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HOUSE BILL 1696

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State of Washington

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By Representatives Miller, Anderson, Mitchell, Nelson, Ballard, Leonard, Winsley, Franklin, Ferguson, Cole, Ogden, Wineberry, R. King, Betrozoff, Brekke, Paris, Casada, Bowman and Fraser.

Read first time February 6, 1991. Referred to Committee on Housing.

1 AN ACT Relating to surplus property for affordable housing;  
2 amending RCW 43.63A.510, 36.34.135, 79.01.092, and 47.12.063; adding a  
3 new section to chapter 28A.335 RCW; adding a new section to chapter  
4 35.21 RCW; adding a new section to chapter 36.34 RCW; and creating a  
5 new section.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that the lack of  
8 available land and the rising cost of land are major barriers to the  
9 development of housing that is affordable to persons of low income.

10 The legislature further finds that there are publicly owned lands  
11 and buildings that may be suitable to be marketed, sold, leased, or  
12 exchanged for the development of affordable housing.

13 The legislature further finds that nonprofit organizations can play  
14 an important role in the production and operation of housing affordable  
15 to persons of low income.

1 It is the intent of the legislature to aid in the development of  
2 affordable housing by nonprofit organizations by providing a central  
3 location of inventories of publicly owned lands and buildings that may  
4 be suitable to be marketed, sold, leased, or exchanged for the  
5 development of affordable housing. It is also the intent of the  
6 legislature to consider the return to the state by having the housing  
7 developed by nonprofit organizations when determining fair market value  
8 of publicly owned land and buildings.

9 **Sec. 2.** RCW 43.63A.510 and 1990 c 253 s 6 are each amended to read  
10 as follows:

11 The department shall work with the departments of natural  
12 resources, transportation, and general administration to identify and  
13 catalog under-utilized, state-owned land and property for possible  
14 lease or sale for affordable housing. The department shall provide an  
15 inventory of real property that is owned or administered by each agency  
16 and is available for lease. The inventories shall be provided to the  
17 department by November 1, (~~(1990)~~) 1991, with inventory revisions  
18 provided each November 1 thereafter. The department shall assist local  
19 governments, public housing authorities, public nonprofit  
20 organizations, and private nonprofit organizations in obtaining (~~(long-~~  
21 ~~term leases of)~~) suitable and available sites. The leases or sales  
22 shall be for the purpose of providing sites to be used for affordable  
23 housing for (~~(farmworkers)~~) persons of low income as defined in RCW  
24 35.21.685 or 36.32.415. As used in this section, "affordable housing"  
25 means residential housing where at least fifty-one percent of the  
26 dwelling units are occupied by persons of low income as defined and the  
27 annual rent, including utilities other than the telephone, on the  
28 dwelling units occupied by persons of low income does not exceed

1 fifteen percent of the county median income, adjusted for household  
2 size, for the county where the housing is located.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.335  
4 RCW to read as follows:

5 Every school district shall identify and catalog real property of  
6 the district that is no longer required for school purposes that is  
7 available for possible lease or sale for housing for persons of low  
8 income as defined in RCW 35.21.685 or 36.32.415. The inventory shall  
9 include the location and approximate size of the property. A copy of  
10 the inventory shall be provided to the state department of community  
11 development by November 1, 1991, with inventory revisions provided each  
12 November 1 thereafter.

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 35.21 RCW  
14 to read as follows:

15 Every city and town, including every code city as defined in Title  
16 35A RCW, shall identify and catalog the under-utilized real property  
17 that it owns that is available for possible lease or sale for housing  
18 for persons of low income as defined in RCW 35.21.685. The inventory  
19 shall include the location and approximate size of the property. A  
20 copy of the inventory shall be provided to the state department of  
21 community development by November 1, 1991, with inventory revisions  
22 provided each November 1 thereafter.

23 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.34 RCW  
24 to read as follows:

25 Every county shall identify and catalog the under-utilized real  
26 property that it owns that is available for possible lease or sale for  
27 affordable housing. The inventory shall include location and

1 approximate size of the property. The inventory shall be provided to  
2 the department of community development by November 1, 1991, with  
3 inventory revisions provided each November 1 thereafter.

