

Appendix B. Background Review of Common Barriers to Residential Development

Purpose

The project team conducted a review of published research and literature documenting process-related barriers to residential development in Oregon and nationally. This included state and local government reports, academic studies, housing advocacy publications, industry research, and prior barrier assessments. This memorandum was prepared to conduct research of relevant studies that evaluate barriers to housing production in Oregon and nationally. It acted as a preliminary step to review existing research and evaluations that have already taken place, particularly those in Oregon, to highlight known barriers to residential development. This memorandum is structured as an annotated bibliography organized according to the topical relevancy of different research reports selected for inclusion by the project team.

Research Evaluated

1. Office of the Governor, "State of Oregon Housing Production Advisory Council Recommendations Report." February 2024.

Link:

<https://www.oregon.gov/gov/policies/Documents/HPAC%20Final%20Report%20February%202024.pdf>

About: On January 10, 2023, Governor Tina Kotek issued [Executive Order No. 23-04](#) to establish statewide housing production goals and a new statewide Housing Production Advisory Council (HPAC). In February 2024, the HPAC produced a recommendations report identifying policies and other actions that could help increase housing production statewide.

Key themes related to our work:

- Includes a set of 59 recommendations that can increase housing production statewide, approximately half of which involve directly reducing barriers to housing production imposed by the public sector.
- The recommendations are broadly grouped into five categories based on the five work groups: Availability of Land, Land Development Permit Applications, Codes and Design, Financing, Workforce Shortages. Most regulatory changes are grouped under the "Land Development Permit Applications" or "Codes and Design" categories.

Barriers to residential development:

- Recommendations from the "Land Development Permit Applications Work Group" included:



- Allow by-right adjustments for up to 20 percent of land use standards, including the landscaped area, building lot coverage, base zone height, and lot size, width and depth
 - Expand the state and local jurisdiction's capacity for streamlining plan review and site inspections to accommodate increased housing production.
 - During the state's housing production emergency, temporarily exempt all housing development from public discretionary review or Type III design review or review by the city council.
 - Grant priority review for housing developments that require ODOT review
 - Expedite land use appeals for housing
 - Create an electric filing system for the Oregon Land Use Board of Appeals (LUBA).
 - Allow developers to seek Early Feasibility Acceptance prior to the submission of a complete application.
 - The State of Oregon should provide additional clarification and enforcement for the state statute that mandates 120 days for land use approval or 100 days for an affordable housing project (ORS 127.128)
 - Ensure clear and objective plan review of site civil and building and building permits for housing
 - Prohibit cities from suspending plan review processes due to delays in design submission from the private utility companies
 - All proposed housing developments which require ODOT priority review should be elevated to "priority status"
- Recommendations from the "Codes and Design Work Group" included:
 - Exempt prevailing wage requirements from affordable housing projects with up to five floors
 - Allow a licensed general contractor to hookup utilities
 - Adjust condominium regulations and requirements including shortening the liability period for developers
 - Allow a single stair for buildings up to five floors
 - Expand the state Building Code Division's (BCD) "Ready Build" program with permit-ready plans
 - Update the process for land use appeal hearings
 - Modify hearing time standards
 - Establish 180-day timeline for annexation and comprehensive plan changes
 - Modify Transportation Impact Analysis and Proportionate Share requirements for housing.
 - Establish required Timelines for Franchise Utilities in Housing Projects Exceeding 10 Housing Units.



2. Institute for Policy Research and Engagement. "Barriers to Housing Production in Oregon: Summary Report." Prepared for Oregon DLCD. October 2022.

Link: https://www.oregon.gov/lcd/UP/Documents/Appx_F_UO_IPRE_Barriers_Housing_Production.pdf
(see also: <https://www.tandfonline.com/doi/full/10.1080/10511482.2025.2566021#d1e655>)

About: Documents barriers to housing production in Oregon, including state and local regulatory constraints, land supply constraints, infrastructure availability and funding mechanisms, funding and finance constraints, the structure of Oregon's housing industry, and demand for space. The report includes a survey of local government staff and private and nonprofit housing developers.

Key themes related to our work:

- Local governments do not feel supported in the housing development process. There are many requirements and little guidance on how to meet them.
- Most survey respondents considered process related factors, such as permitting requirements and fees, public hearings, and political opposition to be barriers to housing production. Nearly 60 percent of respondents identified all of the process related barriers to be "extreme" or "moderate."

