

# COMMUNITY REINVESTMENT PROGRAM LEGISLATIVE REPORT<sup>1</sup>

*Responds to Persistent Poverty, Low-Wage Stagnation  
and Economic Opportunity*

Washington State



**OFFICE OF  
EQUITY**



Washington State  
Department of  
**Commerce**

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**2024**

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*<sup>1</sup> Note: This legislative highlight is a shortened version of the full technical report. The full technical report can be found on EQUITY's website [early in 2025].*

# KEY RECOMMENDATIONS

- 1 Continue investing in the Community Reinvestment Fund to magnify the long-term economic benefit
- 2 Mandate Community Reinvestment Plan (CRP) contracting strategy for all state procurement and contracting processes to improve access for small businesses in state contracting (Commerce to lead)
- 3 Fund data disaggregation to better understand our Washington populations, such as the Asian American, Pacific Islander, and Native Hawaiian communities

## STATUS

Washington State's \$200,000,000 investment effort is still on track to realize a **\$1.6 billion projected long-term economic benefit** from this initial two-year investment over the next 10 years. This projection was completed based on our approach of using wealth generating programs, like homeownership initiatives, financial coaching, and small business supports. The CRP is an investment model for self-sufficiency, community wellness, and public safety. It enables equitable resource distribution across demographic identities and geographic locations.

The CRP is a clear example of and model for how Washington state government can work better for all Washingtonians.



# TRAIL BLAZING APPROACHES

Washington now has models for:

## ● CO-CREATION

The Washington State Department of Commerce (Commerce), in collaboration with the Washington State Office of Equity (EQUITY), partnered with community organizations who would be impacted by this work to develop the initial CRP and the “by and for” definition.

## ● BREAKING DOWN SILOS

The CRP investment strategy aims to build a comprehensive human services continuum across several agencies to meet the full needs of children, adults, and families. It includes creating shared, community-driven outcomes for individual, family, and community well-being and updating assistance standards to align with actual living costs. For example, Commerce partnered with and provided funding to the Economic Security Department’s Economic Security for All (EcSA) program. EcSA is an innovative program that integrates workforce development, legal assistance, financial coaching, and business support to create long-term financial stability and prevent future economic crises.

## ● PUBLIC/PRIVATE PARTNERSHIPS

Commerce, in partnership with the Office of Equity, partnered with philanthropic organizations and sub-contractors to deliver awards to target communities as guided by local advisory teams. Each prioritized county has a philanthropy partner who supports the local advisory team consisting of individuals with lived experience and representatives of by-and-for organizations.

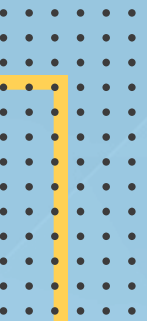
## ● PRIORITY CONTRACTING

Using the CRP and the “by and for” definition, Commerce implemented the framework for prioritizing “by and for” organizations, those most harmed by the war on drugs, for funding. As of August 2024, Commerce built relationships with over 1100 “by and for” entities and over 300 “by and for” organizations have been awarded contracts.

# EQUITY IN CONTRACTING

[Executive Order 22-02](#) directed state agencies to improve access to state contracting opportunities for small, minority, women-owned, and veteran businesses. With the CRP, state agencies now have a model for how to ensure priority populations have fair access to contract dollars. This model should be standardized across all government procurement.

Category	\$200M Plan (FY23-24)	Statewide	Western	Eastern	Central	By and For Organizations		
						#	%	\$
<b>Economic Development</b>	\$124,471,510		\$104,572,970	\$7,775,958	\$12,122,582	68	67%	\$68,275,110
<b>Violence Prevention</b>	\$23,285,573		\$20,672,573	\$1,140,500	\$1,472,500	155	98%	\$22,535,573
<b>Legal Assistance</b>	\$5,663,663	\$3,470,275	\$2,193,388			5	62%	\$5,663,663
<b>Reentry Services</b>	\$10,804,071		\$9,504,071	\$150,000	\$1,150,000	9	39%	\$4,615,571
<b>Local Advisory Teams &amp; Technical Assistance</b>	\$18,233,000	\$2,500,000	\$11,805,800	\$1,968,600	\$1,958,600		95%	\$17,321,350
<b>TOTAL</b>		\$5,970,275	\$148,748,802	\$11,035,058	\$16,703,682		59%	\$118,411,267



# PROGRAM HIGHLIGHTS

## Subsidized Lending

Commerce, in partnership with “by and for” organizations, implemented a framework for subsidized lending using a best-practice approach that integrates financial coaching with access to financial products to enable households to obtain assets. This includes an innovative approach to acquire and secure assets that reduce the costs of lending and provide more access to capital.

