



# KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Signature Report

June 13, 2017

### Ordinance 18540

Proposed No. 2017-0247.1

Sponsors Dembowski and Kohl-Welles

1 AN ORDINANCE requiring public benefits, such as  
2 affordable housing, related to the sale of real property to  
3 governmental agencies; and amending Ordinance 12045,  
4 Section 5, as amended, and K.C.C. 4.56.070 and Ordinance  
5 12045, Section 10, as amended, and K.C.C.4.56.100 and  
6 declaring an emergency.

7 STATEMENT OF FACTS:

- 8 1. King County is in the midst of a housing crisis driven by the increasing  
9 costs of housing far outpacing the growth in personal disposable incomes.
- 10 2. On May 4, 2017, the Seattle Times reported that the median home  
11 prices in the Eastside of the county was \$880,000, in Seattle was  
12 \$722,250, in North King County was \$582,550, in Southeast King County  
13 was \$410,000 and in Southeast King County was \$386,500.
- 14 3. These increases represent between a 12.4 percent and 20.6 percent  
15 increases above the housing market prices from just one year before.
- 16 4. With a very robust local employment situation and a desirable region in  
17 which to live, these pressures do not seem likely to diminish in the short-  
18 run.
- 19 5. The current county code does not regularly result in county real

20 property, which is surplus to its foreseeable needs and suitable for  
21 housing, to be used for affordable housing. While the county code surplus  
22 provisions for real property require the executive to first make available  
23 such real property for use as affordable housing, it has not resulted in a  
24 prioritization of that public benefit in the sale of the real property.

25 6. This ordinance will require public benefits, such as affordable housing,  
26 when the county engages in direct sales of surplus real property to another  
27 government. In addition to the county receiving compensation for the real  
28 property, in order to qualify for a direct sale, public benefits, such as  
29 affordable housing, must also be received.

30 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

31 SECTION 1. Ordinance 12045, Section 5, as amended, and K.C.C. 4.56.070 are  
32 each hereby amended to read as follows:

33 A. The facilities management division shall, no later than the end of the first  
34 quarter of the calendar year, maintain and update a current inventory of all county titled  
35 real property with detailed information as to current departmental custodianship and as to  
36 the characteristics that determine its economic value and potential uses. However, all  
37 county roads shall be excluded from this section.

38 B. No later than April 1 of each calendar year, each department shall submit a  
39 report to the facilities management division on the status of all real property for which the  
40 department is the custodian and include in the report any change in use or status since the  
41 previous year's report.

42 C. County departments shall be required to report no later than April 1 of every

43 year to justify departmental retention of all real property for which the department is the  
44 custodian to the facilities management division.

45 1. If in the judgment of the facilities management division a county department  
46 cannot justify the retention of real property for which it is the custodian or if a  
47 department determines that real property is surplus to its needs, the facilities management  
48 division shall determine whether any other county department has a need for the property  
49 that is related to the provision of essential government services, including, but not limited  
50 to, services for the public health, public safety or services related to transportation, water  
51 quality, surface water or other utilities. If the property is not needed for the provision of  
52 essential government services, the facilities management division shall, except if the  
53 property is sold under K.C.C. 4.56.100.A.12., then determine if the parcel is suitable for  
54 affordable housing. If it is deemed suitable for affordable housing the county shall first  
55 attempt to make it available or use it for affordable housing in accordance with K.C.C.  
56 4.56.085 or 4.56.100. "Suitable for affordable housing" for the purpose of this section  
57 means the parcel is located within the Urban Growth Area, zoned residential and the  
58 housing development is compatible with the neighborhood. If the property is not deemed  
59 suitable for the purposes described in this subsection C.1., then it shall be determined  
60 whether any other department has a need for the parcel.

61 2. If another department can demonstrate a need for the real property,  
62 custodianship of the real property shall be transferred to that department without any  
63 financial transaction between present and future custodial organizations, except as  
64 required by RCW 43.09.210, as amended, or under grants.

65 3. If another department cannot demonstrate a need for the real property, the

66 real property shall be declared surplus to the future foreseeable needs of the county  
67 and may be disposed of as set forth in this chapter.

68 D. The facilities management division shall review and make recommendations  
69 to the executive for uses other than the sale of surplus real property before a decision by  
70 the executive to dispose of such properties through sale. Other possible uses that shall be  
71 considered by the division in accordance with this chapter are:

- 72 1. Exchanges for other privately or publicly owned lands that meet the county's  
73 land needs;
- 74 2. Lease with necessary restrictive covenants;
- 75 3. Use by other governmental agencies;
- 76 4. Retention by the county if the parcel is classified as floodplain or slide hazard  
77 property;
- 78 5. Use by nonprofit organizations for public purposes; ~~((and))~~
- 79 6. Long-term lease or sale for on-site development of affordable housing; and
- 80 7. A sale under K.C.C. 4.56.100.A.12.

