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## Policies and Procedures – Technical Assistance and Funding

*Housing Accountability and Production Office (HAPO)*

*Last updated June 23, 2025*

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## Section 1 – Purpose

The Housing Accountability and Production Office (HAPO or “Office”), established by Senate Bill 1537 (2024), partners with housing developers and local governments to navigate the complexities of state housing laws related to land use and permitting. HAPO also assists in identifying state funding and navigating processes related to housing production.

This Policy outlines the Office’s technical assistance and funding programs to support local implementation of the objectives described in Senate Bill 1537, Section 1 (2)(a). The purpose of this document is to provide clear eligibility and prioritization criteria that the Office applies in funding decisions. This policy applies to all HAPO staff administering technical assistance and funding to local governments.

## Section 2 – Statutory Context and Direction

Senate Bill 1537 (2024 Session) appropriated the Housing Accountability and Production Office (HAPO or “Office”) \$4 million for the purpose of providing technical assistance and grants to local governments. This funding assistance is directed under section 1 (2)(a) of Senate Bill 1537, and requires the Office to provide technical assistance, including assistance through grants, to local governments to:

- A. Comply with housing laws<sup>1</sup>,
- B. Reduce permitting and land use barriers to housing production, and
- C. Support reliable and effective implementation of local procedures and standards relating to the approval of residential development projects.

Furthermore, in providing technical assistance and funding, the bill requires HAPO to prioritize local governments that voluntarily comply with housing laws. To date, the Office has allocated approximately \$1.8 million to existing waitlisted funding requests by local governments to perform code-related work that support these three objectives. In anticipation of the 2025-27 biennium, which includes a potential \$3.5 million recapitalization of the fund, this policy outlines how funds are allocated to best achieve its intended statutory objectives.

## Section 3 – Technical Assistance and Funding Programs

To implement the statutory direction above, there are three programs by which technical assistance and funding may be provided to local governments:

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<sup>1</sup> “Housing law” means ORS chapter 197A and ORS 92.010 to 92.192, 92.830 to 92.845, 197.360 to 197.380, 197.475 to 197.493, 197.505 to 197.540, 197.660 to 197.670, 197.748, 215.402 to 215.438, 227.160 to 227.186, 455.148, 455.150, 455.152, 455.153, 455.156, 455.157, 455.165, 455.170, 455.175, 455.180, 455.185 to 455.198, 455.200, 455.202 to 455.208, 455.210, 455.220, 455.465 and 455.467 and administrative rules implementing those laws, to the extent that the law or rule imposes a mandatory duty on a local government or its officers, employees or agents and the application of the law or rule applies to residential development or pertains to a permit for a residential use or a division of land for residential purposes.

1. **Compliance assistance** – A core function of the Office is investigating complaints related to violation of housing laws, described in a separate document. Where existing or potential violations are identified, the Office must prioritize technical assistance to local governments to comply with housing laws. This program will provide technical assistance, funding, and capacity support needed to ensure local governments comply with housing laws in accordance with a compliance agreement established to direct program work, which is outlined in the Inquiries and Allegations of Housing Law Violation document.

This technical assistance program is necessary for the Office to fulfill its statutory duties to investigate and respond to violations of housing laws. The Office will retain a portion of funding to ensure local governments are provided adequate financial assistance to comply with housing laws through the 2025-27 biennium. Without historical data by which to estimate the expected demand for technical and financial assistance, this policy articulates how the Office will ensure adequate assistance is available.

In the 2025-27 biennium, for funding requests not related to housing law compliance (see supplementary assistance and education and guidance), the Office may only fund requests that best align with the Office's statutory priorities. The Office will document all instances of compliance assistance provided to local governments, including total dollars allocated as well as the scope and timeline of work. At the end of the 2025-27 biennium the Office will summarize the actual demand for compliance assistance and identify needed resources that will best support compliance with housing laws. Beginning in 2027-29 biennium, the Office will utilize historic data to inform anticipated demand for compliance assistance and retain an appropriate amount to address demand as well as a margin to account for variability between biennial cycles

2. **Supplementary assistance** – In addition to housing law compliance, local governments may request assistance to support other work that achieve the statutory objectives of the Office outlined in SB 1537 section 1 (2)(a) described above. Because the Office is required to prioritize voluntary assistance with housing laws, work conducted under this program is supplementary to housing law compliance. This program also includes proactive work voluntarily undertaken by local governments to comply with housing laws before a violation is identified by the Office. Examples of assistance under this program include voluntary housing law compliance work, non-statutory development code amendments and one-time urban growth boundary (UGB) amendment assistance under Senate Bill 1537. Work conducted under this program will occur in accordance with an intergovernmental agreement between a local government and the Office, similar to other DLCD grant and technical assistance programs.

