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**SUBSTITUTE HOUSE BILL 1332**

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**State of Washington                      60th Legislature                      2007 Regular Session**

**By** House Committee on Housing (originally sponsored by Representatives Pettigrew, Dunn, Miloscia, Springer, McCune, Ormsby, Kenney, Roberts, Wood, Santos and Chase)

READ FIRST TIME 02/21/07.

1            AN ACT Relating to affordable housing development; amending RCW  
2 43.63A.510, 35.21.687, 36.34.137, 43.20A.037, 47.12.063, 47.12.064,  
3 72.09.055, 43.19.19201, 79A.05.170, 79A.05.175, 79.11.005, 79.22.060,  
4 and 28A.335.120; adding a new section to chapter 79A.05 RCW; adding a  
5 new section to chapter 43.30 RCW; adding a new section to chapter 43.31  
6 RCW; creating a new section; and recodifying RCW 43.63A.510.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8            NEW SECTION.    **Sec. 1.** (1) The legislature finds that:

9            (a) The lack of affordable housing for very low-income and low-  
10 income households and for housing for special needs populations is  
11 intensified by the rising cost of land and construction;

12            (b) There are publicly owned surplus land and buildings that may be  
13 suitable to be marketed, sold, leased, or exchanged for the development  
14 of affordable housing or housing for special needs populations; and

15            (c) Requiring certain public agencies, commissions, and local  
16 governments to offer suitable surplus land and buildings at a  
17 discounted price for a minimum period of time to eligible organizations  
18 for the purpose of the development of affordable housing or housing for  
19 special needs populations confers a valuable benefit on the public that

1 constitutes consideration for the sale of such property at a price  
2 below fair market value subject to restrictions that provide continued  
3 protection of the public interest.

4 (2) The legislature declares that the purpose of this act is to:

5 (a) Identify publicly owned land and buildings that may be suitable  
6 for the development of affordable housing for very low-income and low-  
7 income households or for housing for special needs populations;

8 (b) Provide a central inventory of state and other publicly owned  
9 land and buildings that may be suitable to be marketed, sold, leased,  
10 or exchanged for the development of affordable housing or housing for  
11 special needs populations; and

12 (c) Facilitate the effective use of publicly owned surplus and  
13 underutilized land and buildings suitable for the development of  
14 affordable housing for very low-income and low-income households or for  
15 housing for special needs populations by requiring that these types of  
16 surplus property to certain public agencies, commissions, and local  
17 governments be offered for an initial time period at a discount to  
18 eligible organizations for the development of affordable housing for  
19 very low-income and low-income households or for housing for special  
20 needs populations.

21 **Sec. 2.** RCW 43.63A.510 and 1993 c 461 s 2 are each amended to read  
22 as follows:

23 (1) The department shall work with the departments of natural  
24 resources, transportation, social and health services, corrections, and  
25 general administration, the state parks and recreation commission, and  
26 cities, towns, and counties to ~~((identify and))~~ catalog under-utilized,  
27 ~~((state-))~~ publicly owned land and property suitable for the  
28 development of affordable housing for very low-income~~((7))~~ or low-  
29 income ~~((or moderate income))~~ households or for housing for special  
30 needs populations. The department, and the departments of natural  
31 resources, transportation, social and health services, corrections, and  
32 general administration, the state parks and recreation commission, and  
33 cities, towns, and counties, shall ~~((provide))~~ each produce an  
34 inventory of real property that is owned or administered by ~~((each))~~  
35 the agency, commission, or local government, is suitable for the  
36 development of affordable housing or for housing for special needs  
37 populations, and is available for lease or sale. ~~((The))~~ Each

1 inventory must contain descriptive information about each property that  
2 includes, at a minimum, the contact information for the property, the  
3 location, approximate size, and, if known, the current zoning  
4 classification and current fair market value price of the property.  
5 Updated inventories ((shall)) must be provided to the department ((by  
6 November 1, 1993, with inventory revisions provided each November 1  
7 thereafter)) as suitable surplus property becomes available for sale or  
8 lease, but at least annually, beginning in June 2008.

9 (2) ~~((Upon written request,))~~ The department shall ~~((provide a copy~~  
10 ~~of))~~ consolidate information from all updated inventories provided to  
11 the department as required in subsection (1) of this section and shall  
12 publicly advertise on its web site the consolidated inventory ((of  
13 state owned and publicly owned lands and buildings to parties  
14 interested in developing the sites for affordable housing)). All known  
15 available federal surplus property must also be included in the  
16 consolidated inventory. The consolidated inventory must be updated at  
17 least twice a year, and printed copies of the consolidated inventory  
18 must be provided upon request.

19 (3) As used in this section:

20 (a) "Affordable housing" means residential housing that is rented  
21 or owned by a person who qualifies as a very low-income((~~7~~)) or low-  
22 income(~~(~~7~~ or moderate income))~~) household or who is from a special needs  
23 population, and whose monthly housing costs, including utilities other  
24 than telephone, do not exceed thirty percent of the household's monthly  
25 income.

26 (b) "Very low-income household" means a single person, family, or  
27 unrelated persons living together whose income is at or below fifty  
28 percent of the median family income, adjusted for household size, for  
29 the county where the affordable housing is located.

30 (c) "Low-income household" means a single person, family, or  
31 unrelated persons living together whose income is more than fifty  
32 percent but is at or below eighty percent of the median family income  
33 where the affordable housing is located.

