



Oregon

Tina Kotek, Governor

Department of Land Conservation and Development

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November 3, 2025

The Honorable Senator Kate Lieber, Co-Chair
The Honorable Representative Tawna Sanchez, Co-Chair
Joint Interim Committee on Ways and Means
900 Court Street NE H-178, State Capitol
Salem, OR 97301



Dear Co-Chairs:

Nature of the Submittal

Department of Land Conservation and Development (DLCD) submits the department's reduction options list for the committee's consideration as part of the 2026 legislative session rebalance plan. As requested, DLCD also submits the department's list of new and expanded programs since July 1, 2021.

DLCD Mission

DLCD's core functions include managing urban growth, conserving natural resource lands, providing sufficient housing for Oregonians, creating opportunities for economic growth, helping steward the state's climate adaptation, and creating more equitable communities. These core functions are carried out through application of statewide planning goals in city and county comprehensive plans. Every city and county, as well as Metro, is required to adopt and maintain a comprehensive plan and zoning codes that are consistent with the 19 statewide land use planning goals. DLCD's regional and technical staff assist cities and counties in planning their lands and public facilities to support these goals.

DLCD provides assistance by creating partnerships with cities and counties, offering technical expertise, providing grant assistance, and partnering with state development agencies including Housing and Community Services, Transportation, Business Oregon, and natural resource agencies such as Agriculture, Forestry, Water Resources, State Lands, Environmental Quality, and Fish and Wildlife, and community members.

Reduction Options

Proportionality. DLCD's reduction options list proposes reductions to both housing production and non-housing programs, such that housing production-related expenses are 40 percent of the agency's budget and also represent 40 percent of the potential reductions. Likewise, non-housing expenses are 60 percent of the agency's budget and 60 percent of the potential reductions.

Reductions in FTE. The first two items on the reduction list focus on newly authorized (2025), still-vacant, limited duration positions. The last item on the reduction list would force DLCD to lay off three additional existing staff. In an agency of DLCD's size, position reductions may result in the elimination of entire programs. DLCD will wait until implementation of this reduction option is certain to determine which three positions to cut, based on business needs and whether the department could take advantage of any additional position vacancies or cost savings that may occur.

Impact of Lay-offs. The community services division, planning services division, coastal services division, and operations division contribute directly to the success of housing production.

Non-housing divisions are divisions that:

- process post acknowledgement plan amendments, or PAPAs, for Oregon communities who are trying to update their plans to match recent legislative requirements.
- provide technical assistance for local jurisdictions who are subsequently updating zoning and permitting regulations,
- manage technical assistance grants to further those same goals.

In recent years, housing production has relied more heavily on urban growth boundary expansions, wetlands delineation and mitigation, technical work in urban reserves, and natural hazards mitigation, including fire, floods, landslides, and sea level rise. Non-housing divisions conduct that work, and reducing staff in these areas could lead to unintended impacts to housing policy development and implementation.

Federal Funding Note: Some General Fund positions in our coastal, transportation, and natural hazards groups will remain after federally funded positions lose their grant funding during 2026. These positions will play key roles in implementing the governor's Resiliency Executive Order 25-26, protecting Oregon's working lands and waters.

Benefits of Retaining Staff Expertise. Our local partners benefit when DLCD gains expertise by working with each of them on technical projects, because technical assistance is more than just financial. Jurisdictions need technical assistance from experts with knowledge of the policy and context of Oregon land use.

Benefits of Pass-through Grants. Grant and contract awards can extend technical capacity on a one-time basis, when both state and local partners are stretched thin.

Already-Existing Budget Constraints. To meet the vacancy factor reduction assessed in the department's 2025-27 Legislatively Adopted Budget and the one-time Workday payroll transition payment, DLCD is already holding five other positions vacant, as well as reducing spending on operational supplies and services. DLCD requests that the committee also consider this component of the department's budget, when evaluating

reduction options to select as part of the 2026 rebalance plan.

