



2003-05 Biennial Report

to the

73rd Legislative Assembly

from the
Oregon Department
of Land Conservation
and Development

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Attachment A: Map of Oregon Showing Recent Community Visits by DLCD Directors

Message from the Director

By Lane Shetterly

When Gov. Kulongoski asked me earlier this year to serve as Director of the Oregon Department of Land Conservation and Development (DLCD), he gave me three assignments:

1. Make the land use system more relevant to his statewide agenda of economic development;
2. Continue the ongoing work to change the culture of the department from its emphasis on regulation to that of a true partner with local governments;
3. Work with the legislature in the coming session to develop a comprehensive 30-year review of our land use system.

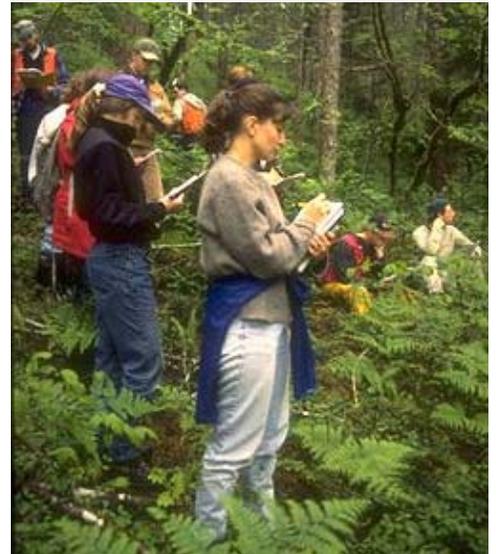
I am pleased to say that we are making progress on all of these fronts.

The department is working closely with the Governor's Economic Revitalization Team and our local government partners to better coordinate the land use system with economic development statewide.

For the first time, the department has its own in-house economic development team and a strong Economic Development Policy Advisory Committee, made up of public and private sector members from around the state, to help guide the department's policy to better connect land use with economic development.

On the ground, we are forging stronger relationships with cities and counties, helping them achieve their local objectives. In Gold Beach we helped the city successfully amend its comprehensive plan to facilitate a new residential development. In Hermiston we worked with the city to find a path to an urban growth boundary expansion to provide housing for a new golf course. In Malheur County we helped the county amend its comprehensive plan to recruit and site a bio-fuels refinery that represents a great economic opportunity for the county, and supported the county when its action was appealed to LUBA.

As director, I have traveled to all parts of the state, meeting with local officials and concerned citizens. I have been greatly encour-





aged to hear reports back that people are beginning to notice a change in the way the department does business. We are committed to our statewide land-use planning program, and believe it has served Oregon well. But we also believe we can do a better job of showing local communities how we can help make the program work for them.

Thirty years ago, when Oregon adopted its statewide land-use planning program, it was a bold and visionary thing to do. Thousands of Oregonians across the state participated in shaping the planning goals that framed the vision of what we wanted to achieve with land-use planning. There was excitement and a real consensus of what the program was all about. But over time, as the legislature has adopted, amended and repealed statutes every two years, the Commission has engaged in ongoing rule making, and LUBA and the courts have interpreted the law – sometimes in unforeseen ways – the program has become more and more complex; more about process than outcome; more about what you can't do than about the vision and community benefit of land-use planning.

That is why the department intends to offer legislation in the 2005 session to undertake a comprehensive review of the land-use planning program. We want to ask, has the program accomplished what it was intended to accomplish? What works and what doesn't? What can be improved and what do we need to change?

We want to reconnect Oregonians with the Statewide Planning Goals, through town hall meetings, focus groups and other direct efforts, to both reaffirm the goals and ask how they might need to be changed to better reflect our vision and priorities in the 21st century. Then we want to clean up the statutes and rules that implement the program, to make the process simpler, more transparent, and better connected with the vision.

These are exciting and challenging times in the department. There is much uncertainty ahead, especially with the passage of Ballot Measure 37. While it is too soon to comprehend the full impact of the measure, one thing is certain: things have changed dramatically for the department, the program and the state.

But another thing is certain as well. DLCD is committed to working with the legislature and our local government and private sector partners to make the land use system better. That way we can both strengthen our economy *and* protect those precious qualities that make Oregon such a special place to live and work and invest for the future.

Introduction

When Senate Bill 100 was signed into law in 1973, Oregon's legislature established a statewide system for land-use planning that would become a national model.

The program created a partnership in planning between the state, cities and counties. SB 100 set standards, created an agency to administer them, and provided grants and technical assistance to help local governments meet the standards.

This report from the Department of Land Conservation and Development (DLCD) describes what Oregon's statewide planning program has accomplished during the 2003-05 biennium.

Managing Oregon's Statewide Program for Planning

The Department of Land Conservation and Development manages a statewide planning program that has one basic purpose: to protect and advance Oregon's quality of life. For most people, that quality of life is some combination of bountiful natural resources, livable communities, affordable housing, a robust economy, clean air and water, and efficient, low-cost public services.

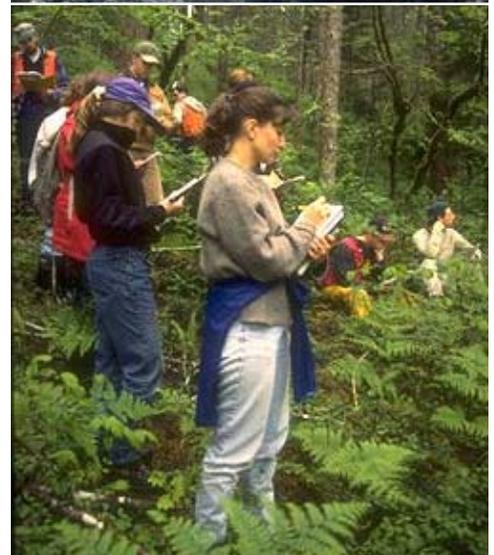
Because Oregon's quality of life has all those components and more, the program to protect it is equally diverse. The program rests on a foundation of 19 Statewide Planning Goals. They are mandatory standards to be met by cities, counties, special districts, and state agencies in planning and managing land use. The goals are located on our web site at: <http://www.oregon.gov/LCD>.

DLCD works closely with local governments and other state agencies to achieve the goals, using a variety of programs and activities. These are the tools of Oregon's statewide planning effort:

- Periodic review: Working with cities and counties to update and improve their comprehensive plans;
- Plan amendment review: Checking several thousand proposed amendments to local plans and ordinances;
- Help local governments: Giving grants and technical assistance to cities and counties;
- Transportation and Growth Management (TGM): A joint program between DLCD and the Department of Transportation to help cities deal with issues of transportation and growth management.

Land Conservation and Development Commission (LCDC)

Like most state programs in Oregon, a lay commission – the Land Conservation and Development Commission (LCDC) – heads DLCD. The





Commission was established in 1973 as part of Senate Bill 100.

