would pay for the fees that a local government charges to construct area wide roads, parks, and schools, the public facilities necessary to support the development of new housing. The funding in this proposal will pay the share of the costs for these public improvements that affordable housing projects are responsible for. When a local government waives impact fees or other fees for transportation impacts, the Supporting Housing Affordability with Infrastructure Program would reimburse the local government so that the enterprise fund remains whole and has the funds to construct the necessary improvements. This proposed program will operate in a similar way to CHIP but with a different, complementary focus.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Local governments have the authority to waive the majority of impact fees for affordable housing projects. However, they are required to supplant the funds with other public monies, and in many cases, may not be able to do so. If this is not funded, communities would be limited to waive the fees, and the Supporting Housing Affordability with Infrastructure Program would continue to turn away viable projects, resulting in the construction of fewer affordable housing units. Washington would fall further behind in its ability to construct needed affordable housing units, contributing to continued housing scarcity.

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

- Expansion of the CHIP program to include other types of fees was explored, but it was determined to be less of a risk to keep the successful program unchanged and build a new program that would invest in complementary fees to how CHIP does so now, while also leveraging existing CHIP staffing and expertise.
- Funding could go through the other housing funding programs to pay the fee, but local governments would have little incentive to waive the fees if they still have to pay the 20% of the fee. This allows these funds to go much further by allowing local government to waive the majority of the fees, and still have support to be reimbursed for the final 20% of fees.
- See RCW 82.02.060 (4). May provide an exemption from impact fees for low-income housing or for early learning facilities. Local governments that grant exemptions for low-income housing or for early learning facilities under this subsection (4) may either: Grant a partial exemption of not more than eighty percent of impact fees, in which case there is no explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts; or provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

The direct beneficiaries will be individuals who will have a place to live that they can afford. Affordable housing providers will be able to provide more housing units because the cost of the transportation, park and school infrastructure will be covered by the 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 funding provides an incentive for local governments to adopt an impact fee waiver program for affordable housing, and would leverage the other funding in the affordable housing development. These projects often have a wide mix of funds, including state, federal, private and local given the different needs and considerable costs associated with housing development.

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.

The proposed Supporting Housing Affordability with Infrastructure Program aligns with Gov. Inslee's and Results Washington's goals for:

- Healthy and Safe communities: Families with a roof over their head will have stronger health outcomes, and be able to sustain through unforeseen expenditure impacts, like emergency department visits or unemployment.
- Prosperous economy: Residents and families that have reliable, affordable housing will have more opportunity to focus on education and career advancement. The Supporting Housing Affordability with Infrastructure Program can help create more opportunities for families at risk of homelessness due to unaffordable housing.

In addition, proposed Supporting Housing Affordability with Infrastructure Program aligns with the Affordable Housing Advisory Board recommendations and responds to findings in of the Homeownership Disparities Work Group. Specifically, proposed Supporting Housing Affordability with Infrastructure Program aligns with Commerce's agencywide equity initiatives to focus state programming on vulnerable or disadvantaged areas and households. The proposed program can also be directed to areas of a community where, historically, infrastructure has been underfunded and underdeveloped because the residents were low-income and/or BIPOC.

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](#).)

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

Upgraded road projects are critical to implementing the Puget Sound Action Agenda and keeping roads related pollutants out of Puget Sound. Like any modern development, affordable housing developments

are required to develop state of the practice roads with new development But because road costs are so high, funding this will help ensure high quality roads and new housing.

New housing is also important to keep people from living in natural areas with inadequate sanitation. Keeping pollutants associated with encampments from reaching Puget Sound will be accomplished as more housing is developed to help people into homes.

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.

By incentivizing infill development this grant program will reduce vehicle trip miles traveled. Additionally, it is possible that these funds could incentivize development of abandoned sites or on surface parking lots in our urban centers and reduce the need for new building materials and thereby lower the development's carbon footprint.

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?

The proposed program funding is split into tiers as a way to address both densely populated areas and also low-population areas where understaffed local government and public utility districts may struggle to respond to the requirements of grant funding.

The program can also be directed to areas of a community where, historically, infrastructure has been underfunded and underdeveloped because the residents were low-income and/or BIPOC. This is important for communities across the state looking to undo the impacts of racist policies.

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

RCW that establishes grant (if applicable):

Application process used (grants; if applicable): Competitive grants

Is a project list available? If so, please attach and/or include this information.

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 State Building Construction Account	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
Fund					
Total	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000

2025-27 Clean Buildings Performance Grants

Agency Priority	9
Starting Year:	FY 2026
Project #	40000683

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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.

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 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.

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.

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.

3. 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 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.

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

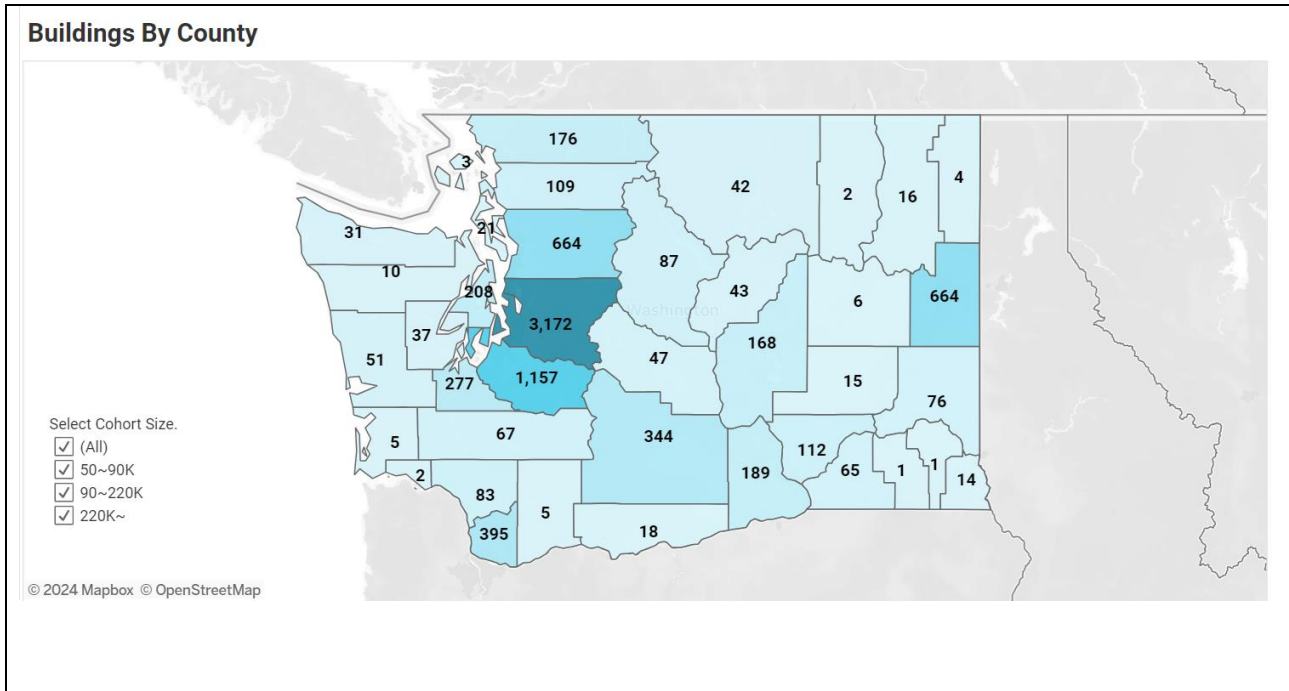
One alternative is to provide innovative financing to support energy efficiency improvements, rather than fund part or all of an energy efficiency project. This will likely result in not meeting the needs of underserved communities or affordable housing providers, whose building owners are less likely 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.

5. 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.

This visual represents Washington Tier 1 buildings as identified in June 2024.



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 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.

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.

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.*

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.

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.

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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 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.

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 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.

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

RCW that establishes grant (if applicable):

Application process used (grants; if applicable):

Is a project list available? If so, please attach and/or include this information.

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
A - Salaries	688,000	688,000	688,000	688,000	688,000
B - Benefits	228,000	228,000	228,000	228,000	228,000
E - Goods and Services	94,000	94,000	94,000	94,000	94,000
G - Travel	38,000	38,000	38,000	38,000	38,000
N - Grants	43,650,000	43,650,000	43,650,000	43,650,000	43,650,000
J - Equipment		\$0	\$0	\$0	\$0
T - Intra-agency Reimbursements	302,000	302,000	302,000	302,000	302,000
<i>Fund Total</i>	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000

FTE's: (Fund)

FTEs	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
Fund	8.3	8.3	8.3	8.3	8.3
Total	8.3	8.3	8.3	8.3	8.3

2025-27 Communities of Concern

Agency Priority	10
Starting Year:	FY 2026
Project #	40000680

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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.

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 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
- 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

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.

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:

1. Bryant Manor Redevelopment – Phase II (FAME Housing Association)
2. Skagit Farmworker Led Community Farm project (Community to Community Development)
3. Intramuros Village and Cultural Community Center (Intramuros Community Development Partners)
4. Daybreak Star Storage Unit & Greywater Shower (United Indians of All Tribes Foundation)
5. Thunderbird Nest at North Seattle College (Chief Seattle Club)
6. Hummingbird Village – Tiny House Village (Chief Seattle Club)
7. Building Future Industry Leaders – Workforce Development Program (Latino Civic Alliance)
8. Cultural Enlightenment Child Care Center (Foundation for Homeless & Poverty Management)
9. Nuwe Reis at Barker Creek (Foundation for Homeless & Poverty Management)
10. African Diaspora Cultural Anchor Village (African Community Housing & Development)
11. Seattle Immigrant & Refugee Public Market (African Community Housing & Development)
12. 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.

3. 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.

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 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.

5. 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:

1. Bryant Manor Redevelopment – Phase II (FAME Housing Association)
2. Skagit Farmworker Led Community Farm project (Community to Community Development)
3. Intramuros Village and Cultural Community Center (Intramuros Community Development Partners)
4. Daybreak Star Storage Unit & Greywater Shower (United Indians of All Tribes Foundation)
5. Thunderbird Nest at North Seattle College (Chief Seattle Club)
6. Hummingbird Village – Tiny House Village (Chief Seattle Club)
7. Building Future Industry Leaders – Workforce Development Program (Latino Civic Alliance)
8. Cultural Enlightenment Child Care Center (Foundation for Homeless & Poverty Management)
9. Nuwe Reis at Barker Creek (Foundation for Homeless & Poverty Management)
10. African Diaspora Cultural Anchor Village (African Community Housing & Development)
11. Seattle Immigrant & Refugee Public Market (African Community Housing & Development)
12. Addis Village (Ethiopian Community in Seattle)

Details about each project can be found in attachments 1-12.

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 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.

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 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.

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](#).)

This proposal assumes no IT-related costs.

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

This question is not applicable to this proposal.

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 question is not applicable to this proposal.

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?

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 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.

12. 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

RCW that establishes grant (if applicable):

Application process used (grants; if applicable):

Is a project list available? If so, please attach and/or include this information.

