



February 14, 2023

Joint Committee on Ways & