
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 ~~((("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

1 Washington, or regional or statewide nonprofit housing assistance
2 organization, each having experience in the development of affordable
3 housing or housing for special needs populations.

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

6 (g) "Public development authority" means a public authority created
7 under RCW 35.21.730.

8 (h) "Community renewal agency" has the same meaning as in RCW
9 35.81.015.

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

12 (j) "Local government" means:

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

15 (ii) A city or town with a population of at least five thousand
16 within a county subject to RCW 36.70A.215 or with a population of at
17 least four hundred thousand; or

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

20 (3)(a) Surplus property for sale by the department, and the
21 departments of natural resources, transportation, social and health
22 services, corrections, and general administration, the state parks and
23 recreation commission, and by local governments, which is suitable for
24 the development of affordable housing or for housing for special needs
25 populations, must be offered, for at least the first one hundred eighty
26 days after its availability for sale, exclusively to eligible
27 organizations, for the purpose of developing affordable housing or
28 housing for special needs populations. Eligible organizations have the
29 right of first opportunity to purchase these surplus properties, under
30 reasonable option and purchase conditions, in return for a commitment
31 to provide affordable housing or housing for special needs populations
32 for at least thirty years. Agencies, commissions, and local
33 governments subject to this section have the sole authority to
34 determine: (i) Whether or not property is surplus; (ii) whether or not
35 the property is suitable for the development of affordable housing for
36 very low-income and low-income households or for housing for special
37 needs populations; and (iii) what constitutes reasonable option and
38 purchase conditions.

1 (b)(i) Any eligible organization interested in purchasing surplus
2 property described in this section must present to the agency,
3 commission, or local government that is selling the property an
4 affordable housing or special needs housing project description,
5 including:

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

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

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

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

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

19 (ii) Individual local governments, state agencies, and commissions
20 may establish additional requirements for purchase offers by eligible
21 organizations.

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

29 (i) Serve the lowest income populations or special needs
30 populations;

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

33 (iii) Preserve the affordability of the affordable housing units or
34 commit to retain the units for special needs populations for the
35 longest periods of time;

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

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

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

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

16 (5) The following property is exempt from this chapter:

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

19 (b) Lands acquired under restrictive conveyances.

20 (6) This section is not intended to limit the powers granted in
21 chapters 35.81, 35.82, and 35.83 RCW, or to prevent a selling entity
22 from using alternative processes for the sale or disposition of surplus
23 land for affordable housing or special needs housing purposes as long
24 as those alternative processes require that surplus land be used for
25 affordable housing or for housing for special needs populations,
26 meeting, at a minimum, the standards required under this section.

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

29 (1) Every city and town with a population of at least fifteen
30 thousand within a county subject to RCW 36.70A.215, including every
31 code city operating under Title 35A RCW, shall identify and catalog
32 real property owned by the city or town that is no longer required for
33 its purposes, is available for lease or sale, and is suitable for the
34 development of affordable housing for very low-income(~~(7)~~) and low-
35 income(~~(7 and moderate income)~~) households or for housing for special
36 needs populations as defined in RCW 43.63A.510 (as recodified by this
37 act). Cities, towns, and code cities have the sole authority to

1 determine: (a) Whether or not property owned by the city, town, or
2 code city is surplus; (b) whether or not the property is suitable for
3 the development of affordable housing for very low-income and low-
4 income households or for housing for special needs populations; and (c)
5 what constitutes reasonable option and purchase conditions. The
6 inventory (~~shall include the location, approximate size, and current~~
7 zoning classification of the property. Every city and town shall
8 provide a copy of the inventory to the department of community, trade,
9 and economic development by November 1, 1993, with inventory revisions
10 each November 1 thereafter)) must include information required under
11 RCW 43.63A.510(1) (as recodified by this act).

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

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

25 (4) Records of all sales of properties included in the inventory
26 must be maintained as required in RCW 43.63A.510(4).

