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**SUBSTITUTE SENATE BILL 5725**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Senate Housing (originally sponsored by Senators Slatter, Hasegawa, Trudeau, and Valdez)

AN ACT Relating to expanding affordable housing opportunities on community and technical college lands; amending RCW 28B.50.090 and 43.17.400; adding a new section to chapter 28B.50 RCW; adding a new section to chapter 82.29A RCW; and creating new sections.

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

NEW SECTION. **Sec.**  The legislature finds that the lack of housing and housing affordability affects every community in Washington. The legislature also finds that increased housing instability is overwhelmingly caused by rising rents, which are exacerbated by very low vacancy rates, making it difficult for people to find housing even when they have sufficient income to pay market rates. Low housing vacancies, population growth, and limited housing supply have created a housing shortage in which existing inventory is priced at a premium.

The legislature also finds that although household incomes have grown along with the economy, wage increases, especially for those in public service, frontline work, and education, have not kept pace with rising rents and home prices. This problem is especially impacting moderate, lower, and fixed-income households, including frontline workers, public employees, educators, students, seniors, veterans, farmworkers, and people with disabilities. These households face increasing barriers to securing stable housing near their workplaces and schools, forcing many to commute long distances or relocate entirely.

The legislature recognizes that housing instability among public sector employees and frontline workers directly affects the quality and continuity of essential services, including education, health care, and emergency response. Additionally, high housing costs have made it difficult for state institutions of higher education to attract and retain faculty and staff, contributing to turnover that disrupts student learning and creates inefficiencies in recruitment, hiring, and training.

The legislature finds that ensuring access to stable, affordable housing for employees, faculty, and students is critical to the success of schools, public institutions, and local economies.

Therefore, it is the intent of the legislature to increase the supply of housing and expand affordable housing opportunities for Washington's workforce, including public employees, frontline workers, and educational faculty, staff, and students, by removing barriers and encouraging the development of affordable housing on underutilized land at community and technical colleges across Washington, ensuring that those who contribute to the vitality of their communities have the opportunity to live within them.

**Sec.**  RCW 28B.50.090 and 2013 c 57 s 1 are each amended to read as follows:

The college board shall have general supervision and control over the state system of community and technical colleges. In addition to the other powers and duties imposed upon the college board by this chapter, the college board shall be charged with the following powers, duties and responsibilities:

(1) Review the budgets prepared by the boards of trustees, prepare a single budget for the support of the state system of community and technical colleges and adult education, and submit this budget to the governor as provided in RCW 43.88.090;

(2) Establish guidelines for the disbursement of funds; and receive and disburse such funds for adult education and maintenance and operation and capital support of the college districts in conformance with the state and district budgets, and in conformance with chapter 43.88 RCW;

(3) Ensure, through the full use of its authority:

(a) That each college district, in coordination with colleges, within a regional area, shall offer thoroughly comprehensive educational, training, and service programs to meet the needs of both the communities and students served by combining high standards of excellence in academic transfer courses; realistic and practical courses in occupational education, both graded and ungraded; and community services of an educational, cultural, and recreational nature; and adult education, including basic skills and general, family, and workforce literacy programs and services;

(b) That each college district shall maintain an open-door policy, to the end that no student will be denied admission because of the location of the student's residence or because of the student's educational background or ability; that, insofar as is practical in the judgment of the college board, curriculum offerings will be provided to meet the educational and training needs of the community generally and the students thereof; and that all students, regardless of their differing courses of study, will be considered, known and recognized equally as members of the student body: PROVIDED, That the administrative officers of a community or technical college may deny admission to a prospective student or attendance to an enrolled student if, in their judgment, the student would not be competent to profit from the curriculum offerings of the college, or would, by his or her presence or conduct, create a disruptive atmosphere within the college not consistent with the purposes of the institution. This subsection (3)(b) shall not apply to competency, conduct, or presence associated with a disability in a person twenty-one years of age or younger attending a technical college;

