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LEGISLATIVE POLICY
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Policy Scan Tools to Increase Housing Production

PREPARED FOR: House Interim Committee on Housing & Homelessness

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RE: Policy scan of US states' strategies for housing production

Context

Representative Pam Marsh, Chair of the Oregon State Legislature House Interim Committee on Housing and Homelessness asked LPRO to identify production-increasing strategies from around the country that show promise of spurring housing production towards the goal of increasing housing supply and reducing the housing cost burden.



Overview of Strategies

Six Categories Examined

1. Increasing neighborhood density
2. Modular & manufactured housing
3. Financing & incentives
4. Administration & regulation
5. Rural housing strategies
6. Housing for seniors, veterans & people with disabilities



Increasing Neighborhood Density

Commercial & Transit Zoning

- Arizona (multifamily by-right), Nevada (mixed-use), Montana (taller buildings).
- Texas removed rezoning & parking mandates.

Inclusionary Zoning (IZ)

- Minneapolis ended single-family zoning.
- Washington: statewide IZ framework.

Accessory Dwelling Units (ADUs)

- Standardized statewide; removal of parking & fee barriers (AZ, MD, NH).
- Significant share of new CA housing.

Builder's Remedy: California allows developers to bypass local zoning if local plans are noncompliant.

Lot Size/Subdivision: Maine, WA, TX reducing minimum lot sizes.

Modular & Manufactured Housing

Financing: Reclassifying homes as real property (MN, NY, MD, CO).

Tenant Protections: Just-cause eviction (AZ), notice requirements (MS), resident purchase programs.

Zoning: Limiting exclusionary zoning (KY, MD, MT, TX, VA).

Incentives: HUD modernization, Fannie/Freddie programs, CO modular debt initiatives.



Financing

Tax Credits/Subsidies: LIHTC expansion (CA), affordable housing funds (Guam).

Homeownership Assistance: Down payment grants/loans (FL, MN, CO), upfront buydowns (CA, LA), savings incentives (OH).

Consumer Protections: Regulating land contracts & rent-to-own agreements (CA, IL, NC, HI, MI).

Public–Private Partnerships: Workforce housing authorities (CO), modular housing programs (UT), Momentum Fund (MA).



Administration & Regulation

Streamlining Permits: 3rd-party reviews, preapproved plans (AZ), CEQA exemptions (CA), administrative review (ME), electronic permitting (RI), strict timelines (TX).

Cross-Agency Coordination: Atlanta housing strike force unlocked public land.

Building Codes: Regional harmonization (AZ), single-stair studies (multiple states).

Parking: Eliminating minimums (WA, TX, MT), demand management (Buffalo).

Construction Defect Litigation: Reforms in HI, WA, CO, MT to encourage multifamily development.



Rural Housing

Funding & Gap Financing: CO Prop 123, ND HIF, KS subsidies, MT trust fund loans, NE grants.

Workforce & Entry-Level Housing: SD Governor's House Program; IA, MN, NE workforce initiatives.

Modular & Preservation: TX MiCASiTA, ME preservation credits, land banking in 18 states.

Tax Incentives: Opportunity zones, LIHTC leverage.

Local Success Stories (MN): Creative partnerships in small towns (e.g., Perham, Balaton).



Seniors, Veterans, Persons with Disabilities

Accessibility Programs: Home modification grants (NY), tax credits (MA, MI), ADU allowances (RI).

Veteran-Focused Programs: Multifamily capital loans (CA), repair grants (TX), property tax exemptions.

Prioritizing Accessible Units: Funding guidelines favoring accessible housing (CA, MA, MI).



Conclusion

States are innovating across **zoning**, **financing**, and **process reforms**.

Common threads: **streamlining**, **flexibility**, **targeted incentives**, **public–private collaboration**.

