

# STEP Model Ordinance, User Guide and Best Practices Report

MODEL ORDINANCE AND  
COMMUNICATIONS TOOLKIT  
FOR STEP

# Acknowledgments

## **Washington State Department of Commerce**

Laura Hodgson, Housing Planning and Data Manager, Growth Management Services Unit (GMS), Local Government Division (LGD)  
Anne Fritzel, AICP, Housing Section Manager, GMS, LGD  
Kirsten Jewell, Housing Policy Manager, Housing Division (HD)  
Melodie Pazolt, Managing Director, Apple Health and Homes Permanent Supportive Housing Unit, HD  
Kathy Kinard, Managing Director, Homelessness Assistance Unit, HD

## **Abt Global**

Lindsey Elam, AICP, Senior Analyst  
Jill Khadduri, PhD, Principal Associate  
Katie Kitchin, Director, State and Local Housing and Asset Building  
Candace Baker, Associate  
Nam Hà, Associate Analyst  
Georgia Rawhouser-Mylet, Associate Analyst  
Frances Walker, Research Assistant

## **The Corporation for Supportive Housing**

Theresa Tanoury, MSW, Seattle-based Senior Program Manager  
Lori Gutierrez, MSW, Senior Program Manager  
Debbie Thiele, Western Region Managing Director  
Sharon Rapport, California State Policy Director  
Angela Brooks, FAICP, Illinois Program Director

1011 Plum St. SE  
P.O. Box 42525  
Olympia, WA 98504-2525  
[www.commerce.wa.gov](http://www.commerce.wa.gov)

For people with disabilities, this report is available on request in other formats. To submit a request, please call 360-725-4000 (TTY 360-586-0772).

## **Advisory Committee:**

Alliance for Housing Affordability at Housing Authority of Snohomish County  
Association of Washington Cities (AWC)  
City of Bellingham  
City of Port Townsend  
City of Spokane  
City of Vancouver  
City of Wenatchee  
Dee Caputo, FAICP, Washington State Department of Commerce, Growth Management Services (Retired)  
Downtown Emergency Services Center (DESC)  
Futurewise  
GS Consulting  
King County, Health through Housing  
Mercy Housing Northwest  
Washington State Association of Counties (WSAC)

## **Local jurisdictions and organizations that participated in the interviews that informed this report:**

City of Federal Way  
City of Kenmore  
City of Kent  
City of Langley  
City of Olympia  
City of Spokane  
City of Vancouver  
City of Wenatchee  
GS Consulting  
King County  
Lewis County  
Plymouth Affordable Housing Development  
Snohomish County  
Washington State Department of Health

# Table of Contents

<b>Chapter 1: Introduction</b> .....	<b>4</b>
Background .....	5
Emerging Best Practices.....	6
<b>Chapter 2: Background</b> .....	<b>7</b>
2021 Updates to the Growth Management Act.....	7
Relevant State and Federal Laws .....	8
State of the Practice in Washington.....	10
<b>Chapter 3: Planning for STEP 101</b> .....	<b>13</b>
STEP Definitions .....	13
STEP Financing and Development Process .....	15
Supporting STEP Projects and Operations.....	17
<b>Chapter 4: Comprehensive Planning for STEP</b> .....	<b>18</b>
<b>Chapter 5: Permitting STEP</b> .....	<b>19</b>
<b>Chapter 6: Model Ordinance</b> .....	<b>22</b>
<b>Chapter 7: Accommodating Enough STEP</b> .....	<b>31</b>
Demonstrating Sufficient Land Capacity .....	31
Reducing Development Barriers .....	32
Addressing Potential Community Concerns .....	35
<b>Chapter 8: Adoption and Implementation</b> .....	<b>39</b>
<b>Appendix</b> .....	<b>40</b>
Methodology.....	40

# Chapter 1: Introduction

The Washington State Department of Commerce created the STEP User Guide and Best Practices Report to assist planning staff, elected and appointed officials, and other representatives of Washington’s jurisdictions as they develop local ordinances and regulations pertaining to the siting and development of Emergency shelter, Transitional housing, Emergency housing and Permanent supportive housing (STEP).

Definitions for these types of housing and shelter are in the [Growth Management Act](#) and other statutes.

- **Emergency shelter** means a facility that provides a temporary<sup>1</sup> shelter for individuals or families who are currently homeless. Emergency shelter may not require occupants to enter into a lease or an occupancy agreement. Emergency shelter facilities may include day and warming centers that do not provide overnight accommodations. [RCW 36.70A.030\(15\)](#)
- **Transitional housing** means a project that provides housing and supportive services to homeless persons or families for up to two years<sup>2</sup> and that has as its purpose facilitating the movement of homeless persons and families into independent living. [RCW 84.36.043\(3\)\(c\)](#)
- **Emergency housing** is temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless and is intended to address basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement.<sup>3</sup> [RCW 36.70A.030\(14\)](#)
- **Permanent supportive housing** is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy. It utilizes admissions practices designed to use lower barriers to



The HUB on Third in Walla Walla (co-located emergency shelter, health care and childcare services), Source: Blue Mountain Action Council (BMAC)



The PAD House in Whatcom County (emergency housing), Source: Northwest Youth Services



Gonzaga Family Haven in Spokane (permanent supportive housing), Source: Catholic Charities of Eastern Washington

<sup>1</sup> For STEP, temporary applies to the person and how long they reside there, not the structure or length of time for the land use. However, when planning for STEP, it is best for communities not to limit lengths of stay because it could be inconsistent with a project’s funding requirements.

<sup>2</sup> Although transitional housing is designed to move people into permanent housing in less than two years, some transitional housing programs do not limit the stay to two years.

<sup>3</sup> Any STEP project that requires a lease or occupancy agreement is subject to all of the rights and responsibilities defined in [chapter 59.18 RCW](#) (Landlord Tenant Law).

entry than typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. [RCW 36.70A.030\(31\)](#)

## Background

Washington experienced a significant 19.9% increase in homelessness from 2007 to 2023;<sup>4</sup> one of the main reasons for this is the state's lack of affordable housing, resulting in housing prices rising faster than the lowest incomes.<sup>5, 6</sup> To address this crisis, state and local governments must encourage a variety of shelter and housing options, including STEP, to meet the unique needs of individuals, families, unaccompanied youth, seniors, veterans, people with disabilities and other subpopulations who are at the greatest risk of losing their housing in these market conditions.

Fully planning local governments are required to identify sufficient land capacity for future housing needs of all economic segments and must address barriers such as zoning and other rules that affect housing production (RCW [36.70A.070\(2\)](#)). Cities are also required to allow STEP housing in certain zones ([RCW 35.21.683](#) and [RCW 35A.21.430](#)).

This report provides an overview of information local governments may need to plan for their local STEP housing needs, including:

- Emerging best practices for planning for STEP,
- Relevant state and federal laws for regulating STEP,
- Information on STEP housing types, development processes, planning steps, and permitting processes for STEP,
- A model ordinance for jurisdictions to use in developing their local STEP regulations,
- Guidance for local governments as they develop their regulations for STEP, and
- Strategies local governments can employ to encourage STEP development.

Commerce contracted with Abt Global and the Corporation for Supportive Housing to create this report that localities can use throughout Washington. To ensure the effectiveness of these efforts, an advisory committee consisting of local government representatives, developers and non-profit organizations provided guidance and feedback. The development of the report's contents also considered public input and emerging best practices from communities in Washington and other parts of the country.

---

<sup>4</sup> de Sousa, et al. The Annual Homeless Assessment (AHAR) Report. 2023. U.S. Department of Housing and Urban Development. [www.huduser.gov/portal/datasets/ahar.html](http://www.huduser.gov/portal/datasets/ahar.html)

<sup>5</sup> TVW. Governor's Results Washington Initiative. Homelessness and Housing Crisis, March 2024. <https://tvw.org/video/governors-results-washington-initiative-2024031242/?eventID=2024031242>

<sup>6</sup> Washington State Department of Commerce. Homelessness in Washington. March 2024.

[https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=CommerceReports\\_2023\\_HD\\_Homelessness\\_in\\_Washington\\_24def55e-7087-43fc-ad0c-7894a56106ab.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=CommerceReports_2023_HD_Homelessness_in_Washington_24def55e-7087-43fc-ad0c-7894a56106ab.pdf)

# Emerging Best Practices

Communities can use the following strategies to accommodate local housing needs, prevent perpetuating discriminatory practices that make it difficult to site and develop STEP, encourage affordable housing production, and support STEP developers, residents and staff. Additionally, these strategies can benefit some of Washington's most vulnerable populations, increase housing stability, promote community integration and contribute to larger initiatives to tackle homelessness and housing insecurity in the state.

- Allow STEP developments outright as a permitted use in designated zones
- Encourage STEP development in locations close to healthcare services, transportation, jobs and other amenities to promote economic mobility and access to services
- Reduce and clarify requirements to streamline permitting steps and reduce barriers for STEP development
- Provide land use and financial incentives to encourage more STEP production
- Expedite permitting processes for STEP projects, thereby providing quicker, more predictable timelines that help prevent cost increases caused by project delays
- Encourage developers to have pre-development application meetings with local planning staff to ensure they are aware of all the local regulations and processes that apply to a project
- Understand the development process and funding requirements for STEP
- Partner with local service providers to create STEP regulations that are responsive to their needs and remove barriers to STEP development
- Facilitate communication between developers, providers and community members
- Use consistent definitions for STEP
- Partner with neighboring jurisdictions to create consistent regulations for STEP

## Chapter 2: Background

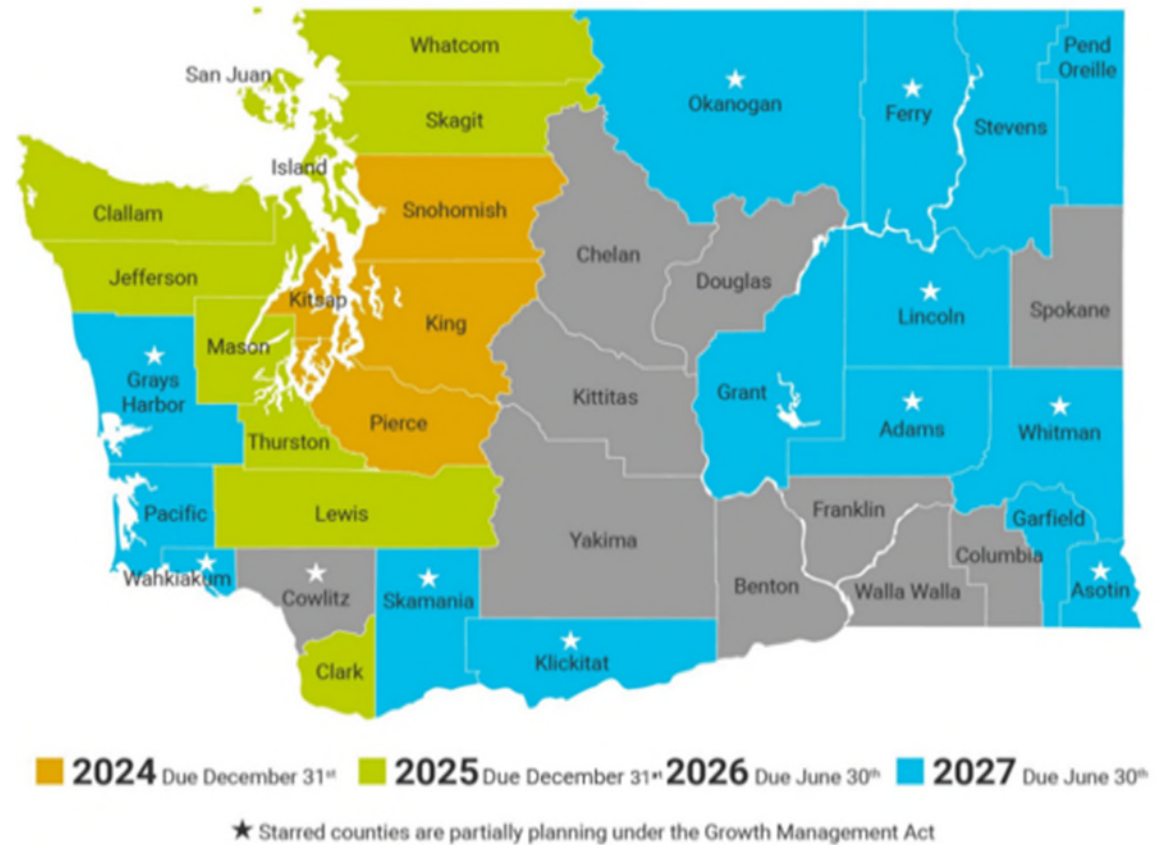
The Growth Management Act (GMA) requires cities and counties to develop comprehensive plans and development regulations for their communities. This chapter provides an overview of recent changes to the GMA for STEP, relevant state and federal laws for STEP, and the state of the practice for regulating STEP in Washington as of 2024.

