

SB 1537 Summary Report: Impacts of State Policies and Programs on Housing Production



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Public Review Draft

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AI Use Disclosure

This policy review report integrates the University of Oregon's Microsoft Copilot artificial intelligence (AI) ecosystem to support the analysis and presentation of findings, particularly in relation to engagement data and policy interpretation. Additionally, Claude.AI was used to summarize and synthesize publicly available reports to cross-reference report recommendations with prior reports. All AI-assisted outputs were reviewed and refined by the report authors to ensure accuracy, contextual relevance, and alignment with the policy framework under review. Final interpretations and recommendations reflect human judgment and expertise.

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Executive Summary

In 2024, the Oregon Legislature directed the Housing Accountability and Production Office (HAPO) to produce a report summarizing agency plans, policies, and programs related to reducing or eliminating regulatory barriers to the production of housing. HAPO was also directed to report on how state agencies may prioritize resources and programs to increase production.

The Impacts of State Policies and Programs on Housing Production Study responds to Oregon Senate Bill (SB) 1537 Section 5(3). It evaluates state agency actions that affect housing production and provides recommendations to reduce barriers and prioritize resources and programs to increase production. In commissioning this study, the Legislature recognized that state agencies play a role in shaping housing production, and that a comprehensive examination of state actions can identify opportunities and solutions to boost production.

This study considers the actions related to nine state agencies and Regional Solutions. State agencies included are Department of Environmental Quality (DEQ), Department of State Lands (DSL), Department of Land Conservation and Development (DLCD), Oregon Health Authority (OHA) Drinking Water Services (DWS), Oregon Housing and Community Services (OHCS), Oregon Business Development Department (Business Oregon), Oregon Department of Transportation (ODOT), Department of Consumer and Business Services (DCBS) Building Codes Division (BCD), and Oregon Parks and Recreation Department (OPRD) State Historic Preservation Office (SHPO).

These agencies touch the housing production process in important ways, including actions that affect land availability, dictate local planning, and determine infrastructure capacity. Agencies process permits for cultural resources and environmental resources, provide financing for capital investment for backbone infrastructure like transportation, wastewater, stormwater, and drinking water, and subsidize affordable housing. Some programs like historic preservation, drinking water, and affordable housing are administered by state agencies under federal guidance or regulation, while other programs are driven directly by state law. Oregon has a strong state level framework for land use planning through the statewide planning program, and state agencies have enacted numerous recent programs that relate to housing based on executive and legislative direction over the last decade.

This study inventories existing state agency programs and policies related to housing, gathers perspectives from housing producers, local governments, advocates, and other interested parties, and offers recommendations in the form of legislative action, state agency rulemaking, administrative process reform, prioritized funding, and technical or educational resources.

Key Findings and Recommendations

Several themes emerged consistently through the research and engagement for this project:

- **Opportunities for Cross Agency Coordination on Planning, Permitting, and Funding:** Opportunities exist to improve the coordination of permitting and financing processes within and across agencies
- **Infrastructure Planning and Implementation as a Bottleneck:** Recently, the Oregon Legislature authorized funding for infrastructure specifically related to housing through competitive programs and direct allocations. Infrastructure planning and capital investment remains a key barrier in preparing land for housing development.
- **Regulatory Burden and Cumulative Impacts:** Housing development is affected by dozens of state agency actions, each of which serve a valid purpose independently. The combined effect of multiple review processes and requirements adds time and cost to development decisions. Specific programs perceived as influencing regulatory barriers include wetlands, historic preservation and cultural resources, and land use planning.

- **Pace Legislative Change with Limited Local Capacity:** Over the past decade, the state has enacted several new pieces of legislation related to housing. Most local governments lack the capacity to track and implement such a volume of legislative changes. It is important to evaluate and monitor how recent reforms affect local capacity and which of those reforms result in increased housing production.
- **Focus on Housing Relative to Other Goals:** Each state agency and program within the scope of this study has a unique mission, constrained by specific legislative intent and guided by various programmatic and policy priorities. Though many programs affect housing production, only a few are oriented towards increasing and facilitating housing production.

Considering the above findings, the report outlines 18 priority recommendations, along with another 54 secondary recommendations, intended to target limited state resources towards the best outcomes, focus on immediate housing production, promote the most needed housing types, work within the areas where the state government can have impact, and strengthen existing efforts rather than creating new programs. The priority recommendations are organized under the following five themes.

Prioritize Resources for Immediate Production: State government has limited resources to support infrastructure and production of housing. This report recommends developing a consistent approach across multiple funding programs to prioritize state investment in communities and projects based on feasibility and readiness criteria. Further, the report recommends aligning input and review across agencies to reduce delay and effort in submitting permits and funding applications.

Align State Funding and Regulations Toward Needed Housing: The state's revised methodology for determining housing need, known as the Oregon Housing Needs Analysis, finds that building more middle housing, multi-unit structures, and affordable housing is critical to meeting the state's goals of promoting housing affordability and choice. Many of the recommendations in this report propose regulatory changes to resolve barriers to these housing types and to prioritize state funding in infrastructure and housing in support of these types of development.

Increase Regulatory Clarity and Flexibility: Regulations related to land use planning, wetlands, and historic and cultural resources were most frequently cited as barriers to housing. For land use, the report recommends revising the factors considered in identifying Urban Growth Boundary (UGB) expansions to those areas more feasible for development and streamlining the process for evaluating expansion areas for small, fast-growing and constrained cities. Pursue administrative and regulatory changes related to wetlands and historic and cultural resources reviews to improve the efficiency and implementation of these programs. Recommendations relate to statewide mapping for historic and cultural resources and wetlands, expanding mitigation, adjusting mitigation ratios and payment-in-lieu thresholds for wetlands.

Deepen support for communities: Local governments and housing producers report challenges in understanding available funding sources, producing technical analysis, and navigating multiple state-level planning and permitting layers. This report recommends providing additional navigation support for permitting and infrastructure planning for small communities by guiding them, in consultation with Regional Solutions, to existing forums such as the Business Oregon Roundtable. The report also recommends streamlining land use planning and UGB processes for cities between 2,500 and 10,000 people.

Strengthen what is working and monitor progress: Recent reforms significantly changed the local and state standards and processes related to housing. To understand what is working, the state needs a standardized approach to data collection and tracking to improve state-level dashboards, building upon current tracking efforts. These recommendations relate to tracking permitting timelines and collecting and reporting data about land use and housing production at a state level.

More information on the methods used to analyze state policies and programs, engage with interested parties, and develop the recommendations is provided in the full report available for download on the HAPO site, along with additional materials in the accompanying technical report.

Chapter 1: Introduction

This report summarizes the results of research and engagement with state agencies and interested parties involved in the housing production process, conducted by the University of Oregon’s Institute for Policy Research and Engagement (IPRE) in coordination with the Housing Accountability and Production Office (HAPO) to address the requirements of [Oregon Senate Bill \(SB\) 1537 \(2024\)](#) – Section 5(3).

Background

Oregon SB 1537 directs HAPO to contract to perform: (1) a review of building and land use procedures for housing; (2) a report on timelines and standards related to public works and building permitting application review; and (3) a review of state agency policies and programs that affect housing production. This report addresses [Section 5\(3\) of the bill](#):

“Produce a report summarizing state agency plans, policies and programs related to reducing or eliminating regulatory barriers to the production of housing. The report must also include recommendations on how state agencies may prioritize resources and programs to increase housing production.”

The policies and programs considered in this report relate to land availability and readiness, state financing programs, infrastructure, process, and permitting. This report does not address barriers related to materials, labor, insurance, or the construction industry. This study will delve into the specific plans, policies, programs, as well as procedures and practices employed by state agencies in implementing legislative directives. Throughout this report, these are collectively referred to as “state agency actions.”

By examining not only what policies exist, but also how agencies implement them, this report aims to provide a nuanced understanding of the existing regulatory landscape and identify concrete opportunities for streamlining processes or creating flexibility to accelerate housing development across the state. Further, this report examines how state agencies might incentivize housing production by aligning and prioritizing agency resources (financial and technical).

Purpose & Methods

The primary purpose of this project is to fulfill the requirements of Section 5(3) of Oregon SB 1537 by producing a detailed report that:

- Identifies and analyzes plans, policies, programs, procedures, funding, and resources impacting housing production that are implemented by state agencies involved in land availability and readiness, development approvals, and the financing of residential units and related infrastructure. Resources considered may include direct funding, financing options, or technical assistance;
- Assesses the effectiveness of these state agency actions in reducing or eliminating administrative and regulatory barriers;
- Gathers perspectives from a diverse range of interested parties, including Tribal nations, state agencies, local governments, housing producers, and other interested parties;

- Considers the research and findings of the other SB 1537 Section 5 report evaluating local review and approvals as well as studies from other states and previous efforts in Oregon to identify opportunities to boost production;
- Considers how existing state resources could be maximized, prioritized, or leveraged to support housing production;
- Identifies opportunities for agency and program alignment; and
- Develops actionable recommendations for state agencies to reduce barriers to housing and prioritize resources and programs to enhance production.

The research team used a comprehensive, multi-method approach to develop this report. The project team systematically reviewed existing policies and gathered a broad set of perspectives through surveys, interviews, and focus groups which supported the recommendations. The approach ensures a nuanced understanding of the programmatic and regulatory landscape by examining not just what policies and programs exist, but also how various state agencies implement and align their responsibilities as perceived by those parties most directly involved in the development and construction of housing.

Key elements of the research methods include:

- **Literature and Document Review:** The project included a review of previous reports and academic literature at a national, state, and topical level, as well as findings from recent state-level convenings and other reports. This task aimed to build on existing knowledge and inform subsequent data collection and development of recommendations; **See Technical Report, Part A.**
- **Policy and Program Inventory:** A foundational task of the project was to develop a systematic inventory of plans, policies, programs, procedures, funding, and resources from key state agencies. This involved a detailed review of statutes, rules, and strategic plans, supported by agency review and feedback; A complete inventory of state agency actions related to housing is in **Technical Report, Part C.**
- **Multi-Party Survey and Interviews:** To gather both quantitative and qualitative data, the methodology included two components: (1) a multi-party survey administered to a broad audience of housing producers, government representatives, and other interested parties which received 687 analyzed responses, followed by (2) in-depth focus groups (with 109 participants) and interviews with 10 agencies and programs to gain deeper insights into the challenges and opportunities of policy and program implementation; **See Technical Report, Part D.**
- **Program and Policy Analysis:** The research team conducted a focused analysis of key programs and policies identified in the inventory. Each was examined for legislative intent, applicability, impact on housing production, and agency implementation to identify potential challenges, inefficiencies, and opportunities; See Chapters 3 and 4, and **Technical Report Part D and E.**
- **Related Processes Related to Housing Production:** The research team reviewed and aligned analysis with other ongoing processes related to housing production including recommendations from the 2024 Housing Production Advisory Council (HPAC) report and the concurrent Local Residential Process Improvement study (SB 1537: Section 5(1) report); **See Technical Report, Part A.**
- **Implications and Recommendations:** Drawing on all collected information and analysis, IPRE worked with HAPO staff to summarize key implications of the research and developed a set of

recommendations. This step included vetting preliminary recommendations with relevant agencies and interested parties to ensure a transparent, inclusive, and informed approach.

How to Read This Report

This report provides a detailed assessment of the impacts of state agency actions on housing production in Oregon. The report is lengthy due to the depth and breadth of analysis required. Detailed appendices will go into further depth. The report is organized as follows:

- Chapter 1: Introduction provides context, background, and a brief overview of methods
- Chapter 2: Research Framework summarizes the research and evaluation framework IPRE used for the assessment
- Chapter 3: Regulatory and Permitting Actions provides a detailed assessment of key topics related to regulatory or permitting programs
- Chapter 4: Financial Incentives and Technical Assistance provides a detailed assessment of key topics related to affordable housing and infrastructure financing
- Chapter 5: Opportunities for Reducing Barriers and Prioritizing Resources to Increase Housing Production presents key recommendations

We recognize readers may not have the time or need to review the entire report. Readers may refer directly to Chapter 5 to review key recommendations. Readers interested in the assessment should turn to Chapters 3 and 4. Readers interested in the evaluation framework should turn to Chapter 2. Note that Chapter 2 contains key context related to the study approach.

A technical report supplements this summary report. The technical report includes the following parts:

- Part A: Summary of Background Research Documents
- Part B: Analytical Framework
- Part C: Policy and Program Inventory
- Part D: Engagement Process Methods and Summary
- Part E: Recommendations

Analysis and Engagement Summary

RESEARCH SUMMARY

200+ State Agency Actions Inventoried (across 9 Agencies and Regional Solutions)
Plans, policies, procedures, permitting, programs, and resources

TRIBAL GOVERNMENT CONSULTATION

STATE AGENCY ENGAGEMENT

4 Workgroup Meetings	23 Interview Participants	37 Draft Report Reviewers
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INTERESTED PARTY SURVEY



FOCUS GROUPS

12 Focus Groups with 109 participants + 23 post-focus group survey participants — representing various regions, city sizes, and a cross-section of public, private, and nonprofit organizations

Limitations

This report is an assessment of state agency plans, policies, programs, procedures, and resources that affect housing production in Oregon as of 2026; it is not a full outcome evaluation. The analysis focuses on identifying state agency actions, examining how they are implemented, and assessing their perceived impacts on housing production through document review, surveys, interviews, and engagement of interested parties. While this approach provides valuable insight into potential implementation challenges, coordination issues, and administrative barriers, it does not attempt to verify the accuracy nor scale of the potential issues. The approach does not identify causal links between specific state actions to changes in quantified housing production, costs, timelines, or affordability outcomes.

The findings rely in part on self-reported information from agencies and interested party perspectives gathered through surveys (n=687), interviews, and focus groups (n=109). Where supplemental data exists to support reported perceptions and experiences, the report references related studies. These sources are essential for understanding real world implementation and procedural effects but may reflect differing experiences, priorities, or institutional contexts. The study does not include a comprehensive

quantitative or longitudinal analysis of housing production outcomes tied to individual policies or programs.

The principal information to identify key policies and programs most suitable for recommendations were perspectives collected from a broad spectrum of interested parties, background research, lessons from other states, and supplemented with information and perspectives provided by the participating agencies. The survey approach relied on respondents identifying which agencies they interacted with over the last 5 years, then choosing which actions they are familiar with prior to evaluating whether state action benefits or hinders housing production. Though we ask respondents to focus on recent experiences, some examples and perceptions may be based on prior experiences.

The policy and funding landscape for housing investment has changed drastically in Oregon over the last 10 years due to legislation, rulemaking, and new programs. Some major reforms like the Oregon Housing Needs Analysis (OHNA) were adopted into administrative rule by the Land Conservation and Development Commission (LCDC) during this study. The effects of these changes are not yet fully known. Thus, some of the external perceptions relate to programs undergoing large-scale change and recent implementation. The report attempts to document these recent changes in legislation, rulemaking, and programming.

Consistent with the legislative charge in SB 1537 Section 5(3), the report focuses on state actions and does not systematically evaluate local regulations, federal policies, construction costs, financing conditions, insurance costs, labor availability, or market dynamics. Many barriers to housing production arise from interactions with these systems, and local implementation and capacity can significantly influence outcomes, but they are beyond the primary scope of this analysis. The impact of local regulations related to land use, building permit, and public works review is addressed in the separate “Local Residential Process Improvement Study”, which implements Section 5(1) and (2) of SB 1537.

Housing policy in Oregon continues to evolve; this report represents a snapshot in time in 2026, and subsequent legislative or administrative changes, as well as the full realization of recent changes may affect the applicability of specific findings and recommendations.

Chapter 2: Research Framework

This chapter describes the conceptual framework that guided the research team and the methods used for this analysis. Additional framing is provided in Technical Report, Part B. This chapter provides a brief overview of the scope of this study, outlines the housing production process, describes the processes that facilitate construction of new housing, and summarizes how and where state regulations and programs can impact the production process. Those inputs provide a foundation for how the research team approached analyzing the impacts of state policies and programs on housing production in Oregon.

Housing production in the United States and Oregon is a complex, multi-systemic process that extends well beyond development and construction. A cursory analysis of this system reveals that the impact of state and local regulations is not a simple, isolated force, but rather a dynamic set of interconnected impacts that extend across the entire development lifecycle. To address the objectives of this study, the research team developed an integrated conceptual project approach (the “research framework”) that maps how state policies and programs interact with the housing production process.

Scope of this Study

A key first step is operationalizing the legislative intent. This report addresses the primary legislative charges but broadens the scope in important ways. The core elements of this study include:

- Identifying **state agency policies and programs** related to housing production;
- Summarizing state actions related to **reducing or eliminating regulatory barriers** to housing production;
- Identifying state actions that **create regulatory and other barriers** to housing production;
- Identifying state actions that **provide technical assistance or funding** intended to facilitate infrastructure related to housing or directly boost production; and
- Providing **recommendations on how state agencies may prioritize resources and programs** to increase production.

There was consensus among the research team and HAPO staff that this broadened approach would provide a more comprehensive and useful assessment of how state agency actions impact housing production.

Another key consideration is defining what constitutes a “state agency action.” This report uses the following as a set of working definitions to classify for different state agency actions within the scope of this study. We note that these actions nest within each other in complicated ways:

- **Plan:** Documents mandated by state or federal law or adopted by administrative decision, statutes, or administrative rules that set program priorities or

Factors Affecting Housing Production Beyond State Control

- Macroeconomic conditions and interest rates
- Construction materials costs
- Construction labor costs and shortages
- Private capital markets and institutional investment
- Federal policy and funding
- Demographic trends and household formation
- Homeowners insurance market instability

allocate state resources or investments. Includes agency strategic plans that guide organizational priorities, policies, and direct resources.

- **Agency Programs:** State agency programs or initiatives that interact with infrastructure, land availability and readiness, development requirements, financing, or housing construction. These programs may also administer grants or loans and provide technical assistance or resources. These include federal programs administered at the state level. Programs are administrative and organizational structures that manage specific resources for a defined public purpose.
- **Policies and Regulations:** State or federal statutes or administrative rules that dictate whether infrastructure, land development, or construction occurs or under what appropriate terms and conditions. These may relate to infrastructure reviews and standards.
- **Finance:** Investments in the form of grants or loans that fund infrastructure, land development, or housing construction costs directly. This includes planning, design, site acquisition and preparation, engineering, and construction. Finance also refers to incentives, tax rebates, tax credits, and financing.
- **Technical Assistance and Resources:** Grants or direct support to assist local government or housing producers in planning and policy implementation that create conditions or the capacity to build housing.
- **Procedures and Permitting:** Internal agency guidance or guidelines that interpret or implement policies and regulations. Review processes, assessments, and permitting that may relate to infrastructure or environment.

These definitions provided the foundation for the inventory of state agency actions. This study reviewed state agency actions from nine state agencies and Regional Solutions:

- Oregon Department of Environmental Quality (DEQ) - water quality; wastewater, stormwater, and onsite septic permitting; brownfields and environmental cleanup; solid waste management;
- Oregon Department of State Lands (DSL) – removal-fill permitting; Statewide Wetlands Inventory and Local Wetlands Inventories; state-owned waters, state lands inventory, state-owned lands;
- Oregon Department of Land Conservation and Development (DLCD) - land use planning and statewide planning goals; housing planning; Climate Friendly and Equitable Communities; Transportation and Growth Management (TGM) program (with ODOT), Transportation Planning Rule;
- Oregon Health Authority (OHA) Drinking Water Services - drinking water protection, drinking water infrastructure;
- Oregon Housing and Community Services (OHCS) - affordable housing finance and assistance;
- Oregon Business Development Department (Business Oregon) - water, sewer, stormwater, transportation infrastructure funding, one-stop financing roundtable, brownfields;
- Oregon Department of Transportation (ODOT) - access and utility permits, traffic impact analysis, transportation planning rule implementation (with DLCD), technical assistance and grant programs;
- Oregon Department of Consumer and Business Services, Building Codes Division (DCBS/BCD) - building codes, manufactured dwellings, prefabricated dwellings;

- Oregon Parks and Recreation Department (OPRD) (State Historic Preservation Office, SHPO) - historic preservation, cultural resources, archaeological review; carrying out the federal National Historic Preservation Act of 1966 by which SHPO is a consulting party; and
- Regional Solutions - state agency and partners coordination, technical assistance, agency navigation.

The inventory was a collaborative effort between the IPRE research team, HAPO staff, and staff from the included state agencies (see Technical Report, Part C).

The Housing Production Process

Housing production is a process that requires a broad range of inputs affected by many factors. Housing is often characterized as a bundle of services: shelter, proximity to daily needs (jobs, shopping, recreation), amenities (location, type and quality of internal construction, landscaping, views), prestige, and access to public services (emergency services, quality of schools, parks). A functioning housing market reflects the housing choices of individual households as influenced by dozens of factors.

Moreover, housing production occurs in a dynamic economy that is influenced by a broad array of factors. Increasingly, economists view the economy as a complex adaptive system.¹ Housing markets also exhibit characteristics of complex adaptive systems. The research team reviewed several housing production frameworks which are summarized in Exhibit 1.

Exhibit 1 summarizes the five-phase housing production process used for this report. This framework builds upon several sources; the five phases in the process are described in more detail below. More detail on each of the steps is provided in the Technical Report, Part B.

¹ Martin, R. L. (2020). When more is not better: Overcoming America's obsession with economic efficiency. Harvard Business Review Press.

Exhibit 1. The Housing Production Process

Phase I: Land Availability & Readiness	Phase II: Project Concept & Feasibility	Phase III: Pre-development & Permitting	Phase IV: Construction	Phase V: Occupancy
Key Activities: - Land added to Urban Growth Boundary (UGB) - Comprehensive planning within UGB - Plan designation applied - Annexation - Zoning applied - Environmental reviews - Wetlands delineation - Resource inventories - Phase 1 contamination - Backbone infrastructure provided - Functional plans - Capital Improvement Plans (CIPs) - Funding	Key Activities: - Define project concept - Conduct market analyses and feasibility studies - Identify and evaluate potential sites - Perform initial financial modeling and risk assessment - Capital Stacks for subsidized housing - Tax exemptions (Multi Unit Property Tax Exemption - MUPTE/Vertical Housing Tax Exemption - VHTE)	Key Activities: - Acquire or secure land rights - Develop detailed site, development, and building plans with architects and engineers - Secure construction financing - Obtain permits	Key Activities: - Site Preparation: clearing, grading, and excavation - Foundation: footings/slab, plumbing and electrical - Framing: walls, and roof trusses - Rough-Ins: electrical, plumbing, and HVAC systems - Finishes: drywall, roofing, siding, landscaping	Key Activities: - Final Inspections - Final Walkthrough - Securing Permanent Financing (multi-unit housing) - Certificate of Occupancy (CO)

Note: Some activities span multiple phases.

Source: Institute for Policy Research & Engagement

Evaluation Framework: Assessing Impacts of Policies

The evaluation framework is designed to support a qualitative assessment of how state agency policies, programs, and procedures affect housing production. This study employed a mixed-methods research design combining a large-scale interested party perception survey (n=687) with semi-structured focus groups (12 groups engaging 109 participants), both of which are established, peer-reviewed social science methods. Interested party and "key informant" surveys are standard tools in policy evaluation and program assessment because regulated parties and implementing agencies hold information that is not observable in administrative or market data: how a rule actually changes behavior in practice, where friction and delay originate, and which provisions are binding.

Consistent with the methods and limitations of this study, the framework does not attempt to measure causal impacts or quantify housing production outcomes attributable to individual policies. Instead, it provides a structured approach for assessing how and where state agency actions influence housing production, based on documented requirements, processes, implementation practices, and external experiences.

The framework focuses on two related dimensions of impact:

- Project-level effects on housing development – for example, housing on an infill lot affected by wetlands; and
- Policy and system level feasibility and implementation considerations – for example, the overall availability of land served by infrastructure based on the state regulatory and funding environment.

These dimensions assess how state agency actions are perceived to affect individual housing projects across stages of the housing production process. The overarching consideration based on the legislative charge is how each action affects housing production. To further examine impacts, state agency actions are assessed against four criteria:

- **Cost:** The extent to which a policy, program, or procedure increases, reduces, or redistributes direct or indirect development costs. This includes eligibility costs, regulatory compliance costs, infrastructure or mitigation requirements, financing-related costs, and costs associated with delays or uncertainty.
- **Time:** The degree to which a state agency action accelerates, delays, or introduces variability into project timelines. Time impacts may occur through permitting duration, sequencing requirements and multiple permits, application and review cycles, eligibility determination, interagency coordination, or access to funding.
- **Risk:** The extent to which a policy introduces or mitigates uncertainty for housing producers, lenders, and local governments. Risk may relate to approval predictability, litigation or appeals, funding reliability, policy interpretation, or changing and/or conflicting requirements over the project lifecycle.
- **Complexity:** The degree of administrative, procedural, or technical burden associated with meeting the requirements of a policy or program, whether administrative, financial, or regulatory. Complexity may arise from excessive or overlapping requirements, unclear guidance or interpretation, multiple decision points, or the need to navigate multiple agencies or programs simultaneously. Complexity may cause costs, time, or risk to increase but is assessed separately.

These dimensions are assessed qualitatively using document review, agency input, and external perspectives from surveys, focus groups, and interviews to identify where impacts are most pronounced in the housing production process, rather than to quantify their magnitude in cost or time.

In addition to the core impact dimensions discussed above, the analysis incorporates several supplemental considerations that emerged from the engagement process. These considerations help explain variation in how policies and programs are experienced in practice and provide additional context for interpreting project-level and system-level impacts:

- **Clarity and Consistency:** The degree to which policies, requirements, and procedures are clearly articulated, well documented, and applied consistently across projects, locations, and staff. Lack of clarity or consistency can increase uncertainty and delay even when formal requirements are modest.
- **Predictability:** The extent to which project producers can reasonably anticipate process steps, timelines, and outcomes based on published standards and prior experience. Predictability is closely linked to financing risk and overall project feasibility.
- **Interagency Alignment:** How well policies, programs, and procedures are coordinated across state agencies and aligned with local approval processes. This includes duplication or overlapping of review processes as well as potentially conflicting guidance from different agencies or lack of clarity on the ultimate authority. Misalignment or sequencing challenges can create cumulative impacts on timing, cost, and risk that are not attributable to any single agency action.
- **Scalability and Capacity:** Whether programs and processes can effectively accommodate increased volumes of applications or activity, given existing staffing, funding, and administrative systems.
- **Distributional Effects:** Whether policies or procedures impose disproportionate burdens on certain types of projects or producers, such as smaller jurisdictions, nonprofit or affordable housing producers, rural communities, or projects with limited technical capacity.
- **Opportunity cost:** Whether the state is providing resources of limited value or no longer demanded by the market or local governments that could be reprioritized to better uses.

These considerations were addressed in the multi-party survey and are assessed qualitatively and applied where they help explain observed impacts or recurring themes across policies and agencies. They are not used as standalone performance metrics, but rather as interpretive lenses that support synthesis of findings and development of practical, implementation-focused recommendations.

This framework is used to organize qualitative findings, compare patterns across agencies and policy categories, and identify where state agency actions most consistently affect cost, time, risk, and complexity in housing production. It is intended to inform strategic prioritization, coordination, and reform options rather than serve as a performance scorecard or outcome evaluation.

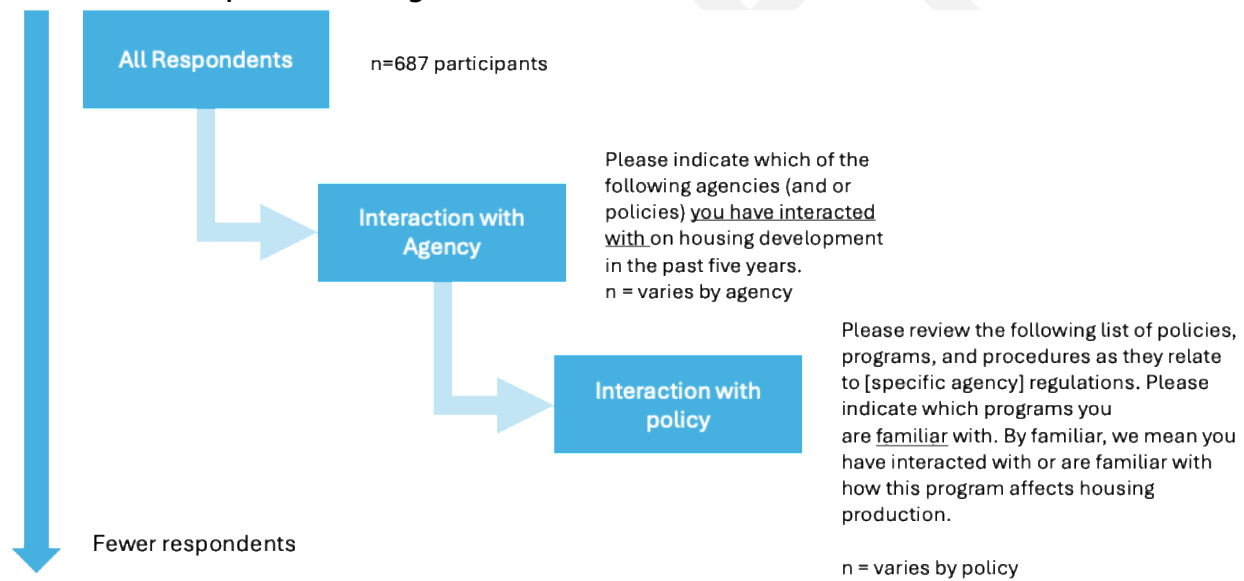
Multi-Party Survey Methodology

The purpose of the survey was to solicit input from people knowledgeable about how state actions impact housing production. To understand these perspectives, the research team developed and administered an online survey to a broad distribution of interested parties. The survey was administered online in December 2025 and January 2026. A total of 687 individuals participated in the survey. See **Technical Report, Part D** for a more detailed discussion of the survey process.

The survey involved the following steps:

1. **Identification of State Agencies and Agency Actions:** The inventory included statutes, administrative rules, programs, funding mechanisms, technical assistance activities, planning requirements, permitting processes, and agency procedures.
2. **Survey Distribution:** The survey was designed to capture perspectives from a broad range of individuals with direct experience in housing production and related regulatory systems, including interested parties directly involved in housing development, land availability and land use planning, infrastructure, permitting, and housing finance.
3. **Survey Design and Respondent Screening:** The survey instrument was designed to gather both quantitative and qualitative data while ensuring that respondents provided input only on those agency actions with which they had sufficient experience.

Exhibit 2. Participant Screening Process



A key methodological feature was the use of respondent screening and routing techniques to improve response quality, as detailed in Exhibit 2. Rather than collecting opinions from the general public, the survey focused on knowledgeable interested parties and limited detailed policy evaluations to respondents who reported direct interaction with relevant agencies or programs.

4. **Data Analysis:** The data analysis combined quantitative and qualitative methods, including frequency distributions, comparative analysis, and content analysis.

Exhibit 3 shows the number of respondents who indicated familiarity with the state agencies included in this study. The percent column represents the percent of all respondents who completed this question (n=650).

Exhibit 3. Respondent Count by Agency, n=650

Agency	%	Count
Oregon Department of Environmental Quality (DEQ)	54%	351
Oregon Department of State Lands (DSL)	40%	257
Department of Land Conservation and Development (DLCD)	55%	356
Oregon Health Authority (OHA) Drinking Water Services (DWS)	23%	147
Oregon Housing and Community Services (OHCS)	42%	273
Oregon Business Development Department (Business Oregon)	32%	208
Oregon Department of Transportation (ODOT)	50%	324
Department of Consumer and Business Services/ Building Codes Division (DCBS/BCD)	41%	267
Oregon Parks and Recreation Department (OPRD) (State Historic Preservation Office)	25%	160
Regional Solutions	24%	152

Source: IPRE SB 1537 Section 5(3) multi-party survey

The survey also asked if participants wanted to join a focus group meeting. Focus group participants were recruited by email through the following pathways:

- Individuals who participated in the multi-party survey and noted interest in participating in other engagement activities;
- Individuals who completed an interest form, available on the project information 2-pager posted to HAPO's website;
- Other partners or individuals identified by HAPO from other related engagement or initiatives; and a
- Snowball sample – individuals receiving a recruitment email were encouraged to forward the opportunities to others directly or post the opportunity via their professional networks.

Interested individuals were prompted to complete a recruitment form which solicited 182 responses. All interested parties were invited to participate in one or more focus groups and given an opportunity to provide input via a follow-up form (either in addition to or instead of attending). A total of 109 unique individuals engaged in the 12 focus group discussions. See **Technical Report, Part D** for a more detailed discussion of the focus group process.

Chapter 3: Regulatory and Permitting Actions

This chapter presents an analysis of the state agency *regulatory and permitting* actions that emerged from the research and engagement as influencing housing production in Oregon. The themes described in this chapter are the result of a filtering process that began with an inventory of state agency actions, a review of literature (See Technical Report, Part A), a state agency questionnaire to verify the list of actions related to housing, and ultimately a refinement of the full list of actions that were included in the multi-party survey. The research team then identified the key themes that emerged from the survey. The most prevalent topics in the survey were used to structure focus groups.

Consistent with the study's overall approach, the analysis evaluates how state agency actions affect housing production across key dimensions—cost, time, risk, and complexity—based on document review and research, survey results, and insights from interviews and focus groups. Rather than attempting to quantify outcomes, the emphasis is on identifying where regulatory and permitting actions create perceived friction, where they are deemed to facilitate production, and how implementation practices influence results across different stages of the housing production process.

Chapters 3 and 4 rely on survey responses, state agency interviews, and focus group discussions to inform “What We Heard.” The engagement responses are supplemented with agency reports, website review, and academic and policy research where it exists. When a state agency action was included on the survey, we provide data to illustrate how many respondents were familiar with a policy, the percentage that perceived it to be an extreme or significant hindrance or benefit to housing production (on a five-point Likert scale) and responses from closed-ended check-box questions to evaluate why it is a hindrance or benefit. The survey takes a filtering approach to external input: 1) which agencies the respondent interacted with; 2) which state agency actions the respondent is familiar with 3) the respondent's evaluation of which familiar actions either hinder or benefit production, 4) if significant or extreme hindrances or benefits result from the state action, why does the respondent think so? (using closed and open-ended responses). Focus groups included 6-16 participants, so the data is not reported as raw numbers, but describes general agreement across participants. (See Technical Report, Part D for further description of methods)

The chapter is organized around a set of policy “themes” that emerged consistently from the information and external comments collected. These “themes” also reflect the primary channels through which state actions affect housing production. Within each theme, the analysis examines key statutes, rules, and programs; summarizes external perceptions and experiences; and identifies how specific elements can function as barriers to or enablers of housing production. These chapters are organized to provide background information needed to understand participant feedback and to depict the policy process sequentially or from broad to narrow. The themes are not organized by most to least pervasive. Each section includes related recommendations that are ordered to align with the themes. Additional recommendations that emerged from interested parties (including surveys, focus groups, and state agency interviews) are provided in Technical Report Part E.

The themes discussed in this chapter are:

- Land Use Planning Requirements and Land Availability and Readiness
- Design and Construction Review and Approval
- Wetlands Regulations and Incentives
- Historic Preservation and Cultural Resources Review
- Infrastructure Capacity Funding and Regulations (Transportation, Stormwater, Drinking Water, Wastewater)

Land Use Planning Requirements and Land Availability and Readiness

Land Use Planning Requirements include statewide coordination and oversight of local comprehensive plan policies and implementation measures. The comprehensive planning program establishes state policies that local governments apply to meet local needs within the context of local conditions. Land use planning in Oregon also includes the provision of technical assistance grant programs for planning, wetlands and other natural resources, infrastructure, economic development, natural hazards and transportation. Technical assistance in the form of expertise and grants for local governments is a key element of the program. These policies and programs are administered by the Department of Land Conservation and Development (DLCD) in partnership with other agencies and local governments.

Oregon's statewide land use planning program implements statutory goals providing for orderly and efficient development while ensuring that communities plan for the protection of farm and forest lands, natural resources, economic development, transportation and other community needs. Under the program, all cities and counties have adopted comprehensive plans that meet state statute and rule. Within the statewide planning program, housing production is specifically directed by [Goal 10: Housing](#), but housing is also affected by other goals.

Before recent reforms to Goal 10: Housing (e.g., the Oregon Housing Needs Analysis (OHNA) and wraparound programming), local housing planning in Oregon was governed primarily by original goal language and limited statutes and rules. [Goal 10](#) directs cities to provide for the housing needs of Oregonians, to inventory buildable lands for residential use, and to encourage an adequate supply of needed housing units at price ranges and rent levels commensurate with the financial capabilities of Oregon households. At a minimum, local housing policies had to satisfy the requirements of Goal 10 and its implementing statutes and administrative rules, found at ORS 197.295 to 197.314 and at OAR Chapter 660 Divisions 7 and 8 (depending on whether the jurisdiction was in the Metro boundary).

Before recent reforms (e.g., the Oregon Housing Needs Analysis (OHNA) process), the core requirements of Goal 10 were a Buildable Lands Inventory (BLI) paired with a Housing Needs Analysis (HNA). Cities (except in the Portland metropolitan region where Metro was responsible) were required to inventory all residentially designated land within its UGB, assess each parcel's zoning, constraints, and development status, and estimate how much housing that land could accommodate, then compare that capacity against a projection of housing need.

