



Oregon

Tina Kotek, Governor

Department of Land Conservation and Development

Director's Office

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2540

Phone: 503-373-0050

Fax: 503-378-5518

www.oregon.gov/LCD

February 14, 2023

Hon. Representative Khahn Pham, Chair
Hon. Senator Michael Dembrow, Chair
Ways and Means Subcommittee on Natural Resources
900 Court St. NE, Hearing Room E
Salem, Oregon 97301



Re: Response to DLCD Budget Hearing Issues

Dear Chairs Pham, Dembrow, and members of the Subcommittee:

Thank you for your questions on HB 5027 – the budget bill for the Department of Land Conservation and Development (DLCD). This memo was prepared to supplement our responses to the questions and issues that were raised by this Subcommittee.

CZARA Reductions

As a result of the Coastal Zone Act Reauthorization Amendment (CZARA) reductions in 2016, approximately 30 percent of the Oregon Coastal Management Program (OCMP) budget has been reduced, this equates to approximately \$700,00 per biennium. When this reduction went into effect, OCMP lost two positions. These positions, Coastal Conservation Coordinator and Coastal Natural Resources Specialist, provided technical expertise related to climate change adaptation and ocean resource management. We also lost the ability to provide regular grant opportunities to local jurisdictions. Local jurisdictions were able to utilize these grants to support capacity to address coastal management and planning. Additionally, the effect of the reductions have impacts have worsened in that our personnel costs have risen. As a result, the remaining amount of the OCMP program grant is no longer sufficient to cover staff and basic costs. DLCD continues to work with our partners in other agencies to ensure a coordinated approach to resolving issues related to CZARA and restoring full CZARA funding.

Habitat Coordinator Position

The Coastal Habitat Projects Coordinator position is funded through Bipartisan Infrastructure Law dollars. NOAA provided these dollars to coastal management programs to help implement NOAA's Coastal Zone Management Habitat Protection and Restoration program. An example of this effort is the OCMP's success in securing a grant award to protect critical habitat in Lincoln County, which will ultimately be transferred to tribal ownership.

DLCD's Statewide Support for Advanced Manufacturing, Including Semi-Conductor Fabrication

Two cities in Washington County have identified semiconductor manufacturing as a target industry in recent economic opportunities analyses (EOAs). North Plains is moving through the process of identifying appropriate lands for an urban growth boundary (UGB) expansion. Because it is a jurisdiction within Metro, the city of Hillsboro's expansion process is connected to Metro's urban growth boundary (UGB) evaluation cycle, with expansion possible in 2024. Large lot industrial sites are also available elsewhere in the state, including in Central Oregon and more recently in Phoenix, which completed a large employment land UGB expansion last year.

While land supply is important and required by state law, site readiness remains the overriding constraint to industrial development statewide. DLCD has been working closely with the Semiconductor Task Force Industrial Land Subcommittee and Site Identification Technical Advisory Committee to identify sites for semiconductor industry expansion. The department is supporting efforts in pursuit of a range of development-ready sites around the state ready to accommodate expansion in the advanced manufacturing sector, including for semiconductor siting.

Economic Development Work by Counties: Projects Funded through SB 2 (2019)

In response to Senate Bill 2, DLCD budgeted \$80,000 from our general fund Technical Assistance grant program in the 2019-2021 biennium. This fund paid for economic opportunities analysis implementation work for two counties, Wallowa and Harney. In 2021-2023, we allocated \$100,000 for two more counties to do complete an Economic Opportunities Analysis (EOAs), Wheeler and Union.

Slide Correction

In POP 210, on Slide 25, it should read "Chief Information Officer," not "Chief Financial Officer."

Thank you for this opportunity to share our Agency's work with this Subcommittee and we are happy to provide any other information requested.

Sincerely,



Brenda Ortigoza Bateman, Ph.D.
Director
Oregon Department of Land Conservation and Development

CELEBRATING



OREGON
Department of
Land Conservation
& Development

DLCD helps communities of all sizes as they plan for, protect and improve the built and natural systems that provide a high quality of life. In partnership with local governments, the land use planning program fosters sustainable and vibrant communities in every region of Oregon.

The Department of Land Conservation and Development (DLCD or department) stewards a land use program that meets local governments where they are and provides direct technical and financial assistance to local governments to modify and update their land use plans. Some land use tenets are universal:

- Land use planning must be accomplished with community involvement;
- Oregon's resource lands are limited and represent the second largest industry in the state;
- Homes and other critical facilities should not be placed in areas prone to natural hazards;
- Growth should be supported by transportation and housing choices, informed by ecological values and conditions; and
- We must recognize increased challenges due to a warming climate.

Recognizing local conditions, Oregon's land use planning system supports regional differences, unique local conditions, the increasing diversity of Oregon communities, natural and cultural resources and above all, community values.

Planning is Local

In Oregon, land use is implemented at the local level. Each city and county has adopted a unique comprehensive plan. These plans respond to, localize, and build upon statewide, shared planning goals. Planners evaluate existing conditions, built and natural conditions, and community values when crafting a local plan. With the legislature's support, DLCD provides staff support to communities in regions throughout the state. DLCD provides technical assistance grants to address specific local planning needs. In 2021-23, DLCD awarded 259 grants totaling \$8.1 million dollars.

