

# SENATE BILL REPORT

## ESHB 2266

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As Reported by Senate Committee On:  
Housing, February 25, 2026

**Title:** An act relating to encouraging permanent supportive housing, transitional housing, indoor emergency housing, and indoor emergency shelters.

**Brief Description:** Encouraging permanent supportive housing, transitional housing, indoor emergency housing, and indoor emergency shelters.

**Sponsors:** House Committee on Housing (originally sponsored by Representatives Peterson, Macri, Ryu, Parshley, Ramel, Scott, Mena, Reed, Obras, Fitzgibbon, Street, Thomas, Taylor, Doglio, Gregerson, Ormsby, Goodman, Reeves, Farivar, Fosse, Bergquist, Salahuddin, Hill, Pollet and Wylie).

**Brief History:** Passed House: 2/16/26, 56-40.

**Committee Activity:** Housing: 2/20/26, 2/25/26 [DPA, DNP].

### Brief Summary of Amended Bill

- Requires cities and planning counties, within urban growth areas, to allow transitional housing, permanent supportive housing, indoor emergency shelters, and indoor emergency housing (STEP housing) in certain zones as follows: transitional housing or permanent supportive housing in any zones in which residential dwelling units or hotels are allowed; and indoor emergency shelters and indoor emergency housing in any zones in which hotels are allowed.
- Prohibits cities and planning counties from requiring any standards, conditions, or requirements for STEP housing that are more restrictive than those required for other types of development in the applicable zone.
- Requires cities and planning counties to allow indoor emergency shelters and indoor emergency housing in additional types of zones when

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necessary to meet projected needs under their comprehensive plan.

- Directs cities and counties to apply only administrative design review for STEP housing, if applicable.
- Allows cities and counties to apply specific certification requirements for indoor emergency shelters and indoor emergency housing.
- Allows cities and counties to enter into contracts with STEP housing providers under certain guidelines.
- Requires cities and planning counties to adopt and incorporate the requirements of the act within two years of the effective date or their next comprehensive plan update, whichever occurs first.

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## SENATE COMMITTEE ON HOUSING

**Majority Report:** Do pass as amended.

Signed by Senators Bateman, Chair; Alvarado, Vice Chair; Orwall, Salomon and Trudeau.

**Minority Report:** Do not pass.

Signed by Senators Goehner, Ranking Member; Gildon.

**Staff:** Benjamin Omdal (786-7442)

**Background:** Transitional Housing and Permanent Supportive Housing. A city may not prohibit indoor emergency shelters, transitional housing, indoor emergency housing, or permanent supportive housing (STEP housing) in certain zones as follows:

- a city may not prohibit transitional housing or permanent supportive housing in any zone where residential dwelling units or hotels are allowed; and
- a city may not prohibit indoor emergency shelters or indoor emergency housing in any zone where hotels are allowed, unless the city has adopted an ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within a one-mile proximity to transit.

Requirements under the act do not allow cities and counties to limit the siting of a sufficient amount of indoor emergency shelters and indoor emergency housing to accommodate each city's projected need under its comprehensive plan.

Permitting Requirements on Existing Buildings. A city is prohibited from imposing permitting requirements on the use of an existing building for residential purposes beyond those requirements applicable to all residential development within the building's zone. This prohibition does not apply to emergency housing and transitional housing.

Local Requirements on Affordable Housing Developments. A city, county, or other local governmental entity is authorized to impose and enforce requirements on affordable housing developments as conditions of loans, grants, financial support, tax benefits, subsidy funds, or sale or lease of public property. The authorization also applies to affordable housing incentive programs or any other program involving bonus density, transfer of development rights, waiver of development regulations or fees, or other development incentives.

Design Review. Design review is a formally adopted local government process by which projects are reviewed for compliance with design standards for the type of use adopted through local ordinance. Design review focuses on the appearance of new construction, site planning, and items such as landscaping, signage, and other aesthetic issues.

Administrative design review is a type of design review in which a project is reviewed, approved, or denied by the planning director or the planning director's designee. Administrative design review is based solely on objective design and development standards and is generally conducted without a public hearing.

**Summary of Amended Bill: Shelters, Transitional Housing, Emergency Housing, and Permanent Supportive Housing.** Cities and counties planning under the Growth Management Act—within urban growth areas—must allow STEP housing in certain zones as follows:

- transitional housing or permanent supportive housing in any zones in which residential dwelling units or hotels are allowed; and
- indoor emergency shelters and indoor emergency housing in any zones in which hotels are allowed.