### 2021 Updates to the Growth Management Act

In 2021, Washington state passed [House Bill 1220 \(HB 1220\)](#), which amended the Growth Management Act (GMA) [and municipal code requirements \(RCW 36.70A.070\(2\), and RCW 35A.21.430 and RCW 35.21.683, respectively\)](#).<sup>7</sup>

The law requires fully planning local governments<sup>8</sup> to plan for and accommodate housing affordable to all income levels, which includes demonstrating sufficient land capacity for housing at all income levels to meet future housing needs, including permanent supportive housing and emergency housing.<sup>9</sup> Local governments must also identify local barriers to production of affordable housing and take actions to remove those barriers. They must complete these plans and associated updates to zoning and development regulations based on the periodic update schedule identified by the state legislature (see above right).

In addition, municipal code changes in 2021 required changes to specific zoning and development regulations in cities for four different housing types: *emergency shelter*, *transitional housing*, *emergency housing* and *permanent supportive housing* (STEP). These updates were required by September 2021.<sup>10</sup> However, some cities were unable to address the requirement to permit STEP by the required deadline and others were waiting for their comprehensive plan periodic update to complete the work. Some lacked the necessary resources to implement the state laws, some were



<sup>7</sup> For more information on the Growth Management Act and other relevant state and federal laws pertaining to STEP, see the STEP [State of the Practice Report](#).

<sup>8</sup> Fully planning communities are all those jurisdictions in dark blue, light blue and green on the [GMS Regional Variations map](#).

<sup>9</sup> Emergency shelters are grouped with emergency housing needs in Commerce's projected housing needs and land capacity guidance.

<sup>10</sup> Defer to local jurisdictions' ordinances to determine if your community has updated its regulations for STEP.

waiting for Commerce to project housing needs for each county, and some implemented policies that created additional barriers to increasing STEP in Washington.

State law says **city codes cannot prohibit indoor emergency housing or indoor emergency shelters in areas where hotels are allowed** unless the community has already permitted such development in more than 50% of their zones within one mile of transit. **Cities must also allow permanent supportive housing and transitional housing in all areas zoned for hotels and all areas zoned for residential dwellings.** (RCW 35.21.683 and RCW 35A.21.430)

In addition to the requirements about where STEP must be allowed in cities, state law was updated to state that any local restrictions on spacing, occupancy and intensity of use for these developments must be linked specifically to public health and safety reasons (e.g., reference emergency response times, building code, etc.) in their ordinance's findings section. Any such requirements on occupancy, spacing and intensity of use may not prevent the siting of a sufficient number of permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters necessary to accommodate each city's projected need for such housing and shelter under [RCW 36.70A.070\(2\)\(a\)\(ii\)](#).

Additional state laws and guidance for occupancy, spacing and intensity are as follows.

- **Occupancy:** Cities and counties may not regulate or limit the number of unrelated persons who may occupy a dwelling unit except as provided for in state law for short-term rentals or by occupant load per square foot, [RCW 35.21.682](#), [RCW 35A.21.314](#) and [RCW 36.01.227](#).
- **Spacing:** Spacing can refer to the distance between similar uses or the proximity to services (e.g., transportation). Any spacing requirements should not exceed the spacing required by RCWs [9.94A.030](#), [9.94A.703](#) and [9.94A.8445](#), which create community protection zones of 880 feet to prevent sex offenders from living near schools.
- **Intensity:** With respect to STEP, intensity can refer to the density of people, transportation, and/or services needed by the participants who live in a single location or facility.

## Relevant State and Federal Laws

In addition to the Growth Management Act, other state and federal laws apply to STEP; **Table 1** provides law summaries and links.

**Table 1 - STEP Types and Applicable Laws**

STEP Types and Applicable Laws	"S" Emergency Shelters	"T" Transitional Housing	"E" Emergency Housing	"P" Permanent Supportive Housing
The <a href="#">Growth Management Act</a> and RCWs <a href="#">35A.21</a> and <a href="#">35.21</a> require fully planning local governments to plan for and accommodate housing affordable to all income levels.	Y	Y	Y	Y
<a href="#">RCW 35.21.683</a> and <a href="#">RCW 35A.21.430</a> requires cities to not prohibit indoor emergency shelters and indoor emergency housing in zones where hotels are allowed. Cities must allow permanent supportive and transitional housing in zones where residential dwelling units or hotels are allowed. These regulations may limit occupancy, spacing and intensity of use requirements to protect public health and safety so long as such limits allow the siting of a sufficient number of units/beds to accommodate each city's projected housing needs.	Y	Y	Y	Y
<a href="#">RCW 35.21.689</a> and <a href="#">RCW 35A.21.305</a> require cities to allow permanent supportive housing in areas where multifamily housing is permitted.				Y
<a href="#">RCW 36.130.020</a> prohibits any local government from having requirements on an affordable housing development that are different from those imposed on housing developments generally.		Y*	Y*	Y
<a href="#">RCW 35.21.682</a> , <a href="#">RCW 35A.21.314</a> and <a href="#">RCW 36.01.227</a> prohibit any local government from having requirements related to unrelated persons that may occupy a unit.	Y	Y	Y	Y
<a href="#">RCW 36.70A.545</a> requires fully planning cities and counties to allow increased density bonuses for any affordable housing on real property owned or controlled by a religious organization.		Y*	Y*	Y
<a href="#">RCW 35.21.915</a> , <a href="#">RCW 35A.21.360</a> , and <a href="#">RCW 36.01.290</a> prohibit any local government from regulatory limits on encampments, safe parking, overnight shelters, and temporary small houses on property owned or controlled by a religious organization.	Y		Y	
<a href="#">RCW 36.70A.540</a> gives authority to local governments to offer incentives in exchange for providing development for low-income housing units.		Y*	Y*	Y
<a href="#">RCW 36.70A.070(2)(c)</a> requires fully planning local governments to document how they have sufficient land use capacity for all future housing needs by income level.	Y**		Y	Y
<a href="#">RCW 36.70A.210(3)(e)</a> requires fully planning counties to have countywide planning policies that consider the need for housing for all economic segments and the parameters for its distribution.	Y	Y	Y	Y
<a href="#">RCW 9.94A.030(6)</a> regulates where level two and three sex offenders may not live.	Y	Y	Y	Y
<a href="#">RCW 36.70A.390</a> states public hearing requirements for moratoria and interim zoning control are not applicable to regulations that prohibit building permit applications for transitional housing or permanent supportive housing in any zones in which residential dwellings or hotels are allowed or prohibit indoor emergency shelters and indoor emergency housing in any zones in which hotels are allowed.	Y	Y	Y	Y
<a href="#">Washington Law Against Discrimination</a> prohibits requirements imposed on STEP that violate civil rights protections.	Y	Y	Y	Y
<a href="#">Washington State Residential-Landlord Tenant Act</a> includes laws landlords must follow.		Y*	Y*	Y
<a href="#">Washington State Environmental Policy Act</a> requires all branches of government in the state to examine their laws' environmental impacts. At the local level, this requires an assessment of comprehensive plans, development regulations, and project permits unless specifically exempted by the act.	Y	Y	Y	Y

STEP Types and Applicable Laws	"S" Emergency Shelters	"T" Transitional Housing	"E" Emergency Housing	"P" Permanent Supportive Housing
<a href="#">Americans with Disabilities Act</a> prohibits discrimination against individuals with disabilities and provides enforceable standards to address discrimination.	Y	Y	Y	Y
<a href="#">Fair Housing Act</a> prohibits "neutral" policy that has a disproportionately adverse effect on a protected class.	Y	Y	Y	Y
<a href="#">Religious Land Use and Institutionalized Persons Act</a> prevents the implementation of land use regulations that impose a substantial burden on the religious exercise of a person.	Y	Y	Y	Y

\*Only applicable when the housing has a rental agreement, occupancy agreement or lease. A "rental agreement," "occupancy agreement" or "lease" establishes or modifies the terms, conditions, rules, regulations and other provisions concerning the use and occupancy of a dwelling unit.

\*\*Emergency shelters are grouped with emergency housing needs in Commerce's projected housing needs.

## State of the Practice in Washington

Commerce spoke with a number of communities to learn how they developed and regulated STEP. This section reflects these findings.

In Washington, many communities use local land use policies to influence the development of STEP. It is appropriate for local governments to apply land use and development regulations to these housing types, as with all other developments, by law. While some recently adopted STEP regulations are consistent with state and federal laws and encourage the production of STEP to meet their local housing needs, some existing local regulations and processes conflict with state and federal laws. In general, local regulations in Washington state could align better with state requirements, provide more flexibility and greater opportunities for establishing STEP, and remove barriers to this affordable housing need.<sup>11</sup>

### The following are examples of observed regulatory and process barriers for STEP development in the state of Washington:

- Permit processes:** Generally, local authorities permit STEP development in areas that already have access to services such as transit, which is a best practice. However, some jurisdictions still require a conditional use permit for all STEP, which is inconsistent with state laws for permanent supportive housing and STEP housing with leases ([RCW 36.130.020](#)), but also creates a barrier to siting any STEP project. Under this permitting process, these projects must meet certain criteria and go through a special approval process that can delay the project's timeline and increase the likelihood that a hearing examiner or the city council will not approve the project following public opposition. These additional conditions and delays result in significant costs to the project sponsors and public funders and may discourage a STEP developer from pursuing projects in their jurisdiction.
- Occupancy, spacing and intensity requirements:** Local regulations for STEP often include rules related to occupancy, spacing, intensity or density, parking, environmental standards and other development and operational requirements that could create barriers for STEP production.

<sup>11</sup> All fully planning local governments are directed by [RCW 36.70A.070\(2\)\(d\)](#) to "make adequate provisions for existing and projected needs of all economic segments of the community,"

Typical restrictions on the occupancy, spacing and intensity of use of STEP in local jurisdictions include limits on the number of clients a project can serve, the number of staff and the distance between STEP projects. Most jurisdictions also do not have special provisions regarding density bonuses for STEP sponsored by religious organizations ([RCW 36.70A.545](#)). Some communities have distance restrictions that prohibit the construction of emergency shelters or emergency housing within one-half mile of another existing or proposed shelter or emergency housing projects. Variations of this requirement are common in Washington's jurisdictions.

In most cases, jurisdictions have not shown in their ordinances' findings how their spacing, occupancy and intensity of use regulations are linked to public health and safety (e.g., referencing local building and fire code), therefore they are not in compliance with state laws that require this demonstration and possibly in violation of federal fair housing laws. Their spacing requirements are also not consistent with the Department of Commerce's recommendations that any spacing requirements should not exceed the spacing already required by RCWs [9.94A.030](#), [9.94A.703](#) and [9.94A.8445](#), which create community protection zones of 880 feet to prevent sex offenders from living near schools.

Jurisdictions with spacing and intensity requirements have also not identified how they will have sufficient capacity for their future housing needs at each income level in their 20-year comprehensive plans and development regulations, which is inconsistent with state law requiring this demonstration if communities adopt these types of regulations.<sup>12</sup> A combination of density and spacing requirements for STEP can easily result in a community not having enough sites available with the capacity to meet local housing need allocations, impacting the jurisdiction's ability to make adequate provision for this type of housing and adhere to state law. Furthermore, [RCW 36.70A.070\(2\)\(d\)\(ii\)](#) states that jurisdictions must assess barriers, such as development regulations, gaps in local funding and other limitations, as part of documenting programs and actions needed to achieve housing availability in their comprehensive plans. Barrier assessment should consider factors that may negatively affect production for each type of housing allowed in the jurisdiction.<sup>13</sup>

- **Parking minimums:** STEP projects are commonly required to meet similar parking minimums as other housing, mixed-use or other development types. Because STEP residents or clients may be less likely to own a car, especially in urban environments near transit, these requirements may limit or create barriers for STEP development. In some Washington communities, the planning director and/or city engineer determines STEP projects' parking requirements or approves a parking study for required parking; this process may support flexibility and reduce barriers for STEP projects.<sup>14</sup> Other communities have parking minimums specific to STEP (e.g., one parking space for every two employees and every four beds).

