



HB 3174 – Local Development Capacity

The [Oregon Housing Needs Analysis \(OHNA\) Report](#), prepared in coordination between the Department of Land Conservation and Development, Oregon Housing & Community Services and ECONorthwest, presented recommendations on how the state of Oregon, and its communities, can work together to make real progress in addressing Oregon's housing crisis by balancing regulatory authority and shared accountability with incentives and public resources to create housing solutions. Increasing the capacity and ability of local governments to carry out community development and housing construction activities is essential to increasing the state's overall production of needed housing. To meet ambitious requirements of the OHNA and the Governor's housing production goals, Oregon's cities and counties need the following:

Regional Development Capacity - \$5 million: Leverage the statewide network of Councils of Government (COGs), Economic Development Districts (EDDs) and Tribes to identify and support needed infrastructure and housing development projects across Oregon. COGs and EDDs have specialists, programs and infrastructure in place to support the identification and distribution of federal, state and private resources for project and infrastructure development, financial and technical support and streamlined regional coordination.

Permit Processing Capacity - \$45 million: Boost local development capacity to ensure prompt processing of development permits and land use decisions over the next three years. The Oregon Office of Economic Analysis estimates that meeting housing production needs identified in the OHNA requires approximately 400-500 more public sector workers per year simply to approve, permit, and inspect the additional units at the local level. Currently, cities and counties fund their permitting staff at least in part through permit fees charged on development. This means that jurisdictions must staff up quickly when the development market picks up and are forced to lay off staff when development cools. This is highly inefficient and can lead to permitting delays. Additional funding for permitting staff is needed to support a 10,000 increase in annual housing starts.

Land Use Education Curriculum for Local Decisionmakers - \$500,000: A partnership between LOC, AOC, and DLCD to design a land use curriculum and educate local land use decisionmakers – city councilors, planning commissioners, county commissioners – on Oregon's unique land use system, their role in the land use system, and best practices to support needed housing development.

HB 3174 is a product of the Housing Innovation Partnership (HIP), a year-long collaboration among 35 public, private, and civic sector organizations with one shared goal: addressing Oregon's housing needs. The HIP includes LOC, AOC, Oregon Home Builders Association, OHBA, Oregon Association of Realtors, Oregon Business Counsel, Business Oregon, DLCD, OHCS, affordable and market housing experts including financiers, and developers.