

# HOUSE BILL REPORT

## HB 1695

---

---

### As Passed Legislature

**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:**

##### **Committee Activity:**

Housing: 2/13/23, 2/14/23 [DP].

##### **Floor Activity:**

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

Passed Senate: 4/12/23, 48-0.

Passed Legislature.

#### **Brief Summary of Bill**

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

---

### HOUSE COMMITTEE ON HOUSING

**Majority Report:** Do pass. Signed by 13 members: Representatives Peterson, Chair; Alvarado, Vice Chair; Leavitt, Vice Chair; Klicker, Ranking Minority Member; Connors, Assistant Ranking Minority Member; Barkis, Bateman, Chopp, Entenman, Hutchins, Low, Reed and Taylor.

**Staff:** Serena Dolly (786-7150).

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**

Any state agency or local government with authority to dispose of surplus public property may transfer, lease, or otherwise dispose of surplus property if the purpose is for a public benefit. Any such transfer, lease, or other disposal may be made to a public, private, or nongovernmental body on any mutually agreeable terms and conditions, including a no-cost transfer.

A deed, lease, or other instrument transferring or conveying surplus property must include a requirement that the property will be used for the designated public benefit purpose and remedies if the property is not used for the designated purpose.

Public benefit means affordable housing for households at or below 80 percent of the county median income and related facilities that support the goals of affordable housing.

**Summary of Bill:**

For a public benefit purpose, the definition of affordable housing is updated to reference rental housing or permanently affordable homeownership. Affordable housing means:

- for rental housing, the cost of rent and utilities, other than telephone, does not exceed 30 percent of the household's monthly income; or
- for permanently affordable homeownership, the cost of mortgage principal, interest, property taxes, homeowner's insurance, homeowner's association fees, and land lease fees, as applicable does not exceed 38 percent of the household's monthly income, and total household debt does not exceed 45 percent of the monthly household income.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Across the state, small parcels of state property are not being used. At the same time, people cannot afford homes. Some jurisdictions believe that it is not clear whether you can use surplus property for affordable homeownership. This bill makes it explicit. The single largest barrier to affordable housing is the shortage of housing. The supply side of housing must be addressed, and this is another tool to increase homeownership.

(Opposed) None.

**Persons Testifying:** Representative Emily Alvarado, prime sponsor; Kathleen Hosfeld, Homestead Community Land Trust; and Nick Federici, Washington Low Income Housing Alliance and Northwest Community Land Trust Coalition.

**Persons Signed In To Testify But Not Testifying:** None.