(4) Prepare a comprehensive master plan for the development of community and technical college education and training in the state; and assist the office of financial management in the preparation of enrollment projections to support plans for providing adequate college facilities in all areas of the state. ((~~The master plan shall include implementation of the vision, goals, priorities, and strategies in the statewide strategic master plan for higher education under RCW 28B.76.200 based on the community and technical college system's role and mission.~~)) The master plan shall also contain measurable performance indicators and benchmarks for gauging progress toward achieving the goals and priorities;

(5) Define and administer criteria and guidelines for the establishment of new community and technical colleges or campuses within the existing districts;

(6) Establish criteria and procedures for modifying district boundary lines and consolidating district structures to form multiple campus districts consistent with the purposes set forth in RCW 28B.50.020 as now or hereafter amended and in accordance therewith make such changes as it deems advisable;

(7) Establish minimum standards to govern the operation of the community and technical colleges with respect to:

(a) Qualifications and credentials of instructional and key administrative personnel, except as otherwise provided in the state plan for vocational education;

(b) Internal budgeting, accounting, auditing, and financial procedures as necessary to supplement the general requirements prescribed pursuant to chapter 43.88 RCW;

(c) The content of the curriculums and other educational and training programs, and the requirement for degrees and certificates awarded by the colleges;

(d) Standard admission policies;

(e) Eligibility of courses to receive state fund support; and

(f) Common student identifiers such that once a student has enrolled at any community or technical college he or she retains the same student identification upon transfer to any college district;

(8) Encourage colleges to use multiple measures to determine whether a student must enroll in a precollege course including, but not limited to, placement tests, the SAT, high school transcripts, college transcripts, or initial class performance, and require colleges to post all the available options for course placement on their website and in their admissions materials;

(9) Establish and administer criteria and procedures for all capital construction including the establishment, installation, and expansion of facilities within the various college districts;

(10) Encourage innovation in the development of new educational and training programs and instructional methods; coordinate research efforts to this end; and disseminate the findings thereof;

(11) Exercise any other powers, duties and responsibilities necessary to carry out the purposes of this chapter;

(12) Authorize the various community and technical colleges to offer programs and courses in other districts when it determines that such action is consistent with the purposes set forth in RCW 28B.50.020 as now or hereafter amended;

(13) Notwithstanding any other law or statute regarding the sale of state property((~~, sell~~)):

(a) Sell or exchange and convey any or all interest in any community and technical college real and personal property, except such property as is received by a college district in accordance with RCW 28B.50.140(8), when it determines that such property is surplus or that such a sale or exchange is in the best interests of the community and technical college system; or

(b) Sell, exchange, lease, transfer, assign, pledge, grant, or dispose of any or all interest in any community and technical college real or personal property at less than fair market value to a governmental entity for a public purpose, such as affordable housing, or to a nonprofit corporation provided the nonprofit corporation agrees to use the property for the provision of affordable housing, or another community purpose for at least 50 years;

(14) In order that the treasurer for the state board for community and technical colleges appointed in accordance with RCW 28B.50.085 may make vendor payments, the state treasurer will honor warrants drawn by the state board providing for an initial advance on July 1, 1982, of the current biennium and on July 1st of each succeeding biennium from the state general fund in an amount equal to twenty-four percent of the average monthly allotment for such budgeted biennium expenditures for the state board for community and technical colleges as certified by the office of financial management; and at the conclusion of such initial month and for each succeeding month of any biennium, the state treasurer will reimburse expenditures incurred and reported monthly by the state board treasurer in accordance with chapter 43.88 RCW: PROVIDED, That the reimbursement to the state board for actual expenditures incurred in the final month of each biennium shall be less the initial advance made in such biennium;

(15) Notwithstanding the provisions of subsection (13) of this section, may receive such gifts, grants, conveyances, devises, and bequests of real or personal property from private sources as may be made from time to time, in trust or otherwise, whenever the terms and conditions thereof will aid in carrying out the community and technical college programs and may sell, lease or exchange, invest or expend the same or the proceeds, rents, profits and income thereof according to the terms and conditions thereof; and adopt regulations to govern the receipt and expenditure of the proceeds, rents, profits and income thereof; and

(16) The college board shall have the power of eminent domain.