34 (d) ~~((("Moderate income household" means a single person, family, or~~  
35 ~~unrelated persons living together whose income is more than eighty~~  
36 ~~percent but is at or below one hundred fifteen percent of the median~~  
37 ~~income where the affordable housing is located.))~~ "Special needs

1 populations" includes, but is not limited to, persons with mental  
2 illness, dementia, a developmental disability, or other condition  
3 affecting cognition, such as traumatic brain injury.

4 (e) "Eligible organization" means a local government, local housing  
5 authority, public development authority, community renewal agency,  
6 regional support network established under chapter 71.24 RCW, nonprofit  
7 community or neighborhood-based organization, federally recognized  
8 Indian tribe in the state of Washington, or regional or statewide  
9 nonprofit housing assistance organization, each having experience in  
10 the development of affordable housing or housing for special needs  
11 populations.

12 (f) "Housing authority" or "authority" means any of the public  
13 corporations created by RCW 35.82.030.

14 (g) "Public development authority" means a public authority created  
15 under RCW 35.21.730.

16 (h) "Community renewal agency" has the same meaning as in RCW  
17 35.81.015.

18 (i) "Purchasing entity" means an eligible organization that  
19 purchases surplus property under this section.

20 (j) "Fair market value" means the price in terms of money that a  
21 property will bring in a competitive and open market under all  
22 conditions of a fair sale, the buyer and seller each prudently  
23 knowledgeable, and assuming the price is not affected by undue  
24 stimulus, measured by a qualified appraiser agreeable to both the  
25 seller and the buyer. Appraisal costs are borne by the buyer.

26 (4)(a) Surplus property for sale by the department, and the  
27 departments of community, trade, and economic development, natural  
28 resources, social and health services, corrections, and general  
29 administration, the state parks and recreation commission, and by  
30 cities, towns, counties, and school districts, which is suitable for  
31 the development of affordable housing or for housing for special needs  
32 populations, must be offered, for at least the first ninety days after  
33 its availability for sale, exclusively to eligible organizations, for  
34 the purpose of developing affordable housing or housing for special  
35 needs populations. Eligible organizations have the right of first  
36 opportunity to purchase these surplus properties at a discounted price  
37 representing between ninety and one hundred percent of the fair market  
38 value, under reasonable option and purchase conditions, in return for

1 a commitment to provide affordable housing or housing for special needs  
2 populations for at least thirty years. The department shall develop a  
3 formula to calculate discount increases in proportion to the percentage  
4 of housing in the entire development that will be used for affordable  
5 housing or housing for special needs populations.

6 (b)(i) Any eligible organization interested in purchasing surplus  
7 property described in this section must present to the agency,  
8 commission, local government, or school district that is selling the  
9 property a proposed affordable housing or special needs housing project  
10 description, including:

11 (A) The number of affordable housing units to be created and a  
12 description of the income-level populations that may occupy the units;

13 (B) The number of special needs units to be created;

14 (C) The number of nonaffordable housing units to be created;

15 (D) The number, estimated square footage, and description of the  
16 purpose of other facilities to be created;

17 (E) The number of years the purchasing entity intends to (I) retain  
18 the affordable housing units as affordable housing or (II) retain  
19 housing units for special needs populations, which must be at least  
20 thirty years; and

21 (F) A proposed development schedule indicating that the development  
22 will either be placed into service or be substantially completed and  
23 available for occupation within eight years of the date on which the  
24 purchasing entity formally purchases the property.

25 (ii) Individual local governments, state agencies, commissions, and  
26 school districts, may establish additional requirements for purchase  
27 offers by eligible organizations.

28 (c) Each agency, commission, local government, or school district  
29 subject to this section must establish criteria to use if more than one  
30 eligible organization is interested in purchasing a single piece of  
31 surplus property and presents a proposed project description during the  
32 required initial offer period. The criteria may give preference to  
33 eligible organizations that propose to develop affordable housing or  
34 housing for special needs populations that:

35 (i) Serve the lowest income populations or special needs  
36 populations;

37 (ii) Create the greatest number of affordable housing units or  
38 units for special needs populations;

1 (iii) Preserve the affordability of the affordable housing units or  
2 commit to retain the units for special needs populations for the  
3 longest periods of time;

4 (iv) Integrate or cause the provision of appropriate supportive  
5 services in the proposed project description; and

6 (v) Are most likely to place affordable housing or housing for  
7 special needs populations into service at the earliest date.

8 (d) If an eligible organization does not present a proposed project  
9 description that meets the requirements of (c) of this subsection,  
10 during the required initial offer period, local governments, state  
11 agencies, commissions, and school districts may consider offers from  
12 the general public. However, these entities are encouraged to market  
13 surplus properties to other entities interested in developing  
14 affordable housing or housing for special needs populations.

15 (5) If an eligible organization purchases surplus property at a  
16 discount under subsection (4)(a) of this section, and if the affordable  
17 housing or housing for special needs populations is not substantially  
18 completed according to the proposed project description required under  
19 subsection (4)(b) of this section within eight years of the date the  
20 property is purchased, the eligible organization must, within one year,  
21 repay the state agency, commission, local government, or school  
22 district that sold the property to the eligible organization the amount  
23 of the discount received, plus interest at a rate to be determined  
24 annually by the department.