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	0	0	0	0
Fund					
Total					

2025-27 Community EV Charging

Agency Priority	11
Starting Year:	FY 26
Project #	40000673

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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 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:

Program	23-25 Biennium Appropriation	Multifamily L2	Public L2	Public DCFC	Fleet/Workplace L2/DCFC
State funding					
Commerce WAEVCP*	\$105,000,000	3,465	733	540	1,500
WSDOT ZEVIP	\$52,746,000	0	30	208**	0
WSDOT Mount Vernon	\$2,100,000	0	72	4	0
DES state agency fleets	\$23,342,000	0	0	0	519***
DOC fleet	\$600,000	0	0	0	13***
State total	\$183,788,000	3,465	835	752	2,032
Federal/settlement funding					
CFI	\$29,191,995	0	12	168****	0
WSDOT NEVI	\$25,000,000	0	0	99^	0
Ecology VW settlement	\$3,520,000	89^^	89^^	0	89^^
Federal/other total	\$57,711,995	89	101	267	89
Total	\$241,499,995	3,554	936	1,019	2,121
Current known ports		No data	4,473	1,289	No data
Need by end of 2025		31,839	3,912	3,030	6,986
Public charging surplus (gap)^^^		N/A	1,497	(722)	N/A
Percent of need funded^^^		11%	24%	34%	30%

*Based on initial awards issued by Commerce. Commerce will be going through a process of re-awarding funding that has been declined during contracting.

**Assumes 4 DCFC ports per site funded by ZEVIP.

***Estimate based on DES estimate of \$45,000 per charging port.

****Based on information included by [Federal Highway Administration](#). Does not include Northwest Seaport Alliance project focused on drayage truck charging (covered below). Includes Mount Vernon DCFC charging that is assumed to be funded by WSDOT pass through funding.

^Estimate based on ZEVIP cost per charging port.

^^Assumes three rounds of \$3.52 million spent on 269 L2 public charging ports. First round funded 14 multifamily, 49 public, and 22 fleet/workplace. Assumes even spread across the three categories in total.

^^^Assumes all 23-25 funded projects are completed by Dec. 31, 2025, including any projects that require reappropriations into FY26.

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 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.

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.

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.

Eligible expenses include:

- Design/Planning/Engineering
- Installation
- Electrical Equipment
- Emergency shut-off or “e-stop” equipment required at each site, not necessarily on each charging station.
- Energy storage equipment.
- All-inclusive solar EV charging systems.
- Load/demand management equipment.
- Ongoing Services (networking, load management, maintenance, etc.)
- Lighting, cameras and any signage related to cameras, and integrated solutions for the prevention of vandalism.

The program requires project timelines of 270 days from contract execution for Level 2 projects, and 580 days for DCFC projects. Based on timeline efficiencies that can be implemented based on learned experience, milestones anticipated include:

- June 2025: Request for applications.
- August 2025: Applications due.
- October 2025: Awards announced.
- December 2025: Contracts executed.
- August 2026: Multifamily projects completed.
- June 2027: Public fast charging projects completed.

“No regrets” electric grid infrastructure needed for large-scale truck or bus charging projects

The request would also reserve \$20 million for electric utility grid distribution infrastructure projects needed to power priority charging stations. While state capital investments in EV charging have required grants result in charging infrastructure, the timeline of large electric grid projects do not fit within two-year biennium cycles. State investment would prompt electric utilities to prioritize these vital large projects that

stand in the way of outsized benefits and help mitigate the cross subsidization of electrification projects across all ratepayers.

A prime opportunity for such investments is upgrades to substations needed to serve port electrification in overburdened communities who face disproportionately negative health effects from transportation pollution.

For example, the [International Council for Clean Transportation](#) released a study on Seattle City Light's grid infrastructure this year, writing, "The Massachusetts, South, Delridge, Duwamish, and Creston-Nelson substations will likely be responsible for handling the increased load from charging battery electric trucks in this region, but discussions with SCL staff suggest grid capacity in this area is inadequate to meet future MHDV electrification needs. Some of these substations, such as the South substation, are already nearing maximum capacity and may face additional challenges expanding because they are sited within a space-limited urban environment."

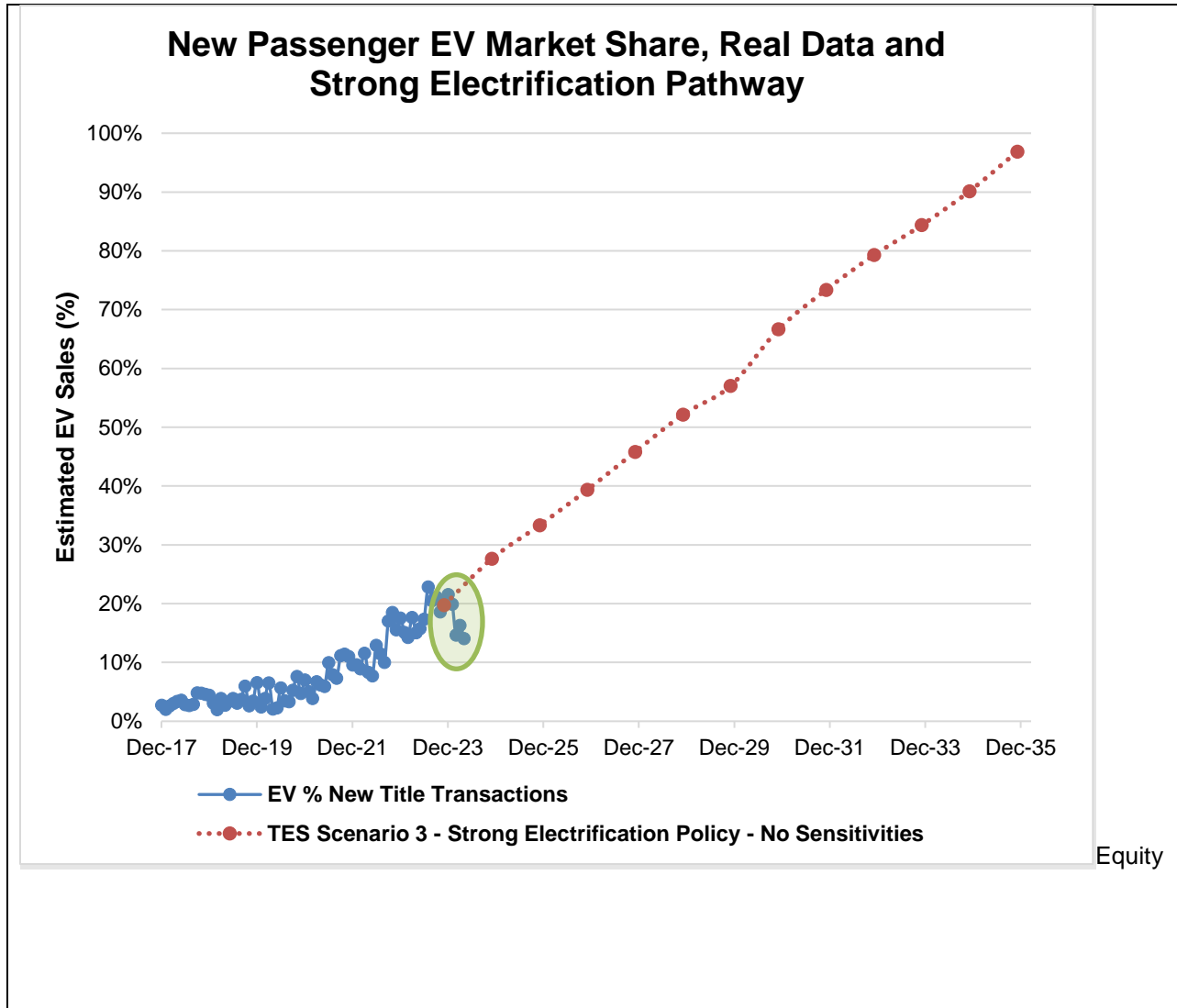
Commerce would engage with electric utilities to determine eligible project types and assessment potential timelines for completion of the work. Commerce is also finishing up a study conducted by ICF to determine electric grid costs expected to deliver power needed for electric vehicle charging, which will inform Census block groups that are a high priority for urgent upgrades within overburdened communities.

Initial capital grants should include early-stage project activities including predesign, design, and site procurement.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

This proposal directly addresses the key barrier of charging access by addressing the highest policy priority of the TES and stakeholder respondents, multifamily charging, and the second highest priority, public fast charging. Not taking action would likely result in increased frustration among EV drivers, which would further soften consumer demand as word-of-mouth spreads about waiting in lines for charging or not being able to find available charging in rural areas along state routes.

As shown in the graph below, the state has already started seeing a slowdown in EV growth. Without catching up to charging demands, the state risks falling further behind legal requirements.



4. 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 can provide a cost tool to assess different versions of this proposal that adjust cost per port, inflation factors, state share percentage, and prioritization of different charging types.

A draft summary of budget requests was sent to transportation electrification stakeholders to receive feedback and this version is refined to adjust funding for public charging upwards. This proposal also requires more match from funded projects.

Draft distributed to Commerce’s clean transportation email list on Aug. 6:

Charging type	Ports funded by state (%)	Project costs funded by the state (%)
Single family (operating)	5%	50%
Multifamily (operating and capital)	40%	100%
Public fast charging (capital)	35%	75%

Revised version reflected in this submitted proposal:

Charging type	Ports funded by state (%)	Average project costs funded by the state (%)
Single family (operating)	5%	50%
Multifamily (operating and capital)	33%	90%
Public fast charging (capital)	45%	70%

For perspective, here is the split in the 23-25 biennium:

Charging type	Ports funded by state (%)	Project costs funded by the state (%)
Single family (operating)	0%	N/A
Multifamily (operating and capital)	11%	100%
Public fast charging (capital)	34%	75-100% (match requirements varied by program and there is not an exact estimate of the average)

Commerce staff started working on budget requests by using a funding adequacy framework (what are the costs required of implementing priority recommendations from the TES?) but shifted to working with these funding constraints as outlined in the OFM guidance. As a result, there are a number of items not included in the Electric Vehicle for All package that have been discussed with EV Council committees and during the recent public workshop and stakeholder committee work, including:

- Extension and expansion of the sales tax and use exemption for battery electric vehicles
- Rebates for fleet depot and workplace charging
- Grants for charging maintenance and repairs
- Creation of a centralized state technical assistance “resource center”

Even with charging needs included in the proposal, the state share comes out to approximately 19% of expected total system costs based on staff analysis of project costs and TES targets. Federal funding and utility programs would help cover part of the public investment, but even if that equals \$100 million combined (as an illustrative example) consumers would ultimately take on 70% of the costs as they are passed on from the private sector.

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, non-profits, community-based organizations, for-profit entities, and anyone else deemed eligible by the department.

It is clear from the first funding rounds and federal programs that the vast majority of capacity for application effort resides in the private sector despite not being able to apply directly. This mismatch between applicant eligibility and capacity leads to substantial inefficiencies that strain the public sector and non-profit entities who are “government shopped” by the charging companies, contractors, and vendors who end up performing the work through subcontracts.

Because of the incredibly clear public benefits of projects – demonstrated by EV adoption that reduces air pollution and improves public health, among other public benefits – issuing grants to private sector

applicants that are either on predetermined locations of public benefit (for example, in overburdened communities where cleaner air would address environmental health disparities), are supported or sponsored by public agencies or community-based organizations, or otherwise contain information showing public benefit would carry out a fundamental purpose of government. Allowing this will deliver time and cost savings to public agencies, a public benefit in and of itself.