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

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

31 (1) Every county subject to RCW 36.70A.215 or with a population of
32 at least four hundred thousand shall identify and catalog real property
33 owned by the county that is no longer required for its purposes and is
34 suitable for the development of affordable housing for very low-
35 income(~~(7)~~) and low-income(~~(7, and moderate income)~~) households or for
36 housing for special needs populations as defined in RCW 43.63A.510 (as
37 recodified by this act). Counties have the sole authority to

1 determine: (a) Whether or not property owned by the county is surplus;
2 (b) whether or not the property is suitable for the development of
3 affordable housing for very low-income and low-income households or for
4 housing for special needs populations; and (c) what constitutes
5 reasonable option and purchase conditions. The inventory ((shall
6 include the location, approximate size, and current zoning
7 classification of the property. Every county shall provide a copy of
8 the inventory to the department of community development by November 1,
9 1993, with inventory revisions each November 1 thereafter)) must
10 include information required under RCW 43.63A.510(1) (as recodified by
11 this act).

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

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

24 (4) Records of all sales of properties included in the inventory
25 must be maintained as required in RCW 43.63A.510(4).

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

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

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

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

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

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

21 (1) Except as required in RCW 47.12.064:

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

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

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

36 (ii) Any other state agency;

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

1 ~~((e))~~ (iv) Any other municipal corporation;

2 ~~((d))~~ (v) Regional transit authorities created under chapter
3 81.112 RCW;

4 ~~((e))~~ (vi) The former owner of the property from whom the state
5 acquired title;

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

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

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

18 ~~((i))~~ (x) To any other owner of real property required for
19 transportation purposes;

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

25 ~~((k))~~ (xi) A federally recognized Indian tribe within whose
26 reservation boundary the property is located.

27 ~~((3))~~ (2) Sales to purchasers may at the department's option be
28 for cash, by real estate contract, or exchange of land or improvements.
29 Transactions involving the construction of improvements must be
30 conducted pursuant to chapter 47.28 RCW or Title 39 RCW, as applicable,
31 and must comply with all other applicable laws and rules.

32 ~~((4))~~ (3) Conveyances made pursuant to this section shall be by
33 deed executed by the secretary of transportation and shall be duly
34 acknowledged.

35 ~~((5))~~ (4) Unless otherwise provided, all moneys received pursuant
36 to the provisions of this section less any real estate broker
37 commissions paid pursuant to RCW 47.12.320 shall be deposited in the
38 motor vehicle fund.

1 **Sec. 7.** RCW 47.12.064 and 1995 c 399 s 121 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 copy of the inventory to the department of community,~~
11 ~~trade, and economic development by November 1, 1993, and every November~~
12 ~~1 thereafter)~~) must include information required under RCW
13 43.63A.510(1) (as recodified by this 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 in 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(3) (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. (~~(As used in this section,~~
25 ~~"real property" means buildings, land, or buildings and land.))~~)

26 (4) Records of all sales of properties included in the inventory
27 must be maintained as required in RCW 43.63A.510(4).

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

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

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

1 ~~and current zoning classification of the property. The department~~
2 ~~shall provide a copy of the inventory to the department of community,~~
3 ~~trade, and economic development by November 1, 1993, and every November~~
4 ~~1 thereafter)) must include information required under RCW
5 43.63A.510(1) (as recodified by this act).~~

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

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

17 (4) Records of all sales of properties included in the inventory
18 must be maintained as required in RCW 43.63A.510(4).

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

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

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

35 (2) (~~By November 1 of each year, beginning in 1994,~~) Property for
36 sale, which is suitable for affordable housing or for housing for
37 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).

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

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

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

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

34 (a) Offer any surplus land for sale, which is suitable for
35 affordable housing or for housing for special needs populations and is
36 included in the inventory as required in section 12 of this act, to
37 eligible organizations as defined in RCW 43.63A.510 (as recodified by

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

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

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

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

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

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

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

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

32 (2) Property for sale, which is suitable for affordable housing or
33 for housing for special needs populations and is included in the
34 inventory as required in subsection (1) of this section, must be
35 offered to eligible organizations as defined in RCW 43.63A.510 (as
36 recodified by this act), as required in RCW 43.63A.510(3) (as
37 recodified by this act).