Barriers to residential development:

- Almost half of respondents identified the length of time to process land use entitlements as an "extreme barrier" to housing production. Several respondents also found general uncertainty around the process to be a barrier.
- Likewise, permitting fees and costs can be barriers to housing production. While permitting fees were most commonly identified as a "moderate barrier," more respondents identified the length of time to process building permits as an "extreme barrier."
- Around two-thirds of respondents consider the cost of System Development Charges (SDCs) to be "moderate" or "extreme barriers" to production.
- Public hearings, neighborhood opposition, and limited political will from elected officials were also identified as process-related barriers to housing production.
- According to the survey, private and nonprofit residential developers viewed these process-related barriers (e.g., time to process permits, cost to process permits, public hearings, etc.) as "extreme" much more than public sector actors did.
 - The length of time to process land-use entitlements, length of time it takes to process permits, costs of SDCs, and permit fees saw the most difference of opinion between the private/nonprofit sectors and the public sector.



- Regulatory barriers like zoning, parking, building codes, and public facility requirements were not among the highest ranked barriers by respondents.

3. Oregon Department of Land Conservation & Development and EConorthwest, "Potential Evaluation Considerations and Metrics for Local Infrastructure Projects to Support Housing." December 2024.

Link:

<https://www.oregon.gov/lcd/NN/Documents/DLCD%20SB%201537%20Infrastructure%20Evaluation%20Considerations%20FINAL%20with%20Appendices.pdf>

About: A 2024 report published the legislative directive to the Department of Land Conservation and Development (DLCD) to provide a list of metrics and considerations the state legislature could use to prioritize infrastructure projects that support and facilitate housing production within an urban growth boundary.

Key themes related to our work:

- The availability of infrastructure – necessary to support housing development – can be a barrier to production. The report focuses on how to fund and support housing related infrastructure and addresses regulatory barriers to developing such infrastructure
- Permissive zoning is a criterion the state could use to determine how "development ready" a housing project is when prioritizing financing for housing-related infrastructure. Proposed housing developments that require zone changes/ plan amendments or municipal annexation are not considered development ready.
- The report also identifies challenges during the permitting process that can delay the development of housing-related infrastructure.
 - Water rights/new water source
 - DEQ review for major changes to a discharge permit
 - Goal exception/UGB expansion or zone change/ plan amendment
 - Cultural resources impacts
 - Soil remediation
 - Modifications to a state highway
 - Historic or scenic area reviews
 - Floodplain and wetland impacts

4. Institute for Policy Research and Engagement. "Oregon's Housing Affordability Crisis: Results of a Statewide Survey of Oregon Cities." April 2018.

Link: https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/3/17202/files/2022/02/Oregon-Statewide-Housing-Survey-Report_April-2018-UO-IPRE.pdf



About: The report seeks to understand the state of housing affordability in communities across Oregon by surveying local government officials from all cities in Oregon.

Key themes related to our work:

- Survey's officials from cities in Oregon on the state of housing affordability and barriers to providing affordable housing in their jurisdiction.
- The survey revealed certain variations in perceived barriers based on the size and location of the city

Barriers to residential development:

- Over half of respondents viewed infrastructure development as a major or moderate barrier to affordable housing.
 - The most commonly cited barriers to infrastructure development were funding, environmental review, and coordination with state agencies.
 - Issues with local approval and adoption can also hinder development for necessary infrastructure.
- Respondents from small cities and cities in southern Oregon were more likely to view infrastructure development as a moderate or extreme barrier for affordable housing development.
 - Over half of respondents from cities with fewer than 25,000 residents viewed infrastructure development as a barrier to affordable housing. Conversely, only 29 percent of respondents from cities with more than 50,000 residents viewed infrastructure as a moderate barrier while no respondents from cities between 25,000 and 50,000 people viewed infrastructure as a moderate or extreme barrier.
 - Around three-quarters of respondents in Southern Oregon, Southeast Oregon, or South Central Oregon viewed infrastructure development as a moderate or extreme barrier for affordable housing. On the other hand, only a quarter of respondents from the Portland Metro and 14 percent from Central Oregon considered infrastructure development to be a moderate or extreme barrier.
- A lack of knowledge from local officials about the effectiveness of housing policy measures was seen as a barrier by about half of respondents.
- Although not commonly cited barriers, some survey respondents also identified process related factors as barriers for affordable housing development.
 - Permitting fees
 - Length of time to process land use entitlements
 - General uncertainty about the process



5. MIG and Code Unlimited, “BBBRC Planning and Building Code Barriers Analysis: Final Report.” Prepared for Oregon DLCD and Port of Portland. December 7, 2022.