Quantity of projects estimated:

- 820 fast charging ports assumed to be capable of delivering 150 kW on average
- 7,090 multifamily charging ports, assumed to be capable of delivering 7.2 kW on average
- Between 1-5 electric grid projects, depending on eligible project types

There are currently just under 200,000 EV drivers in the state. The TES sets a target of 289,173 by the end of 2024

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?

EV charging

- The \$49.1 million for fast charging is estimated to leverage about \$21 million, totaling \$70.1 million.
- The \$32.9 million for multifamily charging is estimated to leverage \$8.2 million, totaling \$41.1 million.

Electric grid projects

- Commerce anticipates that state funding will make up a smaller share of transportation electrification readiness projects due to high costs.
 - For example, a substation transformer costs between \$5 million and \$9 million and the average new circuit costs \$7.42 million, according to data from utilities participating in Commerce’s EV charging grid upgrade cost assessment.
 - The last new substation built by Seattle City Light, the Denny substation, cost more than \$200 million.

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.

- Governor Inslee has made climate change action a priority for the administration. Passenger vehicles are the single largest source of greenhouse gas pollution in the state.
 - The decision package is needed to successfully implement existing transportation electrification policies, estimated to reduce on-road emissions by more than 70% in 11 years, from 23.5 million metric tons (MMT) in 2019 to 14.1 MMT in 2030.
 - It is also needed to help bridge the gap between current policies and maximum feasible vehicle electrification, which would further reduce 2030 emissions by about 0.26 MMT.
- The Energy Division uses the 2021 State Energy Strategy for identifying agency priorities on energy issues. The Clean Transportation Unit further uses the TES for strategic direction downstream from the State Energy Strategy.
 - The State Energy Strategy identifies vehicle electrification as a central component of transportation decarbonization.
 - The TES finds that transportation electrification is essential, though insufficient, for short-term emissions reduction, and remains the most effective long-term strategy for transportation decarbonization.
 - Electric vehicles are one of four key pillars of transportation decarbonization that must all be urgently pursued to achieve the 2030 emission limit in state law, alongside reducing

vehicle miles traveled, improvements to vehicle efficiency, and greater deployment of lower carbon drop-in fuels for existing internal combustion engine vehicles.

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](#).)

Not applicable.

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

Not applicable.

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 2021 State Energy Strategy is aligned with the state’s emissions limits and shows transportation producing only 20 MMT carbon dioxide equivalent (CO₂e) in 2030. Although Washington’s on-road vehicles accounted for roughly 58% of state transportation sector GHG emissions in 2019, they are likely to contribute a smaller percentage of GHG emissions over time within the transportation sector — roughly half by 2030 — because EV technology is more advanced in on-road transportation modes than in non-road modes. Therefore, to meet the state’s 2030 limit, GHG emissions from on-road vehicles likely need to decrease to fewer than 10 MMT CO₂e annually.

The chart below captures the state’s decarbonization pathway recommended by the TES:

STRATEGIES	2030 EMISSIONS (MILLION METRIC TONS CO ₂)	INCREMENTAL REDUCTION (MILLION METRIC TONS CO ₂)
Current EV policies & vehicle miles traveled (VMT) trajectory	14.1	9.4 (from 2019 levels)
Stronger electrification policies and funding	13.9	0.3
VMT per capita declines about 3x faster	≈13.2	≈0.7
Vehicle efficiencies	≈12.3	≈0.8
Renewable diesel, biofuel, e-fuel blending	≈10.0	≈2.3

This proposal is benchmarked to the TES's preferred policy scenario – the strong electrification scenario – and is needed to achieve the first two rows contributing to the reduction of on-road emissions to approximately 13.9 million metric tons CO₂ in 2030.

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?

WAEVCP over performed the goal of investing 40% of funding in the current round to project in overburdened communities, as defined by OFM for CCA dollars. Of awards currently under contract or near contract execution, 53% of ports and 54% of project funding are planned for overburdened communities.

The program has achieved a program goal of investing 10% of funding in projects located in tribal lands program benefits, consistent with the Climate Commitment Act. Of all grant awardees, 14% are tribal governments.

The program was carefully designed to ensure these goals would be reached through scoring criteria elements, investing in outreach to priority communities, and lowering the application burden.

Multifamily charging is also a key equity priority due to lower incomes of residents on average and disparities in EV owners between renters and single-family homeowners. This proposal continues to build on the prioritization for multifamily in the first round. When combined with the operating budget request, the Electric Vehicles for All package would increase multifamily investment from about \$30 million to \$77 million, while tripling the state's share of funding need.

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

Commerce's Clean Transportation Unit encourages OFM budget staff to reach out with questions. The combined approaches to the operating and capital DPs have a few moving pieces, including folding funding from WSDOT's ZEVIP program into Commerce's WAEVCP, which have been funded from different CCA accounts in the current biennium. This approach was [recommended by an EV Council committee on program coordination](#), and came at the request of WSDOT staff.

The WAEVCP took some time to get started but is now moving at a faster pace and is set up to handle the continued workload in this proposal. While there will be re-appropriations of existing funding into the 25-27 biennium, this is not a reason to reduce new funding to below previous funding levels. As indicated in the timeline provided previously, the leg work of the first round of the program has established a foundation that will allow much faster implementation timelines moving forward.

RCW that establishes grant (if applicable): Not currently applicable, though proposal agency request legislation would put it into statute.

Application process used (grants; if applicable): Grants, awarded through a competitive request for applications.

Is a project list available? If so, please attach and/or include this information. Projects have not been solicited in advance of the biennium, though this is proposed for future biennia in the proposed agency request legislation.

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
A - Salaries	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000
B - Benefits	378,000	378,000	378,000	378,000	378,000
C - Contracts	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
E - Goods and Services	74,000	66,000	74,000	74,000	74,000
G - Travel	8,000	8,000	8,000	8,000	8,000
J - Equipment		8,000			
N - Grants	101,900,000	101,900,000	101,900,000	101,900,000	101,900,000
T - Intra Agency Reimbursement	500,000	500,000	500,000	500,000	500,000
Fund 26C-1 Total	105,000,000	105,000,000	105,000,000	105,000,000	105,000,000

FTE's:

FTEs	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
Fund 26C-1 FTE	6.2	6.2	6.2	6.2	6.2
Fund 26C-1 Total	6.2	6.2	6.2	6.2	6.2

0.10 FTE (209 hours) WMS 3 (managing director) annually to make unit decisions within delegated authority, report to Commerce management and the Governor's Office, oversee contract negotiation, supervise unit supervisors, and represent the program externally to media and legislators.

0.10 FTE (209 hours) WMS 2 (assistant managing director) annually in FY26-29 to oversee unit hiring and onboarding practices, staff training and professional development, determination and use of performance metrics and staff evaluation, internal controls to ensure compliance with contracting requirements and best practices, implement process efficiencies to reduce delays and maximize funding, supervise unit generalist positions, and supervise the EV Council manager to ensure all unit programs are involved in EV Council coordination work with partner agencies.

0.10 FTE (209 hours) EMS 2 (policy manager) annually in FY26-29 to supervise the EV charging policy lead in advising unit management and program supervisor and contract manager on achieving policy objectives through program design.

0.10 FTE (209 hours) EMS 1 (EV charging policy lead) annually in FY26-29 to advise unit management and program supervisor and contract manager on achieving policy objectives through program design and provide technical expertise as the agency's subject matter expert on EV charging infrastructure.

0.10 FTE (209 hours) Management Analyst (MA) 4 (public engagement specialist) annually in FY26-29 to advise unit management and program supervisor and contract manager on contract provisions related to community engagement, meet with community-based organizations and ensure input is worked into program design, and respond to inquiries from the public.

0.40 FTE (835 hours) Commerce Specialist (CS) 5 (EV charging program supervisor) annually in FY26-29 to oversee day-to-day work of the program, supervise the contract manager, make recommendations on contract

negotiations to the managing director, serve as the agency's subject matter expert on EV incentives and information in coordination with the policy manager, and work with the assistant managing director to development and implement performance metrics and coordinate with other unit programs and the EV Council.

5.00 FTE (2,088 hours) CS 3 (EV charging contract manager) annually to be points-of-contact with applicants, awardees, and grantees, develop and facilitate requests for applications to competitively award funding, implement internal controls to securely manage state funding, process invoice payments, and advise the program supervisor on decisions that require management involvement.

0.10 FTE (209 hours) Administrative Assistant (AA) 3 annually in FY26-29 to carry out administrative functions needed for program operations, including processing travel requests, purchase orders and equipment, documentation processes, scheduling, and coordinating responses to public information requests.

0.20 FTE (418 hours) IT Data Management Journey (ITDM-J) annually in FY26-29 to implement data and IT functions of the program, advise unit management and program supervisor and contract manager on IT and data provisions in contracts including data sharing agreements, recommend and facilitate data security reviews or audits as needed in compliance with state data security policies, and coordinate with Commerce information systems staff to ensure program data is properly classified, stored, and managed.

Professional service contracts

Commerce anticipates continuing to provide technical assistance to applicants, awardees, and grantees to improve project quality and increase access to organizations without existing expertise. The oversubscription of the first funding round by more than 40% is a testament to the success of Commerce's initial investment in hiring a technical assistance consultant. Need is estimated at \$500,000 to make several technical experts available throughout the program.

Salaries and benefits

Annual costs: \$759,000

Professional service contracts

Annual costs: \$500,000

Goods and services, equipment and travel

Annual costs: \$37,000-\$41,000

Intra-agency reimbursement

Annual costs: \$250,000

2025-27 Solar and Energy Storage Grants

Agency Priority	12
Starting Year:	FY 2026
Project #	40000682

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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 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.

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 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.

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.

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.

3. 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.

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

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 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.

5. 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.

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 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).

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.

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 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.

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](#).)

Not applicable.

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

Not applicable.

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.

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.

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?

Continued funding for solar and storage is critical to effectively and equitably meet Washington's powerful clean energy goals while increasing community resilience in the face of climate change. EPIC has established a framework for evaluating proposed grant projects that focus on promoting equitable outcomes for tribes, overburdened communities and vulnerable populations. This commitment to equity in our grant programs was underscored by the new approach that the EPIC unit implemented this year to combine nine funding streams of \$117 million into three tailored clean energy funding opportunities: a rolling opportunity for tribes, a community decarbonization opportunity, and a general funding opportunity. This new approach prioritizes serving the most overburdened and disadvantaged communities in our state who have had the least access to benefit from clean energy technologies. In addition, we offered technical assistance to eligible entities planning a project under Solar plus Storage for Resilient Communities, which can include predesign, design, and engineering work. This level of technical assistance is often essential for under-resourced communities that may be exploring the installation of solar and energy storage for the first time. EPIC grant programs are on track to reach or exceed the HEAL and CCA goals/targets of 40% of investments directed to overburdened communities and vulnerable populations and 10% to tribes. We will continue to focus on these targets and use successful mechanisms to achieve them in the Solar and Storage grants program.

In addition, EPIC will continue to work with the Community Advisory Committee we started in 2024, involving paid advisors with experience in social equity, anti-racism, tribal rights, climate justice and other relevant issues to evaluate proposals and develop funding recommendations to leadership.

