

ALLEVIATING PERMITTING ROADBLOCKS

THE ISSUE

The land development review and approval process is an important component of the risk and expense of a housing development project.

However, permitting delays at all levels of government delay housing projects and raise construction costs. In many areas of the country, development approvals have gone from taking a few months to two years or more (in some instances, several years) to obtain.

This lengthy process is often also unpredictable and ties up builders' capital and accumulates interest expenses and other carrying costs before even one shovelful of dirt is moved.

Example:

The Building Industry Association of Washington estimates that average permitting delay in the state is 6.5 months and costs home buyers more than \$31,000. For every \$1,000 added to the cost of constructing a new home, 2,200 families in Washington state lose their ability to purchase a new home, according to NAHB analysis.

As a result, the average permitting delay of 6.5 months means an additional 69,025 Washingtonians are unable to afford to buy a new home.

THE SOLUTION

At the federal level, Congress can reform the Clean Water Act (CWA) and the Endangered Species Act (ESA) to expedite the permitting processes by providing clarity and predictability while respecting environmental safeguards. Obtaining a CWA Section 404 permit takes upwards of one year, and completing a required ESA consultation can take years.

At the local level, localities across the nation need to make it a priority to provide clarity and certainty in their approval processes and must avoid needless bottlenecks during permitting. One easy solution is a "shot clock" or time limit on how long a local government has to either deny or approve a permit. If the time limit ends without action from the locality, the permit is deemed approved.