LCDC, assisted by DLCD, adopts state land-use goals and implements rules, assures local plan compliance with the goals, coordinates state and local planning, and manages the coastal zone program.

The Commissioners are unpaid citizen volunteers appointed by the Governor and confirmed by the Senate. Commissioners are appointed to four-year terms and may not serve for more than two full terms. As of December 2004, the Commission was comprised of: Chair John VanLandingham (Eugene); Vice-Chair Margaret Kirkpatrick (Portland); Dennis Derby (Portland); Marilyn Worrix (McMinnville); Ron Henri (Talent); Tim Josi (Tillamook) and Hanley Jenkins (Union).

The statute establishing the Commission, ORS 197.030, also directs that the members be representative of certain regions of the state, and that there be a current or former elected official of a city and a county.

The Commission meets about every six weeks to direct the work of DLCD. In the 2003-05 biennium, LCDC hosted regular meetings in Ontario, Hood River, Klamath Falls, La Grande, Astoria and Portland, as well as Salem. When the Commission meets ‘on the road,’ it takes bus tours of the local area and hosts roundtable meetings.

Gov. Ted Kulongoski appointed four new members to LCDC in February of 2004, and charged the Commission to be guided by the following four goals over the next two years:

- Create a land use system for the 21st century;
- Put the ‘D’ back in LCDC;
- Streamline the land use process;
- Ensure that LCDC and DLCD provide excellent service to local governments.

Director’s Tours Around the State

During the 2003-05 biennium, Director Lane Shetterly (Feb. 2004-present) and Interim Director Nan Evans (Feb. 2003-Feb. 2004) visited with local public officials, stakeholders and citizens in 32 of Oregon’s 36 counties. Please see Attachment ‘A’ in the back of this booklet for an Oregon map listing the locations visited by the DLCD Director.

Policy Progress Following 2003 Legislative Session

The Commission and the department have pursued a series of policy projects throughout the biennium. Most of these were completed, although some are in progress and may not be completed until the end of the biennium. Some of these were suggested or required by the legislature; others initiated by the department. Some of the major projects and accomplishments include the following:

1. The department established an Economic Development Planning Team within the department, guided by an advisory committee of key economic development stakeholders. This team targeted grants and technical assistance to local governments in order to increase the supply of shovel-ready industrial sites statewide.

2. In response to HB 2011 (2003), the department established a committee of key stakeholders to examine the conversion of industrial land to other uses and make recommendations to the Governor.

3. In response to SB 920 (2003), the department established a committee of key stakeholders to examine the Periodic Review process and make recommendations to the legislature on potential changes to the process.

4. The department worked with local governments in Oregon's metropolitan planning areas – Portland, Salem, Eugene and Medford – to prepare a report assessing the status of land use and transportation planning efforts to increase local transportation options. The report concluded that metropolitan areas have made significant strides in providing for alternative modes of transportation. The report also identified ways to improve the Transportation Planning Rule (TPR) and other steps to make additional progress in metropolitan area planning.

5. In response to a controversial Court of Appeals decision, *Jaqua v. City of Springfield*, LCDC agreed to work with the Oregon Transportation Commission to conduct a broader evaluation of the Transportation Planning Rule. Work by a joint subcommittee of the two commissions is underway and proposed rule amendments are expected in early 2005.

6. The department assisted the Governor's office and the Oregon Consensus Program in establishing a mediation committee to discuss problems with statewide land-use processes for approving aggregate mining on farmland. The work group has met several times and has compiled new data to assist policy discussions.

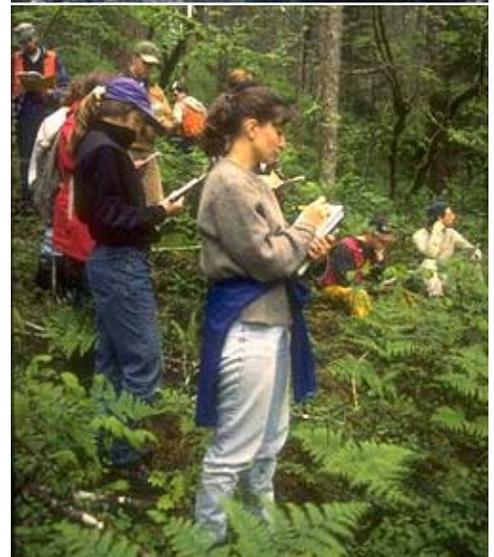
7. LCDC appointed a work group to study state land-use policies regulating the size, type, and intensity of commercial uses outside urban growth boundaries. LCDC also held meetings to assess this issue throughout the state. The work group is just getting underway and is expected to issue recommendations at the end of the biennium.

Streamlining the Land-Use Planning Program

LCDC and the department pursued several efforts to streamline the land-use program during the biennium. These included:

1. Re-establishment of a streamlined 'Conditional Use Process' (CUP) for local approval of smaller aggregate mines on farmland.

2. Appointment of a work group of stakeholders to streamline the urban





growth boundary (UGB) amendment process by amending Goal 14 and adopting an administrative rule that codifies UGB policy and case law, eliminates unnecessary steps, and provides ‘safe-harbors’ to save time, and cost and to reduce litigation (scheduled for completion in Feb. 2005).

3. Development of an amendment to Statewide Planning Goal 11 to streamline the approval process for sewer service to existing uses within sewer districts outside UGBs (scheduled for completion in Feb. 2005).

4. Streamlining the process for farm product ‘processing’ and ‘preparation,’ in conjunction with rulemaking, to permit small accessory food service facilities on golf courses allowed on exclusive farm use (EFU) land.

5. Completing ‘housekeeping’ rulemaking regarding several policy-neutral technical corrections to existing administrative rules, including: Update/clean-up of the Periodic Review rules, rules for ‘temporary rulemaking’ to allow shorter notice in emergencies, rules on incorporation of new cities, and a technical cleanup of farm and forest rules.

Summary for Links to Performance Measures

The department’s strategic planning goals are linked to the following Oregon benchmarks: OBM 4: Job Growth, OBM 70: Commuting, OBM 72: Road Condition, OBM 74: Affordable Housing, OBM 77: Wetlands Preservation, OBM 80: Agricultural Lands, OBM 81: Forest Land, and OBM 87: Native Fish and Wildlife.

Land-use planning is one of several programs that contribute to the state’s efforts to meet these benchmarks. Other important influences include government and private investment, tax structures, and a variety of state and federal regulations.

Oregon’s statewide planning program plays a key role in facilitating local land development decisions that lead to job growth, affordable housing, convenient transportation systems, protection of agricultural and forest lands for commercial production, and protection of natural resources.

In Oregon, state and local governments share the responsibility for these choices. The state sets overall requirements for land-use planning and cities and counties adopt plans that meet the requirements. Local governments make land-use decisions consistent with their state-approved plans. For further information, please see the department’s web site at: <http://www.oregon.gov/LCD>.