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

The federal Solar for All funding of \$156 million is a once in a lifetime opportunity to support the deployment of solar for income qualified homeowners. The state can holistically support these households through a single approach by pairing energy storage with rooftop solar energy installations. Commerce would target these investments to the households that could benefit the most from added resilience, particularly those that regularly experience electricity outages.

Leveraging these federal dollars with state grants to fully fund and install dispersed grid generation and storage is critical to maximize the federal funding available right now.

RCW that establishes grant (if applicable):

Application process used (grants; if applicable):

Is a project list available? If so, please attach and/or include this information.

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
A - Salaries	929,000	929,000	929,000	929,000	929,000
B - Benefits	311,000	311,000	311,000	311,000	311,000
C - Contracts	200,000	200,000	200,000	200,000	200,000
E - Goods and Services	215,000	215,000	215,000	215,000	215,000
G - Travel	34,000	34,000	34,000	34,000	34,000
J - Equipment	3,000	3,000	3,000	3,000	3,000
N - Grants	67,900,000	67,900,000	67,900,000	67,900,000	67,900,000
T - Intra Agency Reimbursement	408,000	408,000	408,000	408,000	408,000
Fund 057-1 Total	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000

FTE's: (Fund)

Account	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
Fund 057-1 FTE	6.1	6.1	6.1	6.1	6.1
Fund 057-1 Total	6.1	6.1	6.1	6.1	6.1

2025-27 Weatherization Plus Health Grants

Agency Priority	13
Starting Year:	FY 2026
Project #	40000671

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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.

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.

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 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.

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.

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.

3. 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:

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.

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

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.

5. 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.

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?

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:

- \$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

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.

Weatherization Plus Health program supports 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.

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](#).)

Not applicable.

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

Weatherization Plus Health is not linked to the Puget Sound Action Agenda.

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.

Weatherization Plus Health reduces greenhouse gas emissions by making homes more energy efficient by adding insulation, air sealing, and installing heat pumps.

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?

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.

12. 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.

Estimated Total Expenditures:

Account	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
Fund 26C-1 Total	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000

FTE's: (Fund)

FTEs	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
Fund 26C-1 (Wx+H)	3.4	3.4	3.4	3.4	3.4
Fund 26C-1 (HRGP)	0.6	0.6	0.6	0.6	0.6
Fund 26C-1 Total	4.0	4.0	4.0	4.0	4.0

2025-27 Low-Income Home Rehabilitation Grant Program (HRGP)

Agency Priority	14
Starting Year:	FY 2026
Project #	40000684

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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.

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.

HRGP. 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.

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.

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.

3. 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.

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

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.

5. 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.

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?

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

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.

HRGP program supports 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.

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](#).)

Not applicable.

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

HRGP is not linked to the Puget Sound Action Agenda.

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.

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.

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?

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.

12. 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**

Is a project list available? If so, please attach and/or include this information.

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 26C-1 Total	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000

2025-27 Regional Approaches Program

Agency Priority	15
Starting Year:	FY 2026
Project #	4000657

Agency 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. 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](#).

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.

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.

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 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 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.

3. 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
- 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

4. 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.

5. 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.

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?

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.

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.

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:

- 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.

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](#).)

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

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.

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 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.

12. 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.

RCW that establishes grant (if applicable):

Application process used (grants; if applicable): Competitive process with eligibility for overburdened communities only and specifically cities, counties and tribes.

Is a project list available? If so, please attach and/or include this information.

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
State Building Construction Account (057.1)	\$10,000,000				
Total	\$10,000,000				

2025-27 Clean Energy Fund Program

Agency Priority	16
Starting Year:	FY 2026
Project #	40000679

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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.

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 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
- *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.)
- 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 answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

Not applicable.

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.

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 predesign, 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.

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

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
A - Salaries	877,000	877,000	877,000	877,000	877,000
B - Benefits	289,000	289,000	289,000	289,000	289,000
C - Contracts	24,000	24,000	24,000	24,000	24,000
E - Goods and Services	196,000	196,000	196,000	196,000	196,000
G - Travel	30,000	30,000	30,000	30,000	30,000
N - Grants	58,200,000	58,200,000	58,200,000	58,200,000	58,200,000
T - Intra Agency Reimbursement	384,000	384,000	384,000	384,000	384,000
057-1 Total	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000

FTE's: (Fund)

FTEs	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
FTE	4.7	4.7	4.7	4.7	4.7
Total	4.7	4.7	4.7	4.7	4.7

2025-27 Low Income Multifamily Efficiency Grants

Agency Priority	17
Starting Year:	FY 2026
Project #	40000664

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

The Department of Commerce requests continued funding for critical energy efficiency and decarbonization work for affordable multifamily housing and as part of the state’s Clean Buildings Performance Standard (CBPS). Multifamily building owners and their occupants across Washington are ready and eager to make energy use improvements to their buildings in the form of heating and cooling equipment, building envelope measures, and other site-level improvements. This decision package would continue funding for this grant program.

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 for affordable multifamily buildings. Supporting these projects with state dollars prevents rent increases for tenants that are already low-income qualified.

This program will also support compliance with the CBPS for multifamily buildings over 20,000 square feet. Under the standard, buildings are required to measure and lower their energy use, and in some cases where buildings are older or less efficient, this will require capital improvements. Commerce will fund these projects through the continuation of its grant program, and prioritize buildings based on their compliance cohort.

This program is currently funded at \$55M in the 2024 supplemental capital budget, to be expended beginning 1/1/25 subject to availability of funds.

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.

Affordable multifamily buildings are a segment of the buildings sector that requires deep support in order to relieve energy burden for tenants. Mechanical systems in affordable housing are older and fail more frequently. Landlords of these buildings are generally unable to make large electrification and efficiency improvements, which provide direct benefits to residents. In order to meet state emissions limits in statute, it is critical that this program continue to provide direct funding to buildings that need it the most for decarbonization purposes.

Additionally, the CBPS was expanded in 2022 (SB 5722) to include multifamily buildings over 20,000 square feet (also termed “Tier 2” buildings). Covered multifamily buildings must develop energy management plans, improve their building’s operations and maintenance, and benchmark their building’s energy use by 2027. Multifamily building owners in particular need funding assistance in order to both complete required reporting activities, and to make capital-intensive improvements that result in emissions reductions and energy savings for tenants. This grant program will support affordable multifamily properties meeting this new standard.

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.

This request will fund a number of things for affordable multifamily properties, including:

- Energy efficiency and electrification improvements within existing large buildings: this could be an HVAC upgrade, ducting work, insulation, window replacement, and more improvements to bring a buildings' energy use down.
- Energy auditing, reporting, and pre-design work: this includes the diagnostic support to bring buildings to the point where they can determine which projects will bring them into CBPS compliance, and sequence capital projects in a technically feasible way.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

Affordable housing owners are often not well positioned to make capital-intensive energy efficiency improvements. This grant program will support these building types, with a priority on supporting projects that demonstrate financial need, and those across the Washington Housing Finance Commission and Housing Trust Fund portfolios.

The result of not taking action is multi-faceted: buildings will be out of compliance with the standard, energy and long-term cost savings will be left on the table, and energy efficient technology benefitting building owners and low-income occupants will be delayed for low-income multifamily housing properties.

Safety, comfort, and cost savings are all critical benefits of energy efficiency and electrification projects, particularly those that incorporate the addition of air conditioning (cooling benefits). This funding works to make the benefits of highly efficient, electric equipment more equitable.

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 is to provide financing to support energy efficiency improvements, rather than fund part or all of an energy efficiency project. As one example, Washington Housing Finance Commission already offers this type of financing to affordable multifamily owners, and it has not resulted in meeting the needs of underserved communities and affordable housing occupants. These building owners are less likely to be able to invest in large capital improvements, even with financing. Funding part or all of these improvements is, in some cases, the only way to make important efficiency and emissions improvements. However, it certainly excludes affordable housing without access to significant upfront capital.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

While the process of Tier 2 building identification is ongoing, Commerce estimates thousands of low income, multifamily buildings needing energy reporting, benchmarking, and operations and maintenance planning services. The Washington Housing Trust fund has historically served more than 1,200 affordable housing properties and the Washington Housing Financing Commission an additional 1,656. All 2,856 of these buildings will be eligible for this funding.

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:

- 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 (ex. Seattle) have clean heat and fuel switching incentives for low-income households.
- Federal 179D tax deduction.

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.

In the [Buildings Chapter of the 2021 State Energy Strategy](#), a combination of efficiency and electrification are identified as the least-cost pathway within the buildings sector to achieving the emissions reductions required in statute. 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.*

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.

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.

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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 decision package directly funds efficiency and emissions reductions in our state’s largest residential 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 CBPS.

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 plans to prioritize projects in affordable housing located in underserved and overburdened communities through this grant program, recognizing these buildings are probably the least well-positioned to make capital-intensive improvements. Commerce has included costs for outreach and direct community engagement in this decision package.

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

RCW that establishes grant (if applicable):

Application process used (grants; if applicable):

Is a project list available? If so, please attach and/or include this information.

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
A - Salaries	839,000	839,000	839,000	839,000	
B - Benefits	283,000	283,000	283,000	283,000	
E - Goods and Services	59,000	59,000	59,000	59,000	
G - Travel	7,000	20,000	20,000	20,000	
J - Equipment	13,000				
N - Grants	53,350,000	53,350,000	53,350,000	53,350,000	
T - Intra Agency Reimbursement	185,000	185,000	185,000	185,000	
Fund 26C-1 Total	55,000,000	55,000,000	55,000,000	55,000,000	

FTE's: (Fund)

FTEs	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
Fund 26C-1	4.7	4.7	4.7	4.7	
Fund 26C-1 Total	4.7	4.7	4.7	4.7	

2025-27 Clean Energy Project Match

Agency Priority	18
Starting Year:	FY26
Project #	4000681

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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.

Project description. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

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..."

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 this program (\$20M)

Example projects for which grants may be awarded include:

- Non-emitting power generation projects to help meet industrial load growth;
- Consumer and residential decarbonization projects, community energy planning and project execution, and clean infrastructure projects to underserved communities;
- New and incumbent worker training needed to attract advanced, clean technology manufacturing to Washington, and for the public sector clean infrastructure projects that are underway to meet our climate laws;
- Grants to help public, private and non-profit entities in WA provide matching funds to the myriad of federal funding opportunities available. Matching dollars from the state will make WA entities much more competitive for federal funding and ensure WA receives the maximum amount of federal investment dollars.
- Grants to local communities and private entities for necessary industrial infrastructure to ensure Washington communities are competitive for, and able to secure investment from, projects that bring the clean, technology jobs of the future. Washington is currently in the running for multiple projects related to advanced manufacturing of clean technology products such as energy storage, hydrogen, solar, advanced transportation fuels, grid technologies, semiconductors, off-shore wind, 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 growth¹ 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. 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.

¹ U.S. Dept. of Energy, "United States Energy & Employment Report 2023."

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, IJIA 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 industrial 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 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.

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.

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, life cycle and maintenance related to new technologies, or end of life and recycling opportunities.

3. 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 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.

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

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 combining 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.

5. 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 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.

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?

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 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.

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.

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 39 Washington 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.

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](#).)

