
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1332

State of Washington

60th Legislature

2008 Regular Session

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

READ FIRST TIME 02/12/08.

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 new sections; 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 for a minimum
17 period of time to eligible organizations for the purpose of the
18 development of affordable housing or housing for special needs

1 populations confers a valuable benefit on the public that constitutes
2 consideration for the sale of such property.

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

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

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

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

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

22 (1) (~~The department shall work with the departments of natural~~
23 ~~resources, transportation, social and health services, corrections, and~~
24 ~~general administration to identify and catalog under utilized,~~
25 ~~state owned land and property suitable for the development of~~
26 ~~affordable housing for very low income, low income or moderate income~~
27 ~~households.)) The department, and the departments of natural resources,
28 transportation, social and health services, corrections, and general
29 administration, the state parks and recreation commission, and local
30 governments, shall ((provide)) each produce an inventory of real
31 property that is owned or administered by ((each)) the agency,
32 commission, or local government, is suitable for the development of
33 affordable housing or for housing for special needs populations, and is
34 available for lease or sale. ((The inventories shall be provided to
35 the department by November 1, 1993, with inventory revisions provided
36 each November 1 thereafter.~~

1 ~~(2) Upon written request, the department shall provide a copy of~~
2 ~~the inventory of state-owned and publicly owned lands and buildings to~~
3 ~~parties interested in developing the sites for affordable housing.))~~
4 Each inventory must contain descriptive information about each property
5 that includes, if known, the contact information for the property and
6 the location, approximate size, the sale or lease price and terms, and
7 the current zoning classification of the property. Each inventory must
8 be updated at least once a year, and printed and electronic copies of
9 each inventory must be provided upon request.

10 ~~((3))~~ (2) As used in this section, unless the context clearly
11 requires otherwise:

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

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

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

26 (d) (~~("Moderate income household" means a single person, family, or~~
27 ~~unrelated persons living together whose income is more than eighty~~
28 ~~percent but is at or below one hundred fifteen percent of the median~~
29 ~~income where the affordable housing is located.))~~ "Special needs
30 populations" includes, but is not limited to, persons with mental
31 illness, dementia, a developmental disability, or other condition
32 affecting cognition, such as traumatic brain injury.

33 (e) "Eligible organization" means any city, town, or county
34 government, local housing authority, public development authority,
35 community renewal agency, regional support network established under
36 chapter 71.24 RCW, nonprofit community or neighborhood-based
37 organization, federally recognized Indian tribe in the state of
38 Washington, or regional or statewide nonprofit housing assistance

1 organization, each having experience in the development of affordable
2 housing or housing for special needs populations. In the case of
3 school district surplus property, "eligible organization" also means a
4 community school, public school, postsecondary institution, nonprofit
5 early learning provider, and any other nonprofit community resource
6 with an integrated focus on academics, health and social services,
7 youth and community development, and community engagement.

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

10 (g) "Public development authority" means a public authority created
11 under RCW 35.21.730.

12 (h) "Community renewal agency" has the same meaning as in RCW
13 35.81.015.

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

16 (j) "Local government" means:

17 (i) A county subject to RCW 36.70A.215 or with a population of at
18 least four hundred thousand;

19 (ii) A city or town with a population of at least five thousand
20 within a county that is subject to RCW 36.70A.215 or that has a
21 population of at least four hundred thousand; or

22 (iii) A school district with an enrollment of at least five
23 thousand students.

24 (k) "Community school" means both a place and a set of partnerships
25 between entities including, but not limited to, public schools,
26 postsecondary institutions, local governments, nonprofit early learning
27 providers, and other nonprofit community resources with an integrated
28 focus on academics, health and social services, youth and community
29 development, and community engagement.