## Homeownership Investments

The CRP is backing a fund that developers can tap into for the first time to help them secure construction loans. This fund could lead to the creation of over 100 new homes for people benefiting from the Black Home Initiative (BHI), giving historically marginalized groups a chance to build wealth. By using \$2 million from this fund, three developers will create 18 townhomes, adding more than \$9 million in wealth for first-time homeowners. The money goes back into the fund afterward, allowing more developers to use it for new construction projects. This setup supports new homes and helps BIPOC-owned construction companies grow, creating long-term economic benefits.

## Individual Development Accounts (IDAs)

The CRP marks the return of state-supported IDAs in Washington, offering low-income individuals matched savings opportunities up to \$20,000 for education, homeownership, and business development. This is a significant step, as neighboring states like Oregon and California invest heavily in IDAs—over \$20 million and \$50 million per year, respectively—demonstrating the critical role these programs play in promoting economic mobility and stability. Washington’s reintroduction of IDAs will help level the playing field by providing essential financial tools for those seeking to build long-term assets.

# IMPACT STORIES

**Magali Barajas, small business owner, J Barajas Trucking, LLC (Yakima):** “I am very thankful and grateful for the CRP grant that my business was awarded. It will help tremendously my business as I will also be furthering my education on getting a certification to process 2290's Heavy Highway Vehicle Use and be able to help the community in the trucking industry. Without the CRP Grant I don't believe this would be possible as Yakima is an underserved community and CRP Grants are making a difference in the community.”

**Tracy Brown, small business owner, Equity Leadership Collaborative (Renton):** “I attended a group technical assistance session facilitated for the Community Healer grant application, facilitated by Golden Gift Consulting. The session was very detailed, they walked through the application step by step and answered many of my initial questions. They answered many technical questions in detail for the other attendees as well. I think it was a great support service for the community. Attending the session is part of what inspired me to apply. Our application was ultimately selected, we were awarded the grant funding!”

**Alexis Aldana, small business owner, Forward Momentum Marketing (Wenatchee):** “...This investment gives us the power to help local businesses expand, attract more customers, and build a solid online presence. Through hard work, dedication, and these new resources, we're ready to help others grow alongside us. Stay tuned, there's more to come! Thank you, [SkillSource Regional Workforce Board](#) for helping us pave the way for growth in North Central Washington.”

**Abby Woods, small business owner, Trini Plate (Tacoma):** "Much of the food I make is very labor-intensive, and I've struggled with burnout and injury as a result," Abby said. "With the new equipment and upgrades, I've been able to increase efficiency and production and also reduce burnout not just for myself but for my team. I'm grateful for the opportunity to improve my service and offerings and share even more delicious Caribbean food with the community. I'm thrilled to be able to invest in my people, offer better wages in the future, and keep pushing the boundaries of what I can offer my customers."



# FUTURE OF PRIORITY POPULATIONS

Disparities in population outcomes are the result of the totality of inequitable government policies, processes, and practices. **Government must invest in all communities who have been disproportionately impacted.** To continue addressing racial, social and economic disparities, the CRP will adopt a flexible and adaptive approach to priority populations by focusing on identifying where there are disparate outcomes. Commerce and EQUITY will assess racial, social, and economic disparities in and determine priority populations for each of the five statutorily required areas ([RCW 43.79.567](#)):

- *Economic Development*
- *Legal Assistance*
- *Violence Intervention and Prevention*
- *Reentry Services*
- *Agriculture (effective July 1, 2025)*

Determinations will be reassessed annually and adjusted based on changes in the data. **Commerce and EQUITY are also partnering to better understand disparity within Asian American, Pacific Islander, and Native Hawaiian communities;** we will include those population(s) in any or all the five areas who experience disparate outcomes.

## BACKGROUND

*The Community Reinvestment Account (CRA) was created by [RCW 43.79.567](#) to address racial, economic, and social disparities experienced by all historically marginalized communities in Washington State. Moving forward, CRA funds programs will focus on economic development, legal assistance, violence prevention, reentry services, and, starting July 2025, agricultural support for priority populations based on disparity in outcomes.*

*View Commerce's [decision package](#) for more details on the future approach to this project.*

As directed in section 128(134) of [Chapter 297, Laws of 2022 \(SB 5693\)](#) the 2022 Supplemental State Operating Budget for fiscal year 2023-25, Commerce in partnership with EQUITY and “by and for community organizations” developed a plan to address the racial, economic, and social disparities in communities caused by the historical design and enforcement of state and federal criminal law and penalties for drug possession. Washington state allocated \$200 million to reinvest in these priority populations.