Not applicable

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

Not applicable

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.

Not applicable

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?

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.

12. 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.

RCW that establishes grant (if applicable):

Application process used (grants; if applicable):

Is a project list available? If so, please attach and/or include this information.

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	100,000,000				
Total	100,000,000				

2025-27 Energy Retrofits for Public Buildings Grants

Agency Priority	19
Starting Year:	FY 2026
Project #	40000670

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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.

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.

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.

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.

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.

3. 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 improve 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.

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

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.

5. 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.

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:

- **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.

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.

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

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.

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

Energy Retrofits for Public Buildings contributes directly to the following RCW's and executive orders:

- Building Benchmarking RCW 19.27A.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.

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?

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.

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

RCW that establishes grant (if applicable):

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.*

Estimated Total Expenditures:

Account	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
A - Salaries	\$366,000	\$366,000	\$366,000	\$366,000	\$366,000
B - Benefits	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
E - Goods and Services	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000
G - Travel	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
N - Grants	\$21,825,000	\$21,825,000	\$21,825,000	\$21,825,000	\$21,825,000
T - Intra Agency Reimbursement	\$161,000	\$161,000	\$161,000	\$161,000	\$161,000
Fund 057-1 Total	\$22,500,000	\$22,500,000	\$22,500,000	\$22,500,000	\$22,500,000

FTE’s: (Fund)

FTEs	2025-2027	2027-2029	2029-2031	2031-2033	2033-2035
Fund 057-1	2.1	2.1	2.1	2.1	2.1
Total	2.1	2.1	2.1	2.1	2.1

2025-27 Building for the Arts Grant Program

Agency Priority	20
Starting Year:	FY 2026
Project #	40000668

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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.

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 department is required (RCW 43.63A.750) to develop and 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.

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.

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.

3. 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 missed, and valuable community cultural and economic drivers would be delayed indefinitely.

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

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.

5. 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.

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?

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

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 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.

8. 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? (See [OCIO Policy 184](#) for 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

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

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.

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?

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, II 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.

12. 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.

Is a project list available? If so, please attach and/or include this information.

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				
Total	\$18,000,000				

2025-27 Youth Recreational Facilities Program

Agency Priority	21
Starting Year:	FY 2026
Project #	40000661

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

[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. 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.

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.

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.

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.

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.

3. 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 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.

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

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.

5. 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.

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?

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.

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 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.

8. 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? (See [OCIO Policy 184](#) for 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

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

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.

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?

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.

12. 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

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.

Is a project list available? If so, please attach and/or include this information.

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
State Building Construction Account (057.1)	\$7,688,000				
Total	\$7,688,000				

2025-27 Library Capital Improvement Program

Agency Priority	22
Starting Year:	FY 2026
Project #	40000662

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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 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.

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.

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, 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.

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.

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.

3. 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.

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

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.

5. 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.

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?

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 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.

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 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.

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](#).)

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

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.

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?

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.

12. 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.

RCW that establishes grant (if applicable):

Application process used (grants; if applicable):

Is a project list available? If so, please attach and/or include this information.

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 State Bldg Constr	\$10,000,000	\$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	\$10,000,000

2025-27 Early Learning Facilities - School Districts

Agency Priority	23
Starting Year:	FY 2026
Project #	40000663

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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

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.

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.

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.

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.

3. 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.

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

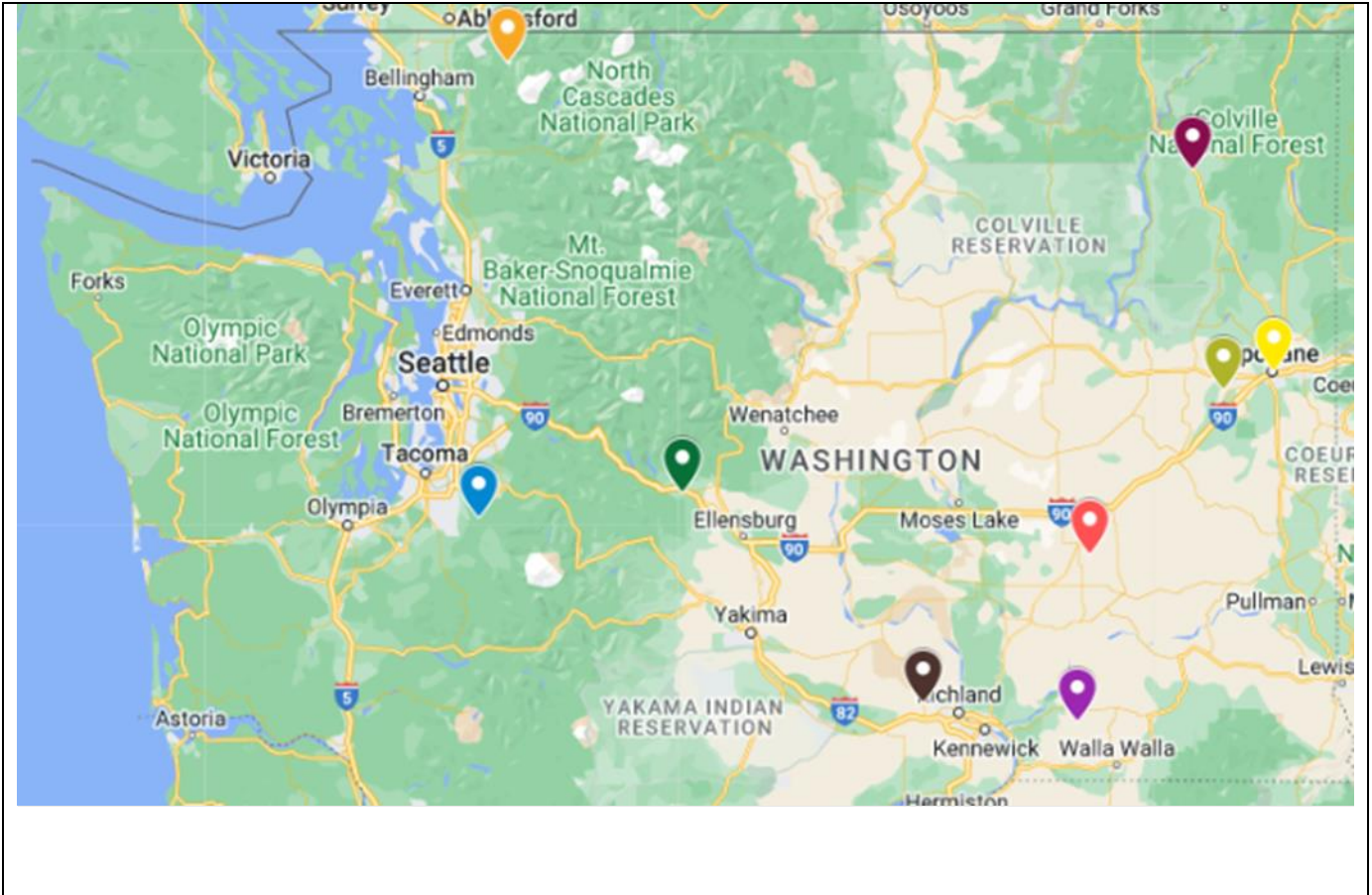
There are no alternatives available. RCW 43.31.579 requires the department to submit a ranked and prioritized list of school district early learning facility projects to OFM and relevant Legislative committees.

5. 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.

A map of proposed investments is below.

- 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



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?

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 numbers will be updated after final decisions have been made by our subject matter experts.

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.

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.

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](#).)

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

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.

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?

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

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

N/A

RCW that establishes grant (if applicable): RCW 43.31.565-583

Application process used (grants; if applicable): Competitive grant application process.

Is a project list available? If so, please attach and/or include this information.

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 22D-1	\$8,629,000				
Fund					
Total	\$8,629,000				

2025-27 Behavioral Health Facilities

Agency Priority	24
Starting Year:	FY 2026
Project #	40000667

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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>)

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 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 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.

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.

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.

3. 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.

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

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 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.

5. 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 than 100 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.

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 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.

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.

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.

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](#).)

NA

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

NA

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.

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.

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?

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.

12. 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.

RCW that establishes grant (if applicable):

Application process used (grants; if applicable):

Is a project list available? If so, please attach and/or include this information.

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	\$92,000,000				
Total	\$92,000,000				

2025-27 Defense Community Compatibility Program

Agency Priority	26
Starting Year:	FY 2026
Project #	40000660

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

The department will be requesting approximately \$50 million (placeholder total until the approved list is available approximately September 20, 2024) for the Defense Community Compatibility Account (DCCA) to fund civilian-military compatibility projects that enhance the economy, environment, or quality of life opportunities for the community. The state grant requires local and federal match. Projects submitted were ranked using evaluation criteria developed from guidance in [RCWs 43.330.515](#) and [43.330.520](#).

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.

By financing these projects, the Defense Community Compatibility Account not only encourages and improves the economy, environment and quality of life for residents living in communities impacted by military operations, it leverages federal and local funding, maximizing the impact of state investments.

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.

Grants may fund the following types of projects for the 2025-27 biennium:

- Acquisition of real property or real property interests to eliminate an existing incompatible use;
- Projects to jointly assist in the recovery or protection of endangered species dependent on military installation property for habitat;
- Projects or programs to increase the availability of housing affordable to enlisted military personnel and nonmilitary residents in the local community;
- Projects to retrofit existing uses to increase their compatibility with existing or future military operations;
- Projects to enable local communities heavily dependent on a nearby military installation to diversify the local economy so as to reduce the economic dependence on the military base;
- Projects that aid communities to replace jobs lost in the event of a reduction of the military presence; and

- Projects that improve or enhance aspects of the local economy, environment, or quality of life impacted by the presence of military activities.

3. 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 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. No action would delay eligible projects from moving forward with the improvements needed and risk the opportunity to leverage the federal resources these projects already have in hand.

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

The department is required by RCWs [43.330.515](#) and [43.330.520](#) to establish a competitive process to solicit proposals and prioritize projects whose primary objective is to promote the economy, environment, and quality of life opportunities for communities affected by military operations. Commerce must submit a list of recommended projects to the governor and the legislature in the department's biennial capital budget request.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

Local governments, tribes, non-profit organizations and other organizations partnering on economic development, land use, and conservation efforts would be impacted. Numerous communities, representing regions on the west and east side of the state would be strengthened by these investments.

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?

By statute, RCW [43.330.515](#), both federal and non-state funds must be committed to the same purposes or project as the state expenditure. Applications are evaluated based on the total amount of non-state leveraged funds they bring to the project.

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 provides economic stimulus through reliable Infrastructure investment and promotes community development by funding community facilities or improvements that enhance aspects of the local economy, environment, or quality of life This request is also consistent with the Governor's Results Washington priority of promoting healthy and safe communities. These projects also support the Results Commerce goal of vibrant communities and targeted outcomes of building and maintaining local capacity.

8. 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? (See [OCIO Policy 184](#) for 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**

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

A link to the action agenda is possible, but unknown. Eligible projects include Sentinel Lands projects, which are a joint project to meet both state/local goals and assist the Department of Defense in meeting ESA requirements. Such projects would leverage USDOD funding to support the Puget Sound Action Agenda. After project selection, the program will make a project specific determination of what projects support the action agenda and will report those projects up to the Puget Sound Partnership as supporting projects. Detailed information will be available once the agency finalizes the project list.

