STEP Frequently Asked Questions (FAQ)

What is STEP?

STEP stands for indoor emergency **S**helter, **T**ransitional housing, **E**mergency housing and **P**ermanent supportive housing. Washington state communities are required to plan for these housing types so that our most vulnerable households can have a better chance to access the housing they need. Abbreviated definitions are provided below, see the statute for the full definition.

- ***Emergency shelter*** **(S)** is defined as a facility that provides a temporary shelter for individuals or families who are currently homeless. RCW 36.70A.030(15)

- ***Transitional housing*** **(T)** provides housing and supportive services to homeless persons or families for generally up to two years to facilitate the movement of homeless persons and families into independent living. RCW 84.36.043(3)(c)

- ***Emergency housing*** **(E)** is 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. RCW 36.70A.030(14)

- ***Permanent supportive housing*** **(P)** is defined as subsidized, leased housing, paired with on- site or off-site voluntary services, 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. Permanent supportive housing is designed to support those 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. RCW 36.70A.030(31)

Why are we talking about STEP now?

The Growth Management Act requires local governments to plan for and accommodate housing affordable to all income levels (RCW 36.70A.020(4) and RCW 36.70A.070(2)). Cities must also permit indoor emergency shelters and indoor emergency housing in zones where hotels are allowed and permit permanent supportive housing and transitional housing in zones where residential dwelling units or hotels are allowed (RCW 35.21.683 and RCW 35A.21.430). Also, all local governments are restricted from placing requirements on an affordable housing development, including STEP projects with leases, that are different from those imposed on housing developments generally (RCW 36.130.020). Jurisdictions across the state are required to update their local zoning codes to address STEP between 2024 and 2027.

Why is STEP important?

STEP is critical to helping individuals and families experiencing homelessness meet their basic needs while they wait for affordable permanent housing to become available. By offering a safe place to sleep, these facilities can reduce the number of people living and sleeping in unsafe conditions and divert people from

living in public spaces. STEP decreases the public cost burden on other services such as hospitals, emergency services and jails; therefore, it costs the same amount or less than its alternatives.[1]

What is not STEP?

Group homes, adult family homes, Oxford houses/sober living, behavioral health facilities and assisted living facilities are not STEP, but are important housing or facility types that are regulated differently.[2]

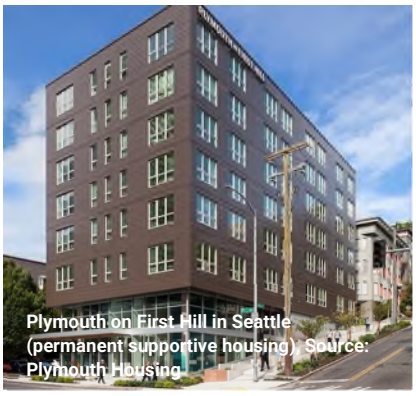
What does STEP look like?

STEP is provided through a variety of building, facility and shelter forms, including but not limited to single-site congregate living, hotel/motel units, apartments, tiny homes, tiny homes on wheels, tiny shelters, park model homes, tent encampments, safe parking, single-family homes and crisis shelters.

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


Plymouth on First Hill in Seattle (permanent supportive housing), Source: Plymouth Housing

The Haven in Coupeville (emergency shelter), Source: Whidbey Homeless Coalition

Why is the need for STEP so significant?

STEP provides housing solutions to address the unique needs of individuals, families, unaccompanied youth, seniors, veterans, people with disabilities and other subpopulations who are experiencing homelessness or are at immediate risk of losing their housing mainly due to rent increases in Washington's increasingly tight rental market. According to the U.S. Department of Housing and Urban Development's Annual Homeless Assessment Report to Congress, homelessness in Washington increased by almost 20 percent between 2007 and 2023.[3] This growth was driven mainly by rising rents, combined with lagging income growth and a lack of housing supply.[4]

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[1] Corporation for Supportive Housing. FAQ's about Supportive Housing Research: Is Supportive Housing Cost Effective? 2018. www.csh.org/wp-content/uploads/2018/06/Cost-Effectiveness-FAQ.pdf

[2] To learn more about these housing types, see Commerce's STEP Housing Definitions factsheet.

[3] de Sousa, et al. AHAR Report. 2023. U.S. Department of Housing and Urban Development. www.huduser.gov/portal/datasets/ahar.html

[4] Washington State Department of Commerce. Drivers of Homelessness in Washington State. 2018. www.youtube.com/watch?v=X8NUHqpPf-U

What are the benefits of STEP?

These housing or shelter options:

- Help various populations, including aging adults, families with child welfare involvement, individuals with chronic patterns of homelessness, people involved with the justice system, and adults with intellectual and developmental disabilities
- Reduce the number of people living and sleeping in unsafe conditions and public spaces
- Provide tenancy support services to help residents maintain stable housing
- Connect participants to essential services such as physical and mental health care, employment opportunities and public benefit income
- Improve participants' mental and physical health through timely medical care, access to mental health care and preventive care
- Enhance participants' employment prospects and incomes
- Reduce the likelihood of residents being incarcerated
- Decrease the public cost burden on other services, such as hospitals, emergency shelters and law enforcement.[5]

How is STEP financed?