The process described above still exists, but recent changes have [amended](#) these processes with the goal to encourage better accounting of housing need and land capacity. The process changes include updates to Housing Capacity Analyses (HCAs) and timelines to complete these analyses, requirements for Housing Production Strategies for cities over 10,000 (required by HB 2003 (2019)), the Oregon Housing Needs Analysis (OHNA) process, and other legislative changes.

The Department of Land Conservation and Development (DLCD) administers the program in partnership with other agencies and local governments. A seven-member volunteer board known as the Land Conservation and Development Commission (LCDC) guides DLCD and creates administrative rules.

Key Statutes, Rules, and Programs

- Statewide Planning Goals (Goals 1–19) – ORS 197 and 197A; OAR Chapter 660
- Urban Growth Boundaries (UGBs) – ORS 197A.200–197A.358; Goal 14; OAR Chapter 660 Division 24
- Division 38 / UGB streamlining rules – OAR 660-024-038
- Land prioritization (exception lands vs. resource lands) – Goal 14 rules
- Oregon Housing Needs Analysis (OHNA) Statewide housing analysis and allocation of housing production targets, ORS 184.451-455
- Housing Capacity Analysis (HCA) – ORS 197A.270, 280, 350; OAR 660-008-0100
- Development-ready Land Inventory (DRLI) – ORS 197A.210; OAR 660-008-180,185
- Housing Production Strategy (HPS) – ORS 197A.100, 115; OAR 660-008-0200
- Housing Acceleration Program – ORS 197A.130
- Middle Housing (HB 2001 (2019); ORS 197A.420; OAR Chapter 660 Division 46; ORS 92.031 Middle housing land division; HB 2138 (2025))
- Subdivisions and Partitions – ORS 92
- City Planning and Zoning Procedures – ORS 227
- County Planning and Zoning Procedures – ORS 215
- Land Use Appeals (Land Use Board of Appeals (LUBA) – ORS 197.805–197.855
- DLCD Technical Assistance Programs – Transportation and Growth Management program (TGM), general Planning Assistance Grants, Housing Planning Assistance Grants, staff knowledge (HAPO, Housing Division, Community Services Division, etc.)

Recent Changes

Middle housing legislation ([HB 2001](#), (2019)) passed to expand housing options in cities over 10,000 in population and other named jurisdictions. Cities with a population over 10,000 were required to allow duplexes, while cities over 25,000 were required to allow triplexes, and other forms of middle housing in traditionally single-family zones. Additionally, in 2017, [SB 1051](#) passed which requires local jurisdictions above 2,500 to allow accessory dwelling units on lots zoned for detached single-family dwellings. Cities above 2,500 became subject to requirements for duplexes under [HB 3395](#) (2023). There is current rulemaking relating to permit-ready plans on eligible sites related to [HB 2258](#) (2025). This same rulemaking effort is also implementing [HB 2138](#) (2025), which is intended to support easier production of middle housing, both prefabricated and site built, and other housing types such as manufactured dwellings, accessory dwelling units, and single-room occupancies, in cities across the state.

Other recent bills have been oriented towards reducing regulatory barriers related to housing at a local level. Recent legislation includes, but is not limited to, the following:

- [SB 1051](#) (2017) - in addition to ADU allowances described above, this bill amended the clear and objective statute, broadening the requirement for local governments to adopt and apply clear and objective standards to all housing. This bill also requires certain local governments to review and decide on affordable housing permit applications within 100 days.
- [SB 8](#) (2021) - requires local governments to allow development of certain affordable housing on lands not zoned for residential uses.
- [SB 458](#) (2021) - allows lot divisions for middle housing that enable them to be sold or owned individually.
- [HB 4064](#) (2022) - requires local governments to allow manufactured homes and prefabricated dwellings in zones that allow single-unit dwellings, remove standards specific for manufactured homes that don't also apply to all single-unit dwellings, and allow prefabricated dwellings in manufactured dwelling parks.
- [SB 406](#) (2023) - requires certain cities and communities in Tillamook County to allow middle housing on residentially zoned lands, to adopt housing production strategies and to accommodate estimated housing needs upon lands inventoried as buildable lands.
- [HB 2001](#) (2023) - enacted changes to Goal 10 by altering processes for accounting of housing need and land capacity. This bill also established the Housing Acceleration Program. This is the legislation authorizing the Oregon Housing Needs Analysis (OHNA).
- [SB 1564](#) (2024) - the Land Conservation and Development Commission (LCDC) adopted model ordinances providing clear and objective standards for the development of various housing types, including single-unit detached housing, middle housing, and multiunit housing.
- [SB 1537](#) (2024) - an omnibus bill that included mandatory adjustments to housing development standards, expansion of limited land use decisions, created the opportunity for a one-time UGB expansion, and created the Housing Accountability and Production Office (HAPO).
- [SB 974](#) (2025) - limitations on applying design standards to multifamily units, timelines for public works review, and a new process for certain housing applications on residential lands within an urban growth boundary including upzoning, planned unit developments, and variances
- [HB 4037](#) (2026) - alters procedural requirements for applications subject to clear and objective standards, conditions, and procedures under ORS 197A.400(1).
- [HB 4035](#) (2026) - modifies the one-time UGB expansion process created by SB 1537 (2024) by lowering the threshold for a city's demonstrated need, increases the maximum acreage for expansion for certain cities, along with other changes.
- [HB 4082](#) (2026) - allows cities and Metro to add land (up to 100 net buildable acres for cities with a population of 25,000+ and up to 50 net buildable acres for cities <25,000) to a UGB, without demonstrating housing need, specifically for affordable senior housing and manufactured dwellings.

Collectively, these policies are state level legislation that attempt to address substantive and procedural development and design standards at a local level to allow for more timely development decisions and reduce costs of meeting certain local standards.

Cities in metropolitan areas are also implementing requirements of the [Climate Friendly and Equitable Communities](#) (CFEC) executive order ([EO 20-40](#)) and rulemaking process which amended the transportation planning rules under Goal 12 – Transportation Rules. CFEC required cities to adjust parking requirements, designate climate-friendly areas (CFAs) and adjust development standards within those areas, and update transportation system plans. These rules are targeted at reducing greenhouse gas emissions and mitigating the impacts of climate change while protecting vulnerable communities. The rules were also developed with the intention of creating dense, livable communities, well-connected to public transportation systems. These rules apply, in some part but not all, to 38 cities and parts of 12 counties that are within Oregon’s largest metropolitan areas. Fifteen cities are required to designate CFAs.

What We Heard

Beyond background research, this project involved extensive engagement. On the survey, nearly 500 people provided input on seven DLCD programs. The survey asked about the Oregon Land Use Planning Program generally; 217 participants responded to this question and 40% viewed the program as an “extreme” or “significant” barrier to housing production. Two hundred and twenty-five people responded to survey questions on the UGB program with 57 of those respondents provided written comments. Fifty-two percent viewed UGBs as an “extreme” or “significant” barrier to housing production. IPRE facilitated four focus groups on land use that engaged more than 35 people and conducted several interviews. Several themes/concerns/issues emerged from the engagement. Key themes from interested parties included concerns that Oregon’s land use planning framework does not consistently translate planned housing capacity into development-ready land due to challenges related to housing capacity methodologies, UGB expansion processes, infrastructure availability, and regulatory complexity. Participants also emphasized that significant recent legislative and rule changes are intended to address many of these issues, but local governments face ongoing implementation challenges due to limited capacity, funding, and the pace of policy change.

Findings related to these themes are described in further detail below.

- OHNA – Goal 10
- UGB program – Goal 14

Implications of recent legislative changes

OHNA/HCA – Goal 10: Housing

Key themes from interested parties included concerns that housing capacity analyses often overstate developable land and rely on forecasts that may not reflect local growth conditions or market realities. Participants emphasized a disconnect between planned housing capacity and the availability of development-ready land, while noting that recent OHNA reforms are intended to better align housing need, land supply, and near-term development readiness. Implementation of the OHNA represents a significant shift in housing planning for Oregon communities. Many of the new requirements are very recent and, while it is too early to determine their impact on housing production, the rules were designed to address many of the concerns expressed by participants regarding Goals 10 and 14. Participants commented on two parts of the OHNA and ongoing Goal 10 related implementation relevant to this study: (1) population forecasting and growth housing target allocation, and (2) planned capacity and land supply.

Population Forecasting and Growth Housing Target Allocation

The Oregon Population Forecast Program (OPFP) is a coordinated statewide effort, led by the Population Research Center at Portland State University, to produce long-term population forecasts for Oregon's counties, cities, and UGB areas. Forecasts are produced on a rotating multiyear cycle using standardized demographic methods (primarily cohort component modeling that accounts for births, deaths, and migration) combined with housing and local development data to estimate how populations will change over time.² Metro prepares and adopts its own population and employment forecast on a six-year cycle.

Participants expressed concern that planning has relied heavily on population forecasts, which are perceived as conservative, inaccurate, or disconnected from local growth ambitions and market conditions. Specifically, participants expressed concerns that forecasts can underestimate growth or fail to account for changing demographics, such as household size. Participants also described feeling that cities have limited ability to plan for aspirational growth or unanticipated growth, framing this as a forecasting problem.

Population forecasts alone do not inform the planning number that local governments must use when preparing for future housing. The OHNA methodology, for instance, puts more weight on other key variables such as housing underproduction, job growth, and second/vacation homes compared to population projections in contrast to the previous methodology. Also, population forecasts do not dictate how local governments accommodate future growth. While local governments do not choose their housing targets, within the parameters of Goals 10 and 14, local governments have some choice as how to accommodate identified housing needs through density standards, zoning, UGB adjustments and other local planning decisions.

Planned Capacity and Land Supply

Participants consistently describe a fundamental mismatch in Oregon's land use system between "planned capacity" for housing and the actual supply of land available for development in the pre-OHNA system. In this context, planned capacity refers to the number of housing units that jurisdictions are required to plan for under state law, while land supply reflects the subset of land that is truly feasible to develop given real-world constraints. Participants believe that much of the capacity identified in planning documents exists only "on paper," as it often includes sites that are constrained by environmental regulations, lack infrastructure, face high development costs, or are otherwise unlikely to be brought to market.

Participants described that capacity analyses include sites that are unlikely to be developed in the near term, such as commercial properties or partially vacant parcels. Participants emphasized that "potential" infill and redevelopment should not be counted the same as vacant land. Examples included counting parcels such as existing commercial sites (e.g., grocery stores) as redevelopment opportunities even when redevelopment is unlikely for decades. Participants also noted that fragmented ownership ("checkerboarding") and partially vacant parcels are treated as readily developable, when assembly is difficult or impossible. New OHNA rules provide a land discount factor for partially-vacant land, partially addressing this issue (OAR 660-008-0100(4)) for cities updating their BLI and HCA.

This mismatch arises in part from the statutory framework itself. Oregon law (ORS Chapter 197, including Goal 10 and related administrative rules) requires jurisdictions to demonstrate adequate zoned capacity

² Oregon Department of Land Conservation and Development. (n.d.). Population forecasts. <https://www.oregon.gov/lcd/About/Pages/Population-Forecasts.aspx> (last accessed July 22, 2026)

to accommodate projected housing need, but it does not require that this capacity be financially feasible or development ready, although recent OHNA rules attempt to address this problem. Similarly, UGB statutes (e.g., ORS 197.296, 197.298, and 197A.285) prioritize accommodating growth within existing boundaries and impose complex, time-consuming processes for expansion, reinforcing reliance on land assumed to be buildable within the boundary. Respondents note that these processes often overestimate the availability and efficiency of land inside UGBs, counting sites as “buildable” even when they face significant constraints or are unlikely to redevelop.

As a result, participants perceive that jurisdictions may be in technical compliance with state planning requirements while still experiencing persistent shortages of land designated for residential purposes. The system effectively ensures that cities meet planning and documentation standards but does not ensure that housing production occurs at the scale or pace required. This gap between theoretical capacity and deliverable supply is identified by respondents as a central structural issue underlying Oregon’s housing deficit.

Major changes were made to this system in HBs 2001 and 2889 (2023) and the related rulemaking processes. Recent OHNA changes alter the approach of HCAs to include “development-ready land inventories” (DRLI, ORS 197A.210). Larger cities are required to show they have adequate development-ready land capacity to meet their housing target (OAR 660-008-0185). This specifically requires land to be annexed and zoned for residential development, served with public facilities in the near-term, and not hindered by local, state, or federal policy protections. When a local government finds they do now have sufficient development-ready land to accommodate the housing production target, they must take action to satisfy that deficiency within the next 4-6 years. These requirements shift the planning horizon from a long term to a near-term focus and explicitly require these cities to make more “development-ready land” available whenever deficits are identified. Furthermore, cities must also progressively discount the capacity of “development-ready” parcels that have not developed over two or three HCA cycles. The overall goal of these recent OHNA changes is to shift the assessment of land capacity from the theoretical to the feasible, minimizing unused and underutilized lands acting as a barrier to UGB expansions and other planning efforts.

UGB program – Goal 14: Urbanization

The implementation of the UGB program and processes to expand UGBs for land need emerged as key issues through survey comments, interviews, and focus group discussion. The UGB system is designed to balance growth management and resource protection by allowing local governments to designate where various scales of urban development should occur based on community priorities and needs. The system operates under two different structures. In the Portland region, Metro administers a regional UGB on behalf of 24 cities and unincorporated county land while elsewhere in the state, each city administers its own UGB under ORS 197A.285. Overall, Oregon’s UGB model is aimed at ensuring adequate, serviced land supply inside UGB for housing and employment needs.

While participants recognized the importance of facilitating orderly and efficient development, they shared a number of challenges related to the Urban Growth Boundary (UGB) program and Goal 14. Among the 225 respondents (of 687 total) who indicated familiarity with UGBs, 51% viewed UGBs as significantly or extremely hindering housing production. Respondents (142) noted that the hindrances relate to rigid procedures (61%), difficult to navigate procedures (56%), time to get a decision (51%), and time to receive approval (50%). Through focus groups, participants expressed positive perceptions about the purpose of the program to protect farm and forestland. Several issues emerged from the input:

- Complexity of the UGB program

- Prioritization of resource and protection lands (ORS 197A.285)
- Streamlined UGB Process (OAR 660-038)
- Small and incremental UGB expansions
- Development Readiness

A major question about UGBs concerns their potential impact on housing prices. Academic studies are not definitive (and are somewhat dated) on this, although several of these older studies have concluded that UGBs increase land prices.³ Recent studies instead point to a more specific issue: the availability to urban services to land (water, sewer, transportation) inside city limits, which is a distinct constraint from the boundary location.⁴

Complexity of the UGB Program

Key themes from interested parties included perceptions that the UGB program creates barriers to housing production through complex, lengthy, and costly expansion processes that limit the supply of development-ready land. Participants generally supported farmland protection goals but expressed concerns that current expansion criteria, appeals risk, and land prioritization requirements reduce flexibility in responding to housing demand.

The UGB system relies on matching land supply with land need through an analysis of relevant factors including population projections, housing underproduction, employment forecasting, and buildable lands analyses. When analysis shows a deficit of land, cities, or Metro pursue “efficiency measures” or consider UGB expansions. A key assumption of Goals 10 and 14 is that a 20-year supply of buildable residential land supports a functioning land market and a steady pipeline of land at various states of readiness, not an immediately buildable inventory. Historically, the process to expand UGBs has been described by participants as cumbersome, time-intensive, and in some cases litigious, reflecting both complex rules and conflicting views priorities of development versus the protection of farm and forestland.

In 2025, Oregon had 217 UGBs covering 241 incorporated municipalities. Data from the Oregon Geospatial Hub show that there were just under 860,000 acres in UGBs in 2025⁵ – or about 1.4 percent of the state’s total area. The Metro UGB covered roughly 261,000 acres or about 30 percent of all UGB acreage statewide and approximately 40 percent of the state’s population.

³ Knaap, G. J. (1985). The price effects of urban growth boundaries in metropolitan Portland, Oregon. *Land Economics*, 61(1), 26–35. https://cooperative-individualism.org/knaap-gerrit_the-price-effects-of-urban-growth-boundaries-1985-feb.pdf

Grout, C. A., Jaeger, W. K., & Plantinga, A. J. (2011). Land-use regulations and property values in Portland, Oregon: A regression discontinuity design approach. *Regional Science and Urban Economics*, 41(2), 98–107.

<https://doi.org/10.1016/j.regsciurbeco.2010.09.002>

Mathur, S. (2019). Impact of an urban growth boundary across the entire house price spectrum: The two-stage quantile spatial regression approach. *Land Use Policy*, 80, 88–94. <https://doi.org/10.1016/j.landusepol.2018.09.011>

Bigelow, D., & Gallagher, J. (2024, May 23). *The impact of urban growth boundaries on development density and housing prices* [Conference presentation]. Pacific Northwest Regional Economic Conference. https://pnrec.org/wp-content/uploads/2024/01/Bigelow_PNREC_2024_slides.pdf

⁴ Institute for Policy Research and Engagement. (2022, October). Barriers to housing production: Summary report. University of Oregon. https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/3/17202/files/2022/11/UO-IPRE-Barriers-to-Housing-Production-Summary-Report_Oct-2022.pdf

⁵ Oregon GEO. (n.d.). Urban growth boundaries [Data set]. <https://geohub.oregon.gov/datasets/oregon-geo::urban-growth-boundaries/>.

Exhibit 4. Acreage in Oregon UGBs, 2005 and 2025

Year	Metro UGB	All Other UGBs	Total Acres
2005 acres	257,518	560,892	818,409
2025 acres	261,017	598,151	859,167
Change			
Acres	3,499	37,259	40,758
Percent	1.4%	6.6%	5.0%

Source: UGB data from the Oregon Geospatial Hub

DLCD analyzed 50 UGB amendments that occurred between 2016 and 2025.⁶ The analysis concludes “From 2016 through 2025, cities filed 50 comprehensive plan amendments to adjust their UGBs. Of those, only two plan amendments were not approved, resulting in 48 successful UGB adjustments.” The DLCD data show that 96% of the decisions were approved, 84% were not appealed, and 84% were approved [by the state] within one year of local adoption. However, the analysis does not include any data on the size of those amendments, how long it took local governments to get from project conception to local adoption, or how much it cost.

Participants— including housing producers, large cities, and small cities — nonetheless described UGB expansion as one of the most time-consuming and costly elements of the land use system. In the past decade many cities have completed UGB amendments in 1 to 3 years without appeal. Some participants referenced extreme cases with 10 to 20 year timelines with costs reaching into the hundreds of thousands or millions of dollars, citing Newberg, McMinnville, Bend, and Woodburn. These cases all happened more than 10 years ago and are not the recent norm. The League of Oregon Cities and the Oregon Business Council are partnering on a project to better understand cities' experiences with UGB amendments.⁷ The LOC survey closed June 30, 2026. This survey will provide additional insight into when cities may have avoided UGB expansions because of cost or time.

Some participants perceive the UGB system as containing urban development to protect farmland and manage growth. Participants report that the system relies on complex, lengthy expansion processes to bring new land into the urban area, creating a structural lag between demand and supply. The model assumes expansions can occur in a timely and scalable way, but in practice they can be episodic, highly regulated, and difficult to complete.

Some participants perceive UGB constraints to limit the amount of development-ready land, driving up land prices and reducing the feasibility of housing projects. The slow pace and unpredictability of expansions create supply bottlenecks, particularly in high-growth regions, which can contribute to higher housing costs.

Producers and land use practitioners emphasized that by the time land is brought into the UGB, market conditions may have shifted from the assumptions underlying the original need. Also, housing markets react to short term conditions while planning is long term. Smaller jurisdictions reported lacking the financial and technical capacity to pursue expansions at all – a capacity constraint rather than a procedural or statutory issue. In parallel, land supply discussions highlighted that incremental expansions

⁶ Oregon Department of Land Conservation and Development. (n.d.). UGB amendments, 2016–2025. https://www.oregon.gov/lcd/UP/Documents/UGB_Amendments_2016-2025.pdf.

limit the size of parcels and therefore economies of scale and increase infrastructure costs, while also creating “stop-and-go” cycles of land availability rather than a steady pipeline.

Many participants perceive that “buildable land” often fails to account for real-world constraints such as wetlands, floodplains, or lack of infrastructure. The definition of buildable lands excludes floodplains, land that cannot be provided with public facilities, and natural resource protection areas under Goal 5, 6, 15, 16, 17, or 18 – which includes wetlands that are protected through a local government’s local wetland protection program based on a Local Wetland Inventory. The perception suggests that capacity is overstated (meaning that lands considered buildable won’t actually develop) and does not translate into actual housing production.

Recent OHNA changes and completion of Goal 5 studies can be used to adjust buildable lands for cities completing HCAs, but cities without updated HCAs sometimes have constrained land inside boundaries that is counted as buildable. In some cases, cities like Roseburg and Monmouth have been allowed legislatively adopted UGB exchanges under HB 2647 (2025) and SB 1537 (2024) to exchange constrained land inside the boundary with unconstrained land outside the boundary. Recent OHNA changes have also simplified the UGB exchange process under Goal 14, which will make it easier for cities to complete UGB exchanges. Importantly, the UGB exchange process does not require updating land need analyses, which require time and resources to complete. OAR 660-024-0070 outlines a process and specific criterion for land exchanges.

The process typically places the burden of proof in analysis on the local government, while some local governments allow for property owner-initiated UGB amendments, in which the private party completes the analysis. The complexity of boundary amendments and the burden of proof are related to comments participants made related to legal challenges and appeals.

Recent legislation (SB 1537, 2024; HB 4082, 2026) allows for expansions for some cities outside of the typical process. These alternative processes have limited the acreage to 50 or 150 net buildable acres which producers note is sometimes incongruent with parcel size and requires multiple expansions and thus multiple expensive processes.

Finally, while UGBs are often perceived as constraining supply, there are other factors that affect the amount of development-ready land. Some cities have an adequate supply of land inside UGBs, but that land may not be annexed or incorporated or serviced with infrastructure, rendering it unready for development.

Process Requirements, Appeals and Legal Risk

Participants perceive that UGB expansions and land use decisions are subject to appeals and extensive public processes. While land use is an inherently litigious area, the complexity of UGB amendments and the related burden of proof required of cities is a factor driving the appeals process.

Participants reported structuring projects in a manner to avoid or reduce the risk of appeal. Participants described frequent appeals by advocacy groups and community opposition that affect individual projects and delay expansions, which can increase costs. However, research conducted by DLCD on 50 comprehensive plan amendments to adjust UGBs from 2016 through 2025 found that 84% of the amendments were not appealed. Smaller jurisdictions noted that they lack the resources to navigate these processes, discouraging them from pursuing UGB expansions. The risk of appeal and possibility of a lengthy and expensive process may deter some cities from expansions – an effect that is difficult to track in DLCD’s appeals data.

In summary, participants perceive that appeals and process burdens extend timelines, create uncertainty, and increase costs, which can limit land availability or discourage development.

Prioritization of Resource and Exception Lands

Key themes from interested parties included concerns that Oregon’s UGB land prioritization framework places significant emphasis on farmland and resource land protection, which can limit flexibility in selecting the most development-ready land for housing. Participants noted that exception lands are often already fragmented or developed at low densities, and many suggested that housing needs, infrastructure feasibility, and development readiness should play a larger role in UGB expansion decisions.

Prior to the mid-1990s, the selection of which lands to include in a UGB expansion was guided primarily by the broad locational factors of Goal 14, which evaluated serviceability, economic consequences, and agricultural soil quality. The absence of a rigid, sequential statutory ranking led to significant litigation and inconsistent outcomes across jurisdictions. To resolve these conflicts, the 1995 Legislature codified a strict priority hierarchy under House Bill 2709, now at ORS 197A.285 for cities outside Metro and ORS 197A.355 for the Metro region.

Under OAR 660-024, a jurisdiction with a demonstrated 20-year land deficit must evaluate contiguous lands within a designated study area using a strict sequential hierarchy, exhausting higher-priority lands before considering lower-priority resource tracts. Effectively, the land prioritization hierarchy requires cities to consider certain areas for urbanization first, while only selecting high-value farmland and unique soil when other options are exhausted.

Priority Level	Legal Designation under ORS 197A.285 / ORS 197A.355	Policy Intent and Legal Parameters
First Priority	Urban Reserve Land	Lands designated by the city under ORS 195A.245, rule, or action plan as suitable for long-term urbanization over a 40- to 50-year horizon.
Second Priority	Exception Areas and Non-Resource Land	Adjacent and contiguous lands identified in acknowledged comprehensive plans as rural residential, commercial, or non-resource zones. May include resource land only if completely surrounded by exception areas and not classified as high-value farmland under ORS 215.710.
Third Priority	Marginal Land	Lands designated pursuant to ORS 197.247 (1991 Edition)
Fourth Priority	Farm or Forest Resource Land, not high value	Lands designated in an acknowledged comprehensive plan for agriculture or forestry, not predominantly high-value as defined in ORS 195.300. Within this class, higher priority must be given to land of lower capability as measured by the NRCS capability classification system or cubic foot site class.
Fifth Priority	Farm or Forest Resource Land, high value, but not prime or unique	Lands designated in an acknowledged comprehensive plan for agriculture or forestry and are predominantly high value, except land that is predominantly made up of prime or unique farm soils.

Sixth Priority	Prime or unique Farm or Forest Resource Land	Lands designated in an acknowledged comprehensive plan for agriculture or forestry and are predominantly made up of prime or unique farm soils. A city must find that there is an insufficient amount of other land to satisfy its land need in order to include land predominantly made up of prime or unique farm soils, as defined by the United States Department of Agriculture Natural Resources Conservation Service (USDA NRCS), within a UGB.
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Under ORS 197A.285(3), a city may leapfrog over a higher-priority category and include lower-priority agricultural or forest land only if it can demonstrate that the higher-priority land is "inadequate" or "impracticable" to satisfy the identified development need. The local government must supply substantial evidence showing that:

1. Specific types of identified land (such as large-lot industrial) cannot be reasonably accommodated on higher-priority lands;
2. Future urban services (municipal water, sanitary sewer, storm drainage, and roads) cannot reasonably be provided to higher-priority lands due to topographical or other physical constraints, including natural hazards or major highway barriers; and
3. Maximum efficiency of land uses within the proposed UGB requires the inclusion of lower-priority lands to logically extend municipal infrastructure to higher-priority areas

This statutory prioritization works in tandem with Goal 14's boundary location factors. As established in appellate and Land Use Board of Appeals (LUBA) case law, including the 1000 Friends of Oregon v. Metro, the courts strictly enforce this sequence. A city cannot select agricultural land simply because it is cheaper or more readily available for purchase; it must systematically analyze and disqualify all contiguous higher-priority lands within its study area.

The priority scheme reflects a policy choice the Legislature itself made in 1995, in response to litigation and inconsistent outcomes across jurisdictions at the time. It weights farmland protection ahead of site cost or convenience by design. Participants frequently described this hierarchy as skewed toward farmland preservation "at the expense of" housing production, with many framing this as a deliberate policy tradeoff that is no longer aligned with current needs. Respondents repeatedly pointed to the hierarchy embedded in the statute as prioritizing protection of farmland (including marginal or fragmented parcels) over the delivery of housing and infrastructure. One participant stated, "protecting farmland over efficient provision of public facilities and housing is a policy choice with consequences." Participants also linked the hierarchy to downstream effects, including constrained land supply, a more difficult pathway for UGB expansion, and – in some participants' views – rising land and housing costs, underscoring a broadly shared perception that the balance has tipped too far away from housing supply.

Participants also noted that second-priority "exception area" lands are often already developed with homes on 1 to 10 acre lots, limiting their use for efficient urban-density development. In the only study available on this subject, research in 2015 by the University of Oregon's Institute for Policy Research and Engagement (IPRE) as part of the HB 2254 rulemaking process found that "Lots under two acres are much

less likely to divide and develop at urban densities than lots over two acres.”⁸ DLCD’s 2025 rule change (OAR 660-024-0067(6)) partially addresses the resulting capacity estimation problem via a safe harbor for vacant or partially vacant land.

Separate research by the University of Oregon’s IPRE in 2021 found persistent low-density development (about 1–2 units per acre, roughly a third of typical urban densities) in unincorporated urbanizable areas of Oregon UGBs,⁹ which may drive up infrastructure costs and prompt more frequent UGB expansions. The tool meant to prevent this – urban growth management agreements (UGMAs), intergovernmental agreements between cities and counties under existing ORS 195.065 authority – is largely unenforced. Most UGMAs are boilerplate, impose no density standards beyond county zoning, and go unmonitored. This points to an underused existing tool rather than a statutory gap and raises the question about why UGMA authority isn’t being used effectively and whether stronger guidance or reporting requirements would help.

Finally, participants noted that the reverse can also occur: larger, more cost-effective parcels may be excluded from an expansion area because the hierarchy requires exhausting smaller, less-suitable higher-priority tracts first. This is a foreseeable consequence of the same tradeoff described above, not a separate problem. DLCD’s OHNA rule changes partially address the resulting capacity-measurement issue but do not change the underlying priority sequence. Allowing more flexibility to select the most development-ready parcel would require amending ORS 197A.285/197A.355 directly.

Participants, however, did not uniformly reject the intent of farmland protection calling for recalibration of the priority scheme to better reflect housing realities. Common suggestions included differentiating between high-value and low-value farmland (recent rulemaking attempts to address this issue), explicitly elevating housing as a co-equal priority, and more directly integrating infrastructure feasibility into expansion decisions. Across participants, the unifying theme was that the current framework creates a rigid, one-size-fits-all hierarchy that struggles to adapt to local conditions or urgent housing demand, and that rebalancing these priorities is essential to improving both housing supply and affordability.

Streamlined UGB Process (OAR 660-038)

Overall, participants describe a rule that is technically complex and basically ineffective, calling for a more practical, predictable, and accessible approach to UGB amendments that jurisdictions can realistically use to expand housing supply. Recently adopted OHNA reforms adjust some of these factors for cities with requirements to update HCA every 6-8 years.

In 2013, the Oregon Legislature passed HB 2254 (ORS 197A.300–197A.325) which directed LCDC to provide for new, simplified methods for growing cities to evaluate the capacity of their UGBs. OAR 660-038 (the “Division 38” rule) was adopted by the Oregon Land Conservation and Development Commission (LCDC) in 2015 and became effective January 1, 2016, as part of a broader effort to reform Oregon’s Urban Growth Boundary (UGB) amendment process. The rule was intended to address longstanding concerns that the traditional Goal 14 UGB process was time-consuming, expensive, and legally complex.

⁸University of Oregon. (2015). *Development on rural residential lands within urban growth boundaries*. Oregon Department of Land Conservation and Development.

https://www.oregon.gov/lcd/UP/Documents/UO_Report_Development_on_RuralResidentialLands_UGB_2015.pdf

⁹ Institute for Policy Research and Engagement. (2022). *Barriers to Housing Production in Oregon: Summary Report*. https://bpbus-e1.wpmucdn.com/blogs.uoregon.edu/dist/3/17202/files/2022/11/UO-IPRE-Barriers-to-Housing-Production-Summary-Report_Oct-2022.pdf

However, participants expressed the view that this approach was functionally ineffective. A total of 110 survey respondents indicated familiarity with the Division 38 rule and, among that group, 31% perceived that the rule was either an “extreme” or “significant” barrier to housing production. Forty-eight percent of respondents perceived the rule to be too rigid, and 45% indicated the rule was difficult to navigate.

The 2018 pilot project, in which the City of Newberg tested these reforms, illustrates why many participants shared these concerns.¹⁰ ECONorthwest was the city’s consultant and developed a summary of the project. A central critique offered by ECONorthwest was that the Division 38 “streamlined” UGB process is not actually simpler, faster, or less costly than the traditional approach. The Newberg studies emphasize that Division 38 does not meaningfully reduce overall effort because it retains or reintroduces components of the traditional process (e.g., alternatives analysis and Goal 14 considerations) while layering on additional requirements like extensive study areas and detailed serviceability demonstrations. As a result, the Newberg case concluded that the method’s uncertainty, analytical burden, and questionable benefits outweighed its intended advantages as a streamlined alternative.

Small and Incremental UGB Expansions

Some participants expressed support for smaller, incremental UGB expansions that could add development-ready land more quickly, particularly for small and rural communities. At the same time, some participants emphasized that expansion alone is not sufficient without infrastructure funding and questioned whether existing land within UGBs is being fully utilized before growth boundaries are expanded.

Under ORS 197.626, certain “small” urban growth boundary (UGB) amendments are treated as ordinary local land use actions rather than as state-coordinated planning efforts. These include: additions of fewer than 50 acres by cities outside Metro with a population over 2,500; larger additions by cities outside Metro with a population of 2,500 or less; and additions of fewer than 100 acres by Metro. Unlike larger expansions, these amendments are not submitted to the Department of Land Conservation and Development (DLCD) for review “in the manner of periodic review.” Instead, they proceed through the local post-acknowledgment plan amendment process, with adoption by the local governing body and application of applicable statewide planning goals and administrative rules at the local level. Below the threshold, the local government decision is final unless challenged, in which case review proceeds through a direct appeal to the Oregon Land Use Board of Appeals (LUBA), rather than DLCD/LCDC.¹¹

While these UGB amendments typically are processed more quickly and with less effort, participants emphasized that incremental expansions can increase per-unit infrastructure costs and fail to create the scale needed for complete communities. Participants noted that tracts larger than 50 acres would support more efficient development but are rarely brought into the UGB due to regulatory constraints and opposition. Even without opposition, amending UGBs to include larger parcels is not feasible in some communities like coastal cities due to topography and natural hazards.

¹⁰ ECONorthwest. Comments on Newberg Division 38 Project; ECONorthwest & Jacobs. Draft Methodology for Newberg Division 38 Serviceability Analysis; ECONorthwest. Newberg Buildable Lands Inventory—Division 38 Final Report

¹¹Oregon Department of Land Conservation and Development. (n.d.). UGBs under review.
<https://www.oregon.gov/lcd/NN/Pages/PR-UGBs-Under-Review.aspx>

Development Readiness and Shovel Ready Land

Development readiness emerged as a recurring theme. While UGBs theoretically address the 20-year land supply, a 20-year supply does not guarantee immediate availability of development ready sites. From the engagement and research, several issues emerged relating to development readiness:

- Challenges Creating Development Ready and “Shovel-Ready” Land
- Parcelization and Land Assembly Challenges
- State Owned Lands for Housing (Home Start Lands Program (HB 2316 (2025)))

Challenges Creating Development Ready and “Shovel-Ready” Land

Even when land is within the UGB, it is often not ready for development because infrastructure (e.g., roads, sewer, water) is lacking, or the land has not been annexed and zoned. The system has historically not prioritized “development-ready” land in a meaningful way. The buildable lands inventory (BLI) that cities and Metro use to demonstrate a 20-year supply is designed to show that sufficient land exists somewhere in the 20-year horizon, not that it is immediately serviceable. Participants described this gap directly, noting that land counted in the BLI often lacks the infrastructure needed for near-term development, despite satisfying the BLI’s 20-year supply purpose. Participants compared housing land to industrial “shovel-ready” standards, noting that residential land may take 15 to 20 years from UGB inclusion to vertical construction. Producers also reported that site-level infrastructure costs are paid by the producer, which adds costs on a per-unit basis and can affect feasibility.

Recent OHNA changes require larger cities to create a Development Ready Lands Inventory (DRLI) that takes a near-term focus (6-8 vs. 20 years) and identifies lands annexed and zoned, serviced by adequate available or planned infrastructure and exhibit minimal environmental or natural hazard constraints. This inventory is distinct from the inventory of available land in BLIs. It also provides a significant enhancement to BLIs, including taking a closer-term focus and prioritizing what lands are most feasible for development.

Lack of development-ready land delays housing projects and increases costs, although infrastructure deficits are a bigger barrier to making lands ready for development compared to planning capacity.

Parcelization and Land Assembly Challenges

Land within UGBs can be fragmented into small or irregular parcels, making it difficult to assemble efficient housing development or achieve economies of scale to reduce costs. Previous research by IPRE validates this perception.¹² Projects that could deliver large numbers of units instead become smaller or infeasible, reducing overall housing output. Current methodologies treat these parcels as available even when assembly is unlikely, though new OHNA rules will allow for discounting of parcels under OAR [660-008-0100 \(8\), and \(9\)](#). Participants described widespread issues with “checkerboarding,” where multiple small landowners control adjacent parcels, preventing coordinated development. This disconnect is especially acute in smaller cities and established urban areas.

State-Owned Land for Housing (Home Start Lands Program)

¹² University of Oregon. (2015). Development on rural residential lands within urban growth boundaries. Oregon Department of Land Conservation and Development. https://www.oregon.gov/lcd/UP/Documents/UO_Report_Development_on_RuralResidentialLands_UGB_2015.pdf

In 2025, Governor Kotek announced the “[Oregon State-Owned or Managed Lands Inventory](#)” to provide information about lands that could provide potential for housing development. The Legislature recently created a statutory framework to mobilize publicly owned land for housing development through [House Bill 2316](#) (2025). The law directs the Oregon Department of Administrative Services to identify and designate underutilized state-owned properties (along with locally nominated sites) as “home start lands” for residential development, within existing urban growth boundaries (UGBs). Some cities have a number of government owned parcels in prime development areas in UGBs. The legislation reflects a policy shift toward treating public land as a strategic asset for housing production, complementing broader state efforts to increase supply and address affordability constraints.

