

SUBSTITUTE HOUSE BILL 2138

State of Washington 61st Legislature 2010 Regular Session

By House Local Government & Housing (originally sponsored by Representatives Simpson and Chase)

READ FIRST TIME 02/02/10.

1 AN ACT Relating to the use of surplus property for the development
2 of affordable housing; and amending RCW 43.63A.510, 47.12.063,
3 47.12.064, 43.20A.037, 72.09.055, 43.19.19201, 79A.05.170, 79A.05.175,
4 36.34.137, 35.21.687, 79.11.005, and 79.22.060.

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

6 **Sec. 1.** RCW 43.63A.510 and 1993 c 461 s 2 are each amended to read
7 as follows:

8 (1) The department shall work with (~~the departments of natural~~
9 ~~resources, transportation, social and health services, corrections, and~~
10 ~~general administration~~) state and local governmental entities to
11 identify and catalog surplus or underutilized(~~(, state-owned land and~~
12 ~~property)~~) real property owned by these governmental entities suitable
13 for the development of affordable housing for extremely low-income,
14 very low-income, low-income, or moderate-income households. The state
15 and local governmental entities subject to the requirements of this
16 section are the departments of natural resources, transportation,
17 social and health services, corrections, (~~and~~) general administration
18 (~~shall~~), and public lands, and the state parks and recreation
19 commission, counties, cities, and towns. These governmental entities

1 must provide an inventory of surplus or underutilized real property
2 that is owned or administered by each (~~agency~~) governmental entity
3 and is available for lease or sale. Each inventory must contain
4 descriptive information about each property that includes, if known,
5 the contact information for the property and the location, approximate
6 size, sale or lease price and terms, and current zoning classification
7 of the property. Each inventory must be updated at least once a year,
8 and printed and electronic copies of each inventory must be provided
9 upon request. The inventories (~~shall~~) must be provided to the
10 department by November 1, (~~1993~~) 2010, with inventory revisions
11 provided each November 1st thereafter.

12 (2) Surplus property for sale by the governmental entities subject
13 to the requirements of this section, and which is suitable for the
14 development of affordable housing, must be offered for at least the
15 first one hundred eighty days after its availability for sale,
16 exclusively to eligible organizations, for the purpose of developing
17 affordable housing. Eligible organizations have the right of first
18 opportunity to obtain these surplus properties by purchase, lease,
19 exchange, or donation, under reasonable option and conveyance
20 conditions, in return for a commitment to provide affordable housing
21 for at least thirty years. Governmental entities subject to this
22 section have the sole authority to determine: (a) Whether or not
23 property is surplus; (b) whether or not the property is suitable for
24 the development of affordable housing for extremely low-income, very
25 low-income, and low-income persons or families; and (c) what
26 constitutes reasonable option and conveyance conditions for the
27 purchase, lease, exchange, or donation of the property.

28 (3) A governmental entity that sells real property to an eligible
29 entity under this section may do so at a price that is less than fair
30 market value, provided that the affordable housing developed on the
31 property is occupied solely by individuals or families who are
32 extremely low, very low, or low income.

33 (4) Each governmental entity subject to the requirements of this
34 section must develop the criteria and procedures necessary for
35 inventorying surplus property and offering it for sale, lease,
36 exchange, or donation to eligible organizations.

37 (5) The department must present a written report to the appropriate
38 committees of the legislature by December 1st of each year regarding

1 the status of the surplus or underutilized real property inventory as
2 required under this section, and which must include a comprehensive
3 listing of all real property subject to the inventory during the
4 preceding year.

5 (6) Upon written request, the department shall provide a copy of
6 the inventory of state-owned and publicly owned lands and buildings to
7 parties interested in developing (~~(the sites)~~) property for affordable
8 housing.

9 (~~(+3)~~) (7) As used in this section:

10 (a) "Affordable housing" means residential housing that is rented
11 or owned by a person who qualifies as (~~(a)~~) an extremely low-income,
12 very low-income, low-income, or moderate-income household or who is
13 from a special needs population, and whose monthly housing costs,
14 including utilities other than telephone, do not exceed thirty percent
15 of the household's monthly income.

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

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

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

28 (e) "Eligible organization" means any city, town, or county
29 government, local housing authority, public development authority,
30 community renewal agency, regional support network established under
31 chapter 71.24 RCW, nonprofit community or neighborhood-based
32 organization, federally recognized Indian tribe in the state of
33 Washington, or regional or statewide nonprofit housing assistance
34 organization, each having experience in the development of affordable
35 housing.