Conclusion. The five vacancies mentioned in the paragraph above, added to six federal funding reductions, plus the potential reduction scenario of five positions described in this letter, would represent 16 total staff, or 14 percent of DLCD's 111 staff.

Sincerely,

A handwritten signature in black ink that reads "Brenda D Bateman". The signature is written in a cursive, flowing style.

Brenda Bateman, Ph.D.
Director

Department of Land Conservation and Development (DLCD)														
2025-27 Biennium														
2025-27 LAB					49,533,762	10,794,000		60,327,762						
Detail of Reductions to 2025-27 Legislatively Adopted Budget														
1	2	3	4	5	6	8	10	12	13	14	15	16	17	
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	OF	FF (from ODEM - budget as OF)	TOTAL FUNDS	Pos.	FTE	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.	
Dept	Prgm/ Div													
General Fund Items														
1	1	660	001-00	Coastal Shoreline Stabilization rulemaking	(268,488)			\$ (268,488)	(1)	(0.75)	Yes	No	DLCD would forego rulemaking project prescribed in SB 504 (2025). This legislation provided one-time funding with a limited duration position. Needs statutory change.	
2	2	660	001-00	Abolish limited duration Natural Hazards Mitigation Planner position	(40,539)		(162,157)	\$ (202,696)	(1)	(1.00)	Yes	No	Vacant. New position authority requested in 2025-27 budget, Pkg 100; FEMA-hazard mitigation funding no longer available.	
3	3	660	001-00	Land Development and Conservation Commission meetings: forego district tours and bring all meetings into Salem	(52,777)			\$ (52,777)			Yes	Yes	Reduces available funding for LCDC meetings; department would forego meetings held in districts across the state, with district tours for the Commission, and bring all meetings into Salem.	
4	1	660	003-00	Planning Technical Assistance funds	(79,429)			\$ (79,429)			No	Yes	Reduces Planning Technical Assistance grants, which provide land use planning assistance funding to local governments. Preserves \$900,000 for DLCD to award during 2025-27.	
5	2	660	003-00	Wetlands Planning Technical Assistance funds	(75,000)			\$ (75,000)			No	Yes	Reduces funding assistance for local governments to update or complete Local Wetlands Inventories (LWIs) to plan for buildable lands within their communities. Preserves \$425,000 for DLCD to award during 2025-27.	
6	4	660	001-00	Housing outcomes tracking development	(200,000)			\$ (200,000)			No	Yes	Reduces available funding for contracted services to develop tracking of housing policy/strategy outcomes. Would not prevent DLCD from completing this objective described in SB 5528 (2025), Pkg 506. Preserves \$100,000 for this project.	
7	5	660	001-00	HAPO professional services and supplies	(300,000)			\$ (300,000)			No	Yes	Reduces available funding for consultants and other professional services and/or program operations supplies. Would not prevent HAPO from completing required studies and reports prescribed in SB 1537 (2024). Preserves \$1,000,000 for this work.	
2.5% Increment														

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Dept	Prgm/ Div													
8	6	660	001-00	Middle Housing rulemaking and code development	(500,000)			\$ (500,000)			No	Yes	Reduces available funding for middle housing rulemaking, model code and standards development, and associated legal review services. Would not prevent DLCD from completing outcomes prescribed in HB 2138 (2025). Preserves \$950,000 for this work.	
9	7	660	001-00	Agency Operations services and supplies	(116,630)			\$ (116,630)			Yes; minimal amount	Yes	Reduces available funding for supplies and services items in department operations. Department would slow or postpone spending across discretionary s&s items. For example: reduce business travel and replace with virtual meetings; reduce professional development and training opportunities for staff.	
10	8	660	001-00	Non-housing programs, including regional representatives, business operations/agency administration, hazards mitigation and transportation planning.	(843,825)			\$ (843,825)	(3)	(3.00)	No	Yes	Reduction would lay off three existing agency staff. Staff in these programs contribute directly to the success of housing production in areas including urban growth boundary work, direct technical assistance for local jurisdictions, processing technical assistance grants, and operations support for Housing and HAPO. Cutting staff in these areas could lead to unintended impacts to housing policy development and implementation.	
Other Funds (state funding) Items														
1	1	660	003-00	Community Green Infrastructure grant funds		(269,850)		\$ (269,850)			No	Yes	Funding source: Community Green Infrastructure dedicated account carryover funding. Reduces the department's ability and available funding to distribute grants.	
2.5% Increment														
2	2	660	003-00	HAPO Technical Assistance grant funds		(269,850)		\$ (269,850)			No	Yes	Funding source: HAPO dedicated account carryover funding. Reduces the department's ability and available funding to distribute grants.	
				TOTAL	(2,476,688)	(539,700)	(162,157)	\$ (3,178,545)	(5)	(4.75)				