The program establishes several mechanisms intended to accelerate development on public land. Designated sites can be transferred to developers outside of traditional surplus-property processes, provided projects are subject to long-term affordability covenants. It also reduces regulatory and financial barriers by exempting qualifying developments from certain land-use requirements and offering temporary property tax relief for up to five years. In addition, HB 2316 creates a dedicated “Home Start Lands Fund” to support projects through loans and grants. Together, these provisions aim to lower development costs, shorten approval timelines, and ensure that projects on public land produce housing affordable to low- and moderate-income households.

As the program not yet been launched, evidence on its direct contribution to housing production remains to be seen. However, the intent is clear: by making state lands available in urban areas, reducing regulatory hurdles, and subsidizing development costs, the program is designed to improve the feasibility and speed of housing construction, especially for affordable units.

[Lack of Clear Definition and Measurement of Infill and Redevelopment Capacity](#)

Infill and redevelopment are central components of Oregon’s land use strategy, but there is no clear or consistent definition of what constitutes infill or how to measure its capacity. The Goal 14 administrative rule (OAR 660-024) establishes a process for determining the size of UGB expansions that requires cities to consider land use efficiency measures (including infill and redevelopment). Participants assert that unclear definitions can lead to inconsistent planning and overestimation of infill capacity, reducing the urgency to provide additional land which contributes to restricted land supply.

To determine whether a UGB expansion is necessary for housing need, a jurisdiction must first complete a buildable land inventory (BLI), assessing. Local governments must assess whether there is enough existing capacity – vacant, partially vacant, and redevelopable residential land – to accommodate identified 20-year housing and employment needs. Cities above 10,000 population must instead complete a wider scope of studies that build upon the requirements of all other cities. This includes a Contextualized Housing Need (CHN), Housing Capacity Analysis (HCA), and Development-ready Land Inventory (DRLI). This includes accounting for vacant, partially vacant, and redevelopable residential land, as well as suitable employment land (both vacant and developed), using guidance outlined in state rules.

If the BLI or HCA shows that existing land cannot accommodate the identified need, the local government must address the shortfall. It is required to first consider increasing development capacity within the current UGB through land use efficiency measures such as rezoning or removing regulatory barriers; only if those measures cannot reasonably accommodate the need within the existing UGB boundary, then the city may demonstrate the need for expansion. At that point, it must evaluate alternative boundary locations consistent with Goal 14, ensuring that any boundary change is justified, systematic, and based on a comparison of options rather than a single predetermined proposal.

Participants highlighted confusion around definitions of infill and redevelopment. Participants also reported uncertainty about how much housing they can realistically deliver. Without clear metrics, jurisdictions may rely on assumptions that overstate the potential of infill development. OAR 660-008-0005 provides the following definition:

(46) “Redevelopable land” means land designated or zoned to allow residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the 20-year planning period.

The rules do not provide guidance on how to operationalize “the strong likelihood that existing development will be converted to more intensive residential uses during the 20-year planning period.” Ideally cities would have historical data as a basis for developing estimates of redevelopment capacity, but research suggests most cities (outside Portland Metro) are not monitoring redevelopment.¹³ New DLCD rules will now require cities over 10,000 in population to monitor their historic redevelopment and infill results. The rules do not include a definition for infill, but DLCD recently amended its rules to offer “safe harbors” for small and large cities.

Rules and Interpretation of Requirements

Within the survey, 219 of 687 respondents were familiar with the Oregon Statewide Planning Program. Of these 219 respondents, 38 percent perceived it as significantly or extremely hindering housing production. The key issues reported related to rigid procedures (59%), the amount of time it takes to access resources (53%), and that procedures are difficult to navigate (52%) [105 respondents].

Several themes emerged related to rules and interpretation of legislative requirements:

- Weighing Housing against other Statewide Planning Goals
- Regulatory Complexity

Weighing Housing against other Statewide Planning Goals

Participants across focus groups described frequent conflicts between goals. Oregon’s planning system is built on a set of statewide goals that collectively guide land use decisions. These goals were designed without a hierarchy, allowing cities and counties to balance the goals based on their local priorities and conditions. As policymakers revise Goal 10 to address housing underproduction, the potential tension with other goals—particularly preservation of agricultural lands (Goal 3), environmental and cultural protection (Goal 5), and economic development (Goal 9)—have become more pronounced. [ORS 197.340](#) addresses balancing the statewide planning goals:

ORS 197.340. Weight given to goals in planning practice; regional diversity and needs. (1) The Land Conservation and Development Commission, the Department of Land Conservation and Development, other state agencies and local governments shall give the goals equal weight in any matter in which the goals are required to be applied.

Planning, such as the Economic, Social, Environmental, and Energy (ESEE) analysis, can in part address these conflicts, but those analyses require significant resources and capacity and are not applicable in

¹³ University of Oregon. (2015). Mixed-use redevelopment within urban growth boundaries. Oregon Department of Land Conservation and Development. https://www.oregon.gov/lcd/UP/Documents/UO_Report_MixedUse_Redevelopment_UGB_2015.pdf

many land use actions. Housing producers and local planners cited examples where environmental protections like state level-wetlands protections limit the ability of housing to proceed on financially-viable timelines, or to produce units within standard profit margins. Moreover, the desire to maintain employment lands – which is important for community wellbeing – can limit the ability to convert sites to housing.

Planners in larger cities emphasized the difficulty of balancing the need for housing with maintaining functional mixed-use and employment areas, although this challenge is not unique to Oregon’s land use program. Small cities echoed similar concerns, noting uncertainty about how to apply overlapping requirements. Several participants highlighted that this lack of clarity often leads to appeals or conservative decision-making to avoid legal risk. Of course, state land use requirements are not the only source of uncertainty as other state rules, local approvals and prioritization of local priorities can contribute.

Lack of funding for updated comprehensive plans and ongoing up-to-date planning work via periodic review, which has existed since approximately 2007, means local governments face a significant amount of deferred planning while trying to respond to the housing crisis. This lack of investment in preparatory planning over decades has created delays and risk of appeals while discouraging proactive planning decisions. Jurisdictions may avoid rezoning or approving housing in areas with competing policy objectives, even when housing is needed. This reduces flexibility and slows the delivery of housing, particularly in areas where tradeoffs between housing and other goals are unavoidable.

Regulatory Complexity

Participants repeatedly described that incremental requirements collectively make projects difficult or infeasible. Housing development is subject to a wide range of state and local land use requirements beyond land use planning, including environmental protection, infrastructure standards, and design standards. These standards safeguard public health, ensure structural resilience, protect natural resources, and create cohesive communities. While these requirements serve important policy goals, the cumulative effect is a highly layered regulatory environment. In this environment, an applicant must navigate multiple rules, at both the state and local levels, while responding separately to each agency or jurisdiction or going through processes that are not always aligned .

Housing producers highlighted how multiple small constraints, both local (e.g., setbacks, tree preservation, parking) and state level (e.g., stormwater, ODOT mobility standards, and wetlands) can limit site yield under current zoning. Participants noted that the lack of clarity about the application of state law to local government decisions (like ODOT mobility standards) reflect regulatory complexity as well. Local governments noted that state statute and rule are often applied without flexibility, due to requirements for “clear and objective” standards established by the Oregon Legislature, even when they conflict with housing objectives. Some of the regulatory complexity issues relates to federal requirements rather than state requirements.

Regulatory complexity increases costs, reduces development feasibility, and complicates project design. The issue relates not only to the volume of regulations but also to how programs can be misaligned and uncoordinated. This disproportionately affects smaller projects and producers, limiting diversity in housing production and reducing overall supply.

Policymakers and state agencies are not unaware of these concerns. For instance, [SB 1537](#) (2024) included allows for adjustments to local development and design standards to minimize some of these issues. Also, DLCD’s recent rulemaking to implement the statutorily required OHNA program attempts to

address many of these concerns, including clarifying state rules that prescribe planning for needed housing under Goal 10 and processing UGB expansions under Goal 14.

Although the development code implementation was seen as challenging, participants broadly agreed that [HB 2001](#) (2019) has been one of the most impactful and successful state interventions, particularly in enabling incremental housing types. Small cities reported increased interest in duplexes and middle housing, while larger jurisdictions noted steady production of townhomes. Middle housing land divisions ([ORS 92.031](#), adopted by SB 458, 2021) have also enabled middle housing to participate in the ownership market. [HB 2138](#) (2025) will, through rule, refine siting and design standards local governments apply to certain housing types including middle housing, accessory dwelling units, single-room occupancies, and prefabricated dwellings.

However, many participants also emphasized that the rules have significantly increased code complexity and definitions of middle housing types, with layered requirements for land division, design standards, and infrastructure. This complexity has made it difficult for smaller housing producers to participate. Middle housing policy has expanded housing supply opportunities and supported incremental growth, but its complexity has introduced a need for additional resources. The result suggests a mixed outcome: increased potential for housing, but uneven production depending on local capacity.

Implications of Recent Legislative Changes

A key theme that emerged from the engagement activities relates to the pace and complexity of legislative changes that have occurred in the past five years. Since 2020, Oregon DLCD has undertaken rulemaking processes that collectively amount to one of the largest updates to the statewide land use system in decades.¹⁴ The work has been driven by legislative mandates on housing supply, climate, and equity. This includes recent changes listed above related to the Transportation Planning Rule, middle housing legalization, and housing rule package reform. The work has been implemented through updates to Oregon Administrative Rules (OAR Chapter 660), which local governments must follow when updating plans, zoning, and transportation systems.

In total, these efforts have produced a large amount of new administrative rules. The burden to local governments is substantial as each rule triggers extensive local implementation.

Legislative Changes under Limited Local Capacity

Across jurisdictions of all sizes, participants in focus groups described a “constant churn” of legislative updates that require significant staff time to interpret and implement. While these policies aim to increase housing production, they often include detailed requirements that must be implemented by local jurisdictions, sometimes within tight timelines. This creates a continuous cycle of regulatory change that creates capacity challenges in training and re-training for local planners and producers of housing.

Large cities noted that code updates can take six months or more, while new legislation may require adoption within similar or shorter timeframes. Participants also highlighted issues with vague or conflicting statutory language, requiring reliance on legal interpretation and creating inconsistent application across jurisdictions. Furthermore, frequent legislative changes often negate code updates, resulting in substantial time, funding and effort wasted on code amendments that are made obsolete or outdated soon after adoption due to additional legislative action. Particularly in smaller cities, participants described that frequent changes can divert staff capacity away from processing permits and advancing

¹⁴ A search of the [Oregon Legislative Information System](#) shows the following number of bills with the word “housing” introduced during the regular session by year: 2026 - 13; 2025 - 148; 2024 - 20; 2023 - 140; 2022 - 12; 2021 - 100

housing projects due to limited overall staff capacity. Larger cities typically have dedicated long-range planning staff who do not process permits. However, frequent legislative changes limit local capacity to complete other long-range planning projects. They also introduce uncertainty for producers who must navigate evolving rules. Participants perceive that these dynamics may slow both regulatory processes and actual construction timelines, potentially reducing the rate of housing production.

Limited capacity at a local and state level leads to delays, inconsistent application of rules, and increased reliance on consultants. These factors can slow project approvals, particularly in smaller or rural communities. DLCD helps local governments implement statute and rules by offering technical assistance investments in the form of grants and direct consultant support, creating guidance materials, and answering implementation questions. For example, to provide education about the OHNA, DLCD staff are developing OHNA guidebooks and a 4-part webinar series through the Oregon American Planning Association (OAPA) to provide clarity on statute and rules. Another example is the Housing Accountability and Production Office (HAPO) which helps local governments and housing producers to understand and implement housing land use laws. Focus group participants noted that HAPO staff and DLCD staff are timely and helpful in responding to inquiries.

In summary, the effectiveness of the statewide land use system depends on local implementation, but jurisdictions vary widely in capacity, staffing, expertise, and revenue to support the city overall. Local governments also lack the time and expertise to access state resources for funding and technical assistance.

Technical Assistance Programs

Participants generally viewed DLCD's technical assistance programs positively, particularly for code updates and planning support. Oregon's Department of Land Conservation and Development (DLCD) provides technical assistance to local governments (cities, counties, tribes, and regional entities) primarily through a combination of direct staff support, planning guidance, and targeted financial assistance in the form of grants and direct consultant support. These programs can help jurisdictions maintain compliant comprehensive plans, update land use regulations, and address emerging priorities such as housing production, climate resilience, and infrastructure planning. The technical assistance funding that DLCD offers is far less than the need. DLCD often receives grant applications for more than four times the dollar amount offered. In 2025, the department received technical assistance grant requests for \$4.5 million, while the total amount allocated for the program was approximately \$900,000.

Participants were positive about the process for applying for DLCD grants and appreciated that, to reduce local administrative burden, that DLCD contracts directly with consultants on behalf of local governments if requested. However, concerns were raised about funding levels, timing, and alignment with local priorities. Focus group participants reported that some technical assistance programs may be overly focused on planning while questioning the lack of funding related to implementation or infrastructure, which is provided by other agencies. Participants indicated that limited funding often leaves some local governments without support.

DLCD's technical assistance system blends financial assistance with professional expertise (regional representatives, policy guidance, and consultant support). Staff provide day-to-day assistance on plan amendments, periodic review, and compliance with Oregon's statewide planning goals, while competitive and formula technical assistance programs fund specific local planning projects. In addition, DLCD and DCBS jointly operate the Housing Accountability and Production Office (HAPO), which is a resource to housing providers and local governments in complying with state housing law and navigating state housing policies, programs and funding opportunities.

Major DLCD technical assistance programs for local governments include:

- **Technical Assistance (TA) Planning Grants:** Core, biennial competitive grant program for cities and counties that funds comprehensive plan updates, development code/ordinance updates, and planning studies and compliance projects (~\$1M in general fund for the 2025-27 biennium).
- **Housing Planning Assistance Grants:** Large-scale program supporting housing-related planning and compliance that funds housing capacity analyses, housing production strategies, code updates, UGB planning. This funding is administered by DLCD's Housing Division and HAPO. In 2025, the department awarded more than \$7 million in Housing Planning Assistance Grants to 82 cities and counties across the state. Four federally recognized tribes received grant funding as well.
- **Urban Growth Boundary (UGB) Expansion Area Planning Grants:** Targeted support for cities planning newly added or unincorporated land inside UGBs that funds land use designations and zoning, infrastructure and public facilities planning, environmental and resource analyses, annexation and implementation strategies. Funded under SB 1537 / Oregon Laws 2024 Chapter 110 through HAPO in the amount of \$500,000.
- **Wetlands Technical Assistance Grants:** Specialized planning assistance for Local Wetlands Inventories (LWIs), Goal 5 compliance (wetlands protection), site-level delineation, and mitigation planning. This program operates in coordination with DSL. The 2025 Legislature added \$500,000 to the agency's base budget to help with technical assistance for LWIs and planning.
- **Transportation and Growth Management (TGM) Program:** Joint program with ODOT providing multimodal planning assistance that includes Planning Grants (transportation/land use integration), Quick Response (on-demand technical help for smaller issues), and code assistance. TGM provides between \$2 and \$2.5 million in funding statewide. Since 1993, TGM has provided funds and services to more than 270 cities, counties, tribes, and transit districts.
- **Comprehensive Plan Updates and Planning Support (staff technical assistance):** Ongoing non-financial assistance from DLCD staff. This assistance is funded within DLCD's agency budget.

Overall Impact on Housing Production: Land Use Planning Requirements and Land Availability and Readiness

Oregon's statewide land use system plays a foundational role in shaping how, where, and at what scale housing is produced. The framework provides long-term structure that supports orderly development, resource protection, and alignment between housing and infrastructure. Participants consistently identified these as core strengths, along with policy successes such as middle housing implementation and "clear and objective" approval standards. In recent years, the legislature has made several changes that create new requirements for local governments under the Statewide Planning Program and Goal 10. Recent changes have not focused on the role of the state and the complexity of the framework itself.

At the same time, survey, interview, and focus group input point to a perceived disconnect between how the system is designed to function and current housing market conditions. This input also calls out some of the long-term structural challenges that undermine the land use program and thwart the availability of housing. This input highlights four primary dynamics:

- Limited supply of development-ready land
- Increasing regulatory and procedural complexity, including frequent legislative updates

- Balancing multiple policy objectives such as housing production, resource protection and economic development
- Persistent disinvestment in state and local capacity and funding to implement planning, infrastructure, and code changes

Together, these factors directly influence the cost, timing, feasibility, and scale of housing production. Key challenges to housing production that manifest in the land use system include:

- **Land Availability and Readiness.** Housing production is constrained less by total planned capacity and more by the availability of serviceable, development-ready land in the near to medium term. While the UGB framework is broadly supported, the processes required to add land—can create a lag between when housing is needed and when land becomes buildable, although the lack of infrastructure funding and shifting of the cost burden to housing providers substantially contribute to the limited supply of development ready lands. Historical capacity methodologies have also, in some cases, counted land that is unlikely to develop due to ownership fragmentation, infrastructure gaps, or redevelopment uncertainty.

Recent OHNA rule changes (2025) directly address this issue through requirements for larger cities to have develop development-ready land inventories with a focus on near-term production and robust housing production strategies, but outcomes are not yet observable. Until implementation matures and infrastructure funding is more readily available, many communities experience a mismatch between “planned capacity” and actual project pipelines.

- **Regulatory Complexity and Legislative Change.** Oregon’s land use system has evolved through successive layers of statutes, administrative rules, and local implementation practices. While each requirement serves a stated purpose, participants described the cumulative effect as difficult to navigate. Frequent legislative updates in the past five years have required substantial code revisions and ongoing reinterpretation, which can delay both planning and permitting.

This complexity affects both jurisdictions and developers, particularly smaller communities with limited staff capacity, and can reduce predictability in project outcomes.

- **Policy Tradeoffs and Balancing of Goals.** The system is designed to balance multiple statewide goals—housing, environmental protection, agricultural preservation, and economic development—without a strict hierarchy. This flexibility supports locally responsive planning but can also lead to difficult tradeoffs. These tensions are most evident where housing needs intersect with resource protection or infrastructure limitations.
- **Local Capacity and Funding Constraints.** The effectiveness of the system depends heavily on local implementation, but local governments cannot financially support implementation alone. Many jurisdictions lack sufficient staffing, funding, or technical resources to keep pace with evolving requirements, maintain up-to-date plans, or invest in infrastructure. State financial and technical assistance is limited. When state technical assistance programs are available, they are perceived to be limited in scale or focus more on planning than implementation.

As a result, the system performs unevenly across the state; some communities translate policy into housing production effectively, while others struggle to move from planning to delivery.

Summary of Impacts on Housing Production

Dimension	Impact Summary
Cost	Participants believe that land use requirements, infrastructure gaps, and limited development-ready land increase upfront costs. Fragmented parcels and small, incremental expansions reduce economies of scale. At the same time, participants recognize that coordinated planning can reduce long-term public infrastructure costs by supporting more efficient, compact development patterns.
Time	Participants believe that housing delivery is affected by long lead times to bring land to a development-ready state, along with procedural complexity, code updates, and capacity constraints. While many UGB amendments receive state approval in relatively short timeframes after local adoption, the full cycle—from planning to infrastructure to development—can still span many years.
Risk	Participants see that uncertainty arises from evolving statutes and rules, and from the distinct steps involved (forecast, need determination, capacity inventory), which are sometimes perceived as unclear or conflicting. Participants also described risk from the exposure to appeals. Producers and jurisdictions face risk knowing whether identified land is truly buildable (which includes factors beyond the control of land use such as infrastructure availability).
Complexity	Participants see that the system involves multiple overlapping goals, analytical requirements, and regulatory layers. Differences between theoretical capacity and real-world feasibility, combined with frequent legislative changes, create an environment that is difficult to navigate—particularly for smaller jurisdictions and producers.

By design, Oregon’s land use system both enables and constrains housing production. It provides a strong foundation for long-term planning, growth management, and policy coordination, but current implementation challenges—particularly related to development-ready land, regulatory complexity, lack of infrastructure funding, and limited local capacity—undermine its effectiveness in responding to housing demand.

The central issue is not the land use program itself, but with its rigid implementation and other issues such as the alignment between planning systems, infrastructure delivery, and market realities, and the growing infrastructure deficits, along with the cost shifting from public entities to housing providers. Recent reforms, particularly the OHNA program and related legislation, are designed to address many of these challenges by focusing on near-term development readiness, housing production strategies, and more frequent planning cycles.

Key Takeaways: Oregon’s Land Use System

- Promotes long-term planning, reduces sprawl, provides predictability
- Strengths are perceived as increasingly offset by structural and implementation challenges
- Successes with middle housing and clear and objective standards
- Growing complexity – considerable statutory and rule changes in past five years
- Conflicts among statewide planning goals complicate implementation and decision-making
- Effectiveness depends on local implementation capacity

As these reforms are implemented, the system's performance should be re-evaluated to determine how effectively it translates planned capacity into timely, feasible housing production.

Recommendations

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Adjust planning horizons in HCA	Adjust the required planning horizon from 20 to 30 years to reduce the frequency of UGB expansions and allow time for functional planning for infrastructure provision.	Shorter planning horizons require more UGB expansions, which can strain local capacity.	Statute; Rulemaking	DLCD
Revise rules governing Buildable Lands Inventories related to wetlands in Chapter 660 Division 8 to exclude or discount certain wetlands	Revise rules governing buildable lands inventories to exclude or discount both locally significant and non-significant wetlands regulated by DSL to better reflect actual development constraints. Consider a discount approach for potentially regulated wetlands or waters as determined by DSL.	Current definition of buildable lands may overestimate land availability by including wetlands regulated by DSL, which are often difficult and costly to develop or mitigate. In practice, many local governments may discount DSL regulated wetlands already in their BLI.	Rulemaking	DLCD, DSL, Legislature
Incentivize cities to designate urban reserve areas (URAs)	Encourage cities to adopt urban reserves and exempt those with URAs from the full alternatives analysis. Provide priority access to infrastructure funding for cities with urban reserves.	Encourages forward-thinking considerations about UGB expansions and urbanizable land to simplify and streamline the process.	Statute; Rulemaking	DLCD
Fund UGB Expansion Area Planning Grants	Continue grants funding comprehensive planning for newly added UGB land; re-authorize for the next biennium.	Cities struggle to complete planning and infrastructure investment steps needed to make newly added UGB land development-ready.	Legislative	Legislature, DLCD

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Promote greater efficiency and better ensure suitable land is included to accommodate needed housing types under future UGB expansions	Revise the priority scheme and/or locational factors to exclude “exceptions lands” as suitable for higher density and lower cost housing types. Examples to implement this recommendation may include acreage limits, sunset provision or extraordinary need thresholds. Note: Cities would still need to demonstrate housing need as required under existing rules before utilizing this revised approach.	Current priority scheme may result in UGB expansions into lands that are unlikely to develop at urban densities and may be unsuitable for needed housing types.	Statute; Rulemaking	DLCD, Legislature
Provide resources for jurisdictions on application checklists and processes	Offer multiple examples of standardized application process checklists to help local governments standardize land use application procedures and guidance.	Inconsistent local intake and completeness review processes can create confusion and repeat review cycles.	Administrative; Rulemaking	DLCD, Local
Simplify and support local implementation of housing-related legislation and rulemaking	Provide expanded support—including funding, technical assistance, and staff training resources—to help local governments keep development codes current and staff trained on recent legislative and rulemaking changes.	The volume and complexity of recent housing legislation exceed the implementation capacity of many local governments.	Statute; Rulemaking; Technical Assistance	Legislature, DLCD
Use a regional approach to providing technical capacity	Fund a pilot program for shared regional planner positions to extend technical assistance to smaller cities and rural jurisdictions lacking full-time specialized planning and legal staff.	Smaller jurisdictions lack the staff capacity to implement complex state housing requirements or access available programs.	Administrative; Statute	DLCD

Design and Construction Review and Approval

The Oregon Building Codes Division (BCD), within the Department of Consumer and Business Services (DCBS), administers the state’s uniform building code program under ORS Chapter 455. The division is responsible for developing, adopting, and maintaining Oregon’s statewide building code, which is comprised of various specialty codes. The statewide building code applies consistently across all jurisdictions, covering residential, structural, mechanical, plumbing, electrical, and energy standards. This uniform system is intended to ensure public health, safety, and welfare while providing a consistent regulatory framework for construction statewide. BCD also oversees licensing and certification of building officials, inspectors, and tradespeople, and provides technical guidance, code interpretations, and

training resources to local jurisdictions that implement the codes. Recently, BCD has been tasked with creating permit-ready plans and approving master plans for use across the state.

Local governments are the primary entities responsible for administering permits, plan review, and inspections under the statewide codes, though BCD retains oversight and serves as the central authority for code development and interpretation and has the jurisdiction to create statewide pre-approved building plans for various kinds of needed housing. In addition to its regulatory role, BCD facilitates coordination across jurisdictions, issues technical bulletins and alternate method approvals, and supports consistent application of codes through training and compliance programs. The division operates within a structure that combines centralized rulemaking with decentralized implementation, requiring ongoing coordination between state and local agencies to ensure effective and consistent building code administration across Oregon.

Key Statutes, Rules, and Programs

- **Statewide Building Code Program**
 - ORS 455 (Statewide uniform building code)
 - ORS 455.020 (uniformity requirement)
- **Oregon Residential Specialty Code (ORSC)**
- **Oregon Structural Specialty Code (OSSC)**
- **Oregon Energy Efficiency Specialty Code (OEESC)**
- **Manufactured Dwelling Code Program**
- **Building Codes Division (BCD)**
 - Technical bulletins, interpretations, alternate methods
 - Permit -Ready Plans Program (In progress: ADU and Single Family Detached)
 - Statewide Master Plan Review
- **Permit review and inspection systems (local jurisdictions or state e-permitting system)**
- **Licensing and certification requirements**
 - ORS 455.715–455.740 (inspectors, officials)

Recent Changes

- In 2024, the Building Codes Division launched an interagency agreement to facilitate sharing Building Official services between local departments called the [Building Evaluation Support Agreement \(BESA\)](#). 48 jurisdictions (30 cities and 18 counties) are participating as of 2026.
- House Bill 2415 (2021) – Requires all jurisdictions that administered the building code to utilize and electronic permitting system at least equivalent to the state's e-permitting system which is available to any jurisdiction.
- SB 1576 (2026) – Added certain accessibility requirements for publicly funded housing projects

What We Heard

Oregon has a unique, highly centralized statewide building code system designed to ensure uniformity and consistency across all jurisdictions. Administered by the Oregon Building Codes Division under the Department of Consumer and Business Services, the state adopts a single set of specialty codes (such as structural, electrical, plumbing, mechanical, and energy) that apply uniformly throughout Oregon; local governments are generally prohibited from creating their own divergent building codes, though they may administer and enforce the state codes and adopt limited local amendments only in narrowly defined circumstances (such as certain seismic or geologic hazards with state approval). This “one state, one code” approach—implemented in the 1970s to address inconsistent local regulations—provides predictability for builders, designers, and regulators, streamlines compliance and enforcement, and supports statewide standards for safety, sustainability, and construction practices while still allowing local jurisdictions to choose whether to administer the program themselves or rely on the state for enforcement.

Key Themes Under Design and Construction Review and Approval

- Statewide building code structure and uniformity
- Energy code requirements
- Application of OSSC “commercial code” to middle housing
- Code update cycle and implementation

Statewide Building Code Structure and Uniformity – Key themes from interested parties include positive assessment related to a uniform statewide code, but noted variation in plan review expectations, documentation requirements, and interpretation of key provisions across jurisdictions. Oregon’s statewide building code is designed to provide consistency across jurisdictions, but in practice, uniformity in the code does not translate to uniformity in interpretation or application. While the code establishes minimum standards, it does not prescribe how jurisdictions review plans, interpret provisions, or require documentation. This creates divergence in implementation across jurisdictions.

Within the survey, 200 participants were familiar with the State Building Codes and 20 percent identified these as a significant or extreme barrier to housing production. In open-ended comments in response to the question “If you could pick one existing state statute, policy, or program that you think is most beneficial to housing production, which one would you pick and why?,” 40 respondents offered open ended comments related to building codes.

Even where the same code applies, developers reported receiving different comments or requirements depending on location or reviewer. At the same time, the statewide code itself is supported in concept for providing baseline consistency and safety. This inconsistency introduces uncertainty and requires project specific adaptation, increasing design costs and review time. Developers cannot reliably replicate projects across or within jurisdictions, reducing efficiency and increasing risk, particularly for middle housing and small-scale builders.

The Local Residential Process Improvement Study (complementary SB 1537 reports) engaged producers and regulators of housing to examine local implementation of building codes. For a more detailed summary of the engagement and findings, see: [Local Residential Development Process Improvement \(LRDPI\) Study Public Review Draft](#).

Energy Code Requirements – Key themes from interested parties included perceptions that energy code requirements is one of the most detrimental state actions related to housing production due to cost. BCD is required to meet statewide energy efficiency goals by 2030 under HB 3409 (2023) to achieve specific

energy efficiency goals. Energy code requirements have expanded significantly in scope and cost, incorporating advanced systems (e.g., ERVs, electrification, solar readiness) that are not strictly tied to life-safety objectives. These requirements are often perceived as complex, technologically demanding, and not well aligned with project scale or geography.

Nearly 100 respondents offered open-ended comments about the energy code in the question “If you could pick one existing state statute, policy, or program that you think is most detrimental to housing production, which one would you pick and why?” Participants repeatedly cited ventilation systems (e.g., ERVs) as costly, difficult to install, and inconsistent in performance. Respondents also described frequent code changes and “whiplash” between code cycles, making it difficult to carry lessons learned across projects. There is also a perception from focus group participants that compliance pathways to meet energy requirements are more flexible than understood, but that knowledge gaps limit the use of more flexible pathways. Participants express that energy requirements increase per-unit construction costs and can necessitate tradeoffs elsewhere in project budgets. For some projects, participants reported scaling back projects to accommodate energy systems. These dynamics disproportionately affect entry-level, middle housing, and rural development where margins are tighter.

The division reports that it has nearly achieved the goals set out in HB 3409.

Application of “Commercial Code” (OSSC) to Middle Housing – Key themes from interested parties included cost and complexity challenges related to applying the OSSC to middle housing. Building code thresholds often push middle housing types (e.g., 3–6 unit buildings) into OSSC categories, triggering requirements designed for much larger or more complex structures.

Participants emphasized that middle housing is frequently treated like large multifamily or commercial buildings, requiring automatic fire sprinkler systems, alarms, and in some cases elevators (which may still be required under ORSC.) Recent national research from Boston Indicators explains how building codes affect multi-unit housing and where states have provided flexibility within residential codes.¹⁵ These requirements were described as disproportionate to building size and use, with limited flexibility for alternative compliance approaches. This also inhibits redevelopment of single unit buildings into multi-unit buildings due to requirements to meet OSSC. Participants expressed that this misalignment may increase costs and complexity for middle housing, making many projects infeasible. Developers may avoid these housing types altogether or reduce unit counts to remain within residential code thresholds, directly limiting housing supply and needed housing diversity.

Code Update Cycle and Implementation – Key themes from interested parties indicate that frequent updates to building codes introduce new requirements faster than developers, designers, and inspectors can fully understand and implement them. This creates a lag between adoption and effective application.

Respondents described difficulty keeping up with new requirements, particularly for mechanical and energy systems. Training is inconsistent, and both designers and reviewers may lack familiarity with new provisions early in the cycle. Some participants suggested longer update cycles to allow practices to stabilize. Participants expressed that rapid code changes increase uncertainty, slow permitting, and reduce efficiency. Developers must continuously adapt designs, while jurisdictions may apply new standards inconsistently, leading to delays and higher costs.

¹⁵ Boston Indicators. (2026, July). Building codes. <https://www.bostonindicators.org/reports/report-detail-pages/2026/july/building-codes> (last accessed July 22, 2026)

Interpretation, Training, and Technical Capacity – Key themes from interested parties suggest that variation in training and experience among building officials and inspectors contributes to inconsistent interpretation of code requirements and limited flexibility in applying performance-based approaches.

Participants expressed support for the Building Evaluation Support Agreement (BESA) process as an effective way to provide cross-jurisdictional capacity.

Participants noted that reviewers often focus strictly on code language without understanding underlying building science, limiting flexibility. Training resources exist but are unevenly utilized, and smaller jurisdictions may lack sufficient capacity or expertise. Participants expressed that limited technical capacity leads to conservative interpretations, additional review cycles, and reduced use of flexible compliance pathways. This increases costs and delays while discouraging innovative or cost-effective design solutions.

Overall Impact on Housing Production: Design and Construction Review and Approval

Across all data sources, respondents point to common reactions to the state building code:

- Building codes provide a critical foundation for safety and consistency yet they are increasingly layered with non-safety policy objectives, which adds complexity and necessitates additional training
- Applying of building codes drives some cost escalation for housing due to raising standards, process variability, and implementation challenges, rather than core code intent
- Bifurcated building codes are most impactful on middle housing, infill development, and affordability

The central issue is not whether building codes are necessary, but how Oregon applies and evolves them in a way that maintains safety while supporting cost-effective and timely housing production.

Overall Impact on Housing Production

Dimension	Impact Summary
Cost	Building codes increase construction costs through energy requirements, system upgrades (e.g., ventilation, fire systems), and requirements that treat smaller projects like large commercial buildings. These costs are particularly burdensome for middle housing and affordable projects, forcing or incentivizing design changes or reductions in unit count.
Time	Permitting and review timelines vary widely across jurisdictions and can extend from a few months to nearly a year. Frequent code updates, unclear submittal expectations, and iterative review cycles add delay, making it difficult to align financing and construction schedules.
Risk	Developers face uncertainty due to inconsistent interpretation across jurisdictions, evolving code requirements, and difficulty forecasting compliance pathways. This risk is amplified for some kinds of housing (e.g., middle housing) and emerging technologies that lack established standards or reviewer familiarity.

Complexity	The building code system is highly complex, combining multiple code sets, frequent updates, and local interpretation differences. Navigating these requirements requires specialized expertise, and the lack of clear guidance or standardized submittal expectations increases reliance on consultants and iterative review.
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Building codes in Oregon function as a critical foundation for ensuring life safety, structural integrity, and long-term building performance, while also shaping the cost, feasibility, and consistency of housing development statewide. The statewide uniform building code, administered by the Building Codes Division (BCD), is recognized as providing a clear baseline of standards and preventing fragmentation across jurisdictions. However, the system’s effectiveness is influenced less by the existence of the code itself and more by how it is implemented at the local level. Variations in interpretation, review practices, and administrative procedures across jurisdictions create differences in how requirements are applied in practice, even within a uniform statutory framework.

A theme is that building codes increasingly incorporate policy objectives beyond core life-safety requirements, particularly in areas such as energy efficiency and building systems. While these requirements are intended to advance broader state goals, they introduce additional layers of technical complexity and cost that must be addressed during design and construction. Frequent code updates and evolving standards further contribute to challenges in implementation, requiring continuous adaptation by developers, designers, and local review staff. These dynamics create a system where the regulatory baseline is clear in statute but more variable in application, depending on timing, jurisdiction, and familiarity with code provisions. In the case of accessible and adaptable housing, housing may even be approved that does not meet the relevant standards, leading to large investments in a housing development expected to serve individuals with disabilities that is not adequately able to do so.

The practical effects of this system are most visible in permitting and plan review processes. Although local governments administer the code, capacity constraints, differing submittal expectations, and iterative review cycles lead to variability in timelines, and outcomes, and tracking to understand development outcomes. These procedural differences are amplified by the technical demands of the code itself, requiring specialized expertise to navigate compliance pathways. Smaller jurisdictions and developers may face greater challenges in accessing that expertise, while more experienced actors are better able to anticipate and manage requirements. After the fact, it may be challenging for anyone, whether local governments, state government, developers, or community members to reflect back on what kinds of housing have been successfully built and which have not. As a result, the building code system operates not only as a set of technical standards but also as a process-driven system shaped by administrative practice and local capacity.

Key Takeaways: Building Codes

- Building codes in Oregon function as a critical foundation for ensuring life safety, structural integrity, and long-term building performance, while also affecting the cost, feasibility, and consistency of housing
- The statewide uniform building code, administered by the Building Codes Division (BCD), is recognized as providing a clear baseline of standards and preventing fragmentation across jurisdiction
- Building codes increasingly incorporate policy objectives beyond core life-safety requirements, particularly in areas such as energy efficiency and building systems
- Frequent code updates and evolving standards further contribute to challenges for developers
- Implementation and review timelines can vary by jurisdiction

Overall, Oregon’s building code framework reflects a balance between uniform statewide standards and decentralized implementation. The system provides strong consistency in principle, but its outcomes depend heavily on interpretation, coordination, and technical capacity across jurisdictions. Housing producers and local governments appreciate the guidance documents provided by DCBS including technical bulletins and brochures. The combination of evolving requirements, local variation, and administrative processes creates a regulatory environment that is consistent in structure but variable in execution, requiring ongoing coordination between state and local entities to maintain clarity, efficiency, and predictable outcomes in housing development.