36 (f) "Real property" means land, buildings, or buildings and land.

37 (g) "Extremely low-income household" means a single person, family,

1 or unrelated persons living together whose income is at or below thirty
2 percent of the median income, adjusted for household size, for the
3 county where the affordable housing is located.

4 **Sec. 2.** RCW 47.12.063 and 2006 c 17 s 2 are each amended to read
5 as follows:

6 (1) It is the intent of the legislature to continue the
7 department's policy giving priority consideration to abutting property
8 owners in agricultural areas when disposing of property through its
9 surplus property program under this section. With respect to surplus
10 property in nonagricultural areas that is suitable for residential use,
11 the department shall give priority to selling, leasing, exchanging, or
12 donating the property to a public entity or private nonprofit entity
13 dedicated to the development of affordable housing for extremely low-
14 income, very low-income, low-income, or moderate-income households,
15 consistent with the requirements of this section and RCW 43.63A.510.

16 (2) Whenever the department determines that any real property owned
17 by the state of Washington and under the jurisdiction of the department
18 is no longer required for transportation purposes and that it is in the
19 public interest to do so, the department may sell, lease, or exchange
20 the property or exchange it in full or part consideration for land or
21 improvements or for construction of improvements ((at fair market value
22 to)). Except as authorized in (j) of this subsection, the department
23 must receive fair market value for any such sale, lease, or exchange.
24 The department may engage in the sale, lease, or exchange of its
25 surplus property with any of the following governmental entities or
26 persons:

- 27 (a) Any other state agency;
28 (b) The city or county in which the property is situated;
29 (c) Any other municipal corporation;
30 (d) Regional transit authorities created under chapter 81.112 RCW;
31 (e) The former owner of the property from whom the state acquired
32 title;

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

36 (g) Any abutting private owner but only after each other abutting
37 private owner (if any), as shown in the records of the county assessor,

1 is notified in writing of the proposed sale. If more than one abutting
2 private owner requests in writing the right to purchase the property
3 within fifteen days after receiving notice of the proposed sale, the
4 property shall be sold at public auction in the manner provided in RCW
5 47.12.283;

6 (h) To any person through the solicitation of written bids through
7 public advertising in the manner prescribed by RCW 47.28.050;

8 (i) To any other owner of real property required for transportation
9 purposes;

10 (j) In the case of property suitable for residential use, any
11 nonprofit organization dedicated to providing affordable housing to
12 extremely low-income, very low-income, low-income, and moderate-income
13 households as defined in RCW 43.63A.510 and is eligible to receive
14 assistance through the Washington housing trust fund created in chapter
15 43.185 RCW. The department may sell, lease, exchange, or donate the
16 property for less than fair market value under this subsection (2)(j)
17 if the affordable housing to be developed on the property is to be
18 occupied exclusively by extremely low-income, very low-income, or low-
19 income households as provided in RCW 43.63A.510; or

20 (k) A federally recognized Indian tribe within whose reservation
21 boundary the property is located.

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

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

30 (5) Unless otherwise provided, all moneys received pursuant to the
31 provisions of this section less any real estate broker commissions paid
32 pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.

33 **Sec. 3.** RCW 47.12.064 and 1995 c 399 s 121 are each amended to
34 read as follows:

35 (1) In accordance with RCW 43.63A.510, the department shall
36 identify and catalog real property that is no longer required for
37 department purposes and is suitable for the development of affordable

1 housing for extremely low-income, very low-income, low-income, and
2 moderate-income households as defined in RCW 43.63A.510. The inventory
3 shall include the location, approximate size, and current zoning
4 classification of the property. The department shall provide a copy of
5 the inventory to the department of (~~community, trade, and economic~~
6 ~~development~~) commerce by November 1, (~~(1993))~~ 2010, and every November
7 1st thereafter.

8 (2) By November 1st of each year, beginning in (~~(1994))~~ 2011, the
9 department shall purge the inventory of real property of sites that are
10 no longer available for the development of affordable housing. The
11 department shall include an updated listing of real property that has
12 become available since the last update. As used in this section, "real
13 property" means buildings, land, or buildings and land.

