

# HOUSE BILL REPORT

## HB 1696

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*As Reported By House Committee on:  
Housing*

**Title:** An act relating to surplus property for affordable housing.

**Brief Description:** Providing an inventory of publicly owned land and buildings suitable for affordable housing.

**Sponsor(s):** Representatives Miller, Anderson, Mitchell, Nelson, Ballard, Leonard, Winsley, Franklin, Ferguson, Cole, Ogden, Wineberry, R. King, Betrozoff, Brekke, Paris, Casada, Bowman and Fraser.

**Brief History:**

Reported by House Committee on:  
Housing, February 26, 1991, DPS.

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**HOUSE COMMITTEE ON  
HOUSING**

**Majority Report:** *That Substitute House Bill No. 1696 be substituted therefor, and the substitute bill do pass.*  
Signed by 8 members: Representatives Nelson, Chair; Franklin, Vice Chair; Mitchell, Ranking Minority Member; Winsley, Assistant Ranking Minority Member; Ballard; Leonard; Ogden; and Wineberry.

**Staff:** Kenny Pittman (786-7392).

**Background:** The ability to develop affordable housing for low-income persons is limited by several factors including, but not limited to the rising cost of land and construction. The development of affordable housing is most effectively provided by combining available public and private resources.

During the 1990 legislative session, the Department of Community Development was directed to work with the departments of Natural Resources, Transportation, and General Administration to identify and catalog under-utilized, state-owned land and property for possible lease. In the same legislation, a county was given the authority to lease its property for up to 75 years for the siting of seasonal or migrant farmworker housing.

Many governmental bodies and school districts have under-utilized land and buildings that may be suitable to be marketed, sold, leased, or exchanged for the development of affordable housing. Presently, no central register of under-utilized land and buildings is available on a state-wide basis.

**Summary of Substitute Bill:** The Department of Community Development's central register of publicly owned property is expanded to include land and property for possible sale for affordable housing for persons of low-income. The state agencies are given until November 1, 1991, to provide copies of their revised inventories to the Department of Community Development. Inventory revisions are still required every November 1 thereafter.

Affordable housing is defined as residential housing where at least 51 percent of the dwelling units are occupied by persons with incomes at or below 80 percent of median income and the rent on the units occupied by persons of low-income does not exceed 30 percent of 80 percent of the county median income. The maximum income and the maximum rent limits are adjusted for household size for the county where the housing is located.

All cities, towns, counties, and school districts are required to identify and catalog under-utilized land and buildings that may be suitable for lease or sale to assist in the development of affordable housing for low-income persons. The inventory shall include the location and approximate size of the property. The initial inventory must be forwarded to the Department of Community Development by November 1, 1991, with inventory revisions provided every November 1 thereafter.

A county is authorized to lease its property for the purpose of siting affordable housing, including housing for migrant and seasonal farmworkers, for periods up to 75 years. The housing developed on the county property must meet the occupancy and rent requirements as affordable housing.

**Substitute Bill Compared to Original Bill:** The original bill contained provisions that required the departments of Natural Resources and Transportation to consider the return to the state within five years due to the proposed use of the property for affordable housing when determining fair market value.

**Fiscal Note:** Requested February 11, 1991.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** None.

**Testimony Against:** The intent of the legislation is good, however, the concern is the reduced return to the Department of Transportation. The state should look at getting the highest return from the state lands, then general funds would be available to fund this type of activity. The provisions that require the departments of Natural Resources and Transportation to consider the return for affordable housing should be removed from the bill.

**Witnesses:** Phillip Leach, Department of Transportation (against parts of bill); and Pat McElroy, Department of Natural Resources (against parts of bill).