25 (6)(a) The department shall produce a statewide surplus property  
26 housing report to be provided to the appropriate committees of the  
27 legislature each year by December 31st, beginning in 2007. The report  
28 must include performance measures to be determined by the department  
29 and must consolidate all state agency, commission, and local government  
30 reports submitted under (b) of this subsection and include information  
31 on all surplus property that was sold in the most recently completed  
32 fiscal year. The report must include, at a minimum:

33 (i) A list of all surplus property sold;

34 (ii) The final sales price of each sale;

35 (iii) The identity of all purchasers, indicating which properties  
36 were purchased by an eligible organization for the purpose of  
37 developing affordable housing or housing for special needs populations;

1 (iv) For surplus properties not purchased by an eligible  
2 organization for the purpose of developing affordable housing or  
3 housing for special needs populations, the purpose for which the land  
4 was purchased, if known;

5 (v) For surplus properties purchased by an eligible organization  
6 for the purpose of developing affordable housing or housing for special  
7 needs populations, the following information must be included for each  
8 property:

9 (A) The number of affordable housing units or units for special  
10 needs populations created, under development, and planned, including  
11 anticipated dates of completion;

12 (B) The income level populations that may occupy the affordable  
13 housing units, the number of years the affordable housing units must  
14 remain affordable, and the number of years any units designated for  
15 special needs populations must remain available to special needs  
16 populations; and

17 (C) A description and the number of other housing units and  
18 facilities created, under development, and planned, including  
19 anticipated dates of completion.

20 (b) State agencies, commissions, and local governments subject to  
21 this section must submit an annual report to the department providing  
22 information about surplus properties that were sold in the most  
23 recently completed fiscal year, including the information required in  
24 (a) of this subsection necessary for the statewide surplus property  
25 report.

26 (7) The following property is exempt from this chapter:

27 (a) Real property designated or previously acquired as state lands  
28 as defined in RCW 79.02.010; and

29 (b) Lands acquired under restrictive conveyances.

30 (8) Nothing in this section is intended to limit the powers granted  
31 in chapters 35.81, 35.82, and 35.83 RCW, or to prevent a selling entity  
32 from using alternative processes for the sale or disposition of surplus  
33 land for affordable housing or special needs housing purposes as long  
34 as those alternative processes require that surplus land be used for  
35 affordable housing or for housing for special needs populations,  
36 meeting, at a minimum, the standards required under this section.

1       **Sec. 3.** RCW 35.21.687 and 1995 c 399 s 37 are each amended to read  
2 as follows:

3       (1) Every city and town, including every code city operating under  
4 Title 35A RCW, shall identify and catalog real property owned by the  
5 city or town that is no longer required for its purposes, is available  
6 for lease or sale, and is suitable for the development of affordable  
7 housing for very low-income(~~(7)~~) and low-income(~~(7 and moderate-~~  
8 ~~income))~~) households or for housing for special needs populations as  
9 defined in RCW 43.63A.510 (as recodified by this act). Cities, towns,  
10 and code cities have the sole authority to determine whether or not  
11 property owned by the city, town, or code city is surplus and whether  
12 or not it is suitable for the development of affordable housing for  
13 very low-income and low-income households or for housing for special  
14 needs populations. The inventory (~~(shall include the location,~~  
15 ~~approximate size, and current zoning classification of the property.~~  
16 ~~Every city and town shall provide a))~~ must include information required  
17 under RCW 43.63A.510(1) (as recodified by this act), and the city or  
18 town must provide an updated copy of the inventory to the department of  
19 community, trade, and economic development ((by November 1, 1993, with  
20 inventory revisions each November 1 thereafter)) as required under RCW  
21 43.63A.510(1) (as recodified by this act).

22       (2) (~~By November 1 of each year, beginning in 1994,~~) Property for  
23 sale, which is suitable for affordable housing or for housing for  
24 special needs populations and is included in the inventory as required  
25 by subsection (1) of this section, must be offered to eligible  
26 organizations as defined in RCW 43.63A.510 (as recodified by this act),  
27 as required in RCW 43.63A.510(4) (as recodified by this act).

28       (3) Every city and town, including every code city operating under  
29 Title 35A RCW, shall regularly purge the inventory of real property of  
30 sites that are no longer available for the development of affordable  
31 housing or for housing for special needs populations. The inventory  
32 revision (~~(shall))~~ must also contain a list of real property that has  
33 become available since the last update.

34       (4) Every city and town must submit an annual report to the  
35 department of community, trade, and economic development as required in  
36 RCW 43.63A.510(6) (as recodified by this act).

37       (5) As used in this section, "real property" means buildings, land,  
38 or buildings and land.



1       **Sec. 4.** RCW 36.34.137 and 1993 c 461 s 5 are each amended to read  
2 as follows:

3       (1) Every county shall identify and catalog real property owned by  
4 the county that is no longer required for its purposes and is suitable  
5 for the development of affordable housing for very low-income(~~(,)~~) and  
6 low-income(~~(, and moderate income)~~) households or for housing for  
7 special needs populations as defined in RCW 43.63A.510 (as recodified  
8 by this act). Counties have the sole authority to determine whether or  
9 not property owned by the county is surplus and whether or not it is  
10 suitable for the development of affordable housing for very low-income  
11 and low-income households or for housing for special needs populations.  
12 The inventory (~~shall include the location, approximate size, and~~  
13 ~~current zoning classification of the property. Every county shall~~  
14 ~~provide a~~) must include information required under RCW 43.63A.510(1)  
15 (as recodified by this act), and each county must provide an updated  
16 copy of the inventory to the department of community, trade, and  
17 economic development (~~by November 1, 1993, with inventory revisions~~  
18 each November 1 thereafter)) as required under RCW 43.63A.510(1) (as  
19 recodified by this act).