4 **Sec. 6.** RCW 36.34.135 and 1990 c 253 s 7 are each amended to read  
5 as follows:

6 If a county owns property that is located anywhere within the  
7 county, including within the limits of a city or town, and that is  
8 suitable for (~~seasonal or migrant farmworker~~) affordable housing, the  
9 legislative authority of the county may, by negotiation, lease the  
10 property for (~~seasonal or migrant farmworker~~) affordable housing for  
11 a term not to exceed seventy-five years to any public housing authority  
12 or nonprofit organization that has demonstrated its ability to  
13 construct or operate affordable housing (~~for seasonal or migrant~~  
14 ~~farmworkers~~). Leases for affordable housing (~~for migrant and seasonal~~  
15 ~~farmworkers~~) shall not be subject to any requirement of periodic  
16 rental adjustments, as provided in RCW 36.34.180, but shall provide for  
17 such fixed annual rents as appear reasonable considering the public,  
18 social, and health benefits to be derived by providing an adequate  
19 supply of affordable, safe, and sanitary housing for (~~migrant and~~  
20 ~~seasonal farmworkers~~) persons of low income. As used in this section,  
21 "affordable housing" means residential housing where at least fifty-one  
22 percent of the dwelling units are occupied by persons of low income as  
23 defined in RCW 36.32.415 and the annual rent, including utilities other  
24 than the telephone, on the dwelling units occupied by persons of low  
25 income does not exceed fifteen percent of the county median income,  
26 adjusted for household size, for the county where the housing is  
27 located.

1       **Sec. 7.** RCW 79.01.092 and 1979 ex.s. c 109 s 3 are each amended to  
2 read as follows:

3       When in the judgment of the department of natural resources, there  
4 is sufficient interest for the appraisalment and sale, or the lease, for  
5 any lawful purpose, excepting mining of valuable minerals or coal, or  
6 extraction of petroleum or gas, of state lands, the department shall  
7 cause each tract of land to be inspected as to its topography,  
8 development potential, forestry, agricultural and grazing qualities,  
9 coal, mineral, stone, gravel or other valuable material, the distance  
10 from any city or town, railroad, river, irrigation canal, ditch or  
11 other waterway, and location of utilities. In case of an application  
12 to purchase land granted to the state for educational purposes, the  
13 department shall submit a report to the board of natural resources,  
14 which board shall fix the value per acre of each lot, block,  
15 subdivision or tract proposed to be sold in one parcel, which value  
16 shall be not less than ten dollars per acre. In case of applications  
17 to purchase state lands, other than lands granted to the state for  
18 educational purposes and capitol building lands, the department shall  
19 appraise and fix the value thereof: PROVIDED, That the department when  
20 determining the value shall consider the return to the state of  
21 Washington within five years due to the proposed use of the property  
22 for residential purposes by nonprofit organizations dedicated to  
23 providing housing to persons of low income as defined in RCW 35.21.685  
24 or 36.32.415. In case of interest for the lease of state lands, for  
25 any lawful purposes other than that of mining for valuable minerals or  
26 coal, or extraction of petroleum or gas, the department shall fix the  
27 rental value thereof, and only improvements authorized in writing by  
28 the department of natural resources or consistent with the approved  
29 plan of development shall be placed on state lands under lease and  
30 these improvements shall become the property of the state at the

1 expiration or termination of the lease unless otherwise agreed upon  
2 under the terms of the lease: PROVIDED, That these improvements may be  
3 required by the department of natural resources to be removed at the  
4 end of the lease term by the lessee at his expense. Any improvements  
5 placed upon any state lands without the written authority of the  
6 commissioner of public lands shall become the property of the state and  
7 be considered part of the land.

8 **Sec. 8.** RCW 47.12.063 and 1988 c 135 s 1 are each amended to read  
9 as follows:

10 (1) It is the intent of the legislature to continue the  
11 department's policy giving priority consideration to abutting property  
12 owners in agricultural areas when disposing of property through its  
13 surplus property program under this section. It is also the intent of  
14 the legislature that nonprofit organizations dedicated to providing  
15 housing for persons of low income be given priority when disposing of  
16 property suitable for residential uses through its surplus property  
17 program under this section.

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

25 ((a)) (i) Any other state agency;

26 ((b)) (ii) The city or county in which the property is situated;

27 ((c)) (iii) Any other municipal corporation;

28 ((d)) (iv) The former owner of the property from whom the state  
29 acquired title;

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

11       (~~(g)~~) (vii) To any person through the solicitation of written  
12 bids through public advertising in the manner prescribed by RCW  
13 47.28.050; (~~(e)~~

14 ~~(h)~~) (viii) To any other owner of real property required for  
15 transportation purposes; or

16       (ix) In the case of property suitable for residential use, any  
17 nonprofit organization dedicated to providing housing to persons of low  
18 income as defined in RCW 35.21.685 or 36.32.415.

19       (b) For purposes of this section, fair market value includes the  
20 demonstration of equivalent or greater return to the state of  
21 Washington within five years due to the proposed use of the property  
22 for housing to persons of low income by the nonprofit organization.

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

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

1           (5) All moneys received pursuant to the provisions of this section  
2 less any real estate broker commissions paid pursuant to RCW 47.12.320  
3 shall be deposited in the motor vehicle fund.