A city or county may not require STEP housing to be located in a zone within an urban growth area zoned for industrial use.

Nothing in the requirements under the act allows a county or city to limit indoor emergency shelters and indoor emergency housing in a manner where the capacity of indoor emergency shelters and indoor emergency housing is insufficient to meet the projected needs under their comprehensive plan. A county or city must allow indoor emergency shelters and indoor emergency housing in additional types of zones when necessary to meet projected needs under their comprehensive plan.

A city or county subject to this requirement may generally not require any standards, conditions, or requirements for STEP housing that are more restrictive than those required for other types of lodging or development in the zone.

The city or county may apply any objective development regulations, including form-based codes, that are required for residential development such as setback, lot coverage, stormwater, and tree canopy and retention requirements. The city or county may only apply

the same development permit and environmental review processes to STEP housing that apply to other types of lodging and residential development in the same zone, unless otherwise required by state law, such as shoreline regulations and building, energy, and electrical codes.

If applying design review for STEP housing, only administrative design review may be required. Administrative design review for cities is defined as a development permit process in which an application is reviewed, approved, or denied by the planning director—or designee—based solely on objective design and development standards without a public pre-decision hearing, unless the review is otherwise required by state or federal law or the structure is a designated landmark or historic district established under a local preservation ordinance.

Nothing in the act requires a city or county to approve a permit application for STEP housing that is proposed in a critical area in which no lodging or residential development is permitted, an area of natural hazards that prohibit residential development, or on agricultural, forest, or mineral lands of long-term commercial significance.

Certification Requirements. For an indoor emergency shelter or indoor emergency housing, a city or county may require the sponsor or managing agency to certify in writing that it has, between the date the permit application was approved and the date the certificate of occupancy was issued:

- provided the name, if any, of the facility and the name and headquarters address of the managing entity;
- provided a description of any other programs operating in the building and copies of the applicable licenses and certifications held by the program;
- notified residents within 500 feet of the indoor emergency shelter or indoor emergency housing;
- conducted more than one community meeting;
- designated at least one point of contact and provide at least one telephone number to be used in emergencies; and
- provided documentation of the sponsor's or managing agency's operational policies for promoting and addressing health and safety inside the building and in areas immediately adjacent to the building, admissions, program exit or transfer, handling complaints and grievances from occupants, and health, fire, safety, and occupancy.

A city or county may not require the sponsor or managing agency to provide additional certifications outside of what is allowed under the act.

Negotiations between Sponsors and Local Jurisdictions. Upon receipt of a permit application for an indoor emergency shelter or indoor emergency housing with a proposed location within 500 feet of walking distance from the physical ground of a public or private school, the city—or county if the facility is not proposed in a city—may enter into good-faith negotiations with the sponsor to establish additional and reasonable requirements

pertaining to health and safety protocols. For the purposes of this requirement, the school must exist before an indoor emergency shelter or indoor emergency housing is in operation or has submitted a permit application.

If the parties are unable to come to an agreement within 180 days of the permit being submitted, the county or city may deny the permit. If a permit is denied as a result of being unable to come to an agreement under this process, the county or city must assist the sponsor in identifying suitable properties to site the indoor emergency shelter or indoor emergency housing.

The negotiation requirements do not apply to an indoor emergency shelter or indoor emergency housing designated for individuals under the age of 18, families, or victims of domestic violence, nor do they allow a city or county to limit indoor emergency shelters or indoor emergency housing in a manner where capacity is insufficient to meet the projected needs identified in their comprehensive plans.

Contracts with Sponsors Proposing Shelters, Transitional Housing, Indoor Emergency Housing, or Permanent Supportive Housing. A county or city may enter into a contract with a sponsor proposing STEP housing to establish additional and reasonable operational requirements pertaining to health and safety protocols. Legal consideration for such a contract must, at a minimum, include a donation of real property to be used for the STEP housing or a significant contribution from the general fund for capital or operating expenses to be mutually determined by both parties.

A county or city that unilaterally withdraws from or modifies the consideration is in material breach of the contract and the operational requirements specified in the contract shall no longer apply to the STEP housing.

Local Requirements on Affordable Housing Developments. Income qualification, coordinated entry, reporting, and monitoring are added to the types of requirements a city, county, or local governmental entity may impose and enforce on affordable housing.

Implementation and Preemption. A city or planning county shall adopt and incorporate the requirements of this act within two years of the effective date of this section or its next comprehensive plan update, whichever occurs first.

The requirements of the act supersede, preempt, and invalidate any conflicting local regulations and apply regardless of whether a county or city has incorporated the requirements of this act into the county's or city's development regulations, zoning regulations, and other official controls.

