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**SENATE BILL 5674**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senators Frame and Gildon

1 AN ACT Relating to defining affordable housing for purposes of  
2 using surplus public property for public benefit; and amending RCW  
3 39.33.015.

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

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

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

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

1 (a) A covenant or other requirement that the property shall be  
2 used for the designated public benefit purpose; and

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

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

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

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

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

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

33 (8) For purposes of this section:

34 (a) "Affordable housing" means:

35 (i) For rental housing, 30 percent of the household's monthly  
36 income for rent and utilities, other than telephone; or

37 (ii) For permanently affordable homeownership, 38 percent of the  
38 household's monthly income for mortgage principal, interest, property  
39 taxes, homeowner's insurance, homeowner's association fees, and land

1 lease fees, as applicable. In addition, total household debt is no  
2 more than 45 percent of the monthly household income;

3 (b) "Public benefit" means affordable housing, which can be  
4 rental housing or permanently affordable homeownership for low-income  
5 and very low-income households as defined in RCW 43.63A.510, and  
6 related facilities that support the goals of affordable housing  
7 development in providing economic and social stability for low-income  
8 persons; and

9 ~~((b))~~ (c) "Surplus public property" means excess real property  
10 that is not required for the needs of or the discharge of the  
11 responsibilities of the state agency, municipality, or political  
12 subdivision.

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