

COMMISSIONER'S ORDER

NUMBER 202407

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Hilary S. Franz
Commissioner of Public Lands
Olympia, Washington 98504

COMMISSIONER'S ORDER ON LEASING STATE LAND FOR AFFORDABLE HOUSING

WHEREAS The 2021 Governors Washington State Housing Affordability Crisis report declared a housing affordability crisis across the state; and

WHEREAS more than 30% of Washingtonians are cost-burdened, or paying more than 30% of their income on housing, with low-income households at high risk of losing their homes and falling into homelessness; and

WHEREAS Washington State needs to add more than 1 million new homes over the next 20 years, or more than 50,000 new units annually, and more than half of them need to be affordable for residents at the lowest income levels; and

WHEREAS the Washington State Housing Finance Commission reports that Land can account for more than 22% of an affordable housing project costs; and

WHEREAS Washington State has a statutory requirement in the State Surplus Property Program to identify, catalog, and recommend land most suitable for the development of affordable housing; and

WHEREAS using state-owned land for affordable housing may reduce the acquisition and development costs for affordable housing as compared to private lands, lower rents and overhead on future families, and incentivize infill development on State lands, taking pressure off our forests and farmlands; and

WHEREAS DNR's 2022-2025 Strategic Plan called for a property portfolio that is optimized to increase the economic and social benefits of public lands for trust beneficiaries, communities, and the State; and

WHEREAS DNR has a Trust responsibility to generate revenue and other benefits for each trust by meeting DNR's trust management responsibilities, including making state trust lands productive, preserving the corpus of the trust, exercising reasonable care and skill in managing the trust, acting prudently with respect to trust assets, acting with undivided loyalty to trust beneficiaries, and acting impartially with respect to current and future trust beneficiaries; and

WHEREAS DNR manages over 3,000 acres of Transition Lands that are vacant, within a city or urban growth area and zoned by the local jurisdiction for residential use, and do not currently generate any revenue for the Trust Beneficiaries; and

WHEREAS DNR recognizes that the lack of affordable and available housing disproportionately impacts the most vulnerable in our State; and

WHEREAS DNR has the opportunity and responsibility to lead by example with innovative solutions to land management, social benefit, and affordable housing for future generations; and

WHEREAS DNR has been dedicated to making housing development possible on state lands by transferring land to Kitsap County for housing, and advancing agency request

legislation that expanded residential real estate lease terms up to 99 years and removed the leasehold excise tax when state lands are used for affordable housing

NOW, THEREFORE, I hereby direct Department leadership and all staff:

To consider affordable housing opportunities for applicable DNR state lands as part of and within the agency's authorities, management, and stewardship role.

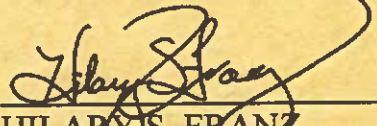
To develop and implement processes and procedures to identify potential affordable housing sites and partnerships using existing authorities, statutes and if necessary, propose changes to legislative authorities, agency policy, rules and/or procedures.

To work with representatives from trust beneficiaries, counties, cities, Tribal Nations, overburdened communities, and the affordable housing industry to inform DNRs Affordable Housing strategies, processes, and procedures.

Dated this 27th day of March 2024.



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