14 **Sec. 4.** RCW 43.20A.037 and 1995 c 399 s 65 are each amended to
15 read as follows:

16 (1) In accordance with RCW 43.63A.510, the department shall
17 identify and catalog real property that is no longer required for
18 department purposes and is suitable for the development of affordable
19 housing for extremely low-income, very low-income, and moderate-income
20 households as defined in RCW 43.63A.510. The inventory shall include
21 the location, approximate size, and current zoning classification of
22 the property. The department shall provide a copy of the inventory to
23 the department of (~~community, trade, and economic development~~)
24 commerce by November 1, (~~(1993))~~ 2010, and every November 1st
25 thereafter.

26 (2) By November 1st of each year, beginning in (~~(1994))~~ 2011, the
27 department shall purge the inventory of real property of sites that are
28 no longer available for the development of affordable housing. The
29 department shall include an updated listing of real property that has
30 become available since the last update. As used in this section, "real
31 property" means buildings, land, or buildings and land.

32 (3) In selling, transferring, or otherwise disposing of surplus or
33 under utilized property, the department shall give priority to selling,
34 leasing, exchanging, or donating the property to a public or private
35 entity dedicated to the development of affordable housing for extremely
36 low-income, very low-income, low-income, or moderate-income households,
37 consistent with RCW 43.63A.510. The department may sell, lease,

1 exchange, or donate the property for less than fair market value if the
2 affordable housing to be developed on the property is to be occupied
3 exclusively by extremely low-income, very low-income, or low-income
4 households as provided in RCW 43.63A.510.

5 **Sec. 5.** RCW 72.09.055 and 1995 c 399 s 202 are each amended to
6 read as follows:

7 (1) In accordance with RCW 43.63A.510, the department shall
8 identify and catalog real property that is no longer required for
9 department purposes and is suitable for the development of affordable
10 housing for extremely low-income, very low-income, low-income, and
11 moderate-income households as defined in RCW 43.63A.510. The inventory
12 shall include the location, approximate size, and current zoning
13 classification of the property. The department shall provide a copy of
14 the inventory to the department of ((community, trade, and economic
15 development)) commerce by November 1, ((1993)) 2010, and every November
16 1st thereafter.

17 (2) By November 1st of each year, beginning in ((1994)) 2011, the
18 department shall purge the inventory of real property of sites that are
19 no longer available for the development of affordable housing. The
20 department shall include an updated listing of real property that has
21 become available since the last update. As used in this section, "real
22 property" means buildings, land, or buildings and land.

23 (3) In selling, transferring, or otherwise disposing of surplus or
24 under utilized property, the department shall give priority to selling,
25 leasing, exchanging, or donating the property to a public or private
26 entity dedicated to the development of affordable housing for very low-
27 income, low-income, or moderate-income households, consistent with RCW
28 43.63A.510. The department may sell, lease, exchange, or donate the
29 property for less than fair market value if the affordable housing to
30 be developed on the property is to be occupied exclusively by extremely
31 low-income, very low-income, or low-income households as provided in
32 RCW 43.63A.510.

33 **Sec. 6.** RCW 43.19.19201 and 1995 c 399 s 64 are each amended to
34 read as follows:

35 (1) In accordance with RCW 43.63A.510, the department of general
36 administration shall identify and catalog real property that is no

1 longer required for department purposes and is suitable for the
2 development of affordable housing for extremely low-income, very low-
3 income, low-income, and moderate-income households as defined in RCW
4 43.63A.510. The inventory shall include the location, approximate
5 size, and current zoning classification of the property. The
6 department of general administration shall provide a copy of the
7 inventory to the department of (~~community, trade, and economic~~
8 ~~development~~) commerce by November 1, (~~(1993))~~ 2010, and every November
9 1st thereafter.

10 (2) By November 1st of each year, beginning in (~~(1994))~~ 2011, the
11 department of general administration shall purge the inventory of real
12 property of sites that are no longer available for the development of
13 affordable housing. The department shall include an updated listing of
14 real property that has become available since the last update. As used
15 in this section, "real property" means buildings, land, or buildings
16 and land.

17 (3) In selling, transferring, or otherwise disposing of surplus or
18 under utilized property, the department shall give priority to selling,
19 leasing, exchanging, or donating the property to a public or private
20 entity dedicated to the development of affordable housing for extremely
21 low-income, very low-income, low-income, or moderate-income households,
22 consistent with RCW 43.63A.510. The department may sell, lease,
23 exchange, or donate the property for less than fair market value if the
24 affordable housing to be developed on the property is to be occupied
25 exclusively by extremely low-income, very low-income, or low-income
26 households as provided in RCW 43.63A.510.

