



DRAFT Summary of Initial Barriers

Introduction

Oregon Senate Bill (SB) 1537, passed in 2024, directed the creation of the Housing Accountability and Production Office (HAPO), a joint office of the Department of Consumer and Business Services, Building Codes Division (DCBS) and the Department of Land Conservation and Development (DLCD). Section 5 (1) and (2) of the bill directs HAPO to conduct a study and produce a report on local residential development processes and standards. The report should consider barriers to housing production and potential improvements, best practices, and opportunities to support increasing housing production and affordability in Oregon. The study is referred to as the **Local Residential Development Process Improvement (LRDPI)** study. The study is evaluating local development review processes including land use, building, public works and infrastructure. A companion study, directed under SB 1537, Section 5 (3) is evaluating state level barriers to housing production. See the [HAPO website](#) for more information on both studies.

The LRDPI Study project team has compiled a preliminary list of process-related barriers to residential development from related past studies and the project teams' experience as a starting point to refine through input from stakeholders and additional subject matter experts. This memo provides a brief overview of that preliminary list, organized around the three review process elements called out in the bill - **land use, public improvements, and building reviews** - along with cross-cutting barriers and those that fall outside these three categories but relate to local residential development review. This initial list of barriers was sourced from experiences and studies that in some cases extend beyond Oregon or pre-date recent state legislation intended to remove barriers to residential development. This summary captures only barriers that are applicable in Oregon. Where recent state legislation is relevant to a barrier but changes have not yet been fully implemented at the local level, the barriers are noted along with a reference to applicable state legislation intended to address the barrier. Note that **some of the issues identified as potential barriers can also serve a beneficial purpose in the review process**; their identification as potential barriers at this stage is intended to highlight them for further consideration of trade-offs and potential areas for improvement.



Residential Development Process Overview

Residential development in Oregon typically involves a series of local reviews that may include land use entitlements, public works and infrastructure review, and construction permitting and inspections. The attached draft flow chart illustrates the review and permitting steps through these stages of the process. The specific sequence and scope of review vary by project type and jurisdiction, but there are common sequences that apply in many jurisdictions for certain categories of development.

- For subdivision development, the sequence typically begins with land use and preliminary plat reviews with preliminary public improvement approval with obligations identified in conditions of approval, followed by permitting and construction of public improvements, final plat review, approval, and recording, then building permits for units on the finished lots.
- For other residential development, the process may start with land use review, or, where a land use permit is not required, development may go directly to building permit application. Public improvements review and permitting often occurs in parallel with building review and permitting.

Once the project is constructed, inspections are conducted to confirm the project is ready for final approval and certificate of occupancy.

Initial Barriers Identified

Land Use Review and Permitting

Recent relevant state legislation aimed at reducing land use process barriers includes:

- **SB 1537** (2024) requires local governments to grant adjustments to specific development and design standards for qualifying development.
- **SB 974** (2025) prohibits public hearings for many residential projects except on appeal (effective July 2026) and prohibits application of design standards for certain residential development.
- **House Bill (HB) 2138** (2025) broadens allowance of middle housing (effective 2027, 2028) and allows concurrent processing of a middle housing land division with a standard land division.

Remaining potential barriers in the land use phase of the development process include:

- **Discretionary reviews with public hearings** - Prior to implementation of SB 974 and where still allowed, public hearings increase time and uncertainty, and potential for opposition and appeals.