30 (3)(a) Except as provided in subsection (5) of this section,
31 surplus property for sale by the department, and the departments of
32 natural resources, transportation, social and health services,
33 corrections, and general administration, the state parks and recreation
34 commission, and by local governments, which is suitable for the
35 development of affordable housing or for housing for special needs
36 populations, must be offered, for at least the first one hundred eighty
37 days after its availability for sale, exclusively to eligible
38 organizations, for the purpose of developing affordable housing or

1 housing for special needs populations. Eligible organizations have the
2 right of first opportunity to purchase these surplus properties, under
3 reasonable option and purchase conditions, in return for a commitment
4 to provide affordable housing or housing for special needs populations
5 for at least thirty years. Agencies, commissions, and local
6 governments subject to this section have the sole authority to
7 determine: (i) Whether or not property is surplus; (ii) whether or not
8 the property is suitable for the development of affordable housing for
9 very low-income and low-income households or for housing for special
10 needs populations; and (iii) what constitutes reasonable option and
11 purchase conditions.

12 (b)(i) Any eligible organization interested in purchasing surplus
13 property described in this section must present to the agency,
14 commission, or local government that is selling the property an
15 affordable housing or special needs housing project description,
16 including:

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

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

20 (C) The number, estimated square footage, and description of the
21 purpose of other facilities to be created;

22 (D) The number of years the purchasing entity intends to (I) retain
23 the affordable housing units as affordable housing or (II) retain
24 housing units for special needs populations, which must be at least
25 thirty years; and

26 (E) A proposed development schedule indicating that the development
27 will either be placed into service or be substantially completed and
28 available for occupation within eight years of the date on which the
29 purchasing entity formally purchases the property.

30 (ii) Individual local governments, state agencies, and commissions
31 may establish additional requirements for purchase offers by eligible
32 organizations.

33 (c) Each agency, commission, and local government subject to this
34 section must establish criteria to use if more than one eligible
35 organization is interested in purchasing a single piece of surplus
36 property and presents a proposed project description during the
37 required initial offer period. The criteria may give preference to

1 eligible organizations that propose to develop affordable housing or
2 housing for special needs populations that:

3 (i) Serve the lowest income populations or special needs
4 populations;

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

7 (iii) Preserve the affordability of the affordable housing units or
8 commit to retain the units for special needs populations for the
9 longest periods of time;

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

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

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

21 (4) State agencies, commissions, and local governments subject to
22 this section must maintain records of all properties listed in the
23 inventory required under subsection (1) of this section for at least
24 ten years. Records must include the documentation of sales to eligible
25 organizations and information regarding affordable housing planned or
26 produced on the properties sold to eligible organizations.

27 (5) School districts, in addition to offering suitable surplus
28 property exclusively to eligible organizations for the purpose of
29 developing affordable housing or housing for special needs populations
30 for at least the first one hundred eighty days after its availability
31 for sale, as required in subsection (3) of this section, must also
32 offer such property, if deemed suitable for such purposes, to eligible
33 organizations for the development of community schools during the same
34 one hundred eighty-day period. School districts may prioritize a
35 community school development project over projects to develop
36 affordable housing or housing for special needs populations. Eligible
37 organizations interested in developing a community school must provide

1 the school district with a development plan describing the services to
2 be provided, the target populations to be served, and the anticipated
3 date of operation.

4 (6) The following property is exempt from this chapter:

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

7 (b) Lands acquired under restrictive conveyances.

8 (7) This section is not intended to limit the powers granted in
9 chapters 35.81, 35.82, and 35.83 RCW, or to prevent a selling entity
10 from using alternative processes for the sale or disposition of surplus
11 land for affordable housing or special needs housing purposes as long
12 as those alternative processes require that surplus land be used for
13 affordable housing or for housing for special needs populations,
14 meeting, at a minimum, the standards required under this section.

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

17 (1) Every city and town with a population of at least fifteen
18 thousand within a county subject to RCW 36.70A.215, including every
19 code city operating under Title 35A RCW, shall identify and catalog
20 real property owned by the city or town that is no longer required for
21 its purposes, is available for lease or sale, and is suitable for the
22 development of affordable housing for very low-income((~~7~~)) and low-
23 income((~~7~~ and moderate income)) households or for housing for special
24 needs populations as defined in RCW 43.63A.510 (as recodified by this
25 act). Cities, towns, and code cities have the sole authority to
26 determine: (a) Whether or not property owned by the city, town, or
27 code city is surplus; (b) whether or not the property is suitable for
28 the development of affordable housing for very low-income and low-
29 income households or for housing for special needs populations; and (c)
30 what constitutes reasonable option and purchase conditions. The
31 inventory ((~~shall include the location, approximate size, and current~~
32 zoning classification of the property. ~~Every city and town shall~~
33 provide a copy of the inventory to the department of community, trade,
34 and economic development by November 1, 1993, with inventory revisions
35 each November 1 thereafter)) must include information required under
36 RCW 43.63A.510(1) (as recodified by this act).