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

6 (4) Records of all sales of properties included in the inventory
7 must be maintained as required in RCW 43.63A.510(4).

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

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

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

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

33 (3) The sale of property to the general public may be made after
34 public notice to the highest bidder for such a price as approved by the
35 governor, but not less than the fair market value of the real property,
36 plus the value of improvements thereon. Any instruments necessary to

1 convey title must be executed by the governor in a form approved by the
2 attorney general.

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

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

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

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

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

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

29 ~~((+3+))~~ (4) The proceeds from real property transferred or disposed
30 of under this section shall be deposited into the park land trust
31 revolving fund and be solely used to buy replacement land within the
32 same county as the property transferred or disposed.

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

35 (1) The department of natural resources shall identify and catalog
36 real property that is no longer required for department purposes and is

1 suitable for the development of affordable housing for very low-income
2 and low-income households or for housing for special needs populations
3 as defined in RCW 43.63A.510 (as recodified by this act). The
4 inventory must include the information required under RCW 43.63A.510(1)
5 (as recodified by this act).

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

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

17 (4) Records of all sales of properties included in the inventory
18 must be maintained as required in RCW 43.63A.510(4).

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

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

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

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

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

34 (2) When the board of directors of any school district with an
35 enrollment of at least five thousand students proposes a sale of school
36 district real property pursuant to this section and the property for
37 sale is suitable for the development of affordable housing or for

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

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

33 ((+3+)) (4) The board of directors of any school district desiring
34 to sell surplus real property shall publish a notice in a newspaper of
35 general circulation in the school district. School districts shall not
36 sell the property for at least forty-five days following the
37 publication of the newspaper notice.

1 (~~(4)~~) (5) Private schools shall have the same rights as any other
2 person or entity to submit bids for the purchase of surplus real
3 property and to have such bids considered along with all other bids.

4 (~~(5)~~) (6) Any sale of school district real property authorized
5 pursuant to this section shall be preceded by a market value appraisal
6 by a professionally designated real estate appraiser as defined in RCW
7 74.46.020 or a general real estate appraiser certified under chapter
8 18.140 RCW selected by the board of directors and no sale shall take
9 place if the sale price would be less than ninety percent of the
10 appraisal made by the real estate appraiser: PROVIDED, That if the
11 property has been on the market for one year or more the property may
12 be reappraised and sold for not less than seventy-five percent of the
13 reappraised value with the unanimous consent of the board.

14 (~~(6)~~) (7) If in the judgment of the board of directors of any
15 district the sale of real property of the district not needed for
16 school purposes would be facilitated and greater value realized through
17 use of the services of licensed real estate brokers, a contract for
18 such services may be negotiated and concluded: PROVIDED, That the use
19 of a licensed real estate broker will not eliminate the obligation of
20 the board of directors to provide the notice described in this section:
21 PROVIDED FURTHER, That the fee or commissions charged for any broker
22 services shall not exceed seven percent of the resulting sale value for
23 a single parcel: PROVIDED FURTHER, That any professionally designated
24 real estate appraiser as defined in RCW 74.46.020 or a general real
25 estate appraiser certified under chapter 18.140 RCW selected by the
26 board to appraise the market value of a parcel of property to be sold
27 may not be a party to any contract with the school district to sell
28 such parcel of property for a period of three years after the
29 appraisal.

30 (~~(7)~~) (8) If in the judgment of the board of directors of any
31 district the sale of real property of the district not needed for
32 school purposes would be facilitated and greater value realized through
33 sale on contract terms, a real estate sales contract may be executed
34 between the district and buyer.

35 NEW SECTION. **Sec. 17.** If any part of this act is found to be in
36 conflict with federal requirements that are a prescribed condition to
37 the allocation of federal funds to the state, the conflicting part of

1 this act is inoperative solely to the extent of the conflict and with
2 respect to the agencies directly affected, and this finding does not
3 affect the operation of the remainder of this act in its application to
4 the agencies concerned. Rules adopted under this act must meet federal
5 requirements that are a necessary condition to the receipt of federal
6 funds by the state.

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

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

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

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