27 **Sec. 7.** RCW 79A.05.170 and 1991 sp.s. c 13 s 23 are each amended
28 to read as follows:

29 (1) In selling, transferring, or otherwise disposing of surplus or
30 underutilized real property, the commission shall give priority to
31 selling, leasing, exchanging, or donating the property to a public or
32 private entity dedicated to the development of affordable housing for
33 extremely low-income, very low-income, low-income, or moderate-income
34 households, consistent with RCW 43.63A.510. The commission may sell,
35 lease, exchange, or donate the property for less than fair market value
36 if the affordable housing to be developed on the property is to be

1 occupied exclusively by extremely low-income, very low-income, or low-
2 income households as provided in RCW 43.63A.510.

3 (2) Except for those lands subject to RCW 43.63A.510, any lands
4 owned by the ((state parks and recreation)) commission, which are
5 determined to be surplus to the needs of the state for development for
6 state park purposes and which the commission proposes to deed to a
7 local government or other entity, shall be accompanied by a clause
8 requiring that if the land is not used for outdoor recreation purposes,
9 ownership of the land shall revert to the ((state parks and
10 recreation)) commission.

11 ((+2) The state parks and recreation commission,)) (a) In cases
12 where land subject to such a reversionary clause is proposed for use or
13 disposal for purposes other than recreation, the commission shall
14 require that, if the land is surplus to the needs of the commission for
15 park purposes at the time the commission becomes aware of its proposed
16 use for nonrecreation purposes, the holder of the land or property
17 shall reimburse the commission for the release of the reversionary
18 interest in the land. The reimbursement shall be in the amount of the
19 fair market value of the reversionary interest as determined by a
20 qualified appraiser agreeable to the commission. Appraisal costs shall
21 be borne by the local entity which holds title to the land.

22 ((+3)) (b) Any funds generated under a reimbursement under this
23 section shall be deposited in the parkland acquisition account which is
24 hereby created in the state treasury. Moneys in this account are to be
25 used solely for the purchase or acquisition of property for use as
26 state park property by the commission, as directed by the legislature;
27 all such funds shall be subject to legislative appropriation.

28 (3) In accordance with RCW 43.63A.510, the commission shall
29 identify and catalog real property that is no longer required for
30 commission purposes and is suitable for the development of affordable
31 housing for extremely low-income, very low-income, low-income, and
32 moderate-income households as defined in RCW 43.63A.510. The inventory
33 must include the location, approximate size, and current zoning
34 classification of the property. The commission shall provide a copy of
35 the inventory to the department of commerce by November 1, 2010, and
36 every November 1st thereafter. By November 1st of each year, beginning
37 in 2011, the commission shall purge the inventory of real property of
38 sites that are no longer available for the development of affordable

1 housing. The commission shall include an updated listing of real
2 property that has become available since the last update. As used in
3 this section, "real property" means buildings, land, or buildings and
4 land.

5 **Sec. 8.** RCW 79A.05.175 and 2007 c 145 s 1 are each amended to read
6 as follows:

7 Except for those lands subject to RCW 43.63A.510 and 79A.05.170(1),
8 whenever the commission finds that any land under its control cannot
9 advantageously be used for park purposes, it is authorized to dispose
10 of such land by the method provided in this section or by the method
11 provided in RCW 79A.05.170. If such lands are school or other grant
12 lands, control thereof shall be relinquished by resolution of the
13 commission to the proper state officials. If such lands were acquired
14 under restrictive conveyances by which the state may hold them only so
15 long as they are used for park purposes, they may be returned to the
16 donor or grantors by the commission. All other such lands may be
17 either sold by the commission to the highest bidder or exchanged for
18 other lands of equal value by the commission, and all conveyance
19 documents shall be executed by the governor. All such exchanges shall
20 be accompanied by a transfer fee, to be set by the commission and paid
21 by the other party to the transfer; such fee shall be paid into the
22 parkland acquisition account established under RCW 79A.05.170. The
23 commission may accept sealed bids, electronic bids, or oral bids at
24 auction. Bids on all sales shall be solicited at least twenty days in
25 advance of the sale date by an advertisement appearing at least once a
26 week for two consecutive weeks in a newspaper of general circulation in
27 the county in which the land to be sold is located. If the commission
28 feels that no bid received adequately reflects the fair value of the
29 land to be sold, it may reject all bids, and may call for new bids.
30 All proceeds derived from the sale of such park property shall be paid
31 into the park land acquisition account. All land considered for
32 exchange shall be evaluated by the commission to determine its
33 adaptability to park usage. The equal value of all lands exchanged
34 shall first be determined by the appraisals to the satisfaction of the
35 commission. No sale or exchange of state park lands shall be made
36 without the unanimous consent of the commission.