1 (2) (~~By November 1 of each year, beginning in 1994,~~) Property for
2 sale, which is suitable for affordable housing or for housing for
3 special needs populations and is included in the inventory as required
4 in subsection (1) of this section, must be offered to eligible
5 organizations as defined in RCW 43.63A.510 (as recodified by this act),
6 as required in RCW 43.63A.510(3) (as recodified by this act).

7 (3) Every city and town with a population of at least fifteen
8 thousand within a county subject to RCW 36.70A.215, including every
9 code city operating under Title 35A RCW, shall regularly purge the
10 inventory of real property of sites that are no longer available for
11 the development of affordable housing or for housing for special needs
12 populations. The inventory revision (~~shall~~) must also contain a list
13 of real property that has become available since the last update.

14 (4) Records of all sales of properties included in the inventory
15 must be maintained as required in RCW 43.63A.510(4) (as recodified by
16 this act).

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

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

21 (1) Every county subject to RCW 36.70A.215 or with a population of
22 at least four hundred thousand shall identify and catalog real property
23 owned by the county that is no longer required for its purposes and is
24 suitable for the development of affordable housing for very low-
25 income(~~7~~) and low-income(~~, and moderate income~~) households or for
26 housing for special needs populations as defined in RCW 43.63A.510 (as
27 recodified by this act). Counties have the sole authority to
28 determine: (a) Whether or not property owned by the county is surplus;
29 (b) whether or not the property is suitable for the development of
30 affordable housing for very low-income and low-income households or for
31 housing for special needs populations; and (c) what constitutes
32 reasonable option and purchase conditions. The inventory (~~shall~~
33 include the location, approximate size, and current zoning
34 classification of the property. Every county shall provide a copy of
35 the inventory to the department of community development by November 1,
36 1993, with inventory revisions each November 1 thereafter)) must

1 include information required under RCW 43.63A.510(1) (as recodified by
2 this act).

3 ~~(2) ((By November 1 of each year, beginning in 1994,~~) Property for
4 sale, which is suitable for affordable housing or for housing for
5 special needs populations and is included in the inventory as required
6 in subsection (1) of this section, must be offered to eligible
7 organizations as defined in RCW 43.63A.510 (as recodified by this act),
8 as required in RCW 43.63A.510(3) (as recodified by this act).

9 (3) Every county subject to RCW 36.70A.215 or with a population of
10 at least four hundred thousand shall regularly purge the inventory of
11 real property of sites that are no longer available for the development
12 of affordable housing or for housing for special needs populations.
13 The inventory revision shall include an updated listing of real
14 property that has become available since the last update.

15 (4) Records of all sales of properties included in the inventory
16 must be maintained as required in RCW 43.63A.510(4) (as recodified by
17 this act).

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

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

22 (1) The department shall identify and catalog real property that is
23 no longer required for department purposes and is suitable for the
24 development of affordable housing for very low-income(~~(7)~~) and
25 (~~moderate~~) low-income households or for housing for special needs
26 populations as defined in RCW 43.63A.510 (as recodified by this act).
27 ~~The inventory ((shall include the location, approximate size, and~~
28 ~~current zoning classification of the property. The department shall~~
29 ~~provide a copy of the inventory to the department of community, trade,~~
30 ~~and economic development by November 1, 1993, and every November 1~~
31 ~~thereafter)) must include information required under RCW 43.63A.510(1)
32 (as recodified by this act).~~

33 ~~(2) ((By November 1 of each year, beginning in 1994,~~) Property for
34 sale, which is suitable for affordable housing or for housing for
35 special needs populations and is included in the inventory as required
36 in subsection (1) of this section, must be offered to eligible

1 organizations as defined in RCW 43.63A.510 (as recodified by this act),
2 as required in RCW 43.63A.510(3) (as recodified by this act).

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

8 (4) Records of all sales of properties included in the inventory
9 must be maintained as required in RCW 43.63A.510(4) (as recodified by
10 this act).

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

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

15 (1) Except as required in RCW 47.12.064:

16 (a) It is the intent of the legislature to continue the
17 department's policy giving priority consideration to abutting property
18 owners in agricultural areas when disposing of property through its
19 surplus property program under this section.

20 ~~((+2))~~ (b) Whenever the department determines that any real
21 property owned by the state of Washington and under the jurisdiction of
22 the department is no longer required for transportation purposes and
23 that it is in the public interest to do so, the department may sell the
24 property or exchange it in full or part consideration for land or
25 improvements or for construction of improvements at fair market value
26 to any of the following governmental entities or persons:

27 ~~((+a))~~ (i) In the case of property suitable for residential use,
28 any eligible organization as defined in RCW 43.63A.510 (as recodified
29 by this act);

30 (ii) Any other state agency;

31 ~~((+b))~~ (iii) The city or county in which the property is situated;

32 ~~((+c))~~ (iv) Any other municipal corporation;

33 ~~((+d))~~ (v) Regional transit authorities created under chapter
34 81.112 RCW;

35 ~~((+e))~~ (vi) The former owner of the property from whom the state
36 acquired title;

1 ((f)) (vii) In the case of residentially improved property, a
2 tenant of the department who has resided thereon for not less than six
3 months and who is not delinquent in paying rent to the state;

4 ((g)) (viii) Any abutting private owner, but only after each
5 other abutting private owner ((+)) if any(+), as shown in the
6 records of the county assessor, is notified in writing of the proposed
7 sale. If more than one abutting private owner requests in writing the
8 right to purchase the property within fifteen days after receiving
9 notice of the proposed sale, the property shall be sold at public
10 auction in the manner provided in RCW 47.12.283;

11 ((h)) (ix) To any person through the solicitation of written bids
12 through public advertising in the manner prescribed by RCW 47.28.050;

13 ((i)) (x) To any other owner of real property required for
14 transportation purposes;

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

20 ((k)) (xi) A federally recognized Indian tribe within whose
21 reservation boundary the property is located.

22 ((3)) (2) Sales to purchasers may at the department's option be
23 for cash, by real estate contract, or exchange of land or improvements.
24 Transactions involving the construction of improvements must be
25 conducted pursuant to chapter 47.28 RCW or Title 39 RCW, as applicable,
26 and must comply with all other applicable laws and rules.

27 ((4)) (3) Conveyances made pursuant to this section shall be by
28 deed executed by the secretary of transportation and shall be duly
29 acknowledged.

30 ((5)) (4) Unless otherwise provided, all moneys received pursuant
31 to the provisions of this section less any real estate broker
32 commissions paid pursuant to RCW 47.12.320 shall be deposited in the
33 motor vehicle fund.

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

36 (1) The department shall identify and catalog real property that is
37 no longer required for department purposes and is suitable for the

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

10 (2) (~~(By November 1 of each year, beginning in 1994,~~) Property for
11 sale, which is suitable for affordable housing or for housing for
12 special needs populations and is included in the inventory as required
13 in subsection (1) of this section, must be offered to eligible
14 organizations as defined in RCW 43.63A.510 (as recodified by this act),
15 as required in RCW 43.63A.510(3) (as recodified by this act).

16 (3) The department shall regularly purge the inventory of real
17 property of sites that are no longer available for the development of
18 affordable housing or for housing for special needs populations. The
19 department shall include an updated listing of real property that has
20 become available since the last update. (~~(As used in this section,~~
21 ~~"real property" means buildings, land, or buildings and land.)~~)

22 (4) Records of all sales of properties included in the inventory
23 must be maintained as required in RCW 43.63A.510(4) (as recodified by
24 this act).

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

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

29 (1) The department shall identify and catalog real property that is
30 no longer required for department purposes and is suitable for the
31 development of affordable housing for very low-income(~~(7)~~) and low-
32 income(~~(7, and moderate income)~~) households or for housing for special
33 needs populations as defined in RCW 43.63A.510 (as recodified by this
34 act). The inventory (~~(shall include the location, approximate size,
35 ~~and current zoning classification of the property. The department~~
36 ~~shall provide a copy of the inventory to the department of community,~~~~

1 ~~trade, and economic development by November 1, 1993, and every November~~
2 ~~1 thereafter))~~ must include information required under RCW
3 43.63A.510(1) (as recodified by this act).

4 (2) ~~((By November 1 of each year, beginning in 1994,))~~ Property for
5 sale, which is suitable for affordable housing or for housing for
6 special needs populations and is included in the inventory as required
7 in subsection (1) of this section, must be offered to eligible
8 organizations as defined in RCW 43.63A.510 (as recodified by this act),
9 as required in RCW 43.63A.510(3) (as recodified by this act).

10 (3) The department shall regularly purge the inventory of real
11 property of sites that are no longer available for the development of
12 affordable housing or for housing for special needs populations. The
13 department shall include an updated listing of real property that has
14 become available since the last update.

15 (4) Records of all sales of properties included in the inventory
16 must be maintained as required in RCW 43.63A.510(4) (as recodified by
17 this act).

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

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

22 (1) The department of general administration shall identify and
23 catalog real property that is no longer required for department
24 purposes and is suitable for the development of affordable housing for
25 very low-income(~~(7)~~) and low-income(~~(7, and moderate income)~~) households
26 or for housing for special needs populations as defined in RCW
27 43.63A.510 (as recodified by this act). The inventory ~~((shall include~~
28 ~~the location, approximate size, and current zoning classification of~~
29 ~~the property. The department of general administration shall provide~~
30 ~~a copy of the inventory to the department of community, trade, and~~
31 ~~economic development by November 1, 1993, and every November 1~~
32 ~~thereafter))~~ must include information required under RCW 43.63A.510(1)
33 (as recodified by this act).

34 (2) ~~((By November 1 of each year, beginning in 1994,))~~ Property for
35 sale, which is suitable for affordable housing or for housing for
36 special needs populations and is included in the inventory as required

1 in subsection (1) of this section, must be offered to eligible
2 organizations as defined in RCW 43.63A.510 (as recodified by this act),
3 as required in RCW 43.63A.510(3) (as recodified by this act).

4 (3) The department of general administration shall regularly purge
5 the inventory of real property of sites that are no longer available
6 for the development of affordable housing or for housing for special
7 needs populations. The department shall include an updated listing of
8 real property that has become available since the last update.

9 (4) Records of all sales of properties included in the inventory
10 must be maintained as required in RCW 43.63A.510(4) (as recodified by
11 this act).

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

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

16 (1) Any lands owned by the state parks and recreation commission,
17 which are determined to be surplus to the needs of the state for
18 development for state park purposes and which the commission proposes
19 to deed to a local government or other entity for outdoor recreation
20 purposes, shall be accompanied by a clause requiring that if the land
21 is not used for outdoor recreation purposes, ownership of the land
22 shall revert to the state parks and recreation commission.

23 ~~((The state parks and recreation commission,))~~ In cases where
24 land subject to ~~((such a reversionary clause is proposed for use or~~
25 ~~disposal for purposes other than recreation, shall require that, if the~~
26 ~~land))~~ reversion under subsection (1) of this section is surplus to the
27 needs of the commission for park purposes at the time the commission
28 becomes aware of its proposed use for nonrecreation purposes, the
29 ~~((holder of the land or property shall reimburse the commission for the~~
30 ~~release of the reversionary interest in the land. The reimbursement~~
31 ~~shall be in the amount of the fair market value of the reversionary~~
32 ~~interest as determined by a qualified appraiser agreeable to the~~
33 ~~commission. Appraisal costs shall be borne by the local entity which~~
34 ~~holds title to the land))~~ commission shall:

35 (a) Offer any surplus land for sale, which is suitable for
36 affordable housing or for housing for special needs populations and is
37 included in the inventory as required in section 12 of this act, to

1 eligible organizations as defined in RCW 43.63A.510 (as recodified by
2 this act), as required in RCW 43.63A.510(3) (as recodified by this
3 act). If no acceptable purchase offers are made for the properties
4 within the required initial offer period, the properties may be
5 disposed of by the method provided in (b) of this subsection; and

6 (b) Except as provided in (a) of this subsection, dispose of
7 surplus properties subject to reversion under subsection (1) of this
8 section by the method provided in RCW 79A.05.175, or allow the holder
9 of the land or property to reimburse the commission for the release of
10 the reversionary interest in the land. The reimbursement must equal
11 the amount of the fair market value of the reversionary interest as
12 determined by a qualified appraiser agreeable to the commission.
13 Appraisal costs are borne by the local entity that holds title to the
14 land.

