

Expedited Permitting Processes

Strategy description

Several tools for improving regulatory policies and processes have been used to speed-up, simplify or automate elements of the permitting process. These include: establishing tracking systems to record the permitting process and evaluate its performance; simplifying requirements for discretionary relief for affordable housing projects, including those that require rezoning from industrial to residential use; making small-scale affordable housing projects eligible for an accelerated review process; and automating elements of the process via the internet to provide quick access to general forms and information.

Expedited permitting processes improve efficiency by cutting time and expenses for developers. Reducing the costs incurred during the development review process makes affordable housing projects more feasible and reduces the cost of housing generally.

Target population

Direct Impact: Expedited permitting processes reduce time and expenses for developers building affordable housing. If permitting processes are streamlined for all residential development, the strategy also improves the affordability of housing generally.

Indirect Impact: Creating an incentive for developers to build affordable housing increases the amount of affordable housing for renters and homeowners.

How the strategy is administered

Local and state governments streamline or expedite permitting and review policies either generally or for housing that meets an affordability standard.

How the strategy is funded

Streamlining and fast-tracking review and permitting of affordable housing projects reduces developer costs at no cost to local jurisdictions.

Extent of use of the strategy

Widely used throughout the country.

Examples of locations where the strategy is being used

- Developers of projects certified by Austin, TX's S.M.A.R.T. Housing Initiative receive an expedited review that cuts processing time in about half. To be certified, projects must include "reasonably priced" homes. (See case study.)

- In the 1990s, Santa Fe, NM accelerated the processing of housing developments that include at least 25 percent affordably priced homes.
- Oregon is in the process of implementing e-permitting, which will allow development proposals to be submitted electronically.
- Massachusetts' state statute Chapter 40B provides streamlined processing for projects that include affordable housing.
- Los Angeles, Calif. implemented an online permit system that reduced staff time to process permits as well as customer wait time.

Strategy results

- In Santa Fe, NM, expedited permitting, along with fee waivers or reductions for affordable housing units and zoning and planning tools, has increased the number of new affordable homes built. Nearly 16 percent of new homes built in the city over the last decade are affordable for working families.¹⁸³
- Los Angeles' online permit system reduced staff time to process permits from one hour to five minutes.¹⁸⁴

Pros and cons to using the strategy and/or types of markets where the strategy is more or less effective

Pros:

- Streamlining the permitting process can result in direct cost savings for the local government.
- Expediting the permitting process decreases costs to investors, causing investors to increase their likelihood to build affordable housing. According to PricewaterhouseCoopers, "shortening the permitting process by 3 months on a 22-month project cycle could make the difference in the decision whether or not to undertake a project."¹⁸⁵
- Faster and easier navigation of the permitting process reduces development costs. These savings can be passed on to renters and buyers.
- Accelerating permit processes provides a temporary acceleration of property tax collections. According to PricewaterhouseCoopers, these property tax increases could be 16.5 percent over a 5-year period.¹⁸⁶

Cons:

- Communities that want to discourage growth may have a complex and lengthy permitting process in place in an effort to slow development.
- Expediting the permitting process may put public safety at risk by reducing scrutiny of the safety aspects of building plans.

Sources of information about the strategy

- “Toolkit for Affordable Housing Development,” developed by the Washington Area Housing Partnership, 2005. Available at: <http://www.mwcog.org/uploads/pub-documents/9VpbXg20060217144716.pdf>
- “The Economic Impact of Accelerating Permit Processes on Local Development and Government Revenues,” Prepared for the American Institute of Architects, December 7, 2005. Available at: <http://www.aia.org/SiteObjects/files/permitstudyfullreport.pdf>.
- “Streamlining Tool Kit,” Alliance for Building Regulatory Reform in the Digital Age, undated, available at: <http://commerce.wi.gov/SBdocs/SB-WbsnWibleToolKit.pdf>
- Bassert, Debra, “Streamlining the Development Approval Process,” National Association of Home Builders, January 2005. Available at: http://www.nahb.org/fileUpload_details.aspx?contentID=18639
- “Smart Codes Smart Process Checklist,” National Association of Home Builders, February 2002. Available at: http://www.nahb.org/fileUpload_details.aspx?contentID=18651
- HUD’s Regulatory Barriers Clearinghouse includes examples of streamlining. Available at: <http://www.huduser.org/rbc/index.asp>

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OREGON

E-PERMITTING

Obtaining a building permit is a complex and slow process that can discourage development of any kind, but particularly affordable housing development. The State of Oregon is working to ease the approval process and encourage development by establishing a statewide e-permitting program that provides access to a full range of electronic building permit services through a one-stop website.

✓ Expedited permitting processes

The e-permitting system, called eBuildingPermits, coordinates information and data with other jurisdictions. It also allows permit applicants to submit applications, buy permits from multiple building departments in one transaction, make payments, and schedule inspections through the e-permitting website. Once fully implemented, the e-permitting program will also allow applicants to track the progress of the project through the entire development process from initial plan intake and review to the final sign off.

Implementation of the system started with a pilot program, Quick Permits. Quick Permits allows developers to obtain a permit on-line for projects that do not require plan review. About 20 jurisdictions in the state have adopted Quick Permits to date, including Portland and some of the state's most populous counties including Washington and Clackamas. These jurisdictions cover more than half of the addresses in the state.

Based on the success of Quick Permits, the Oregon state legislature passed House Bill 2405, the e-building permit bill, in 2007. Passage of this bill started Oregon on the path to becoming the first state in the nation to offer contractors statewide electronic one-stop services. The law is part of Governor Kulongoski's regulatory streamlining initiative.

When the e-permitting system is fully implemented, the system will allow complete on-line processing for all projects including those that require plan review. It will be rolled out by the first half of 2009.

This document is a portion of NAHB's report
Development Process Efficiency: Cutting Through the Red Tape.

[Click here to view the full report.](#)

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