Department of Land Conservation and Development (DLCD)

2025-27 Biennium

2025-27 LAB

49,533,762

10,794,000

60,327,762

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Dept	Prgm/ Div												

Target (5%)

Difference

(2,476,688)

0

(539,700)

Department of Land Conservation and Development (DLCD)											
2025-27 Biennium											
Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23											
1	2	3	4	5	6	7	9	13	14	15	16
Agency	SCR	Program Establishment / Expansion			Program Description	GF	OF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Effective Date	Authorization							
660	001-00	2025-27	1/1/2026	SB 504 (2025)	<u>Shoreline Stabilization Rulemaking</u> DLCD would develop and adopt rules by January 1, 2028, to provide guidance on nonstructural, nature-based solutions for shoreline stabilization.	268,488		\$ 268,488	1	0.75	Not begun; effective date of authorizing legislation is January 1, 2026.
660	001-00	2025-27	7/1/2025	SB 5528 (2025), Pkg 504	<u>Wetlands Planning Technical Assistance</u> Provides funding assistance for local governments to update or complete Local Wetlands Inventories (LWIs) to plan for buildable lands within their communities.	500,000		\$ 500,000	0	0.00	New funding program with 2025-27 biennium. Funding application solicitation cycle is under development.
660	001-00	2027-25	7/17/2025	HB 2138 (2025)	<u>Middle Housing Rulemaking and Code Development</u> DLCD will develop and adopt rules by January 1, 2028 to promote middle housing development. DLCD will also develop related model code and standards.	2,391,599		\$ 2,391,599	3	2.63	Expanded body of work given to DLCD for the 2025-27 biennium; work is beginning. Position authority phased in, effective October 1, 2025. Position descriptions for new positions are with DAS-Central Human Resources Office for classification review.
660	003-00	2027-25	7/17/2025	HB 2138 (2025)	<u>Middle Housing Technical Assistance</u> Provides funding assistance for local governments to update local codes and land use procedures to reflect new state middle housing laws.	1,500,000		\$ 1,500,000	0	0.00	New funding program with 2025-27 biennium. Funding application solicitation cycle is under development.
660	001-00	2025-27	7/17/2025	HB 2258 (2025)	<u>Oregon Homes</u> DLCD will develop and adopt rules requiring local governments to approve certain land use applications for residential developments using building plans preapproved by the Department of Consumer and Business Services.	631,806		\$ 631,806	2	1.84	New body of work given to DLCD for the 2025-27 biennium; work is beginning. Position authority phased in, effective September 1, 2025. New Planner position is under recruitment. Administrative Support position description is with DAS-Central Human Resources Office for classification review.
660	001-00	2023-25	3/27/2024	HB 4080 (2024)	<u>Offshore Wind</u> DLCD is assessing state enforceable policies and developing an offshore wind roadmap that may be used in the federal consistency review of offshore wind leasing decisions and related actions.	1,023,579		\$ 1,023,579	2	2.00	Offshore wind roadmap is in draft stage; public review is ongoing. HB 3963 (2025) extended the legislative due date for completed roadmap and report to January 1, 2027. \$398,000 of 2025-27 budget is reappropriation of unspent funds from 2023-25 for offshore wind roadmap project.