20       (2) (~~By November 1 of each year, beginning in 1994,~~) Property for  
21 sale, which is suitable for affordable housing or for housing for  
22 special needs populations and is included in the inventory as required  
23 by subsection (1) of this section, must be offered to eligible  
24 organizations as defined in RCW 43.63A.510 (as recodified by this act),  
25 as required in RCW 43.63A.510(4) (as recodified by this act).

26       (3) Every county shall regularly purge the inventory of real  
27 property of sites that are no longer available for the development of  
28 affordable housing or for housing for special needs populations. The  
29 inventory revision shall include an updated listing of real property  
30 that has become available since the last update.

31       (4) Every county must submit an annual report to the department of  
32 community, trade, and economic development as required in RCW  
33 43.63A.510(6) (as recodified by this act).

34       (5) As used in this section, "real property" means buildings, land,  
35 or buildings and land.

36       **Sec. 5.** RCW 43.20A.037 and 1995 c 399 s 65 are each amended to  
37 read as follows:

1           (1) The department shall identify and catalog real property that is  
2 no longer required for department purposes and is suitable for the  
3 development of affordable housing for very low-income(~~(7)~~) and  
4 (~~moderate~~) low-income households or for housing for special needs  
5 populations as defined in RCW 43.63A.510 (as recodified by this act).  
6 The inventory (~~shall include the location, approximate size, and~~  
7 ~~current zoning classification of the property. The department shall~~  
8 ~~provide a~~) must include information required under RCW 43.63A.510(1)  
9 (as recodified by this act), and the department must provide an updated  
10 copy of the inventory to the department of community, trade, and  
11 economic development ((by November 1, 1993, and every November 1  
12 thereafter)) as required under RCW 43.63A.510(1) (as recodified by this  
13 act).

14           (2) (~~By November 1 of each year, beginning in 1994,~~) Property for  
15 sale, which is suitable for affordable housing or for housing for  
16 special needs populations and is included in the inventory as required  
17 by subsection (1) of this section, must be offered to eligible  
18 organizations as defined in RCW 43.63A.510 (as recodified by this act),  
19 as required in RCW 43.63A.510(4) (as recodified by this act).

20           (3) The department shall regularly purge the inventory of real  
21 property of sites that are no longer available for the development of  
22 affordable housing or for housing for special needs populations. The  
23 department shall include an updated listing of real property that has  
24 become available since the last update.

25           (4) The department must submit an annual report to the department  
26 of community, trade, and economic development as required in RCW  
27 43.63A.510(6) (as recodified by this act).

28           (5) As used in this section, "real property" means buildings, land,  
29 or buildings and land.

30           **Sec. 6.** RCW 47.12.063 and 2006 c 17 s 2 are each amended to read  
31 as follows:

32           (1) It is the intent of the legislature to continue the  
33 department's policy giving priority consideration to abutting property  
34 owners in agricultural areas when disposing of property through its  
35 surplus property program under this section.

36           (2) Whenever the department determines that any real property owned  
37 by the state of Washington and under the jurisdiction of the department

1 is no longer required for transportation purposes and that it is in the  
2 public interest to do so, the department may sell the property or  
3 exchange it in full or part consideration for land or improvements or  
4 for construction of improvements at fair market value to any of the  
5 following governmental entities or persons:

6 (a) In the case of property suitable for residential use, any  
7 eligible organization as defined in RCW 43.63A.510 (as recodified by  
8 this act);

9 (b) Any other state agency;

10 ((+b)) (c) The city or county in which the property is situated;

11 ((+e)) (d) Any other municipal corporation;

12 ((+d)) (e) Regional transit authorities created under chapter  
13 81.112 RCW;

14 ((+e)) (f) The former owner of the property from whom the state  
15 acquired title;

16 ((+f)) (g) In the case of residentially improved property, a  
17 tenant of the department who has resided thereon for not less than six  
18 months and who is not delinquent in paying rent to the state;

19 ((+g)) (h) Any abutting private owner, but only after each other  
20 abutting private owner ((+)) if any((+)), as shown in the records of  
21 the county assessor, is notified in writing of the proposed sale. If  
22 more than one abutting private owner requests in writing the right to  
23 purchase the property within fifteen days after receiving notice of the  
24 proposed sale, the property shall be sold at public auction in the  
25 manner provided in RCW 47.12.283;

26 ((+h)) (i) To any person through the solicitation of written bids  
27 through public advertising in the manner prescribed by RCW 47.28.050;

28 ((+i)) (j) To any other owner of real property required for  
29 transportation purposes;

30 ~~((+j) In the case of property suitable for residential use, any~~  
31 ~~nonprofit organization dedicated to providing affordable housing to~~  
32 ~~very low income, low income, and moderate income households as defined~~  
33 ~~in RCW 43.63A.510 and is eligible to receive assistance through the~~  
34 ~~Washington housing trust fund created in chapter 43.185 RCW;)) or~~

35 (k) A federally recognized Indian tribe within whose reservation  
36 boundary the property is located.

37 (3) Sales to purchasers may at the department's option be for cash,  
38 by real estate contract, or exchange of land or improvements.

1 Transactions involving the construction of improvements must be  
2 conducted pursuant to chapter 47.28 RCW or Title 39 RCW, as applicable,  
3 and must comply with all other applicable laws and rules.

4 (4) Conveyances made pursuant to this section shall be by deed  
5 executed by the secretary of transportation and shall be duly  
6 acknowledged.

7 (5) Unless otherwise provided, all moneys received pursuant to the  
8 provisions of this section less any real estate broker commissions paid  
9 pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.

10 **Sec. 7.** RCW 47.12.064 and 1995 c 399 s 121 are each amended to  
11 read as follows:

12 (1) The department shall identify and catalog real property that is  
13 no longer required for department purposes and is suitable for the  
14 development of affordable housing for very low-income(~~(,)~~) and low-  
15 income(~~(, and moderate income)~~) households or for housing for special  
16 needs populations as defined in RCW 43.63A.510 (as recodified by this  
17 act). The inventory (~~(shall include the location, approximate size,~~  
18 ~~and current zoning classification of the property. The department~~  
19 ~~shall provide a)) must include information required under RCW~~  
20 43.63A.510(1) (as recodified by this act), and the department must  
21 provide an updated copy of the inventory to the department of  
22 community, trade, and economic development (~~(by November 1, 1993, and~~  
23 ~~every November 1 thereafter)) as required under RCW 43.63A.510(1) (as~~  
24 recodified by this act).

25 (2) (~~By November 1 of each year, beginning in 1994,~~) The  
26 department shall regularly purge the inventory of real property of  
27 sites that are no longer available for the development of affordable  
28 housing or for housing for special needs populations. The department  
29 shall include an updated listing of real property that has become  
30 available since the last update. (~~As used in this section, "real~~  
31 ~~property" means buildings, land, or buildings and land.~~)

32 (3) The department must submit an annual report to the department  
33 of community, trade, and economic development as required in RCW  
34 43.63A.510(6) (as recodified by this act).

35 (4) As used in this section, "real property" means buildings, land,  
36 or buildings and land.

1       **Sec. 8.** RCW 72.09.055 and 1995 c 399 s 202 are each amended to  
2 read as follows:

3       (1) The department shall identify and catalog real property that is  
4 no longer required for department purposes and is suitable for the  
5 development of affordable housing for very low-income(~~(,)~~) and low-  
6 income(~~(, and moderate income)~~) households or for housing for special  
7 needs populations as defined in RCW 43.63A.510 (as recodified by this  
8 act). The inventory (~~(shall include the location, approximate size,  
9 ~~and current zoning classification of the property. The department~~  
10 ~~shall provide a))~~ must include information required under RCW  
11 43.63A.510(1) (as recodified by this act), and the department must  
12 provide an updated copy of the inventory to the department of  
13 community, trade, and economic development (~~(by November 1, 1993, and~~  
14 ~~every November 1 thereafter)~~) as required under RCW 43.63A.510(1) (as  
15 recodified by this act).~~

16       (2) (~~(By November 1 of each year, beginning in 1994,)~~) Property for  
17 sale, which is suitable for affordable housing or for housing for  
18 special needs populations and is included in the inventory as required  
19 by subsection (1) of this section, must be offered to eligible  
20 organizations as defined in RCW 43.63A.510 (as recodified by this act),  
21 as required in RCW 43.63A.510(4) (as recodified by this act).

22       (3) The department shall regularly purge the inventory of real  
23 property of sites that are no longer available for the development of  
24 affordable housing or for housing for special needs populations. The  
25 department shall include an updated listing of real property that has  
26 become available since the last update.

27       (4) The department must submit an annual report to the department  
28 of community, trade, and economic development as required in RCW  
29 43.63A.510(6) (as recodified by this act).

30       (5) As used in this section, "real property" means buildings, land,  
31 or buildings and land.

32       **Sec. 9.** RCW 43.19.19201 and 1995 c 399 s 64 are each amended to  
33 read as follows:

34       (1) The department of general administration shall identify and  
35 catalog real property that is no longer required for department  
36 purposes and is suitable for the development of affordable housing for  
37 very low-income(~~(,)~~) and low-income(~~(, and moderate income)~~) households

1 or for housing for special needs populations as defined in RCW  
2 43.63A.510 (as recodified by this act). The inventory ~~((shall include~~  
3 ~~the location, approximate size, and current zoning classification of~~  
4 ~~the property. The department of general administration shall provide~~  
5 a)) must include information required under RCW 43.63A.510(1) (as  
6 recodified by this act), and the department must provide an updated  
7 copy of the inventory to the department of community, trade, and  
8 economic development ((by November 1, 1993, and every November 1  
9 thereafter)) as required under RCW 43.63A.510(1) (as recodified by this  
10 act).

11 (2) ~~((By November 1 of each year, beginning in 1994,))~~ Property for  
12 sale, which is suitable for affordable housing or for housing for  
13 special needs populations and is included in the inventory as required  
14 by subsection (1) of this section, must be offered to eligible  
15 organizations as defined in RCW 43.63A.510 (as recodified by this act),  
16 as required in RCW 43.63A.510(4) (as recodified by this act).

17 (3) The department of general administration shall regularly purge  
18 the inventory of real property of sites that are no longer available  
19 for the development of affordable housing or for housing for special  
20 needs populations. The department shall include an updated listing of  
21 real property that has become available since the last update.

22 (4) The department must submit an annual report to the department  
23 of community, trade, and economic development as required in RCW  
24 43.63A.510(6) (as recodified by this act).

25 (5) As used in this section, "real property" means buildings, land,  
26 or buildings and land.