81 E. The facilities management division in consultation with the department of  
82 community and human services shall, no later than July 1 of each year, submit a report to  
83 the council identifying surplus county real property suitable for the development of  
84 affordable housing. "Affordable housing" for the purpose of this chapter means  
85 residential housing that is rented or owned by a person:

- 86 1. Who is from a special needs population and whose monthly housing costs,  
87 including utilities other than telephone, do not exceed thirty percent of the household's  
88 monthly income; or

89           2. Who qualifies as a very low-income, low-income or moderate-income  
90 household as those terms are defined in RCW 43.63A.510.

91           F. A park or recreational facility located in a potential annexation area may be  
92 transferred to the city designated to annex the area in which the park or recreational  
93 facility is located without being subject to this section, but any such a transfer must  
94 require that the park or recreational facility shall be used in perpetuity for park or  
95 recreation purposes unless other equivalent lands or facilities within the county or the city  
96 are received in exchange therefore and the replacement lands or facilities are used in  
97 perpetuity for park or recreation purposes.

98           G. The facilities management division shall review and make recommendations  
99 to the county executive regarding the surplus of any property, property rights and rights  
100 in property that are acquired by the department of natural resources and parks in  
101 accordance with Ordinance 14699, Section 2, Ordinance 14699, Section 4, or ((7))  
102 K.C.C. 4.56.080, no more than thirty days after receiving a written notice from the  
103 department of natural resources and parks that the property is surplus to the needs of  
104 siting or constructing the Brightwater wastewater treatment plant. Upon approval by the  
105 council of an ordinance authorizing the disposal of property acquired in accordance with  
106 Ordinance 14699, Section 2, Ordinance 14699, Section 4, or ((7)) K.C.C. 4.56.080, the  
107 facilities management division shall consult with the department of natural resources and  
108 parks to determine the timing for disposal of this property.

109           SECTION 2. Ordinance 12045, Section 10, as amended, and K.C.C.4.56.100 are  
110 each hereby amended to read as follows:

111           A. All sales of real and personal property shall be made to the highest

112 responsible bidder at public auction or by sealed bid except when:

113           1. County property is sold to a governmental agency;

114           2. The county executive has determined an emergency to exist; or the county  
115 council, by ordinance, has determined that unique circumstances make a negotiated direct  
116 sale in the best interests of the public;

117           3. County real property is traded for real property of similar value, or when  
118 county personal property is traded for personal property of similar value;

119           4. The facilities management division has determined that the county will  
120 receive a greater return on real property when it is listed and sold through a residential or  
121 commercial real estate listing service;

122           5. County personal property is traded in on the purchase of another article;

123           6. Property has been obtained by the county through the proceeds of grants or  
124 other special purpose funding from the federal or state government, wherein a specific  
125 public purpose or purposes are set forth as a condition of use for the property, that  
126 purpose or purposes to be limited to the provision of social and health services or social  
127 and health service facilities as defined in chapter 43.83D RCW, and it is deemed to be in  
128 the best interest of the county, in each instance, upon recommendation by the county  
129 executive and approval by the county council, that in order to fulfill the condition of use,  
130 the county may sell or otherwise convey the property in some other manner consistent  
131 with the condition of use; however, the county may only convey the property to private,  
132 nonprofit corporations duly organized according to the laws of the state of Washington,  
133 which nonprofit corporations are exempt from taxation under 26 U.S.C. Sec. 501(c) as  
134 amended, and which nonprofit corporations are organized for the purpose of operating

135 social and health service facilities as defined by chapter 43.83D RCW;

136           7. The county property is sold for on-site development of affordable housing  
137 which provides a public benefit, provided that the developer has been selected through a  
138 request for proposals;

139           8. It is deemed to be in the public interest to restrict the use of the project for  
140 provision of social or health services or such other public purposes as the county deems  
141 appropriate;

142           9. The facilities management division for real property and the fleet  
143 administration division for personal property, in consultation with the county executive  
144 and the county council, may, in the best interests of the county, donate or negotiate the  
145 sale of either county surplus personal property or real property, or both, with bona fide  
146 nonprofit organizations wherein the nonprofit organizations provide services to the poor  
147 and infirm or with other governmental agencies with whom reciprocal agreements exist.  
148 Such transactions shall be exempt from the requirements of fair market value,  
149 appraisal, and public notice. Where a department has identified personal property that is  
150 appropriate for surplusing to nonprofit organizations, the department shall utilize the fleet  
151 administration division to manage the surplusing process, and fleet administration shall  
152 ensure that the personal property is in good working order, that county data and inventory  
153 tags are removed and that consistent records of donations and sales are retained. The  
154 facilities management division or fleet administration division, as applicable, also may, in  
155 the best interest of the county, procure services to support King County in lieu of  
156 payment with nonprofit organizations who provide services that will benefit the public.  
157 Such transactions are based upon the recommendation of the facilities management

158 division or fleet administration division, as applicable, and the department having  
159 custodianship of the property. The facilities management division or fleet administration  
160 division, as applicable, shall maintain a file of appropriate correspondence or such  
161 information ~~((which))~~ that leads to a recommendation by the division to the county  
162 executive and the county council to undertake such transactions, and such information  
163 shall be available for public inspection at the facilities management division or fleet  
164 administration division, as applicable. The facilities management division or fleet  
165 administration division, as applicable, may also seek reimbursement from the benefiting  
166 organization for the administrative costs of processing the surplus property;

