

## Community Reinvestment Plan

*The Community Reinvestment Plan is intended to guide how funds from the Community Reinvestment Account will "be distributed to address racial, economic, and social disparities in communities across the state created by the historical design and enforcement of state and federal criminal laws and penalties for drug possession."*

The creation of the Community Reinvestment Account was added to the [2022 Supplemental Operating Budget](#) (pg. 74). From July 1, 2022 to June 30, 2023, the Commerce and the Office of Equity will facilitate a stakeholder process and gather data to determine how to invest the Community Reinvestment Account (\$100 million in FY24, \$100 million in FY25).

The project is being managed by Lillian Ferraz in Commerce's Research Services ([email](#)). As of early August, the Request for Proposal process for a consultant firm is closed and amazing applicants have come forth. At this time, Commerce is working to complete the selection and contract negotiation process.

## Key Dates of Community Reinvestment Plan Development

	June-August 2022	July-Sept 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022		June 2023
RFP Process and Hiring								
Feedback on research process								
Conduct CRP Research								
Preliminary Report Due								
Final Report Due								
Earliest fund distribution								

- July 1, 2022: \$1,000,000 released to Commerce to launch development of the Community Reinvestment Plan
- Dec. 1, 2022: Commerce provides preliminary update report to the legislature
- June 30, 2023: Commerce provides final report to the legislature
- July 1, 2023: Earliest Commerce could receive appropriation of funds from Community Reinvestment Account for implementation of the developed plan

## Needs for Stakeholder Involvement:

- Providing feedback on research plan developed by consultant (September).
- Sharing expertise, feedback, and guidance during the course of the project.

The Department of Commerce is currently gathering contacts for subject-matter experts, data sets, direct service providers, and by-and-for organizations who work in the four pillar investment areas:

*(i) Economic development, which includes addressing wealth disparities to promote asset building such as home ownership and expanding access to financial resources including, but not limited to, grants and loans for small businesses and entrepreneurs, financial literacy training, and other small business training and support activities;*

*(ii) Civil and criminal legal assistance to provide postconviction relief and case assistance, including the expungement of criminal records and vacation of criminal convictions;*

*(iii) Community-based violence intervention and prevention services; and*

*(iv) Reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile residential facility in Washington.*

For next steps, please sign up using [our stakeholder engagement form](#). If you have more detailed questions, please [email Lillian Ferraz](#) directly. All form submissions will be provided to the consultant firm for potential collaboration in this one-year research project.

## From 2022 Supplemental Operating Budget:

**Sec. 128 (134)** \$1,000,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for the department to develop a community reinvestment plan to guide the distribution of grants from the community reinvestment account created in section 947 of this act.

(a) The department shall, in partnership with the office of equity, and "by and for community organizations" as defined by the office of equity, develop a community reinvestment plan for how funds would be distributed to address racial, economic, and social disparities in communities across the state created by the historical design and enforcement of state and federal criminal laws and penalties for drug possession. The community reinvestment plan should address funding in the following areas:

- (i) Economic development, which includes addressing wealth disparities to promote asset building such as home ownership and expanding access to financial resources including, but not limited to, grants and loans for small businesses and entrepreneurs, financial literacy training, and other small business training and support activities;
- (ii) Civil and criminal legal assistance to provide post-conviction relief and case assistance, including the expungement of criminal records and vacation of criminal convictions;
- (iii) Community-based violence intervention and prevention services; and
- (iv) Reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile residential facility in Washington.

(b) The plan must include a timeline for regular review by the department and the office of equity, criteria for eligible communities and programs, development of accountability measures to ensure that distribution and use of funding meets intended purposes, and tracking of outcomes for the funds. At a minimum, the plan must address how the community reinvestment account funding will:

- (i) Produce significant long-term economic benefits to the state, a region of the state, or a particular community in the state;
- (ii) Result in significant long-term economic benefits in the form of new jobs, job retention, increased personal wealth, or higher incomes for citizens of the state or a particular community in the state; and
- (iii) Ensure that: (A) Projects or programs do not require continuing state support; (B) An expenditure will not supplant private investment; (C) An expenditure is accompanied by additional public or private investment; and (D) Nonprofit, faith-based, and grassroots organizations are prioritized for funding.

(c) In developing the plan, the department is encouraged to incorporate existing and ongoing work from relevant task forces and work groups including, but not limited to, the social equity in cannabis task force, the reentry council, and the homeownership disparities work group.

(d) The department shall submit a preliminary report to the governor and relevant committees of the legislature by December 1, 2022. A final report on the implementation plan must be submitted to the governor and relevant committees of the legislature by June 30, 2023.