Recommendations

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Create brochure-quality user guides for specific housing types*	Develop user-friendly guides (e.g., for two-story duplexes) with examples, checklists, and best practices. Explain differences in definitions between DLCD and BCD.	Building codes applicable to middle housing are difficult for housing producers to understand and apply consistently.	Technical Assistance	DCBS, DLCD
Expand use of statewide interpretations and technical bulletins*	Issue additional statewide bulletins related to plex, multi-unit, manufactured (site related), and modular housing.	Inconsistent local interpretation of building codes adds uncertainty and cost for housing producers.	Administrative	DCBS
Postpone adopting additional mandatory energy efficiency goals beyond HB 3409	Temporarily pause legislation that would require additional energy code updates to meet efficiency targets.	Recent energy code updates have increased construction costs before prior changes were fully absorbed.	Rulemaking; Administrative	DCBS
Apply ORSC to 3-4 unit buildings instead of OSSC*	Extend residential code guidance to stacked and attached duplexes, triplexes, quadplexes, and sixplexes, following examples in Alaska, North Carolina, and Utah.	Current commercial code classification increases cost and complexity of permitting middle housing types.	Statute	DCBS, Legislature
Expand permit-ready plans program to additional housing types*	Expand pre-approved building plans to include middle housing (triplexes, townhouses, cottage clusters), and wood-framed multi-unit buildings that can move directly to permit.	Repetitive plan review adds time and cost to producing common housing types that could instead use standardized, pre-reviewed designs.	Statute;	DCBS, Legislative
Assess existing master planning programs	Review master plan review program to determine if there is a process barrier to expanded use. Engage directly with builders.	Per-project permitting burden and unpredictability reduce housing production efficiency for phased developments.	Administrative; Technical Assistance	DCBS

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Delay next building code cycle for 6 years	Postpone ORSC and OSSC building code updates to 2031 to provide temporary reprieve for cities and producers of housing.	Local staff and producers are struggling to keep up with frequent changes to building codes.	Statute; Administrative	DCBS, Legislature
*The Local Residential Process Improvement Study (complementary SB 1537 reports) includes a consistent, complementary recommendation, see: Local Residential Development Process Improvement (LRDPI) Study Public Review Draft .				

Wetlands and Waters Regulations and Incentives

Wetlands and Waters Regulations and Incentives, including jurisdictional determination, delineation, maintenance of the Statewide Wetlands Inventory, protocols for conducting local wetlands inventories, removal-fill permitting, compensatory mitigation program, and wetlands land use notifications are administered by Department of State Lands (DSL). Department of Land Conversation and Development (DLCD) administers requirements for local wetlands inventories (LWIs) and local wetlands protection programs to meet statewide planning goals. DLCD also administers a recently created wetlands technical assistance grant program.

DSL regulates activity that [removes or fills material](#) within these wetlands and waters, by administering Oregon's removal-fill and wetlands conservation laws and associated rules support Oregon's statutory policy of zero net loss of wetlands and waters by evaluating projects and guiding applicants through options that avoid, reduce, or compensate for impacts to these resources.

DSL Wetlands Delineation, Removal-Fill Permitting, and Mitigation

For context, it is important to review the processes around wetlands delineation, permitting and mitigation. Following summarizes the process under Oregon's Removal-Fill Law (ORS 196.795–196.990), as described in the DSL [Removal-Fill Guide](#):

1. Pre-Application Screening and Guidance - The first step is simply to find out what might be on the site. The Statewide Wetlands Inventory (SWI) is available to help identify likely wetlands locations. The SWI includes the National Wetlands Inventory, Local Wetlands Inventory mapping, USGS National Hydrography Dataset, and subsets of NRCS Soil Surveys ("SWI Soils"). Other data that may be helpful are the USGS quad sheets, FEMA floodplain maps, DOGAMI LiDAR and current and historic aerial photos. A free DSL wetlands determination can serve as an early screen. Filing the local land use application also sets a parallel clock running, because the city or county must notify DSL within five days that a project is proposed on a parcel mapped with wetlands or waters, and DSL replies within about thirty days flagging whether a delineation or permit looks necessary.

2. Wetlands and Waters Delineation - If wetlands and waters seem likely, the project moves from screening to delineation: determining the actual wetlands boundaries. This requires specialists who map the resources using the Army Corps of Engineers' delineation manuals. During this phase: (1) the study area must cover not just buildings but the entire project site (e.g., pads, roads, utilities, access, staging, and any area that could be indirectly affected by project land alteration); and (2) timing matters, because

some wetlands boundaries are more readily verified spring hydrology check. Because field work and report preparation take months, DSL recommends beginning 6 months before removal-fill permit application.

Jurisdictional Determination: A delineation report identifies boundaries but does not make them official until the report is submitted with a fee and approved by DSL. The DSL reviews it (the initial review is completed within 120 days. The report approval may take longer, sometimes needing a site visit. When the report meets the standard DSL issues a written concurrence with an approved map that is valid for up to five years. The approval letter also includes a jurisdictional determination that answers the question of whether any areas are regulated by DSL removal-fill law. A delineation approval can be reissued for another five years within one year of expiration.

Agency Jurisdiction: Wetlands regulatory oversight often involved more than one agency. DSL administers the state removal-fill program, but many projects in Oregon's wetlands or waters also need a federal Clean Water Act permit from the Army Corps of Engineers and an associated water quality certification from the Oregon Department of Environmental Quality; the two agencies, DSL and the Army Corps of Engineers, share a single joint application but review it independently. Each issues its own permit, so approval from one is not approval from the other.

3. Permit Application

Permit Determination - Even a confirmed, regulated wetlands or other water does not automatically require a permit from DSL.¹⁶ A permit is required only when the work is in a jurisdictional water, meets the definition of removal or fill, and is not exempt based on a list provided in the DSL Administrative Rules and Removal-Fill Guide. For most waters the threshold for definition of removal-fill is fifty cubic yards of combined removal and fill, counting temporary disturbance, while sensitive settings such as Essential Salmonid Habitat, State Scenic Waterways, and mitigation sites carry a zero threshold where any amount of removal or fill requires a permit.

The applicant then submits a joint application with the applicable fees. The application is reviewed by DSL including a public comment period. When a permit is required, the governing standard is no net loss of wetlands and waters in a fixed order: avoid, then minimize, then mitigate. The applicant must demonstrate, through an alternatives analysis, that evaluates methods to avoid or minimize impacts to waters of the state, that the chosen design is the least-damaging practicable option. In cases where the project has unavoidable permanent impacts, the applicant must propose compensatory mitigation to replace the lost ecological functions and values. A free pre-application meeting with DSL is not required but can help identify application issues and other agency's requirements early.

Goal 5 and Wetlands

DLCD plays a role in locating and protecting wetlands through Goal 5: Natural Resources, Scenic and Historic Areas, and Open Spaces Goal 5 is implemented through OAR 660-02-0100, which requires cities to develop; local wetlands protection programs for areas within UGBs, based on a local wetlands inventory (LWI.) , Cities are expected to conduct a Local Wetlands Inventory (LWI) and adopt it as part of the comprehensive plan. The process includes identification of high functioning "significant" wetlands. Cities adopt a local wetlands protection program or use safe harbor provisions in the rule or develop and adopt custom protection measures. A local wetlands protection program often prohibits development in

¹⁶ DSL defines "Waters of this state" to include the jurisdictional portions of the Pacific Ocean, tidal bays, tidal rivers, estuaries, non-tidal rivers, perennial and intermittent streams, lakes, ponds, wetlands, and reservoirs. In addition, certain ditches and created wetlands and ponds are also considered waters of this state.

significant wetlands but allows for development over non-significant wetlands. DSL removal-fill permit rules apply to development in any wetlands (including those designated as non-significant.)

As of 2026, [approximately 80 cities have LWIs approved for all or portions of their cities](#), and some unincorporated portions of counties within Lane, Clackamas, and Washington also have LWIs. LWIs affect UGB expansion. When wetlands are known to exist in a UGB expansion area, an LWI for the expansion area must be completed under OAR 660-023-0250, in combination with OAR 660-023-0100. DLCD started Rulemaking on Goal 5 Wetlands and Urbanization on this issue but paused it in February.

Primary State Agencies: Oregon Department of State Lands (DSL) and Department of Land Conservation and Development (DLCD)

Primary Phase Impacted: Land Readiness (Phase 1) and Pre Development & Permitting (Phase 3)

Key Statutes, Rules, and Programs

- ORS 196.600–196.990: State Waters and Ocean Resources; Wetlands; Removal and Fill
- OAR 141-085, 141-093, 141-120: related to removal fill, advance aquatic resource plans; wetlands resource designations and analysis of alternatives
- OAR 141-086; related to wetlands conservation plan, Local Wetlands Inventories, and identifying significant wetlands
- OAR 141-090; relating to wetlands and waters determinations, wetlands delineation
- OAR 660-023 (Procedures and Requirements for Complying with Goal 5: Wetlands), 141-086:

Metro Title 3 Wetlands Protection: Metro jurisdictions also comply with Metro Title 3, which limits development in most wetlands, independent of their Goal 5 significance status. Title 3 also applies development limits to wetlands buffers. The primary purpose of Title 3 is to preserve water quality in the Metro region.

Recent Changes

- The legislature authorized funding for DSL to hire additional staff to speed up DSL delineation and removal-fill application review and Goal 5 wetlands land use processes. Those positions have been filled including a Housing Specialist focusing on housing-related reviews and an Aquatic Resource Planner to assist with Goal 5 wetlands work.
- Recent funding was allocated to support Local Wetlands Inventories under the wetlands technical assistance grant program. DSL adjusted the fee structure for removal-fill permits in response to [HB 2238](#) (2023) to better recover administrative costs.

What We Heard

Across all data sources, there was strong agreement that the core issue is not whether wetlands should be protected, but how Oregon operationalizes wetlands protection inside acknowledged urban growth boundaries during a period of acute housing shortage.

Wetlands Delineation – Key themes from interested parties identified wetlands delineation as a major source of delay and risk. Wetlands delineation is a decision of the presence of wetlands and other waters that includes marking boundaries on the ground and on a detailed map prepared by professional land survey or similar accurate methods, and a DSL determination of jurisdiction.

Key Themes Under Wetlands Regulations and Incentives

- Wetlands delineation
- Jurisdictional determination
- Removal-Fill Permit Program
- Compensatory wetlands mitigation
- Payment-in-Lieu of Mitigation
- Local Wetlands inventories and Goal 5 alignment
- Interagency and federal coordination

The process to complete and receive approval for a delineation in Oregon is described by survey participants as uncertain, time consuming, and costly. Of survey respondents, 167 responded were familiar with wetlands delineation, and 38 percent considered it to be a significant or extreme hindrance to housing production.

Key challenges identified in the survey include: (1) it takes a long time for DSL approval of the delineation (54%); (2) procedures are difficult to navigate (50%); and (3) it takes a long time for decisions (40%). Participants describe the process as taking over 6 months. Focus group participants reported instances of certain areas with few perceived environmental benefits like farmed fields being classified as wetlands, increasing costs without clear ecological value. Across data sources, participants emphasized that Oregon’s approach is viewed as broader and less predictable than federal standards. Federal jurisdictional determinations approval times have improved from 16 months to 10 days according to focus group participants, although the level of analysis may not be comparable to DSL’s review.

Because delineation often occurs early in the development lifecycle, delays and uncertainty at this stage ripple forward into land transactions, financing, and design. Developers are hesitant to acquire or option land without confidence in the developable area, and small or midsize developers are especially constrained because they cannot absorb sunk costs if a project is later rendered infeasible. As a result, potentially housing appropriate sites are avoided or left undeveloped, reducing effective land supply inside UGBs.

Housing providers should consider due diligence before buying or developing properties, including whether a wetlands delineation is necessary. DSL frequently hears from developers who purchased property without taking this step. DSL has also recently increased staffing to facilitate delineations and other reviews more quickly. This change is likely too recent to be reflected in any of the input from study participants.

Wetlands Determination – Key themes from interested parties included perceptions that determinations were considered to be a barrier to housing production. In the survey, “wetlands determination” ranked among the highest state level barriers to housing production. Of survey respondents, 147 responded were familiar with the wetlands determination, and 41% considered it to be a significant or extreme hindrance to housing production. It is likely that survey respondents interpreted the program as jurisdictional determination rather than the free service offered by DSL. This confusion highlights the need for education of terms and processes. Responses noted confusion between jurisdictional

determination and DSL's free off-site determination service that helps identify whether there are known waters, wetlands or places with soil characteristics of wetlands on a site.

Focus group participants emphasized that the inability to rely on mapped wetlands or prior determinations creates risk that deters investment inside of UGBs.

Removal-Fill Permit Program – The Removal-Fill Permit Program is viewed by participants as procedurally slow, complex, and/or unpredictable. Of survey respondents, 134 responded were familiar with the removal-fill permit program, and 39% considered it to be a significant or extreme hindrance to housing production.

Key challenges identified in the survey (68 total respondents) include: (1) length time for approvals (58%); (2) time and effort to access resources (55%); and (3) rigid procedures (55%). Respondents reported timelines routinely exceeding statutory expectations, with some permits taking multiple years. Developers and local officials emphasized that delay, more than the permit standards themselves, is the primary factor undermining feasibility.

A central concern from focus group participants and survey respondents is the lengthy and iterative review process, in which applications are often deemed incomplete multiple times, resetting timelines. Application timelines are often lengthy due to a lack of understanding of program requirements. To get a removal-fill permit, the applicant must meet a no-net loss standard and demonstrate, through an alternatives analysis, that the chosen design is the least-damaging practicable option. This analysis was described by participants as opaque and poorly aligned with statutory housing priorities because the alternatives analysis can include land outside of UGBs for urban projects. Another point of concern for participants was meeting compensatory mitigation requirements once the alternative analysis showed that the project had unavoidable permanent adverse impacts. Finally, participants described how long and unpredictable timelines for contested case hearings expose projects to prolonged legal delay.

Extended permitting timelines significantly increase development risk and cost, particularly during the predevelopment phase when projects are most vulnerable. Delays of a year or more are sometimes described as “deal killers,” causing projects to be abandoned or redesigned to avoid wetlands altogether. The result is fewer housing starts, higher per unit costs, and increased pressure to develop less constrained sites at the urban fringe.

Compensatory Wetlands Mitigation (Banks, Credits, Ratios) – Key themes from interested parties note that Oregon's compensatory mitigation framework suffers from a shortage of available mitigation banks, leading to high credit prices due to lack of supply. Focus group participants describe that rigid mitigation ratios do not sufficiently differentiate based on perceived wetlands quality or context. Of survey respondents, 110 were familiar with the compensatory wetlands mitigation program and 42 percent considered it to be a significant or extreme hindrance to housing production.. Participants report that the private mitigation banking system is not functioning at the scale necessary to support urban development, particularly in the Willamette Valley and other high growth areas. Analysis in a 2022 study by ECONorthwest for the Oregon Cascades West Council of Governments (OCWCOG) supports these perspectives.¹⁷

Mitigation options are limited because of the lack of mitigation banks, although seven new mitigation banks have been approved in the last six years. Mitigation banks in Oregon are private business

¹⁷ ECONorthwest. (2022, October). Wetlands mitigation feasibility study: Linn and Benton County, Oregon. Cascades West Council of Governments.

enterprises that set their own market rates based on costs and risks. Survey respondents frequently cited mitigation credit costs in the range of hundreds of thousands of dollars per acre, with scarcity often forcing projects into prolonged delays. Focus group participants emphasized that wetlands perceived as low function, farmed, or incidental urban wetlands are subject to the same mitigation expectations as wetlands perceived as high ecological value.

Key challenges identified in the survey (65 total respondents who said that compensatory wetlands mitigation is an extreme or significant hindrance) include: (1) it is time consuming to access resources (57%); (2) procedures are rigid (55%); and (3) procedures are difficult to navigate (46%).

When mitigation credits are unavailable or prohibitively expensive, housing projects face substantial additional costs or are unable to proceed at all. In some cases, mitigation costs exceed the original land acquisition price, making projects financially infeasible. These dynamics disproportionately affect infill and moderate scale housing projects and contribute directly to higher housing prices.

Payment-In-Lieu (PIL) of Mitigation – Key themes from interested parties describe that PIL is underutilized relative to legislative intent. PIL is a form of compensatory mitigation that allows an applicant to pay into the Oregon Removal-Fill Mitigation Fund in lieu of completing a mitigation project. The mitigation fund is used to pay for projects that improve wetlands and waters. PIL can create temporary loss of wetlands functions because the Oregon Removal-Fill Mitigation Fund often does not finish mitigation projects before the removal-fill activities are completed. Although payment-in-lieu of mitigation is authorized in statute and rule, its practical use is constrained by DSL policies that limit eligibility to very small impacts. DSL is constrained by staff capacity to identify projects and potential project applicants proposing projects. Participants report that “minor impact” thresholds (allowing for PIL for small wetlands of 0.2 acres or less)¹⁸ were not clearly understood until late in processes. However, the DSL rule states the threshold for PIL, indicating that improved understanding of the requirements may help address the issue. PIL is also not accepted for mitigation for projects with overlapping federal requirements.

Focus group participants shared examples where PIL would have enabled projects to move forward more quickly but were denied informally. Survey data reinforces that the lack of predictable, timely mitigation options is a key contributor to housing delays.

The limited and uncertain availability of PIL removes a potentially efficient mitigation pathway for housing projects by shifting the onus and risk from the developer to DSL. Developers may reach a point where neither on-site mitigation nor mitigation credits are feasible, leaving projects stalled with no clear path forward. DSL sees PIL as the method of last resort and is only available wetlands smaller than 0.2 acres. This increases risk, prolongs timelines, and can lead to project abandonment, particularly for urban housing sites with constrained footprints.

Interagency and Federal Coordination – Key themes from interested parties describe overlapping jurisdictions, duplicative analyses, and unclear sequencing requirements, with a lack of awareness from participants of the opportunity for pre-application meetings to align reviews or timelines. Housing projects affecting wetlands often require coordination among DSL, the U.S. Army Corps of Engineers, DLCD, DEQ, and other agencies.

For example, the U.S. Army Corps of Engineers does not allow PIL. While some noted recent improvements in federal timelines, state processes were reported as slower and less predictable. This is

¹⁸ Oregon Department of State Lands. (n.d.). Removal-fill guide. https://www.oregon.gov/dsl/wetlands-waters/Documents/Removal_Fill_Guide.pdf

likely due to Oregon's removal-fill law being more protective than federal law. Participants called for clearer alignment of standards and decision-making authority to reduce cumulative delay. For example, improved clarity and communication are needed where projects are not required to obtain a federal Section 404 Permit but are required to receive a state Section 401 permit. State agencies are currently working on this issue.

Delays in interagency coordination lengthens overall approval timelines and increases compliance costs, as applicants must navigate multiple processes that can be streamlined. Interagency coordination can be difficult, because agencies have separate permitting processes and products. Conflicting interpretations or timing mismatches can cause projects to stall even after securing one agency's approval, amplifying risk and uncertainty during predevelopment.

Local Wetlands Inventories (LWI) and Goal 5 Alignment – Key themes from interested parties noted that LWIs are a critical part of Goal 5 compliance but cities do not have the resources to adopt LWI, and some cities question the value in LWIs given that delineations are required for wetlands not classified as “locally significant.”

Local Wetlands Inventories and local wetlands protections are required for statewide land use planning Goal 5 compliance. In practice, the LWI identifies locally significant and non-locally significant wetlands, usually resulting in a zoning ordinance that protects most significant wetlands. An LWI also identifies non-locally significant wetlands that may be developed, subject to the removal/fill permit process. A local government commissions the inventory study, and then submits it to DSL for approval. An approved LWI and goal 5 wetlands protection program provides certainty for property owners on whether a wetlands is required to be protected or whether it can be disturbed or removed with a removal-fill permit after going through the steps of delineation and jurisdictional determination.

Oregon is an inventory-based land use planning program. Inventories became more widely adopted in the mid-1990s with updated Goal 5 rules. That was the same time periodic review of comprehensive plans was changed by SB 543 (1999) and associated funding for cities and counties to update their inventories dramatically reduced. As such, many areas within UGBs, while planned and designated for urbanization, have still not been inventoried for Goal 5 wetlands resources.

Currently, 1/3 of all cities and roughly two out of every three cities with a population of over 10,000 have an LWI, though the LWIs for over 60 cities were approved over 20 years ago. DLCDC began this year (2026) to provide \$500,000 per biennium for funding for LWIs and other wetland-related work through the Wetlands Technical Assistance Program (WTAP) grants.

Of survey respondents, 115 responded were familiar with approval of Local Wetlands Inventories, and 39 percent considered it to be a significant or extreme hindrance to housing production. Survey respondents reported LWI approval timelines of a year or more, with costs that strain local budgets without state support. DSL has doubled its capacity for LWI approval in 2026 from one to two full-time staff. The agency reported there is no longer a review backlog for LWIs, but it is too soon to tell how long LWI reviews are taking now that the backlog is cleared.

Key challenges identified in the survey (62 total respondents describing LWI as an extreme or significant hindrance) include: (1) it takes a long time to get approval (44%); (2) it takes a long time to receive a decision (42%); and (3) it is time consuming to access resources (40%). Focus group discussions highlighted that many cities lack the technical or financial capacity to maintain inventories, and developers and local governments noted that delineations are still required regardless of inventory status. Some focus group and survey participants reported that cities actively avoid establishing an LWI

because delineations and removal-fill permits are still required for non-significant wetlands, and suggested an expedited or simplified removal-fill permit process for cities with an LWI. Overall, the survey and focus group participants viewed LWIs as adding complexity without improving housing outcomes. Some cities said they were resistant to participate in the Goal 5 program due to the resources needed to create and maintain an LWI.

Impact on Housing Production: Wetlands and Waterways Regulations and Incentives

Of survey respondents familiar with various wetlands programs, the collected input show that wetlands regulation is perceived as one of the highest state-level barriers to housing production in Oregon. The perceptions extend to multiple wetlands-related permits and programs including: Compensatory Wetlands Mitigation, Wetlands Determination, Removal-Fill Permits, Approval of Local Wetlands Inventory, and Wetlands Delineation. The state has a policy to preserve wetlands' functions and values, as they provide essential benefits to humans and the environment.

Overall Impact on Housing Production

Dimension	Impact Summary
Cost	Participants view mitigation costs (often \$100k or more per acre), consultant expenses, and holding costs as high.
Time	Participants describe frequent 6–24+ month development approval process and delays; contested cases can extend timelines multiple years
Risk	Participants voice high uncertainty in jurisdictional determinations, and mitigation availability.
Complexity	Participants described a regulatory environment with multiple reviews, discretionary determinations, unclear standards, and overlapping agencies

Participants repeatedly emphasized that wetlands issues are not occasional complications but instead are perceived as a predictable point of friction that shapes site selection, land valuation, financing decisions, and development feasibility from the outset.

For example, the spatial configuration of wetlands on a site can critically determine feasibility because impacts are regulated at both the site and location level. Wetlands are often dispersed on sites, fragmenting buildable area and forcing roads, utilities, and lots into inefficient layouts or often requiring substantial on-site avoidance buffers and mitigation areas. In highly constrained layouts—such as sites with multiple scattered jurisdictional wetlands or linear wetlands corridors crossing the property—the combination of avoidance, buffer requirements, and mitigation acreage can consume so much of the site that development becomes economically infeasible. The consistency and emphasis with which wetlands were cited across participants distinguishes this theme from more episodic or project-specific barriers.

The primary drivers are perceived to be procedural uncertainty, delay, and lack of differentiation in policy based on perceived ecological value, rather than statutory intent. Participants suggest that the most pressing barriers arise less from the underlying goal of wetlands protection than from how policies are implemented in practice. Procedural uncertainty—particularly around delineation, mitigation eligibility, and removal-fill permit timelines—creates cascading risk throughout the housing production process. Delays of months or years during predevelopment undermine financing, increase holding costs, and can lead to project abandonment. While LWIs and wetlands protection programs can provide useful

information by identifying locally protected wetlands, many of these LWIs are not up to date and, in any event, applicants and property owner are only ensured certainty with a wetlands delineation and jurisdiction determination.

At the same time, some focus group participants and some open-ended survey comments pointed to a lack of differentiation in how wetlands are regulated based on perceived ecological value, especially the treatment of low-function, fragmented wetlands as equivalent to larger-scale, higher-value ecological resources. This uniform application of standards for wetlands drives high mitigation costs and rigid requirements that participants perceive as misaligned with ecological value, because the value of wetlands is not easily observed by the non-technical observer. Importantly, many of these issues were described as stemming from opaque or difficult-to-understand practices rather than clear statutory or rule-based mandates, suggesting that implementation choices play a central role in shaping housing impacts.

Infill sites and middle-scale projects often occur on smaller, irregular parcels where avoiding wetlands is difficult and onsite mitigation is impractical. These projects also operate with tighter margins and shorter timelines, making them less able to absorb prolonged delays or unexpected mitigation costs. Small and mid-sized developers—who are critical to delivering middle housing—are disproportionately affected, as they lack the capital to carry land through uncertain permitting processes. The cumulative effect is a bias away from infill and toward either avoidance of development or larger, more capital-intensive projects that can better withstand regulatory risk. Participants consistently linked these dynamics to higher per-unit costs, fewer housing starts, and upward pressure on rents and home prices.

Across all data sources, there was strong agreement that the core issue is not whether wetlands should be protected, but how Oregon operationalizes wetlands protection inside acknowledged urban growth boundaries during a period of acute housing shortage. Many focus group participants and open-ended survey comments emphasized that land inside UGBs has already been designated for urbanization through a rigorous statewide planning process, yet wetlands regulation often functions as a secondary constraint that can effectively prohibit development of that land. The tension identified is not between environmental protection and housing in the abstract, but between statewide housing goals and the absence of clear and timely pathways to approval for urban housing projects that impact wetlands.

Key Takeaways: Wetlands programs

- Development stage wetlands regulations are perceived to function as a systemic barrier—one of the most consequential state-level barriers to housing production in Oregon
- Wetlands regulations can be a predictable point of friction that shapes site selection, land valuation, financing decisions, and development feasibility
- Local Wetlands Inventories can help to identify the amount of “real” buildable land inside UGBs
- Development stage wetlands regulations create procedural uncertainty, delay, and lack of proportionality
- Concerns about the regulation of perceived low-function or incidental urban wetlands
- Participants suggest that some issues stem from administrative decisions or opaque standards rather than clear statutory or rule-based mandates

Recommendations

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Increase period delineation report findings are valid.	Revise the period delineation report findings are valid from five years to ten to make the provisions of OAR 141-090-0045(4) automatic rather than require reissuance.	Approved delineation report findings are typically valid for five years unless new information necessitates <u>for</u> revision. Delineations are timely and expensive, and extending their expiration date would prevent the need for restarting the process.	Rulemaking	DSL
Revise process for alternatives analysis in removal-fill permits	For projects proposed within a UGB, ensure alternatives analysis for removal-fill permits does not consider land outside the UGB or land that is not development-ready. The alternatives analysis must fully consider land inside the UGB that can be redeveloped.	Current alternatives analysis may require consideration of non-viable sites, increasing process burden without meaningful environmental benefit.	Rulemaking	DSL, Legislature
Encourage mitigation banks to serve multiple purposes	Encourage multi-purpose mitigation banks funded by multiple activities (wetlands, stormwater, recreation, flood control). Consider allowing detention ponds to serve dual mitigation and stormwater management purposes.	Limited mitigation opportunities and high credit costs create cost and feasibility barriers for housing development.	Statute; Rulemaking	DSL, Legislature
Encourage a broader set of mitigation partners	Encourage creation of new mitigation banks run by local governments, universities, tribes, Soil & Water Conservation Districts, flood control districts, and nonprofits. Assess opportunities to increase coordination among mitigation partners.	The limited pool of mitigation partners restricts supply and sustains high mitigation credit costs.	Administrative	DSL

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Expand opportunities for monetary investment in wetlands preservation (Payment-in-Lieu)	Expand Payment-in-Lieu options to allow developers to pay fees to state agencies that own wetlands to fund ecological improvements, creating an additional mitigation pathway.	Current mitigation options are limited and costly; expanding Payment-in-Lieu pathways would improve feasibility for housing on wetland-adjacent sites.	Statute; Administrative	DSL, Legislature
Revise mitigation guidelines for ratios and Payment-in-Lieu thresholds	Consider a system that treats wetlands based on ecological value. For certain wetlands with lower ecological value, revise mitigation thresholds to ensure no-net-loss while reducing total mitigation required. Reduce the Payment-in-Lieu threshold for lower-quality wetlands.	Current mitigation ratios for lower-value wetlands increase housing development costs without proportionate environmental benefit.	Rulemaking; Administrative	DSL
Provide examples and fact sheets to describe the review and approval processes	Provide case studies, fact sheets, and example applications to support the wetlands permit application process and reduce consultant dependency.	Navigating the wetlands permit process is complex; better resources would improve application completeness and reduce review cycles.	Technical Assistance; Administrative	DSL
Expand opportunities for non-wetlands uplands development during LWI adoption for a UGB expansion area	Allow development to proceed in uplands areas while a LWI is being adopted for a UGB expansion area, based on a DSL-approved determination of uplands or delineation. Complete through the Wetlands and Urbanization rulemaking as authorized by LCDC.	LWI adoption timelines delay housing development in urbanizing areas where uplands locations are already known to be developable.	Rulemaking	DSL, DLCD

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Advanced Aquatic Resource Planning in areas planned for development or UGB expansion	Encourage AARP at the local level to enable system-wide thinking about wetlands protection and mitigation opportunities for wetlands that are not federally regulated. Target unannexed areas, large undeveloped areas with wetlands within existing UGBS and UGB expansion areas.	Project-by-project wetlands review creates uncertainty for housing producers; earlier system-level data would reduce costs and delays.	Technical Assistance; Administrative; Rulemaking	DSL, DLCD
Encourage cities to adopt and update Local Wetlands Inventories with incentives	Continue providing technical assistance and funding for cities adopting and updating LWIs. Promote LWIs as a planning-stage tool for identifying wetlands locations. Provide expedited review for removal-fill for non-locally significant wetlands for cities with an LWI.	Without LWIs, wetlands locations are uncertain until project-level review, creating late-stage surprises for housing producers.	Administrative; Legislative	DLCD, DSL, Legislature

Historic Preservation and Cultural Resources Review

The State Historic Preservation Office (SHPO) is part of the Oregon Parks and Recreation Department (OPRD) and administers federal and state historic preservation programs that intersect with all the themes identified in this section.

Administration of Federal Pass-Through Grants and Programs

The SHPO is unique among state agencies because it is established under the federal National Historic Preservation Act of 1966 (NHPA) and receives partial funding through the Historic Preservation Fund, administered by the National Park Service (NPS). To receive these funds, SHPOs must comply with the NPS grant manual. For many programs, the Oregon SHPO provides recommendations while NPS issues final approvals, including federal pass-through grants, National Register of Historic Places listings, and federal historic tax credit program approvals, all of which are administered locally by the SHPO.

Compliance with State and Federal Cultural Resource Laws

If a project involves federal funding, licensing, permitting, ownership or approval, the federal agency (or those with delegated responsibility) initiate SHPO consultation following federal laws and regulations. Federal laws and rules, agency practices, and interagency agreements shape how each federal agency applies the National Historic Preservation Act (NHPA). The federal Advisory Council on Historic Preservation (ACHP) manages the national program, supports federal agencies, and mediates disputes.

Tribes are sovereign nations and have explicit rights in the review process. In this framework, the SHPO is a consulting party with substantial influence but cannot dictate the process of project review or its outcome.

Depending on the federal agency, state agencies or local jurisdictions can operate with delegated authority to comply with cultural resource requirements. State agencies such as ODOT, ODF, OWEB, have agreements between federal agencies and the SHPO, and have their own dedicated cultural resource staff to complete their own compliance work. Other federal agencies such as HUD, allow Responsible Entities (REs) to carry out HUD's federal responsibilities under NHPA with HUD providing oversight for their programs. This role is unique to HUD funded projects. REs are responsible for the public processes and documentation with SHPO available for technical support.

The goal of project review consultation is to identify historic properties and cultural resources potentially affected by a project, assess effects, and seek ways to avoid, minimize, or mitigate any adverse effects. The submitting agency determines if they want to include advice from consultation and when they have completed the process. While SHPO does not have enforcement or regulatory authority over this process, SHPO plays an important role in assessing project effects and providing administrative support to the consultation process. SHPO may also request additional information to inform their understanding in the consultation process such as technical reports or field documentation. In some cases, SHPO can disagree with the determination made by another agency, which can cause significant delays due to dispute resolution process. In circumstances that an agency provides a determination of adverse effect to a historic property, additional steps are required to establish a Memorandum of Agreement (MOA) that documents steps as to how the agency will resolve the adverse effect.

Archaeological permitting

SHPO administers archaeological permitting and the certification of "qualified" archaeologists. Permitting is governed by state statutes and administrative rules that regulate excavation, alteration, removal, and protection of archaeological sites on public and private lands. Permit applicants must meet the standards of an Oregon Qualified Archaeologist and be employed or sponsored by an appropriate organization such as an agency, Cultural Resource Management firm, or Tribe. Permit applications are processed by SHPO and once deemed complete undergo review by Entities with Approval Authority (EWAA). EWAA includes federally recognized tribes with an interest in the permit area and the private landowner and/or land management agencies where activities are proposed. EWAA's have 30 days to approve, approve with conditions, provide comments to take into consideration, or object to the permit. In the case of objections, the permit enters a dispute process. SHPO approves permits when all EWAA have approved the permit (with or without conditions) or after 30-days without objection.

Key Statutes, Rules, and Programs

- **Oregon SHPO procedural oversight**
 - ORS 358 (Archaeological Objects and Sites; Historic Preservation)
 - ORS 390 (Archaeological permits for excavation/removal)
- **Federal overlay requirements and guidance**
 - National Historic Preservation Act (NHPA), 54 U.S.C 306108*
 - Secretary of the Interior's Standards for the Treatment of Historic Properties

*Note: Procedural laws led by government agencies

- **HUD Environmental Review (ER)** (for federally funded housing)
- **Local Historic Review / Historic Districts (voluntary local programs)**
 - ORS 197A.400 (clear and objective standards exemptions)
 - Goal 5: Voluntary creation of local inventories, local landmark designation, review of demolition or relocation of National Register-listed properties. (Updates to Goal 5 related to historic and cultural resources occurred in 2017 and 2025.)
 - Certified Local Government Program (establishing historic preservation commission, maintaining preservation ordinance with clear procedures, and complying with federal and state cultural resource laws.) (not all housing related)
- **Historic Preservation Incentives (voluntary federal and state programs)**
 - Federal Historic Tax Credits (National Register-listed properties, may include upper story residential uses): purpose is to provide a 20% federal income tax credit to rehabilitate and reuse historic buildings (last 5-year average was three completed projects approved by the NPS annually (not all housing related)
 - Oregon Special Assessment of Historic Property Program for Commercial Historic Properties (National Register-listed commercial properties eligible, may include upper story residential uses) purpose is to provide 10-year special assessments to offset taxes and use savings to restore or rehabilitate historic buildings (last 5-year average was eight projects annually) (not all housing related)
 - Oregon Main Street Revitalization (Funding is authorized by the Governor and Oregon legislature and was not funded in the 2025 legislative session, may include addition of housing within main street community): purpose is downtown revitalization that enables communities to enhance downtown and neighborhood business districts by leveraging local assets (FY25 awarded 35 grants totaling \$10,691,410) (not all housing related)
 - Preserving Oregon grant (National Register-listed properties, may include residential uses): purpose is the preservation of historic resources listed in the National Register of Historic Places or for significant work contributing toward identifying, preserving and/or interpreting archaeological sites (FFY 25 awarded 14 grants for \$200,000) (not all housing related)
 - Diamonds in the Rough grant (Grant supports restoration or reconstruction of heavily altered building facades): purpose is to return buildings to their historic appearance and potentially qualify them for historic designation (local or national) (FY 25 awarded six grants for \$100,000) (not all housing related)
 - Certified Local Government grant (Voluntary participation by local jurisdiction): purpose is to provide matching grant to cities and counties that have been "certified" as historic preservation partners. Grants are used for preservation projects, including National Register nominations, historic resource surveys, preservation education, preservation code development, building restoration, and preservation planning (FY25 awarded 20 grants for \$234,817) (not all housing related)

- **Recent changes**

- **Guidance for supporting housing creation:** SHPO is adding housing guidance to SHPO's materials for the federal tax credit program and recommendations for upper-story reuse in downtowns, including the development of sample tools and design guidelines to support infill housing in historic districts.
- **Increasing transparency and progress tracking for project review submissions:** The SHPO is currently working on issues related to internal coordination with the development of a web-based submission platform that will allow applicants to submit projects online and track their progress, which is intended to improve transparency and response times.
- **Creating clear processes and objective standards for housing projects:** SHPO and OHCS are currently working on this issue through a Programmatic Agreement with HUD and interested REs to streamline processes and develop clear and objective standards within the limits of SHPO authority under federal law.
- **Addressing timeline and dispute processes for archaeological permitting:** SHPO is currently working on this issue by amending the permit rule to establish a clear timeline and process for resolving disputes.

What We Heard

SHPO regulations are not uniformly experienced as a barrier. Many respondents supported the system's role in protecting historic resources but described its implementation as inconsistent and unpredictable.