Summary for Annual Performance Measure Report

In 2003, DLCD made significant changes to its goals and performance measures in response to comments from the Joint Committee on Ways and Means.

The agency simplified its goals and focused them on core issues relating to development potential inside urban growth boundaries (UGBs), improving transportation systems, protecting farm and forest land outside UGBs, and streamlining DLCD programs and processes.

DLCD also added specific performance measures in response to various issues and concerns raised in the budget process. For further information, please see the department's web site at: <http://www.oregon.gov/LCD>.

Working with Local Governments

The statewide land-use planning program is implemented through a partnership between state agencies and local governments: A major portion of the department's activities focus on that relationship. These activities include technical assistance and advice, grants, and review of local comprehensive plan amendments (including periodic review).

Helping Cities and Counties through Communications and Technical Assistance

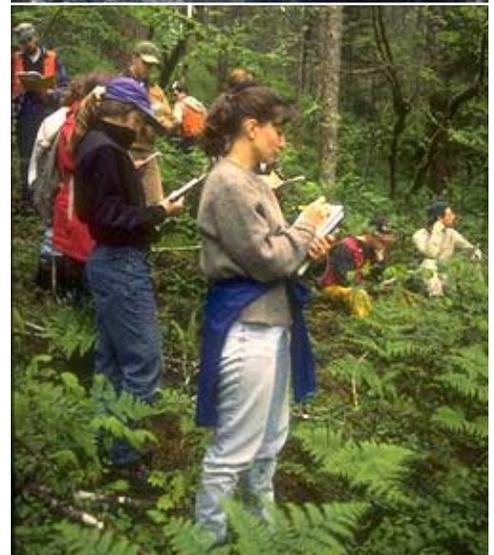
DLCD provides advice and technical assistance to local governments through formal and informal means. Formally, department staff members often sit on technical advisory committees for local planning projects. The department also held three 'Planners Network' meetings around the state and three 'Coastal Planners Network' meetings during the biennium.

These Planners Network meetings serve as forums for department staff and local government planners to meet, exchange information, and develop strong working relationships. Additional Planners Network meetings are anticipated in the spring of 2005.

Informally, DLCD staff field questions regarding state goals, rules, and laws and general planning practices through frequent telephone calls, e-mails, and meetings. The nature of this technical assistance varies depending on the needs of the local jurisdiction, and ranges from short exchanges regarding a procedure to substantive engagement on major development or plan amendment proposals.

Grants to Local Governments

DLCD has several grant programs for local governments. One program is used to implement the coastal zone management program (see 'Managing Oregon's Coastal and Ocean Resources,' page 16). Another is dedicated to improving integration of land use and transportation planning (see 'Integrating Transportation and Growth,' page 18). The general fund grant program makes awards to local governments for planning activities and periodic review. Periodic Review grants during the 2003-05 biennium totaled about





\$250,000 and were used for completing a variety of tasks on local periodic review work programs. About \$150,000 in Planning Assistance grants was awarded to small cities (smaller than 2,500 population) and counties (smaller than 15,000) for general planning activities. About \$1 million in Technical Assistance grants was awarded to local governments during the biennium for specific plan update projects.

Keeping Local Plans Up to Date



In order for the statewide planning program to function properly, local comprehensive plans must be kept up to date. Frequently, local governments identify needed updates and amend their plan through a process called a post-acknowledgment plan amendment (PAPA). The only role for DLCD in a post-acknowledgment plan amendment is to review and provide comments, although department staff is frequently asked to provide technical assistance as well. Many local governments are also required to review and update their plans on a schedule through a process called periodic review.



Reasons for Periodic Review

Growth and other changing circumstances can render a comprehensive plan obsolete so that it does not satisfy the needs of the local government, citizens or developers. Statutes require cities and counties to periodically review their plans to ensure they continue to accommodate needed land and infrastructure for economic development and housing. Certain statutory and rule provisions are implemented through periodic review as well.



Legislative Changes to Periodic Review

The processes that together constitute ‘periodic review’ have been amended several times, generally to make plan updates more efficient and effective. The latest amendment was made during the 2003 legislative session in Senate Bill 920. This bill made mainly temporary changes to periodic review by making a host of tasks on local government work programs optional. This, in combination with a new limit on the length of time DLCD has to review submitted tasks, has led to a marked decrease in the number of outstanding jurisdictions in periodic review and the number of tasks on remaining work programs. The LCDC will submit a full report on the status of periodic review to the 73rd Legislative Assembly.



Plan Amendment Review

A local government can also amend its comprehensive plan to address local needs, outside the periodic review process, through the post-acknowledgment plan amendment process. The city or county may initiate such an amendment or it may be initiated by property owners who wish to change the allowed uses on their land. The local government is required to send notice of proposed post-acknowledgment plan amendments to DLCD. As previously

stated, DLCD's role in a post-acknowledgment plan amendment is to review the proposal and provide comments if the department or the local government find it beneficial. DLCD received more than 900 notices of post-acknowledgment plan amendments during the biennium prior to the preparation of this report and commented on 180 proposals.

In cases when DLCD provides comments and the local government makes a decision the department believes violates a statewide planning goal, the department can, with LCDC approval, appeal the local decision to the Land Use Board of Appeals (LUBA).

During the 2003-05 biennium, DLCD did not appeal any local decisions, but did file one agency brief at LUBA *in favor* of a local decision (Treasure Valley Renewable Resources in Malheur Co.), and joined with the Department of Agriculture in support of another (Jefferson County feed lot).

Periodic Review Reform Committee

Senate Bill 920 (2003) directed LCDC to appoint an interim committee to evaluate the periodic review program to determine how effectively the program accomplishes the legislatively declared policy for the program, how cost-effective the program is, and how efficiently the program balances program requirements with available state and local resources. This stakeholder committee, staffed by DLCD, met monthly beginning in April 2004 and will submit its own report to the 73rd Legislative Assembly.

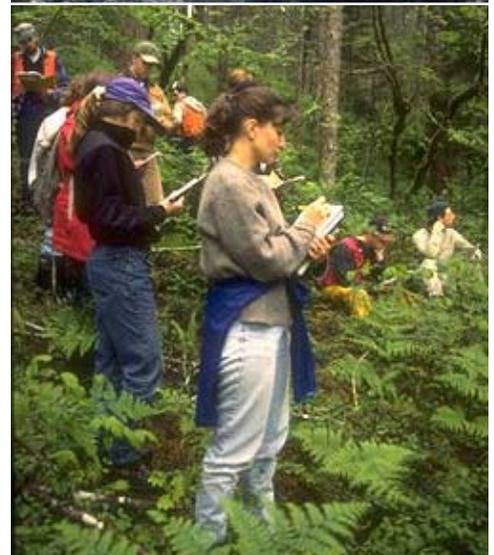
Economic Development

Economic Revitalization Team

DLCD is a committed partner in the Governor's Economic Revitalization Team (ERT). The ERT was established by the 72nd Oregon Legislature (HB 2011) to focus state agencies on working together at the local level to increase economic opportunity and help local governments and business and property owners bring industrial sites to 'shovel-ready' status.