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

21 **Sec. 11.** RCW 79A.05.175 and 2007 c 145 s 1 are each amended to
22 read as follows:

23 Whenever the commission finds that any land under its control
24 cannot advantageously be used for park purposes, it is authorized to
25 dispose of such land by the method provided in this section or by the
26 method provided in RCW 79A.05.170. If such lands are school or other
27 grant lands, control thereof shall be relinquished by resolution of the
28 commission to the proper state officials. If such lands were acquired
29 under restrictive conveyances by which the state may hold them only so
30 long as they are used for park purposes, they may be returned to the
31 donor or grantors by the commission. All (~~other such~~) lands, which
32 are suitable for affordable housing or for housing for special needs
33 populations and are included in the inventory as required in section 12
34 of this act, must be offered for sale to eligible organizations as
35 defined in RCW 43.63A.510 (as recodified by this act), as required in
36 RCW 43.63A.510(3) (as recodified by this act). After the required
37 initial offer period, if no purchase offers are made on behalf of an

1 eligible organization that meets the requirements of RCW 43.63A.510(3)
2 (as recodified by this act), the commission may consider offers from
3 the general public, and these lands, along with all other lands, may be
4 either sold by the commission to the highest bidder or exchanged for
5 other lands of equal value by the commission, and all conveyance
6 documents shall be executed by the governor. All such exchanges shall
7 be accompanied by a transfer fee, to be set by the commission and paid
8 by the other party to the transfer; such fee shall be paid into the
9 parkland acquisition account established under RCW 79A.05.170. The
10 commission may accept sealed bids, electronic bids, or oral bids at
11 auction. Bids on all sales shall be solicited at least twenty days in
12 advance of the sale date by an advertisement appearing at least once a
13 week for two consecutive weeks in a newspaper of general circulation in
14 the county in which the land to be sold is located. If the commission
15 feels that no bid received adequately reflects the fair value of the
16 land to be sold, it may reject all bids, and may call for new bids.
17 All proceeds derived from the sale of such park property shall be paid
18 into the park land acquisition account. All land considered for
19 exchange shall be evaluated by the commission to determine its
20 adaptability to park usage. The equal value of all lands exchanged
21 shall first be determined by the appraisals to the satisfaction of the
22 commission. No sale or exchange of state park lands shall be made
23 without the unanimous consent of the commission.

24 NEW SECTION. Sec. 12. A new section is added to chapter 79A.05
25 RCW to read as follows:

26 (1) The commission shall identify and catalog real property that is
27 no longer required for commission purposes, as described in RCW
28 79A.05.170 and 79A.05.175, and is suitable for the development of
29 affordable housing for very low-income and low-income households or for
30 housing for special needs populations as defined in RCW 43.63A.510 (as
31 recodified by this act). The inventory must include the information
32 required under RCW 43.63A.510(1) (as recodified by this act).

33 (2) Property for sale, which is suitable for affordable housing or
34 for housing for special needs populations and is included in the
35 inventory as required in subsection (1) of this section, must be
36 offered to eligible organizations as defined in RCW 43.63A.510 (as

1 recodified by this act), as required in RCW 43.63A.510(3) (as
2 recodified by this act).

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

8 (4) Records of all sales of properties included in the inventory
9 must be maintained as required in RCW 43.63A.510(4) (as recodified by
10 this act).

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

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

15 (1) The department is authorized to sell (~~(any real property not~~
16 ~~designated or acquired as)~~) state forest lands(~~(, but)~~) as defined in
17 RCW 79.02.010 and other lands acquired by the state, either in the name
18 of the forest board, the forestry board, or the division of forestry,
19 for administrative sites, lien foreclosures, or other purposes whenever
20 it (~~(shall)~~) determines that the lands are no longer or not necessary
21 for public use.