---

<sup>12</sup> [RCW 35.21.683](#) and [RCW 35A.21.430](#) note these restrictions shall not prevent the siting of a sufficient number of permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters necessary to accommodate each [code] city's projected need for such housing and shelter. Additionally, fully planning cities and counties are required with their periodic update to show sufficient land capacity for housing needs at all income levels. ([RCW 36.70A.070\(2\)\(c\)](#))

<sup>13</sup> Strategies that jurisdictions can consider implementing to help STEP overcome development barriers are discussed starting on page 32.

<sup>14</sup> Planning director and/or city engineer approval may also create ambiguity if there are not clear standards or examples that developers can reference.

- **Operations plans:** Many communities also require STEP or certain STEP types, such as emergency shelters or emergency housing, to submit operations plans or agreements before they can be permitted. The required information for operations plans varies by jurisdiction. However, common documentation requirements include:
  - Contact information for key staff and their roles and responsibilities
  - A facility management plan, including security policies and an emergency management plan
  - Site and facility maintenance policies
  - Occupancy policies
  - A staffing plan
  - A community engagement plan
  - Documentation of record-keeping processes
  - A description of transportation either provided or accessible to residents

These requirements can create barriers to STEP production and are inconsistent with state law generally when required of permanent supportive housing, as well as transitional and emergency housing with leases, unless they are required of other housing generally because the state considers these affordable housing ([RCW 36.130.020](#)).

To encourage STEP, local developers said jurisdictions can be more flexible regarding their specific requirements, such as reducing or waiving parking minimums when projects anticipate a high ratio of tenants who use public transportation or have alternate modes of transportation and do not need onsite parking. Jurisdictions can also help by only requesting STEP projects provide operations plans when there is sufficient local government capacity and expertise to review the plans and only asking for necessary information that can be important for local government to have on file (e.g., emergency contact number and a safety plan). If a local government requires any of these additional plans or information, Commerce recommends that local governments require only basic information and that they provide examples of the plans for local developers to reference and understand what is required.

## Chapter 3: Planning for STEP 101

Jurisdictions should use Washington state's definitions for STEP to ensure consistency across the state and encourage STEP development by making definitions and policies more straightforward for developers. When planning for STEP, it is also helpful to consider the various processes involved in planning, siting, funding, permitting, building, licensing and operating STEP projects.

### STEP Definitions

Washington state uses specific terms and definitions for STEP that are used throughout this report; see Chapter 1: Introduction. For the purposes of the state's model ordinance and this report, STEP refers to developments that meet the [Washington State Residential Building Code](#) based on the 2021 International Residential Code, which includes rules for a permanent foundation, safe plumbing and electrical practices, insulation, weather tightness, energy efficiency and safety (smoke alarms and egress).

With regard to emergency housing and emergency shelter, [RCW 35.21.683](#) and [RCW 35A.21.430](#) state that jurisdictions must not prohibit indoor emergency shelters and indoor emergency housing in all zones in which hotels are allowed. "Indoor," as used in the definition of indoor emergency housing ([RCW 36.70A.030](#)), and "indoor" with respect to indoor emergency housing and indoor emergency shelter in [RCW 35.21.683](#) and [RCW 35A.21.430](#), is interpreted in this report and the state's model ordinance as a subset of all of the possible building forms in which shelter can be provided. Indoor implies buildings that are affixed to the ground and have indoor plumbing, and therefore would exclude forms on wheels (e.g., recreational vehicles) or that lack internal sanitation and/or cooking facilities, such as tiny shelters or pallet shelters.<sup>15</sup>

**Non-standard types:** Local jurisdictions have observed many organizations proposing non-building code compliant structures or structures that may not have indoor plumbing, such as temporary pallet shelters, tent encampments and safe parking areas. This sometimes presents challenges for jurisdictions because their local codes may limit these types of structures. An additional challenge observed is that there are no adopted statewide standards for safe human habitation of these structures, but building codes for some temporary emergency shelters should be available by July 2026.<sup>16</sup> Tiny homes and park model homes<sup>17</sup> may also face barriers because their size and dimensions may not conform to standard building codes, or local governments may limit where these homes are allowed as primary dwellings.

Non-standard STEP types cannot be counted towards a jurisdiction's local housing need allocations, because they are more like sanctioned encampments than emergency shelters. The U.S. Department of Housing and Urban Development (HUD) and the Washington State Department of Commerce's Homeless Assistance Unit currently do not fund these projects as "emergency shelters." Furthermore, depending on the shelter and

---

<sup>15</sup> Therefore, cities are not required to allow non-building code compliant structures as STEP, but the Department of Commerce encourages local governments to allow non-standard types of STEP as an alternative to sleeping outside to provide safer places for people experiencing homelessness.

<sup>16</sup> The Washington Legislature adopted [Senate Bill 5553](#) in 2023, which directs the state building code council to adopt standards for temporary emergency shelters and make them available for local adoption. Adopting these state building code standards may assist local governments with their building code questions for unique shelter accommodations.

<sup>17</sup> Park model homes are recreational vehicles intended for permanent or semi-permanent installation. They are used as a primary residence ([RCW 59.20.030](#)).

services offered, occupants may still be considered “unsheltered” under federal definitions. For example, HUD considers someone living in their car as experiencing unsheltered homelessness.<sup>18</sup>

However, the Department of Commerce encourages local governments to allow non-standard types of STEP as an alternative to sleeping outside to provide safer places for people experiencing homelessness. These non-standard housing types could include, for example, safe parking and other non-standard projects that offer occupants sanitation services, connections to community services and support in finding permanent housing.<sup>19</sup> Local governments may consider making land available for non-traditional projects, taking into consideration other potential uses of public land.<sup>20</sup>

While there are currently no state or federal standards for non-standard shelter types, some existing federal, state and local laws apply to this issue, for example:

- In 2019, the U.S. Supreme Court denied the City of Boise's petition regarding its Camping and Disorderly Conduct Ordinances, which upheld the law that people experiencing homelessness cannot be punished for sleeping outside on public property if adequate alternatives are not provided. The ruling in [Martin v. Boise](#) encouraged local governments to plan for alternatives to homelessness. However, on June 28, 2024, in the case of [Grant Pass v. Johnson](#), the U.S. Supreme Court decided that jurisdictions could criminalize camping and sleeping in public, overturning the Grant Pass case's previous decision and the Martin v. Boise ruling.<sup>21</sup>
- [RCW 36.70A.540](#) states that local governments may use their development regulations and other means to expand opportunities for low-income housing units, including [tiny home communities](#).
- Some local jurisdictions have implemented regulations for these non-standard housing types. Thurston County recently finalized its interim homeless encampment facility regulations, and the City of Bellingham has [regulated temporary shelters](#), including encampments, safe parking areas and tiny house shelters, since 2018. The City of Port Townsend created new regulations to support STEP, including wooden tent villages. Before adopting these code changes, Community Build, a nonprofit, built “wooden tents” (one-room structures serving as effective shelters that do not meet the legal definition of a dwelling unit) in Port Townsend. Permitting these tent encampments kept people sheltered and safer than the alternatives (e.g., sleeping outside). Port Townsend staff reported fewer conflicts than expected between wooden tent encampments and neighboring uses. However, the project did face several challenges. It needed to be approved through a temporary conditional use process,

---

<sup>18</sup> HUD defines unsheltered homelessness as an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport or camping ground. For more information, see [Unsheltered Homelessness on the HUD Exchange](#).

<sup>19</sup> Currently, there are no state or federal guidelines in place for the use of safe parking areas as permitted emergency shelter options. This absence leaves jurisdictions to determine their own policies for integrating safe parking into STEP planning. At least ten jurisdictions in Washington have established safe parking programs; for more information, see the National Vehicle Residency Collective's [National Parking Program List](#).

<sup>20</sup> The [Portland State University's Homelessness Research & Action Collaborative for the Joint Office of Homeless Services](#) found that tiny home villages only cost less to develop when land is free, compared to more traditional forms of STEP (motels and congregate shelter). It also found that operating costs for villages vary because of their staffing needs. Operating expenses for tiny home villages are higher than congregate shelters. However, this study found that alternative shelter types, like these villages, are more successful in transitioning people out of homelessness and meeting their needs than congregate shelters. The most appropriate shelter type for a community varies and can be based on a number of factors (e.g., client needs and preferences, land suitability, properties available for acquisition, and a project's lifespan).

<sup>21</sup> For information on combating the criminalization of homelessness, see the [Washington Low Income Housing Alliance's toolkit](#).

which required the project's managing agencies to extend the permit or move to a new location every six months. The city reported this was costly and inefficient.

**Housing vs. facilities:** Some residential types are sometimes confused with STEP, particularly permanent supportive housing. Residents residing in permanent supportive housing are subject to all the rights and responsibilities defined in chapter 59.18 RCW, also known as the Washington State Residential Landlord-Tenant Act. A person residing in permanent supportive housing has full rights of tenancy through a lease with their landlord, but this is not the case in licensed residential facilities, such as licensed adult family homes, group living homes for persons with intellectual or developmental disabilities, or assisted living facilities for seniors where residents must pay towards the cost of their care.<sup>22</sup>

**Disaster Relief / Recovery Shelter:** While STEP may be used in the event of a disaster (e.g., floods, wildfires, landslides, and earthquakes) to meet immediate needs, disaster relief and recovery shelters established by FEMA, local governments or others in response to a disaster (before or after) is not considered STEP. Disaster relief/recovery shelters have different funding sources, managers, and operators and can trigger different regulations and local processes. Local governments can consult their emergency preparedness plans and FEMA's [Planning Considerations: Disaster Housing](#) for more information on disaster shelter and housing planning.

## STEP Financing and Development Process

STEP projects often face significant financial barriers and have complicated funding sources, each with its own requirements. When considering development regulations, jurisdictions should take these funding sources and their requirements into consideration and try to avoid creating potentially duplicative or overly burdensome standards that may overlap with the other requirements projects need to meet to obtain funding and be viable.<sup>23</sup> Some common funding sources for STEP include:

- Washington State's [Apple Health and Homes](#) Initiative, [Housing Trust Fund](#) and [Consolidated Homeless Grant](#)
- Support from county and local governments, financial institutions and philanthropic organizations (e.g., tax-increment financing, grants, loans, reduced impact fees and system development charge waivers, free or reduced price land, cash and materials donations)
- Low-Income Housing Tax Credits, Historic Tax Credits and New Markets Tax Credits
- The U.S. Department of Housing and Urban Development (e.g., Home Investment Partnership Program and Community Development Block Grants) and Rental income, Housing Choice Vouchers and Medicaid (for leased units)<sup>24, 25</sup>

---

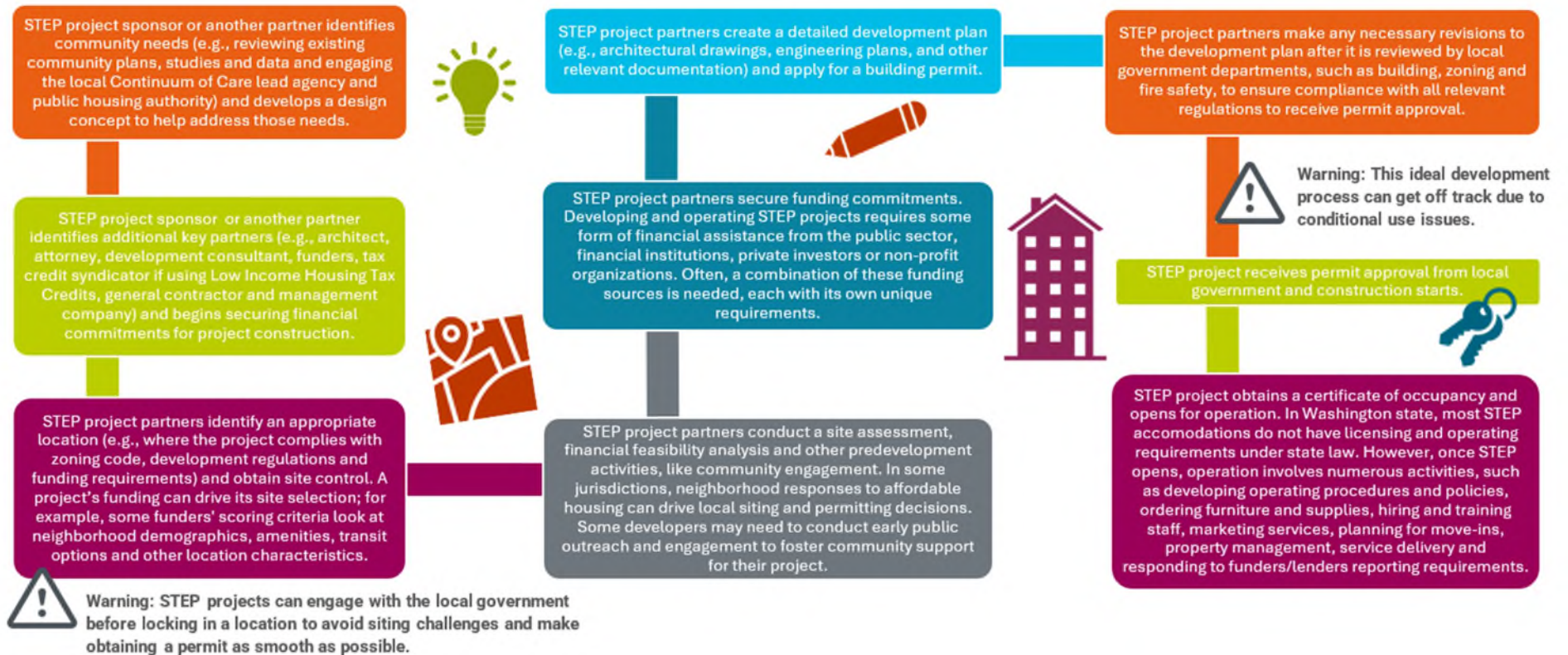
<sup>22</sup> For more information on STEP and other housing types, see the Department of Commerce's [STEP Housing Definitions Factsheet](#).