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.

While greenhouse gas emissions limits are not explicitly listed in the Defense Community Compatibility Account statute, all construction projects would be expected to meet all state and local greenhouse gas laws and regulations.

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 impacted equity by providing all affected communities with access to explore grant opportunities through continuous outreach and engagement with stakeholders. In coordination with the 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.

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

The department will be requesting approximately \$50 million (placeholder total until the approved list is available approximately September 20, 2024) for the DCCA to fund civilian-military compatibility projects that enhance the economy, environment, or quality of life opportunities for the community.

RCW that establishes grant (if applicable): [43.330.515](#) and [43.330.520](#)

Application process used (grants; if applicable): Applicants submit applications electronically via email to the program manager. Project applications are ranked and scored using evaluation criteria developed from the program's statutory guidance.

Is a project list available? If so, please attach and/or include this information.

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 State Building Construction Account	\$50,000,000				
Total					

2025-27 Pacific Tower Capital Improvements

Agency Priority	27
Starting Year:	FY 2026
Project #	40000659

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. Describe the proposed project. Provide answers to the following questions, which will inform decision makers about the proposed project.

In 2018, the PHPDA hired consultants to develop a 20-year capital improvements plan based on the current condition of the facility and the life expectancy of equipment. The plan outlines the estimated capital costs for each calendar year and is updated annually (attached capital plan). The plan includes costs for capital improvements such as HVAC, elevators, electrical equipment, exterior brick, exterior windows, exterior hardscapes, and roofs. The department is obligated to pay for these capital improvements, as agreed upon in the lease between Commerce and the PHPDA. In the 2025-27 biennium, Pac Tower requires \$1,913,000.

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.

In the lease agreement with the PHPDA, the department is legally obligated to pay for its proportional share of all capital improvement costs (see attachment: Pacific Tower Capital Maintenance Plan). Section 9.2.9 of the lease states:

"Notwithstanding anything to the contrary in this Lease, costs for Capital Improvements incurred by Landlord for the exclusive benefit of the Tenant with respect to the maintenance, operation, repair and replacement of the Premises or the Property (excluding the interior of the Reserved Space) shall be paid one hundred percent (100%) by Tenant. Any costs for Capital Improvements incurred by Landlord with respect to the maintenance, operation, repair and replacement of the Premises or the Property (excluding the interior of the Reserved Space) that are not for the exclusive benefit of the Tenant will be billed pro rata to Tenant consistent with section 9.2.7."

If funding is not secured, it would prevent the department from meeting its legal obligations to the PHPDA, which would create additional risk to the state and possible litigation.

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.

This request is to address planned capital maintenance on the Pacific Tower building, identified on the 20-year capital maintenance plan, as follows:

- HVAC: Control system upgrade and College multi stack heat pump.
- Exterior Brick
- Exterior Windows: 1S28-7S28, 1S31-7S31, 13S15, 13S17, 14S15, 14S17, 13N16, 13N18, 14N16, and 14N18
- Wood Windows Re-condition: Drop 7-29, drop 8-15, and drop 9-12.
- Roof: 8E, 8W, 11E, and 11W

Work will begin and be completed during the 25-27 biennium. This request cannot be phased, or we risk failure to meet our lease agreement with the PHPDA.

3. How would the request address the problem or opportunity identified in question #1? What would be the result of not taking action?

This budget request will provide the full funding necessary to meet the state's legal commitment as agreed upon in the lease between the PHPDA and the State of Washington, through the Department of Commerce.

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

There were no alternatives explored. The department is legally obligated to cover the cost of capital improvements associated with the department's use of the Pacific Tower campus. The PHPDA's capital maintenance plan identified the estimated cost and timing of various capital maintenance needs beginning in calendar year 2018 and updated annually.

5. Which clientele would be impacted by the budget request? Where and how many units would be added, people or communities served, etc.

The PHPDA and the department's current sub-leased tenants of the Pacific Tower.

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 funding identified in this budget request is specific to the amount owed by the State of Washington, through the Department of Commerce, for the proportional use of the Pacific Tower campus as identified in the lease agreement between the PHPDA and Commerce. The Pacific Hospital will be responsible for the costs of the maintenance associated to their proportional use of the campus.

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.

N/A

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](#).)

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

N/A

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?

N/A

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

N/A

RCW that establishes grant (if applicable):

Application process used (grants; if applicable):

Is a project list available? If so, please attach and/or include this information.

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	\$1,913,000	\$1,543,000	\$1,794,000	\$1,052,000	\$1,906,000
Fund					
Total	\$1,913,000	\$1,543,000	\$1,794,000	\$1,052,000	\$1,906,000

2025-27 CERB Capital Construction

Agency Priority	28
Starting Year:	FY 2026
Project #	40000658

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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 development 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.
 - 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.”

<https://www.mortenson.com/cost-index/seattle>

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.

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.

5. 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.

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?

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 retail sales and use taxes, increased property tax valuations and the adjoining taxes and levies from these improved properties.

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 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.

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](#).)

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

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.

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?

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.

12. 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.

RCW that establishes grant (if applicable):

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.

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

Is a project list available? If so, please attach and/or include this information.

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
Public Facility Construction Revolving Loan Account 887	\$75,000,000				
Total	\$75,000,000				

2025-27 Public Works Board Investment in Essential Infrastructure

Agency Priority	29
Starting Year:	FY 2026
Project #	40000672

Agency summary. This is also known as the project summary or Recsum text. Provide a brief, clear and concise description of the project, including the problem or opportunity and how the proposed project addresses it:

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. 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.

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 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.

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.

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 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.

3. 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.

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 Economic Policy Institute. *Updated Employment Multipliers for the U.S. Economy*. Table 2. Josh Bivens. (2019) <https://www.epi.org/publication/updated-employment-multipliers-for-the-u-s-economy/> Similar (but separate) findings for surface transportation and water/sewer projects by the Political Economy Research Institute. *Job Creation Estimates Through Proposed Economic Stimulus Measures*, Table 1. (2020) <https://docs.house.gov/meetings/IF/IF18/20200916/111008/HHRG-116-IF18-20200916-SD009.pdf> Robert Pollin.

² U.S. Department of Transportation. <https://www.transportation.gov/policy-initiatives/contracting-initiative-fact-sheet> (2015).

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

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.

5. 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 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 an [interactive 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.

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?

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 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.

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.

The PWB grant and loan program supports the execution of state policies, such as reducing greenhouse gases, protecting the Puget Sound, implementing the Growth Management Act, and realizing the goals of the Healthy Environment for All (HEAL) Act. Also, the growing housing crisis will require the renovation of "fill-in" neighborhoods, some reclaimed from former industrial or commercial areas. Local governments need access to PWB grants and low cost loans to rebuild this infrastructure for residential purposes.

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.](#))

N/A

If the answer to any of these questions is yes, continue to the IT Appendix and follow the directions to meet the requirements for OCIO review.

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.

PWB staff submits a list of prioritized projects to the Puget Sound Partnership as part of the PWB's threshold review of projects to finance. The Partnership staff considers and offers feedback about 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.

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.

Local governments are now building infrastructure that will remain resilient in a changing climate. As floods, fires, storms, and excessive heat take hold in the coming decades, new infrastructure must be built to withstand those challenges. Communities may have to plan for higher bridges, more stormwater capacity, and different mixes of asphalt to withstand higher temperatures.

Higher quality roads lead to higher fuel efficiency by cars. New infrastructure at landfills, sewers, and water treatment plants capture and burn methane, which is 86 times more potent as a greenhouse gas than carbon dioxide. Capturing or burning that methane creates dramatic reductions in greenhouse gases. Modern sewage processing creates compost that may be used on farms, reducing the need for the carbon-intensive process of manufacturing fertilizer. The PWB funds all of those types of carbon-reducing projects.

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?

National studies have found that communities of color are less likely to have access to clean, affordable drinking water and wastewater services. These communities lag behind in stormwater management and road maintenance. A PWB grant or low-cost loan provides those jurisdictions a less expensive option than the private sector for financing projects that protect health and safety.

The PWB leans into equity by helping economically distressed jurisdictions to secure infrastructure financing. 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 the 13 awards for emergency situations, 12 of those projects were in distressed areas. Distressed communities make up half of the funding requests for FY25.

The more funding the PWB receives, the more money it can send to distressed communities.

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

The year 2025 will mark the 40th Anniversary of the Public Works Board. The Board and its funding mechanisms have survived this long due to support from the Legislature, the State, and the local governments that have used infrastructure money wisely. The PWB next year will celebrate 40 years of improving public health and safety across the state. Robust funding is the key to continuing its mission.

RCW that establishes grant (if applicable):

RCW 43.155.060(1)(a), (1)(d), and (2)(d)

Application process used (grants; if applicable):

The PWB accepts electronic applications only through the ZoomGrants website. PWB conducts one funding cycle each year. After the due date, PWB staff score applications according to need for the project, readiness to

proceed, local resources, archaeological and cultural reviews, compliance with the Puget Sound Action Agenda, the Growth Management Act, community financial profile, and ability of the applicant to make loan payments.

Is a project list available? If so, please attach and/or include this information.

The PWB conducts competitive funding cycles through the meticulous scoring of applications. Future projects funded with the money requested for FY26-FY27 will not be determined until the competitive funding cycles for those fiscal years.

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
Public Works Assistance Account (058)	\$400,000,000				
Total	\$400,000,000				