22 (2) Property for sale, which is suitable for affordable housing or
23 for housing for special needs populations and is included in the
24 inventory as required in section 15 of this act, must be offered to
25 eligible organizations as defined in RCW 43.63A.510 (as recodified by
26 this act), as required in RCW 43.63A.510(3) (as recodified by this
27 act). After the required initial offer period, if no acceptable
28 purchase offers are made on behalf of an eligible organization that
29 meets the requirements of RCW 43.63A.510(3) (as recodified by this
30 act), the department may consider offers from the general public and
31 sales to the general public may be conducted under subsection (3) of
32 this section. For all properties for sale not included in the
33 inventory as required in section 15 of this act, the department may
34 immediately consider offers from the general public and sales to the
35 general public may be conducted under subsection (3) of this section.

36 (3) The sale of property to the general public may be made after
37 public notice to the highest bidder for such a price as approved by the

1 governor, but not less than the fair market value of the real property,
2 plus the value of improvements thereon. Any instruments necessary to
3 convey title must be executed by the governor in a form approved by the
4 attorney general.

5 ~~((3))~~ (4) All amounts received from ~~((the sale))~~ all sales must
6 be credited to the fund of the department of government that is
7 responsible for the acquisition and maintenance of the property sold.

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

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

- 16 (a) Transfers in lieu of condemnation; and
- 17 (b) Transfers to resolve trespass and property ownership disputes.

18 (2) Property suitable for affordable housing or for housing for
19 special needs populations, which is included in the inventory as
20 required in section 15 of this act, must be offered to eligible
21 organizations as defined in RCW 43.63A.510 (as recodified by this act),
22 as required in RCW 43.63A.510(3) (as recodified by this act). After
23 the required initial offer period, if no purchase offers are made on
24 behalf of an eligible organization that meets the requirements of RCW
25 43.63A.510 (as recodified by this act), the property may be transferred
26 or sold as described in subsection (1) of this section.

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

31 ~~((3))~~ (4) The proceeds from real property transferred or disposed
32 of under this section shall be deposited into the park land trust
33 revolving fund and be solely used to buy replacement land within the
34 same county as the property transferred or disposed.

35 NEW SECTION. **Sec. 15.** A new section is added to chapter 43.30 RCW
36 to read as follows:

1 (1) The department of natural resources shall identify and catalog
2 real property that is no longer required for department purposes and is
3 suitable for the development of affordable housing for very low-income
4 and low-income households or for housing for special needs populations
5 as defined in RCW 43.63A.510 (as recodified by this act). The
6 inventory must include the information required under RCW 43.63A.510(1)
7 (as recodified by this act).

8 (2) Property for sale, which is suitable for affordable housing or
9 for housing for special needs populations and is included in the
10 inventory as required in subsection (1) of this section, must be
11 offered to eligible organizations as defined in RCW 43.63A.510 (as
12 recodified by this act), as required in RCW 43.63A.510(3) (as
13 recodified by this act).

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

19 (4) Records of all sales of properties included in the inventory
20 must be maintained as required in RCW 43.63A.510(4) (as recodified by
21 this act).

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

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

26 (1) Except as provided under subsections (2) and (3) of this
27 section, the board of directors of any school district of this state
28 may:

29 (a) Sell for cash, at public or private sale, and convey by deed
30 all interest of the district in or to any of the real property of the
31 district which is no longer required for school purposes; and

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

1 (2) When the board of directors of any school district with an
2 enrollment of at least five thousand students proposes a sale of school
3 district real property pursuant to this section and the property for
4 sale is suitable for the development of affordable housing, for housing
5 for special needs populations, or for the development of a community
6 school, the property must be offered to eligible organizations as
7 defined in RCW 43.63A.510 (as recodified by this act), as required in
8 RCW 43.63A.510(3) and (5) (as recodified by this act). The boards of
9 directors of school districts subject to this subsection have the sole
10 authority to determine: (a) Whether or not property owned by the school
11 district is surplus; (b) whether or not the property is suitable for
12 the development of affordable housing for very low-income and low-
13 income households, for housing for special needs populations, or for a
14 community school; and (c) what constitutes reasonable option and
15 purchase conditions. If the property for sale is not suitable for the
16 development of affordable housing, for housing for special needs
17 populations, or for a community school, or if after the required
18 initial offer period no reasonable and acceptable purchase offers are
19 made on behalf of an eligible organization that meets the requirements
20 of RCW 43.63A.510(3) (as recodified by this act), the property may be
21 sold as described in subsection (1) of this section.