SHPO Consultation – Key themes from interested parties included long or unpredictable timelines, duplicative processes, increased reporting or analysis, and possible costly redesigns resulting from late coordination. Participants emphasized that positive outcomes for consultation processes appear dependent on existing relationships or familiarity with the process. Participant sentiment was mixed, with some noting the benefits of early coordination with Tribal partners and others expressing that review guidelines are overly protective of resources they argue have low historic value.

Key Themes Under Historic Preservation and Cultural Resources Review

- SHPO Consultation
- Archaeological Permitting and Inadvertent Discovery
- Interpretation of Secretary of the Interior (DOI) Standards
- Capacity Constraints (Staff, Archaeologists, and Expertise)

SHPO consultation introduces a multi-layered review process that is initiated by the Responsible Entity (RE) depending on funding sources, site conditions, and project design. SHPO consultation is often triggered by the presence of federal funding or permitting rather than inherent characteristics of the project or site (except in the case of federal lands, non-federal public lands, or a non-federal publicly owned historic property).

Of the 86 survey respondents familiar with SHPO consultation, 34 percent perceived it as an extreme or significant hindrance to housing production. Participants identified the SHPO consultation process as lacking clear sequencing which often requires coordination across multiple agencies and SHPO program areas that do not operate in a unified or transparent manner. While SHPO has authority to coordinate its staff internally (where multiple program areas are concerned), the SHPO cannot dictate how federal, state, or local agencies sequence the consultation process or engage Tribes or interested parties beyond providing guidance or technical support.

Consultation processes can add months to project timelines, particularly when issues are identified late or when federal and state agencies, or REs do not initiate coordination with SHPO, Tribes, or other interested parties early. Key challenges identified in the survey (29 respondents who noted SHPO consultation as extreme or significant hindrance) include: (1) it takes a long time to get decisions from SHPO (59%); and (2) the procedures are rigid (56%). In HUD-funded projects, REs are responsible for the process and SHPO is responsible for responding within a timely manner. However, due to the individuality of REs, there is variance in sequencing and transparency. While the SHPO staff are generally viewed as responsive and knowledgeable, and consultation processes can bring critical partners to the table, respondents consistently highlight delays. Projects that initiate consultation early tend to perform better, suggesting that outcomes are highly dependent on developer experience and timing rather than a predictable process.

Different processes, such as NHPA Section 106, ORS 358, review and application processes for incentive programs, and archaeological permitting within the SHPO may operate independently, and coordination gaps can lead to late-state surprises or duplicative reviews. Focus group participants also highlighted duplication and limited alignment between processes for NEPA and NHPA Section 106. While the statutory requirements for federal agencies under NEPA and NHPA are separate, historic properties and cultural resources overlap with the human environment resources considered under NEPA. Conversely findings of adverse effects identified under NHPA Section 106 could support an agency in deciding whether it can use a categorical exclusion to avoid NEPA requirements for an environmental assessment or environmental impact statement.

These dynamics create a system in which experienced developers can navigate SHPO consultation effectively, while others face significant delays and redesign risks dependent on site location, project design, and familiarity with the consultation processes. It is difficult to know what cultural resources may be present under the ground which causes uncertainty in the project. Late-stage findings or unresolved coordination issues can disrupt financing timelines and require substantial project modifications. Participants reported that this disproportionately affects affordable housing projects, where rigid funding schedules and layered requirements make even modest delays difficult to absorb, ultimately reducing housing output or delaying delivery.

Archaeological Permitting and Inadvertent Discovery – Key themes from interested parties included perceptions that archaeological permitting and reporting is challenging to understand and navigate and introduces uncertainty, delay, and unexpected costs to housing development. The archaeological permitting process requires formal approval before excavation of an archaeological site and triggers additional review when cultural materials are encountered. Permits are recommended even when no known sites are present to avoid delays caused by inadvertent discoveries. Inadvertent discoveries of human remains, funerary objects, and objects of cultural patrimony are treated differently than other archaeological resources. The archaeological permitting process includes notification requirements, consultation periods, and potential work stoppages, even for sites with low likelihood of significant resources. Thresholds for when permits are required are not always clear to developers, and the process can be triggered unexpectedly during construction.

Of the 70 survey respondents familiar with archaeological permitting, 41 percent perceived it as a significant or extreme barrier to housing production. Participants note that archaeological permitting can introduce substantial delays, even when the underlying review is brief. The SHPO reviews archaeological permits within 30 days once they are complete, but objections, incomplete applications, and property owner or tribal review can extend the process. Participants described some situations where the permit process took weeks or months, while the actual site determination can be relatively quick. Unexpected

discoveries can halt construction for extended periods, and limited availability of qualified consultant archaeologists and monitors create bottlenecks. An inadvertent discovery plan and hired qualified archaeologist that addresses requirements under NEPA does not replace or expedite state-level processes for archaeological permitting. Experienced developers may pre-emptively hire a qualified archaeologist and obtain a permit to avoid possible delays despite added cost to project budgets for professional services.

There is also a strong sentiment across interested parties that the process does not adequately differentiate between ‘precontact archaeology’ and ‘historic archaeology’ that is tied more recent history (ex: archaeology associated with underrepresented communities such as, African Americans, Pacific Islanders, and Chinese persons). The National Register does not make a distinction between archaeological and built environment resources but rather uses the term “historic properties” and have five distinct property types that they must fit into. Utilizing these definitions, a determination is made through a contextual evaluation if the significance is archaeological or architectural. Regardless of significance or archaeological feature, the permitting process follows the same application and review.

These factors introduce significant schedule risks, particularly during construction, where delays are most costly. Developers must either proactively secure permits—adding cost and uncertainty upfront—or risk project stoppages later. This unpredictability discourages redevelopment and infill projects and can lead to project delays that impact financing and delivery timelines.

Adaptive Reuse/Interpretation of Secretary of the Interior (SOI) Standards – Key themes from interested parties included support for the re-development of historic properties as affordable housing (adaptive reuse). Participants noted that while this type of housing development accounts for a smaller piece of Oregon’s housing goals, it is an important part of the housing continuum with the potential to create housing options uniquely tied to place. Participants noted that it takes a lot of expertise and experience to effectively navigate funding and requirements for these types of projects which triggers nearly every possible type of review, including an interpretation of Secretary of Interior (SOI) Standards, particularly in comparison to a private market rate development which may never interact with SHPO.

The Secretary of the Interior’s Standards (Standards) purpose is to support the long-term preservation of the original materials and physical characteristics that convey a property’s historic significance. Application of the SOI Standards is not based on project type, but on the significance of the property and the features that reflect significance. The Standards are a framework designed to accommodate changes to any building type, style, or use while preserving a historic property’s character-defining features. The SOI Standards are applicable to the exterior and interior of historic buildings.

While SOI Standards provide high-level guidance for preservation, it also relies on a SHPO’s subjective interpretation in project-level application. This can limit adaptive reuse options and create uncertainty around what design solutions will be approved. The SHPO, in addition to local commissions, apply these SOI Standards to evaluate design changes when federal or state tax incentives are used, creating variability in how flexibility is exercised.

The SHPO uses the SOI Standards for state programs that may be part of the capital stack for housing related projects when historic properties are being converted or rehabilitated for residential use. State rules allow local governments to overrule the SHPO’s findings when the action is subject to local landmark commission review.

Participants consistently cite subjectivity in how the SOI Standards are applied, with similar design proposals receiving different outcomes depending on reviewer interpretation. Examples include projects

abandoning design improvements or adaptive reuse concepts because they were deemed inconsistent with preservation standards. Participants emphasize that while some flexibility exists, it is not consistently applied, and decisions often lack clear, predictable criteria. In some cases, removal of character-defining features may result in a property being removed from the National Register of Historic Places or local landmark list and lose the associated federal and state tax and grant benefits associated with these designations.

Variation in project review across federal programs introduces design risk that can undermine project feasibility, particularly for redevelopment projects that must balance historic preservation with standards required by state building code, local ordinance, or funding program. Developers may scale back improvements, reduce unit counts, or abandon projects altogether when design constraints conflict with housing needs or market requirements.

Capacity Constraints (Staff, Archaeologists, and Expertise) – Key themes from interested parties included perceptions that SHPO staff, qualified archaeologists, and historic preservation practitioners are highly constrained to meet the demand on their expertise. Interested parties highlighted how spending limited resources and capacity on lower importance items (ex. buried out-of-use infrastructure/debris or sites of low or no likelihood of archaeological resources) pulled expertise and resources from more important projects

The SHPO system operates with limited staff and relies on a constrained pool of qualified professionals to conduct reviews, surveys, and monitoring. Currently, the SHPO can only respond to about two-thirds of projects received monthly. This creates bottlenecks in both permitting and consultation processes. While there are capacity constraints amongst multiple systems, there are benefits to having multiple parties weigh-in on the process and this is described in federal law and rule.

Interested parties report that the SHPO staff capacity limitations contributed to delays and slower review timelines. The SHPO has newly implemented a process for flagging housing projects to expedite reviews. There are also a limited number of consultants (archaeologists and preservation specialists), which slows required surveys and fieldwork. At the local level, including cities and counties, staff inexperience with complex federal processes such as HUD environmental review can add several months to project timelines.

Capacity constraints extend review timelines and increase project risk, particularly for time-sensitive developments. Delays caused by staffing or consultant shortages can disrupt financing, increase holding costs, and discourage developers from pursuing projects that require SHPO coordination.

Impact on Housing Production: Historic Preservation and Cultural Resources Review

Across engagement, Historic Preservation and Cultural Resource Review is best understood as:

- An important but capacity-constrained system that delivers community benefits but struggles operationally
- Driven primarily by procedural complexity, coordination across levels of government and with multiple parties, and knowledge gaps about process and procedures, and interpretive uncertainty due to different processes for different types of discoveries
- Disproportionately impacting affordable and adaptive reuse housing, where requirements are most concentrated

The central issue is not whether historic and cultural resources should be protected, but how Oregon operationalizes preservation requirements within a housing production system that depends increasingly on infill, reuse, and public funding.

Overall Impact on Housing Production

Dimension	Impact Summary
Cost	The costs of historic and cultural resource reviews — tied to studies, consultants, and design changes — are highly unpredictable, spanning from minimal to severe. These costs can escalate when issues arise late and are particularly challenging for affordable housing, where fixed budgets may require reducing unit counts or scope.
Time	SHPO consultation and archaeological permitting can add months to project timelines due to multi-agency coordination, staffing constraints, and late-stage discoveries. Sequential reviews and construction stoppages further extend delivery timelines, especially for projects with fixed financing schedules.
Risk	Historic and cultural resource reviews introduce uncertainty through subjective standards, unclear review triggers, and potential archaeological findings. This risk can surface late in development, requiring redesign or delays, and often discourages less experienced developers from pursuing projects.
Complexity	Historic and cultural resource reviews and SHPO consultation involve multiple agencies, funding triggers, and regulatory layers with limited coordination. Navigating these overlapping processes requires specialized expertise, increasing reliance on consultants and creating additional barriers for smaller developers.

The SHPO processes are not uniformly experienced as a barrier, but rather as an important system with inconsistent and unpredictable implementation impacts. Participants broadly support the goal of preserving cultural and historic resources and emphasize the community benefits of adaptive reuse and preservation-based housing. However, the system introduces significant friction when applied to housing development, particularly when layered with federal funding requirements.

The primary challenges arise from procedural uncertainty, unclear thresholds for review, case-by-case application review, project-specific considerations, and changing uses of historic buildings, rather than from the existence of preservation requirements themselves. Review processes often involve multiple agencies (SHPO, HUD, Tribes), each with its own timelines and expectations, creating a fragmented system that is difficult to navigate and sequence. This leads to delays, redesigns, and increased costs, especially when issues emerge late in the process.

The impacts are most acute for affordable housing, adaptive reuse projects, and infill development which are more likely to trigger SHPO review due to use of federal

Key Takeaways: SHPO Consultation

- SHPO processes provide valuable cultural resource considerations but implementation can be unpredictable.
- Primary challenges arise from procedural uncertainty, unclear thresholds for review, case-by-case application review, project specific considerations and changing uses of historic buildings

or state funding or finance programs, review requirements for locally or federally designated historic structures, and the possibility of buried historic materials (including decommissioned pieces of infrastructure). These projects face a “stacking” of requirements that do not apply to market rate development, resulting in longer timelines and reduced feasibility. As a result, while preservation can enhance community outcomes, current implementation often limits the scale and speed at which housing—particularly affordable housing—can be delivered.

Recommendations

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Publicize SHPO training and resources for local governments and housing producers	Publicize SHPO annual training for local staff on changing requirements and archaeology, and promote specific federal trainings related to historic preservation.	Local government staff and housing producers are often unaware of available SHPO training resources. Local governments and housing developers experience challenges navigating SHPO consultation.	Technical Assistance	OPRD
Engage with Tribal Government partners on fast-tracking archaeological permitting	Explore changes to when applicants are eligible for expedited archaeological permitting for projects with a qualified archaeologist and Inadvertent Discovery Plan; consider cultural survey exemptions for low-likelihood sites; develop solutions in alignment with Tribal Government processes and priorities.	Archaeological review adds time and cost to housing projects and solutions must be developed in a way that respects tribal cultural resource priorities.	Rulemaking; Statute	OPRD, Legislative Commission on Indian Services
For state projects, change the definition of archaeological resources to exclude buried infrastructure	For projects without federal involvement or subject to local landmarks board review, exclude out-of-use infrastructure from meeting the state definition of an archaeological site (tracks, sidewalks, etc.) from permitting review.	Common buried infrastructure is routinely flagged in archaeological review, consuming state review capacity without commensurate preservation benefit.	Statute	OPRD, Legislature
Create administrative rules for built environment historic resources under ORS 358.653	Expand administrative rules to address gaps in processes applicable to above-ground historic resources.	Gaps in administrative rules for above-ground historic resources create uncertainty in development review and limit predictable pathways.	Rulemaking	OPRD

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Share federal guidance on navigating hazardous material abatement processes (radon, lead)	SHPO and DLCD publicize guidance and HUD trainings to help developers understand HUD environmental review for lead and radon.	Housing producers lack knowledge about current HUD environmental review requirements for common conditions in older buildings.	Technical Assistance; Administrative	OPRD, DLCD
Study legality of reducing duplicated reviews through local/state agreements	Study whether review authority can be delegated to local historic preservation ordinances under SHPO agreements to eliminate duplicative review, using the Special Assessment or Certified Local Government (CLG) program as a model.	Simultaneous local and state historic review adds time and cost where local ordinances may already provide equivalent protection.	Administrative	OPRD, Local
Utilize SHPO inventory to identify areas with potential historic and cultural resources	Work with the development community to encourage use of the SHPO inventory for initial evaluation of historic and cultural resources. Produce updated GIS layers from the database to make information more accessible.	Applicants often encounter historic resource requirements late in the development process, when modifications are more costly.	Administrative	OPRD

Infrastructure System Capacity: Transportation, Stormwater, Drinking Water, Wastewater/

Infrastructure emerged as a key theme in all research and engagement efforts. Infrastructure is a pre-requisite to land readiness. This section focuses on regulations and standards that affect how infrastructure capacity hinders the production of housing. In some instances, infrastructure serves as a constraint to development because of the regulatory requirements for systems. In other instances, the provision of infrastructure or expansion of capacity serves as a constraint on development. Investment in system-level infrastructure poses a barrier to development in some communities. Where systems need upgrading, or infrastructure does not exist, communities often lack the funding to upgrade systems or provide backbone infrastructure. Several state actions affect local provision of infrastructure related to housing.

Transportation consideration for housing involve planning decisions at a comprehensive plan and UGB expansion level. ODOT mobility standards (embedded in the OHP) dictate the level of service (capacity) standards for state facilities. Local zoning codes often reference ODOT mobility standards for state highways and apply these to local facilities during local development review, although not required to do so. Individual projects may require state access permits from ODOT.

The **Oregon Highway Plan (OHP)** is a statewide policy document that guides management and development of the state highway system, with an emphasis on preserving functionality, safety, and mobility. It establishes classifications for highways (e.g., interstate, statewide, regional, district) and sets

corresponding performance expectations. A theme of the OHP is balancing mobility—particularly for freight and longer-distance travel—with local access needs and land use development. To implement this balance, the plan includes policies that restrict or manage direct property access to highways, promote alternative connectivity (such as local street networks), and require coordination between the Oregon Department of Transportation (ODOT) and local jurisdictions.

ODOT mobility standards are performance measures that define acceptable levels of congestion on state highways, varying by highway classification and context (urban vs. rural). Developers may be required to submit a Traffic Impact Analysis (TIA) reviewed by the road authority, and these road authority's standards are used to evaluate whether proposed development at the comprehensive plan or rezoning level would cause a facility to operate below its acceptable performance level. If the proposed change exceeds the standard, mitigation is required, such as operational improvements, demand management, or system connectivity changes. The standards can serve as a regulatory threshold by tying development approval to transportation system performance.

Even when capacity exists on a state highway system, building housing along a highway permit could trigger an access permit or frontage improvements. Multiple participants indicated that required frontage improvements, road widening, intersection upgrades, sidewalks, bike facilities, access improvements, and off-site transportation mitigation can add substantial costs that ultimately get passed on to homebuyers and renters. One suggestion was that affordable housing projects should receive relief from certain frontage and transportation requirements because the added costs reduce the number of units that can be built. ODOT standards for frontage improvements often differ from local transportation standards or local planning documents, which can lead to delay, conflicts, or increased construction costs. Similarly, issues can also arise when development within city limits abuts a county road. The difference is that counties and cities typically negotiate a jurisdictional transfer.

The **Transportation Planning Rule (TPR – OAR 660-012)**, adopted under Oregon's statewide land use planning program, provides the regulatory framework that links transportation systems with local land use planning. It requires cities and counties to adopt Transportation System Plans (TSPs) that are consistent with statewide goals and to ensure that land use decisions do not degrade transportation performance below adopted standards. The TPR promotes multimodal planning (including walking, biking, and transit) and establishes the "significant effect" test, whereby amendments to land use designations or zoning (which could include housing production) must evaluate and mitigate impacts on transportation facilities.

The TPR generally applies at a long-range planning level rather than affecting individual development projects. The TPR requires a review when amending "an acknowledged comprehensive plan, or a land use regulation (including a zoning map)..." to determine if the transportation system will be "significantly affected," (including by housing development) and if so, to put measures in place. The TPR does not require planning for motor vehicle throughput, though historically, most cities implemented this rule in a manner that planned to mitigate impacts to vehicle capacity, including through traffic impact analyses required of development. DLCD has been working in metropolitan areas to adopt performance standards other than those measuring motor vehicle throughput.

Stormwater management is governed by the Department of Environmental Quality which implements federal requirements under the Clean Water Act related to the National Pollutant Discharge Elimination System (NPDES). These requirements affect stormwater runoff from construction activities (1200-C Construction Stormwater General Permits.) The 1200-C Construction Stormwater General Permit regulates stormwater runoff from construction activities that disturb one or more acres and have the

potential to discharge stormwater to surface waters of the state. This permit applies to upland activities (not in-water) including clearing, grading, excavating, staging, and stockpiling during construction projects. As part of the permit application process, applicants must submit an Erosion and Sediment Control Plan (ESCP) demonstrating how sediment and other pollutants will be prevented from leaving the construction site, along with a Land Use Compatibility Statement (LUCS) which demonstrates that the project is consistent with the comprehensive local plan. Phased subdivisions generally require new permits for each phase of development. Individual lots under an acre that are part of larger common plan qualify for a reduced-fee small lot permit. In many of Oregon's larger cities and urbanized areas, eligible construction projects disturbing less than five acres receive automatic permit coverage under DEQ's 1200-CN permit when they obtain a local erosion and sediment control permit rather than applying directly to DEQ for 1200-C permit coverage.

DEQ also governs Municipal MS4 permits that are implemented at a local level through zoning and development requirements to manage post-construction stormwater and meet DEQ administered Total Maximum Daily Load requirements. DEQ approves the Stormwater Management Plan documents that are administered by local governments and provides resources to cities related to local codes that implement stormwater management programs

Wastewater management is regulated by DEQ through the issuance and administration of discharge permits, review of plans for new or expanded wastewater infrastructure, and establishment of effluent limits necessary to protect water quality. DEQ issues National Pollutant Discharge Elimination System (NPDES) permits for municipal wastewater treatment systems and reviews engineering plans for wastewater treatment and sewer infrastructure.

As cities grow through new development or annexation, they evaluate the additional wastewater flows associated with projected residential density and determine whether existing treatment and conveyance systems have sufficient capacity. DEQ reviews applicable wastewater planning and engineering information to ensure proposed infrastructure and treatment systems can meet permit and water quality requirements. When a wastewater system cannot consistently meet NPDES permit limits or requires improvements to maintain compliance, DEQ may use compliance mechanisms, including a Mutual Agreement and Order (MAO), to establish enforceable corrective actions and schedules. Wastewater capacity or compliance constraints may affect the timing or feasibility of new development and, in some circumstances, contribute to a sewer moratorium. ORS 197.250 governs the circumstances under which a city may declare a sewer moratorium.

Drinking water is governed by the Drinking Water Services section of Oregon Health Authority (OHA). OHA administers and enforces drinking water standards under the Safe Drinking Water Act. OHA examines capacity in drinking water systems based on technical, managerial, and financial capacity of the water system to meet standards. OHA conducts sanitary surveys through on-site inspection every three years for community drinking water systems. OHA also approves infrastructure for drinking water before construction and reviews master plans for systems with 300+ connections.

Key Statutes, Rules, and Programs

Transportation

- ORS Chapter 366–383 (Highways) – Establishes state authority over highways, including construction, maintenance, and access management
- ORS Chapter 197 (Land Use Planning) – Statewide planning framework linking land use and transportation decisions

- OAR 660-012 (Transportation Planning Rule – TPR) – Implements Statewide Planning Goal 12; requires Transportation System Plans and coordination with land use
- OAR 660-012-0010 – Defines transportation system planning vs. project development
- OAR 660-012-0060 – “Significant effect” test and mitigation requirements for plan/zoning amendments
- OAR Chapter 731 (ODOT rules) – Implements highway access, mobility, and development review requirements for state facilities
- [ODOT Development Review](#)
- [ODOT Access Permits](#)
- **Water Quality Permitting (including Stormwater)**
 - ORS Chapter 468B (Water Quality) – Establishes Oregon's core water pollution control authorities, including regulation of stormwater discharges to waters of the state.
 - OAR Chapter 340 – Implements Oregon's water quality programs, including National Pollutant Discharge Elimination System (NPDES) stormwater permitting requirements for municipal separate storm sewer systems (MS4s) and construction activities, including the 1200-series construction stormwater general permits.
 - OAR 340-041 (Water Quality Standards) – Establishes designated beneficial uses and water quality criteria that DEQ uses to evaluate and regulate discharges to surface waters.
 - OAR 340-045 (NPDES and WPCF Permit Rules) – Establishes the permitting framework for wastewater and stormwater discharges, including NPDES stormwater permits applicable to municipalities and construction activities (1200-C series Construction Stormwater permits)

Drinking Water

- ORS 448.115–448.285 (Drinking Water Quality Act) – Regulates public drinking water systems and safety standards
- OAR Chapter 333, Division 61 (Drinking Water Rules) – Comprehensive regulations for public water systems

Wastewater / Sewer

- ORS Chapter 454 (Sewage Treatment and Disposal Systems) – Governs wastewater infrastructure, financing, and operation
- ORS Chapter 468B (Water Quality) – Includes wastewater discharge standards and permitting authority
- OAR Chapter 340, Divisions 045 & 052 – Wastewater discharge permits and treatment requirements (NPDES permits)
- OAR 340-071 – Onsite septic systems (onsite wastewater treatment systems)
- OAR 340-052 – Sewer system construction and design standards
- ORS 197.250 governs when a city can declare sewer moratoriums

What We Heard

Infrastructure (system wide and site specific) emerged as a central constraint on housing production, often equal to or more significant than land use limitations. Participants describe a landscape of aging systems, insufficient funding, fragmented governance, and complex regulatory requirements that collectively increase costs, delay timelines, and reduce development feasibility. Across all infrastructure systems, the interaction between state agencies, local jurisdictions, service providers, and overlapping regulatory frameworks creates uncertainty and unpredictability for local governments and housing producers.

Key Themes Under Infrastructure Systems

- Infrastructure Capacity and Funding Gaps
- Transportation Systems and ODOT Coordination
- Regulatory Complexity and Agency Coordination
- Alignment of Infrastructure and Housing Goals

A particularly strong thread throughout the engagement is the disconnect between policy intent and on-the-ground implementation. While many infrastructure and environmental programs are recognized as necessary and beneficial in principle, their current structure often results in duplicative reviews, unclear standards, and uncertain approval timelines. This is most evident in transportation, where ODOT jurisdiction and mobility standards intersect with local development codes in ways that create confusion, delays, and added cost burdens. When development occurs along ODOT facilities, ODOT mobility standards may limit development potential due to impacts to highway capacity while increasing the cost when re-design is required due to access permits. Transportation improvements are expensive and projects along state highways can add considerable costs to projects that can negatively impact small-scale projects.

Infrastructure Capacity and Funding Gaps – Key themes from interested parties included assessment that infrastructure capacity and funding is a primary systemic constraint on housing development across all communities. Participants reported infrastructure systems are often either undersized or outdated and require substantial upgrades before development can proceed. Limited public funding—driven in part by property tax constraints, decreased federal funding for infrastructure, and delayed rate increases in some communities—has shifted the burden onto new development through System Development Charges (SDCs) and other fees, significantly increasing housing costs and reducing feasibility.

Development moratoria or restrictions due to wastewater infrastructure capacity or exceeding wastewater effluent limits have been established for multiple small cities in Oregon. These actions may be imposed by cities and sanitary districts, or in at least one case was based on a federal enforcement order from Environmental Protection Agency. Relatedly, DEQ enforcement of exceedance violations may result in a Mutual Agreement Order (MAO) that establishes an agreed upon rate at which increased development (i.e. new sewer connections and/or increased wastewater flow) may occur if specific upgrade tasks or conditions are met.

Some focus group participants provided examples of how wastewater capacity is limiting the ability to meet housing targets.

The Housing Infrastructure Support Program (created by SB 1537, 2024) was designed to provide support as well as the Housing Infrastructure Production Fund (created by HB 3031, 2025). The legislature also funded 48 entities directly through SB 1530 and HB 4134 in 2024 in projects that relate to Infrastructure Housing Development. These programs are further described in Chapter 4.

Transportation Systems and ODOT Coordination – Key themes from interested parties convey that the intersection of ODOT jurisdiction, mobility standards, and local development codes creates confusion, inconsistency, and delays in housing development. Participants highlight persistent uncertainty regarding when and how ODOT standards apply, particularly where state highways intersect with local development. A specific concern is that local development codes often incorporate ODOT mobility standards on local facilities resulting in over-application and unnecessary mitigation costs. ODOT describes that standards apply at a planning level but cities choose to use the targets at a project level. The Transportation Planning Rule and Traffic Impact Analyses consider system-level transportation impacts at the time land is brought into UGBs. Within the survey, about a third of respondents noted that traffic impact analysis (196 respondents) and the Transportation Planning Rule (144 respondents) significantly or extremely hinder housing production. Access permits (180 respondents) were perceived by 24 percent of respondents as significant or extreme hindrances to housing production.

Congestion mitigation through capacity expansion has broader system-wide effects on housing production. Emerging research suggests that existing congestion metrics have a likely negative effect on housing production and affordability in urban areas and tend to bias against higher-density developments in urban areas.¹⁹

Currently, the OHP uses capacity-based metrics like volume to capacity ratio. The Oregon Highway Plan (OHP) update is underway and may mitigate some of the current issues by focusing more broadly on modal interaction over highway capacity to look beyond vehicular mobility.

Regulatory Complexity and Agency Coordination – Key themes from interested parties describe fragmented, overlapping regulatory frameworks across multiple agencies that create inconsistent requirements, duplicative reviews, and prolonged development timelines. The state offers One-Stop Financing Roundtables (see ch 4) related to financing. While DSL, DEQ and the Army-Corps offer pre-application meetings for complex projects, these meetings were not mentioned in interested party feedback. Across all infrastructure systems, participants emphasize the lack of coordination among agencies such as ODOT, DEQ, DSL, OHCS, and local governments. This fragmentation results in conflicting standards, unclear processes, and sequential review requirements that extend project timelines by months or years. The absence of streamlined, concurrent review processes increase uncertainty and risk for developers.

Stormwater regulations provided an area of confusion for focus group participants who noted that they have trouble finding local stormwater regulations for communities. While adopted by local jurisdictions to meet MS4 requirements, these are related to DEQ statutes and regulations. In the redevelopment focus groups, participants described challenges in mitigating stormwater on infill sites. Within the survey, 29 respondents were familiar with MS4 Phase II permits and 37 percent perceived these as a significant or extreme barrier to housing production. On a project level basis, focus group participants described confusion about whether 1200 C Construction Disturbance permits applied at a per unit or project level. Within the survey, 149 respondents were familiar with 1200C permits and 22 percent perceived these as a significant or extreme barrier to housing production.

Alignment of Infrastructure Systems and Housing Goals - Infrastructure programs and environmental policies have different purposes and priorities, leading to unintended constraints on development feasibility and housing supply. Many respondents note that policies designed to protect system performance—such as transportation mobility standards or water quality regulations—are not

¹⁹ UCLA Institute of Transportation Studies. (n.d.). How does traffic (or the fear of it) affect housing affordability? <https://its.ucla.edu/publication/how-does-traffic-or-the-fear-of-it-affect-housing-affordability/>

consistently aligned with housing production objectives. As a result, meeting infrastructure requirements can reduce buildable land, increase costs, or limit density, undermining broader housing goals. This disconnect is most evident where planning-level policies are applied at the project level without flexibility, highlighting the need for better integration between infrastructure planning and housing delivery.

Impact on Housing Production: Infrastructure Systems

Across all infrastructure systems, the overarching issue is not the existence of regulation, but the misalignment, fragmentation, and underfunding of infrastructure systems relative to housing goals. Transportation—particularly the interaction between ODOT standards and local codes—stands out as a key area where policy intent, planning-level standards, and development-level implementation diverge, creating confusion and delay. In some communities, wastewater system capacity limits the ability to develop additional housing. More broadly, respondents consistently call for clearer standards, better inter-agency coordination, streamlined permitting, and significantly increased infrastructure investment. Infrastructure funding will be described further in the next section.

Overall Impact on Housing Production

Dimension	Impact Summary
Cost	Cities lack the revenue streams to meet standards and expand facilities and systems so that development is able to proceed. Due to limited funding from federal or state sources, cities pass the cost of infrastructure expansion onto development via SDCs and exactions, which raises the cost of development. Required studies and traffic analyses add cost to the development process.
Time	Development timelines are affected by time spent receiving permits and analyses required to examine whether capacity exists. When development moratoria are in place, development cannot proceed.
Risk	Projects that may require additional transportation system upgrades or wastewater system capacity upgrades may discourage housing development due to uncertainty about development decisions.
Complexity	The uneven application of ODOT standards between local and state level creates confusion and complexity.

Recommendations

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Clarity around design standards and stormwater requirements	DEQ issues consistent statewide guidance on key terms and standards. Require all local jurisdictions to publish current design standards and stormwater requirements on their websites.	Producers of housing face difficulty understanding which local regulations apply, where to find them, and inconsistent terms and standard across communities.	Statute; Administrative	DEQ, Local, Legislature

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Support neighborhood- and district-level stormwater facilities for infill	Provide support for developing neighborhood- and district-level stormwater facilities to serve infill lots where individual on-site management is prohibitively costly or technically difficult.	Infill development is stalled in many locations by the cost and difficulty of meeting on-site stormwater requirements.	Administrative; Statute	DEQ, DLCD, Local, Legislature
Update EDU calculation for jurisdictions with development moratoria	Study and update the Equivalent Dwelling Unit calculation to be tailored to unit type rather than consistent across all cities and unit types.	Outdated EDU calculations contribute to infrastructure moratoria that prevent housing production in communities with capacity constraints.	Rulemaking	DEQ
Jurisdictional transfer of state roads to local governments	Facilitate transfer of certain state-owned roads to local governments to streamline development review, eliminate duplication, and align road management with local land use goals. Transfer facilities before redesign so local standards apply.	ODOT mobility standards applied to state roads create additional review requirements that delay housing development.	Administrative; Statute	ODOT, Local, Legislature
Provide technical assistance for infrastructure planning	Expand technical assistance for infrastructure master planning to ensure a 10-year land supply of serviced, development-ready land.	Many jurisdictions lack the planning capacity to move land from unserved to development-ready status, limiting housing supply.	Legislative	DLCD, HAPO, Legislature
Clarify when ODOT Mobility Standards apply	Clarify when ODOT mobility standards apply versus local mobility standards to reduce confusion and delay in development review.	Uncertainty about whether transportation capacity barriers are due to local or state regulation creates unpredictability for housing development.	Administrative; Technical Assistance	ODOT, DLCD
Coordinate with local governments about ODOT plans for state transportation facilities	Where ODOT facilities are adjacent to land zoned for housing, work with local jurisdictions to coordinate Oregon Highway Plan mobility targets with allowed zoning.	Misalignment between ODOT facility plans and local zoning creates regulatory barriers to housing development.	Rulemaking; Administrative	ODOT

Cross-Cutting Regulatory Issues

The thematic analyses presented in this chapter suggest that Oregon’s housing production system is shaped not by any single policy or program, but by the cumulative interaction of multiple regulatory, funding, and implementation factors. Across all policy domains—land use planning, infrastructure,

environmental regulation, financing, and building codes—interested parties consistently described a system in which individually rational requirements combine to create substantial barriers to delivering housing at scale.

Cross-Agency Coordination

The analysis found that state regulations affecting Oregon’s housing production system is highly fragmented across agencies, programs, and regulatory frameworks. State agencies—including DLCD, DSL, DEQ, ODOT, OHCS, and others—play critical but often uncoordinated roles that affect housing production. While each agency’s mandate is individually rational, their combined implementation creates a system that is difficult to navigate and slow to deliver housing.

Fragmentation manifests in duplicative review processes, inconsistent guidance, and sequential rather than parallel approvals. For example, land use (local partners in accordance with DLCD regulations), wetlands (DSL), infrastructure (ODOT/DEQ), with funding processes discussed in the next chapter (OHCS, Business Oregon) are often not aligned in timing or requirements, requiring project sponsors to navigate multiple independent systems that do not share common priorities or workflows.

This lack of alignment results in cumulative delays, higher administrative burden, and increased uncertainty for both local governments and developers. While venues for project level coordination exist, there is a lack of greater system alignment built into the programs. Key coordination challenges include:

- Duplicative and overlapping reviews across state and federal agencies
- Sequential approvals rather than integrated or concurrent processes
- Inconsistent standards and interpretations across agencies or regions

When coordination occurs, participants report significantly improved timelines and outcomes. This suggests that many barriers are not inherent to individual programs, but to how they operate together. Improving housing delivery will require a shift from siloed program administration to integrated, outcome-focused coordination. Aligning agency processes, timelines, and priorities is critical to reducing friction and creating a more predictable development environment.

Disconnect Between Planning and Implementation: Infrastructure as a Bottleneck

A central structural issue identified across the report is the disconnect between planning frameworks and the realities of housing development—particularly as it relates to infrastructure. Oregon’s planning system (e.g., UGBs, housing capacity analyses) is designed to ensure long-term land supply. However, “planned” or theoretical capacity often does not translate into development-ready land due to infrastructure constraints, ownership patterns, and financial feasibility.

Infrastructure is consistently identified as the primary bottleneck to housing production. Even where land is zoned and available, development cannot proceed without the necessary infrastructure in place. Key disconnects include:

- High upfront costs that often exceed the capacity of local governments and housing producers
- Fragmented funding programs require complex “patchwork” financing
- Misaligned timing between infrastructure investment and development
- Costs are frequently shifted onto individual projects, increasing per-unit costs
- Projects stall due to uncertainty about who will fund or deliver infrastructure

Housing production is constrained not only by regulation, but by the inability to align planning, infrastructure investment, and development timelines. Addressing this disconnect will require more coordinated infrastructure funding, prioritization of development-ready land, and stronger alignment between planning assumptions and market conditions.

Regulatory Burden and the Cumulative Impacts of Requirements

Housing development in Oregon is shaped by an array of land use, environmental, infrastructure, historic preservation, and funding requirements. While each requirement serves a valid public purpose, their combined effect creates a cumulative regulatory burden that significantly impacts feasibility. Participants consistently described a system where multiple individually reasonable requirements collectively increase costs, delay timelines, and introduce risk. These cumulative impacts are particularly pronounced for infill and redevelopment projects, middle housing and smaller-scale developments, and projects with limited financial or administrative capacity.