**2024 Supplemental
Budget EA Schedule**

Fund	Description	EA	Project #	Appropriation Authority	Reapprop Request
57	Clean Energy and Energy Freedom Program	T52	30000726	\$ 1,686,600	\$ 1,537,000
355-1	Clean Energy and Energy Freedom Program	T59	30000726	\$ 2,509,990	\$ 1,446,000
57	2017-19 Housing Trust Fund Program	U05	30000872	\$ 1,050,470	\$ 419,000
532	2017-19 Housing Trust Fund Program	U55	30000872	\$ 1,476,000	\$ 1,476,000
355-1	2017-19 Housing Trust Fund Program	U60	30000872	\$ 4,444,850	\$ 3,097,000
689	Economic Opportunity Grants	U09	30000873	\$ 315,550	\$ 313,000
355-1	Public Works Assistance Account Construction Loans	U66	30000878	\$ 12,513,640	\$ 6,113,000
57	Weatherization Plus Health Matchmaker Program	U28	30000879	\$ 222,000	\$ 222,000
355-1	Weatherization Plus Health Matchmaker Program	U67	30000879	\$ 3,492,000	\$ 3,492,000
57	Clean Energy Funds 3	U96	30000881	\$ 18,103,620	\$ 12,866,000
22-M	Clean Energy Funds 3	U69	30000881	\$ 4,856,530	\$ 3,950,000
57	Energy Efficiency and Solar Grants	U19	30000882	\$ 217,510	\$ 206,000
22-M	Energy Efficiency and Solar Grants	U97	30000882	\$ 1,252,630	\$ 573,000
355-1	PWAA Preconstruction and Emergency Loan Programs	U80	40000009	\$ 1,075,520	\$ 90,000
57	2019-21 Housing Trust Fund Program	A00	40000036	\$ 2,775,000	\$ 2,283,000
355-1	2019-21 Housing Trust Fund Program	A01	40000036	\$ 23,029,940	\$ 12,491,000
58	Public Works Board	A03	40000038	\$ 13,334,020	\$ 10,445,000
887	2019-21 Community Economic Revitalization Board	A05	40000040	\$ 18,600,000	\$ 18,600,000
57	2019-21 Youth Recreational Facilities Grant Program	A06	40000041	\$ 3,163,450	\$ 2,984,000
57	Clean Energy Transition 4	A07	40000042	\$ 14,238,190	\$ 11,181,000
355-1	Clean Energy Transition 4	A08	40000042	\$ 561,020	\$ 529,000
57	2019-21 Building Communities Fund Program	A09	40000043	\$ 15,079,230	\$ 13,930,000
57	2019-21 Early Learning Facilities	A10	40000044	\$ 2,947,760	\$ 2,198,000
22C	2019-21 Early Learning Facilities	A11	40000044	\$ 10,414,490	\$ 7,107,000
22D-1	2019-21 Early Learning Facilities		40000044	\$ -	\$ 1,063,000
57	2019-21 Energy Efficiency and Solar Grants Program	A14	40000049	\$ 4,655,540	\$ 1,170,000
57	2019-21 Behavioral Health Capacity Grants	A16	40000114	\$ 27,235,060	\$ 16,292,000
57	2020 Local and Community Projects	A17	40000116	\$ 41,327,600	\$ 33,400,000
23J	Washington Broadband Program	A18	40000117	\$ 15,314,040	\$ 15,001,000
57	2021 Local and Community Projects	A30	40000130	\$ 9,028,910	\$ 6,595,000
57	2021-23 Youth Recreational Facilities Grant Program	C05	40000139	\$ 2,828,020	\$ 2,764,000
22D-1	2021-23 Early Learning Facilities - School Districts Grant	C06	40000140	\$ 1,382,510	\$ 782,000
58	2021-23 Public Works Assistance Account-Construction	C07	40000141	\$ 186,904,730	\$ 145,665,000
57	2021-23 Building Communities Fund Grant Program	C08	40000142	\$ 19,003,100	\$ 17,006,000
57	2021-23 Building for the Arts Grant Program	C09	40000143	\$ 4,171,740	\$ 3,527,000
887	2021-23 CERB Capital Construction	C10	40000144	\$ 10,000,000	\$ 10,000,000
26V	2021-23 CERB Capital Construction	C42	40000144	\$ 35,002,640	\$ 22,183,000
57	2021-23 Library Capital Improvement Program (LCIP) Grants	C13	40000147	\$ 13,353,700	\$ 4,620,000
57	2021-23 Clean Energy V-Investing in Washington's Clean Energy	C14	40000148	\$ 51,898,270	\$ 45,243,000
355-1	2021-23 Clean Energy V-Investing in Washington's Clean Energy	A27	40000148	\$ 2,410,000	\$ 2,410,000
57	2021-23 Energy Retrofits for Public Buildings Grant Program	C16	40000149	\$ 7,776,340	\$ 6,764,000
57	2021-23 Weatherization Plus Health	C17	40000150	\$ 2,867,540	\$ 1,433,000
001	2021-23 Weatherization Plus Health	N03	40000150	\$ 46,531,240	\$ 44,029,000
26V	2021-23 Weatherization Plus Health	C54	40000150	\$ 1,251,300	\$ 741,000
373	2021-23 PWB Broadband Infrastructure	L91	40000152	\$ 46,000,000	\$ 36,998,000
23J	2021-23 PWB Broadband Infrastructure	C18	40000152	\$ 14,000,000	\$ 14,000,000
57	2021-23 Housing Trust Fund Investment in Affordable Housing	C19	40000153	\$ 24,261,760	\$ 13,392,000
706	2021-23 Housing Trust Fund Investment in Affordable Housing	H76	40000153	\$ 55,448,160	\$ 35,189,000
26V	2021-23 Housing Trust Fund Investment in Affordable Housing	C55	40000153	\$ 93,174,480	\$ 51,884,000
355-1	2021-23 Housing Trust Fund Investment in Affordable Housing	C20	40000153	\$ 44,299,500	\$ 23,222,000
57	2021-23 Behavioral Health Community Capacity Grants	C21	40000219	\$ 81,651,470	\$ 51,421,000
26V	2021-23 Behavioral Health Community Capacity Grants	C61	40000219	\$ 25,032,050	\$ 19,475,000
532	2019-21 Housing Trust Fund Investment from Operating	C22	40000220	\$ 8,413,236	\$ 3,056,000
57	2021-23 Rapid Capital Housing Acquisition	C23	40000222	\$ 27,886,600	\$ 24,559,000
706	2021-23 Rapid Capital Housing Acquisition	H77	40000222	\$ 6,001,000	\$ 663,000
355-1	2021-23 Rural Rehabilitation Loan Program	C25	40000223	\$ 2,383,580	\$ 2,018,000
57	2022 Local & Community Projects	C27	40000230	\$ 99,016,350	\$ 71,161,000
57	2022 Local & Community Projects	D79	40000230	\$ 1,000,000	\$ 1,000,000
689	Economic Opportunity Grants Authority	C43	40000246	\$ 903,000	\$ 903,000
57	2022 Rapid Capital Housing Acquisition	C66	40000260	\$ 19,035,000	\$ 11,821,000
26U	2022 Rapid Capital Housing Acquisition	C57	40000260	\$ 59,933,790	\$ 54,994,000
26V	2022 Rapid Capital Housing Acquisition	C56	40000260	\$ 69,102,080	\$ 44,705,000
706-2	2022 Rapid Capital Housing Assistance	L57	40000260	\$ 15,065,000	\$ 3,043,000

57	2023 Local and Community Projects	C44	40000266	\$ 39,518,490	\$ 22,789,000
57	Ports Infrastructure	C45	40000278	\$ 11,381,740	\$ 10,271,000
57	2023-25 Building Communities Fund Grant Program	D00	40000279	\$ 29,729,000	\$ 21,006,000
57	2023-25 Building Communities Fund Grant Program	D01	40000279	\$ 850,000	
57	2023-25 Building for the Arts	D02	40000280	\$ 18,000,000	\$ 6,203,000
887	2023-25 CERB Capital Construction	D03	40000281	\$ 25,000,000	\$ 25,000,000
57	Dig-Once Pilot Project and Enhanced Program Development	D04	40000282	\$ 500,000	\$ 500,000
26C	2023-25 Energy Retrofits and Solar Power for Public Buildings	D05	40000283	\$ -	\$ 49,485,000
26C	2023-25 Energy Retrofits and Solar Power for Public Buildings	D06	40000283	\$ 14,500,000	
26C	2023-25 Energy Retrofits and Solar Power for Public Buildings	D07	40000283	\$ 22,500,000	
26C	2023-25 Energy Retrofits and Solar Power for Public Buildings	D08	40000283	\$ 5,000,000	
26C	2023-25 Energy Retrofits and Solar Power for Public Buildings	D80	40000283	\$ 4,000,000	
26C	2023-25 Energy Retrofits and Solar Power for Public Buildings	D81	40000283	\$ 4,000,000	
001	High Efficiency Electric Home Rebate Program	Q00	40000284	\$ -	\$ -
001	High Efficiency Electric Home Rebate Program	Q01	40000284	\$ 83,000,000	\$ 83,000,000
26C	High Efficiency Electric Home Rebate Program	D09	40000284	\$ 5,000,000	\$ 69,578,000
26C	High Efficiency Electric Home Rebate Program	D10	40000284	\$ 75,000,000	
26C	High Efficiency Electric Home Rebate Program	D11	40000284	\$ -	\$ -
22D-1	2023-25 Early Learning Facilities-School Districts	D12	40000285	\$ 5,406,000	\$ 3,212,000
57	2023-25 Library Capital Improvement Program	D13	40000286	\$ 10,951,000	\$ 8,580,000
58	2023-25 Public Works Assistance Account (PWAA)	D15	40000289	\$ 400,000,000	\$ 391,471,000
57	2023-25 Broadband Infrastructure Federal	D16	40000290	\$ 50,000,000	\$ 50,000,000
001	2023-25 Broadband Infrastructure Federal	Q02	40000290	\$ 245,260,000	\$ 245,560,000
001	2023-25 Broadband Infrastructure Federal	Q03	40000290	\$ 300,000	\$ -
57	2023-25 Weatherization Plus Health	D18	40000291	\$ -	\$ 4,338,000
57	2023-25 Weatherization Plus Health	D19	40000291	\$ 5,000,000	
26C	2023-25 Weatherization Plus Health	D17	40000291	\$ 35,000,000	\$ 25,160,000
57	2023-25 Youth Recreational Facilities Grant	D20	40000292	\$ 8,000,000	\$ 7,193,000
26C	2023-25 Clean Energy Fund Program	D22	40000294	\$ -	\$ 49,297,000
26C	2023 -25 Clean Energy Fund Program	D23	40000294	\$ 500,000	
26C	2024 -25 Clean Energy Fund Program	D24	40000294	\$ 10,000,000	
26C	2025 -25 Clean Energy Fund Program	D25	40000294	\$ -	
26C	2026 -25 Clean Energy Fund Program	D26	40000294	\$ 10,000,000	
26C	2027 -25 Clean Energy Fund Program	D27	40000294	\$ 20,000,000	
26C	2028 -25 Clean Energy Fund Program	D28	40000294	\$ 7,500,000	
26C	2029 -25 Clean Energy Fund Program	D82	40000294	\$ 1,500,000	
26C	2030 -25 Clean Energy Fund Program	D83	40000294	\$ 500,000	
57	2023-25 Housing Trust Fund	D31	40000295	\$ -	\$ 98,805,000
57	2023-25 Housing Trust Fund	D36	40000295	\$ 46,679,948	
57	2023-25 Housing Trust Fund	D37	40000295	\$ 25,000,000	
57	2023-25 Housing Trust Fund	D87	40000295	\$ 5,000,000	
57	2023-25 Housing Trust Fund	H30	40000295	\$ 6,000,000	
57	2023-25 Housing Trust Fund	H31	40000295	\$ 14,000,000	
57	2023-25 Housing Trust Fund	H32	40000295	\$ 7,000,000	
532	2023-25 Housing Trust Fund	D84	40000295	\$ -	\$ 8,500,000
532	2023-25 Housing Trust Fund	D85	40000295	\$ 8,500,000	
355-1	2023-25 Housing Trust Fund	D32	40000295	\$ 65,876,000	\$ 399,343,000
355-1	2023-25 Housing Trust Fund	D33	40000295	\$ 180,663,000	
355-1	2023-25 Housing Trust Fund	D34	40000295	\$ 35,500,000	
355-1	2023-25 Housing Trust Fund	D35	40000295	\$ 100,000,000	
355-1	2023-25 Housing Trust Fund	D86	40000295	\$ 20,000,000	
355-1	2023-25 Housing Trust Fund	H33	40000295	\$ 13,320,052	
57	2023-25 Connecting Housing to Infrastructure (CHIP)	D41	40000296	\$ 37,202,000	\$ 59,896,000
57	2023-25 Connecting Housing to Infrastructure (CHIP)	D42	40000296	\$ 20,000,000	
57	2023-25 Connecting Housing to Infrastructure (CHIP)	D43	40000296	\$ 798,000	
57	2023-25 Connecting Housing to Infrastructure (CHIP)	D44	40000296	\$ 2,000,000	
001-2	Transit Oriented Housing Development Partnership Match	M01	40000298	\$ 25,000,000	\$ 25,000,000
355-1	Transit Oriented Housing Development Partnership Match	D88	40000298	\$ 25,000,000	\$ 25,000,000
57	2023-25 Behavioral Health Community Capacity Grants	D46	40000299	\$ 181,476,000	\$ 283,273,000
57	2023-25 Behavioral Health Community Capacity Grants	D47	40000299	\$ 29,443,000	
57	2023-25 Behavioral Health Community Capacity Grants	D48	40000299	\$ 24,000,000	
57	2023-25 Behavioral Health Community Capacity Grants	D49	40000299	\$ 18,000,000	
57	2023-25 Behavioral Health Community Capacity Grants	D50	40000299	\$ 7,500,000	
57	2023-25 Behavioral Health Community Capacity Grants	D90	40000299	\$ 4,250,000	
57	2023-25 Behavioral Health Community Capacity Grants	D91	40000299	\$ 11,607,000	
57	2023-25 Behavioral Health Community Capacity Grants	D93	40000299	\$ 10,002,000	
57	2023-25 Behavioral Health Community Capacity Grants	D95	40000299	\$ 1,000,000	
57	2023-25 Behavioral Health Community Capacity Grants	D96	40000299	\$ 200,000	
26V	2023-25 Behavioral Health Community Capacity Grants	D92	40000299	\$ 1,250,000	
22C	2023-25 Early Learning Facilities Fund Grant Program	H34	40000300	\$ -	\$ 6,770,000

