

AN ORDINANCE adding Lake Forest Park Municipal Code Chapter 18.74: Sale, Disposition or Lease of Surplus Real Property for Affordable Housing.

WHEREAS, RCW 39.33.015 authorizes cities surplus and dispose of real property owned by the City for public benefit purposes, defined therein as affordable housing for low-income and very low-income households; and

WHEREAS, RCW 39.33. 015 provides that disposal of such surplus property may be at less than fair market value, including no cost transfers if agreeable by the City; and

WHEREAS, to take advantage of the provisions of RCW 39.33.015 the City must enact rules to regulate the disposition of property for public benefit purposes; and

WHEREAS, the City Council wishes to have the option available to surplus and dispose of City-owned real property for public benefit purposes in the event the City Council finds it is in the best interests of the City and its residents to do so; and

WHEREAS, the most recent city Comprehensive Plan update states, in Policy LU-4.3, that the city “identify underused land and encourage infill development that is compatible with the scale and character of surrounding development”; and

WHEREAS, in the same Comprehensive Plan update, Policy H-3.3 states the city “support non-profit organizations that construct and manage affordable housing”; and

WHEREAS, according to Leland Consulting, working on the city’s 2024 Comprehensive Plan update, found that “less than 25 percent of Lake Forest Park households would be able to afford the median home in the city as of this year”; and

WHEREAS, the City Council finds and determines that adoption of this ordinance adding Chapter 18.74 to the Lake Forest Park Municipal Code which creates rules to regulate the disposition of public property for public benefit purposes, in the public interest and in the best interest of the City and its residents;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Chapter 18.74 shall be added to the Lake Forest Park Municipal Code as follows:

18.74 Sale, Disposition or Lease of Surplus Real Property for Affordable Housing

18.74.010 Policy regarding disposition of city surplus real property for affordable housing pursuant to RCW 39. 33. 015.

18.74.020 Definitions

18.74.030 Surplus real property resolution

18.74.040 Disposition procedure

18.74.050 Limitation of section

18.74.010 Policy regarding disposition of city surplus real property for affordable housing pursuant to RCW 39.33.015.

It is the policy of the City that surplus real property may be disposed of for affordable housing purposes as authorized under RCW 39.33.015 when the City Council finds that affordable housing is needed within the City and the disposition of the property for affordable housing is in the best interest of the City and its residents. Further, although it is acknowledged that all forms of affordable housing are important, the City's priority is to provide affordable multi-family units when possible.

18.74.020 Definitions

The definitions in RCW 39.33.015 as now existing and as amended are hereby adopted.

18.74.030 Surplus real property resolution

A. The City Council shall adopt a resolution which clearly states that the property is considered surplus to the City's needs and that the property shall be disposed of for a public benefit purpose pursuant to RCW 39.33.015

B. The resolution shall contain the following information:

1. A description of the property parcel size, general location, legal description and King County Assessor's tax parcel number;
2. A description of the circumstances under which the property was obtained;
3. A statement identifying the fund account to which proceeds from its sale, if any, should be credited;
4. A summary of the history of municipal use, if any, or uses for which it might be held;
5. Assessor's value of the property;
6. A description of how the property should be disposed;
7. A summary of the easements, covenants or deed restrictions that will be imposed on the property as part of the disposition; and

8. A determination of the minimum sale or lease price, or if the sale or lease is for no cost, a statement that indicates such.

C. No appraisal or valuation information is necessary.

D. In the event that after surplus the City Council determines that the property will not be disposed of pursuant to RCW 39.33.015, the surplus resolution shall be rescinded and the property will go through the normal surplus procedures.

18.74.040 Disposition Procedure

A. Disposition of surplus real property for public benefit purposes of providing affordable housing may be at no cost, a long term lease, or an amount determined appropriate by the City, even if that amount is less than the appraised, assessed or fair market value of the property.

B. Disposition of surplus real property may be by direct negotiation with a non-profit, 501(c)(3) or similar entity that provides affordable housing for City residents.

C. In the alternative, if the City Council deems it appropriate, disposition of surplus real property may be accomplished through an RFP procedure, sealed bid, or auction.

D. In all cases, the deed, lease or other instrument transferring or conveying the property shall include a covenant or other requirement that the property shall be used for a public benefit purpose and remedies that apply in the event the recipient of the property fails to use the property for the designated public benefit purpose or ceases to use the property for such purpose.

E. Recipients of surplus real property shall pay all costs of the transfer, including, but not limited to, appraisal costs, title fees, excise tax and recording fees.

18.74.050 Limitation of section

This section is not applicable to surplus, sale, transfer, disposition or lease of City real property for purposes other than affordable housing pursuant to RCW 39.33.015.

Section 2. SEVERABILITY. Should any portion of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. CORRECTIONS. The City Clerk is authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. EFFECTIVE DATE. This ordinance shall take effect five (5) days after passage and publication. APPROVED BY A MAJORITY PLUS ONE of the Lake Forest Park City Council this ____ day of _____, 2023