
SUBSTITUTE HOUSE BILL 1908

State of Washington

67th Legislature

2022 Regular Session

By House Housing, Human Services & Veterans (originally sponsored by Representatives Steele, Santos, Eslick, Graham, and Macri)

READ FIRST TIME 02/03/22.

1 AN ACT Relating to surplus public property for affordable
2 housing; and amending RCW 39.33.015.

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

4 **Sec. 1.** RCW 39.33.015 and 2018 c 217 s 3 are each amended to
5 read as follows:

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

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

1 (a) A (~~covenant or other requirement that the property shall be~~
2 ~~used for the designated public benefit purpose~~) legally binding,
3 recorded document in effect that permanently restricts the occupancy
4 of the unit to a qualified moderate-income, low-income, or very low-
5 income household. These documents include, but are not limited to,
6 affordability covenants, deed restrictions, and community land trust
7 leases. Resale restrictions may include, but are not limited to:

8 (i) Continuous ownership of land by a public entity or nonprofit
9 housing provider with a lease allowing ownership of the structure by
10 an income-eligible household; or

11 (ii) A nonpossessory interest or right in real property, such as
12 a deed restriction, restrictive covenant, resale restriction, or
13 other contractual agreement, that ensures affordability; and

14 (b) Remedies that apply if the recipient of the property fails to
15 use it for the designated public purpose or ceases to use it for such
16 purpose.

17 (3) To implement the authority granted by this section, the
18 governing body or legislative authority of a municipality or
19 political subdivision must enact rules to regulate the disposition of
20 property for public benefit purposes. Any transfer, lease, or other
21 disposition of property authorized under this section must be
22 consistent with existing locally adopted comprehensive plans as
23 described in RCW 36.70A.070.

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

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

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

39 (7) This section does not apply to the sale or transfer of any
40 state forestlands, any state lands or property granted to the state

1 by the federal government for the purposes of common schools or
2 education, or subject to a legal restriction that would be violated
3 by compliance with this section.

4 (8) For purposes of this section:

5 (a) "Public benefit" means affordable rental housing and
6 permanently affordable homeownership for moderate-income, low-income,
7 and very low-income households as defined in RCW (~~43.63A.510~~)
8 36.70A.030, and related facilities that support the goals of
9 affordable housing development in providing economic and social
10 stability for low-income persons. Monthly housing costs may not
11 exceed:

12 (i) For rental housing, 30 percent of the household's monthly
13 income for rent and utilities, other than telephone; or

14 (ii) For permanently affordable owner-occupied housing, 38
15 percent of the household's monthly income for mortgage principal,
16 interest, property taxes, homeowner's insurance, homeowner's
17 association fees, and land lease fees, as applicable. In addition,
18 total household debt is no more than 45 percent of the monthly
19 household income; and

20 (b) "Surplus public property" means excess real property that is
21 not required for the needs of or the discharge of the
22 responsibilities of the state agency, municipality, or political
23 subdivision.

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