<sup>23</sup> Small cities and counties who need assistance with STEP planning or regulations can reach out to the Department of Commerce or their Regional Planner as a resource.

<sup>24</sup> The Urban Institute, in partnership with the National Housing Conference, developed an [interactive tool](#) that helps illustrate how affordable housing developments "pencil out" and discusses how these types of projects typically need some form of government support.

<sup>25</sup> For more information on funding sources, see the Department of Commerce's STEP [State of the Practice Report](#) and [STEP Operations Guide](#).

The processes and activities involved in the development of a STEP project from idea to operation, their order and the length of each can vary significantly by project and community. In general, they include the following:



## Supporting STEP Projects and Operations

Consistent with state funding guidelines for a variety of funding sources,<sup>26</sup> Commerce recommends that local governments support *low-barrier projects* consistent with the "Housing First" model.

**Low-barrier projects** require minimal eligibility requirements and documentation.<sup>27</sup> Households experiencing homelessness are not screened out based on the following criteria: having little or no income, poor credit or financial history, poor or lack of rental history, involvement with the criminal justice system, active or history of substance use, disability-related services support, lacking ID or proof of US residency or behaviors perceived as indicating a lack of "housing readiness," including resistance to receiving services. Low-barrier projects have realistic and clear expectations. Rules and policies are narrowly focused on maintaining a safe environment and avoiding exiting people back into homelessness.

Low-barrier projects do not have work or service requirements. If the project requires households to pay a share of rent, they allow reasonable flexibility in payment. Emergency shelters may not require occupants to enter into a lease or an occupancy agreement. Households in low-barrier programs are not terminated because they will not participate in supportive service programs. In addition, alcohol and/or substance use in and of itself is not considered a reason for termination. If a household is terminated from a low-barrier project due to violating rules focused on maintaining a safe environment, there must be a process in place for the household to be considered for re-enrollment if the household demonstrates unsafe behavior is unlikely to re-occur (i.e., engaged in new treatment plan, mental health services, medical care, etc.).

**Housing First** is a philosophy and approach to housing and services that is often associated with permanent supportive housing, but it is applicable to all STEP types. Housing First revolves around several core tenets including entry that is not conditioned on sobriety, previous service participation, credit or evictions; housing is provided as quickly as possible; and the participant has a choice in housing selection within the bounds of available options. Housing First provides voluntary, tenant-driven supportive services to residents to help them comply with lease terms and to address behaviors that impact housing stability.<sup>28</sup>

Housing First is a **trauma-informed** practice that recognizes that an individual's life events or circumstances that they experience as physically or emotionally harmful have lasting adverse effects on that individual, mentally, physically, socially or emotionally.<sup>29</sup> The design and operations of STEP projects should be trauma-informed, which includes an emphasis on safety in the physical environment, promoting self-efficacy and control over one's belongings and daily activities, and ongoing education of staff on trauma-related behaviors and trauma-informed practices.

---

<sup>26</sup> For example, according to [Guidelines for the Consolidated Homeless Grant \(CHG\), Updated March 2024](#), "By July 1, 2025, no less than 80% of a county's CHG funded projects (programs and facilities) must be low barrier."

<sup>27</sup> The description of low-barrier projects in this paragraph come from Commerce's [Guidelines for the Consolidated Homeless Grant \(CHG\), Updated March 2024](#), pages 9 and 10.

<sup>28</sup> This "[Introduction to Housing First](#)" contains more of the basics of the "Housing First" principles. Additional resources on Housing First can be found on Commerce's [Housing Division Grantee Training webpage](#) under "Housing First."

<sup>29</sup> Substance Abuse and Mental Health Services Administration. SAMHSA's Concept of Trauma and Guidance for a Trauma-Informed Approach. U.S. Department of Health and Human Services. 2014. <https://store.samhsa.gov/sites/default/files/sma14-4884.pdf>.

## Chapter 4: Comprehensive Planning for STEP

Homelessness and housing affordability is a challenge that affects an entire county and requires solutions that often go beyond the resources of one city or town government. Therefore, many planning and implementation efforts start or take place at the county level in Washington.<sup>30</sup>

[Revisions to RCW 36.70A.070\(2\)](#) in 2021 updated requirements for how jurisdictions should plan for housing in their comprehensive plans. To implement the new law, the Department of Commerce provides projections of housing needs for each county, including emergency housing and permanent supportive housing.<sup>31</sup> Each county must decide how to allocate these projections among its local jurisdictions. Each jurisdiction must then document its share of countywide housing needs by income level and plan for and accommodate that share of housing needs in its comprehensive plan.<sup>32</sup>

Each county that is fully planning under the Growth Management Act must have countywide planning policies and processes for allocating their countywide housing needs to local jurisdictions ([RCW 36.70A.210\(3\)\(e\)](#)).<sup>33</sup> Many communities are still in the process of allocating countywide projections of need to local governments. Countywide collaboration in this process is vital to ensure a coordinated approach to planning for housing for all income levels.

As counties decide where overall population and housing should be directed, most communities use data on employment locations, transportation accessibility, service availability, infrastructure and land capacity to determine the appropriate percentage of housing growth to plan for in each area. Local governments then use this information and the Department of Commerce's [Housing for All Planning Tool](#) to determine a distribution of housing needs by income level to each jurisdiction or to inform a local-designed method of allocating housing needs. Counties may use their countywide planning policies about where overall growth should be directed within the county to assist with this work or local data such as information about where existing support services are located or likely to locate, where existing affordable housing and STEP housing are located, and other local factors to inform their decisions.

**Encouraging STEP in locations based on their proximity to healthcare providers, transportation, job prospects and other amenities to help promote economic mobility and access to services is an emerging best practice for housing needs allocation decisions.** To meet the growing demand for housing and other community needs, local affordable housing consultants and developers agree that successful communities will be intentional about where STEP is located.

---

<sup>30</sup> In addition to comprehensive planning for housing of all income levels under the Growth Management Act, Washington state law ([RCW 43.185C.050](#)) requires that each county local homeless housing task force develop and recommend to its local government legislative authority a five-year homeless housing plan for its jurisdictional area. Each county's 5-year plan can be found on [Commerce's website](#).

<sup>31</sup> Emergency shelters are grouped with emergency housing needs in Commerce's projected housing needs.

<sup>32</sup> Resources for projected housing needs are in [Book 1 of Commerce's Housing Element Guidance](#). Projecting housing needs by income level begins on page 34. Information on how to allocate the countywide housing needs from the countywide projections to individual jurisdictions begins on page 60.

<sup>33</sup> [RCW 36.70A.210\(3\)](#): A countywide planning policy shall, at a minimum, address policies that consider the need for affordable housing, such as housing for all economic segments of the population and parameters for its distribution.

## Chapter 5: Permitting STEP

The local permitting process for STEP can vary depending on the jurisdiction and their permitting procedures. The approval process for a land use permit typically depends on whether the permit is classified as Type I, II, III or other permit. While the number of permit types and their terminology may vary by jurisdiction, in general, the more complex the project, the greater the level of public notice and review is needed.<sup>34, 35, 36</sup> For example, simple building permits are administratively approved under a Type I permit, while permitting for projects requiring a higher level of review such as conditional use permits, commonly fall under Type III and higher.

Project permit decisions can involve different decision makers and levels of public input. Projects permits approved by local planning staff without public hearings are considered administrative decisions. More complex projects may involve review by a hearings examiner, public hearings and may include discretion in permitting decisions. These permit types are called quasi-judicial because additional procedures are factored into the permitting decision. Generally speaking, quasi-judicial permitting proceedings provide for public notice, public testimony and decisions based on adopted criteria. Conditional use permits and variances heard and decided by a hearings examiner are common examples of quasi-judicial permits.

Table 2 provides recommendations for permitting processes related to STEP, including information on whether the level of permitting might be considered a permitted or conditional use in land use tables.

---

<sup>34</sup> For more examples of local permit procedures, read MRSC's [Streamlining Local Permit Review Procedures](#) (2024).

<sup>35</sup> For resources on local planning, project review, and permitting, read the Department of Commerce's [A Short Course On Local Planning Resource Guide Version 5.3](#) (2017).

<sup>36</sup> The Local Project Review Act ([RCW 36.70B](#)) codified into state law a series of best practices for the local land use permit process to better enable citizens and developers to know what to expect and to provide for more timely and efficient permit issuance.

**Table 2 - Example of Local Permit Processes by Project Types**

	Type I Permit	Type II Permit	Type III Permit
Approval Process	Administrative	Administrative Discretionary	Quasi-Judicial
Recommended review process for STEP Type	<p>Emergency shelter and emergency housing that meet local development standards in areas zoned for hotels</p> <p>Transitional housing and permanent supportive housing that meet local development standards in areas zoned for other housing types and hotels</p> <p>Outdoor encampments, safe parking, indoor overnight shelters, and temporary small houses on property owned or controlled by a religious organization</p>	<p>Emergency shelter, transitional housing, emergency housing and permanent supportive housing that require an exemption to local development regulations</p> <p>Affordable housing developments on property owned or controlled by a religious organization seeking an increased density bonus consistent with the community's housing needs allocation</p>	Projects that do not meet the requirements for a Type I or Type II Permit.
Permitting Table	Permitted	Permitted, sometimes with footnotes, OR Administrative Conditional Use (emergency housing and emergency shelter ONLY, not PSH or transitional housing) <sup>37</sup>	Conditional Use*

\* Commerce recommends allowing emergency housing and emergency shelter as permitted uses whenever possible, instead of conditional uses

The permit type for STEP facilities is mainly determined when a jurisdiction amends its zoning regulations and determines whether STEP facilities are a permitted use, administratively approved use or a conditional use in particular zoning districts. Jurisdictions should give particular attention to the code development process and make concerted efforts to notice and involve the public so that the public has been engaged on decisions on where STEP facilities may be located and their applicable permit process. To reduce barriers to siting STEP facilities, Commerce recommends local governments adopt development regulations as follows:

<sup>37</sup> PSH and transitional housing should not be an administrative conditional use unless other housing generally is permitted as an administrative conditional use ([RCW 36.130.020](#)).

- Allow permanent supportive housing and transitional housing to be permitted using the same process as housing development generally (RCW 36.130.020).
- Use the lowest level permitting type for STEP (e.g. Type I permit process is preferred to Type III).
- When a conditional use permit process is required for STEP, clearly specify the required standards STEP facilities must meet to address compatibility and impacts. This will facilitate a STEP project's ability to meet the criteria for approving the permit.

When permitting projects, it is important for jurisdictions to effectively communicate to the public when they do and do not have influence over the permit decision-making process. For example, communities can consider including this information in the messaging for public notices. If a jurisdiction plans to organize an informational meeting about a STEP project, jurisdictions should be careful with the wording of notices to explain that these are informational community meetings to present the facts of a project and local feedback cannot affect the permitting decision.