Formerly the Community Solutions Team (CST), the ERT emphasizes multi-agency coordination on projects of local and statewide significance. The ERT has regional coordinators deployed around the state to help Oregon communities and businesses succeed. They work with state agencies and local government to:

- Streamline permitting for business and industry;
- Increase opportunities to link and leverage public and private investments;
- Provide greater local access to state resources and assistance.





The Governor’s office has directed the ERT agency directors to create lasting and systematic changes to agency policies, programs and processes for greater effectiveness and improved efficiency. DLCD’s participation in the ERT is one of the key ways in which the department carries out its commitment to better coordinating the Governor’s agenda of economic development with the statewide land-use planning program.

Economic Development Accomplishments

Oregon’s land-use planning program supports the state’s economy by ensuring that local governments have a land supply that can meet a variety of economic opportunities. Statewide Planning Goal 9 (Economic Development) is at the center of the state land-use program’s policy on economic development.

The goal calls for local governments to provide “an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses.” It specifically requires local governments to identify sites needed for industrial and commercial development to meet both long-term (up to 20 years) and short-term needs.

The land-use planning program works to enhance economic development by:

- Providing certainty to the development community through local ordinances that establish clear and objective standards for development;
- Ensuring that there are adequate supplies of buildable land for industrial, commercial and other employers, and;
- Maintaining livability that attracts people and industry to Oregon.

The department’s ability to respond to economic issues was significantly enhanced this biennium through funding provided by the 2003 Legislature’s House Bill 2011. As part of HB 2011, funding was provided to support staff for the department’s economic development planning team. The team is working to ensure Oregon’s land-use program meets the economic development planning needs of state agencies and local governments.

The Economic Development Planning Team includes an economic development specialist, a community development specialist, an administrative assistant and a team leader. The team is located in DLCD’s Planning Services Division and provides direct technical assistance to local governments and the development community.

The team engages state agencies, local governments and citizens by supporting policy initiatives and local planning projects that help local governments meet land supply needs, promote sustainability, and enhance business recruitment, expansion and retention.

The Economic Development Planning Team has begun its policy development work by convening two advisory committees:

The Industrial Conversion Study Committee was created in response to section 17 of HB 2011 (Chapter 800 Oregon Laws 2003), which requires LCDC, in conjunction with the Governor's Economic Revitalization Team, to study and report to the Governor by the end of the year (2004) on the conversion of industrial land to non-industrial land. This report has been approved by the Commission and forwarded to the Governor. The report is available on the department's web site.

The Economic Development Planning Advisory Committee provides subject matter expertise and guidance to the Economic Development Planning Team regarding the needs of local governments and the state.

This committee is assisting the department with policy and is currently drafting amendments to streamline the Goal 9 administrative rule. Committee members and staff are also working with a consultant to develop a guidebook for local governments to help them identify land suitable for industrial, commercial and other employment needs.

The department is also expanding efforts to work with communities throughout the state on economic development issues. Staff held economic development roundtables in Pendleton and Medford to get feedback on the unique economic development challenges and opportunities present in these communities. Business owners, local developers, planners and economic development professionals attended the roundtables.

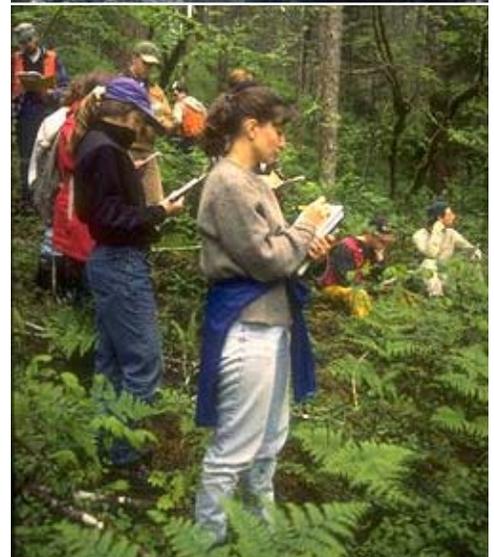
The department awarded \$200,000 in grants for economic development planning authorized by HB 2011. Projects that received grant funds include development of a master plan for 500 acres of industrial land that will be brought into Bend's urban growth boundary, assessment of rail service to industrial lands in Malheur County, work on urban renewal in Phoenix to support downtown economic development, and an assessment of water dependent and other employment potential for the City of Newport.

In addition, the department, in conjunction with the Grants Advisory Committee, identified economic development planning activities as a high priority for general fund grants to local governments during the 2003-05 biennium.

Technical assistance grants were provided to jurisdictions to:

- Update their buildable lands inventories to make sure that they had land available to meet both short- and long-term industrial and commercial lands needs
- To conduct economic opportunity analyses and do to other planning related to community employment goals

Several communities received grants to complete work through periodic review that related to compliance with Statewide Planning Goal 9.





Protecting Farm and Forest Lands

Development approvals for dwellings, uses and land divisions on farm and forest lands during the 2003-05 biennium continue to reflect the influence of changes to state laws and LCDC rules enacted since 1993. Data in DLCD’s latest farm and forest report appears to generally reinforce approval trends noted in recent years. For example, the number of new ‘farm dwellings’ has remained relatively steady and the number of approved non-farm dwellings is adjusting to the legislative changes made in 2001 (HB 3326).

On the forest side, the number of new houses on forestland has also remained steady. Dwellings not directly associated with forest management (i.e., lot-of-record and forest template dwellings) comprise the vast majority of all dwelling approvals on forestlands.

Oregon’s population growth remains steady in some regions, so it is unlikely that these trends are the result of a lessening of demand for rural living opportunities. Rather, the declines of development activity on the state’s resource lands appear to be the direct result of the revisions made to farm and forestland laws and rules enacted over the last 10 years.

Agricultural and Forest Land Goals

The 1997 National Resource Inventory shows that the rate of conversion of farm and forest lands in Oregon has slowed and that the conversion of the better quality (prime) lands has decreased. Further, of the farm and forestlands converted, almost 70 percent were planned conversions within urban growth boundaries or rural development zones.

Statewide Planning Goal 3: Agricultural Lands, defines agricultural land and requires counties to adopt exclusive farm use zoning to preserve them. State statutes, Goal 3 and the LCDC’s Goal 3 rules (OAR Chapter 660, Division 33) establish standards for dwellings, uses and land divisions in farm zones. More than 15.5 million acres are currently zoned as farmland. The farm value property tax assessment program covers a similar amount of land.

Statewide Planning Goal 4: Forest Lands, defines forestlands and requires them to be zoned for timber management and other commercial forest uses. Some eight million acres of private land have been zoned as forestland. Standards for dwellings, uses and land divisions on forestlands are provided in state statutes, Goal 4 and in the commission’s Goal 4 rules (OAR Chapter 660, Division 6).