167 10. The county property is a retired passenger van being made available in  
168 accordance with subsection D. of this section; ~~((or))~~

169 11. The county property is located in a historic preservation district within the  
170 Urban Growth Area and is sold to a nonprofit corporation or governmental entity for one-  
171 site mixed use development consistent with historic preservation requirements, which  
172 includes affordable housing and which may also include market rate housing, retail or  
173 other uses, and which is selected after a competitive request for proposal process; or

174 12.a. The county property is declared surplus to the future foreseeable needs of  
175 the county and sold to a governmental agency that will, consistent with Section 230.10.10  
176 of the King County Charter, other applicable laws, regulations and contract restrictions,  
177 such as grant funding requirements, compensate the county for the real property as well  
178 as provide public benefits. For the purposes of this subsection, "public benefits" means  
179 benefits to the public that are in addition to the public benefit that may arise from the  
180 primary intended use of the property by the purchasing governmental agency and which

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181 may include, but are not limited to, the provision of affordable housing, open space or  
182 park land, child care facilities, public art beyond what is required under applicable law, or  
183 monetary contribution toward such benefits.

184 b. A sale shall not qualify under the exception in K.C.C. 4.56.100.A.12.a.

185 unless:

186 (1) before declaring the property surplus to the future foreseeable needs of the  
187 county under K.C.C. 4.56.070, because the property is neither necessary for the essential  
188 government services of any other county department nor needed by any other county  
189 department, the facilities management division must have recommended to the executive  
190 that engaging in a negotiated direct sale with that governmental agency would be in the  
191 best interests of the public; and

192 (2) within sixty days of the facilities management division making its  
193 recommendation, the executive shall report by letter the executive's intent to engage in  
194 the direct negotiation for the conveyance of the real property. The letter shall describe  
195 the proposed terms of the sale, including, but not limited to, the primary intended use of  
196 the property proposed by the governmental agency and the public benefits expected to be  
197 provided by the governmental agency. The letter shall be filed in the form of a paper  
198 original and an electronic copy with the clerk of the council, who shall retain the original  
199 and provide an electronic copy to all councilmembers and the lead staff to the budget and  
200 fiscal management committee or its successor.

201 c. Subsection A.12.b. of this section shall apply beginning January 1, 2018.

202 B. The county may, if it deems such action to be for the best public interest,  
203 reject any and all bids, either written or oral, and withdraw the property from sale. The

204 county may then renegotiate the sale of withdrawn property, providing the negotiated  
205 price is higher than the highest rejected bid.

206 C. In any conveyance of real property that requires construction of affordable  
207 housing in development of the property, the executive shall include covenants so that:

208 1. At least with respect to that construction, the prevailing rate of wage, as  
209 defined in RCW 39.12.010, shall be required to be paid to all worker classifications for  
210 which the state Department of Labor and Industries has established a prevailing rate of  
211 wage; and

212 2. At least with respect to that construction, state-certified apprentices for  
213 construction shall be required to be used across the trades, including women, at-risk  
214 youth or people of color, with a fifteen percent apprentice utilization goal.

215 D. Whenever the procedures of a grant agency having an interest in real or  
216 personal property requires disposition in a manner different from the procedures set forth  
217 in this chapter, the property shall be disposed of in accordance with the procedures  
218 required by this chapter unless the grant agency specifically requires otherwise.

219 E. Each year, the transit division shall make available retired passenger vans for  
220 exclusive use by nonprofit organizations or local governments that are able to address the  
221 mobility needs of low-income, elderly or young people or people with disabilities. Each  
222 agency selected to receive a van must enter into an agreement with King County that  
223 provides that the agency will accept the van "as is" without guarantee or warranty  
224 expressed or implied and shall transfer title as prescribed by law before use. The council  
225 shall allocate the vans by motion to nonprofit organizations or local governments based  
226 upon the following criteria:

- 227           1. Demonstrated capacity to support ongoing van operation, including assured  
228 funding for licensing, insuring, fueling and maintaining the van;
- 229           2. Ability to provide qualified and trained drivers;
- 230           3. Specific plans for use of the van to transport low-income, elderly or young  
231 people or people with disabilities, and assurance that the use shall be available to those  
232 persons without regard to affiliation with any particular organization;
- 233           4. Geographic distribution of the van allocations in order to address the mobility  
234 needs of low-income, elderly or young people or people with disabilities countywide; and
- 235           5. Ability to support county's public transportation function by reducing single  
236 occupancy vehicle trips, pollution and traffic congestion; supplementing services  
237 provided by the county's paratransit system and increasing the mobility for the transit-  
238 dependent for whom regular transit might not always be a convenient option.

239           SECTION 3. The county council finds as a fact that an emergency exists and that

240 this ordinance is necessary for the immediate preservation of public peace, health or  
241 safety or for the support of county government and its existing public institutions.  
242

Ordinance 18540 was introduced on 6/5/2017 and passed by the Metropolitan King  
County Council on 6/12/2017, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,  
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles  
and Ms. Balducci

No: 0

Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



Melani Pedroza, Clerk of the Council

**Attachments:** None