# Chapter 6: Model Ordinance

The model ordinance presented here supports jurisdictions in developing ordinances that are consistent with state and federal laws, implement their comprehensive plan, help address their county's allocations of housing needs and encourage STEP. The model ordinance provides sample regulatory language. The primary components of the ordinance are:

- **Section I General:** Ordinance number and title, recitals or whereas clauses, enactment clause and statement of purpose.
- **Section II Definitions:** Definitions of the terms used in the ordinance.
- **Section III Substantive Provisions:** More detailed guidance on zoning and development regulations and a zoning matrix.
- **Section IV Concluding Sections:** Effective date, corrections/repeals, savings and severability clauses.

**Table 3** outlines each section and its sub-sections. Jurisdictions can use the relevant language, fill in information specific to their community in the **red text**, and edit the ordinance further to fit local needs if necessary. **Table 3** also includes additional information for jurisdictions to consider as they develop their regulations, including legal considerations, instructions on how to tailor the language to fit a variety of contexts across the state, and a discussion of strategies that help reduce regulatory barriers for STEP.

**Table 3 - Model Ordinance and Additional Considerations and Options**

Model Ordinance Section/Sub-section	Additional Considerations
<p><b><i>I. General</i></b></p> <p><b>i. Ordinance Number and Title</b></p> <p>AN ORDINANCE REGULATING THE SITING AND DEVELOPMENT OF EMERGENCY SHELTERS, TRANSITIONAL HOUSING, EMERGENCY HOUSING AND PERMANENT SUPPORTIVE HOUSING.</p> <p>or</p> <p>AN ORDINANCE amending <b>[chapter number amended]</b> of the municipal code.</p>	<p><b>Ordinance Number and Title:</b> The model ordinance provides sample language that local jurisdictions can use to develop their own ordinances for regulating STEP. For general guidance on developing local ordinances, including the Ordinance Number and Title section, jurisdictions can read MRSC's <a href="#">Local Ordinances for Washington Cities and Counties</a> (2015).</p> <p><b>In general, the model ordinance and its guidance are written with both counties and cities in mind. The model ordinance highlights areas in red where communities can customize the language. In most cases, guidance that applies to cities also applies to counties.</b></p>

## ii. Recitals or Whereas Clauses

Whereas,

- A) The [Washington Growth Management Act](#) requires fully planning local governments to plan for and accommodate housing affordable to all income levels. All cities and counties planning under the Growth Management Act must update their comprehensive plans and development regulations according to the schedule in [RCW 36.70A.130](#).
- B) [RCW 35.21.683](#) and [RCW 35A.21.430](#) require that cities shall not prohibit transitional housing or permanent supportive housing in any zones in which residential dwelling units or hotels are allowed. Cities also shall not prohibit indoor emergency shelters and indoor emergency housing in any zones in which hotels are allowed, except in such cities that have adopted an ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within a one-mile proximity to transit. Reasonable occupancy, spacing, and intensity of use requirements may be imposed by ordinance on permanent supportive housing, transitional housing, indoor emergency housing and indoor emergency shelters to protect public health and safety. Any such requirements on occupancy, spacing and intensity of use may not prevent the siting of a sufficient number of permanent supportive housing, transitional housing, indoor emergency housing or indoor emergency shelters necessary to accommodate each city's projected need for such housing and shelter. These regulations were effective September 30, 2021.
- C) Cities must allow permanent supportive housing in areas where multifamily housing is permitted. ([RCW 35.21.689](#), [RCW 35A.21.305](#))
- D) All fully planning jurisdictions must document sufficient land capacity for emergency housing, emergency shelters, and permanent supportive housing. ([RCW 36.70A.070\(2\)\(c\)](#))
- E) Public hearing requirements for moratoria and interim zoning control are not applicable to ordinances or development regulations adopted by a city that prohibit building permit applications for or the construction of transitional housing or permanent supportive housing in any zones in which residential dwelling units or hotels are allowed or prohibit building permit applications for or the construction of indoor emergency shelters and indoor emergency housing in any zones in which hotels are allowed. ([RCW 36.70A.390](#))
- F) City and county regulations may not limit the number of unrelated persons that may occupy a household or dwelling unit except for lawful limits on occupant load per square foot or building code limits. ([RCW 35.21.682](#), [RCW 35A.21.314](#) and [RCW 36.01.227](#))
- G) Any restrictions and requirements imposed on the siting and operations of emergency housing, emergency shelters, permanent supportive housing and transitional housing must not violate civil rights protections provided by the Washington Law Against Discrimination, the federal Fair Housing Act and the Americans with Disabilities Act.

**Recitals or Whereas Clauses:** Local recitals or whereas clauses in Washington state often include relevant state requirements, facts justifying the ordinance, references to the comprehensive plan and information on the process of developing the ordinance and regulations. The model ordinance provides excerpts from relevant state and federal laws.

Jurisdictions could also cite relevant local data on housing needs regarding STEP (e.g., housing needs allocations from their county or the county's overall housing needs allocations), or housing policies from their comprehensive plan.

Jurisdictions could also include statements summarizing the process of developing and approving the regulations, such as what information was considered when the ordinance was drafted, what the planning commission recommendations were, whether there was a public hearing(s), and when Washington State Environmental Policy Act requirements were considered if applicable.

Model Ordinance Section/Sub-section	Additional Considerations
<p>H) A city or county is prohibited from imposing different requirements on affordable housing developments (e.g., permanent supportive housing, transitional housing or emergency housing with a lease) than those imposed on housing developments generally. However, exceptions are allowed for preferential treatment towards affordable housing developments aimed at specific groups such as individuals experiencing homelessness, farmworkers, persons with disabilities, seniors or low-income households. Preferential treatment may include fee reductions or waivers, adjustments to architectural or site development requirements, or other measures aimed at reducing development or operating costs. (<a href="#">RCW 36.130.020</a>)</p> <p>I) If a city, county or other local government entity is a funder of the project, the city can put regulations or restrictions on operators of affordable housing.</p> <p>J) Any city or county must allow an increased density bonus consistent with local needs for any affordable housing development of any single-family or multifamily residence located on real property owned or controlled by a religious organization. (<a href="#">RCW 36.70A.545</a>)</p> <p>K) Regulatory limits on outdoor encampments, safe parking efforts, indoor overnight shelters, and temporary small houses on property owned or controlled by a religious organization must be consistent with <a href="#">RCW 35.21.915</a> and <a href="#">RCW 36.01.290</a>.</p>	

Model Ordinance Section/Sub-section	Additional Considerations
<p><b>iii. Enactment Clause</b></p> <p>Therefore, the <b>[approving entity, for example, City Council or Board of County Commissioners, and community name]</b> does ordain as follows:</p>	<p><b>Enactment Clause:</b> The enactment cause includes who adopted the ordinance.</p>

Model Ordinance Section/Sub-section	Additional Considerations
<p><b>iv. Statement of Purpose</b></p> <p>The purpose of this ordinance is to:</p> <p>A) Ensure compliance with the <b>State of Washington’s Growth Management Act and other laws.</b></p> <p>B) Support the implementation of <b>[community name]’s</b> comprehensive plan.</p>	<p><b>Statement of Purpose:</b> A statement of purpose typically discusses the ordinance's goals, such as ensuring compliance with state and federal laws and the comprehensive plan. Goals might incorporate specific excerpts from laws and the comprehensive plan that the ordinance addresses.</p> <p>Specific goals will vary by jurisdiction but might include a goal related to ensuring STEP tenants and clients have access to</p>

Model Ordinance Section/Sub-section	Additional Considerations
<p>C) Encourage the development of emergency housing, emergency shelters, permanent supportive housing and transitional housing consistent with best practices for these development types to help address local housing needs.</p> <p>D) Direct STEP development to areas with existing amenities, like jobs, services and transit, to ensure occupants have access to opportunities.</p> <p>E) Protect the health, safety and welfare of the individuals served by these development types and the broader community.</p>	<p>transportation, jobs and other services, and a goal related to supporting the broader community with the code.</p>

Model Ordinance Section/Sub-section	Additional Considerations
<p><b>II. Definitions</b></p> <p>The following definitions shall be applied. Words in the singular number shall include the plural, and the plural shall include the singular.</p> <p><b>Statutory required definitions:</b></p> <ol style="list-style-type: none"> <li><b>Emergency housing</b> means temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement. (<a href="#">RCW 36.70A.030(14)</a>)</li> <li><b>Emergency shelter</b> means a facility that provides a temporary shelter for individuals or families who are currently homeless. Emergency shelter may not require occupants to enter into a lease or an occupancy agreement. Emergency shelter facilities may include day and warming centers that do not provide overnight accommodations. (<a href="#">RCW 36.70A.030(15)</a>)</li> <li><b>Permanent supportive housing</b> is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living</li> </ol>	<p><b>Definitions:</b> Commerce intends for this model ordinance to support jurisdictions in following requirements established by the <a href="#">Growth Management Act</a> and the state's definitions of STEP. To ensure consistency across the state, jurisdictions should use Washington state's definitions included here under statutory required definitions; while the other definitions are optional.<sup>38</sup></p> <p>Jurisdictions may define housing and shelter types not defined by the state, so long as they are not inconsistent with state law. If there are questions, consult with your jurisdiction's attorney or with Commerce staff. For example, one county and city in Washington state made conscious efforts to align their language and processes to help reduce development barriers like unclear or inconsistent regulation language. Other jurisdictions worked with local housing providers to develop language for additional terms and definitions for temporary shelter and accommodations that the providers intended to develop.</p> <p>Jurisdictions should also avoid vagueness in their definitions and throughout their ordinance.</p>

<sup>38</sup> Cities and counties are not required to use the exact same terms as the state statutes. However, using different definitions than those in the state statutes may result in inconsistencies and noncompliance with the law. Therefore, Commerce recommends following the definitions included in the state statutes as this poses the least risk.

Model Ordinance Section/Sub-section	Additional Considerations
<p>with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment or employment services. Permanent supportive housing is subject to all of the rights and responsibilities defined in chapter 59.18 RCW. (<a href="#">RCW 36.70A.030(31)</a>)</p> <p>4) <b>Religious organization</b> means the federally protected practice of a recognized religious assembly, school or institution that owns or controls real property. (<a href="#">RCW 36.01.290(6)(c)</a>)</p> <p>5) <b>Tiny houses</b>, including tiny houses on wheels, are defined as dwellings to be used as permanent housing with permanent provisions for living, sleeping, eating, cooking and sanitation built in accordance with the state building code. (<a href="#">RCW 35.21.686</a>)</p> <p>6) <b>Transitional housing</b> means a project that provides housing and supportive services to homeless persons or families and that has as its purpose facilitating the movement of homeless persons and families into independent living, generally in less than two years. (<a href="#">RCW 84.36.043(3)(c)</a>, updated by Commerce)</p> <p><b>Statutory optional definitions:</b></p> <p>7) <b>Affordable housing</b> means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed thirty percent of the monthly income of a household whose income is:</p> <p style="padding-left: 40px;">For rental housing, 60 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development; or</p> <p style="padding-left: 40px;">For owner-occupied housing, 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development. (<a href="#">RCW 36.70A.030(5)</a>)</p>	<p><b>Religious organization:</b> The definition provided in the model ordinance applies to counties and "hosting the homeless." It is likely that a local government may need to use a broader definition than just one that owns or controls property in other contexts. This definition is just for the purpose of <a href="#">RCW 36.01.290</a> and <a href="#">RCW 36.70A.545</a>. It is not required to be used more broadly.</p> <p><b>Temporary:</b> The definition included in the model ordinance applies to the person and how long they reside there, not the structure or length of time for the land use.</p> <p><b>Affordable housing development</b>, with respect to <a href="#">RCW 36.130.020</a>, means a housing development in which at least twenty-five percent of the dwelling units within the development are set aside for or are occupied by low-income households at a sales price or rent amount that is considered affordable by a federal, state or local government housing program. (<a href="#">RCW 36.130.010</a>) Indoor emergency housing or transitional housing that is administered through a lease or occupancy agreement and permanent supportive housing are determined to be affordable housing under <a href="#">RCW 36.130.020</a>. (<a href="#">Draft WAC Changes - 365-196-Part 4 - March 2024</a>)</p> <p><b>Tiny shelters:</b> Because communities are seeing non-standard types of STEP being purposed, some may consider adding a definition for tiny shelters. Tiny shelters are temporary shelters that do not have the amenities of a single dwelling unit and rely on shared facilities for dining, laundry and bathrooms. The structure may or may not be on a foundation.</p>

### III. Substantive Provisions

**Locations for STEP:**

Indoor emergency shelters and indoor emergency housing are permitted in any zone in which hotels are allowed [relevant code section numbers]. [OR] Indoor emergency shelters and indoor emergency housing are permitted in [XX, XX, and XX zones], representing more than 50% of zones within one-mile proximity to transit [relevant code section numbers].

