

## Department of Land Conservation and Development

	2019-21 Actual	2021-23 Legislatively Adopted	2021-23 Legislatively Approved *	2023-25 Current Service Level	2023-25 Governor's Budget
General Fund	17,238,174	25,446,798	26,114,458	17,781,999	21,924,348
Other Funds	1,535,571	1,654,793	1,793,345	1,755,120	3,906,877
Federal Funds	4,647,104	6,617,610	6,748,006	7,446,347	7,662,988
<b>Total Funds</b>	<b>23,420,849</b>	<b>33,719,201</b>	<b>34,655,809</b>	<b>26,983,466</b>	<b>33,494,213</b>
Positions	63	68	69	64	74
FTE	59.98	66.35	66.60	62.59	72.80

\* Includes Emergency Board and administrative actions through December 2022.

### Program Description

The Department of Land Conservation and Development (DLCD) is the administrative arm of the Land Conservation and Development Commission (LCDC). DLCD administers Oregon's statewide land use planning program and Oregon's federally approved coastal management program. The commission sets land-use goals and DLCD ensures compliance of local land use plans with those goals as well as providing technical assistance to city and county planning units for urban and rural development, coordinating state and local planning activities, and managing the coastal zone as well as natural hazards programs. LCDC is a seven-member volunteer citizen board appointed by the Governor and confirmed by the Senate. Commissioners serve for four years, and for no more than two full terms. The Department maintains an office in Salem and field offices- primarily located in Regional Solutions Centers- in Bend, Medford, Eugene, Portland, Salem, Tillamook, Newport, and La Grande, to provide direct support and planning assistance to local governments.

Oregon's land use planning system is based on a set of 19 statewide goals expressing the state's policies on land use and related topics such as citizen involvement, housing, and natural resources. DLCD partners with local governments to create the more than 276 unique comprehensive plans that shape cities and towns, and which provide certainty for urban development while protecting natural resources.

DLCD is divided into two budgetary programs, the Planning Program and the Grants Program. The Grants Program has no employees; it simply houses the funds used to provide grants to cities and counties. During the 2021-23 biennium, more than \$800,000 of grant funds were dedicated for specific projects such as coordinated population forecasting and planning in the Columbia River Gorge National Scenic Area. Remaining grants include non-competitive planning assistance grants of \$1,000-\$4,000 for small cities and counties to assist with planning program administration; periodic review grants, to assist local governments in the completion of periodic review work programs and tasks such as planning for economic development, housing, public facilities, or transportation; and competitive technical assistance grants, which are prioritized for economic development, regulatory streamlining, and infrastructure planning, as well as comprehensive plan and code updates outside of a periodic review. There is also a small amount for dispute resolution. During the 2021 reporting period, technical

assistance grants were awarded to 110 small communities (cities under 2,500 population and counties under 15,000 population) with \$152,000 to support general planning and permitting activities. About \$580,000 was awarded for projects such as economic development planning, natural hazards planning, and code updates. As per DLCD, the demand for these funds is usually three times the amount available.

The Planning Program houses all of the operational programs and administrative functions of the agency, which include:

- *Director and Deputy Director's Office:* Policy development, communications, provides for geospatial and data analysis, and provides support for the LCDC, Citizen Involvement Advisory Committee, and the Local Officials Advisory Committee.
- *Community Services Division:* Administers grant programs and provides education and technical assistance to local governments to implement the statewide planning program. This includes periodic review, and review of amendments to, comprehensive plans and land use regulations, and administration of housing planning for Oregon's cities, including affordable housing.
- *Planning Services Division:* Provides technical assistance and policy consultation in transportation (including reducing greenhouse gas emissions), natural resource protection, natural hazards, and property rights (Measure 49).
- *Ocean and Coastal Services Division:* Includes the Oregon Ocean Resources Management Program and the federally approved Oregon Coastal Management Program. This division supports the Ocean Policy Advisory Council in amending the state's Territorial Sea Plan and delivers data and technical assistance to coastal communities relating to coastal hazards and resilience, climate change adaptation, and estuary and territorial sea planning.
- *Administrative Services Division:* Agency support functions.

DLCD is supported with General Fund, Other Funds, and Federal Funds. General Fund is the primary revenue source and supports land use program activities and grants to local governments. Other Funds revenues are received from the Oregon Department of Transportation to aid in integrating land use and transportation planning, and from the Department of Emergency Management for hazard mitigation planning. DLCD receives federal grant funding from the National Oceanic and Atmospheric Administration for coastal zone management activities and the Federal Emergency Management Agency for floodplain management activities and other hazard mitigation planning.

### CSL Summary

The 2023-25 current service level (CSL) budget for DLCD is \$26,983,466 total funds, 64 positions, and 62.59 FTE. At CSL, the General Fund budget is \$8.3 million (or 31.9%) below the 2021-23 legislatively approved budget, while Federal Funds are \$0.7 million (or 10.3%) higher, and Other Funds are \$38,225 (or 2.1%) lower than the 2021-23 legislatively approved levels.