Protecting Farm and Forest Lands is Vital for Oregon's Economy

In 1974, when Goals 3 and 4 were adopted by LCDC, the principal reason for enacting such strong state land-use policies was economic. The same is true today. Agriculture and wood products are two of Oregon's largest industries.

Figures released by the state Department of Agriculture report that the total direct and indirect contribution to Oregon's economy by the agricultural and food processing industry in 2002 was \$9.2 billion dollars (\$3.8 billion in farm/ranch products; \$2 billion from value-added processing, and \$3.4 billion in purchased goods and services). The wood products industry is an equally important force in the state's economy, despite a declining supply of timber.

Commercial farming and forestry require large supplies of land. However, both industries are seriously affected by the loss of land for other uses and from conflicts and complaints from nearby landowners who are not engaged in farm and forest activities. This is why protecting these valuable resource lands is so important to Oregon's economic strength and stability.

A failure to limit harmful developments would impose higher costs on farmers, timber managers and taxpayers. Probably the biggest concern for the future of our farm and forestlands is the fact that such lands are also viewed as areas for rural home sites. Despite stricter laws and rules, the competition between resource production and residential use continues to be one of the most difficult issues facing the rural side of Oregon's statewide planning program.

Monitoring Development on Farm and Forest Lands

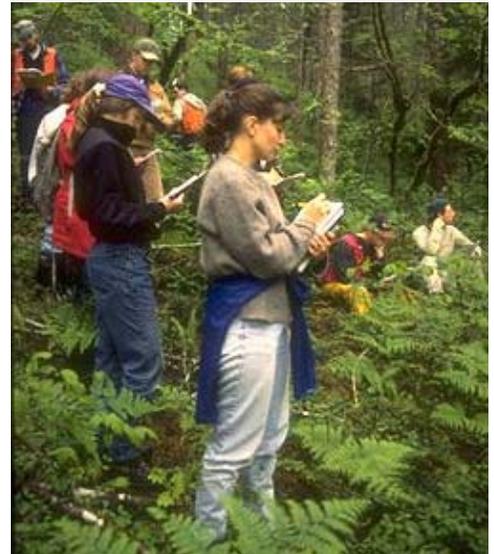
The land-use approval data summarized in this report comes from Oregon's 36 counties. County planning departments are required to give DLCD periodic review reports about dwellings, uses and land divisions occurring in farm and forest zones.

The legislature adopted this reporting requirement in the late 1980s. Before that, state and local officials often were poorly informed when it came to evaluating land-use policies and laws. The reporting system currently in effect (along with other sources) provides the information needed to review existing policy and regulations and make timely, appropriate adjustments.

However, the current reporting system extends only to farm and forest zones. The state's ability to better assess the effect of surrounding residential, commercial and industrial development on resource lands would be enhanced significantly if counties were required to report on rural development patterns in areas adjacent to farm and forest lands.

Lot-of-Record Dwellings

The current statutory standards for 'lot-of-record' dwellings on farm and





forest lands were established to recognize individual or family ownerships that existed prior to LCDC’s acknowledgment of most county comprehensive plans (Jan. 1, 1985). Local officials enacted the policy to provide a measure of equity for owners of resource land whose dwelling opportunity was limited by subsequent zoning actions in order to comply with Goals 3 and 4.

Non-farm Dwellings

While the number of approvals has decreased since 1997, the majority of non-farm dwellings being approved are on less productive lands in eastern and southern Oregon. Because the ability to site a non-farm dwelling in the Willamette Valley is very limited, the number of new non-farm dwellings in the valley is small.

Dwellings in Forest Zones

State law provides for three principal dwelling opportunities in forest zones. These opportunities are largely non-discretionary, which means that individual applications can be quickly reviewed and processed by local planning officials. Forest dwelling opportunities have been designed to recognize the varying levels of productivity between eastern and western Oregon forestlands. One dwelling opportunity (commonly referred to as a ‘template dwelling’) can be approved depending upon the level of existing development in the area. Continued implementation of the current standards has resulted in a slight decline over the years of dwellings located in forested areas of the state.

Land Divisions in Farm and Forest Lands

State statutes and LCDC rules are designed to ensure that newly created parcels on farm and forestlands remain commercially viable. These are considered to be the most important methods of preventing the loss of the resource land base. Generally, current standards for land divisions require an 80-acre minimum parcel size for land in farm and forest zones and 160 acres in rangelands. As a result, about 75 percent of all new farm- and forest-related parcels created in the 2003-05 reporting periods were larger than 80 acres.

As authorized by the statutes, counties also have the opportunity to demonstrate to LCDC that a lower minimum parcel size is appropriate to continue commercial resource enterprises. No counties have sought to use this ‘go-below’ provision during this biennium.

New Farm Dwellings

The latest data on farm dwelling approvals continue to show that LCDC’s rules are making a difference. Previous requirements had allowed hundreds of new farm dwellings to be approved each year, at a time when the number of farms in Oregon was declining. Changes on the farm dwelling approval standards have been critical in supporting the viability of Oregon’s agricultural economy.

Managing Oregon's Coastal and Ocean Resources

Helping Coastal Communities Succeed

Oregon's coast continues to attract new residents, summer travelers, weekend visitors, and new businesses. Despite the recent downward economic trend, the coastal communities experienced steady – if not increasing – demands for new development, especially housing, over the past two years. Local governments from Astoria to Brookings are undertaking a wide range of planning, development, and redevelopment projects to increase livability and promote economic growth.

The DLCDC Oregon Coastal Management Program (OCMP) increased its commitment to assist communities to succeed in meeting these challenges and opportunities by more effectively planning for and managing growth and development while conserving the special resources and values that make the Oregon coast so attractive.

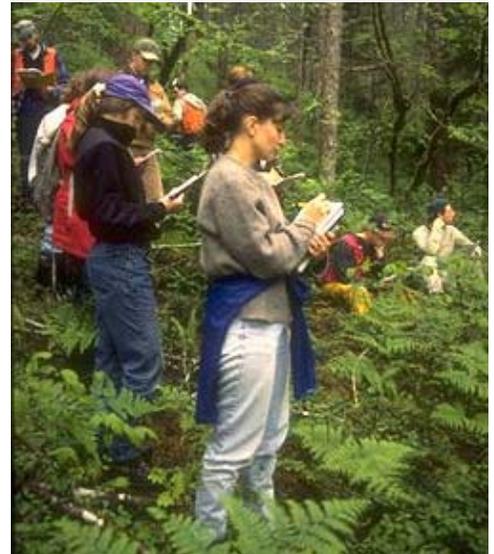
On-Site Advice and Assistance

Over the past two years, the OCMP has strengthened on-site assistance through a new field office in Waldport. Two community service representatives assigned to this office provide advice and assistance directly to planners and officials in coastal jurisdictions. In addition, DLCDC has a cooperative agreement with the Department of Environmental Quality for use of a satellite office in Warrenton.