Permanent supportive housing and transitional housing are permitted in any zones where residential dwelling units or hotels are allowed [relevant code section numbers].

**Zoning Matrix:**

Jurisdictions can use the zoning matrix to update their land use tables.

Permitted by right in areas zoned for:	Hotels/motels	Single-family homes	Multi-family housing
Emergency Shelter	P*		
Transitional housing	P	P	P
Emergency housing	P*		
Permanent supportive housing	P	P	P

P = Permitted

\*Unless an ordinance has been adopted authorizing indoor emergency shelters and indoor emergency housing in over 50 percent of zones within one mile of transit.

**Same treatment:** Transitional housing and emergency housing with a lease and permanent supportive housing should be treated the same as other housing types in local regulations. [RCW 36.130.020](#) states a city, county or other local governmental entity or agency may not adopt, impose or enforce requirements on an affordable housing development that are different from the requirements imposed on housing developments generally. **Therefore, the substantive provisions section may be most applicable to emergency shelter and emergency housing regulations.**

**Preferential treatment:** However, this law does not prohibit local governments from extending preferential treatment to affordable housing developments, including, but not limited to a reduction or waiver of fees, changes in applicable requirements, or other treatment that reduces or is likely to reduce the development or operating costs of a development. If a local government provides preferential treatment to affordable housing developments of any kind, they must also provide the same benefits and conditions to permanent supportive housing and transitional housing and emergency housing with leases.

If a jurisdiction provides a benefit for these development types, it may include requirements proportional to that benefit. For example, if a project receives a Multi-Family Tax Exemption, it will need to meet the requirements of that program.<sup>39</sup> If a project receives a parking waiver, a jurisdiction may request the project submit a parking management plan. These requirements must apply to all projects that receive the benefit (not just a subset).

**By right zoning and conditional use processes:** To support STEP projects, jurisdictions can clearly outline the permitting process in their ordinances, including what approvals are required, who makes the decision and what the decision criteria and expected timeline are. Conditional use processes and public hearings for STEP permit applications can create uncertainty for applicants and add extra time and costs to projects. Therefore, if an application meets all the requirements, it is recommended it be subject to administrative review without a public hearing to avoid misleading community members.

An emerging best practice is to designate STEP as a permitted use outright in the zones highlighted in the zoning matrix on the left. To support classifying STEP as a permitted use outright with an administrative review, a jurisdiction can adopt clear criteria for review to aid judgment in making decisions.

Recognizing that communities may still utilize conditional use processes to address community concerns in some zones, the Department of Commerce recommends jurisdictions limit STEP permit applications to administrative review whenever possible.

Additionally, jurisdictions' ordinances and regulations should be consistent with and implement local comprehensive plans, which must document sufficient land use capacity for STEP. ([RCW 36.70A.070\(2\)\(c\)](#))

**Occupancy, spacing and intensity of use requirements:** Communities may only impose *reasonable* occupancy, spacing and intensity of use limits on STEP to protect public health and safety, and any such limits must allow the siting of a sufficient number of permanent supportive housing units and emergency housing beds necessary to accommodate

<sup>39</sup> For more information, see the Department of Commerce's [Multi-Family Housing Property Tax Exemption Program](#) webpage.

Model Ordinance Section/Sub-section	Additional Considerations
<p><b>Additional Regulations:</b> Indoor emergency shelters, transitional housing, indoor emergency housing and permanent supportive housing must meet the same development and operating regulations as permitted residential dwellings, including adhering to building and fire codes and American Disability Act requirements <b>[relevant code section numbers]</b>, to ensure consistency in health and safety for all residents.</p> <p>Minimum parking requirements are waived for all indoor emergency shelters, transitional housing, indoor emergency housing and permanent supportive housing <b>[relevant code section numbers]</b>.</p> <p><b>Exemptions:</b> Exemptions to development regulations <b>[relevant code section numbers]</b>, including but not limited to setback requirements, density limits, restrictions on support spaces inside buildings (e.g., office space for tenants) and public noticing requirements, for indoor emergency shelters, transitional housing, emergency housing and permanent supportive housing may be permitted with administrative approval by <b>[approving administrative entity, e.g., the planning director or city engineer]</b> to address <b>[community name]</b>'s housing needs allocation through shelter and housing forms that do not meet building codes or other requirements. These types may include, but are not limited to, pallet shelters and tiny shelters. Regardless of the form, the housing or shelter must be indoors and allow access to bathrooms and showers.</p> <p><b>Special Provision for Religious Organizations:</b> Any affordable housing development <b>[relevant code section numbers]</b>, including permanent supportive housing and transitional housing with a lease, of any single-family or multifamily residence located on real property owned or controlled by a religious organization is allowed an increased density bonus consistent with local housing needs allocation with administrative approval by <b>[approving administrative entity, e.g., the planning director or city engineer]</b>.</p>	<p>projected needs. These requirements to protect public health and safety must be justified, for example, by including a reference to the local building and fire codes in the ordinance's findings section, to be consistent with state law and reduce litigation risk.</p> <p><b>Reasonable</b> for the purposes of <a href="#">RCW 35A.21.430</a> and <a href="#">RCW 35.21.683</a> and this report, includes only those requirements imposed to protect public health and safety. Requirements that prevent the siting of a sufficient number of permanent supportive housing, transitional housing, indoor emergency housing or indoor emergency shelters are not reasonable. In addition, reasonable requirements must comply with any applicable civil rights protections provided by the Washington Law Against Discrimination, the Fair Housing Act, and the American with Disabilities Act. Reasonable requirements can vary with geographic size and population of the jurisdiction and the current siting of these housing types. Any occupancy, spacing, and intensity of use requirements should be justified by reference to building code, fire code or other citations within an ordinance</p> <ul style="list-style-type: none"> <li>• <b>Occupancy:</b> Commerce recommends occupancy for emergency shelters and emergency housing be established as required by the jurisdiction's adopted building, fire and safety codes for other similar uses. For example, if a jurisdiction does not have police and fire limitations for hotels, then it is not appropriate to require it of STEP types where residents stay for short periods. Also, <a href="#">RCW 35.21.682</a>, <a href="#">RCW 35A.21.314</a> and <a href="#">RCW 36.01.227</a> state cities and counties may not regulate or limit the number of unrelated persons that may occupy a dwelling unit except as provided for in state law.</li> <li>• <b>Spacing:</b> Any spacing requirements must be directly tied to public health and safety and documented in the ordinance's findings. Any spacing requirements should not exceed the spacing requirements in <a href="#">RCW 9.94A.030</a> and <a href="#">RCW 9.94A.703</a>, which create community protection zones of 880 feet to prevent sex offenders from living near schools.</li> <li>• <b>Intensity:</b> With respect to STEP, intensity refers to the total number or density of people, transportation and/or services in a single location or facility. Commerce does not recommend any blanket intensity regulations for these use types. Standards adopted to encourage a scattered approach to the siting of these services to ensure they are not located in only one area of the jurisdiction should consider the accessibility of services for residents, be accompanied by documentation of sufficient land capacity and be consistent with state and local policies.</li> </ul> <p><b>Parking requirements:</b> These requirements should be less extensive for STEP than typical housing, as most residents do not have vehicles. Parking should be considered for employees based on context (e.g., the development's proximity to transit). STEP near a transit stop would require very few off-street parking spaces. If parking is required in the municipal code, Commerce recommends that the jurisdiction accept parking studies from the applicant documenting the number of parking spaces that are needed by the land use. Jurisdictions should look at comparable STEP developments in similar contexts to determine projected parking needs.</p> <p><b>Required documentation and plans:</b> These types of regulations are only acceptable for emergency shelter, emergency housing and transitional housing without leases under state law (<a href="#">RCW 36.130.020</a>). Unless documentation and plans are required for other similar facilities and housing types (e.g., adult family homes, nursing homes, or multifamily housing generally), Commerce discourages jurisdictions from adding these additional requirements for STEP and encourages them to defer to the project's funder and insurance requirements rather than asking for them in local code.</p>

Model Ordinance Section/Sub-section	Additional Considerations
<p>Outdoor encampments, safe parking efforts, indoor overnight shelter and temporary small houses <b>[relevant code section numbers]</b> are permitted on property owned or controlled by a religious organization and must adhere to state regulations in <a href="#">RCW 35.21.915</a> and <a href="#">RCW 36.01.290</a>.</p>	<p>If jurisdictions require specific documentation, like operations, safety, training plans or something else, Commerce recommends that they provide a sample document to further support those applying to develop STEP. It should be clear to the applicant what is needed and who will review these documents. The reviewer should be someone with sufficient capacity and qualifications to understand the needs and challenges of STEP, and they should use objective approval criteria.</p> <p>Jurisdictions should also limit what they require in these plans to help streamline the permitting of STEP projects. For example, an operations agreement may provide the following:</p> <ul style="list-style-type: none"> <li>• One phone number for emergencies</li> <li>• Operating funding information to inform local governments of existing requirements and support a project may have</li> <li>• Services plan (i.e., a description of on-site services, identification of service providers, and staff-to-client ratios)</li> </ul> <p><b>Requirements to receive services:</b> Because STEP funders already have project requirements for requirements to receive services, Commerce recommends jurisdictions do not add additional requirements STEP participants need to comply with to receive services or to access a project (e.g., IDs, documentation, income verification, etc.).</p> <p><b>Exemptions/exclusions:</b> Jurisdictions can review their existing regulations and any other STEP requirements to consider types of projects that might be suitable for an exemption. For example, some jurisdictions require public noticing requirements, but waive those for projects with confidential locations to prevent adverse effects on clients served by domestic violence shelters and housing.</p> <p><b>Special provision for religious organizations:</b> Jurisdictions must allow an increased density bonus consistent with local housing needs for any affordable housing development on property owned or controlled by a religious organization. State law also limits jurisdictions' ability to regulate outdoor encampments, safe parking efforts, indoor overnight shelters and temporary tiny shelters on property owned or controlled by a religious organization. To be consistent with state law and allow more STEP to meet local housing needs, jurisdictions can ensure provisions are included for religious organizations and permitting processes are outlined in local ordinances.</p>

## ***IV. Concluding Sections***

### **i. Effective Date**

**[Insert code section number]**. Effective date. This ordinance shall take effect **[insert month, date, year]**.

### **ii. Repeals**

**[Insert code section number]**. Repealer. The following are hereby repealed:

**[Insert a list of any ordinances being corrected/repealed]**

### **iii. Savings Clause**

**[Insert code section number]**. Savings Clause. **[insert ordinance number being repealed]**, which is repealed by this ordinance, shall remain in force and effect until the effective date of this ordinance.

### **iv. Severability**

If any section, subsection, paragraph, sentence, clause or phrase of this ordinance is declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining parts of this ordinance.

**Concluding sections:** These generic sections of the model ordinance can be used if applicable. Otherwise, they can be left out of a local ordinance.

For general guidance on developing this section of local ordinances, jurisdictions can read MRSC’s [Local Ordinances for Washington Cities and Counties](#) (2015).

## Chapter 7: Accommodating Enough STEP

To accommodate enough STEP units to address local housing needs, jurisdictions must demonstrate they have sufficient land capacity and reduce development barriers to STEP. It is also recommended jurisdictions resist addressing all community concerns and potential project impacts with their ordinances and regulations, and defer to funder requirements and clear communication processes with housing and service providers.

### Demonstrating Sufficient Land Capacity

One of the first steps for jurisdictions to accommodate enough STEP after permitting the uses is to review if they have sufficient land zoned for these development types, as required by state law. Local comprehensive plans must identify "sufficient land for housing, including, but not limited to, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, [and] permanent supportive housing," [RCW 36.70A.070\(2\)\(c\)](#).

Therefore, all fully planning jurisdictions must do a land capacity analysis to show land capacity for permanent supportive housing and emergency housing/shelters, not just those jurisdictions that have occupancy, spacing and intensity of use requirements.<sup>40</sup> The land capacity for emergency housing can overlap with the land capacity information for other housing types.<sup>41</sup> This assessment is also an opportunity for communities to examine the gap between their housing needs and existing inventory and consider if land suitable for STEP is in areas with sufficient infrastructure and amenities, such as transit and other services.

To determine whether jurisdictions have the land capacity for STEP, local governments can refer to [Guidance for Updating your Housing Element \(Book 2\)](#) for specific steps, starting on page 41 for emergency housing and emergency shelters, grouped together in emergency housing steps, and starting on approximately page 31 for permanent supportive housing. Approaches to determine land capacity for siting STEP can vary, but, in general, include reviewing existing housing supply; reviewing vacant and redevelopable land in areas with access to infrastructure, transportation, jobs and other services; and identifying if based on both intensity of STEP likely to be developed and restrictions, such as spacing or occupancy requirements, there is sufficient capacity for STEP. Examples of land capacity analyses are also available on [Commerce's EZView website](#).