In addition to adjustments for payroll expenses and standard inflation, the CSL budget also:

- Phases out four limited duration positions (3.76 FTE) authorized to support Oregon Housing Needs Analysis work, Equitable Rural Transportation Planning, climate mitigation planning, and work to amend the Territorial Sea Plan for undersea cables.
- Shifts \$346,549 of costs from the General Fund to Federal Funds for a Climate Change Resilience Coordinator position that was funded on a one-time basis with General Fund for the 2021-23 biennium, due to grant funds ending.

- Phases out \$2 million General Fund from the Planning Division, which includes \$1.3 million associated with the Regional Housing Needs Analysis and housing work, \$0.3 million for undersea cable planning, and \$0.3 million used to complete the statewide climate change vulnerability assessment.
- Phases out \$5.8 million General Fund from the Grants Division, which includes \$4.5 million to for local government code updates related to housing need and supply, and adoption of housing production strategies; \$0.5 million for Equitable Rural Transportation Planning; and \$0.8 million for local government transportation system and land use plan updates to achieve climate mitigation goals.

### Policy Issues

As DLCD approaches their 50-year anniversary in 2023, the agency scope has widened to encompass a wide variety of policy issues. DLCD's legislatively-directed policy agenda for 2021-23 includes items such as a report to the legislature on wildfire, offshore wind energy and planning, study and rule amendments to the Territorial Sea Plan related to undersea cables, climate change vulnerability assessments, and housing capacity work.

### Governor's Budget Summary

The Governor's budget for the agency is \$33.5 million total funds and includes 74 positions (72.80 FTE).

The Governor's Budget is a \$6.5 million (or 24.1%) increase from the CSL budget. In total, \$21.9 million of the budget is General Fund, which is a 16.5% decrease from the 2021-23 legislatively approved budget, and a 23.3% increase from the CSL budget. The budget also adds 10 positions (10.21 FTE), and includes the following agency-requested items:

- *Habitat Projects Coordinator*: \$238,409 Federal Funds and 1 position (0.88 FTE). Grant funding for this position was awarded in 2022 and the position was authorized during the December 2022 Emergency Board meeting.
- *CIO Position Request*: In the Governor's budget, this is a net zero package which eliminates an existing Operations and Policy Analyst 3 position to establish a Chief Information Officer to lead an agency-wide IT Strategic Plan, systems integration and modernization, IT department management, geographic information systems oversight, cyber security, and data management and governance.
- *Technical Corrections*: No net cost, adds 0.33 FTE and reclassifies positions using other reductions.

In addition to the agency requests funded above, the Governor's Budget adds three positions to the Oregon Housing Needs Assessment Program and provides additional funding for rulemaking related to Goal 10 (Housing) and Goal 14 (Urbanization). The Governor's budget also transfers funds from the Department of Consumer and Business Services Building Codes Division to DLCD to create a six-person Housing Production and Accountability Office to provide technical assistance and support to local governments and housing developers working to reduce land use and permitting barriers to housing production. Investments in these items total \$1.1 million General Fund and \$2.2 million Other Funds and includes nine positions (9.00 FTE).

In the Grants program, the budget includes \$3.5 million for grants to local governments, with \$2.5 million dedicated to assisting local governments to complete and adopt housing capacity analyses, housing production strategies, and housing implementation projects; and \$1 million dedicated to Goal 14 technical assistance grants.

The Governor's budget includes an increase of 5% to the vacancy savings rate for DLCD, a 4% decrease in grants funding, and various reductions to Services and Supplies totaling \$89,080 General Fund.

### Other Significant Issues and Background

#### *Oregon Housing Needs Analysis*

A budget note in 2021 directed DLCD, in consultation with the Housing and Community Services Department, to provide a report on efforts to develop a legislative proposal for incorporation of a regional housing needs analysis into future state and local planning processes.

Recommendations were submitted to the Legislature in December 2022 and many of the recommendations are included in proposed HB 2889 (2023). A copy of the report can be found at

[https://www.oregon.gov/lcd/UP/Documents/20221231\\_OHNA\\_Legislative\\_Recommendations\\_Report.pdf](https://www.oregon.gov/lcd/UP/Documents/20221231_OHNA_Legislative_Recommendations_Report.pdf)

#### *Climate Friendly and Equitable Communities*

LCDC adopted rules in July 2022 to reduce transportation-related climate pollution and strengthen transportation and housing planning in regions with over 50,000 people (Albany, Bend, Corvallis, Eugene/Springfield, Grants Pass, Medford/Ashland, Portland Metro, and Salem/Keizer). The rules would change or prohibit certain city parking mandates; require 15 local governments to designate climate friendly areas, or neighborhoods that mix business, industrial, and residential development, and to allow taller buildings that provide more housing; require cities to improve electric vehicle charging infrastructure and plan for better public transit, bike and pedestrian infrastructure; and require the areas of Salem-Keizer and Eugene-Springfield to develop regional plans to reduce climate pollution. Thirteen Oregon cities and one county are suing the state over these rules.

### Key Performance Measures

A copy of the DLCD Annual Performance Progress Report can be found on the LFO website:

[https://www.oregonlegislature.gov/lfo/APPR/APPR\\_DLCD\\_2022.pdf](https://www.oregonlegislature.gov/lfo/APPR/APPR_DLCD_2022.pdf)