Other technical and program staff travel as necessary to work in the office or in the field with cities and counties to address technical situations, planning projects, or policy issues such as storm-water management, coastal hazards mapping and development standards, industrial site planning, and public facilities.

Technical Support

The OCMP provides technical expertise to coastal communities to plan for economic development, identify and reduce risks to development from natural hazards, manage storm-water runoff from development, and improve growth management through GIS and other information technologies. While some of this technical expertise lies with the department's OCMP staff, a principal service provided by DLCDC's OCMP is matching technical experts in other state and federal agencies, academia, and the private sector to local government needs.





Financial Assistance

A significant part of the OCMP effort is providing financial assistance to coastal cities and counties to meet needs for planning, technical assistance, and other special project funding. Thanks to an increase in federal allotments to Oregon, the OCMP directed more than \$2 million in federal Coastal Zone Management funds to Oregon's coastal cities, counties, and port districts during the past biennium. Financial assistance categories included:

1. Planning Assistance Grants: These grants enable local governments to maintain core planning functions to work with developers, review development proposals, prepare plan changes, update ordinances, and other planning work to support development decisions. Funds are allocated by a formula approved by the 2001 Legislature that is based on population, projected growth, shoreline length, and presence of special planning issues. All jurisdictions are eligible for a minimum grant of \$3,000 and a 1:1 local match is required.

2. Technical Assistance/Special Project Grants: These grants enable cities and counties to meet emerging needs beyond basic planning activities. In 2003-05, cities and counties sought grants for planning for economic development, building capacity in GIS and other information technologies, completing special plan inventories, assessing coastal hazards and managing storm-water runoff. For example, Bandon completed a special plan to redevelop the Woolen Mills Area near Old Town; Lincoln County created digital GIS map layers of coastal shore lands and flood hazards; and Gold Beach mapped ocean shore hazards with high-tech radar. Grants in this category were up to \$30,000 and required a 1:1 local match.

3. Small-Scale Construction or Acquisition Grants (306A): Over the past two years, jurisdictions from Astoria to Brookings received grants totaling about half a million dollars for nearly 20 projects. Those projects range from improving public recreational access to coastal shores and waters, redeveloping deteriorating waterfronts, and preserving or restoring natural, historical, or aesthetic resources. These OCMP funds helped purchase a bridge on the new Lewis and Clark Trail from Fort Clatsop to the ocean beach, a fishing pier for physically challenged fishermen at the Port of Brookings Harbor, public access and parking along the North Bend waterfront, public access to rocky intertidal areas near the mouth of Tillamook Bay, and an estuary viewing platform in Toledo. Virtually every community on the Oregon coast now has a public project completed with this funding.

4. Storm-water Management Grants: The OCMP provides special federal funds to local governments along the coast as well as in the Rogue and Umpqua river basins to reduce or prevent water pollution caused by storm-water runoff. Local projects include Dunes City wetlands inventory and public workshops, an erosion control ordinance in Astoria, a Storm-water Quick Response Team to assist developers with site planning coordinated by the Rogue Valley Council of Governments, and wetlands mapping in Gearhart.

5. Intergovernmental Cooperative Agreements: The OCMP has collaborated with local governments and partner state agencies to fund a number of special projects to support economic development and livable communities. Examples include a redevelopment feasibility study of a historic building on the Astoria waterfront, a needs and opportunities assessment of employment lands and sub-area planning in the City of Newport, near shore beneficial use planning and studies for the mouth of the Columbia River, geologic hazards inventories in Myrtle Point, rockfish surveys on near shore rocky reefs by the Oregon Department of Fish and Wildlife, and support for a community-based fisheries management program in Port Orford.

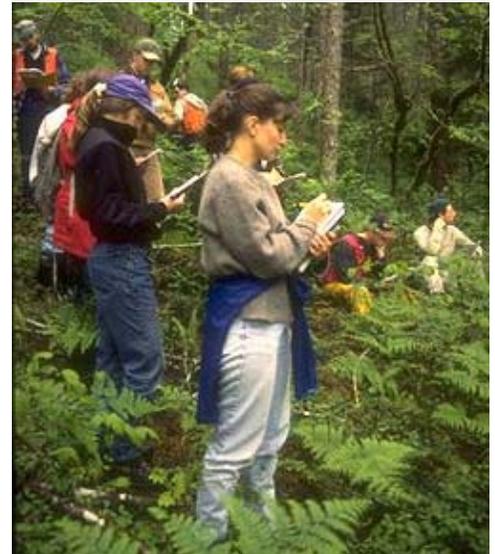
Training, Education and Information

An increasingly important function for the OCMP is providing a wide range of information in appropriate formats and delivery mechanisms.

1. Land-Use Planning Workshops: The OCMP provided about two-dozen training sessions for city and county planning commissions, city councils, county commissions and others in the basics of Oregon’s land use system as applied in their communities. Each workshop was held in the evening and individually tailored to local situations, with plenty of discussion time.

2. GIS Training: Because many local governments are rapidly gaining in computer mapping or GIS capability, the OCMP sponsored accredited training sessions for local government planners in GIS technologies and techniques.

3. Oregon Coastal Atlas: The Oregon Coastal Atlas <<http://www.coastalatlus.net>> developed by the OCMP in cooperation with Oregon State University and other partners, is on the leading edge of delivering information to coastal users via the Internet. Local governments, state and federal agencies, and the private sector can now access a wide range of traditional and digital information to inform decision-making for permits, development applications, etc. Schools use it for educational purposes. User tracking shows more than one million hits on the Atlas site in the first year of public service. Many service improvements are being developed for 2005-07.



Integrating Transportation and Growth

Expanding Transportation Choices for People

The Oregon Transportation and Growth Management (TGM) program supports community efforts to expand transportation choices for people. By linking land use and transportation planning, TGM works in partnership with cities and counties to create vibrant, livable places in which people can walk, bike, take transit or drive where they want to go. Jointly administered by



DLCD and the Oregon Department of Transportation, the program is funded by the Federal Highway Administration.

TGM Grants for Oregon Communities

During the 2003-05 biennium, TGM awarded \$5,000,500 million in 55 grants to local governments. These grants have helped communities develop and update Transportation System Plans (TSPs) for needed transportation facilities. Activities supported by TGM emphasize four key principles:

1. Better coordination between transportation and land-use planning;
2. Better-connected street networks;
3. Transportation efficiencies built into new development;
4. Stewardship of communities and transportation facilities in which taxpayers have already invested.



Through support for transportation planning in industrial projects, TGM has enhanced prospects for family-wage jobs in Oregon. For example, Canby is using its TGM grant to meet transportation needs at the Canby Pioneer Industrial Park. Meanwhile, Sheridan has applied its grant to a multi-modal transportation refinement plan intended to advance the West Sheridan Industrial Area's 'project readiness.'



