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HOUSE BILL 2896

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State of Washington

66th Legislature

2020 Regular Session

By Representatives Ryu, Santos, and Morgan

Read first time 01/29/20. Referred to Committee on Housing,  
Community Development & Veterans.

1 AN ACT Relating to the use of surplus property for public  
2 benefit; and amending RCW 43.63A.510 and 39.33.015.

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

4 **Sec. 1.** RCW 43.63A.510 and 2018 c 217 s 1 are each amended to  
5 read as follows:

6 (1) The department must work with the designated agencies to  
7 identify, catalog, and recommend best use of under-utilized, state-  
8 owned land and property suitable for the development of affordable  
9 housing for very low-income, low-income or moderate-income  
10 households. The designated agencies must provide an inventory of real  
11 property that is owned or administered by each agency and is vacant  
12 or available for lease or sale. The department must work with the  
13 designated agencies to include in the inventories a consolidated list  
14 of any property transactions executed by the agencies under the  
15 authority of RCW 39.33.015, including the property appraisal, the  
16 terms and conditions of sale, lease, or transfer, the value of the  
17 public benefit, and the impact of transaction to the agency. The  
18 inventories with revisions must be provided to the department by  
19 (~~November 1st~~) April 1, 2021, and then by April 1st of each year.

20 (2) The department must combine the inventories received pursuant  
21 to subsection (1) of this section with the inventory received

1 pursuant to RCW 47.12.064 and consolidate inventories into two  
2 groups: Properties suitable for consideration in affordable housing  
3 development; and properties not suitable for consideration in  
4 affordable housing development. In making this determination, the  
5 department must use industry accepted standards such as: Location,  
6 approximate lot size, current land use designation, ~~((and))~~ current  
7 zoning classification of the property, and other appropriate  
8 criteria. The department shall provide a recommendation, based on  
9 this grouping, to the office of financial management and appropriate  
10 policy and fiscal committees of the legislature by December 1st of  
11 each year.

12 (3) Upon written request, the department shall provide a copy of  
13 the inventory of state-owned and publicly owned lands and buildings  
14 to parties interested in developing the sites for affordable housing.

15 (4) The department shall annually publish the inventory of state-  
16 owned and publicly owned lands and buildings on its web site. Upon  
17 written request, the department shall provide notice of publication  
18 of the inventory to parties interested in developing the sites for  
19 affordable housing.

20 (5) As used in this section:

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

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

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

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

1 (e) "Affordable housing development" means state-owned real  
2 property appropriate for sale, transfer, or lease to an affordable  
3 housing developer capable of:

4 (i) Receiving the property within one hundred eighty days; and

5 (ii) Creating affordable housing units for occupancy within  
6 thirty-six months from the time of transfer.

7 (f) "Designated agencies" means the Washington state patrol, the  
8 state parks and recreation commission, and the departments of natural  
9 resources, social and health services, corrections, and enterprise  
10 services.

11 **Sec. 2.** RCW 39.33.015 and 2018 c 217 s 3 are each amended to  
12 read as follows:

13 (1) Any state agency, municipality, or political subdivision,  
14 with authority to dispose of surplus public property, may transfer,  
15 lease, or (~~other disposal~~) otherwise dispose of such property for a  
16 public benefit purpose, consistent with and subject to this section.  
17 Any such transfer, lease, or other disposal may be made to a public,  
18 private, or nongovernmental body on any mutually agreeable terms and  
19 conditions, including a no cost transfer, subject to and consistent  
20 with this section. Consideration (~~must~~) may include appraisal  
21 costs, debt service, all closing costs, and any other liabilities to  
22 the agency, municipality, or political subdivision. However, the  
23 property may not be so transferred, leased, or disposed of if such  
24 transfer, lease, or disposal would violate any bond covenant or  
25 encumber or impair any contract.

26 (2) A deed, lease, or other instrument transferring or conveying  
27 property pursuant to subsection (1) of this section must include:

28 (a) A covenant or other requirement that the property shall be  
29 used for the designated public benefit purpose for a minimum period  
30 of time as determined by the entity transferring or conveying the  
31 property; and

32 (b) Remedies that apply if the recipient of the property fails to  
33 use it for the designated public purpose or ceases to use it for such  
34 purpose for the required minimum period of time.

35 (3) To implement the authority granted by this section, the  
36 governing body or legislative authority of a municipality or  
37 political subdivision must enact rules to regulate the disposition of  
38 property for public benefit purposes. Any transfer, lease, or other  
39 disposition of property authorized under this section must be

1 consistent with existing locally adopted comprehensive plans as  
2 described in RCW 36.70A.070.

3 (4) This section is deemed to provide a discretionary alternative  
4 method for the doing of the things authorized herein, and shall not  
5 be construed as imposing any additional condition upon the exercise  
6 of any other powers vested in any state agency, municipality, or  
7 political subdivision.

8 (5) No transfer, lease, or other disposition of property for  
9 public benefit purposes made pursuant to any other provision of law  
10 prior to June 7, 2018, may be construed to be invalid solely because  
11 the parties thereto did not comply with the procedures of this  
12 section.

13 (6) The transfer at no cost, lease, or other disposal of surplus  
14 real property for public benefit purposes is deemed a lawful purpose  
15 of any state agency, municipality, or political subdivision, for  
16 which accounts are kept on an enterprise fund or equivalent basis,  
17 regardless of the primary purpose or function of such agency.

18 (7) The transfer, lease, or other disposal of surplus municipal  
19 utility property at less than true and full value or at no cost for  
20 public benefit purposes shall be deemed a lawful tax imposed by a  
21 city or town specifically for public benefit as defined in this  
22 section and shall not be subject to the provisions of or limitations  
23 imposed under RCW 35.21.865 and 35.21.870.

24 (8) This section does not apply to the sale or transfer of any  
25 state forestlands, any state lands or property granted to the state  
26 by the federal government for the purposes of common schools or  
27 education, or subject to a legal restriction that would be violated  
28 by compliance with this section.

29 ~~((8))~~ (9) For purposes of this section:

30 (a) "Public benefit" means affordable housing for low-income and  
31 very low-income households as defined in RCW 43.63A.510, and related  
32 facilities or uses that ~~((support))~~: (i) Support the goals of  
33 affordable housing development in providing economic and social  
34 stability for low-income persons; (ii) subsidize or reduce the cost  
35 of affordable housing development; or (iii) are required by local  
36 development regulations; and

37 (b) "Surplus public property" means excess real property that is  
38 not required for the needs of or the discharge of the

1 responsibilities of the state agency, municipality, or political  
2 subdivision.

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