1 **Sec. 9.** RCW 36.34.137 and 1993 c 461 s 5 are each amended to read
2 as follows:

3 (1) In selling, transferring, or otherwise disposing of surplus or
4 underutilized real property, every county shall give priority to
5 selling, leasing, exchanging, or donating the property to a public or
6 private entity dedicated to the development of affordable housing for
7 extremely low-income, very low-income, low-income, or moderate-income
8 households, consistent with RCW 43.63A.510. A county may sell, lease
9 exchange, or donate the property for less than fair market value if the
10 affordable housing to be developed on the property is to be occupied
11 exclusively by extremely low-income, very low-income, or low-income
12 households as provided in RCW 43.63A.510.

13 (2) In accordance with RCW 43.63A.510, every county shall identify
14 and catalog real property owned by the county that is no longer
15 required for its purposes and is suitable for the development of
16 affordable housing for extremely low-income, very low-income, low-
17 income, and moderate-income households as defined in RCW 43.63A.510.
18 The inventory shall include the location, approximate size, and current
19 zoning classification of the property. Every county shall provide a
20 copy of the inventory to the department of ((community development))
21 commerce by November 1, ((1993)) 2010, with inventory revisions each
22 November 1st thereafter.

23 ((+2)) (3) By November 1st of each year, beginning in ((1994))
24 2011, every county shall purge the inventory of real property of sites
25 that are no longer available for the development of affordable housing.
26 The inventory revision shall include an updated listing of real
27 property that has become available since the last update. As used in
28 this section, "real property" means buildings, land, or buildings and
29 land.

30 **Sec. 10.** RCW 35.21.687 and 1995 c 399 s 37 are each amended to
31 read as follows:

32 (1) In selling, transferring, or otherwise disposing of surplus or
33 underutilized real property, every city and town, including every code
34 city operating under Title 35A RCW, shall give priority to selling,
35 leasing, exchanging, or donating the property to a public or private
36 entity dedicated to the development of affordable housing for extremely
37 low-income, very low-income, low-income, or moderate-income households,

1 consistent with RCW 43.63A.510. A city, town, or code city may sell,
2 lease, exchange, or donate the property for less than fair market value
3 if the affordable housing to be developed on the property is to be
4 occupied exclusively by extremely low-income, very low-income, or low-
5 income households as provided in RCW 43.63A.510.

6 (2) In accordance with RCW 43.63A.510, every city and town,
7 including every code city operating under Title 35A RCW, shall identify
8 and catalog real property owned by the city or town that is no longer
9 required for its purposes and is suitable for the development of
10 affordable housing for extremely low-income, very low-income, low-
11 income, and moderate-income households as defined in RCW 43.63A.510.
12 The inventory shall include the location, approximate size, and current
13 zoning classification of the property. Every city and town shall
14 provide a copy of the inventory to the department of ~~((community,~~
15 ~~trade, and economic development))~~ commerce by November 1, ~~((1993))~~
16 2010, with inventory revisions each November 1st thereafter.

17 ~~((+2))~~ (3) By November 1st of each year, beginning in ((1994))
18 2011, every city and town, including every code city operating under
19 Title 35A RCW, shall purge the inventory of real property of sites that
20 are no longer available for the development of affordable housing. The
21 inventory revision shall also contain a list of real property that has
22 become available since the last update. As used in this section, "real
23 property" means buildings, land, or buildings and land.

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

26 (1) Subject to RCW 43.63A.510, the department is authorized to sell
27 any real property not designated or acquired as state forest lands, but
28 acquired by the state, either in the name of the forest board, the
29 forestry board, or the division of forestry, for administrative sites,
30 lien foreclosures, or other purposes whenever it shall determine that
31 the lands are no longer or not necessary for public use.

32 (2) In selling, transferring, or otherwise disposing of surplus or
33 underutilized real property, the department shall give priority to
34 selling, leasing, exchanging, or donating the property to a public or
35 private entity dedicated to the development of affordable housing for
36 extremely low-income, very low-income, low-income, or moderate-income
37 households, consistent with RCW 43.63A.510. The department may sell,

1 lease, exchange, or donate the property for less than fair market value
2 if the affordable housing to be developed on the property is to be
3 occupied exclusively by extremely low-income, very low-income, or low-
4 income households as provided in RCW 43.63A.510.