NEW SECTION. **Sec.**  A new section is added to chapter 28B.50 RCW to read as follows:

(1) The college board is authorized to enter into long-term leases for at least 50 years to enable the development of affordable housing on underutilized community and technical college land, consistent with RCW 39.33.015. Community and technical colleges may pledge or grant land used for affordable housing as security for loans to support additional affordable housing projects on underutilized community and technical college land.

(2) Any land leased by the college board for affordable housing under this section must include restrictive covenants to prevent conversion to uses other than affordable housing for the duration of the lease, including remedies if the lessor fails to use the property for the designated public purpose or ceases to use it for such purpose.

(3) If a project fails to secure financing or does not commence construction within four years of lease approval, or if the recipient of the property fails or ceases to use it for the designated public purpose during the lease period, the lease shall terminate and the property shall revert back to the college board without limitation.

(4)(a) Community and technical colleges may allow affordable housing projects on leased college board property to:

(i) Share general parking unless code required for minimum parking requirements are no longer achieved by the college;

(ii) Utilize college roads to access affordable housing facilities; and

(iii) Connect to site utilities.

(b) A community and technical college may charge the affordable housing project and tenants reasonable fees for use of college facilities and services.

(5) The college board may enter into leaseback agreements with nonprofit developers to ensure access to newly developed housing facilities.

(6) If the college board sells underutilized community and technical college property for affordable housing pursuant to this section, and finds during the term of any affordable housing covenant that the property is not compliant or is no longer used for its restricted purpose, the college board can proceed to:

(a) Enforce the covenant provision; or

(b) Declare the property in default and shall have the right of first refusal to repurchase the property for the original sale price, minus any costs of enforcing the covenant if the property is no longer used for affordable housing.

**Sec.**  RCW 43.17.400 and 2018 c 217 s 2 are each amended to read as follows:

(1) Before any state agency may dispose of surplus state-owned real property to a private or any nongovernmental party, the agency must provide written notice to the following governmental entities at least sixty days before entering into any proposed disposition agreement:

(a) All other state agencies;

(b) Each federal agency operating within the state; and

(c) The governing authority of each county, city, town, special purpose district, and federally recognized Indian tribe in which the land is located.

(2) The state agency must dispose of the property, for continued public benefit as defined in RCW 39.33.015, to any governmental entity responding within the notification period, upon mutual agreement reached within a reasonable time period after the response is received. Priority must be given to state agencies. The disposition may be for any terms and conditions agreed upon by the proper authorities of each party, in accordance with RCW 39.33.010, except where the disposition at fair market value is required by law.

(3) The requirements of this section are in addition and supplemental to other requirements of the laws of this state.

(4) For purposes of this section, "disposition" means the sale, exchange, or other action resulting in a transfer of ownership.

(5) The requirements of this section do not apply to ((~~the~~)):

(a) The department of transportation; or

(b) A community or technical college providing affordable housing under section 3 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 82.29A RCW to read as follows:

(1) All leasehold interests in underutilized community and technical college land are exempt from tax under this chapter, for the duration of the lease in accordance with section 3 of this act, when used for the placement of affordable housing under the following conditions:

(a) A lessee must commit to renting or selling 100 percent of the units as affordable for low-income and moderate-income households during the lease term; and

(b) The term of the lease is at least 99 years.

(2) Affordable housing for low-income households must be prioritized by the community and technical colleges and the lessee when receiving the exemption under this section.

(3) For purposes of this section, "affordable housing," "low-income household," and "moderate-income household" have the same meaning as defined in RCW 84.14.010.

NEW SECTION. **Sec.**  (1) This section is the tax preference performance statement for the tax preference contained in section 5, chapter . . ., Laws of 2025 (section 5 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes these tax preferences as ones intended to induce certain designated behavior by taxpayers, as indicated in RCW 82.32.808(2)(a).

(3) It is the legislature's specific public policy objective to incentivize the placement of affordable housing on underutilized community and technical college land.

(4) If a review by the joint legislative audit and review committee finds that the number of affordable housing units placed on underutilized community and technical college land increased following the enactment of this tax preference, the legislature intends to extend the expiration date of the tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to the number of new leasehold agreements on underutilized community and technical college land for the purposes of affordable housing.

NEW SECTION. **Sec.**  RCW 82.32.805 does not apply to this act.

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