The act does not apply to the STEP housing in operation on the effective date of this section. A county or city may not deem STEP housing in operation on the effective date of the act unlawful or noncompliant due to the provisions of the act or due to ordinances,

regulations, or controls adopted or amended due to the act

**EFFECT OF HOUSING COMMITTEE AMENDMENT(S):**

- Requires a city or county to assist the sponsor of the indoor emergency shelter or indoor emergency housing in identifying suitable properties to site if they deny a permit after being unable to come to an agreement in good-faith negotiations.
- Modifies the time frame after which a city or county can deny a permit to a housing sponsor as a result of not coming to an agreement in good-faith negotiations from 90 days to 180 days.
- Specifies that, in order to trigger the ability for a city or county to enter into good-faith negotiations with the housing sponsor based on proximity to a public or private school, a school must have existed before the shelter or housing is in operation or has submitted a permit application.
- Changes a duplicative reference resulting from a drafting error from "indoor emergency shelter or indoor emergency shelter" to "indoor emergency shelter or indoor emergency housing."

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Engrossed Substitute House Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: The bill is a supply and accountability bill at the heart of it. This bill, like middle housing, will set a standard across the state so that developers know what to deal with to site STEP housing. Changes were made to the bill to exempt current STEP housing and to give cities a place at the table when granting property or funds to STEP projects. This bill will help counties and organizations shelter folks across the state. Current unnecessary requirements create additional costs for taxpayers and cause delays in moving residents indoors. It is unfair that some jurisdictions in regions are able to completely opt themselves out of being a provider by regulating STEP housing out of existence. STEP housing provides previously incarcerated individuals with the ability to find housing while they get back on their feet and improve their lives. This bill is a measured response to the state's housing shortfall that balances the health and safety purposes of development regulations while ensuring that enough land capacity is available for housing affordable to all our community members. People with disabilities rely on STEP housing, which is often the only housing available for them. The bill is a prudent policy that informs the value of STEP housing, protects the rights and dignity of people with disabilities, and reduces the state's exposure to costly discrimination litigation. There is an urgent need for more shelter beds, resulting in medical

patients being released to the sidewalk. STEP housing allows injured individuals to better receive follow-up medical care. STEP housing is crucial for providing safe places for marginalized communities. Local obstacles creates exclusions for marginalized communities and force the issue to other jurisdictions. Local needs for shelter and local obstacles have created a need for state oversight. People are dying on the streets; the current lack of shelter is inhumane and not consistent with practices of a civil society. People living on the streets, including elderly people in wheelchairs, are not a problem to remove but are human beings to protect.

CON: While recent amendments allowing for more negotiation are appreciated, more amendments should be made to require 24-hour on-site staff, similar to other state requirements for congregant housing. Local jurisdictions should be able to authorize that sponsors have met requirements, rather than have them self-certify.

OTHER: Cities have been working collaboratively with the Legislature in amending the bill to move forward. Not all models are going to be as robust in one cities as they are in others. Limiting the language to general fund or capital investments is unnecessarily limiting. Some cities lack the scale and infrastructure necessary to support the individuals that use these facilities. Without the ability to apply review criteria or additional requirements might strain city resources and shift the burden onto local jurisdictions. The requirement that jurisdictions make a significant contribution from their general fund hamstrings the ability of certain cities to support these programs. More clarification is needed on whether cities can use the current reasonable conditions when using non-general fund sources. A one-size-fits-all approach for permanent supportive housing may not work well as their structures differs greatly from other types of STEP housing.

**Persons Testifying:** PRO: Representative Strom Peterson, Prime Sponsor; GREGORY STEEN, The Power of Testimony; Heather Gates; Amasai Jeke, UTOPIA WA; Joslyn LaMadrid, Bremerton Prayerwalk; Sarah Dickmeyer, Plymouth Housing; Jenn Henderson, Disability Rights Washington; Adam Eitmann, Washington State Attorney General's Office; Mary Reinbold, Washington State Department of Commerce; Council Member Kitty Klitzke, City of Spokane; Joe McDermott, State Relations Director | King County; Leslie Enzian; Colton LaMadrid, Bremerton Prayerwalk.

CON: Virginia Clough, City of Spokane Valley.

OTHER: Blake Lyon, City of Bellingham, WA; Lynne Robinson, City of Bellevue; Carl Schroeder, Association of Washington Cities; Michael Transue, City of Fife; Kyle Moore, City of Kent.

**Persons Signed In To Testify But Not Testifying:** No one.