---

<sup>40</sup> This updated standard for when a land capacity analysis is required for emergency housing will be updated in [Guidance for Updating your Housing Element](#) (Housing Element Book 2) by August 2024.

<sup>41</sup> For example, if a jurisdiction has 2.5 acres of vacant land in the zones that allow emergency housing and emergency shelter, they can use that area in the land capacity analysis for permanent housing needs and the land capacity analysis for emergency housing.

Jurisdictions can also engage their local Continuum of Care (CoC)<sup>42</sup> to understand specific STEP demands, constraints and opportunities within their communities. These groups can share where they think STEP is more likely to be developed and at what densities.<sup>43</sup>

Jurisdictions must document their findings of sufficient land capacity for emergency housing, which includes emergency shelters, and permanent supportive housing in their housing element, supported by more detailed analysis in supporting appendices. If jurisdictions have any occupancy, spacing or intensity of use requirements, they must demonstrate with a quantitative and spatial analysis that there is sufficient capacity for their housing needs allocation.

## Reducing Development Barriers

Many barriers exist for developing STEP and affordable housing in general, including but not limited to:

- Rising costs of land, labor, materials and insurance
- High permit fees, impact fees and utility connection fees
- Burdensome or unclear zoning and development regulations
- Slow local permitting and approval processes
- Lack of clear and accessible information on processes
- Limited capacity at local jurisdictions to process applications quickly
- Limited developer and workforce capacity
- NIMBY (Not-In-My-Backyard) attitudes
- Neighborhood covenants and restrictions
- Limited subsidized funding sources
- Requirements to fund new infrastructure

While local jurisdictions do not set property prices, the number of construction hours needed to complete a development or the cost of building materials and insurance, they do control several aspects to development. Jurisdictions set permit costs, control internal approval processes that can add to development timelines, grant fee waivers, control publicly owned land and can provide public funding for affordable housing and STEP.<sup>44</sup>

---

<sup>42</sup> A CoC is a regional or local planning body that coordinates housing and services for people experiencing homelessness. It consists of representatives from service providers, local governments and other organizations, and it is responsible for planning and allocating resources to address homelessness. (National Alliance to End Homelessness. What is a Continuum of Care?. 2010. <https://endhomelessness.org/resource/what-is-a-continuum-of-care/>)

<sup>43</sup> Visit HUD's [Grantee Contact Information](#) or the Department of Commerce's [Continuum of Care](#) webpage to find the right CoC contact. Commerce is the Collaborative Applicant for the Washington Balance of State Continuum of Care, consisting of 34 small and medium-sized counties.

<sup>44</sup> The [Homelessness & Housing Toolkit for Cities](#), produced by the Association of Washington Cities and Municipal Research and Services Center (2022), provides resources and case studies on various strategies to help communities address homelessness and affordable housing issues.

One of the most important powers of local governing bodies that can be used to lower barriers for STEP production is their ability to control local zoning and development rules.

To encourage more STEP development, jurisdictions can consider including regulatory or permitting incentives for STEP, such as reduced or waived parking minimums, impact fees, linkage fees<sup>45</sup> and system development charges (i.e., tap fees). They can provide density bonuses, streamline and expedite permitting processes and help fund STEP (e.g., passing an affordable housing sales tax or property tax levy). They can also pay for site improvements and utility connections and donate land for STEP projects.<sup>46</sup>

Even more important than positive incentives is avoiding local requirements that hinder rather than promote STEP development. **Table 4** provides examples of local regulations and requirements that can create barriers for STEP development and recommendations for what to do instead.

**Table 4 - Local Regulatory Barriers and Alternatives**

Development regulations for STEP include:	Do this instead:
Unclear rules and requirements that are inconsistent with state and federal laws	Make it very clear where STEP uses are allowed and what process needs to be followed for permitting. Review the state's minimum requirements for STEP regulations to ensure they are incorporated into local ordinances. Jurisdictions are encouraged to use STEP definitions that are consistent with the state's definitions to make regulations more straightforward for STEP developers operating across the state. If specific requirements are adopted for STEP, avoid vagueness that may lead to arbitrary action or is too difficult for the average citizen to understand.
Regulations different from those for general housing development	Treat transitional housing and emergency housing with leases and permanent supportive housing the same as other affordable housing types, as required by law ( <a href="#">RCW 36.130.020</a> ). Also, ensure any additional regulations for emergency shelter and emergency housing are limited to restrictions or requirements that are consistent with state and federal laws and have a legitimate purpose of protecting public health and safety.
Spacing requirements (e.g., minimum distances from parks, schools or other facilities)	Do not include spacing requirements or minimum distances from public uses; instead, encourage STEP development in areas with access to these types of amenities, especially public transit when it is available. Encouraging STEP development in locations near schools, healthcare services, transportation, job prospects and other amenities helps promote economic mobility and access to services. If jurisdictions

<sup>45</sup> Impact fees and linkage fees are costs developers are required to pay to support shared infrastructure and services. Jurisdictions can reduce development costs for STEP and other affordable development projects by reducing or waiving these fees. [RCW 82.02.060\(3\)](#) authorizes cities, counties and towns to grant impact fee exemptions for affordable housing. [RCW 35.92.380](#) authorizes a city or town to waive or delay collection of tap-in charges, connection fees or hookup fees for low-income persons connecting to water, sanitary or storm sewer service, electricity, gas and other means of power and heat, and [RCW 36.70A.540](#) authorizes affordable housing incentive programs, including fee waivers or exemptions.

<sup>46</sup> Jurisdictions offering these benefits should always consider tax loss information and possible repercussions on city taxes for the year.

Development regulations for STEP include:	Do this instead:
	have any restrictions on occupancy, spacing or intensity of use, they must demonstrate with a quantitative and spatial analysis that there is sufficient capacity for their housing needs allocation and include reasoning for how these requirements protect public health and safety in the findings of their ordinance.
Limiting maximum densities or minimum square footage	Do not place restrictions on STEP that are not placed on other housing or shelter types, unless it is specifically tied to public health and safety. For STEP projects owned and/or operated by religious organizations, allow density bonuses that are consistent with local housing needs allocations and waive floor area ratio requirements for STEP projects with administrative approval from the local planning director, city engineer or another local decisionmaker with sufficient capacity and expertise.
High off-street parking requirements and ground-floor retail requirements	Waive or significantly reduce parking minimums for STEP projects because they serve individuals who often lack a vehicle. Waive ground-floor retail requirements for STEP projects in mixed-use zones to help make projects easier to develop and allow them to serve more people.
Limits on occupancy	Do not limit the number of unrelated persons that may occupy a household or dwelling unit except for lawful limits on occupant load per square foot or building code limits. Jurisdictions looking for assistance should consult their building official/applicable building codes. If jurisdictions choose to have overall occupancy requirements, they must demonstrate with a quantitative and spatial analysis that there is sufficient capacity for their housing needs allocation and include reasoning for how these requirements protect public health and safety in the findings of their ordinance.
Restrictions on support spaces, such as office space, within a permanent supportive housing building in a residential zone	Waive restrictions on support spaces, which may be considered a non-residential use, within permanent supportive housing properties in residential zones to provide its tenants with greater access to services and amenities that can help them become self-sufficient and stably housed long term.
Facility operating and reporting requirements	Defer to projects' funding requirements and do not set requirements for STEP operations and reporting. Often, jurisdictions do not have the expertise on staff to thoughtfully review and evaluate whether plans for operating these types of housing and shelter are appropriate. Instead, it is recommended to defer to the projects' funders' requirements, which often include standards for client-staff ratios, staff training and certifications, services provided, progress reporting and more.
Requirements for coordination with local police and fire departments	Do not require new coordination plans with local police and fire departments; instead, defer to the preferred coordination plans of local police and fire departments. If such plans do not exist or STEP operators already have existing preferred operations regarding coordination with local police and fire departments, defer to these rather than requiring new plans developed specifically for each project to prevent adding a potentially duplicative, burdensome requirement for STEP.
Arbitrary limits on operation times or occupants (e.g., total occupants allowed or requirements for client background checks or sobriety) and/or requirements for additional	It is best to defer to projects' funding requirements instead of requiring operations plans or additional specific plans of the STEP project. Do not set arbitrary limits on STEP projects' operation times or occupants or include requirements for additional plans or agreements. Often, jurisdictions do not have the expertise on staff to thoughtfully determine operations requirements or plan details for these types of

Development regulations for STEP include:	Do this instead:
plans or agreements (e.g., operations plans or good neighbor agreements)	housing and shelter, so it is best to defer to the projects' funders' requirements, which often include client eligibility requirements and standards for these projects' operations and services.
Conditional use permits, design review requirements <sup>47</sup> and discretionary review processes <sup>48</sup>	Allow STEP outright as a permitted use ("by-right" zoning) in designated zones, do not include requirements and permitting steps different from those for other affordable housing types, and expedite permitting processes for STEP projects when possible. <sup>49</sup> To support classifying STEP as a permitted use outright with an administrative review, a jurisdiction can adopt clear criteria for review to aid judgment in making decisions.

## Addressing Potential Community Concerns

As jurisdictions develop and implement their ordinances, community concerns related to perceived challenges of STEP may arise. To encourage STEP development, jurisdictions can use strategies outside of their local zoning and development regulations to address many of these concerns. Informational community meetings can be one way to identify community concerns in advance, connect housing providers and residents and raise public awareness about the benefits of STEP.

Some community concerns are already addressed or can be without creating additional local regulatory or permitting requirements for STEP. For example:

- A lack of outside oversight for STEP (e.g., requirements for financing, staff behaviors, client or resident codes of conduct, training and services):** In Washington, most STEP projects do not have any state licensing or operating requirements, which has led to community concerns about the quality of their services, the behavior of their clients and a lack of oversight. However, STEP projects require some form of public subsidy or funding from sources that comes with specific eligibility requirements (e.g., requirements for client-staff ratios, staff training or

<sup>47</sup> [RCW 36.70A](#) and [RCW 36.70B](#) were updated in 2023 to streamline local design review processes, requiring “clear and objective” standards that do not reduce development capacity otherwise allowed. Any design review process must be conducted concurrently, or otherwise logically integrated, with the consolidated review and decision process for project permits set forth in [RCW 36.70B.120\(3\)](#). No design review process may include more than one public meeting. A county or city must comply with these requirements beginning six months after its next periodic update required under [RCW 36.70A.130](#). Local governments are encouraged to expedite permits that include affordable housing, as defined in HB 1293 (2023), which provides additional flexibility in defining affordability. The provisions do not apply to regulations specific to designated landmarks or historic districts established under a local preservation ordinance.

<sup>48</sup> For a list of uses that require a public hearing, see Appendix C, page 31, of [Local Ordinances For Washington Cities and Counties](#).

<sup>49</sup> The City of Port Townsend and Jefferson County worked closely together to expedite the permitting for a specific project that incorporates safe parking, a tiny house village and permanent supportive housing on the same piece of county-owned property. Seattle also has implemented an expedited permitting process to encourage STEP production, including exempting permanent supportive housing projects from design review. For more information on how jurisdictions in Washington are helping reduce development barriers for STEP, see the Department of Commerce's [STEP Case Studies](#).

certifications, documentation and reporting). The funders who make STEP projects possible often have their own service, client and staff standards, so additional local requirements can be duplicative and become burdensome for STEP projects. In most cases, it is not possible to build STEP projects without some form of public funding (e.g., a combination of state and LIHTC funding), and all public sources of funding have regulatory requirements developers must meet.<sup>50</sup>

- **Making support services optional:** Some community members may be concerned about making support services optional for STEP clients. However, support services should not be mandatory so that STEP projects do not unintentionally discriminate against clients for religious reasons or because they are hesitant to receive outside assistance. When these services are optional, tenants can drive the type, duration and initiation of services. Studies also show voluntary services are more effective at engaging people to participate in services than mandatory services.<sup>51</sup> Additionally, while services are optional for the participant in permanent supportive housing, they are a core component of it and thus not optional for the operator.
- **Unfair evictions:** Washington residents are concerned about unfair evictions for renters in leased STEP projects. However, any rental requiring leases must adhere to laws established by [Washington State's Residential-Landlord Tenant Act](#), so tenants are already protected under law.<sup>52</sup>
- **Lack of behavioral health support:** The shortage of healthcare professionals, such as clinicians, long-term care support and social workers, is not only affecting the homeless population in Washington but also everyone else. Instead of imposing difficult staffing or service requirements for STEP, defer to the requirements of the entity funding the project for specific requirements for providers and staffing because they understand the needs of residents, best practices and support and staff availability.
- **Unaddressed health and safety concerns of shelter and housing (e.g., unmaintained buildings and littered properties):** All residential development projects, including STEP, should prioritize the safety and maintenance of their properties for the benefit of their clients, tenants and staff. To ensure that all Washington residents are equally protected, local code enforcement should enforce the same occupancy requirements (e.g., max persons per room) and minimum health and safety standards for all residential projects.
- **NIMBYism (i.e., Not-In-My-Backyard mentality):** In Washington communities, some residents may be opposed to the development of affordable housing in their neighborhood, which can be a major obstacle for STEP in jurisdictions where public input has the power to influence or prevent a project from being built. To overcome this, local governments can reduce discretionary review processes<sup>53</sup> for STEP permitting and allow STEP to be permitted administratively, and they can help educate the public about the importance of affordable housing and STEP. The

---

<sup>50</sup> See "Requirements Associated with State and Federal Funding" in Chapter 3 of the STEP [State of the Practice Report](#) for more details on these requirements and links to specific program requirements.