*Note: The Office will align the process of requesting supplementary assistance with Planning Assistance funding provided by the Housing Division at DLCD. This is intended to ensure that local governments are not required to track, prepare, or submit redundant housing-related funding requests to separate divisions at DLCD.*

3. **Education and Guidance** – HAPO is also directed to produce "best practice" materials, including "procedures and practices by which local governments may comply with

housing laws” under section 1(2)(d). Examples include model codes, guidebooks, and navigation resources that support local governments in complying with housing laws or otherwise reducing barriers to production. These materials must be directed to local governments to be eligible for funding under this program and education and guidance materials cannot be prepared for or provided directly to housing developers or other interested parties. However, these parties may indirectly benefit where local governments access these materials. This program will be proportionally smaller in comparison to compliance or supplementary assistance.

## Section 4 – Eligibility and Prioritization Criteria

For any funding allocated in the three programs above, it must meet specific statutory eligibility requirements, described in SB 1537 Section 1 (2)(a). This provision limits how the Office may direct funding – only local governments are eligible recipients of technical assistance and funding provided via this fund. Additionally, local governments may only use technical assistance and funding to implement the statutory objectives outlined in Section 1 (2)(a).

Among eligible funding requests, the Office is statutorily required to prioritize voluntary compliance with housing laws. Therefore, compliance assistance must be prioritized by the Office before the Office may consider other objectives, such as reducing non-statutory barriers to production.

For other eligible funding requests unrelated to voluntary compliance with housing laws, the statute does not specify how the Office must prioritize funding requests. However, ORS 197A.025 requires the Department of Land Conservation and Development (DLCD), in administering rules or statutes relating to housing, to be guided by specific principles outlined in statute. Because HAPO is a joint office including DLCD, funding administered by the agency is required to adhere to the priorities set forth in this statute.

Therefore, in recognition that the total need of eligible funding requests will likely exceed available funds, this policy establishes prioritization criteria implementing ORS 197A.025 to ensure assistance provided by the Office best achieves its intended objectives. This policy outlines three prioritization criteria with sub-considerations:

1. **The assistance will unlock housing, funding, or capacity** – ORS 197A.025 requires the Office to facilitate equitable production, support local implementation, and address state and local barriers to production. Considerations include:
  - a. **Total production** – How many units may be unlocked?
  - b. **Affordable production** – How many and what level of affordable units may be unlocked?
  - c. **Other state investment** – Are there existing or prospective investments by other state agencies that can be leveraged or unlocked to support production?
  - d. **Innovation and replicability** – Can this help other local governments reduce barriers to production?
2. **The funding aligns with local government’s implementation of Goal 10 relating to housing** – While this funding cannot be used directly for Goal 10 planning requirements,

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ORS 197A.025 requires the Office to align with local housing production, affordability and choice that are consistent with the Office's statutory objectives. Considerations include:

- a. **Housing Production Strategy (HPS)** – Does this align with or support local actions identified in an HPS?
  - b. **Housing Capacity Analysis (HCA)** – Does this increase the capacity of or the likelihood of development on buildable lands?
  - c. **Urbanization** – Does this support production and development-readiness on land within a UGB, including UGB expansion areas?
3. **The funding addresses resource or capacity needs** – Funding is intended to support local governments in addressing local capacity and resource needs that inhibit the ability to reduce barriers to production, as required under ORS 197A.025. Considerations include:
  - a. **Local capacity or resource gap** – Does the local government face substantial resource or capacity constraints that inhibit the ability to perform the work?
  - b. **Readiness and leverage** – Does the local government demonstrate substantial due diligence to increase project readiness and likelihood of success, including leveraging other funding sources?
  - c. **Severity and complexity** – Are the barriers to production significantly severe or complex to warrant commensurate assistance to address?

## Section 5 – Visual Representation of Policy

### HAPO Technical and Funding Assistance