A key issue is that requirements are not calibrated or coordinated relative to project scale or context. Uniform thresholds, mitigation requirements, and eligibility criteria can create disproportionate impacts, particularly for smaller developments or more constrained sites. Key elements of cumulative burden include:

- Layered regulatory requirements across land use, environmental, and infrastructure systems
- Overlapping or conflicting standards without clear hierarchy or resolution
- Rigid thresholds and processes that create “cost cliffs” (e.g., mitigation triggers, funding eligibility)
- Administrative complexity requiring specialized expertise to navigate
- Increased time, cost, and uncertainty across the development lifecycle

Moreover, regulatory complexity is compounded by inconsistent interpretation and application at the local level, further increasing unpredictability. The challenge is not any single regulation, but the cumulative effects of the system, including the effects of local regulations. Reducing burden will require a system-level approach—simplifying requirements, aligning standards, and calibrating thresholds to better reflect project scale and desired housing outcomes. As described further in chapter 5, in some cases and instances, a simpler process could help low-capacity cities implement land use provisions. In examining wetlands, cultural resources, and infrastructure capacity, policy change could consider differentiating based on value and applying different standards to minimize costs.

Growing Burden of Legislative Change and Limited Local Capacity

Oregon has enacted a significant volume of housing-related legislation in recent years aimed at increasing supply and reducing barriers. The pace and volume of change have created substantial implementation challenges. Local governments face ongoing difficulty keeping up with new statutory requirements, rulemaking, and code updates. Frequent changes require continuous interpretation, analysis, and adoption processes, diverting limited staff resources away from core activities such as permitting and project facilitation. This dynamic creates a cycle in which: (1) new policies increase complexity and workload; (2) local capacity is strained; (3) implementation is uneven or delayed; and (4) intended housing outcomes are not fully realized. Key challenges include:

- Frequent statutory and rule changes creating a “constant churn” of mandated updates to local planning documents

- Limited staff capacity, particularly in small and rural jurisdictions
- Complex analytical and compliance requirements (e.g., housing capacity analyses)
- Unclear or evolving statutory language, leading to inconsistent interpretation
- Growing reliance on consultants and external expertise

The result is increased uncertainty for developers and slower processing timelines, even where policies are intended to facilitate housing production. This issue is closely tied to local implementation capacity. Jurisdictions vary in staffing, expertise, and ability to access technical assistance. Smaller communities are disproportionately affected, leading to uneven outcomes across the state. In short, policy effectiveness is increasingly constrained by implementation capacity. Stabilizing the policy environment by refraining from additional significant regulatory revisions or new requirements, improving clarity, and investing in local capacity and technical assistance are critical to translating legislative intent into housing production.

Across all four themes, a consistent conclusion emerges: Oregon's housing production challenges are not driven by any single policy or program, but by systemic misalignment. Together, these factors increase cost, time, risk, and complexity, limiting the state's ability to produce housing at the scale and speed required. Improving housing outcomes will require integrated, system-level reforms that prioritize coordination, simplification, capacity, and alignment between policy intent and real-world implementation.

Chapter 4: Financial Incentives and Technical Assistance

This chapter presents an analysis of the state agency *financial incentives and technical assistance* actions that emerged from the research and engagement as action that influence housing production in Oregon. The themes described in this chapter are the result of a filtering process that began with an inventory of state agency actions, a review of literature (See Technical Report, Part A), state agency questionnaire to verify the list of actions related to housing, and ultimately a refinement of the full list of actions that were included in the multi-party survey. The research team then identified the key themes that emerged from the survey. The most prevalent topics in the survey were used to structure focus groups.

Consistent with the study's overall approach, the analysis evaluates how state agency actions affect housing production across key dimensions—cost, time, risk, and complexity—based on document review and research, survey results, and insights from interviews and focus groups. Rather than attempting to quantify outcomes, the emphasis is on identifying where regulatory and permitting actions create perceived friction, where they are deemed to facilitate production, and how implementation practices influence results across different stages of the housing production process.

Chapters 3 and 4 rely on survey responses, state agency interviews, and focus group discussions to inform “What We Heard.” Sub-sections include a description of the program to contextualize the engagement. The engagement responses are supplemented with agency reports, website review, and academic and policy research where it exists. When a state agency action was included on the survey, we provide data to illustrate how many respondents were familiar with a policy, the percentage that perceived it to be an extreme or significant hindrance or benefit to housing production (on a five point Likert scale) and responses from closed-ended check-box questions to evaluate why it is a hindrance or benefit. The survey takes a filtering approach: (1) agencies interacted with; (2) state agency actions familiar with; (3) evaluate familiar actions as hindrance or benefit to production, (4) if significant or extreme hindrance or benefit, why? (using closed and open-ended responses). Focus groups included 6-16 participants, so the data is not reported as raw numbers, but describes general agreement across participants. (See Technical Report Part D for further description of methods).

The chapter is organized around a set of policy “themes” that emerged consistently from the information and external comments collected. These “themes” also reflect the primary channels through which state actions affect housing production. Within each theme, the analysis examines key statutes, rules, and programs; summarizes external perceptions and experiences; and identifies how specific elements can function as barriers to or enablers of housing production. This chapter is organized to provide background information needed to understand participant feedback and is organized to depict the policy process sequentially or from broad to narrow. The themes are not organized by most pervasive to least pervasive. Each section includes related recommendations that are ordered to align with the themes. Additional recommendations that emerged from interested parties (including surveys, focus groups, and state agency interviews) are provided in Technical Appendix, Part E.

The themes discussed in this chapter are:

- Infrastructure Funding Programs
- Affordable Housing Funding and Support

Infrastructure Funding Programs

Infrastructure Funding Programs include programs like the Housing Infrastructure Support Fund (HISF), Housing Infrastructure Financing Program (HIFP), Special Public Works Fund, Regional Infrastructure Fund, the Clean Water State Revolving Fund, Safe Drinking Water Revolving Loan Fund, Oregon Transportation Infrastructure Bank, the Predevelopment Revolving Loan Program, and Moderate-Income Revolving Loan Fund. Additionally, the One-Stop Financing Roundtable programs is a means of coordinating between funding programs and identifying the annual cost of borrowing.

Business Oregon partners with federal, state, and local governments (cities and counties), Tribal governments, and special districts to provide planning, design, and construction for vital infrastructure. Regional Development Officers serve as the gateway to Business Oregon's infrastructure finance services. The nine-member Infrastructure Finance Authority (IFA) Board oversees many of Business Oregon's key infrastructure financing programs.

The **Department of Environmental Quality (DEQ)** is responsible for programs and regulations that protect and enhance Oregon's land, water, and air quality. DEQ administers the Clean Water State Revolving Fund which provides low-interest loans to projects that enhance, protect, or restore water quality such as wastewater treatment and stormwater management. Only public entities are eligible for these funds for infrastructure projects.

The **Oregon Health Authority (OHA) Drinking Water Services (DWS)** enforces drinking water quality standards for public water systems in the state of Oregon. DWS partners with Business Oregon to administer the Safe Drinking Water Revolving Loan Fund (SDWRLF). SDWRLF may support projects such as treatment, storage, transmission, or distribution, amongst others. Eligible applicants include publicly- and privately-owned community water systems or publicly- and privately-owned nonprofit non-community water systems such as a school.

Oregon Housing and Community Services (OHCS) is Oregon's housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for Oregonians of lower and moderate income. OHCS administers the Predevelopment Revolving Loan Program to support smaller, nonprofit, rural, and/or culturally specific housing producers in addressing costs associated with getting a housing project ready for development, including the costs of studies related to possible infrastructure needs (ex. traffic, environmental, and geotechnical, amongst others).

The **Oregon Department of Transportation (ODOT)** is responsible for overseeing planning and programs related to the state's multi-modal transportation system. ODOT administers the Oregon Transportation Infrastructure Bank (OTIB), a statewide revolving loan fund designed to promote innovative financing solutions for transportation needs. OTIB funds are available to cities, counties, special districts, Tribal governments, state agencies, for-profit and non-profit entities.

In addition to infrastructure funding programs, there are three relevant state agency processes that serve as conveners related to financing, technical assistance and state agency coordination:

Regional Solutions is an established statewide community and economic development program housed in the Governor’s Office. It convenes state agencies and public, private, and civic partners to advance priority projects, solve problems, and respond to emerging regional needs, including barriers to housing production. Through regionally based staff and interagency teams, Regional Solutions provides communities and project partners with a central point of contact for navigating state processes, identifying and coordinating technical and financial resources, resolving regulatory and interagency challenges, and troubleshooting projects through implementation.

The Housing Accountability and Production Office (HAPO) was created by SB 1537 (2024) as a joint program between Department of Land Conservation and Development (DLCD) and the Department of Consumer and Business Services’ (DCBS) Building Codes Division (BCD). HAPO partners with state agencies involved in housing development to identify technical and financial resources that can overcome challenges and unlock opportunities for housing production. HAPO provides navigation support to producers and regulators of housing and responds to inquiries related to navigating complex state processes and identifying funding for housing production.

One-Stop Roundtable is designed primarily for eligible public entities, such as cities and special districts, that are seeking financing for water and wastewater infrastructure projects through programs offered by Business Oregon, DEQ, USDA Rural Development, and other funding partners. The roundtable is most effective for projects requiring financing from multiple sources, particularly larger system-wide infrastructure improvements that must be funded over time. Participation is encouraged for community decision-makers, such as utility managers, as well as technical staff, including engineers and consultants, so that financing options, debt impacts, and potential utility rate implications can be discussed collaboratively. This approach helps communities develop a coordinated financing strategy and make informed decisions early in the project planning process.

Key Statutes, Rules, and Programs

- System Development Charges (SDCs) – ORS 223.297–223.314
- Local Improvement Districts / Development Agreements – ORS 223.387
- State Revolving Fund (Infrastructure Loans) – ORS 285B, ORS 285A
- MIRL (Moderate Income Revolving Loan) – OHCS program
- Urban Renewal / Tax Increment Financing (TIF) – ORS 457
- Transportation Planning Rules (TPR) / CFEC (SB 1051, OAR chapter 660, division -012, 660-012-0800)
- Various state/federal infrastructure grants and loans (water, sewer, transportation)- See Technical Appendix C.

Recent Changes:

- Launch of [MIRL \(Moderate Income Revolving Loan\) – \(administered by OHCS\)](#) to provide \$75 million in a revolving loan fund to expand affordable housing funding to sponsoring jurisdictions that opt into the program.
- [Housing Infrastructure Support Fund \(HISF\)](#) (\$2.7 million) created by SB 1537 (2024) and administered by Business Oregon to provide capacity and support to municipalities for the

planning and financing of infrastructure for water, sewers and sanitation, stormwater, and transportation to produce housing units.

- The [Housing Infrastructure Financing Program \(HIFP\)](#) (\$10 million) created by HB 3031 (2025) administered by Business Oregon under the Infrastructure Finance Authority to provide grants, loans and forgivable loans to entities for water, wastewater, stormwater and/or transportation infrastructure for a specified proposed housing development. The flexibility of the funding in HIFP allows for alignment and leveraging of other public and private capital investments associated with housing development.
- The Oregon Legislature, the legislature allocated \$96 million from the general fund for infrastructure projects identified in [Senate Bill 1530 \(2024\)](#) and [House Bill 4134 \(2024\)](#). Funded 48 entities for housing-related infrastructure projects (water, sewer, stormwater, and road improvements) across the state.

What We Heard

Housing development is highly dependent on major infrastructure — particularly arterial roads, sewer trunk lines, and water systems—that must be built before development can occur and/or must be built by projects for those developments to proceed. These are large, upfront investments that exceed the financial capacity of individual housing producers and often the cities themselves.

Major Infrastructure Funding Programs (Transportation, Sewer, Water) – Key themes across participants described “unlocking infrastructure” (e.g., major roads or sewer extensions) as the key constraint on development.

Without these systems, otherwise buildable land remains unusable. Cities report difficulty financing large-scale improvements and often lack the upfront capital and inability to meet debt service requirements to catalyze development, particularly in UGB expansion and edge areas.

Fragmented Infrastructure Funding Programs – Key themes from interested parties described that infrastructure funding is spread across multiple programs with different requirements, eligibility criteria, program flexibility, and timelines which cause significant administrative effort to access. These programs have limited resources available with various directives on how to prioritize funding. The state offers One-Stop Financing Roundtables related to financing, and 51 cities or water districts have accessed this resource since 2023 with the topics relating mostly to wastewater and water infrastructure. As part of this process, staff reviews cities’ audited financial statements, the One-Stop Request Form, and formulates questions to be able to confidently provide a loan financing scenario.

Housing production is not currently a priority that supersedes other priorities. In some cases, statutory requirements limit the funding from effectively leveraging other public and private investments in housing developments. Many of these programs are also limited in who may apply for them – in most cases, money may only be granted to public entities or has significant restriction on eligible activities. Technical assistance opportunities such as “one-stops” do serve as a resource for coordination but may

Key Themes Under Infrastructure Funding Programs

- Major Infrastructure Funding Programs (Transportation, Sewer, Water) is a Pre-requisite to Housing
- Fragmented Infrastructure Funding Programs
- Timing and Sequencing of Infrastructure Investment
- Jurisdictional and Regional Coordination Challenges
- Planning Capacity and Upfront Analysis

be underutilized relative to need. Finally, some programs are first-come, first-served, which means that prioritization criteria are difficult to implement.

Participants described having to “piece together” funding from multiple sources, each with separate processes. Some programs (e.g., MIRL) are viewed as overly complex or risky. Programs that may be more flexible or desirable are undercapitalized.

Timing and Sequencing of Infrastructure Investment – Key themes across interested parties described that infrastructure must often be delivered before or alongside housing development, but funding timelines and development timelines are not well aligned. This creates a sequencing problem where neither infrastructure nor development can proceed independently. Participants highlighted situations where cities invested in infrastructure anticipating development that did not materialize quickly enough, creating financial strain. Conversely, developers cannot proceed without infrastructure, creating a circular constraint.

Jurisdictional and Regional Coordination Challenges – Key themes across cities described infrastructure bottlenecks (e.g., access roads, signal approvals, regional capacity) often depend on multiple jurisdictions or state agencies, leading to delays and conflicting requirements. Infrastructure systems, particularly transportation, and less commonly, water, often cross jurisdictional boundaries. Coordination among cities, counties, special districts, and state agencies is required but is difficult to achieve in practice. Participants noted that infrastructure bottlenecks (e.g., access roads, signal approvals, regional capacity) often depend on multiple jurisdictions or state agencies, leading to delays and conflicting requirements. Federal permitting processes and grant funding requirements add process and complexity as well.

Planning Capacity and Upfront Analysis – Key themes across participants indicated that cities often lack resources to conduct infrastructure planning, capacity analysis, and long-range coordination. This limits their ability to proactively prepare areas for development. Significant upfront planning and analysis is required to align land use and infrastructure, but funding for this work is limited. Cities must invest in complex modeling and planning without clear funding pathways to build and maintain infrastructure. Even when state grants provide funding for plans, cities lack the financial and technical resources to implement infrastructure plans.

Impact on Housing Production

Across all data sources, infrastructure emerges as:

- A fundamental prerequisite for housing production
- Constrained by high upfront costs, misaligned funding systems, and coordination challenges
- A major driver of where, when, and whether housing can be built

The central issue is not just funding levels, but the lack of a coordinated, proactive system for financing and delivering infrastructure at the scale and timing required to support housing development.

Summary of Impacts on Housing Production

Dimension	Impact Summary
Cost	Infrastructure costs are among the largest barriers to housing, especially for transportation, sewer, and water extensions. When these costs fall on individual projects, they can make development infeasible, particularly in greenfield and constrained areas, and for affordable projects.

Time	Infrastructure delivery is slow and often must precede development, creating sequencing delays. Projects may stall for years waiting for major roads, utilities, or public funding to be secured.
Risk	Developers and cities face significant uncertainty around who will fund major infrastructure, when funding will materialize, and whether development will follow investment, creating financial and political risk.
Complexity	Infrastructure funding involves multiple overlapping tools, agencies, and financing mechanisms that lack coordination and prioritization. Cities must piece together resources while navigating statutory constraints and administrative requirements.

Infrastructure gaps and funding programs emerge as a major structural constraint on housing production, primarily because housing development is dependent on the timely availability of foundational infrastructure such as transportation, water, and sewer systems. Across interested parties, infrastructure is consistently identified as a gating factor that determines whether housing can be built, particularly in expansion areas and on sites requiring significant upfront investment.

A key issue is the scale and timing of infrastructure costs and who will pay for them. Large, up-front investments are often required to “unlock” development, but neither local governments nor private developers consistently have the resources to finance these improvements. Existing funding mechanisms—such as system development charges and state or federal financing programs—are not well-aligned with the need for early, large-scale infrastructure delivery. Costs are frequently shifted onto individual projects, even when infrastructure provides broader public benefits, increasing per-unit development costs and rendering many projects infeasible, particularly in greenfield or constrained areas, even when provided SDC credits and other incentives. These costs impact affordable housing development and can affect feasibility as well.

The funding landscape is also highly fragmented and difficult to navigate, though the state offers some coordination meetings through Business Oregon’s One-Stop and Regional Solutions teams to help evaluate and navigate funding options. Infrastructure resources are spread across multiple agencies and programs, each with distinct requirements, timelines, and eligibility criteria. Assembling funding often requires significant administrative effort and coordination, leading to delays and uncertainty. In practice, projects and jurisdictions must piece together funding from multiple sources, which slows the delivery of infrastructure and introduces risk that resources will not materialize in time to support development.

Key Takeaways: Infrastructure Gaps and Funding Programs

- Limited funds for large investments required to bring land to a development-ready state
- Funding mechanisms do not generate sufficient revenues
- State funding programs are not well integrated and require considerable effort to access
- Capacity limitations create challenges for small jurisdictions to access state funding

These challenges are compounded by misalignment in timing and coordination. Funding cycles are trying to catch up on a backlog of need, planning processes are underfunded or not funded leaving local governments without clear direction, while construction timelines are not synchronized. This creates a circular constraint in which development cannot proceed without infrastructure, and infrastructure investment is difficult to justify without development. As a result, infrastructure gaps act as a bottleneck

that slows the housing pipeline, increases costs, and introduces uncertainty, limiting the pace and scale of housing production even in areas where land demand is strong.

Recommendations

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Expand eligibility in infrastructure funding programs	Remove or revise eligibility restrictions that exclude infrastructure providers or private and nonprofit developers from certain programs where federal law does not prohibit. Encourage public entities to work with private and nonprofit developers through programs like the Housing Infrastructure Financing Program	Eligibility rules for infrastructure programs limit who can access funding, reducing the pool of projects that can move forward.	Statute; Rulemaking	OHCS, Business Oregon, DLCD, ODOT
Audit use of existing infrastructure funding sources and revise program terms to facilitate use	Identify undersubscribed funds including the Transportation Infrastructure Bank and others. Partner with agencies to do outreach to potential users and consider adjusting financing provisions to encourage use.	Available infrastructure funding is undersubscribed because potential users are unaware of it or find program terms unattractive.	Technical Assistance	Business Oregon, ODOT
Further prioritize housing-related projects for ODOT funding	Based on the SB 1537 infrastructure evaluation, give scoring preference to housing-related projects for TGM, Quick Response, and other large-scale ODOT infrastructure funding.	Transportation funding decisions are not consistently aligned with housing production goals, missing opportunities to invest in infrastructure that unlocks housing supply.	Administrative	ODOT, DLCD
Reform TIF statutes	Oregon's Urban Renewal statutes currently require a declaration of blight for TIF use. Reform statutes to allow TIF for infrastructure provision in areas without blight findings.	The blight requirement limits the geographic reach of TIF as an infrastructure financing tool, excluding many areas where housing investment is needed.	Statute	Legislature
Harness expertise of nonprofit and private developers in program design	Leverage developers' knowledge of program gaps when designing or redesigning infrastructure funding programs, particularly where local government experience with infrastructure provision is limited.	Infrastructure programs designed without input from developers may not address real-world barriers to housing production.	Administrative	Business Oregon, DEQ, DWS

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Expand Housing Infrastructure Financing Program	Expand the Business Oregon Housing Infrastructure Finance Program to provide additional funding for housing-related infrastructure.	Demand for housing infrastructure funding exceeds current program capacity, limiting the number of shovel-ready projects that can move forward.	Statute; Technical Assistance	Business Oregon, DLCD, Legislature
Publicize training for cities and housing producers on how to apply for state infrastructure funding	Publicize technical assistance and training from Regional Solutions, RCAC, and agency-specific sources so cities can more effectively access HIFP and similar programs.	Many local governments and housing producers are unaware of available infrastructure funding sources or how to apply for them.	Technical Assistance	Business Oregon, Regional Solutions

Affordable Housing Funding and Support

Oregon Housing and Community Services is Oregon's housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for Oregonians of lower and moderate income. OHCS administers programs that span a wide variety of housing topics, including homeless services, utility assistance, disaster recovery, financing and stabilizing affordable rental housing, and homeownership opportunities. Key funding programs include the Local Innovation and Fast Track (LIFT) programs, other affordable homeownership and rental development funding and finance programs, and the Oregon Centralized Application (ORCA) are administered by Oregon Housing and Community Services (OHCS). It delivers these programs primarily through grants, loans and contracts with local partners and community-based providers and has limited direct contact with beneficiaries.

OHCS' sources of funds are varied and include federal and state resources that have complex regulatory compliance requirements, and thus stewardship, compliance monitoring, and asset management are all critical functions played by OHCS. While OHCS oversees a variety of programs (see Technical Appendix Part C), the ones listed below are the ones that were most discussed during participant engagement.

Key Statutes, Rules, and Programs

- Oregon Housing and Community Services (OHCS) – ORS 456
- Oregon Centralized Application Process (ORCA)
- Local Innovation and Fast Track (LIFT) Program
- Low-Income Housing Tax Credit (LIHTC) (federal, state-administered)
- Oregon Affordable Housing Tax Credit (OAHTC) – ORS 456.690–456.745
- Homeownership and Preservation programs (various OHCS programs)
- Moderate Income Revolving Loan (MIRL) program
- Land Acquisition Program (LAP)
- General Housing Account Program (GHAP)

Recent Changes

- In 2024, shift from Notice of Funding Availability to the ORCA process. OHCS reports that ORCA is speeding up affordable housing production through a six-fold increase in the speed of legislative investment to funding reservation and is nearly twice as fast as funding reservation to construction start when compared to the old NOFA system.

What We Heard

Oregon's affordable housing funding system reflects a tension between strong programmatic support and operational misalignment with development realities demand that exceeds available resources. While the State has made significant investments and established effective tools, the pipeline of eligible projects is much larger than current funding can support. Participants noted that funding constraints combined with the effects of timing uncertainty, procedural complexity, and policy misalignment challenges the system's ability to deliver housing quickly and at scale.

Oregon Centralized Application (ORCA) Process – Key themes across interested parties described that the ORCA system provides some administrative efficiency but described considerable uncertainty due to waitlists. ORCA

consolidates all OHCS's affordable rental housing development funding programs into a single application and waitlist system with one entry point (Intake) and three sequential steps (Impact Assessment, Financial Eligibility, and Commitment) each tied to defined timeframes relative to a project's financial close. Projects are reviewed against adopted standards on a first-applied, first-reviewed basis. Where resources are not currently available, eligible projects are held in a waitlist, ordered by the date of a complete application, until funding becomes available. Due to demand currently exceeding available resources, projects may remain on the waitlist for extended periods, and that duration reflects resource availability rather than the application's design. ORCA is intended as non-competitive application process that allows for greater flexibility to get all projects to "yes" and improve predictability of funding. However, it replaces timebound funding rounds with an open-ended queue, creating uncertainty around when or whether projects will ultimately receive funding. Participants reported that the system lacks prioritization, limited flexibility on application changes, and does not consistently account for project readiness.

Participants report that ORCA initially improves pipeline visibility but ultimately creates uncertainty once projects enter the waitlist. Projects may sit for years without clarity on funding timing or prioritization standards, and readiness to proceed is not a primary factor in prioritizing funding decisions and results in projects of both low and high feasibility sitting in the same pipeline. The process also requires extensive upfront work to meet application criteria, even without assurance of funding. It is worth noting that applicants can check the status of their application at any time and determine where it sits in the queue, although funding timelines are not provided.

One of the sources within the ORCA is the LIFT program. Of survey respondents, 119 responded were familiar with LIFT rental, and 82 percent considered it to be extremely or significantly beneficial to housing production. Of the 96 survey respondents familiar with the LIFT homeownership program, 83

Key Themes Under Affordable Housing Funding and Support

- Oregon Centralized Application (ORCA) Process
- Fragmented Capital Stack and Program Complexity
- Funding Availability, Timing, and Biennial Cycles
- Gap Funding, Subsidy Limits, and Cost Alignment
- Land Acquisition and Predevelopment Funding
- Moderate Income Revolving Loan (MIRL) Program
- Prioritization, Geographic Equity, and Program Targeting

percent said it extremely or significantly benefits housing. Other OHCS programs like LIHTC, HDIP, Permanent Loan Guarantees, and Oregon Affordable Housing Tax Credits were viewed positively as well.

Fragmented Capital Stack and Program Complexity – Key themes across interested parties described “fragmentation and duplication,” with multiple financial models, applications, and compliance frameworks required for a single project. Affordable housing projects require layering multiple funding sources (“capital stacks”), each with distinct application criteria and compliance requirements across federal, state, and local sources. These programs are not well aligned, requiring developers to meet duplicative or conflicting requirements. Participants consistently describe “fragmentation and duplication,” with multiple financial models, applications, and compliance frameworks required for a single project. Differences in eligibility criteria and timelines across programs at different levels increase administrative burden and delay, and the ORCA process provides streamlining to the intake process, though compliance requirements may be different depending on ultimate funding sources.

Funding Availability, Timing, and Biennial Cycles – Key themes across interested parties noted that funding availability is tied to legislative appropriations and is not always continuous or predictable. Developers cannot reliably plan around funding availability, as program funding levels fluctuate and may not align with project timelines. Participants emphasized that funding timing is one of the most critical constraints, with uncertainty around when funds will be available or replenished when projects cross bienniums. Participants also reported concerns about OHCS funding timelines limiting their ability to fully leverage other federal, state, and local funding sources that had been committed. Previous Notice of Funding Availability (NOFA) processes provided clearer timelines, by offering funds competitively in a limited window based on legislative investments already made, while the current system introduces longer and less predictable cycles as it allows for applications even when there is no subsidy available.

Gap Funding, Subsidy Limits, and Cost Alignment – Key themes across interested parties described subsidy limits and gap funding levels not consistently reflecting current market conditions, construction costs, or project types. The system does not adequately differentiate between higher-cost housing types (e.g., dense urban or mixed-use projects). Participants reported that subsidy caps are often insufficient for higher-density or more complex projects, forcing reductions in unit count or project scope. Participants also reported lack of clarity on limitations that cap cost per unit.

Land Acquisition and Predevelopment Funding – Key themes across interested parties suggested benefits of predevelopment funding but noted that the funds are limited. Within the survey, 60 respondents were familiar with predevelopment funding, and 81 percent noted that the program significantly or extremely benefits housing production. Affordable housing developers described that they often lack access to early-stage capital needed to acquire land or hold sites while awaiting funding. Existing programs are limited in scale or not well integrated with production funding. Participants emphasized the growing difficulty of securing and holding land under delayed funding timelines. Without early funding, developers must take on financial risk or lose sites to market-rate buyers. Acquisition opportunities are frequently missed due to lack of timely capital.

Moderate Income Revolving Loan (MIRL) Program – Key themes across interested parties described some implementation challenges with the MIRL program due to local obligations to serve as intermediaries. Within the survey, 62 respondents were familiar with MIRL, and 38 percent noted that the program significantly or extremely benefits housing production. The statutes for MIRL are structured in a way that requires local governments to act as intermediaries and assume financial risk, adding administrative burden and discouraging participation. In 2025, the Legislature adopted SB 48 to “fix” the MIRL program by expanding flexibility and usability—most notably allowing additional repayment structures beyond the

original in lieu of tax model, clarifying program administration, and broadening eligibility (e.g., urban renewal-area projects and local implementation options) to increase interest. Overall, the fixes retained the core SB 1537 revolving loan framework but made targeted adjustments to reduce financing barriers and give cities and counties more practical tools to deploy MIRL funds for moderate income housing production. Participants widely described MIRL as overly complex and risky, particularly for smaller jurisdictions. Requirements for cities to guarantee loans and manage program administration were cited as major barriers, and participation by cities has been limited.

Prioritization, Geographic Equity, and Program Targeting – Key themes across participants relate to funding allocation criteria that does not consistently reflect local housing needs, project readiness, or cost efficiency. OHCS uses criteria to prioritize and promote geographic equity through ORCA, and the LIFT program sets aside some funding for Culturally Significant Organizations. Participants noted that geographic and programmatic priorities may misalign with actual demand or feasibility. Participants cited issues with unclear prioritization, inconsistent geographic distribution, and scoring criteria that disadvantage fast-growing or rural areas. OHCS has revised its geographic equity approach in the last year to address the concerns expressed by partners, which may elicit more positive reflection going forward.

Impact on Housing Production

Across all forms of engagement, Oregon’s affordable housing funding system is characterized by:

- Strong foundational programs with significant investment
- Systemic barriers driven by timing, legislative resource constraints, predictability, and fragmentation
- Disproportionate impacts on project feasibility, scale, and speed
- Not prioritizing the quickest path to construction and a comprehensive list of project feasibility factors

The issue is not the lack of funding programs or the ORCA, but the misalignment between funding structures, application procedures, and the realities of development timelines, costs, and market conditions.

Summary of Impacts on Housing Production

Dimension	Impact Summary
Cost	Funding structures increase costs through complex capital stacks, duplicative application requirements, and misaligned subsidy limits. Projects often require multiple funding sources with differing criteria, leading to higher soft costs and, in some cases, reduced unit counts to meet funding constraints.
Time	Unpredictable funding timelines — particularly under ORCA waitlists and biennial legislative cycles — introduce significant delays. Projects may remain on waitlists for years, disrupting site control, financing, and construction schedules.
Risk	High uncertainty around funding availability, prioritization, and timing creates substantial financial risk. Developers must advance projects without assurance of funding, increasing exposure to land carrying costs, market changes, and lost opportunities.

Complexity	The affordable housing financing system is highly fragmented, requiring coordination across multiple programs with different rules, scoring criteria, and timelines. ORCA improves some complexity, but projects relying on federal tax credits are subject to federal rules. This complexity favors experienced developers and creates significant barriers for smaller, rural, and emerging organizations.
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Affordable housing funding programs in Oregon play a central and often indispensable role in enabling housing production, particularly for low-income housing and more complex developments. Programs such as LIHTC, LIFT, and other OHCS-administered resources provide the capital necessary to close large financing gaps that the private market cannot fill alone. Participants consistently emphasize that without these funding sources, many projects — especially deeply affordable or supportive housing — would not be feasible. The structure and underwriting standards of these programs also help ensure long-term financial viability and quality, supporting better outcomes for residents and protecting public investment.

At the same time, the way these programs are structured and administered introduces significant challenges that affect the pace, scale, and efficiency of housing production. A central issue is the unpredictability of funding timing and availability, particularly under the ORCA system and biennial legislative funding cycles. While ORCA was intended to improve pipeline visibility, uncertainty about project waitlists provides challenges for housing producers. There is a larger pipeline than funding available which exacerbates some of these issues. This disconnect between funding decisions and development timelines makes it difficult for developers to secure land, hold sites, or align financing, often resulting in missed opportunities or increased project costs.

Another major barrier is the complexity and fragmentation of the funding system. Affordable housing projects typically require layering multiple funding sources, each with its own application, criteria, and compliance requirements. These processes are not well aligned, leading to duplicative work, conflicting requirements, and substantial administrative burden. Developers must invest significant time and resources into assembling capital stacks, which increases soft costs and slows project delivery. This complexity disproportionately affects smaller, rural, and emerging developers, limiting participation and reducing overall system capacity.

Funding structure and criteria also influence what gets built. Participants reported that subsidy limits and program eligibility criteria can unintentionally discourage higher density or more complex projects, even where those projects would deliver more units or better align with local housing needs. Developers often adjust project size, design, or location to fit funding constraints rather than optimizing for housing production. Similarly, gaps in acquisition and predevelopment funding make it difficult to secure sites in competitive markets, reducing the pipeline of viable projects before they even reach the construction phase.

Overall, Oregon’s affordable housing funding system reflects a tension between strong programmatic support and operational misalignment with development realities and demand that exceeds available

Key Takeaways: Affordable Housing Funding Programs

- Programs are hugely influential and effective in supporting housing production
- Participants would like to see the Legislature invest more money in the programs
- Program structures challenges that affect the pace, scale, and efficiency of housing production
- Complexity and fragmentation of the funding system create additional barriers
- Barriers are increased for smaller and rural communities

resources. While the state has made significant investments and has established effective tools, the pipeline of eligible projects is larger than current funding can support. This, combined with the effects of timing uncertainty, procedural complexity, and policy misalignment constrain the system’s ability to deliver housing quickly and at scale. Procedural complexity and program fragmentation further exacerbate these challenges. Improving predictability, simplifying processes or combining programs, and better aligning funding structures with development economics would allow these programs to more fully realize their potential as drivers of housing production.

Recommendations

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Legislative investments should include prioritization criteria for ORCA project selection	Establish clear prioritization criteria for ORCA to improve predictability for developers, including OHNA housing need and feasibility criteria developed under Section 16.	Lack of transparent ORCA prioritization creates uncertainty for developers and may not direct limited funding to highest-need projects.	Legislative	OHCS
Add state funding as a tiebreaker criteria to relevant funding programs	Add “state funding” to the existing list of tiebreaker criteria that OHCS uses when receiving multiple competitive or same day applications.	There is not an existing process for certain OHCS programs to leverage funding from across the state enterprise.	Administrative	OHCS
Increase clarity about subsidy limits and per unit cost caps by development type	Increase access to information related to subsidy caps and per unit cost based on type of development (new construction vs. rehabilitation vs. acquisition); Include methods that determine amounts.	Developers lack clarity on how decisions about how subsidy limits and caps on per unit costs are determined and when they apply.	Administrative	OHCS
Expand predevelopment and pre-acquisition funding	Increase funding within OHCS predevelopment programs earlier in the development cycle. Provide loan programs available before site control is established to enable affordable housing developers to compete in fast-moving land markets.	Affordable housing developers cannot access funding early enough in the development cycle to compete with market-rate developers for sites.	Statute; Administrative	OHCS, Legislature
Collect data on construction start and completion for projects utilizing OHCS funds	Produce a construction report that collects data on time from funding allocation to construction start and certificate of occupancy. Identify challenges that developers face to control for issues earlier in the process.	Limited data available for construction completion that could inform early support or technical assistance or provide additional context on project feasibility	Administrative	OHCS

Recommendation	Description	What problem is this trying to solve?	Type of Recommendation	Agency
Establish agreement between OHCS and DEQ related to Phase I review	OHCS and DEQ develop a programmatic agreement for DEQ to review Phase I environmental assessments as part of the ORCA process.	Separate Phase I review by DEQ adds time and coordination burden to affordable housing project approvals.	Administrative	OHCS, DEQ
Work directly with developers on MIRL	Restructure MIRL so OHCS works directly with developers rather than through local government intermediaries. Allow local governments to authorize participation via resolution instead of ordinance.	Local government complexity and resistance to MIRL participation limits program uptake and slows affordable housing production.	Statute	Legislature
OHCS use strategic plan to communicate how it operationalizes developer feedback	Continue OHCS input sessions with housing producers and demonstrate responsiveness through the strategic plan and program design.	Developers report providing feedback to OHCS without visible changes to programs, reducing trust in the input process.	Administrative	OHCS

Cross-Cutting Funding Issues

The analysis in this chapter indicates that Oregon’s housing production system is shaped less by any single policy or program than by the interactions among multiple regulatory and funding systems—land use, infrastructure, environmental regulation, financing, and building codes. While each system serves a purpose, their cumulative effect within funding and technical assistance creates friction that limits housing production. Participants commented that resources are constrained, and this limitation is unlikely to change materially in the near term. As a result, the central question is not solely how to increase funding, but how to better align and deploy existing resources to produce more housing.

The Importance of Cross-Agency Coordination

A primary challenge is the lack of coordination across funding and technical assistance programs that support housing development. Oregon has a wide range of tools, but these programs operate largely independently. Differences in eligibility, application processes, and timelines mean that local governments and developers must piece together multiple sources of funding to make projects viable. This “stacking” of resources increases administrative burden, extends project timelines, and introduces uncertainty, particularly for smaller jurisdictions with limited staff capacity.

Technical assistance programs exhibit similar fragmentation. Many are designed to address specific functions—such as planning compliance, environmental review, or infrastructure analysis—without being integrated across the full development lifecycle. As a result, jurisdictions may receive support to complete plans or meet regulatory requirements but lack the coordinated assistance needed to advance projects through financing, infrastructure delivery, and construction. Better coordinated funding cycles, streamlined access points, and integrated technical assistance would reduce inefficiencies and improve the system’s ability to translate resources into housing production.

Rapid Legislative and Policy Change in Housing

Recent legislative and policy changes have increased the urgency of coordination challenges by placing new expectations on housing production without corresponding alignment in funding and technical assistance systems. Initiatives such as OHNA, middle housing requirements, and climate-related planning rules have emphasized development readiness, shorter planning cycles, and increased housing output. However, the infrastructure funding and technical assistance programs that support implementation have not evolved at the same pace.

This disconnect creates gaps between policy objectives and implementation capacity. Planning frameworks may call for near-term housing delivery, while funding timelines and technical assistance programs remain oriented toward longer-term compliance processes. In practice, this leaves jurisdictions struggling to convert policy requirements into funded, buildable projects. The result is a system in which reforms advance quickly in statute and rule, but the mechanisms needed to execute them lag behind. Addressing this gap will require closer coordination between policy development and program design so that implementation tools evolve in tandem with legislative change.