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- **Discretionary review and appeal risk** - Even without hearings, required public notice and appeal opportunities create uncertainty due to risk of opposition.
 - **Highly detailed or prescriptive clear and objective standards** - Demonstrating compliance with highly detailed standards can be costly and time consuming for the applicant and may require multiple revisions. Even small deviations from the standards may trigger a discretionary review process.
 - **Overlapping layers of standards** can make it more difficult for applicants to know what will be required of them and put more pressure on staff guidance through pre-application conferences or informational meetings.
 - **Hearings associated with reviews that are intended to be clear and objective** - Prior to implementation of recent changes to state law, hearings within theoretically objective decisions can create a venue for opposition that makes it hard for decision makers and participants to address only relevant decision criteria.
 - **Subdivision infrastructure and recording** - Completion of new streets and other infrastructure and recording delays can hold up final plats and a builder's ability to submit for building permits.
 - **Complexity in land divisions** - Combining middle housing land divisions with subdivisions can create complexity, even though recent changes to state law allow these applications to be processed concurrently, since middle housing land divisions apply to individual parent parcels being created through the subdivision process.
 - **Local natural resource and natural hazard reviews** - Where required, these reviews may require special reports and require or permitting through outside agencies or districts with different timelines and submittal requirements.
 - **State and local requirements for manufactured housing** - Local land use regulations may require discretionary reviews for manufactured home parks. Interaction between local and state requirements can create complexity and confusion or conflicts.

Public Improvements Review and Permitting

Recent relevant state legislation aimed at reducing public improvement review and permitting barriers includes:

- **SB 974 (2025)** establishes timelines for public works reviews; these changes have not yet been implemented locally and may not be reflected in recent or on-going projects.

Remaining potential barriers in the public improvement review and permitting phase of the development process include:

- **Service provider letters** may require preliminary design of infrastructure improvements, which front-loads engineering work early in the process; later changes to plans may require costly re-engineering.



- **Conflicting standards-** Conflicting or inconsistent requirements between jurisdictions or reviewing agencies can place applicants in the position of reconciling competing standards or requested changes.
- **Timelines** - Until recently, engineering plan review processes lacked clear statutory timelines, contributing to uncertainty and variability in review duration.
- **Necessary discretion** – Consideration of site-specific safety and operational needs, which are essential to the function of the review, require application of professional judgement, leading to more potential for differing interpretations that create uncertainty about what will be required.

Building Review and Permitting

- **Review sequencing** - Some electronic permitting systems require that all reviews be complete for each cycle, extending overall review timelines when one department requires more time in a given review cycle.
- **Timing of issue identification** - As projects progress, new issues may be raised in later rounds of review that were not identified in earlier reviews.
- **Inspections** - Limited capacity and inconsistent code interpretation for inspections can increase rework and postpone occupancy. The inspection process may lead to unanticipated delays when inspectors stop an inspection after identifying a significant issue, requiring additional inspection cycles to identify other potential issues.
- **Oregon Structural Specialty Code (OSSC) requirements** - Projects that fall under the OSSC typically face a more complex review process than those under the Oregon Residential Specialty Code (ORSC) with more plan sets required for review, increasing cost for applicants to produce necessary materials.
- **OSSC knowledge** - Builder, trade, and reviewer familiarity with OSSC may impact the likelihood of certain types of housing being successfully constructed where most housing is built under ORSC.
- **Modular and Manufactured Housing Permitting Complexity** - Overlapping state and local permitting requirements for modular construction can create confusion and delay.

Cross-Cutting Challenges

- **Unclear submittal requirements or expectations** - A jurisdiction's expectations for submittal materials are not always clear to (or achievable by) applicants, which can result in multiple rounds of completeness comments and review, additional coordination, resubmittals, extended review timelines, and increased administrative workload.
- **Limited staff capacity, training, and turnover** can delay responses and input, create challenges for applicants navigating review and regulatory requirements, and can lead to inconsistent interpretations of regulations and processes.



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- **Uncertainty in state housing law** - The scope and frequency of changes to state housing law creates challenges for project review. Keeping codes up to date and staff trained is difficult for resource-constrained jurisdictions.
 - **Interdepartmental and interagency coordination** - Coordination between internal jurisdiction departments, and/or with outside agencies and/or special districts, may create uncertainty about requirements and result in delays in the approval process, as well as potential for conflicting feedback regarding an application or design.

Next Steps

This summary is intended to spark discussion in focus groups, interviews, and other engagement to inform the project. Following engagement, the comprehensive list of identified initial barriers that the project team has drafted in tandem with this summary will be expanded and refined to reflect the input gathered through engagement. The identified barriers will become part of the overall legislative study report.