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660	001-00	2023-25	6/6/2024	SB 1537 (2024)	<u>Housing Accountability and Production Office</u> DLCD and the Department of Consumer and Business Services jointly established and administer the Housing Accountability and Production Office. HAPO assists local governments and housing developers to understand and comply with housing laws. The office also has other specified duties, including the regular development of model codes, three topical reports with legislative recommendations, and a broader statewide coordination function among several state agencies for funding and investments related to housing production.	3,461,543		\$ 3,461,543	7	7.00	Office is established and fully functioning; all new positions provided in SB 1537 have been filled. Work is underway on the required studies and reports prescribed in SB 1537, due September 2026.
660	001-00	2023-25	6/6/2024	SB 1537 (2024)	<u>Expanded Agency Operations Support</u> For DLCD/HAPO to fulfill its duties, the agency needs additional staff in areas of IT (including GIS), management, human resources, finance, procurement, and communications. The additional operations staff will fulfill expanded finance, personnel, procurement, and technology needs. Additionally, staff will provide website, and communications support to establish consistent methods for external communication, including the submittal of complaints to the office.	5,737,891		\$ 5,737,891	20	20.00	New positions have been filled, except for one (ISS-6 Application Developer), which is being held to meet the vacancy factor reduction assessed as part of 2025-27 Current Service Level budget.
660	003-00	2023-25	6/6/2024	SB 1537 (2024)	<u>HAPO Technical Assistance</u> Provides funding assistance to local governments for code updates and long-range planning projects that support housing production.	3,500,000	5,063,000	\$ 8,563,000	0	0.00	\$1.8 million was committed to grant awards in late 2023-25; these projects continue through 2025-27. New round of award notices were sent early in 2025-27 to over 30 jurisdictions. These awards will total over \$1,000,000, with work in progress to prepare and execute funding agreements. HAPO is reserving a balance to have funding available to award in support of voluntary compliance if a jurisdiction is found to be out of compliance with state laws.

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Agency	SCR	Program Establishment / Expansion			Program Description	GF	OF	TOTAL FUNDS	Pos.	FTE	Implementation Status
		Biennium	Effective Date	Authorization							
660	003-00	2023-25	7/27/2023	HB 3409 (2023) SB 5506 (2023)	<u>Community Green Infrastructure Grants Program</u> Awards grants for planning and developing community green infrastructure, developing or supporting native seed banks or native plant nurseries; or supporting and implementing green infrastructure master plans.		5,731,000	\$ 5,731,000	2	2.00	As of August 2025, \$3.6 million has been committed to grant awards. Next grant solicitation round is underway; application review will begin mid-November, with award announcements expected January 2026. 2025-27 budget includes two limited duration staff to continue to administer this grant program.
660	001-00	2023-25	3/29/2023	HB 2001 (2023)	<u>DLCD Housing Services Division</u> Established Housing Services Division, providing staff capacity and funding resources for DLCD to contribute to Oregon Housing Needs Analysis and other state priority housing issues.	3,332,217		\$ 3,332,217	9	9.00	Fully implemented; all positions have been filled and work is ongoing.
660	003-00	2023-25	3/29/2023	HB 2001 (2023)	<u>Housing Planning Technical Assistance</u> Provides funding assistance to local governments for housing and urbanization-related planning projects.	5,147,000		\$ 5,147,000	0	0.00	Award cycle for 2025-27 funding is underway. Awards were announced early October 2025, with work in progress now to prepare and execute funding agreements.
				TOTAL		27,494,123	10,794,000	\$ 38,288,123	46	45.22	

Instructions

- Column (5) - Authorization should identify the source of the new program or program expansion, which could include enabling legislation, approved policy option package, or administrative establishment.
- Column (6) - Program description should include a summary of the program and the expansion (if applicable), including any partner state agencies.
- Column (16) - Current status of program implementation should be summarized, including any future budget requests anticipated upon full program implementation.