Aligning Funding Programs to Better Leverage Housing Production

Funding alignment emerged as one of the most significant constraints on housing production. Although Oregon has multiple programs supporting infrastructure and affordable housing, they are often fragmented, complex, and insufficient relative to need. High upfront costs for water, sewer, transportation, and stormwater systems frequently determine whether housing projects are feasible, yet funding for these systems is not consistently aligned with housing priorities or timelines.

In many cases, developers absorb infrastructure costs, increasing per-unit prices and limiting project feasibility. At the same time, public funding programs are not always targeted to areas with development-ready land or coordinated with housing production cycles. This results in missed opportunities to leverage public investment to unlock private capital. More effective alignment would include prioritizing infrastructure investments in areas ready for housing, synchronizing funding cycles with planning processes, and designing programs to incentivize private participation. Without these changes, public funding risks being deployed reactively rather than as a strategic tool to enable scalable housing production.

Refocusing on Housing Production Outcomes

A final cross-cutting issue is that funding and technical assistance programs are not consistently oriented around shared housing production outcomes. Programs are often governed by their own mandates and performance measures, with emphasis placed on compliance—such as completing plans, meeting eligibility requirements, or administering grants—rather than on delivering housing units. This creates a disconnect between program activity and actual production, with projects frequently stalling between stages (e.g., planned but not financed, or funded but not construction-ready).

This fragmentation is particularly challenging for jurisdictions with limited capacity to navigate multiple systems and align disparate requirements. Without a common framework tying funding and technical assistance to measurable outcomes—such as units delivered, affordability levels, or time to construction—it is difficult to assess whether investments are achieving their intended impact. Refocusing on outcomes will require stronger alignment across programs, clearer expectations tied to housing delivery, and integrated approaches that support the full development lifecycle. Shifting from process-driven to outcome-driven coordination would allow existing resources to be used more effectively and improve overall system performance.

Chapter 5: Opportunities to Reduce Barriers and Prioritize Resources to Increase Housing Production

Building on the findings and recommendations presented in the preceding chapters, this chapter proposes a set of prioritized recommendations aimed at improving housing production outcomes across Oregon. Consistent with the charge of SB 1537, these priorities are focused on how state agencies can more effectively focus and leverage resources, align programs to maximize production, and adjust policies, procedures, and implementation practices to reduce barriers to housing.

This report comes at a time of significant policy change related to housing. Over the past decade, the state legislature and individual agencies have pursued numerous reforms aimed at boosting housing supply through regulatory change and increased financing. New funding programs have been established to support housing production including the LIFT Program (OHCS), the Housing Infrastructure Financing Program (Business Oregon), and the MIRL program (OHCS). Meanwhile, over the past decade, the state legislature has enacted legislation aimed at promoting housing production, affordability, and choice at both state and local levels. SB 1537 established HAPO to provide support for local governments and housing producers in meeting housing targets. In December, LCDC passed significant reform to statewide planning goal on housing (Goal 10) through the Oregon Housing Needs Analysis, with local implementation effective in January 2027.

Given the recency of these reforms, it is yet to be determined how and whether these reforms will impact housing production. While the impact of recent funding programs and policymaking are unknown, much of the basic administration of the state's housing related policies and programs remains unchanged. For this reason, the research team believes the information and input collected through this report is applicable and insightful to finding solutions. The following key themes build upon the findings and insights gained through research and engagement with state agencies and interested parties:

- **Opportunities for Cross Agency Coordination on Planning, Permitting and Funding:** Opportunities exist to improve the coordination of permitting and financing.
- **Infrastructure Planning and Implementation as a Bottleneck:** Oregon provides a rigorous framework for planning for housing production, affordability, and choice and has recently shifted to a near-focus to considering development-ready land for the state's larger cities. Recently, the legislature has authorized funding for infrastructure specifically related to housing through competitive programs and direct allocations. Despite these efforts, participants repeatedly shared that growing infrastructure deficits and the shifting of the cost burden to producers remain the most significant barriers in providing land suitable for housing development. This report identifies opportunities to ease the burden on local governments to make land available

and development-ready and to prioritize state resources towards those projects with the smoothest path to construction and that meet the state's greater housing needs .

- **Regulatory Burden and Cumulative Impacts:** Housing development is affected by dozens of state agency actions, each of which serve a valid purpose independently. The combined effect of multiple review processes at federal, state, and local levels adds time and cost to development decisions. Specific programs related to wetlands, historic preservation, and land use planning offer opportunities for minimizing regulatory burdens within individual programs and across agencies through minimizing barriers, aligning different agency policies and programs, and improving program coordination.
- **Pace Legislative Change with Limited Local Capacity:** Over the past decade, the state has enacted several new statutes, required rulemaking by state agencies, and added infrastructure programs. Many of these are perceived as beneficial to housing production – particularly middle housing legislation under HB 2001 (2019) and SB 458 (2021). Most local governments lack capacity to track and implement legislative changes. After a period of great change, it is important to evaluate and monitor recent reforms to understand what is increasing housing production, affordability, and choice.
- **Focus on Housing Relative to Other Goals:** Each state agency and program within the scope of this study has a unique mission, constrained by specific legislative intent and guided by various programmatic and policy priorities. Though many programs affect housing production, only a few are oriented towards increasing and facilitating housing production.

Prioritizing housing production requires taking a careful look at how to organize other policies and programs while not abandoning federal mandates or important policy goals. As policymakers consider recommendations to increase housing production, there are tradeoffs with other goals like resilience, environmental protection, and health and safety. The perspective of this report does not attempt to promote housing at the expense of other values, though some recommendations arising from the participants suggest relaxing some regulations to boost housing production.

The Relationship Between Regulation, Incentives, and Technical Assistance

The findings of this report underscore the inherent tension between regulation, incentives, and technical assistance in Oregon's approach to housing production. Regulatory frameworks establish essential social and environmental protections and long-term planning objectives, but in practice they can increase cost, time, risk, and complexity. For example, several cities are working to implement new rules related to CFEC ([Climate Friendly and Equitable Communities](#)) and OHNA ([Oregon Housing Needs Analysis](#)) with timelines spreading over the next 4-6 years.

At the same time, incentives and funding programs are intended to offset these administrative burdens and stimulate production, yet their fragmented structure and limited scale can reduce their effectiveness in overcoming upstream constraints. Technical assistance programs further aim to build local capacity and support implementation but are often focused on planning rather than directly resolving barriers to project delivery.

As a result, these three elements—regulation, incentives, and technical assistance—can operate in conflict rather than in alignment, limiting their collective impact. Reducing regulatory burden does not necessarily mean lowering standards – it should reduce the complexity and the need for technical

assistance. This tension underscores the need for a more integrated approach in which regulatory requirements are calibrated alongside funding and capacity-building tools to reduce friction in the development process and more effectively translate policy goals into housing production outcomes.

Overarching Recommendations

To narrow and prioritize recommendations, the research team developed a set of principles:

- **Prioritize limited resources towards those strategies and tools that provide the most return on investment**
- **Focus on immediate production of housing**
- **Promote affordability and choice through supporting the development of affordable, middle and multi-unit housing**
- **Work within the programs and factors where state action is most feasible**
- **Strengthen existing efforts rather than create new programs.**

Based on these criteria, some overarching themes emerge to guide priority recommendations. Many of these recommendations are cross-cutting and require collaboration and coordination.

1. Prioritize Resources for Immediate Production

Despite clear evidence of sustained housing underproduction, state housing and related infrastructure dollars flow across multiple agencies and programs without a consistent requirement to prioritize immediate production. To maximize near-term housing production, state programs should prioritize funding on demonstrated project readiness. Projects scoring better on factors such as funding sufficiency, design and permitting feasibility, land use entitlements, and site control should be favored over projects less ready to proceed to construction. While the basic criteria for measuring project readiness is universal, the exact weight to give readiness in project scoring will vary by program. Further, other considerations such as geographic diversity, equity, and local capacity should not be excluded in program priorities and decisions.

1.1 Re-authorize and Expand the Housing Infrastructure Finance Program

Type of Recommendation	Legislative
Actor	Legislature, Business Oregon
Phase of Development	Phase I and II: Land Readiness and Project Concept/Feasibility – Backbone Infrastructure
Applicability	Can be relevant for all jurisdictions and all housing types, particularly for “urbanizable lands” within UGBs but not yet added to city limits
Description	Between 2024–2025 the legislature passed four bills that provided funding for infrastructure related to housing. The Housing Infrastructure Financing Program (HIFP) (\$10 million) and the Housing Infrastructure Support Fund Program (\$2.7 million) provide funding for sewer, transportation, and water infrastructure. Additionally, the legislature allocated \$96 million for 48 entities for housing-related infrastructure projects across the state. These investments have been viewed as instrumental in resolving infrastructure challenges holding back housing production. The legislature should re-authorize, re-capitalize, and expand the HIFP. The HIFP was oversubscribed by a factor of 4x available funds in the last biennium and, given the limited time for applicants to request funding, the demand would likely have been higher.
Why This Helps	This addresses gaps in infrastructure needed to facilitate housing development. The flexibility of the funding in HIFP allows for alignment and leveraging of other public and private capital investments associated with producing housing.
Implementation Considerations	Requires legislative funding, which may be politically challenging.
Examples of Successful Implementation Elsewhere	• Washington State Connecting Housing to Infrastructure Program (CHIP) has provided \$150 million in funding since 2021, supporting 14,000 affordable housing units. The program supports water and sewer line upsizing and extensions, stormwater connections for affordable and qualifying market-rate housing, regional stormwater upgrades, and reimbursement for waived system development charges (contingent on a local ordinance reducing SDCs for affordable units). • Other states have similar programs, including the California Infill Infrastructure Grant Program (launched 2006; \$750 million; 13,100 affordable rental homes). • Vermont’s Community and Housing Infrastructure Program (CHIP) is a statewide tax increment financing tool designed to help unlock housing opportunities by investing in critical public infrastructure like water, sewer, roads, and stormwater systems) that supports new housing development. CHIP is providing \$2 billion in investment between 2026 and 2035 and is described as one of the largest investments in municipal infrastructure in Vermont history.

1.2 Use Readiness to Target State Funding Under Non-Federally Restricted Programs

Type of Recommendation	Administrative
Actor	Business Oregon, DLCD, ODOT, OHCS
Phase of Development	Phase I (Land Readiness) – Backbone Infrastructure
Applicability	Can be relevant for all jurisdictions and all housing types, particularly for “urbanizable lands” within UGBs but not yet added to city limits
Description	Create funding preferences across multiple housing and infrastructure programs using indicators for project readiness: funding sufficiency, degree of completed design, site selection and control, and permitting and entitlement feasibility. For all infrastructure funding programs, include additional considerations to define the nexus to housing or identify relationship to housing in the application process. For programs that are not restricted by federal requirements, prioritization criteria will be added to use “readiness” as defined by the Potential Evaluation Considerations and Metrics for Local Infrastructure Projects to Support Housing, produced pursuant to Section 16 (SB 1537) (the “Infrastructure Considerations Report”). The Infrastructure Considerations Report offers a framework of considerations and metrics to evaluate legislative funding requests for housing-related infrastructure projects. This report can also inform program framework and alignment across multiple housing and infrastructure programs including state programs administered by ODOT, OHCS, and Business Oregon. For those programs operating on a first-come first-served (e.g. Special Public Works Fund or Brownfields Revitalization Fund), this approach could be timed to align with the next funding cycle.
Why This Helps	State resources for housing and infrastructure are inadequate. Prioritizing projects closest to production maximizes the near-term impact of each dollar invested and reduces the time between funding commitment and new units.
Implementation Considerations	Interagency coordination (facilitated via HAPO) will be required to establish consistent readiness criteria across programs. While the basic criteria for project readiness are universal, individual programs may need some flexibility in weighing readiness in their scoring processes. Using this framework to provide funding preferences for projects with a high degree of readiness should not preclude considerations of other factors such as equity, geography, and local capacity. This approach may not be allowed within some programs dictated by federal standards and may be challenging to implement for first-come, first-served programs.

Examples of Successful Implementation Elsewhere

- Metrics in the [Potential Evaluation Considerations and Metrics for Local Infrastructure Projects to Support Housing](#) (SB 1537 (2024) Section 16 Report) provides key guidance.
- [New York State's Housing Acceleration Fund](#) (\$215 million, launched 2025) is designed specifically to move shovel-ready mixed-income projects forward by closing financing gaps for permit-ready developments that lack final funding.

DRAFT

1.3 Provide a Centralized Process for State Permitting

The Local Residential Process Improvement Study (complementary SB 1537 reports) includes a consistent, complementary recommendation, see: [Local Residential Development Process Improvement \(LRDPI\) Study Public Review Draft](#).

Type of Recommendation	Administrative; Statute
Actor	HAPO, Regional Solutions, ODOT, DEQ, OHA DWS, DSL
Phase of Development	Phase I, II, and III (Land Readiness, Project Concept & Feasibility; Pre-Development and Permitting)
Applicability	Statewide, all housing types (or limit to a certain scale)
Description	Direct HAPO, in consultation with Regional Solutions, to coordinate with other state agencies on a framework for concurrent permitting of housing developments. Consider alignment with HB 4084 (Joint Permitting Council) and the federal Fast-41 model (Title 1 of the FAST Act), which established an interagency permitting dashboard and enforceable timelines. The goal is to create a single process of coordination that aligns the permitting tasks and timelines of different agencies in a clear and accountable manner
Why This Helps	Housing producers currently navigate separate, sequential permit review processes across such agencies as DEQ, DSL, OHA DWS, and ODOT. Concurrent rather than sequential review—with better coordination among agencies reviewing the same project—would reduce total review time and lower the cost and uncertainty of multi-agency permitting. HAPO and Regional Solutions could possibly facilitate the development of a joint agency permitting workflow and timeline in absence of additional resources
Implementation Considerations	This requires agency buy-in, resources for staffing, data-sharing protocols, and defined timelines. Most importantly, this approach requires a coordinated approach to governance and accountability across multiple state permitting agencies. A pilot program targeted towards certain communities or project types would offer an opportunity to test this concept. This will be supported by recommendations under Recommendation 5.1 related to a permit tracking dashboard. Understanding the timelines and agency commitments to clarity, consistency, and accountability in permitting processes will build confidence among housing producers and their investors.
Examples of Successful Implementation Elsewhere	• Oregon HB 4084 (2026) State Permitting Council: relates to specific economic development projects. • Maryland Coordinated Permitting Review Council • ORIA - Permit Timeliness

1.4 Prioritize Housing Projects for Permit Review

Type of Recommendation	Administrative
Actor	DSL, SHPO, DEQ, ODOT, OHA
Phase of Development	Phase I, II, and III (Land Readiness, Project Concept & Feasibility; Pre-Development and Permitting)
Applicability	Statewide, all housing types (or limit to a certain scale)
Description	Add checkboxes, designations, or queue management systems within state agency permitting workflows to identify and elevate residential development projects for priority review.
Why This Helps	Housing projects compete with other permitting applications related to commercial and industrial development. State agency review capacity is limited. Shorter review timelines reduce timelines and costs.
Implementation Considerations	Some work on this recommendation is already in progress at DSL, DEQ, ODOT, and SHPO. Each agency will need to adjust application procedures and queuing to allow for prioritization. Some agencies have established timelines for review (e.g., DSL – 180 days). HAPO should continue to support coordination across agencies. Staffing and outdated permit management systems are a constraint without additional resources.
Examples of Successful Implementation Elsewhere	- Building permits and land use decisions in Oregon operate on statutorily established timelines that vary by community size. Colorado’s Proposition 123 (2022) requires local governments that accept state affordable housing funding to adopt a “Fast Track Review” process for projects where 50% or more of units are affordable, with a 90-day decision deadline.

2. Align State Funding and Regulations towards needed housing

The OHNA shows that the greatest housing need in the state of Oregon relates to multi-unit, middle, and affordable housing. Building more of these housing types would support the state’s goals of promoting housing affordability and choice. To meet this housing need, state policies and programs should be aligned and operationalized to (1) support recent regulatory reform related to housing choice, and (2) invest limited state dollars in housing that promotes affordability and choice.

2.1 Apply Residential Building Code (ORSC) to 3–6 Unit Buildings Instead of Oregon Structural Specialty Code (OSSC)

The Local Residential Process Improvement Study (complementary SB 1537 reports) includes a consistent, complementary recommendation, see: [Local Residential Development Process Improvement \(LRDPI\) Study Public Review Draft](#).

Type of Recommendation	Administrative. Legislative
Actor	DCBS
Phase of Development	III: Pre-development and Permitting; IV: Construction
Applicability	Statewide; middle housing (triplexes, quadplexes, sixplexes)
Description	Extend the Oregon Residential Specialty Code to stacked and attached duplexes and change code classification for triplexes, quadplexes, and sixplexes from the Oregon Structural Specialty Code (commercial) to the ORSC (residential).
Why This Helps	Oregon’s land use laws now require cities to allow middle housing, but middle housing development is challenging due to building code standards that apply to some types of housing (e.g. attached triplexes and quadplexes.) BCD added conversion rules for conversion of existing dwellings into 2,3, or 4 dwelling units - which introduced new, broader local flexibility. BCD modified the ORSC to reflect paths for sites having multiple detached dwellings on a single lot, and recently created a two-attached-unit townhouse path. Applying some OSSC requirements to small multifamily buildings significantly increases per-unit construction cost and design complexity. National research shows that applying commercial standards increases costs by 15-40%. Aligning the code classification with the scale and use of these buildings removes a regulatory barrier that directly undermines the state’s middle housing production goals. Participants noted several examples of ways in which OSSC made construction or redevelopment of 3–4 unit middle housing cost prohibitive due to requirements related to relevant and sprinkler requirements. National research suggests that the key topics addressed relate to single-stair, elevators, accessibility, energy code, engineering and permitting.
Implementation Considerations	DCBS would need to develop amended code provisions defining the scope of ORSC applicability for 3- and 4 and 6 unit-buildings for each code update cycle, addressing fire separation, egress, structural loads, and other life-safety standards that may require modification from the single-family baseline. Recent national research proposes creating an appendix to ORSC for these unit types. Legislative authorization may be required. An engagement process involving builders, fire marshals, and local building officials is recommended to adopt standards. Phased implementation with guidance materials would support implementation.

Examples of Successful Implementation Elsewhere	- Alaska: under HB 80 (2026), Alaska requires the Alaska Housing Finance Corporation to adopt the 2018 IRC as the statewide minimum standard for residential structures of one to four units. - North Carolina: under HB 488 (2025), triplexes and quadplexes were reclassified from the more stringent International Building Code (IBC) to the less restrictive IRC. - Utah: under HB 175 and HB 313 (2025), amended IRC Section R101.2 to replace references to “one- and two-family dwellings” with “one-, two-, three-, and four-family dwellings of up to two levels,” and added an exception for triplexes and fourplexes with 2-hour fire-rated shared walls and independent egress per unit. - See a synthesis article: Legislative Trends: Applying the IRC to 3 and 4 Unit Residential Buildings. A July 2026 Report by Boston Indicators describes some of the challenges with a dual-code system that relates to small-scale multi-unit housing and provides examples of cities and states that have implemented code revisions to support small, multi-unit housing. The report recommends that Massachusetts “develop a dedicated section of the building code for small multifamily housing, likely as an appendix to the Residential Code/IRC. This approach would keep the less burdensome residential code as the baseline and facilitate the addition of requirements that are necessary for small multifamily housing, but nothing more.”
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2.2 Expand Permit-Ready Plans to Additional Housing Types

The Local Residential Process Improvement Study (complementary SB 1537 reports) includes a consistent, complementary recommendation, see: [Local Residential Development Process Improvement \(LRDPI\) Study Public Review Draft](#).

Type of Recommendation	Administrative, Legislative
Actor	DCBS, DLCD
Phase of Development	III: Pre-development and Permitting; IV: Construction
Applicability	Statewide; middle housing, wood-frame multi-unit, accessible housing
Description	Expand the pre-approved building plans program to include middle housing types (plexes, townhouses, cottage clusters), and wood-framed multi-unit buildings (including garden apartments). Plans move directly to permit without repetitive structural review. Include complete plan sets, specifications, and applicable minimums.
Why This Helps	May reduce the time, cost, and uncertainty associated with local building permit review. Eliminates redundancy for builders willing to use standardized designs, reducing permitting timelines significantly. This is especially valuable for middle

	housing types that are new to many local jurisdictions and for smaller builders who may not have the resources to commission original designs for each project.
Implementation Considerations	Many cities are not seeing use of permit-ready plans at a local level, so this may not be high impact. Since adoption has been local and recent, BCD and cities should examine what makes permit-ready plans most useful by engaging with builders. Need local jurisdictions to accept state-approved plans. Permit-ready plans are statutorily limited to ≤ 4,000 sq. ft. buildings and would require legislation to change these limits. Expanding permit-ready plans to other unit-types would require consultation with architecture and engineering professional certification bodies. These are the OSBAE (Oregon State Board of Architect Examiners) and OSBEELS (Oregon State Board of Examiners for Engineering and Land Surveying) which are governed by relevant statutes and rules that establish which projects are exempt from architectural and engineering practices.
Examples of Successful Implementation Elsewhere	• Cities with pre-approved plans: Portland, Bend, Eugene, Springfield, Salem, Medford. Note that data measuring usage of permit-ready plans is unavailable. • In progress in rulemaking: Oregon is working through rulemaking related to HB 2258 (2025), allowing preapproved residential building plans up to 12 homes. • States with pre-approved plans: Vermont is creating the 802 Homes Catalog to provide Ready-to-Build Home Plans for cities that opt in as “Development-Ready Municipalities.” Arizona’s SB 1529 (2025) requires municipalities to establish pre-approved housing design plans for single family, duplex, triplex, and ADUs. Utah (HB 368, 2025) allows developers to reuse identical plans approved during the same building code cycle. • See a national resource from Pew Charitable Trusts: Preapproved Building Plans Help Cities Improve Housing Affordability which highlights implementation and usage challenges in Portland.

2.3 Provide User Guides and Statewide Interpretations to Clarify Building Code for Middle and Multi-Unit Housing

The Local Residential Process Improvement Study (complementary SB 1537 reports) includes a consistent, complementary recommendation, see: [Local Residential Development Process Improvement \(LRDPI\) Study Public Review Draft](#).

Type of Recommendation	Technical Assistance; Administrative
Actor	DCBS, DLCD
Phase of Development	III: Pre-development and Permitting; IV: Construction
Applicability	Statewide; middle housing, multi-unit, manufactured, and modular housing
Description	Develop and widely distribute two complementary resources: • User-friendly, brochure-quality guides for specific housing types—such as two-story duplexes, townhouses, cottage clusters, and accessible housing—with examples, checklists, best practices, and plain-language explanations of the differences between DLCD land use definitions and BCD building code definitions. • Additional statewide technical bulletins and interpretations on code application to plex, multi-unit, manufactured siting and modular housing, building on BCD’s existing technical bulletin program to reduce local variation in interpretation.
Why This Helps	Oregon’s land use laws now require cities to allow middle housing types that are new to many builders and local staff. The building codes that apply to these types—and the differences between how DLCD and BCD define them — are creating confusion, delays, and inconsistent local application. User guides reduce the cost of entry for smaller builders and jurisdictions. Statewide bulletins reduce variation across jurisdictions, which is especially valuable for developers working in multiple markets. Together, these tools provide education to simplify processes without requiring statutory changes or building code updates.
Implementation Considerations	DCBS already issues technical bulletins and has produced user guides, which are viewed positively. The opportunity is to systematically cover the full range of housing types now permitted under state law and to align guide content with DLCD’s guidebook on traditional housing choices. Coordination between DCBS and DLCD is critical given overlapping definitions. HAPO should facilitate this resource guide. Guides should be reviewed by builders, local jurisdiction staff, and legal counsel before publication and should be updated each code cycle. At minimum, distribution should include Tribes, HAPO, DLCD, the Building Codes Division, OAPA, LOC, and AOC networks.

Examples of Successful
Implementation Elsewhere

- [DCBS adopted a permanent rule](#) affecting stacked and attached dwellings in 2025. [BCD offers](#) alternate methods, code interpretations, and technical bulletins.
- [Colorado](#) and [California](#) offer ADU Handbooks.

DRAFT

2.4 Prioritize State Funding for Housing and Infrastructure for Needed Housing

Type of Recommendation	Legislative; Administrative
Actor	HAPO, Business Oregon, ODOT, OHCS, DEQ, OHA-DWS
Phase of Development	Phase I–IV
Applicability	Statewide; focused on multi-unit, middle housing, and affordable housing (<80% AMI)
Description	Create funding preferences across multiple housing and infrastructure programs using indicators for needed housing: multi-unit, middle, and affordable housing. These funding preferences for needed housing can apply to programs without federal restrictions at Business Oregon, ODOT, and OHCS. For those programs operating on a first-come first-served (e.g. Special Public Works Fund or Brownfields Revitalization Fund), this approach could be timed to align with the next funding cycle.
Why This Helps	State resources for housing and infrastructure are limited. Prioritizing projects that align with affordable, middle, and multi-unit housing are consistent with the state’s most needed units. Focusing on these housing types maximizes the near-term impact of each dollar invested and advances the state’s goals of promoting housing affordability and choice.
Implementation Considerations	Interagency coordination (facilitated via HAPO) will be required to establish consistent prioritization criteria across programs. Using these prioritization criteria to provide funding preferences should not preclude considerations of other factors such as equity, geography, and local capacity. This approach may not be possible with programs operating under federal standards, and will require phased roll-out for first-come, first-served programs.
Examples of Successful Implementation Elsewhere	• Maryland’s Priority Funding Area program (Smart Growth, adopted 1997) spatially targets state infrastructure funding to areas targeted for growth, covering transportation investment that expands capacity, water and sewer revolving loan funds, economic development assistance, and state leases or construction of new offices. These programs are not limited to housing and relate to economic development as well.

3. Increase Regulatory Clarity and Flexibility

One of the primary directions in SB 1537 (2024) Section 5(3) relates to eliminating regulatory barriers to housing production. Analysis revealed several areas of concern in terms of standards and implementation under the current regulatory structure. Concerns related to UGB statutes, wetlands, and historic preservation were prominent.

The set of recommendations presented below prioritizes recommendations to reduce key barriers within these programs.

3.1 Expand Wetlands Mitigation Purpose and Partnerships

Type of Recommendation	Statute; Rulemaking; Administrative
Actor	DSL, DLCD, Legislature
Phase of Development	Phase I–II
Applicability	Statewide; primarily affects Willamette Valley, coastal areas
Description	Three related recommendations address the limited supply and high cost of wetlands mitigation options in Oregon; taken together, they provide additional opportunities for mitigation that serves a broader range of purposes. • Establish a pilot program of multi-purpose mitigation banks so that various activities—including stormwater management, recreation, and flood control—can contribute funding toward mitigation bank creation and maintenance. Allow detention ponds to satisfy both stormwater management requirements and wetlands mitigation obligations simultaneously, reducing duplicative on-site infrastructure. • Encourage a broader set of mitigation bank sponsors, including tribes, local governments, universities, Soil & Water Conservation Districts, flood control districts, and nonprofits. Assess opportunities to increase coordination among existing and emerging mitigation partners. • Expand Payment-in-Lieu (PIL) opportunities in non-federal contexts to allow developers to pay fees to state agencies or other entities that own wetlands, funding improvements to ecological functions. This creates an additional mitigation pathway and incentivizes stewardship of state-owned wetlands resources.
Why This Helps	The high cost and limited availability of wetlands mitigation credits is among the most impactful barriers for housing development in some communities in the Willamette Valley and coastal areas. Credit prices have been driven up by the small number of approved bank sponsors and the geographic constraints on service areas. Expanding both the types of mitigation that qualify for credit and the pool of entities that can sponsor banks would increase supply, reduce prices, and open more development pathways for housing projects that cannot afford current market rates. Allowing dual-use detention ponds eliminates a redundant requirement that adds cost without additional environmental benefit.
Implementation Considerations	Additional staffing at DSL may be required to support implementation of these programs. Multi-purpose banks would likely require rulemaking to define how stormwater credits can offset mitigation obligations, including a methodology for calculating equivalence and ensuring no-net-loss is maintained. Expanding payment-in-lieu would require statutory change to authorize PIL payments to state agencies beyond the current DSL framework and potentially require DEQ coordination for stormwater alignment. DSL cannot create mitigation banks due

	to statutory limitations, although this constraint could be removed. Otherwise, DSL could encourage new sponsors through outreach, streamlined application processes, and technical assistance without statutory change. All three should be coordinated with the Army Corps of Engineers to ensure federal Section 404 consistency.
Examples of Successful Implementation Elsewhere	• California Department of Water Resources has a Division of Multi-Benefit Initiatives to implement programs for multiple purposes. • King County, Washington Mitigation Reserves Program: a mitigation reserve program that sells credits to developers needing to offset wetlands impacts, using county-managed restoration sites as the mitigation resource. • Charlotte, NC has a municipal “Umbrella and Stream Wetlands Mitigation Bank” with stormwater and wetlands benefits.

3.2 Revise Ratios and Thresholds to Align with Ecological Value

Type of Recommendation	Rulemaking; Administrative
Actor	DSL
Phase of Development	Phase I–II
Applicability	Statewide; primarily affects Willamette Valley, coastal areas
Description	For certain lower-quality wetlands inside or adjacent to urban growth boundaries, revise DSL mitigation thresholds to maintain a no-net-loss standard while reducing the total mitigation required. Separately, reduce the Payment-in-Lieu acreage threshold for wetlands, which currently limits PIL to projects impacting no more than 0.2 acres, making this option unavailable for projects with larger wetland areas.
Why This Helps	Current mitigation ratios were developed to protect ecologically significant wetlands and may not be appropriately calibrated for degraded or lower-functioning wetlands types commonly found in urban areas. A blanket ratio applied to all wetlands regardless of ecological value can impose costs that are misaligned for the resource being protected. Revising ratios for lower-value wetlands and expanding PIL availability would reduce per-unit development costs for infill and small-scale housing projects while maintaining environmental standards for higher-quality resources.
Implementation Considerations	DSL would need to undertake a rulemaking process to revise OAR 141-085 mitigation requirements, including defining the criteria for identifying lower-quality wetlands eligible for revised ratios and the appropriate ratio tiers. Coordination with the Army Corps of Engineers is needed to ensure state standards remain consistent with federal Section 404 requirements. A phased or pilot approach may be more feasible than a statewide program.
Examples of Successful Implementation Elsewhere	• The Washington State Department of Ecology computes mitigation based on functional lift rather than fixed acre ratios that adjust based on wetlands quality, type of compensation, and temporal factors. Higher-quality mitigation in the same watershed means reduced credit requirements.

3.3 Update the Statewide Wetlands Inventory

Type of Recommendation	Technical Assistance
Actor	DLCD, DSL, Legislature
Phase of Development	Phase I–II
Applicability	Statewide; primarily affects Willamette Valley, coastal areas
Description	Use remote sensing to develop a higher-quality statewide wetlands inventory that provides jurisdictions and housing producers with early information about the potential presence of wetlands. DSL has applied for a grant with PSU to improve wetlands inventory quality; this recommendation builds on and scales that work.
Why This Helps	Without a current, comprehensive statewide inventory and lacking LWIs in many cities, developers and local governments frequently discover wetlands constraints late in the development process—after significant investment in site acquisition, design, and financing. Earlier information improves pace and reduces cost, allows more realistic project planning, and helps jurisdictions avoid counting constrained land in Housing Capacity Analyses.
Implementation Considerations	Likely requires significant investment for a statewide inventory. Target urban areas or cities and communities without recent Local Wetlands Inventories as a priority. A pathway for DLCD and DSL to develop a Goal 5-aligned statewide inventory could be explored.
Examples of Successful Implementation Elsewhere	• Wisconsin Wetlands Inventory • Modeled Wetlands Inventory for Western Washington

3.4 Utilize the SHPO Inventory to Identify and Communicate Areas of Potential Historic and Cultural Resource Sensitivity

Type of Recommendation	Technical Assistance
Actor	SHPO, DLCDC
Phase of Development	Phase I–II
Applicability	Statewide; all housing types; particular benefit for areas with known historic districts, and areas of archaeological or cultural sensitivity within local jurisdictions with limited local preservation expertise
Description	Direct SHPO to work actively with tribal representatives and the housing development community to create an online early screening tool for evaluating the potential presence of historic and cultural resources at the Oregon SHPO. Produce updated GIS layers from the database—covering listed and eligible historic properties, archaeological survey coverage, and areas of known sensitivity—and make them more readily accessible to qualified developers, local planning staff, and pre-application consultants while protecting sensitive archaeological and cultural information. The goal is to identify historic properties and areas of archaeological or cultural resource sensitivity information earlier in the development process and encourage coordination among Tribes, project proponents, and state and local governments, before significant site investment is made, reducing late-stage surprises and costly project redesigns.
Why This Helps	Cultural resource constraints are most costly when they are discovered after a project is already in design, financing, or permitting. A developer who learns about the presence of a historic property or an area of archaeological or cultural resource sensitivity during a pre-application records check can adjust site planning, consult with SHPO and tribal representatives early, or seek out alternative sites—all options that become progressively more expensive as the project advances. Currently, Oregon’s SHPO inventory is underutilized and only available to qualified archaeologists. Making the data more visible, more usable, and more actively communicated to the development community reduces the information asymmetry that drives late-stage discoveries and process delays. It also allows local planning staff—particularly in smaller cities without historic preservation officers or staff—to incorporate historic properties and areas of archaeological or cultural resource sensitivity into pre-application guidance.

Implementation Considerations	The current SHPO inventory lacks complete, reliable, and accessible survey data. Coverage includes less than 20 percent of the state surveyed for archaeological resources, and more than 20,000 records are still undigitized. The SHPO inventory of historic properties also has significant gaps and may not include resources identified in Tribal or local sources. Tribes may be hesitant to share sensitive cultural resource information due to limited protections from public disclosure. Building a more complete and accessible inventory will require close consultation with Tribes and local jurisdictions, as well as significant funding and time. Expanding the current public-records exemptions for archaeological sites in ORS 192.345 to include culturally significant Tribal information, and additional statutory or rule changes, so that project proponents, their representatives, and local governments have access while protecting sensitive data. A statewide predictive model based on existing information could help identify areas with potential sensitivity and guide further investigation and consultation. SHPO should also develop written guidance on how developers and local staff can use the inventory productively in pre-application screening, what the inventory does and does not tell them, and how to request further records review. Outreach through OAPA conferences, LOC workshops, and builder association trainings would improve use and uptake.
Examples of Successful Implementation Elsewhere	• Washington: WISAARD system (Washington Information System for Architectural and Archaeological Records Data): a GIS-based platform containing the full inventory of historic and archaeological resources, survey coverage maps, and state and National Register listings. Public-facing map layers are freely accessible through ArcGIS Online; sensitive archaeological site coordinates are restricted to verified users through a Memorandum of Understanding. Developers and planners routinely use WISAARD for early project screening. • New Jersey: Cultural Resources GIS program (CRGIS) with publicly accessible data layers for built environment resources through “Look Up Cultural-resources for Yourself,” or LUCY. Note that data layers containing archaeological information are visualized through half mile cells that indicate the general location of the asset. • Massachusetts: Cultural Resource Information System (MACRIS), available in both database and mapping formats and providing access to state inventory forms and National Register documentation. • Oregon: The City of Salem maintains a GIS-based platform for their Historic and Cultural Resource Protection Zone. This tool provides high-level guidance to users whether a property is within the Historic and Cultural Resource Protection Zone or not. The map also details if further action is required to comply with their archaeological compliance program. The actual zone boundary is not accessible by the public and is generalized to protect specific locations of resources.

3.5 Re-authorize UGB Expansion Area Planning Grants

Type of Recommendation	Legislative
Actor	Legislature, DLCD
Phase of Development	Phase I and II: Land Readiness and Project Concept/Feasibility – Backbone Infrastructure
Applicability	Related to “urbanizable lands” within UGBs but not yet added to city limits; primarily greenfield development
Description	UGB Expansion Area Planning Grants provide support for comprehensive planning of unannexed land within recently added UGBs. The goal is to provide funding to cities, so they can address infrastructure, natural resources, and natural hazards issues in advance of zoning, which provides greater certainty to property owners and other entities considering housing development. The program offered \$500,000 of grants in 2026. The legislature should re-authorize the UGB Expansion Area Planning Grant Program.
Why This Helps	This addresses gaps in the planning of infrastructure, natural resources, natural hazards and other issues that impact housing development. When cities add land to UGBs, they struggle to complete the planning and infrastructure investment steps to make land available for development.
Implementation Considerations	Requires legislative funding, which may be politically challenging.
Examples of Successful Implementation Elsewhere	• DLCD UGB Expansion Area Planning Grants

4. Deepen Support for Communities (especially small communities)

Oregon is unique in operating a statewide planning program that applies to all 241 municipalities and 36 counties. Oregon is a place of mostly small cities with 181 cities under 10,000 in population. Nearly 40 percent of the state’s population resides in cities under 10,000 in population.