5 (3) Except as otherwise provided under RCW 43.63A.510, the sale may
6 be made after public notice to the highest bidder for such a price as
7 approved by the governor, but not less than the fair market value of
8 the real property, plus the value of improvements thereon. Any
9 instruments necessary to convey title must be executed by the governor
10 in a form approved by the attorney general.

11 ~~((3))~~ (4) All amounts received from the sale must be credited to
12 the fund of the department of government that is responsible for the
13 acquisition and maintenance of the property sold.

14 (5) In accordance with RCW 43.63A.510, the department shall
15 identify and catalog real property owned by the county that is no
16 longer required for its purposes and is suitable for the development of
17 affordable housing for extremely low-income, very low-income, low-
18 income, and moderate-income households as defined in RCW 43.63A.510.
19 The inventory must include the location, approximate size, and current
20 zoning classification of the property. The department shall provide a
21 copy of the inventory to the department of commerce by November 1,
22 2010, with inventory revisions each November 1st thereafter.

23 (6) By November 1st of each year, beginning in 2011, the department
24 shall purge the inventory of real property of sites that are no longer
25 available for the development of affordable housing. The inventory
26 revision must include an updated listing of real property that has
27 become available since the last update. As used in this section, "real
28 property" means buildings, land, or buildings and land.

29 **Sec. 12.** RCW 79.22.060 and 2009 c 354 s 7 are each amended to read
30 as follows:

31 (1) With the approval of the board and subject to RCW 43.63A.510,
32 the department may directly transfer or dispose of state forest lands
33 without public auction, if the lands:

- 34 (a) Consist of ten contiguous acres or less;
35 (b) Have a value of twenty-five thousand dollars or less; or
36 (c) Are located in a county with a population of twenty-five

1 thousand or less and are encumbered with timber harvest deferrals,
2 associated with wildlife species listed under the federal endangered
3 species act, greater than thirty years in length.

4 (2) Disposal under this section may only occur in the following
5 circumstances:

6 (a) Transfers in lieu of condemnation;

7 (b) Transfers to resolve trespass and property ownership disputes;

8 or

9 (c) In counties with a population of twenty-five thousand or less,
10 transfers to public agencies.

11 (3) Except as otherwise provided under RCW 43.63A.510 and
12 79.11.005(2), real property to be transferred or disposed of under this
13 section shall be transferred or disposed of only after appraisal and
14 for at least fair market value, and only if the transaction is in the
15 best interest of the state or affected trust. Valuable materials
16 attached to lands transferred to public agencies under subsection
17 (2)(c) of this section must be appraised at the fair market value
18 without consideration of management or regulatory encumbrances
19 associated with wildlife species listed under the federal endangered
20 species act.

21 (4) The proceeds from real property transferred or disposed of
22 under this section shall be deposited into the park land trust
23 revolving fund and be solely used to buy replacement land within the
24 same county as the property transferred or disposed. In counties with
25 a population of twenty-five thousand or less, the portion of the
26 proceeds associated with valuable materials on the transferred land
27 must be distributed as provided in RCW 79.64.110.

28 (5) In selling, transferring, or otherwise disposing of surplus or
29 underutilized property, the department shall give priority to selling,
30 leasing, exchanging, or donating the property to a public or private
31 entity dedicated to the development of affordable housing for extremely
32 low-income, very low-income, low-income, or moderate-income households,
33 consistent with RCW 43.63A.510. The department may sell, lease,
34 exchange, or donate the property for less than fair market value if the
35 affordable housing to be developed on the property is to be occupied
36 exclusively by extremely low-income, very low-income, or low-income
37 households as provided in RCW 43.63A.510.

1 (6) In accordance with RCW 43.63A.510, the department shall
2 identify and catalog real property that is no longer required for
3 department purposes and is suitable for the development of affordable
4 housing for extremely low-income, very low-income, low-income, and
5 moderate-income households as defined in RCW 43.63A.510. The inventory
6 must include the location, approximate size, and current zoning
7 classification of the property. The department shall provide a copy of
8 the inventory to the department of commerce by November 1, 2010, and
9 every November 1st thereafter.

10 (7) By November 1st of each year, beginning in 2011, the department
11 shall purge the inventory of real property of sites that are no longer
12 available for the development of affordable housing. The department
13 shall include an updated listing of real property that has become
14 available since the last update. As used in this section, "real
15 property" means buildings, land, or buildings and land.

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