<sup>51</sup> For studies on the Housing First model that show voluntary services work, see [Data Visualization: The Evidence on Housing First](#) from the National Alliance to End Homelessness.

<sup>52</sup> For more information, see the Benton-Franklin Rental Owners Association's [Summary of the Residential Landlord-Tenant Act of 1973](#).

<sup>53</sup> These processes leave permit approval up to a local decision-maker's discretion and may require a public hearing.

Department of Commerce's Housing Division developed the [Permanent Supportive Housing Communications Toolkit](#), which includes the following helpful materials:

- [Permanent Supportive Housing 101 Factsheet](#)
- [Benefits of Permanent Supportive Housing Factsheet](#)
- [Building a Community of Support guidance](#)
- [Common Community Concerns FAQ: Understand and Respond](#)
- [Considerations for Rural and Urban Communities](#)
- [Amplifying the Voices of People in Need of Permanent Supportive Housing Factsheet](#)
- [Lessons Learned Factsheet](#)
- [The Importance of Messaging Factsheet](#)
- [Understanding how Permanent Supportive Housing \(PSH\) Operates Factsheet](#)

Local authorities can help residents become open to unfamiliar housing types and encourage STEP developers and operators to become actively involved in the community by inviting them to attend local meetings and events. Regularly convening residents and STEP partners to discuss community needs and concerns can be an effective strategy to help address NIMBYism. It is important to control how large these meetings between residents and STEP partners are (e.g., max 15 people), who is invited (e.g., neighborhood leadership, local service providers and advisory groups) and what the format is (e.g., local planning staff serve as conveners and facilitate the meeting, serving as a mediator, if necessary, between residents and STEP partners).

- **Lack of control over neighborhood character:** In Washington, some residents may feel that they have no control over the development that takes place in their neighborhood. To address this concern, local jurisdictions can involve community members and STEP partners in discussions about local policies and regulations that guide future development. Jurisdictions should already include robust public engagement opportunities as part of their comprehensive planning processes to ensure that residents have a say in the future of their community. Local ordinances should align with jurisdictions' comprehensive plans and development of local ordinances usually includes an opportunity for community input, so these opportunities are a way residents can influence neighborhood regulations and character as well. It is important to note that local ordinances that mandate public outreach and engagement for affordable housing projects but not for other residential projects may violate fair housing laws and other state and federal regulations.

The Department of Commerce encourages jurisdictions to plan for and raise awareness about the benefits of STEP in their housing planning processes. By taking this proactive approach, jurisdictions can reduce the need for engagement related to specific projects and streamline permitting processes for STEP. Assuming that a STEP project is to be administratively approved, local planning staff can also host a community meeting to help inform residents about a specific project in their neighborhood. A community meeting differs from an open record hearing/public hearing because community members cannot influence whether the STEP project moves forward, and the meeting is only for informational purposes.

- **When STEP providers do not comply with funders' requirements:** In situations where STEP service providers/property owners do not comply with funder requirements or standards, a local government should first notify the property owner of the concerns to determine whether the issues could be rectified. If the owner's response is not sufficient, the local government may consult with the relevant state agency/funder to understand whether state oversight or resources could be used to address the concerns. Lastly, if providers/property owners remain out of compliance, a local government may utilize its code enforcement tools, as it would with any other nuisance property or landlord.
- **Sex offenders near children:** Some local regulations in Washington currently impose potentially discriminatory distancing requirements for STEP related to parks, schools and daycare centers. Community protection zones for STEP projects are not needed because Washington state law already establishes an 880-foot community protection zone around public and private schools to regulate the residency of level two and three sex offenders ([RCW9.94A.030\(6\)](#)). Furthermore, policies that prevent STEP from being built near parks, schools or other public uses can unintentionally affect other populations experiencing homelessness such as children that need access to these services.
- **Crime and substance abuse:** STEP that is well managed can be a neighborhood asset that creates the conditions necessary for everyone to thrive and have access to support services. Many STEP developments also provide resources to the community regarding any concerns that may require immediate intervention. These developments employ staff with expertise in supporting people in transition from homelessness, including crisis intervention and security. Staff work with STEP clients and residents to comply with shelter and housing rules and are trained to de-escalate difficult situations before they become emergencies through onsite or mobile support. Staff serve as a point of contact for community members to discuss and address concerns as they emerge.<sup>54</sup> Several studies on permanent supportive housing found no evidence that the development of these facilities leads to increased rates of crime.<sup>55</sup>

While sobriety is an important goal for many individuals, many studies<sup>56</sup> have found that imposing strict sobriety requirements as a condition of housing can be counterproductive and exacerbate homelessness. By providing stable housing and other services, STEP projects can help individuals take the steps to improve their health and well-being, address the root causes of their substance use, and connect with counseling and other supportive services. Additionally, fair housing laws and the Americans with Disabilities Act protect people with criminal histories related to past substance abuse.<sup>57</sup>

---

<sup>54</sup> National Academies of Sciences, Engineering, and Medicine. Permanent Supportive Housing: Evaluating the Evidence for Improving Health Outcomes Among People Experiencing Chronic Homelessness. Washington, DC: The National Academies Press. 2018. <https://nap.nationalacademies.org/catalog/25133/permanent-supportive-housing-evaluating-the-evidence-for-improving-health-outcomes>

<sup>55</sup> San Mateo County Health System, Behavioral Health and Recovery Services. The Impact of Supportive Housing on Neighborhood Crime and Property Values. [www.smchealth.org/sites/main/files/file-attachments/impact\\_of\\_supportive\\_housing\\_on\\_neighborhood\\_crime\\_and\\_property\\_v2.pdf?1468431099](http://www.smchealth.org/sites/main/files/file-attachments/impact_of_supportive_housing_on_neighborhood_crime_and_property_v2.pdf?1468431099)

<sup>56</sup> The U.S. Department of Housing and Urban Development. Housing First: A Review of the Evidence. 2023. [www.huduser.gov/portal/periodicals/em/spring-summer-23/highlight2.html](http://www.huduser.gov/portal/periodicals/em/spring-summer-23/highlight2.html)

<sup>57</sup> For more information, see [The Americans With Disabilities Act, Addiction, and Recovery for State and Local Governments](#).

## Chapter 8: Adoption and Implementation

To encourage the development of STEP in the state of Washington, the adoption of Commerce's model ordinance and other recommendations in this guide is highly encouraged. While the use of the model ordinance is voluntary, state laws require cities and counties planning under the Growth Management Act to ensure their local regulations adhere to the minimum state requirements.

General tips for adoption and implementation of STEP regulations include:

- **Plan for adoption at the beginning:** Preparing for adoption should begin with establishing how this work will fit into your jurisdiction's upcoming annual work plan or periodic update work plan. Establish a critical path and work backward from desired legislative action dates with the city council, board of county commissioners or other approving entity. Allow for some cushion in case more time is needed to respond to public and decision-maker comments, as well as provide time to consider land capacity if spacing, occupancy or intensity of use restrictions are considered.
- **Engage decision makers along the way:** Addressing critical housing needs and defining regulations for STEP can raise concerns from a range of stakeholders, including elected and appointed officials. Engaging with decision-makers early and continuously will create a smoother path for the adoption process.
- **Work with attorneys:** Jurisdictions should work with an attorney or the Department of Commerce to ensure their local ordinances are consistent with state and federal law before adoption. After adoption, jurisdictions may still need to work with attorneys to deal with compliance issues in administering the ordinance. For example, an issue may arise requiring legal support to articulate a policy or procedure within the ordinance. Jurisdictions can ensure their permit requirements for STEP are as objective as possible to ensure their decisions are legally defensible.
- **Raise awareness about the benefits of STEP:** To further support jurisdictions in the adoption and implementation of their ordinances related to STEP, the Department of Commerce is developing the STEP Communications Toolkit, including a sample staff report and other materials to help local planning staff, appointed and elected officials and others communicate the benefits, challenges and best practices associated with planning for STEP. These tools will be coordinated and consistent with the Department of Commerce Housing Division's [Permanent Supportive Housing Communications Toolkit](#). Commerce's STEP Communications Toolkit is available on the [Updating GMA Housing Elements webpage](#).

# Appendix

## Methodology

From February 2024 through July 2024, Commerce is working with Abt Global and the Corporation for Supportive Housing (the project team) to create a STEP Model Ordinance, User Guide and Best Practices Report and Communications Toolkit. The following includes the project team's methodology for drafting the STEP Model Ordinance, User Guide and Best Practices Report.

### Establish an Advisory Committee

To inform the model ordinance and its supplemental materials, the project team established an advisory committee including representatives from individual jurisdictions who have regulated types of STEP in their communities, STEP developers, and stakeholders who were involved in the development of HB 1220 or overall housing policy development in Washington. The project team convened this committee three times throughout the process to gather information and guidance.

Members include:

1. Adrian Smith, City of Port Townsend
2. Ali Brast, City of Spokane
3. Blake Lyon, City of Bellingham
4. Bryan Snodgrass, City of Vancouver
5. Bryce Yadon, Futurewise
6. Carl Schroeder, Association of Washington Cities
7. Chris Collier, Alliance for Housing Affordability at Housing Authority of Snohomish County
8. Colin Morgan-Cross, Mercy Housing
9. Curtis Steinhauer, Washington State Association of Counties
10. Dee Caputo, FAICP, Washington State Department of Commerce, Growth Management Services (Retired)
11. Glen DeVries, City of Wenatchee
12. Lauren Fay, Downtown Emergency Services Center (DESC)
13. Mario Williams-Sweet, King County
14. Mary May, GS Consulting

### Analyze the Existing State of the Practice

To better understand the current environment and best practices regarding STEP, the project team cataloged relevant state and federal laws, reviewed other communities' model ordinances and analyzed local jurisdictions' existing regulations from February to April 2024. The project

team's research included conducting virtual interviews and small groups with representatives from local planning departments and other STEP stakeholders, including:

- City of Federal Way
- City of Kenmore
- City of Kent
- City of Langley
- City of Olympia
- GS Consulting, Affordable Housing Consultant
- King County
- Lewis County
- Snohomish County
- Plymouth Housing
- Washington State Department of Health

Abt documented and synthesized the results of these information-gathering activities in a [State of the Practice Report](#) identifying best practices and local needs to guide the design of the model ordinance and its supplemental materials.

## Study Local Implementation Successes

In March and April 2024, the project team studied the successful implementation of STEP ordinances and development in four different jurisdictions in Washington state, including the City of Spokane, the City of Vancouver, the City of Wenatchee and King County. The team selected localities of varying sizes and locations throughout the state to conduct interviews and gather information for case studies. The lessons learned from these studies informed the model ordinance and its supplemental materials and are compiled in the [STEP Case Studies Report](#).

## Facilitate a 30-day Public Comment Period and Targeted Engagement

The project team facilitated a 30-day public comment period before finalizing the STEP Model Ordinance, User Guide and Best Practices Report. To gather feedback during this time, Commerce broadly distributed the draft model ordinance to Washington's local governments, behavioral health providers and other interested parties to give them the opportunity to provide comments. The team also conducted an online webinar on May 14, 2024, and presented at existing meetings with targeted groups. The project team analyzed all the comments collected over the public comment period and used that feedback to inform the final model ordinance and its supplemental materials.