Cities of all sizes noted challenges keeping up with required local development code updates due to legislation and rulemaking in recent years. OHNA and CFEC processes added to the workload for larger or metropolitan cities.

Smaller cities also noted challenges with navigating and applying for infrastructure funding due to limited knowledge and capacity.

These recommendations aim to simplify processes, amplify useful data, offer navigation support, and targeted resources, especially for smaller communities.

4.1 Simplify the Land Use Planning Process for Cities Under 10K

Type of Recommendation	Statute; Rulemaking; Administrative
Actor	DLCD, Legislature
Phase of Development	Phase I – Land Readiness
Applicability	Cities under 10,000 in population with basic Goal 10 obligations
Description	Given their limited capacity and greater constraints, reduce the planning burden on cities smaller than 10,000 that are either 1) are growing faster than 5% within a 10-year time period, 2) have exhausted developable, urbanizable land inside the UGB; or 3) have environmental or infrastructure constraints. To those cities, offer targeted technical assistance and streamlined processes for housing capacity analysis, buildable lands inventories, and UGB expansions. The state could provide support for HCAs using statewide data to create state-supported Buildable Lands Inventories. Rulemaking would revise Division 38 rules to streamline UGB expansion for cities between 2,500 and 10,000.
Why This Helps	Cities under 10,000 are not subject to the same HCA update requirements as larger cities but still face land supply constraints and the same procedural requirements for UGB expansions. The current system imposes disproportionate burden on smaller communities. Streamlined pathways appropriate to their scale would allow small cities to address land needs without the cost and timeline of full Division 38 proceedings.
Implementation Considerations	Sequencing matters: these changes should follow OHNA implementation and early outcomes from Goal 14 and one-time UGB expansion provisions. Division 38 rules could be revised with a focus on cities without HCA update requirements, and targeted to specific cities based on population growth, land availability, and existing infrastructure or environmental constraints.
Examples of Successful Implementation Elsewhere	• Washington’s Growth Management Act offers a model for distinguishing requirements for counties and cities based on size and growth rate. Washington applies full planning requirements only to the state’s fastest-growing counties, with limited requirements for smaller and slower-growing jurisdictions. Cities under 25,000 can adopt county-level critical area regulations by reference rather than developing their own, reducing local burden.

4.2 Navigation Support for Small Cities

Type of Recommendation	Administrative; Technical Assistance
Actor	HAPO, Regional Solutions, Multiple state agencies
Phase of Development	Phase I–II
Applicability	Statewide; particular benefit for smaller jurisdictions and smaller developers
Description	Examine the current opportunities for coordination through Regional Solutions and HAPO. Establish a single communication point for housing producers and local governments to interface with state agencies, special districts, and other non-local entities. The state needs strengthen and align its navigating role on behalf of local governments and developers, connecting them to appropriate agency resources and processes. This recommendation should be coordinated with concurrent permitting and address two related but distinct needs—navigation and single-point communication versus formal concurrent review. HAPO can continue to play a role in its legislatively assigned TA functions of helping communities navigate housing related laws.
Why This Helps	Housing producers and smaller local governments struggle to identify which agencies to contact, when, and in what sequence for a given project. The cost of navigating regulatory complexity falls disproportionately on smaller developers and jurisdictions that cannot afford experienced consultants. A centralized navigation function reduces this burden and improves application quality, which in turn reduces review cycles.
Implementation Considerations	Implementation will require finding clarity in function, minimizing duplication, and thus maximizing services from established navigation programs and functions, like Regional Solutions and One Stop and new capacity in the area through HAPO.
Examples of Successful Implementation Elsewhere	- California’s Housing and Community Development department operates a Housing Planning Hub to offer statewide technical assistance, toolkits, and navigator support to help local governments implement housing laws—with particular emphasis on smaller jurisdictions that lack in-house capacity. HUD’s Thriving Communities Technical Assistance program provides navigator-style support to local governments linking transportation funding to housing production, prioritizing communities under 250,000 in population.

5. Strengthen What is Working and Monitor Progress

The state has passed dozens of bills related to housing and land use over the past decade. Cities of all sizes have noted the challenges keeping their development codes up to date and training staff. Frequent and rapid statutory and rule changes create ongoing implementation challenges for local governments, increase uncertainty for developers, and produce overlapping or inconsistent requirements.

Research over the past eight years has revealed that cities do not know what policies are working to increase housing production.²⁰ Focus group conversations reiterated that there is limited tracking or understanding of which policies are making a difference in housing production. Within the survey, 38 percent of respondents thought that state agency actions have slightly or significantly increased housing production in the last three years, while 28 percent thought state agency actions slightly or significantly decreased housing production. A quarter of respondents see no impact while nine percent don't know if state agency actions are impacting housing production. DLCD's Housing Outcomes Tracker and OHNA monitoring will provide some evidence of which cities are producing specific types of housing and achieving production goals, but time to allow implementation and better data is needed to measure what policies are effective at increasing production. Engagement suggests that some recent changes are making a difference including HB 2001 (2019), LIFT, infrastructure funding, building codes, and legislation related to clear and objective standards.

Our study revealed areas where perceptions imply that state regulations and programs are not working as intended. Further, state agencies do not track permit timelines in the same manner as local governments, making it difficult to quantify the time and cost delays associated with state review. Data can inform a more nuanced understanding of barriers translating to time and cost impacts.

Given recent progress on housing production, the state should understand what has been implemented and whether the policies are moving in the right direction. This recommendation centers on monitoring and evaluating policies that are already in place by slowing the pace of legislative and rulemaking change.

²⁰ Institute for Policy Research and Engagement. (2018) *Oregon's housing affordability crisis: Results of a statewide survey of Oregon cities*. University of Oregon.

5.1 Develop a Dashboard to Track Timelines for State Agency Review

Type of Recommendation	Administrative
Actor	HAPO, DSL, DEQ, ODOT, SHPO, OHCS
Phase of Development	Phase I–II
Applicability	Statewide, all housing types
Description	Provides a public-facing and internal agency-facing dashboard to create transparency and accountability. Coordinate with the Joint Permitting Council established by HB 4084 (2026.) Not all agencies track and report timelines for reviewing permits. Incomplete applications sometimes delay agency review. Under a centralized system operated by HAPO, a dashboard will convey target timelines (when they apply), actual time, and responsible parties. Provides information rather than adopting a rule to set up a specific timeline for state agency review.
Why This Helps	Provides predictability and transparency to the development process to better plan financing and manage timelines. Better data on timelines can inform future statutory policy, staffing investments, and measure how delays affect the cost of construction.
Implementation Considerations	Effective implementation will require buy-in and participation from affected state agencies. Agencies will need to define critical steps in the review process and commit to updating status data. Data infrastructure varies across agencies. Completeness is a factor that affects agency review timelines. More staffing may be required to speed up timelines in some cases, and the price tag for developing a system to collect, synthesize and report this data could be considerable. Could start with a phased approach with DSL, SHPO, and DEQ.
Examples of Successful Implementation Elsewhere	• Pennsylvania Red Tape Reduction: provides a dashboard for tracking permits. • Virginia’s Permit Transparency (launched 2022): provides daily updates for 50 types of permits; sets actual vs. target timelines, elapsed time, and responsible parties. Started with DEQ and expanded to include Energy, Marine Resources, Transportation, and Conservation and Recreation. • The Federal FAST-41 Permitting Dashboard (established 2024): project-specific permitting milestones, responsible agencies, and actual vs. target timelines for large infrastructure projects.

5.2 Track Progress on Recently Adopted Reforms

Type of Recommendation	Statute; Intergovernmental Agreement
Actor	Legislature; State Agencies
Phase of Development	Permitting, Post-Occupancy
Applicability	Statewide; all housing types
Description	Invest resources in developing statewide analysis of building permits, state permitting timelines, and housing production by type. Provide for data standardization and sharing between and among local and state entities. Build on and complement existing reporting requirements under ORS 197A.110 (the Permitted and Produced study), while addressing gaps in that study—particularly the considerable burden currently placed on local governments to complete it.
Why This Helps	Without systematic data on how recent reforms are affecting housing production, the state cannot identify what is working, what needs adjustment, or where additional investment is most needed. Better data supports more evidence-based policy decisions and reduces pressure for further legislative action before existing reforms have been adequately evaluated.
Implementation Considerations	This requires sustained investment rather than a one-time effort. Data standards must be developed collaboratively with local governments and agencies to be usable and comparable. The Legislature should consider dedicated funding and clear agency assignments for ongoing housing production monitoring. Reporting burden on cities should be minimized through standardized systems and state-provided tools.
Examples of Successful Implementation Elsewhere	• Washington State’s Buildable Lands Program, established under the Growth Management Act, requires the state’s seven fastest-growing counties to collect development data annually and report on whether residential development is occurring at the densities envisioned in comprehensive plans. Recent GMA amendments (SB 5290, 2023) further require covered jurisdictions to report annual permit volume and timeline data to the state Department of Commerce by March 1 each year and to post that data publicly. • Washington’s Affordable Housing Advisory Board publishes an annual progress report to the Legislature tracking the state’s progress toward meeting affordable housing needs, including a dashboard showing county-level progress. • California publishes annual progress reports on local housing production against state-mandated housing element goals, enabling state oversight and targeted technical assistance to lagging jurisdictions. • Oregon’s own ORS 197A.110 (Permitted and Produced study) provides a legislative foundation that could be strengthened and standardized.

5.3 Provide Support for Streamlining Data Collection and Reporting

The Local Residential Process Improvement Study (complementary SB 1537 reports) includes a consistent, complementary recommendation, see: [Local Residential Development Process Improvement \(LRDPI\) Study Public Review Draft](#).

Type of Recommendation	Statute; Technical Assistance
Actor	Legislature, DCBS, DLCDC, OHCS
Phase of Development	Phase V
Applicability	Statewide; all housing types
Description	Since 2018, DLCDC has been collecting data on housing production in certain cities over 10,000. In 2025, data collection moved to the Portland State University Population Research Center. OHCS publishes the data on an OHNA Production Dashboard. DLCDC is rolling out a Housing Production Tracker to track the effects of recent legislation. Current data systems do not track the data in a consistent, manageable format and create an administrative burden for local governments. To ease the reporting burden and improve data quality: (1) Adopt consistent data standards for county assessor and city permitting data. (2) Provide technical support to update local data systems. (3) Ensure that the Accela permitting platform is deployed consistently across jurisdictions currently using it and allow local governments to opt in to Accela to meet state reporting requirements.
Why This Helps	The absence of standardized, machine-readable permit and production data across Oregon jurisdictions makes it difficult to assess housing output, evaluate policy effects, or identify where production is lagging. Inconsistent use of platforms like Accela means the state cannot aggregate local data without substantial manual effort. Standardization reduces local reporting burden while improving the quality and timeliness of statewide housing data.
Implementation Considerations	Implementation requires coordinated and increased funding across agencies in shared data standards and infrastructure. Inconsistent use of platforms like Accela means the state cannot currently aggregate local data without substantial manual effort, so a phased rollout focused on the highest-volume jurisdictions first may be the most practical path forward.
Examples of Successful Implementation Elsewhere	- Utah's Ivory-Boyer Construction Database tracks building permits across the state at a granular level by jurisdiction, value, and type. Maryland's Property View system and Florida's Department of Revenue Tax Roll offer downloadable, standardized state level assessor data with details about ownership, valuation, use, and structure.

- Several Oregon cities already use Accela; a improving functionality of Accela could reduce per-jurisdiction costs while enabling data aggregation.

Complete List of Recommendations in Report

The tables below aggregate the recommendations from each chapter of the report. This table summarizes the topic area, recommendation title, short description, what problem the recommendation solves, the type (statute, rulemaking, administrative, technical assistance, local), and agencies responsible for implementation.

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
Land Use Planning & Land Availability	Adjust planning horizons in HCA	Adjust the required planning horizon from 20 to 30 years to reduce the frequency of UGB expansions and allow time for functional planning for infrastructure provision.	Shorter planning horizons require more UGB expansions, which can strain local capacity.	Statute; Rulemaking	DLCD	3
	Revise rules governing Buildable Lands Inventories related to wetlands in Chapter 660 Division 8 to exclude or discount certain wetlands	Revise rules governing buildable lands inventories to exclude or discount both locally significant and non-significant wetlands regulated by DSL to better reflect actual development constraints. Consider a discount approach for potentially regulated wetlands or waters as determined by DSL.	Current definition of buildable lands may overestimate land availability by including wetlands regulated by DSL, which are often difficult and costly to develop or mitigate. In practice, many local governments may discount DSL regulated wetlands already in their BLI.	Rulemaking	DLCD, DSL, Legislature	3
	Incentivize cities to designate urban reserve areas (URAs)	Encourage cities to adopt urban reserves and exempt those with URAs from the full alternatives analysis. Provide priority access to infrastructure funding for cities with urban reserves.	Encourages forward-thinking considerations about UGB expansions and urbanizable land to simplify and streamline the process.	Statute; Rulemaking	DLCD	3

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
	Fund UGB Expansion Area Planning Grants	Continue grants funding comprehensive planning for newly added UGB land; re-authorize for the next biennium.	Cities struggle to complete planning and infrastructure investment steps needed to make newly added UGB land development-ready.	Legislative	Legislature, DLCD	3
	Promote greater efficiency under future UGB expansions	Revise the priority scheme and/or locational factors to exclude “exceptions lands”. Examples to implement this recommendation may include acreage limits, sunset provision or extraordinary need thresholds. Note: Cities would still need to demonstrate housing need as required under existing rules before utilizing this revised approach.	Current priority scheme may result in UGB expansions into lands that are unlikely to develop at urban densities.	Statute; Rulemaking	DLCD, Legislature	3
	Provide resources for jurisdictions on application checklists and processes	Offer multiple examples of standardized application process checklists to help local governments standardize land use application procedures and guidance.	Inconsistent local intake and completeness review processes can create confusion and repeat review cycles.	Administrative; Rulemaking	DLCD, Local	3
	Simplify and support local implementation of housing-related legislation and rulemaking	Provide expanded support—including funding, technical assistance, and staff training resources—to help local governments keep development codes current and staff trained on recent legislative	The volume and complexity of recent housing legislation exceed the implementation capacity of many local governments.	Statute; Rulemaking; Technical Assistance	Legislature, DLCD	3

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
		and rulemaking changes.				
	Use a regional approach to providing technical capacity	Fund a pilot program for shared regional planner positions to extend technical assistance to smaller cities and rural jurisdictions lacking full-time specialized planning and legal staff.	Smaller jurisdictions lack the staff capacity to implement complex state housing requirements or access available programs.	Administrative; Statute	DLCD	3
Design & Construction Review	Create brochure-quality user guides for specific housing types*	Develop user-friendly guides (e.g., for two-story duplexes) with examples, checklists, and best practices. Explain differences in definitions between DLCD and BCD.	Building codes applicable to middle housing are difficult for housing producers to understand and apply consistently.	Technical Assistance	DCBS, DLCD	3
	Expand use of statewide interpretations and technical bulletins*	Issue additional statewide bulletins related to plex, multi-unit, manufactured (site related), and modular housing.	Inconsistent local interpretation of building codes adds uncertainty and cost for housing producers.	Administrative	DCBS	3
	Postpone adopting additional mandatory energy efficiency goals beyond HB 3409	Temporarily pause legislation that would require additional energy code updates to meet efficiency targets.	Recent energy code updates have increased construction costs before prior changes were fully absorbed.	Rulemaking; Administrative	DCBS	3
	Apply ORSC to 3-4 unit buildings instead of OSSC*	Extend residential code guidance to stacked and attached duplexes, triplexes, quadplexes, and sixplexes, following examples in Alaska, North Carolina, and Utah.	Current commercial code classification increases cost and complexity of permitting middle housing types.	Statute	DCBS, Legislature	3
	Expand permit-ready plans	Expand pre-approved building	Repetitive plan review adds time	Statute;	DCBS, Legislative	3

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
	program to additional housing types*	plans to include middle housing (triplexes, townhouses, cottage clusters), and wood-framed multi-unit buildings that can move directly to permit.	and cost to producing common housing types that could instead use standardized, pre-reviewed designs.			
	Assess existing master planning programs	Review master plan review program to determine if there is a process barrier to expanded use. Engage directly with builders.	Per-project permitting burden and unpredictability reduce housing production efficiency for phased developments.	Administrative; Technical Assistance	DCBS	3
	Delay next building code cycle for 6 years	Postpone ORSC and OSSC building code updates to 2031 to provide temporary reprieve for cities and producers of housing.	Local staff and producers are struggling to keep up with frequent changes to building codes.	Statute; Administrative	DCBS, Legislature	3
Wetlands Regulations & Incentives	Increase period delineation report findings are valid.	Revise the period delineation report findings are valid from five years to ten to make the provisions of OAR 141-090-0045(4) automatic rather than require reissuance.	Approved delineation report findings are typically valid for five years unless new information necessitates <u>for</u> revision. Delineations are timely and expensive, and extending their expiration date would prevent the need for restarting the process.	Rulemaking	DSL	3
	Revise process for alternatives analysis in removal-fill permits	For projects proposed within a UGB, ensure alternatives analysis for removal-fill permits does not consider land outside the UGB or land that is not development-	Current alternatives analysis may require consideration of non-viable sites, increasing process burden without meaningful	Rulemaking	DSL, Legislature	3

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
		ready. The alternatives analysis must fully consider land inside the UGB that can be redeveloped.	environmental benefit.			
	Encourage mitigation banks to serve multiple purposes	Encourage multi-purpose mitigation banks funded by multiple activities (wetlands, stormwater, recreation, flood control). Consider allowing detention ponds to serve dual mitigation and stormwater management purposes.	Limited mitigation opportunities and high credit costs create cost and feasibility barriers for housing development.	Statute; Rulemaking	DSL, Legislature	3
	Encourage a broader set of mitigation partners	Encourage creation of new mitigation banks run by local governments, universities, tribes, Soil & Water Conservation Districts, flood control districts, and nonprofits. Assess opportunities to increase coordination among mitigation partners.	The limited pool of mitigation partners restricts supply and sustains high mitigation credit costs.	Administrative	DSL	3
	Expand opportunities for monetary investment in wetlands preservation (Payment-in-Lieu)	Expand Payment-in-Lieu options to allow developers to pay fees to state agencies that own wetlands to fund ecological improvements, creating an additional mitigation pathway.	Current mitigation options are limited and costly; expanding Payment-in-Lieu pathways would improve feasibility for housing on wetland-adjacent sites.	Statute; Administrative	DSL, Legislature	3
	Revise mitigation guidelines for ratios and Payment-in-Lieu thresholds	Consider a system that treats wetlands based on ecological value. For certain	Current mitigation ratios for lower-value wetlands increase housing development	Rulemaking; Administrative	DSL	3

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
		wetlands with lower ecological value, revise mitigation thresholds to ensure no-net-loss while reducing total mitigation required. Reduce the Payment-in-Lieu threshold for lower-quality wetlands.	costs without proportionate environmental benefit.			
	Provide examples and fact sheets to describe the review and approval processes	Provide case studies, fact sheets, and example applications to support the wetlands permit application process and reduce consultant dependency.	Navigating the wetlands permit process is complex; better resources would improve application completeness and reduce review cycles.	Technical Assistance; Administrative	DSL	3
	Expand opportunities for non-wetlands uplands development during LWI adoption	Allow development to proceed in uplands areas while a Local Wetlands Inventory is being adopted, based on a DSL-approved wetlands determination or delineation.	LWI adoption timelines delay housing development in urbanizing areas where uplands locations are already known to be developable.	Rulemaking	DSL, DLCD	3
	Advanced Aquatic Resource Planning in areas planned for development or UGB expansion	Encourage AARP at the local level to enable system-wide thinking about wetlands protection and mitigation opportunities for wetlands that are not federally regulated. Target unannexed areas, large undeveloped areas with wetlands within existing UGBS and UGB expansion areas.	Project-by-project wetlands review creates uncertainty for housing producers; earlier system-level data would reduce costs and delays.	Technical Assistance; Administrative; Rulemaking	DSL, DLCD	3

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
	Encourage cities to adopt and update Local Wetlands Inventories with incentives	Continue providing technical assistance and funding for cities adopting and updating LWIs. Promote LWIs as a planning-stage tool for identifying wetlands locations. Provide expedited review for removal-fill for non-locally significant wetlands for cities with an LWI.	Without LWIs, wetlands locations are uncertain until project-level review, creating late-stage surprises for housing producers.	Administrative; Legislative	DLCD, DSL, Legislature	3
Historic Preservation & Cultural Resources Review	Publicize SHPO training and resources for local governments and housing producers	Publicize SHPO annual training for local staff on changing requirements and archaeology, and promote specific federal trainings related to historic preservation.	Local government staff and housing producers are often unaware of available SHPO training resources. Local governments and housing developers experience challenges navigating SHPO consultation.	Technical Assistance	OPRD	3
	Engage with Tribal Government partners on fast-tracking archaeological permitting	Explore changes to when applicants are eligible for expedited archaeological permitting for projects with a qualified archaeologist and Inadvertent Discovery Plan; consider cultural survey exemptions for low-likelihood sites; develop solutions in alignment with Tribal Government processes and priorities.	Archaeological review adds time and cost to housing projects and solutions must be developed in a way that respects tribal cultural resource priorities.	Rulemaking; Statute	OPRD, Legislative Commission on Indian Services	3
	For state projects, change the definition of archaeological	For projects without federal involvement or subject to local	Common buried infrastructure is routinely flagged in archaeological	Statute	OPRD, Legislature	3

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
	resources to exclude buried infrastructure	landmarks board review, exclude out-of-use infrastructure from meeting the state definition of an archaeological site (tracks, sidewalks, etc.) from permitting review.	review, consuming state review capacity without commensurate preservation benefit.			
	Create administrative rules for built environment historic resources under ORS 358.653	Expand administrative rules to address gaps in processes applicable to above-ground historic resources.	Gaps in administrative rules for above-ground historic resources create uncertainty in development review and limit predictable pathways.	Rulemaking	OPRD	3
	Share federal guidance on navigating hazardous material abatement processes (radon, lead)	SHPO and DLCD publicize guidance and HUD trainings to help developers understand HUD environmental review for lead and radon.	Housing producers lack knowledge about current HUD environmental review requirements for common conditions in older buildings.	Technical Assistance; Administrative	OPRD, DLCD	3
	Study legality of reducing duplicated reviews through local/state agreements	Study whether review authority can be delegated to local historic preservation ordinances under SHPO agreements to eliminate duplicative review, using the Special Assessment or Certified Local Government (CLG) program as a model.	Simultaneous local and state historic review adds time and cost where local ordinances may already provide equivalent protection.	Administrative	OPRD, Local	3
	Utilize SHPO inventory to identify areas with potential historic and cultural resources	Work with the development community to encourage use of the SHPO inventory for initial evaluation of	Applicants often encounter historic resource requirements late in the development process, when	Administrative	OPRD	3

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
		historic and cultural resources. Produce updated GIS layers from the database to make information more accessible.	modifications are more costly.			
Infrastructure Capacity (Transportation, Stormwater, Drinking Water, Wastewater)	Clarity around design standards and stormwater requirements	DEQ issues consistent statewide guidance on key terms and standards. Require all local jurisdictions to publish current design standards and stormwater requirements on their websites.	Producers of housing face difficulty understanding which local regulations apply, where to find them, and inconsistent terms and standard across communities.	Statute; Administrative	DEQ, Local, Legislature	3
	Support neighborhood- and district-level stormwater facilities for infill	Provide support for developing neighborhood- and district-level stormwater facilities to serve infill lots where individual on-site management is prohibitively costly or technically difficult.	Infill development is stalled in many locations by the cost and difficulty of meeting on-site stormwater requirements.	Administrative; Statute	DEQ, DLCD, Local, Legislature	3
	Update EDU calculation for jurisdictions with development moratoria	Study and update the Equivalent Dwelling Unit calculation to be tailored to unit type rather than consistent across all cities and unit types.	Outdated EDU calculations contribute to infrastructure moratoria that prevent housing production in communities with capacity constraints.	Rulemaking	DEQ	3
	Jurisdictional transfer of state roads to local governments	Facilitate transfer of certain state-owned roads to local governments to streamline development review, eliminate duplication, and align road management with local land use goals.	ODOT mobility standards applied to state roads create additional review requirements that delay housing development.	Administrative; Statute	ODOT, Local, Legislature	3

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
		Transfer facilities before redesign so local standards apply.				
	Provide technical assistance for infrastructure planning	Expand technical assistance for infrastructure master planning to ensure a 10-year land supply of serviced, development-ready land.	Many jurisdictions lack the planning capacity to move land from unserved to development-ready status, limiting housing supply.	Legislative	DLCD, HAPO, Legislature	3
	Clarify when ODOT Mobility Standards apply	Clarify when ODOT mobility standards apply versus local mobility standards to reduce confusion and delay in development review.	Uncertainty about whether transportation capacity barriers are due to local or state regulation creates unpredictability for housing development.	Administrative; Technical Assistance	ODOT, DLCD	3
	Coordinate with local governments about ODOT plans for state transportation facilities	Where ODOT facilities are adjacent to land zoned for housing, work with local jurisdictions to coordinate Oregon Highway Plan mobility targets with allowed zoning.	Misalignment between ODOT facility plans and local zoning creates regulatory barriers to housing development.	Rulemaking; Administrative	ODOT	3

Chapter 4 — Financial Incentives and Technical Assistance

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
Infrastructure Funding Programs	Expand eligibility in infrastructure funding programs	Remove or revise eligibility restrictions that exclude infrastructure providers or private and nonprofit developers from certain programs where federal law does not prohibit.	Eligibility rules for infrastructure programs limit who can access funding, reducing the pool of projects that can move forward.	Statute; Rulemaking	OHCS, Business Oregon, DLCD, ODOT	4

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
		Encourage public entities to work with private and nonprofit developers through programs like the Housing Infrastructure Financing Program				
	Audit use of existing infrastructure funding sources and revise program terms to facilitate use	Identify undersubscribed funds including the Transportation Infrastructure Bank and others. Partner with agencies to do outreach to potential users and consider adjusting financing provisions to encourage use.	Available infrastructure funding is undersubscribed because potential users are unaware of it or find program terms unattractive.	Technical Assistance	Business Oregon, ODOT	4
	Further prioritize housing-related projects for ODOT funding	Based on the SB 1537 infrastructure evaluation, give scoring preference to housing-related projects for TGM, Quick Response, and other large-scale ODOT infrastructure funding.	Transportation funding decisions are not consistently aligned with housing production goals, missing opportunities to invest in infrastructure that unlocks housing supply.	Administrative	ODOT, DLCD	4
	Reform TIF statutes	Oregon's Urban Renewal statutes currently require a declaration of blight for TIF use. Reform statutes to allow TIF for infrastructure provision in areas without blight findings.	The blight requirement limits the geographic reach of TIF as an infrastructure financing tool, excluding many areas where housing investment is needed.	Statute	Legislature	4
	Harness expertise of nonprofit and private developers in program design	Leverage developers' knowledge of program gaps when designing or redesigning infrastructure funding programs, particularly where local government experience with	Infrastructure programs designed without input from developers may not address real-world barriers to housing production.	Administrative	Business Oregon, DEQ, DWS	4

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
		infrastructure provision is limited.				
	Expand Housing Infrastructure Financing Program	Expand the Business Oregon Housing Infrastructure Finance Program to provide additional funding for housing-related infrastructure.	Demand for housing infrastructure funding exceeds current program capacity, limiting the number of shovel-ready projects that can move forward.	Statute; Technical Assistance	Business Oregon, DLCD, Legislature	4
	Publicize training for cities and housing producers on how to apply for state infrastructure funding	Publicize technical assistance and training from Regional Solutions, RCAC, and agency-specific sources so cities can more effectively access HIFP and similar programs.	Many local governments and housing producers are unaware of available infrastructure funding sources or how to apply for them.	Technical Assistance	Business Oregon, Regional Solutions	4
Affordable Housing Funding & Support	Legislative investments should include prioritization criteria for ORCA project selection	Establish clear prioritization criteria for ORCA to improve predictability for developers, including OHNA housing need and feasibility criteria developed under Section 16.	Lack of transparent ORCA prioritization creates uncertainty for developers and may not direct limited funding to highest-need projects.	Legislative	OHCS	4
	Add state funding as a tiebreaker criteria to relevant funding programs	Add “state funding” to the existing list of tiebreaker criteria that OHCS uses when receiving multiple competitive or same day applications.	There is not an existing process for certain OHCS programs to leverage funding from across the state enterprise.	Administrative	OHCS	4
	Increase clarity about subsidy limits and per unit cost caps by development type	Increase access to information related to subsidy caps and per unit cost based on type of development (new construction vs. rehabilitation vs. acquisition); Include methods that determine amounts.	Developers lack clarity on how decisions about how subsidy limits and caps on per unit costs are determined and when they apply.	Administrative	OHCS	4

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
	Expand predevelopment and pre-acquisition funding	Increase funding within OHCS predevelopment programs earlier in the development cycle. Provide loan programs available before site control is established to enable affordable housing developers to compete in fast-moving land markets.	Affordable housing developers cannot access funding early enough in the development cycle to compete with market-rate developers for sites.	Statute; Administrative	OHCS, Legislature	4
	Collect data on construction start and completion for projects utilizing OHCS funds	Produce a construction report that collects data on time from funding allocation to construction start and certificate of occupancy. Identify challenges that developers face to control for issues earlier in the process.	Limited data available for construction completion that could inform early support or technical assistance or provide additional context on project feasibility	Administrative	OHCS	4
	Establish agreement between OHCS and DEQ related to Phase I review	OHCS and DEQ develop a programmatic agreement for DEQ to review Phase I environmental assessments as part of the ORCA process.	Separate Phase I review by DEQ adds time and coordination burden to affordable housing project approvals.	Administrative	OHCS, DEQ	4
	Work directly with developers on MIRL	Restructure MIRL so OHCS works directly with developers rather than through local government intermediaries. Allow local governments to authorize participation via resolution instead of ordinance.	Local government complexity and resistance to MIRL participation limits program uptake and slows affordable housing production.	Statute	Legislature	4
	OHCS use strategic plan to communicate how it operationalizes developer feedback	Continue OHCS input sessions with housing producers and demonstrate responsiveness through the strategic plan and program design.	Developers report providing feedback to OHCS without visible changes to programs, reducing trust in the input process.	Administrative	OHCS	4

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.

Chapter 5 — Priority Recommendations

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
1. Prioritize Resources for Immediate Production	1.1 Re-authorize the Housing Infrastructure Finance Program	Legislature should re-authorize, re-capitalize, and expand HIFP, which was oversubscribed 4x available funds last biennium.	Infrastructure funding gaps hold back housing production; flexible HIFP funding leverages other capital.	Legislative	Legislature, Business Oregon	5
	1.2 Use Readiness to Target State Funding Under Non-Federally Restricted Programs	Create funding preferences using readiness indicators (funding sufficiency, design completion, site control, permitting feasibility) per the Infrastructure Considerations Report, for non-federally-restricted programs.	State housing/infrastructure resources are inadequate; prioritizing ready projects maximizes near-term impact per dollar invested.	Administrative	Business Oregon, DLCD, ODOT, OHCS	5
	1.3 Provide a Centralized Process for State Permitting	Direct HAPO, with Regional Solutions, to build a concurrent-permitting framework across agencies, aligned with HB 4084 and the federal FAST-41 model.	Producers navigate separate, sequential permit reviews (DEQ, DSL, SHPO, ODOT), adding time, cost, and uncertainty.	Administrative; Statute	Regional Solutions, HAPO, ODOT, DEQ, OHA, DSL	5
	1.4 Prioritize Housing Projects for Permit Review	Add checkboxes, designations, or queue-management systems in agency	Housing projects compete with other permit types under limited state review	Administrative	DSL, SHPO, DEQ, ODOT, OHA	5

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
		permitting workflows to elevate residential projects.	capacity, extending timelines.			
2. Align State Funding & Regulations Toward Needed Housing	2.1 Apply Residential Building Code (ORSC) to 3–6 Unit Buildings Instead of the OSSC	Extend the residential code to stacked/attached duplexes and reclassify triplexes, quadplexes, and sixplexes from commercial (OSSC) to residential (ORSC).	Commercial code standards raise per-unit construction cost/complexity for middle housing, undermining production goals.	Administrative; Legislative	DCBS	5
	2.2 Create Permit-Ready Plans for Additional Housing Types	Expand pre-approved plans to middle housing, wood-framed multi-unit buildings, and accessible-standard (UFAS/ANSI) designs that move directly to permit.	Repetitive structural review adds time/cost/uncertainty for common housing types that could use standardized designs.	Administrative; Legislative	DCBS, DLCD	5
	2.3 Provide User Guides and Statewide Interpretations to Clarify Building Code for Middle and Multi-Unit Housing	Develop brochure-quality user guides for specific housing types and additional statewide technical bulletins on plex, multi-unit, manufactured, and modular housing.	Confusion between DLCD land-use and BCD building-code definitions creates delays and inconsistent local application.	Technical Assistance; Administrative	DCBS, DLCD	5
	2.4 Prioritize State Funding for Housing and Infrastructure for Needed Housing	Create funding preferences across housing/infrastructure programs using indicators for needed housing (multi-unit, middle, affordable), where not federally restricted.	Limited state resources should align with the state's greatest housing need (multi-unit, middle, and affordable housing).	Legislative; Administrative	HAPO, Business Oregon, ODOT, OHCS, DEQ, OHA-DWS	5
3. Increase Regulatory Clarity & Flexibility	3.1 Expand Wetland Mitigation Purpose and Partnerships	Broaden qualifying mitigation types and expand the pool of eligible mitigation-bank sponsors; allow dual-purpose detention ponds.	High cost/limited availability of mitigation credits is a major housing barrier in the Willamette Valley and coastal communities.	Statute; Rulemaking; Administrative	DSL, DLCD, Legislature	5
	3.2 Revise Ratios and Thresholds for Lower-Quality Wetlands	For lower-quality wetlands in/near UGBs, revise DSL mitigation thresholds	Blanket mitigation ratios are not calibrated for degraded/lower-	Rulemaking; Administrative	DSL	5

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
		to maintain no-net-loss while reducing total mitigation required.	functioning urban wetlands, raising costs disproportionately.			
	3.3 Update the Statewide Wetlands Inventory	Use remote sensing to build a higher-quality statewide inventory, building on DSL's PSU grant application.	Without a current inventory, wetland constraints are often discovered late, after major site investment.	Technical Assistance	DLCD, DSL, Legislature	5
	3.4 Utilize the SHPO Inventory to Identify and Communicate Areas of Potential Cultural Resource Sensitivity	Direct SHPO to promote use of its inventory as an early screening tool; produce accessible, updated GIS layers.	Cultural resource constraints are costliest when discovered late in design/financing; the SHPO inventory is currently underutilized.	Technical Assistance	SHPO, DLCD	5
	3.5 Fund UGB Expansion Area Planning Grants	Continue grants funding comprehensive planning (infrastructure, natural resources, hazards) for newly added UGB land (\$500K in 2026).	Cities struggle to complete planning/infrastructure investment steps needed to make newly added UGB land development-ready.	Legislative	Legislature, DLCD	5
4. Deepen Support for Communities (Especially Small Communities)	4.1 Simplify Planning Requirements and Streamline Land Supply Processes for Cities Under 10K	Offer targeted technical assistance and streamlined HCA/buildable-lands/UGB-expansion processes for small, fast-growing, or constrained cities; revise Division 38 rules for cities of 2,500–10,000.	Cities under 10,000 face land-supply constraints and full procedural requirements without proportionate support.	Statute; Rulemaking; Administrative	DLCD, Legislature	5
	4.2 Navigation Support for Small Cities	Establish a single communication point (via Regional Solutions/HAPO) connecting producers and small local governments to relevant state agencies.	Producers and small local governments struggle to identify which agencies to contact and in what sequence.	Administrative; Technical Assistance	HAPO, Regional Solutions, Multiple state agencies	5
5. Strengthen What Is Working &	5.1 Develop a Dashboard to Track Timelines	Build a public- and agency-facing dashboard (via HAPO) showing target vs.	Not all agencies track/report review timelines; incomplete data limits	Administrative	HAPO, DSL, DEQ, ODOT,	5

Topic Area	Recommendation	Description	What Problem Does This Solve?	Type of Recommendation	Agency	Ch.
Monitor Progress	for State Agency Review	actual review timelines and responsible parties.	predictability and accountability.		SHPO, OHCS	
	5.2 Track Progress on Recently Adopted Reforms	Invest in statewide analysis of permits, timelines, and production by type; build on and address gaps in the ORS 197A.110 Permitted and Produced study.	Without systematic data, the state cannot tell what reforms are working or where further investment is needed.	Statute; Intergovernmental Agreement	Legislature, State Agencies	5
	5.3 Provide Support for Streamlining Data Collection and Reporting	Standardize housing production data collection/reporting across DLCD, PSU, and OHCS platforms (e.g., Housing Production Tracker).	Inconsistent, non-machine-readable local data creates administrative burden and limits statewide evaluation of housing output.	Statute; Technical Assistance	Legislature, DCBS, DLCD, OHCS	5

References

This reference list includes all academic, web, and technical references cited in footnotes above. It does not include the background research in Technical Appendix A, or the statutes, citations, or rules linked above. It also omits weblinks to examples from Chapter 5.

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