Because tax dollars can go further when transportation needs are assessed in a comprehensive, coordinated way, TGM has funded many Transportation System Plans (TSP). In a model example of inter-jurisdictional cooperation, Coos Bay and North Bend recently completed their TSP. Also, TSP projects are moving forward in Sweet Home and Dallas.



Many communities have used TGM grants to plan for transportation improvements in the context of downtown revitalization. A Downtown Master Plan completed by Elgin has positioned the town to move forward with new road improvements, sidewalks, and main street enhancements in 2005. And during the summer of 2004, Manzanita completed work on safer street crossings and extended sidewalks in its town center.



Other communities have used TGM grants to plan new bike and pedestrian paths to better connect local destinations. Independence and Monmouth, for example, have laid plans for the new Ash Creek Trail, a greenway that will link the two towns while giving area residents another transportation alternative. The trail will also give students a way to walk or bike safely to five public schools and Western Oregon University.

TGM Direct Community Assistance

TGM also offers direct community assistance to local governments through Quick Response, Code Assistance, and Outreach programs. These non-regulatory programs make specialists in transportation, land use, and urban design available to communities seeking to resolve transportation and growth management challenges.

Quick Response: Quick Response helps local governments and developers consider designs for proposed developments that enhance transportation choices. Projects assisted through Quick Response teams that were either completed or significantly advanced during this biennium include:

- Bend’s Dean Swift neighborhood, where attached single-family housing and a local street network are being constructed according to a plan for an area recently annexed by the City.
- Medford’s new Jackson County Library, which opened in 2004. A Quick Response team influenced the library’s location in a way that yielded three benefits. The structure’s proximity to the Rogue Community College means the library can serve the needs of 7,000 students. Its proximity to local transit means greater accessibility for people who cannot – or cannot afford or choose not to – drive. And its downtown location means economic benefits for the central business district.

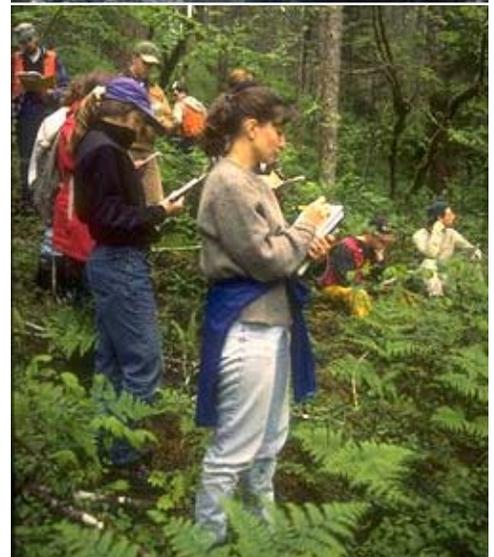
Code Assistance: Through Code Assistance services provided by TGM consultants, cities and counties can reassess and update their local planning laws with a view to making them more supportive of transportation-efficient development. Happy Valley, Klamath Falls and John Day are among the many Oregon communities that have received code assistance this biennium.

Outreach: Through Outreach, TGM supports workshops, public forums, and other activities aimed at enhancing public awareness and understanding of transportation-efficient development concepts, including mixed-use and pedestrian- and transit-oriented development.

In a special project supported by TGM Outreach, a forum on the transportation implications of school siting took place in November 2004 at the University of Oregon. The conference brought together school facility, land use, and transportation planners to identify ‘best practices’ in school siting. As student transportation and land costs have risen, and as interest in enabling schools to serve their time-honored function as centers of community has grown, so has interest in putting schools on sites that allow more students to walk or bike to school.

Better Ways to Better Places: TGM helps Oregon in three important ways:

- By showing how new development can become more transportation efficient;
- By preserving and enhancing transportation facilities and communities in which taxpayers have already invested, and;
- By promoting better coordination between land use and transportation planning.





Coordinating Programs of State Agencies

The statewide planning program relies on cooperation and coordination with other state agencies whose programs affect land use. An important goal of the program is to ensure that state agency programs are consistent with statewide planning goals and compatible with local comprehensive plans.

Consistency is strong through state agency coordination agreements, completed in the 1990s and approved by the Commission in 1993. Some agencies, including the Department of State Lands, are in the process of updating these agreements.

Coordination also occurs through the Economic Revitalization Team and other efforts to involve state agencies in implementation of the state land-use planning program.

Funding for Oregon’s Planning Program

Oregon’s statewide planning program covers a wide range of goals with a limited budget. In terms of budget and staff, the Department of Land Conservation and Development (DLCD) is among the smallest of all state agencies and one of the many natural resource agencies in the state. Natural resource agency budgets for 2003-05 total less than 3.5% across all fund types.

DLCD’s legislatively adopted budget for the current biennium (2003-05) totals \$15,201,173. The three main sources of funding are General Fund \$8,643,323; Other Fund \$873,425; and Federal Fund \$5,684,425. DLCD does not administer permit programs and therefore does not generate any revenue from permit fees.

Citizen Involvement

Advisory Committee (CIAC)

ORS Chapter 197 established the Citizen Involvement Advisory Committee to advise the LCDC and local governments on matters pertaining to citizen involvement. CIAC is an advisory body only; it has no explicit or implied authority over any local government or state agency. The committee does not set policy or review local land use plans or decisions.

The CIAC has eight members, one from each of Oregon’s five congressional districts and three chosen at large. CIAC members are unpaid volunteers and are appointed to four-year terms by the LCDC. The committee meets bi-monthly in Salem.

During the 2003-05 biennium, the CIAC worked with DLCD and LCDC to develop and adopt ‘Citizen Involvement Guidelines for Policy Development,’ to provide guidance for public involvement in department and Commission decision-making. As a byproduct of the policy, committee members and other interested citizens have been appointed to most of DLCD’s policy work groups.

CIAC members also worked with DLCD to hold education and outreach meetings in conjunction with LCDC’s meetings throughout the state, so that local citizens could share their successes and challenges regarding citizen involvement at both the state and local level.

Citizen participation is a hallmark of Oregon’s planning program. Each city and county plan includes a citizen involvement program that describes how the public can participate in each phase of the planning process. Local governments must periodically evaluate their efforts to involve citizens, and, if necessary, update their programs. These requirements are established in Goal 1: Citizen Involvement.

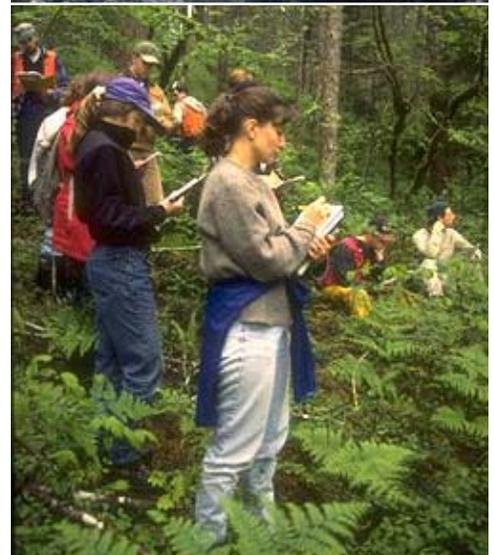
The Big Look: A 30-Year Review of the Program

Oregon’s statewide land-use program was established in 1973. The program was initiated in part through extensive public involvement and outreach to thousands of Oregonians. Their participation and involvement is reflected in the Statewide Planning Goals that express the fundamental vision and values that the program was intended to support and implement.