27 **Sec. 10.** RCW 79A.05.170 and 1991 sp.s. c 13 s 23 are each amended  
28 to read as follows:

29 (1) Any lands owned by the state parks and recreation commission,  
30 which are determined to be surplus to the needs of the state for  
31 development for state park purposes and which the commission proposes  
32 to deed to a local government or other entity for outdoor recreation  
33 purposes, shall be accompanied by a clause requiring that if the land  
34 is not used for outdoor recreation purposes, ownership of the land  
35 shall revert to the state parks and recreation commission.

36 (2) ~~((The state parks and recreation commission,))~~ In cases where  
37 land subject to ((such a reversionary clause is proposed for use or

1 ~~disposal for purposes other than recreation, shall require that, if the~~  
2 ~~land)) reversion under subsection (1) of this section is surplus to the~~  
3 ~~needs of the commission for park purposes at the time the commission~~  
4 ~~becomes aware of its proposed use for nonrecreation purposes, the~~  
5 ~~((holder of the land or property shall reimburse the commission for the~~  
6 ~~release of the reversionary interest in the land. The reimbursement~~  
7 ~~shall be in the amount of the fair market value of the reversionary~~  
8 ~~interest as determined by a qualified appraiser agreeable to the~~  
9 ~~commission. Appraisal costs shall be borne by the local entity which~~  
10 ~~holds title to the land)) commission shall:~~

11 (a) Offer any surplus land for sale, which is suitable for  
12 affordable housing or for housing for special needs populations and is  
13 included in the inventory as required by section 12 of this act, to  
14 eligible organizations as defined in RCW 43.63A.510 (as recodified by  
15 this act), as required in RCW 43.63A.510(4) (as recodified by this  
16 act). If no acceptable purchase offers are made for the properties  
17 within the required initial offer period, the properties may be  
18 disposed of by the method provided in (b) of this subsection; and

19 (b) Except as provided in (a) of this subsection, dispose of  
20 surplus properties subject to reversion under subsection (1) of this  
21 section by the method provided in RCW 79A.05.175, or allow the holder  
22 of the land or property to reimburse the commission for the release of  
23 the reversionary interest in the land. The reimbursement must equal  
24 the amount of the fair market value of the reversionary interest as  
25 determined by a qualified appraiser agreeable to the commission.  
26 Appraisal costs are borne by the local entity that holds title to the  
27 land.

28 (3) Any funds generated under ~~((a reimbursement under))~~ this  
29 section shall be deposited in the parkland acquisition account which is  
30 hereby created in the state treasury. Moneys in this account are to be  
31 used solely for the purchase or acquisition of property for use as  
32 state park property by the commission, as directed by the legislature;  
33 all such funds shall be subject to legislative appropriation.

34 **Sec. 11.** RCW 79A.05.175 and 1999 c 249 s 601 are each amended to  
35 read as follows:

36 Whenever the commission finds that any land under its control  
37 cannot advantageously be used for park purposes, it is authorized to

1 dispose of such land by the method provided in this section or by the  
2 method provided in RCW 79A.05.170. If such lands are school or other  
3 grant lands, control thereof shall be relinquished by resolution of the  
4 commission to the proper state officials. If such lands were acquired  
5 under restrictive conveyances by which the state may hold them only so  
6 long as they are used for park purposes, they may be returned to the  
7 donor or grantors by the commission. All (~~other such~~) lands, which  
8 are suitable for affordable housing or for housing for special needs  
9 populations and are included in the inventory as required by section 12  
10 of this act, must be offered for sale to eligible organizations as  
11 defined in RCW 43.63A.510 (as recodified by this act), as required in  
12 RCW 43.63A.510(4) (as recodified by this act). After the required  
13 initial offer period, if no purchase offers are made on behalf of an  
14 eligible organization that meets the requirements of RCW 43.63A.510(4)  
15 (as recodified by this act), the commission may consider offers from  
16 the general public, and these lands, along with all other lands, may be  
17 either sold by the commission to the highest bidder or exchanged for  
18 other lands of equal value by the commission, and all conveyance  
19 documents shall be executed by the governor. All such exchanges shall  
20 be accompanied by a transfer fee, to be set by the commission and paid  
21 by the other party to the transfer; such fee shall be paid into the  
22 parkland acquisition account established under RCW 79A.05.170. Sealed  
23 bids on all sales shall be solicited at least twenty days in advance of  
24 the sale date by an advertisement appearing at least once a week for  
25 two consecutive weeks in a newspaper of general circulation in the  
26 county in which the land to be sold is located. If the commission  
27 feels that no bid received adequately reflects the fair value of the  
28 land to be sold, it may reject all bids, and may call for new bids.  
29 All proceeds derived from the sale of such park property shall be paid  
30 into the park land acquisition account. All land considered for  
31 exchange shall be evaluated by the commission to determine its  
32 adaptability to park usage. The equal value of all lands exchanged  
33 shall first be determined by the appraisals to the satisfaction of the  
34 commission. No sale or exchange of state park lands shall be made  
35 without the unanimous consent of the commission.

36 NEW SECTION. **Sec. 12.** A new section is added to chapter 79A.05  
37 RCW to read as follows:



1 (1) The commission shall identify and catalog real property that is  
2 no longer required for commission purposes, as described in RCW  
3 79A.05.170 and 79A.05.175, and is suitable for the development of  
4 affordable housing for very low-income and low-income households or for  
5 housing for special needs populations as defined in RCW 43.63A.510 (as  
6 recodified by this act). The inventory must include the information  
7 required under RCW 43.63A.510(1) (as recodified by this act), and the  
8 commission must provide an updated copy of the inventory to the  
9 department of community, trade, and economic development as required  
10 under RCW 43.63A.510(1) (as recodified by this act).

