



March 29, 2021

Representative Pam Marsh, Chair
House Committee on Energy and Environment
900 Court Street, NE
Salem, OR 97301

RE: HB 2488-2 Implementation Concerns

Dear Chair Marsh and Members of the Committee:

Thank you for the opportunity to share feedback on HB 2488-2. The LOC represents all 241 incorporated cities across Oregon, and we are engaged as your committed partners in crafting sounds policies that can be implemented on the ground at the local level. The LOC supports the underlying intent of the bill, to incorporate climate justice into our statewide planning goals. Our feedback today is based on our understanding of the proposed -2 amendments and cities' ability to implement these important climate justice policy goals.

Funding

The -2 amendments would direct DLCD to create a new Goal 20 for climate justice, and the amendments have been scoped to the work DLCD can accomplish in 2021-23. New requirements for local governments would then start in 2025, with some phasing out through 2027. We understand that there is \$800,000 funding in the Governor's recommended budget to support DLCD's work but without equivalent, sufficient funding for local government implementation, the base bill and proposed amendments create an unfunded mandate on local governments. As with previous new policy requirements (HB 2001 included \$3.5M in 2019) cities rely heavily on implementation funding from the state to update comprehensive plans, update land use code and comply with new state requirements. The -2 amendments include a provision to allow local governments a one-time one-year deferral, however this only serves to delay the unfunded mandate and does not resolve it.

Funding priorities

The -2 amendments also include a requirement that would prioritize state resources to "those counties and cities with fewer resources." The complexity of the land use code should also be considered as a factor when prioritizing the need for financial assistance, as well as the value of local match dollars a local government offers to implement state mandates. Larger cities with additional resources also have larger, more complicated local code that is more expensive to update and reconcile with new state requirements. Lastly, financial assistance should be front-loaded to those communities with the earliest requirement timelines outlined in the base bill and amendments.

Other implementation timelines and relation to other ongoing efforts

We also ask this committee to consider other ongoing land use updates that cities are or will be working on to comply with existing legislation. Cities are still updating their comprehensive plans to comply with HB 2001 (2019). Then under HB 2003 (2019), cities will be required to adopt a new Housing Capacity Analysis (formerly Housing Needs Analysis) by the end of 2026. If the analysis shows a city doesn't have enough land to accommodate our projected housing need, cities will have to also adopt efficiency measures (land use changes to make more efficient use of land inside UGB) or expand the UGB or both, at the same time that they adopt the Housing Capacity Analysis. We are unclear as to how HB 2488 would impact this work and the associated timeframes associated with these state mandates. Cities are also participating in the [Climate Friendly and Equitable Communities](#) rulemaking currently underway at DLCD as part of the Governor's executive order, with new requirements for local govt coming due in 2023. There is significant between these two efforts and we want to be sure to align as much as possible so that cities aren't forced to update their plans multiple times for similar policy goals. Alignment would also help reduce implementation costs.

The LOC respectfully requests that this committee include local implementation funding in this bill, without which cities will be unable to meet new requirements or meaningfully update any local policies or public processes.

Thank you for your consideration,

Ariel Nelson
League of Oregon Cities