

Executive Summary

Local Residential Development Process Improvement (LRDPI) Study

Study Purpose and Scope

The Oregon Legislature directed the Housing Accountability and Production Office (HAPO) to study the residential development review process and identify improvements and best practices to support housing production and affordability.¹

In response, the **Local Residential Development Process Improvement Study examines barriers across three phases of local review: land use approvals, public improvements review, and building plan review.** A companion study focuses on state agency processes related to residential development. This study does not address other potential barriers to housing production such as construction costs, local fees, financing, infrastructure funding, or land availability.

Problem Definition

Oregon has a long track record of emphasizing clear and timely local reviews for housing development. Nonetheless, surveys and focus groups conducted for this study highlighted a wide range of process challenges.

Development review is complex. It often involves multiple reviews by land use planners, building officials, public works departments, special districts, and/or state agencies. Each review has its own timelines, priorities, and information needs. This fragmentation can be difficult for applicants and local governments to navigate.

State “shot clock” laws require local governments to complete certain land use, building, and public works reviews within specified time frames. Even so, the cumulative time for all reviews is often measured in months or years, especially for complex projects. Reviews can also add cost when applicants must revise plans multiple times or show how they meet detailed requirements. These challenges have consequences for housing production. In three illustrative housing development scenarios, doubling local review time delayed financial returns enough to make projects less attractive to investors. A complex process with more rounds of revisions was estimated to increase design and engineering costs by \$24,000 to \$32,000 per unit.² **Together, added costs and delay can make otherwise feasible developments infeasible.**

Specific issues that stood out in surveys, focus groups, and case studies include:

- ◆ **Unclear submittal requirements.** Applicants may need several attempts to provide all the information required for review.
- ◆ **Inconsistent or conflicting review comments.** Applicants may need to revise designs multiple times when reviewers interpret standards differently, provide conflicting direction, or raise new issues late in the process.

¹ Senate Bill 1537, 2024

² See the Feasibility Analysis section of the Local Residential Development Process Improvement Study for the development scenarios, assumptions, and analysis.

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- ◆ **Sequential review bottlenecks.** Projects can stall when applicants must wait for all reviewers to finish before seeing comments, complete final infrastructure details before creating buildable lots, or wait for addresses before submitting building permits.
- ◆ **Uncertainty about required public improvements.** Negotiations over what infrastructure a project must build, such as new or upgraded roads, can create uncertainty about project cost, design, and feasibility.
- ◆ **Prescriptive land use standards.** Clear and objective standards can still add time and cost when they are so detailed that applicants must spend substantial effort showing compliance or have limited flexibility in project design.
- ◆ **Limited local capacity.** When developers need extra support to navigate the process or when reviews or inspections take multiple iterations due to missing information or the need for modifications, it consumes staff time that otherwise could go toward reviewing other applications or developments. In addition, recent housing legislation and rulemaking has required local governments to repeatedly update codes and procedures, train staff, and develop new information for applicants, adding to existing staffing and resource constraints and absorbing staff time that could be spent implementing locally-identified improvements.

Recommendations

The report identifies dozens of best practices to reduce barriers in local development review. Some may involve legislation or state agency rulemaking, but most can be carried out through local action and state technical assistance.

Top themes include:



PRIORITIZE “GETTING TO YES.” A partnership attitude from jurisdiction leadership emerged among developers surveyed as the single most helpful practice for reducing process-related barriers to housing production.



IMPROVE APPLICANT INFORMATION & COMMUNICATION. This can include detailed submittal checklists, early assistance and pre-application conferences, guidance for less familiar housing types, review status transparency, and access to comments upon request before all reviews are complete.



IMPROVE REVIEWER COORDINATION AND CONSISTENCY. Local best practices include designating housing development project coordinators, improving coordination with outside reviewers, and proactively resolving conflicting comments and interpretations.



ALLOW OVERLAPPING REVIEWS WHEN APPROPRIATE. This can shorten review timelines, though it may create some risk of redesign. For subdivisions, avoiding delays at final plat is especially important because developers have already invested in infrastructure, but generally cannot move to building permits or lot sales until new lots are created.



ADDRESS STANDARDS THAT ARE CREATING PROCESS ISSUES. This may include simplifying clear and objective zoning regulations, reconciling conflicting development regulations or infrastructure design standards, and ensuring required infrastructure improvements are predictable and aligned to what development can bear.

A full list of recommendations is provided in the *Recommendations* section of the Report.