

SENATE BILL REPORT

HB 1695

As Reported by Senate Committee On:
Housing, March 22, 2023

Title: An act relating to defining affordable housing for purposes of using surplus public property for public benefit.

Brief Description: Defining affordable housing for purposes of using surplus public property for public benefit.

Sponsors: Representatives Alvarado, Lekanoff, Reed, Santos, Senn, Ramel, Pollet, Macri and Simmons.

Brief History: Passed House: 2/28/23, 97-0.

Committee Activity: Housing: 3/10/23, 3/22/23 [DP].

Brief Summary of Bill

- Defines affordable housing and updates the definition of public benefit for the transfer, lease, or disposal of surplus public property.

SENATE COMMITTEE ON HOUSING

Majority Report: Do pass.

Signed by Senators Kuderer, Chair; Frame, Vice Chair; Fortunato, Ranking Member; Braun, Cleveland, Gildon, Rivers, Saldaña, Shewmake, Trudeau and Wilson, J..

Staff: Melissa Van Gorkom (786-7491)

Background: Any state or local agency with authority to dispose of surplus property may transfer property to any public, private, or nongovernmental body on any terms agreeable to the parties, including a no-cost transfer, if the property is used for a public benefit and the governing body or legislative authority has enacted rules to regulate the disposition of property for public benefit purposes. A deed, lease, or other instrument transferring or

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conveying property must include a requirement that the property will be used for a designated public benefit, as well as remedies if the property is not used for the designated purpose. The authority to dispose of surplus property for public benefit does not apply to state forest lands, common school lands, or other lands subject to legal restrictions.

Before any state agency, except the Department of Transportation, may dispose of surplus state-owned real property to a private or any nongovernmental party, the agency must provide written notice to all other state agencies, each federal agency operating within the state, and the governing authority of each county, city, town, special purpose district and federally recognized Indian tribe in which the land is located. Notice must be provided at least 60 days before entering into any agreement. The state agency providing notice must dispose of the property for continued public benefit to any governmental entity responding to the notice—with state agencies receiving priority—on any terms agreeable to the parties, except where the law requires the sale for fair market value.

Public benefit means affordable housing for households at or below 80 percent of the median income where the affordable housing is located, and related facilities that support the goals of affordable housing development in providing economic and social stability for low-income persons.

Summary of Bill: The definitions for transfer, lease, or disposal of public property for a public benefit purpose are updated.

Public benefit means affordable housing, which can be rental housing or permanently affordable homeownership for households at or below 80 percent of the local adjusted median income, and related facilities that support the goals of affordable housing development in providing economic and social stability for low-income persons.

Affordable housing means:

- for rental housing—30 percent of the household's monthly income for rent and utilities, other than telephone; or
- for permanently affordable homeownership—38 percent of the household's monthly income for mortgage principal, interest, property taxes, homeowner's insurance, homeowner's association fees, and land lease fees, as applicable, and in addition, total household debt is no more than 45 percent of the monthly household income.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Washington working families are finding it increasingly difficult to buy their first home. This bill will be a small technical fix to explicitly authorize that surplus public property can be used at no cost for permanently affordable homeownership building off existing law that already allows for those transfers for rental housing. Using public land for affordable housing can be transformational to communities. Nonprofit developers build these homes that are priced for those who are shut out of the for profit market but need resources to make that happen and this will give towns and communities another tool to achieve their housing objectives.

Persons Testifying: PRO: Representative Emily Alvarado, Prime Sponsor; Kathleen Hosfeld, Homestead Community Land Trust; Nick Federici, Northwest Community Land Trust Coalition.

Persons Signed In To Testify But Not Testifying: No one.