

SHB 1908 - H AMD 1148

By Representative Peterson

1 Strike everything after the enacting clause and insert the
2 following:

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

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

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

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

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

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

4 (b) Remedies that apply if the recipient of the property fails to
5 use it for the designated public purpose or ceases to use it for such
6 purpose.

7 (3) To implement the authority granted by this section, the
8 governing body or legislative authority of a municipality or
9 political subdivision must enact rules to regulate the disposition of
10 property for public benefit purposes. Any transfer, lease, or other
11 disposition of property authorized under this section must be
12 consistent with existing locally adopted comprehensive plans as
13 described in RCW 36.70A.070.

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

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

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

29 (7) This section does not apply to the sale or transfer of any
30 state forestlands, any state lands or property granted to the state
31 by the federal government for the purposes of common schools or
32 education, or subject to a legal restriction that would be violated
33 by compliance with this section.

34 (8) For purposes of this section:

35 (a) "Public benefit" means (~~affordable~~):

36 (i) Affordable rental housing for low-income and very low-income
37 households as defined in RCW (~~43.63A.510~~) 36.70A.030, and related
38 facilities that support the goals of affordable housing development
39 in providing economic and social stability for low-income persons,
40 for which monthly housing costs may not exceed 30 percent of the

1 household's monthly income for rent and utilities, other than
2 telephone; or

3 (ii) Permanently affordable owner-occupied housing for moderate-
4 income, low-income, and very low-income households as defined in RCW
5 36.70A.030, and related facilities that support the goals of
6 affordable housing development in providing economic and social
7 stability for low-income persons, for which monthly housing costs may
8 not exceed 38 percent of the household's monthly income for mortgage
9 principal, interest, property taxes, homeowner's insurance,
10 homeowner's association fees, and land lease fees, as applicable. In
11 addition, monthly payments toward total household debt are no more
12 than 45 percent of the monthly household income; and

13 (b) "Surplus public property" means excess real property that is
14 not required for the needs of or the discharge of the
15 responsibilities of the state agency, municipality, or political
16 subdivision."

17 Correct the title.

EFFECT: (1) Modifies the types of entities a state or local government may transfer or lease surplus public property to by removing private and nongovernmental bodies, adding nonprofit organizations, and maintaining other public entities.

(2) Allows housing for moderate-income households to be considered a public benefit purpose for surplus property only if used for permanently affordable owner-occupied housing.

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