Link: https://www.oregon.gov/lcd/CPU/Documents/final_BBBRC_Audit_T6_report_120722_clean.pdf

About: This report identifies statutory and local building and planning code regulations that serve as barriers to the use of mass timber and the construction and installation of mass timber modular (prefabricated) homes, duplexes, and accessory dwelling units, particularly in wildfire-impacted areas.

Key themes related to our work:

- Factory-built housing, including manufactured homes and prefabricated/modular housing, has several barriers to development. This includes outdated or inflexible codes and lack of guidance or regulatory framework for prefabricated housing.
- The standards for manufactured dwelling parks offer a particular opportunity to recommend regulatory improvements.

Barriers to factory-built housing:

- Land Use & Zoning Findings:
 - Definitions and standards for manufactured homes and manufactured dwelling parks should be updated for consistency with changes in State law (HB 4064, 2022) as well as to clarify the regulatory framework for prefabricated/modular housing.
 - Detached accessory dwelling units (ADUs) provide an excellent opportunity to utilize prefabricated/modular housing to provide affordable housing options. However, there are some zoning code barriers to ADUs in smaller cities that aren't subject to the ORS 197 requirements related to ADUs. To further encourage ADUs, and remove barriers to prefabricated/modular units, all jurisdictions should consider minimizing or deleting additional design standards and should eliminate additional required off-street parking mandates.
 - Manufactured dwelling parks are subject to park construction and facility requirements in ORS 446.095. Because parks involve the renting or leasing of a space, the requirements (e.g., streets) enable the units to be moved in and out of the park. However, these regulations should be updated to recognize opportunities to create smaller, more compact parks that include prefabricated structures.
 - In cottage cluster developments (unlike manufactured dwelling parks), the dwelling units themselves are typically rented or sold. Because of this, cottage clusters may provide a better opportunity to design pedestrian-friendly infill projects using prefabricated structures.
- Building Code Findings:
 - Builders lack guidance and resources related to the use of mass timber in the construction of single- or two-family houses. Plan review by local governments would



benefit from a technical guide and its integration into the Oregon Residential Specialty Code (ORSC).

- The Oregon Residential Specialty Code (ORSC) permits the use of structural glued-laminated timbers, engineered wood rim board, wood structural panels, and structural insulated panels in the building of residential structures. However, it does not address the applicable building type and structure requirements. It is recommended that at a minimum the ORSC reference the standards in the Oregon Structural Specialty Code (OSSC).
- The process for obtaining permits for mass produced manufactured dwellings is not easily understood; the process is handled by multiple divisions of the Oregon Department of Consumer and Business Services. A user guide to the process would be helpful.
- The building code requirements for installation of manufactured dwellings ([2010 Oregon Manufactured Dwelling Installation Specialty Code](#)) and for manufactured dwelling parks ([2002 Oregon Manufactured Dwelling and Parks Specialty Code](#)) would both benefit from modernization to enable more compact development and less costly installation.

6. Sokolovska, Iva. "Policy Scan: Tools to Increase Housing Production." Legislative Policy and Research Office. September 29, 2025.

Link: <https://olis.oregonlegislature.gov/liz/2025II/Downloads/CommitteeMeetingDocument/310093>

About: Outlines innovative housing production strategies that show promise of spurring housing production towards the goal of increasing housing supply and reducing the housing cost burden.

Key themes related to our work:

- Streamlining the permitting process and reducing the number of unnecessary building code requirements can accelerate the production process.

Barriers to residential development:

- Recent state level reforms aim to simplify the permitting process and reduce costly delays.
 - Allowing third-party permit review (Arizona)
 - Adopting preapproved design plans (Arizona)
 - Exempting multifamily projects from environmental review (California)
 - Creating state-county task forces to eliminate redundancies
 - Mandating administrative rather than discretionary review for small projects (Maine)
 - Cap impact fees (Montana)
 - Expanding electronic permitting (Rhode Island)
 - Setting strict application review timeline options with third-party fallback options (Texas)
- Recent state reforms aim to revise building codes, where possible, to reduce burdens on development.