11 (2) Property for sale, which is suitable for affordable housing or  
12 for housing for special needs populations and is included in the  
13 inventory as required by subsection (1) of this section, must be  
14 offered to eligible organizations as defined in RCW 43.63A.510 (as  
15 recodified by this act), as required in RCW 43.63A.510(4) (as  
16 recodified by this act).

17 (3) The commission shall regularly purge the inventory of real  
18 property of sites that are no longer available for the development of  
19 affordable housing or for housing for special needs populations. The  
20 commission must include an updated listing of real property that has  
21 become available since the last update.

22 (4) The commission must submit an annual report to the department  
23 of community, trade, and economic development as required in RCW  
24 43.63A.510(6) (as recodified by this act).

25 (5) As used in this section, "real property" means buildings, land,  
26 or buildings and land.

27 **Sec. 13.** RCW 79.11.005 and 2003 c 334 s 201 are each amended to  
28 read as follows:

29 (1) The department is authorized to sell (~~(any real property not~~  
30 ~~designated or acquired as)~~) state forest lands(~~(, but)~~) as defined in  
31 RCW 79.02.010 and other lands acquired by the state, either in the name  
32 of the forest board, the forestry board, or the division of forestry,  
33 for administrative sites, lien foreclosures, or other purposes whenever  
34 it (~~(shall)~~) determines that the lands are no longer or not necessary  
35 for public use.

36 (2) Property for sale, which is suitable for affordable housing or  
37 for housing for special needs populations and is included in the

1 inventory as required by section 15 of this act, must be offered to  
2 eligible organizations as defined in RCW 43.63A.510 (as recodified by  
3 this act), as required in RCW 43.63A.510(4) (as recodified by this  
4 act). After the required initial offer period, if no acceptable  
5 purchase offers are made on behalf of an eligible organization that  
6 meets the requirements of RCW 43.63A.510(4) (as recodified by this  
7 act), the department may consider offers from the general public and  
8 sales to the general public may be conducted under subsection (3) of  
9 this section. For all properties for sale not included in the  
10 inventory as required by section 15 of this act, the department may  
11 immediately consider offers from the general public and sales to the  
12 general public may be conducted under subsection (3) of this section.

13 (3) The sale of property to the general public may be made after  
14 public notice to the highest bidder for such a price as approved by the  
15 governor, but not less than the fair market value of the real property,  
16 plus the value of improvements thereon. Any instruments necessary to  
17 convey title must be executed by the governor in a form approved by the  
18 attorney general.

19 ~~((3))~~ (4) All amounts received from (the sale) all sales must  
20 be credited to the fund of the department of government that is  
21 responsible for the acquisition and maintenance of the property sold.

22 **Sec. 14.** RCW 79.22.060 and 2003 c 334 s 221 are each amended to  
23 read as follows:

24 (1) Except as provided in subsection (2) of this section, with the  
25 approval of the board, the department may directly transfer or dispose  
26 of state forest lands without public auction, if such lands consist of  
27 ten contiguous acres or less, or have a value of twenty-five thousand  
28 dollars or less. Such disposal may only occur in the following  
29 circumstances:

30 (a) Transfers in lieu of condemnation; and

31 (b) Transfers to resolve trespass and property ownership disputes.

32 (2) Property suitable for affordable housing or for housing for  
33 special needs populations, which is included in the inventory as  
34 required by section 15 of this act, must be offered to eligible  
35 organizations as defined in RCW 43.63A.510 (as recodified by this act),  
36 as required in RCW 43.63A.510(4) (as recodified by this act). After  
37 the required initial offer period, if no purchase offers are made on

1 behalf of an eligible organization that meets the requirements of RCW  
2 43.63A.510 (as recodified by this act), the property may be transferred  
3 or sold as described in subsection (1) of this section.

4 (3) Real property to be transferred or disposed of under this  
5 section shall be transferred or disposed of only after appraisal and  
6 for at least fair market value, and only if such transaction is in the  
7 best interest of the state or affected trust.

8 ((+3+)) (4) The proceeds from real property transferred or disposed  
9 of under this section shall be deposited into the park land trust  
10 revolving fund and be solely used to buy replacement land within the  
11 same county as the property transferred or disposed.

12 NEW SECTION. Sec. 15. A new section is added to chapter 43.30 RCW  
13 to read as follows:

14 (1) The department of natural resources shall identify and catalog  
15 real property that is no longer required for department purposes and is  
16 suitable for the development of affordable housing for very low-income  
17 and low-income households or for housing for special needs populations  
18 as defined in RCW 43.63A.510 (as recodified by this act). The  
19 inventory must include the information required under RCW 43.63A.510(1)  
20 (as recodified by this act), and the department must provide an updated  
21 copy of the inventory to the department of community, trade, and  
22 economic development as required under RCW 43.63A.510(1) (as recodified  
23 by this act).

24 (2) Property for sale, which is suitable for affordable housing or  
25 for housing for special needs populations and is included in the  
26 inventory as required by subsection (1) of this section, must be  
27 offered to eligible organizations as defined in RCW 43.63A.510 (as  
28 recodified by this act), as required in RCW 43.63A.510(4) (as  
29 recodified by this act).

30 (3) The department shall regularly purge the inventory of real  
31 property of sites that are no longer available for the development of  
32 affordable housing or for housing for special needs populations. The  
33 department shall include an updated listing of real property that has  
34 become available since the last update.

35 (4) The department must submit an annual report to the department  
36 of community, trade, and economic development as required in RCW  
37 43.63A.510(6) (as recodified by this act).