22C	2023-25 Early Learning Facilities Fund Grant Program	H35	40000300	\$ 6,720,000		\$ 6,720,000
22D-1	2023-25 Early Learning Facilities Fund Grant Program	D75	40000300	\$ 37,438,000		
22D-1	2023-25 Early Learning Facilities Fund Grant Program	D76	40000300	\$ 7,350,000		
22D-1	2023-25 Early Learning Facilities Fund Grant Program	D77	40000300	\$ 39,830,000		\$ 77,777,000
22D-1	2023-25 Early Learning Facilities Fund Grant Program	D78	40000300	\$ 350,000		
57	2024 Local and Community Projects	D52	40000301	\$ 229,543,000		\$ 194,436,000
23N-1	2025 Local and Community Projects		40000301			\$ 459,000
26C	Tribal Climate Adaptation Pass-through Grants	D54	40000421	\$ 50,000,000		\$ 49,642,000
26C	DOE Hydrogen Hub -State Match	D55	40000561	\$ 20,000,000		\$ 10,127,000
001	Inflation Reduction Act HOMES Program	D56	40000564	\$ -		\$ -
001	Inflation Reduction Act HOMES Program	Q10	40000564	\$ 83,200,000		\$ 82,628,000
57	2023-25 Defense Community Compatibility Projects	D60	40000572	\$ 33,950,000		\$ 24,164,000
23N	2023-25 Defense Community Compatibility Projects	D98	40000572	\$ 3,720,000		\$ 3,720,000
57	Rising Strong Project Grant Pass Through	D61	40000576	\$ 13,356,000		\$ 13,356,000
26V	Crisis Stabilization Facility-Trueblood Phase 3	D99	40000601	\$ 5,000,000		\$ 4,997,000
57	Communities of Concern	H00	40000603	\$ 6,367,000		\$ 6,367,000
26C	Green Jobs and Infrastructure Catalytic Funds	H01	40000604	\$ -		
26C	Green Jobs and Infrastructure Catalytic Funds	H23	40000604	\$ 21,450,000		
26C	Green Jobs and Infrastructure Catalytic Funds	H24	40000604	\$ 750,000		
26C	Green Jobs and Infrastructure Catalytic Funds	H25	40000604	\$ 150,000		
26C	Green Jobs and Infrastructure Catalytic Funds	H26	40000604	\$ 150,000		
26C	Green Jobs and Infrastructure Catalytic Funds	H27	40000604	\$ 2,500,000		
26C	Clean Energy Community Decarbonization	H02	40000606	\$ -		
26C	Clean Energy Community Grants	H28	40000606	\$ 42,388,000		\$ 50,000,000
26C	Lummi Indian Business Council Energy	H29	40000606	\$ 7,612,000		
57	2025 Local and Community Projects	H05	40000614	\$ 59,362,000		\$ 59,362,000
23N	2025 Local and Community Projects	H03	40000614	\$ 4,641,000		\$ 4,641,000
23R	2025 Local and Community Projects	H04	40000614	\$ 5,122,000		\$ 5,122,000
26C	2026 Local and Community Projects		40000614	\$ 140,000		\$ 136,000
26C	2023-25 Community Solar Resilience Hubs	H07	40000620	\$ 38,000,000		\$ 34,589,000
26C	2023-25 Community Solar	H08	40000621	\$ 6,000,000		\$ 4,659,000
26C	2023-25 Community EV Charging	H09	40000622	\$ 105,000,000		\$ 102,764,000
27A	Energy Efficiency Revolving Loan Fund Capitalization Program	H10	40000629	\$ 1,869,000		\$ 1,869,000
28S	2026 FIFA World Cup	H12	40000650	\$ 10,000,000		\$ 10,000,000
57	2026 FIFA World Cup	H11	40000650	\$ 10,000,000		\$ 10,000,000
58	CERB Administered Broadband Infrastructure	A21	91000943	\$ 3,450,000		\$ 2,484,000
355-1	CERB Administered Broadband Infrastructure	U29	91000943	\$ 929,930		\$ -
373-8	CERB Administered Broadband Infrastructure		91000943	\$ 31,297,000		\$ 19,456,000
26V	Rapid Response Community Preservation Pilot Program	C62	91001278	\$ 1,685,000		\$ 908,000
57	Continuing Affordability in Current Housing	C24	91001659	\$ 9,033,460		\$ 2,659,000
57	2021-23 Dental Capacity Grants	C29	91001660	\$ 4,656,610		\$ 2,746,000
355-1	Substance Use Disorder Recovery Housing	C46	91001675	\$ 150,000		\$ 150,000
57	2021-23 Early Learning Facilities	C31	91001677	\$ 845,820		\$ 373,000
22D-1	2021-23 Early Learning Facilities	C33	91001677	\$ 16,585,310		\$ 11,272,000
26V	2021-23 Early Learning Facilities	C60	91001677	\$ 22,258,640		\$ 17,213,000
57	Early Learning COVID-19 Renovation Grants	C67	91001681	\$ 8,500,000		\$ 8,474,000
57	2023-25 Youth Shelters and Housing	D30	91001682	\$ 15,622,000		\$ 14,822,000
57	Grants for Affordable Housing Development Connections	C26	91001685	\$ 16,410,940		\$ 11,675,000
706-2	Grants for Affordable Housing Development Connections	L53	91001685	\$ 27,000,000		\$ 16,029,000
57	Work, Education, Health Monitoring Projects	C50	91001686	\$ 782,370		\$ 778,000
57	Infrastructure Projects	C47	91001687	\$ 5,931,340		\$ 3,615,000
26V	Infrastructure Projects	C59	91001687	\$ 25,390,110		\$ 21,731,000
706-2	Infrastructure Projects	L94	91001687	\$ 89,808,000		\$ 62,047,000
57	Capital Grant Program Equity	C40	91001688	\$ 4,979,490		\$ 4,447,000
57	Food Banks	C34	91001690	\$ 2,603,090		\$ 1,198,000
26V	Homeless Youth Facilities	C63	91001991	\$ 9,713,910		\$ 9,195,000
57	2022 Permanent Supportive Housing Remediation	C49	91002160	\$ 6,000		\$ 6,000
26C	Local Emission Reduction Projects	D63	91002184	\$ 31,695,000		\$ 30,078,000
26D	Local Emission Reduction Projects	D64	91002184	\$ 6,975,000		\$ 6,975,000
57	2023-25 Rural Rehabilitation Grant Program	D65	91002195	\$ 6,000,000		\$ 6,000,000
57	Health Care Infrastructure	D29	91002197	\$ 38,918,000		\$ 32,286,000
26C	HB 2131 - Thermal Energy Networks	H13	91002447	\$ 5,000,000		\$ 5,000,000
26C	Multifamily Bldg Efficiency Grants	H14	91002449	\$ 55,000,000		\$ 55,000,000
26C	Clean Building Performance Grants	H15	91002451	\$ 45,000,000		\$ 45,000,000
57	Harborview	H16	91002471	\$ 5,000,000		\$ 5,000,000
355-1	Climate Resilience & Environmental Equity Campus	H17	91002476	\$ 250,000		\$ 250,000
57	The ARC Legacy Center	H18	91002637	\$ 1,000,000		\$ 1,000,000
26C	Hard-to-Decarbonize Sector & Economic Development Grants	H19	91002641	\$ 49,800,000		\$ 49,569,000
57	Enhanced Shelter Capacity Grants	A33	92000939	\$ 3,889,000		\$ 2,694,000
57	2021-23 Broadband Office	C35	92000953	\$ 20,576,740		\$ 15,999,000

57	2021-23 Broadband Office	H20	92000953	\$ 225,000	\$ 13,000,000
373	2021-23 Broadband Office	L96	92000953	\$ 124,687,000	\$ 117,965,000
706-2	2021-23 Broadband Office	L95	92000953	\$ 149,273,000	\$ 133,194,000
57	2021-23 Community Relief	C36	92000957	\$ 8,826,770	\$ 5,093,000
57	Reimann Roads, Telecomm and Utility Relocation (Pasco)	C38	92001004	\$ 5,522,830	\$ 5,515,000
57	Increasing Housing Inventory	C39	92001122	\$ 1,800,770	\$ 1,209,000
57	2022 Dental Capacity Grants	C51	92001175	\$ 5,086,900	\$ 4,494,000
001	2022 Broadband Office	N05	92001178	\$ 45,086,910	\$ 31,910,000
27A	Energy Efficiency Revolving Loan Fund Ca	C64	92001179	\$ -	
26V	2022 Crisis Stabilization Facilities	C58	92001286	\$ 48,297,000	\$ 31,327,000
26C	Port of Everett	D74	92001364	\$ 5,000,000	\$ 4,953,000
818	Public Facility Improvement Fund	D68	92001367	\$ 24,000,000	\$ 19,991,000
57	Public Facility Improvement Fund	D67	92001367	\$ 1,522,000	\$ 1,463,000
818-1	Public Facility Improvement Fund		92001368		\$ 19,991,000
57	2023-25 Dental Capacity Grants	D53	92001393	\$ 22,532,000	\$ 20,725,000
26C	Large Scale Solar Innovation Projects	D70	92001669	\$ -	
26C	Large Scale Solar Innovation Projects	D71	92001669	\$ 20,000,000	\$ 38,956,000
26C	Large Scale Solar Innovation Projects	D72	92001669	\$ 19,000,000	
26C	Energy Northwest	H21	92001720	\$ 25,000,000	\$ 25,000,000
26C	Geothermal Energy Resources	H22	92001925	\$ 542,000	\$ 542,000

\$ 5,332,175,516 \$ 4,650,531,000