- Regional coordination to harmonize codes (Arizona- Maricopa County)
- Overriding restrictive local height limits (Montana)
- Applying residential codes to small multifamily housing, lowering compliance costs (Texas)
- Exploring more flexible single-stair building designs (several states)
- Additionally, to help encourage multifamily and condominium development, several states have reduced liability requirements pertaining to construction defect rules.

7. Preis, Benjamin and Desmond, Emily. "Land Use, Permitting, and Building Code Reform: A Path Forward." National Housing Crisis Task Force. March 4, 2025.

Link: <https://nationalhousingcrisis.org/app/uploads/2025/03/Land-Use-Permitting-Reform.pdf>

About: Outlines policy actions for land use, permitting, and building code reform that can help increase housing production and lower costs.

Key themes related to our work:

- Modern land use regulations and building codes often limit the number and types of housing that can be developed and increase costs.
- While land use, permitting, and building code reforms have all made great progress over the last decade, many of these solutions have been ad hoc, rather than holistic or structural in nature.

Barriers to residential development:

- The permitting process can be complicated and often differs across jurisdictions. Some cities and states have been implementing reforms to streamline the process. Permitting reform can include:
 - Exempting certain housing types from environmental review.
 - Increasing the speed at which jurisdictions must issue decisions for permits.
 - Providing "concierge" and/ or "fast track" service for affordable housing developments.
 - Allowing third party reviewers.
 - Limiting impact/ development fees that municipalities can charge.
- Building codes can also create barriers for housing development. Requirements can increase the cost and complexity of housing production and developers often have to navigate state and local requirements.
 - Building code reform in the US has mainly focused on allowing buildings to have a single staircase. Most jurisdictions currently require at least two stairs in all apartment buildings which can greatly reduce the financial feasibility of multifamily developments on small parcels despite the fact that recent research demonstrates that single-stair buildings are very safe.



- Both permitting reform and building code reform can be more complicated than zoning reform, partly due to heterogeneity in state-level building and permitting requirements.

8. Rifkin, Cameron, "Increasing the Housing Supply by Reducing Costs and Barriers." The National Conference of State Legislatures. June 7, 2024.

Link: <https://www.ncsl.org/human-services/increasing-the-housing-supply-by-reducing-costs-and-barriers>

About: The report examines interconnected issues that lead to housing production challenges. The report suggests strategies for overcoming some of these barriers, providing recent examples of state regulatory reforms.

Key themes related to our work:

- Economic and regulatory factors are suppressing supply.
- To help address some of the bureaucratic barriers, some state legislatures have been revising zoning regulations and streamlining administrative processes.
- Consolidating the permitting process into a single application can accelerate the permitting process for residential development.
- Revisions to building codes such as permitting one staircase as opposed to two in certain types of multi-family development can cut down on development costs. Virginia has conducted a study of this approach in 2024's HB 368.

Barriers to residential development:

- A lengthy permitting process can increase costs and slow construction. It takes an average of almost 18 months to build an apartment building and over 80 percent of developers in a survey reported construction delays due to permitting issues.
- Multiple states have recently taken efforts to streamline the permitting process and reduce costs associated with delays.
 - Maine created a comprehensive permitting process that allows for a single application for affordable housing developments.
 - Rhode Island established a judicial calendar for determining land use matters to help reduce delays in the development permitting process.
 - Texas requires jurisdictions to act within 15 days of receiving development applications or allow landowners to work with licensed third parties to complete the permitting and inspection processes.
- While some building code standards are necessary for health and safety, some outdated standards might impose unnecessary requirements that increase costs.



- For example, requiring certain façade treatments and prohibiting prefabricated materials can increase construction costs.
- Additionally, permitting one staircase as opposed to two in certain types of multi-family development can cut down on development costs. Virginia has conducted a study of this approach in 2024's HB 368.

9. State of Oregon. Office of the Governor. "Executive Order No. EO 03-01." February 2003. And State of Oregon. Economic Revitalization Team. "Biennial Report to the 73rd Legislative Assembly." January 2005.