The statewide program has accomplished much and has done great things for Oregon, in maintaining the livability of its communities and rural areas, fostering sustainable economic development, protecting our agricultural and forest industries, and supporting local governments in attaining these goals at the local level. But in the 31 years that have passed since the beginning of the program, it has become more complex, more regulatory, and – in the minds of too many Oregonians – more about process and less about the vision that created the program in the first place.

In the years since the program was first established, the state has changed as well. Oregon’s economy has changed. Its population has changed. Our priorities are not the same today as they may have been 30 years ago. And too few Oregonians today feel connected with the vision of our statewide land-use planning program.

For all of these reasons, the department has introduced legislation in the 2005 legislative session to create and fund a process to conduct a thorough review and revisioning of the statewide planning program. The process, as proposed by the department, would be overseen by a 10-person task force appointed by the Governor, the President of the Senate, and the Speaker of the





House, to evaluate the program and make recommendations to strengthen and streamline it, and bring it in line with our values and needs of the 21st century.

The department proposes that the review proceed in three phases: First, a study phase, to critically evaluate some of the key components of the program, and their impacts over the last 30 years. Second, a program of outreach to Oregonians, both to inform them of the program and what it is, and to seek their input into how the program might better reflect their interests and priorities today. Finally, the review would recommend changes in statutes, the Statewide Planning Goals and administrative rules to streamline the program and make it better reflect the vision of Oregonians today.

With the passage of Ballot Measure 37, it may be more important than ever to reconnect Oregonians with their statewide planning program, and address their concerns.

Measure 37

On Nov. 2, 2004, Oregon voters passed Ballot Measure 37 by a vote of 1,011,044 (60%) to 660,599 (40%).

The measure provides that the owner of private real property is entitled to receive just compensation when a land-use regulation is enacted after the owner or a family member became the owner of the property if the regulation restricts the use of the property and reduces its fair market value. In lieu of compensation, the measure also provides that the government responsible for the regulation may choose to “remove, modify or not to apply [*sic*]” the regulation.

DLCD is working with the Governor’s office, in cooperation with the Department of Administrative Services, the Department of Justice and other affected state agencies to develop a coordinated process to receive and evaluate claims for compensation.

The department is assisting in the ongoing review of the measure to determine its scope and impact on state and local governments. The department has coordinated its work with our local government partners to ensure that – to the maximum extent possible – we are working together as we move forward with the implementation of the measure.

As of the date of this report, it is too soon to tell precisely what impact the measure will have on the department, or on the state and local governments, for that matter. Clearly, it is the single most significant change in the statewide planning program since the program was adopted, but apart from that it will take time and experience under the measure to gauge its full impact.

The department is committed to working with the Governor, the legislature, other state agencies and our local government partners to implement the measure and, if changes in the measure should need to be made, to address such changes with the same commitment to cooperation and coordination.

DLCD Divisions and Offices

The department realigned its operations in February of 2003 in an effort to be more customer-service oriented. DLCD is organized into four divisions:

Community Services Division: The division assists local governments and citizens in carrying out the statewide land-use planning program, administers department grants to support local government planning projects, and reviews updates of local government comprehensive plans and land-use regulations.

Planning Services Division: The division provides technical assistance and policy consultation services to the agency's regional representatives, assisting them in serving local and state agencies, and citizens.

Ocean and Coastal Services Division: The division contains two programs: 1) the federally approved Ocean-Coastal Management Program; and, 2) the Oregon Ocean Resources Management Program. The division works with coastal planners; city, county and port district officials; state and federal environmental and regulatory staff; private individuals; and research scientists from universities and other agencies.

Operations Services Division: The division provides agency-wide support in areas including information technology, budget, human resource, fiscal services, landowner notification, reception, and payroll.

The department is based in Salem, but has field offices in Portland, Eugene, Waldport, Bend and Central Point. The following is a list of DLCD offices and contact information:

Department of Land Conservation and Development (Main Office)
635 Capitol St., NE, Suite 150, Salem, OR 97301-2540
(503) 373-0050 x280 lane.shetterly@state.or.us
WEB SITE: <http://www.oregon.gov/lcd>

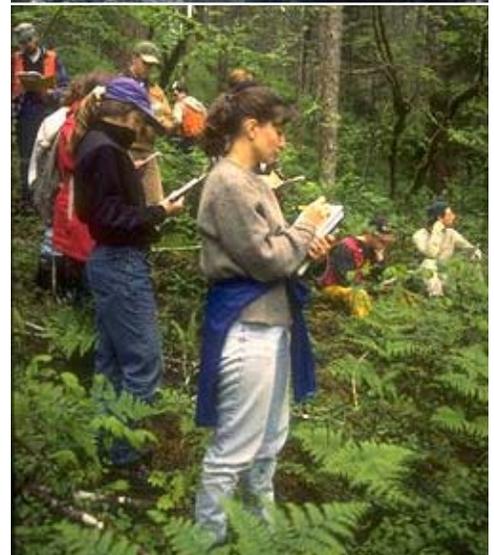
Department of Land Conservation and Development
800 NE Oregon St., # 18, Suite 1145, Portland, OR 97232
(503) 731-4065 x34 meg.fernekees@state.or.us
(503) 731-4065 x25 stacy.hopkins@state.or.us

Department of Land Conservation and Development
99 E. Broadway, Suite 400, Eugene, OR 97401
(541) 682-3132 marguerite.nabeta@state.or.us

Department of Land Conservation and Development
P.O. Box 451, 720 Mill Street, Waldport, OR 97394
South Coast: (541) 563-2056 dave.perry@state.or.us
North Coast: (541) 563-3745 laren.woolley@state.or.us

Department of Land Conservation and Development
155 N. First St., Central Point, OR 97502
(541) 858-3189 john.renz@state.or.us

Department of Land Conservation and Development
Empire Corporate Park, 20300 Empire Ave., Suite 1, Bend, OR 97701
(541) 388-6157 mark.radabaugh@state.or.us
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NOTE: The 2003-05 Biennial Report was designed and edited by Cliff Voliva, Communications Officer for the Department of Land Conservation and Development.

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VIA THE WEB

<http://www.oregon.gov/LCD/publications.shtml>

ATTACHMENT A: Map of Oregon Showing Recent Visits by DLCD Directors



NOTE: Cities in ALL CAPS denote location of LCDC meetings outside of Salem.