22 (3) When the board of directors of any school district proposes a
23 sale of school district real property pursuant to this section and if
24 the value of the property exceeds seventy thousand dollars, the board
25 shall publish a notice of its intention to sell the property. School
26 districts with an enrollment of at least five thousand students
27 intending to sell the property under this subsection must do so
28 pursuant to the requirements under subsection (2) of this section. The
29 notice shall be published at least once each week during two
30 consecutive weeks in a legal newspaper with a general circulation in
31 the area in which the school district is located. The notice shall
32 describe the property to be sold and designate the place where and the
33 day and hour when a hearing will be held. The board shall hold a
34 public hearing upon the proposal to dispose of the school district
35 property at the place and the day and hour fixed in the notice and
36 admit evidence offered for and against the propriety and advisability
37 of the proposed sale.

1 (~~(3)~~) (4) The board of directors of any school district desiring
2 to sell surplus real property shall publish a notice in a newspaper of
3 general circulation in the school district. School districts shall not
4 sell the property for at least forty-five days following the
5 publication of the newspaper notice.

6 (~~(4)~~) (5) Private schools shall have the same rights as any other
7 person or entity to submit bids for the purchase of surplus real
8 property and to have such bids considered along with all other bids.

9 (~~(5)~~) (6) Any sale of school district real property authorized
10 pursuant to this section shall be preceded by a market value appraisal
11 by a professionally designated real estate appraiser as defined in RCW
12 74.46.020 or a general real estate appraiser certified under chapter
13 18.140 RCW selected by the board of directors and no sale shall take
14 place if the sale price would be less than ninety percent of the
15 appraisal made by the real estate appraiser: PROVIDED, That if the
16 property has been on the market for one year or more the property may
17 be reappraised and sold for not less than seventy-five percent of the
18 reappraised value with the unanimous consent of the board.

19 (~~(6)~~) (7) If in the judgment of the board of directors of any
20 district the sale of real property of the district not needed for
21 school purposes would be facilitated and greater value realized through
22 use of the services of licensed real estate brokers, a contract for
23 such services may be negotiated and concluded: PROVIDED, That the use
24 of a licensed real estate broker will not eliminate the obligation of
25 the board of directors to provide the notice described in this section:
26 PROVIDED FURTHER, That the fee or commissions charged for any broker
27 services shall not exceed seven percent of the resulting sale value for
28 a single parcel: PROVIDED FURTHER, That any professionally designated
29 real estate appraiser as defined in RCW 74.46.020 or a general real
30 estate appraiser certified under chapter 18.140 RCW selected by the
31 board to appraise the market value of a parcel of property to be sold
32 may not be a party to any contract with the school district to sell
33 such parcel of property for a period of three years after the
34 appraisal.

35 (~~(7)~~) (8) If in the judgment of the board of directors of any
36 district the sale of real property of the district not needed for
37 school purposes would be facilitated and greater value realized through

1 sale on contract terms, a real estate sales contract may be executed
2 between the district and buyer.

3 NEW SECTION. **Sec. 17.** If any part of this act is found to be in
4 conflict with federal requirements that are a prescribed condition to
5 the allocation of federal funds to the state, the conflicting part of
6 this act is inoperative solely to the extent of the conflict and with
7 respect to the agencies directly affected, and this finding does not
8 affect the operation of the remainder of this act in its application to
9 the agencies concerned. Rules adopted under this act must meet federal
10 requirements that are a necessary condition to the receipt of federal
11 funds by the state.

12 NEW SECTION. **Sec. 18.** RCW 43.63A.510 is recodified as a new
13 section in chapter 43.31 RCW.

14 NEW SECTION. **Sec. 19.** The code reviser shall alphabetize the
15 definitions in RCW 43.63A.510(2) (as recodified by this act).

16 NEW SECTION. **Sec. 20.** If specific funding for the purposes of
17 this act, referencing this act by bill or chapter number, is not
18 provided by June 30, 2008, in the omnibus appropriations act, this act
19 is null and void.

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