Links: <https://www.oregon.gov/gov/eo/eo-03-01.pdf> and https://www.oregonlegislature.gov/citizen_engagement/Reports/2005_Economic%20Revitalization%20Team_Biennial%20repor.pdf

About: In 2003, Governor Ted Kulongoski issued an executive order directing state agencies that regulate business activities in Oregon to review their regulations and regulatory processes to identify opportunities to reduce burdens and streamline processes without compromising regulatory standards. This executive order also established a new Office of Regulatory Streamlining inside the Department of Business and Consumer Services, which was disbanded in 2007 due to budget cuts. While this streamlining effort was not related to housing production, it shares commonalities with HAPO's mission of reducing regulatory and process barriers. The 2005 Economic Revitalization Team (ERT) Report to the Legislature outlines the efforts stemming from the executive order and interim findings.

Key themes related to our work:

- A 2005 Economic Revitalization Team (ERT) Report to the Legislature noted that Executive Order No. 03-01 and a subsequent House Bill 2011 "directed the ERT to expand its focus beyond increasing coordination on specific projects, to coordination and streamlining agency policies, programs and processes related to economic development." The state agencies included in this streamlining effort included the following. Bolded agencies are related to housing production and development.
 - Oregon Economic and Community Development Department (OECDD)
 - **Oregon Department of Transportation (ODOT)**
 - **Department of Land Conservation and Development (DLCD)**
 - Department of Environmental Quality (DEQ)
 - Department of State Lands (DSL)
 - Oregon Department of Agriculture (ODA)
 - **Oregon Housing and Community Services (OHCS)**
- The report to the legislature notes that an Advisory Committee was established on Regulatory Permitting that included efforts to streamline processes that impact economic development; its scope included *transportation infrastructure processes* among other efforts. The report identified the following solutions relating to regulatory permitting:



- State agency participation at local pre-application conferences
 - Increasing the use of exemptions and exclusions
 - Expediting approval processes
 - On-line permitting assistance and
 - Improving state/local coordination on highway access decision-making.
- The report also highlighted the issue of concurrency in planning efforts, noting that DLCD and ODOT had a joint effort underway to amend the Transportation Planning Rule (TPR) to provide greater clarity on concurrency.

10. State of Oregon. "Governor's regulatory streamlining and simplification project: final proposal." August 2012.

Link: <https://digitalcollections.library.oregon.gov/nodes/view/131821>

About: A 2012 report submitted to the Governor of Oregon with recommendations for streamlining state regulations and seeks to establish a national model for regulatory effectiveness.

Key themes related to our work:

- Proposal recommends five strategic initiatives for state agencies:
 - Adopt a consistent management program
 - Develop a unified 21st century Information Technology System
 - Align the state's initiatives
 - Assure Accountability, Promote Transparency and Embrace Innovations and Incentives
 - Promote and Monitor Select Pilot Projects

11. May, Peter. "Regulatory Implementation: Examining Barriers From Regulatory Processes." Cityscape. 2005.

Link: <https://www.huduser.gov/periodicals/cityscpe/vol8num1/ch6.pdf>

About: This study examines the effects of the regulatory process on the availability and affordability of housing and explores potential areas for reform.

Key themes related to our work:

- Explains that regulations pertaining to building safety, environmental protection, historic preservation, and land use can create barriers for housing development, both by adding uncertainty, complexity, and time. These add costs to the construction or rehabilitation of housing and can discourage construction of new supply altogether.
- The report also noted great differences in how cities and counties across the United States enforce regulations.



- The report notes that there are challenges distinguishing between regulatory hurdles (necessary regulations) and regulatory inefficiencies (problematic or unnecessary regulations) in the residential construction industry.
- Suggests that regulatory and administrative simplification reforms such as creating “one-stop” shops for permitting or contracting with third parties, can make it easier to develop more housing and improve affordability.

Barriers to residential development:

- Developers often have to deal with multiple agencies and approval processes during the proposal phase. This fragmented administrative structure can lead to the duplication of, and even inconsistencies between, regulations. At a minimum, the multi-step regulatory process itself, often requiring numerous meetings, detailed applications and plans, special studies, community hearings, and conditional approvals prolongs the approval process and creates multiple opportunities for vetoes.
- Delays in permitting and construction are noted as an often-cited barrier. Regulators who were surveyed noted that neighborhood opposition, applicant errors, inadequate staff capacity, and regulatory complexity were common causes of delays.
- Uncertainty and inconsistency in how a regulation will be interpreted or enforced (both across and within jurisdictions) can also stymie development by either slowing it down and adding costs, or by preventing a development application at all.
- A variety of studies needed to support application materials, including but not limited to environmental reviews, engineering assessments, and technical studies can add significant time to the process.