1 (5) As used in this section, "real property" means buildings, land,  
2 or buildings and land.

3 **Sec. 16.** RCW 28A.335.120 and 2006 c 263 s 913 are each amended to  
4 read as follows:

5 (1) The board of directors of any school district of this state  
6 may:

7 (a) Sell for cash, at public or private sale, and convey by deed  
8 all interest of the district in or to any of the real property of the  
9 district which is no longer required for school purposes as described  
10 under subsection (2) of this section; and

11 (b) Purchase real property for the purpose of locating thereon and  
12 affixing thereto any house or houses and appurtenant buildings removed  
13 from school sites owned by the district and sell for cash, at public or  
14 private sale, and convey by deed all interest of the district in or to  
15 such acquired and improved real property.

16 (2)(a) When the board of directors of any school district proposes  
17 a sale of school district real property pursuant to this section and  
18 the property for sale is suitable for the development of affordable  
19 housing or for housing for special needs populations, the property must  
20 be offered to eligible organizations as defined in RCW 43.63A.510 (as  
21 recodified by this act), as required in RCW 43.63A.510(4) (as  
22 recodified by this act). If the property for sale is not suitable for  
23 the development of affordable housing or for housing for special needs  
24 populations, or if after the required initial offer period no  
25 acceptable purchase offers are made on behalf of an eligible  
26 organization that meets the requirements of RCW 43.63A.510(4) (as  
27 recodified by this act), the property may be sold as described in (b)  
28 of this subsection.

29 (b) If the value of the property exceeds seventy thousand dollars,  
30 the board shall publish a notice of its intention to sell the property.  
31 The notice shall be published at least once each week during two  
32 consecutive weeks in a legal newspaper with a general circulation in  
33 the area in which the school district is located. The notice shall  
34 describe the property to be sold and designate the place where and the  
35 day and hour when a hearing will be held. The board shall hold a  
36 public hearing upon the proposal to dispose of the school district

1 property at the place and the day and hour fixed in the notice and  
2 admit evidence offered for and against the propriety and advisability  
3 of the proposed sale.

4 (3) The board of directors of any school district desiring to sell  
5 surplus real property shall publish a notice in a newspaper of general  
6 circulation in the school district. School districts shall not sell  
7 the property for at least forty-five days following the publication of  
8 the newspaper notice.

9 (4) Private schools shall have the same rights as any other person  
10 or entity to submit bids for the purchase of surplus real property and  
11 to have such bids considered along with all other bids.

12 (5) Any sale of school district real property authorized pursuant  
13 to this section shall be preceded by a market value appraisal by a  
14 professionally designated real estate appraiser as defined in RCW  
15 74.46.020 or a general real estate appraiser certified under chapter  
16 18.140 RCW selected by the board of directors and no sale shall take  
17 place if the sale price would be less than ninety percent of the  
18 appraisal made by the real estate appraiser: PROVIDED, That if the  
19 property has been on the market for one year or more the property may  
20 be reappraised and sold for not less than seventy-five percent of the  
21 reappraised value with the unanimous consent of the board.

22 (6) If in the judgment of the board of directors of any district  
23 the sale of real property of the district not needed for school  
24 purposes would be facilitated and greater value realized through use of  
25 the services of licensed real estate brokers, a contract for such  
26 services may be negotiated and concluded: PROVIDED, That the use of a  
27 licensed real estate broker will not eliminate the obligation of the  
28 board of directors to provide the notice described in this section:  
29 PROVIDED FURTHER, That the fee or commissions charged for any broker  
30 services shall not exceed seven percent of the resulting sale value for  
31 a single parcel: PROVIDED FURTHER, That any professionally designated  
32 real estate appraiser as defined in RCW 74.46.020 or a general real  
33 estate appraiser certified under chapter 18.140 RCW selected by the  
34 board to appraise the market value of a parcel of property to be sold  
35 may not be a party to any contract with the school district to sell  
36 such parcel of property for a period of three years after the  
37 appraisal.

1 (7) If in the judgment of the board of directors of any district  
2 the sale of real property of the district not needed for school  
3 purposes would be facilitated and greater value realized through sale  
4 on contract terms, a real estate sales contract may be executed between  
5 the district and buyer.

6 (8) All school districts must submit to the county an inventory of  
7 all real property owned by the school district that is for sale and is  
8 suitable for the development of affordable housing for very low-income  
9 and low-income households or for housing for special needs populations  
10 as the property becomes available for sale. The boards of directors of  
11 school districts have the sole authority to determine whether or not  
12 property owned by the school district is surplus and whether or not it  
13 is suitable for the development of affordable housing for very low-  
14 income and low-income households or for housing for special needs  
15 populations. The inventory must include descriptive information about  
16 each property that includes, at a minimum, the contact information for  
17 the property, the location, approximate size, and, if known, the  
18 current zoning classification and fair market value price of the  
19 property. The county must include this inventory information in the  
20 county inventory it provides to the department of community, trade, and  
21 economic development as required in RCW 36.34.137.

22 (9) All school districts must submit an annual report to the county  
23 that includes information about all surplus properties that were sold  
24 in the most recently completed fiscal year. The report must include  
25 all information required in RCW 43.63A.510(6) (as recodified by this  
26 act). The county must include this information in the annual report  
27 required in RCW 36.34.137.

28 NEW SECTION. Sec. 17. RCW 43.63A.510 is recodified as a new  
29 section in chapter 43.31 RCW.

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