Appointed by the Governor, and approved by the Senate, Oregon's land use policy making responsibility rests with the Land Conservation and Development Commission (LCDC). LCDC has directed staff to develop rules that allow multiple pathways to compliance. In addition, DLCD offers technical assistance and grants to local governments implementing new rules as they are developed over time.

OREGON'S LAND USE PLANNING PROGRAM

Planning with and for communities since 1974.

Goals

REGIONAL DIFFERENCES & PROGRAM FLEXIBILITY

3

AGRICULTURAL LANDS

- Minimum parcel size distinction for rangeland and other farm land
- Special protections for Oregon's highest value farmland
- Guest ranches and youth camps permitted on farmland only in Eastern Oregon
- Commercial solar development permitted at greater scale in Eastern Oregon

FOREST LANDS

- Specific dwelling opportunities for western and eastern Oregon
- Forest productivity based on cubic feet of wood fiber produced per acre each year
- Forest values include the production of merchantable tree species, as well as maintaining soil, air, water, fish and wildlife resources

4

7

AREAS SUBJECT TO NATURAL HAZARDS

- Oregon's communities face risks from floods, landslides, earthquakes, winter storms, wildfires, and other natural hazards. Coastal erosion and tsunamis pose risks for coastal communities.
- Locally developed Natural Hazards Mitigation Plans (NHMPs) inform comprehensive plans and land use regulations.

RECREATION

- Destination resorts permitted differently in Eastern and Western Oregon, higher standards are in place for western Oregon.

8

9

ECONOMIC DEVELOPMENT

- Goal 9 compliance is commensurate to local government capacity
- Several special economic development programs in place for Eastern Oregon counties
- Local governments may use unique approaches to demonstrating need for employment land

HOUSING

- Greater allowance for "middle housing" options, scaled for small and large cities
- Fewer requirements for housing planning for smaller communities, higher requirements for larger cities
- Communities impacted by wildfire able to permit temporary housing on resource lands

10

12

TRANSPORTATION

- Rural Transportation Equity program with grant investments
- Larger metropolitan areas are required to plan regionally
- Small cities can request exemption to some planning rules
- Rules for parking, planning for transit, and transportation demand management are based on population

URBANIZATION

- Cities expand to address housing, employment, and other land needs over time, minimizing urbanization of resource lands
- Clear expectations help cities plan for efficient growth
- UGBs separate urban and rural lands
- Efficient use of urban land is required, reducing infrastructure needs and travel costs for residents

14

For 50 years, DLCD has been helping Oregon grow in a way that meets community needs, with locally developed and supported plans. This is a hallmark of Oregon's land use planning program.

Tailored Solutions

Larger metropolitan areas in Oregon often benefit from more planning staff, better resources, and increased access to federal funding. The Oregon legislature and DLCD have recognized this in various ways. Some examples of programs or planning efforts designed specifically for larger jurisdictions include:

- Designation of urban and rural reserves
- Oregon's Climate Friendly and Equitable Communities Program
- Regional Scenario Planning
- Allowing middle housing development in all single-family zones
- Required regular updates to Housing Capacity Analyses

Resources and Opportunities for Rural Places

In addition to staff support, DLCD offers an array of planning tools and grant assistance dedicated to supporting smaller local governments:

- Grant Young Memorial Planning Assistance Grants
- The Eastern Oregon Economic Opportunity Analysis program
- The Central Oregon Regional Large Lot program
- Identification of suitable economic development strategies in Eastern Oregon
- Allowing Oregon's smallest cities to perform a UGB expansion with a less detailed review process
- Upcoming model code development for wildfire impacted communities related to modular housing
- Model zoning code for small cities as well as multiple other publications

Considering Coastal Needs

DLCD is home to the Oregon Coastal Management Program (OCMP). OCMP supports coastal communities in identifying and mitigating coastal hazards, stewarding marine and coastal natural resources, fostering sustainable and vibrant coastal economies, and preserving and expanding coastal public access. DLCD OCMP staff have developed programs and tools specific to coastal needs, including:

- Sea Level Rise (2022), Coastal Erosion (2021), and Tsunami Resilience (2015) land use planning guides
- Tsunami evacuation planning (and other coastal hazard-related work)
- Rulemaking to protect Highway 101 from coastal erosion (2022)
- The Oregon Coastal Atlas, a data clearing house for coastal communities
- Investments through the Bipartisan Infrastructure Law in coastal habitat conservation and restoration projects
- Territorial sea planning for rocky shore habitats, undersea cables, and marine renewable energy

Listening to All Perspectives

A hallmark of the Oregon land use planning system is community engagement and transparency. DLCD actively seeks policy development guidance from community members, advisory committees, the Local Officials Advisory Committee, the Citizen Involvement Advisory Committee, representatives of Oregon's nine federally recognized tribes, and community-based organizations. Community engagement is also a critical component of the projects we fund through grants. Staff have developed several tools to establish best practices and support cities and counties in their planning and community engagement work:

- Putting the People in Planning, a practitioner's guidebook (2019)
- The Oregon Climate Equity Blueprint (2021)
- Public Involvement Checklist (2019)

DLCD Regional Representatives September 2022



Each region of Oregon is served by one of DLCD's nine Regional Representatives. These front-line staff are part of the state's regional solutions teams, work with cities and counties to advance their priorities, and have been deeply involved in disaster recovery most recently after the 2020 Labor Day fires.