12. HUD USER. “Regulatory Barriers and Affordable Housing: Problems and Solutions” and “Exploring the Current State of Knowledge on the Impact of Regulations on Housing Supply.” Evidence Matters. 2018.

Link: <https://docs.huduser.gov/archives/portal/sites/default/files/pdf/EM-Newsletter-spring-2018.pdf>

About: These papers highlight research on how regulations such as zoning restrictions, lengthy permitting processes, and neighborhood opposition reduce the supply of housing and increase housing costs. They discuss the state of research into measuring regulatory impacts on housing supply and housing costs. And they discuss state and local efforts to reduce these regulatory barriers.

Key themes related to our work:

- Research shows that regulatory factors, including complex zoning codes and regulations, a prolonged permitting process, and neighborhood opposition are common barriers to housing development, thus restricting supply and negatively impacting costs.



- The study notes that development process barriers create uncertainty in development which negatively impacts both supply (through risk) and cost (through delays).
- The study cites research that connects regulatory burdens (including both the standards themselves and the processes for approvals) to high housing costs and lower density housing development.
- The study also notes that researchers have evaluated the tradeoffs of land use regulations and can make empirical distinctions between those that are necessary for public health and safety, and those that are overly burdensome and do not create public benefits.
- Many localities in the United States have struggled to reduce these barriers though some promising approaches have been adopted.

Barriers to residential development:

- Developers must often go through extensive permitting, review, and approval processes. These often have additional fees that can increase costs. These processes can also lead to additional soft costs arising from delays and uncertainty. When development hits delays, builders incur carry costs, such as interest payments on their acquisition or construction loans.
- Uncertainty in processes both across jurisdictions and across different departments within jurisdictions can also impact development costs and risks. Builders working in many different areas have to learn and adapt to new systems and processes.
- Aside from process related barriers, the studies discuss zoning and land use standards such as density and lot size restrictions that can be barriers to housing production, impacting supply and costs.

13. National Multifamily Housing Council. "Quarterly Survey Of Apartment Construction & Development Activity (December 2025)." December 19, 2025.

Link: <https://www.nmhc.org/research-insight/nmhc-construction-survey/2025/quarterly-survey-of-apartment-construction-development-activity-december-2025/>

About: The National Multifamily Housing Council (NMHC) conducts a quarterly construction survey. The latest responses from December 2025 from national multifamily construction and development firms highlight the primary causes of construction delays and the time it takes to receive a development permit.

Key themes related to our work:

- 51% of firms suggest that construction delays are the same as the prior quarter, while 30% say delays are decreasing; 8% suggested that delays are increasing.



- Of those citing construction delays, 3% suggest that permitting, entitlements, and professional services are a cause.
- Twenty six percent of respondents suggested that building permits would take 2-4 months, followed by 20% suggesting either 5-6 months or 9+ months. Only 11% of respondents suggested their permits would arrive in fewer than 2 months.
- Fifty eight percent of respondents suggested that jurisdictions were imposing additional project requirements on their developments, unrelated to project construction.

14. Abt Associates. "Developing Process Efficiency: Cutting Through the Red Tape." National Association of Home Builders. November 30, 2015.

Link: <https://www.nahb.org/-/media/NAHB/advocacy/docs/top-priorities/housing-affordability/development-process-efficiency.pdf>

About: This report summarizes how the often long and complicated approval process adds costs to housing production and highlights strategies jurisdictions have taken to improve the process.

Key themes related to our work:

- Authors highlight the fact that development review and approval processes create risk and uncertainty in development, and that length and uncertainty (e.g. new rules or delays or inconsistent application of standards) create challenges for developers.
- Nationally, development review processes have tended to lengthen over time, from a few months to a few years in some places. The authors suggest that the costs associated with these longer timelines do not offer a commensurate benefit for the eventual homeowners.
- The authors note that efficient processes can have multiple benefits for not only the builder and homeowner, but the local municipality, the staff working in these jurisdictions, and the taxpayers.
- A long and costly review process can be especially challenging for affordable housing developments, which are disproportionately harmed from development fees and the costs associated with regulatory delay.

