



# Oregon

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September 27, 2023

**TO:** The Honorable Pam Marsh, Chair  
The Honorable Emerson Levy, Vice Chair  
The Honorable Bobby Levy, Vice Chair

**FROM:** Alexis Biddle, Legislative and Policy Coordinator  
Palmer Mason, Senior Policy Advisor  
Kevin Young, Senior Urban Planner



**RE: Climate-Friendly and Equitable Communities Program Update**

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Chair Marsh, Vice Chairs Levy and Levy,

Thank you for the opportunity today to share an update on the Department of Land Conservation and Development's (DLCD) Climate-Friendly and Equitable Communities (CFEC) program. I have attached our presentation to this memorandum and will provide a broad overview at today's hearing of the CFEC program and highlight recent rulemaking by the Land Conservation and Development Commission. We are providing this memo to summarize some key points from this update.

## **CFEC and Housing**

The CFEC program reduces barriers and the costs of developing housing projects, helping Oregonians buy or rent desperately needed housing in the state's metropolitan areas where the majority of Oregonians live and work. It reduces costly parking mandates, making it legal to build housing with more units, and eases off requirements to expand roadways, in order to be allowed to build housing.

Off-street parking can add thousands or tens of thousands of dollars to the cost of each housing unit, and compose 10-20% of total rent. The CFEC program requirements to reduce one-size-fits-all mandates means builders can right-size the amount of parking for each unique development. In just the past few months, several previously rejected housing developments - from Grants Pass to Beaverton to Troutdale - are moving forward thanks to CFEC's parking reforms.

Allowing more housing - the CFEC program increases the number of units allowed in climate-friendly areas by increasing allowances and removing obstacles for development in walkable, mixed-use areas. Housing allowed in these areas will not reduce housing that is allowed elsewhere, providing "bonus" housing opportunities.

Reducing the need for expensive road expansions reduces builders' costs for expensive, car-dependent roadway improvements required with residential development.

Jobs-housing balance - Housing and transportation are the top two expenses in a household's budget. The CFEC program will result in a reduced need to drive long distances for each trip, as more Oregonians will be able to afford housing options closer to their jobs.

## **Exemptions and Flexibility**

DLCD staff have heard from some of our local government partners that they want more time and flexibility under the CFEC program for implementation. To date, DLCD has granted 10 local governments exemptions to the CFEC rules, and extended deadlines to 30 others for compliance with implementation.

## **Planning Investment**

In the 2023 Legislative Session, the Legislature approved \$3 million in funding to DLCD to support local governments in their implementation of the CFEC program. \$2.7 million of that funding will directly support local governments' implementation efforts. Funds will be used for planning and zoning climate-friendly areas, studying market feasibility of various climate friendly housing options, involving the public in decision-making, furthering parking reforms, and supporting transportation and scenario planning. This funding combined with the existing funds from DLCD and ODOT brings the total funding for implementing the CFEC program to nearly \$21.5 million.

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