Developing and operating STEP usually requires financial assistance from the public sector, financial institutions, private investors and/or non-profit organizations. Often a combination of these funding sources is used, each with its own unique requirements.[6] Some common funding sources for STEP are:

- Washington's Apple Health and Homes Initiative, Housing Trust Fund and Consolidated Homeless Grant
- Support from county and local governments from local option sales taxes, levies or bonds; tax-increment financing; grants or loans; free or reduced-price public land; and reduced impact fees, permitting fees and system development charge waivers
- Low-Income Housing Tax Credits, Historic Tax Credits and New Markets Tax Credits
- The U.S. Department of Housing and Urban Development (e.g., Continuum of Care Program, Emergency Solutions Grants, Home Investment Partnership Program and Community Development Block Grants and Housing Choice Vouchers); much of these funds are provided through the state government or local jurisdictions
- Financial institutions and philanthropic organizations

Does STEP have licensing and operating requirements?

Washington state does not have licensing and operating requirements for most STEP programs under state law. However, shelters are required to obtain a license through the Department of Health (DOH) if they meet the definition of a Transient Accommodation under rules in WAC 246-360-010. A Transient Accommodation is defined as any facility that offers three or more lodging units to guests for periods of less than 30 days. DOH may inspect unlicensed facilities around the state to determine if they need to be licensed as a Transient Accommodation and to assure these facilities are operated and maintained in a manner consistent with health

[5] Corporation for Supportive Housing. FAQ's about Supportive Housing Research: Is Supportive Housing Cost Effective? 2018. www.csh.org/wp-content/uploads/2018/06/Cost-Effectiveness-FAQ.pdf

[6] 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.

and safety public health standards. STEP for youth populations (chapter 100-145 WAC) and other specific housing programs or facilities may have additional licensing requirements.

Many STEP funding sources have their own operating requirements, such as minimum case management support for transitional housing or meeting best practices for operating permanent supportive housing. Insurance companies also have requirements that projects must adhere to.

What if I am worried about the impacts of a STEP project in my neighborhood?

Research shows that newly built low-income housing does not lower property values of surrounding homes and that, in some cases, it increases their value.[7] Additionally, all residential development projects, including STEP, should prioritize the safety and maintenance of their properties for the benefit of their clients, tenants and staff; they must also adhere to local code enforcement standards the same as any other development projects.

Well-managed STEP can be neighborhood assets that create the conditions necessary for community members to thrive and have access to support services. These developments employ staff with expertise in supporting people in transition from homelessness, including crisis intervention and security. Staff serve as a point of contact for community members to discuss and address concerns as they emerge.[8]

Several studies on permanent supportive housing found no evidence that the development of these facilities leads to increased rates of crime.[9] Additionally, studies have shown that housing projects transforming underutilized or vacant land into housing can reduce crime in previously high-crime neighborhoods.[10,11]

What barriers does STEP development face?

In addition to the normal cost and time barriers for permitting and development, STEP and affordable housing in general are often subject to the following barriers:

- A complicated funding process that requires many different funding sources with differing requirements
- Unclear development regulations and regulations inconsistent with state and federal laws
- Requirements for STEP that differ from those for general housing development
- Conditional use permits, design review requirements and discretionary review processes that add time, delays and uncertainty to the development process
- Development regulations that include spacing requirements (e.g., minimum distances from parks, schools or other facilities), facility operating and reporting requirements, arbitrary limits on occupants or operation

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[7] Housing Research Synthesis Project. How Does Affordable Housing Affect Surrounding Property Values? August 2008. https://static.sustainability.asu.edu/docs/stardust/housing-research-synthesis/research-brief.pdf

[8] 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

[9] 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_propery_v2.pdf?1468431099

[10] Love, H. Want to reduce violence? Invest in place. Brookings Institute. November 16, 2021. https://www.brookings.edu/articles/want-to-reduce-violence-invest-in-place/

[11] Kondo, M. C., Andreyeva, E., South, E. C., MacDonald, J. M., & Branas, C. C. Neighborhood interventions to reduce violence. Annual review of public health, April 1:39, 253-271. 2018. https://pubmed.ncbi.nlm.nih.gov/29328874/

times, and requiring too many additional plans, agreements or tenant conditions (e.g., good neighbor agreements, background checks or sobriety)
- Limited affordable housing developers and workforce capacity
- NIMBY (Not-In-My-Backyard) opposition

What other roles do federal and state governments play in encouraging STEP?

In addition to the Growth Management Act rules cited earlier, several additional federal and state laws apply to STEP, including but not limited to:

- RCW 36.70A.545 requires local governments to provide increased density bonuses for any affordable housing, including STEP types with leases, on real property owned or controlled by a religious organization.
- RCW 35.21.915, RCW 35A.21.360 and RCW 36.01.290 prohibit local governments from placing overly restrictive regulatory limits on encampments, safe parking, overnight shelters and temporary small houses on property owned or controlled by a religious organization.
- Washington Law Against Discrimination prohibits requirements imposed on STEP that violate civil rights protections.
- Washington State Residential-Landlord Tenant Act includes laws that landlords of STEP with leases must follow.
- Americans with Disabilities Act prohibits discrimination against individuals with disabilities and provides enforceable standards to address discrimination.
- The Fair Housing Act prohibits "neutral" policies that have a disproportionately adverse effect on a protected class.

What roles do county and local governments play in encouraging STEP?

Local regulations and permitting processes can either encourage or create barriers for STEP. To support STEP, county and local governments often help finance STEP development projects, provide them regulatory incentives, waive or reduce permitting and/or system development charge fees, donate land, waive or reduce some development regulations such as parking requirements, expedite permitting, and/or support in other ways.

How can community members, planning staff, appointed and elected officials and others support STEP?

STEP is important for every community. Housing providers are working to develop STEP throughout the state. To support this work, community members can become familiar with the STEP Communications Toolkit materials, support policies and regulations to encourage more STEP housing, and share these materials with other community members to help them learn more.

Planning staff and appointed and elected officials can support STEP in the same ways, as well as encourage the reduction of barriers to STEP in policies and regulations.