Barriers to residential development:

- The report includes a comprehensive list of barriers to the land development approval process and some approaches being used to make it more efficient.
- Barriers listed include:
 - Fragmented, disjointed, and or unpredictable review processes
 - Inconsistent application of standards or requirements
 - Multi-step, uncoordinated processes with unnecessary components



- Lack of staff capacity
- Outdated permitting and review systems (e.g. paper applications)
- Lack of accountability toward outcomes
- An unfriendly or rigid review culture

15. Manville, Michael; Monkkonen, Paavo; Gray, Nolan; Phillips, Shane. "Does discretion delay development? The impact of approval pathways on multifamily housing's time to permit." Journal of the American Planning Association. November 2022.

Link:

https://www.researchgate.net/publication/365420377_Does_Discretion_Delay_Development_The_Impact_of_Approval_Pathways_on_Multifamily_Housing's_Time_to_Permit

About: This study analyzes the extent to which a discretionary review process for multifamily housing projects, as opposed to by-right entitlement, delays the development process.

Key themes related to our work:

- The researchers find that even when standards and zoning do not limit development, a complex, unpredictable, or lengthy process can be a barrier.
- Approval processes have two different costs – time and money – as well as two types of uncertainty – time to completion and the ultimate outcome. Approval time can be a proxy for these interrelated costs and outcomes since longer processes are typically more costly and have more uncertainty embedded in them.
- Using data from approximately 350 multifamily housing projects in Los Angeles, the report found that by-right projects were permitted 28 percent faster than discretionary projects (controlling for project and neighborhood characteristics).
- By-right projects also had less variation in their approval time.
- A month of delay can cost an estimated \$1,200 per unit (or up to \$4,000 in a place like Los Angeles).

Barriers to residential development:

- The process is further complicated if the city is requiring developer contributions for infrastructure or services. The time and labor costs of prolonged negotiations with the city can bring the developer costs well above the price of the mitigation itself.
- Prolonging the development process can also increase carrying costs as well as insurance and maintenance expenses and property taxes.
- Uncertainty in time and outcomes can be a deterrent to development. Developers are typically able to manage costs (including both time and money) when the process is predictable. But slow



and uncertain approvals processes add both risk and costs which affect the project's feasibility. Discretionary review processes often have uncertain outcomes.

16. Housing Affordability Institute. "Housing Policy Explainer: Discretionary Reviews."

Link: <https://www.housingaffordabilityinstitute.org/discretionary-reviews/>

About: This brief summarizes discretionary review in housing development processes.

Key themes related to our work:

- Discretionary reviews often have more public hearings than by-right projects, resulting in more steps and requirements for the applicants.
- In addition to prolonging the project, discretionary review can lead to reduction of units or even preventing the project altogether.
- Discretionary review can increase costs by adding planning, engineering, and design work both before the initial application is submitted and during the discretionary review.
- Discretionary review also often leads to prolonged negotiations with the city for concessions or exactions, increasing the time and cost of development.

17. Soltas, Evan; Gruber, Jonathan. "How Costly Is Permitting in Housing Development?" Journal of the American Planning Association. February 2026.

Link: https://evansoltas.com/papers/Permitting_SoltasGruber2026.pdf

About: This study estimates how permitting requirements and costs add to overall development costs. The paper measures permitting cost by studying the market in Los Angeles where landowners can prepay for all necessary permits before the sale, allowing the "ready-to-issue" permits to be directly sold to developers with the land. Their assumption is that the premium paid for this bundle relative to unpermitted land represents developers' marginal willingness to pay to skip the permitting process.

Key themes related to our work:

- Paper offers first systematic estimates of permitting costs and their share of housing cost in any major U.S. city.
- Consistent with other research and stakeholder input, the report finds that permitting requirements can be costly to developers.
- Suggests permitting is a major barrier to housing supply in Los Angeles.

Barriers to residential development:



- Estimate developers are willing to pay 50 percent more for preapproved land that does not require additional permitting.
- Permitting can explain approximately one-third of the gap between home prices and construction costs (in Los Angeles).

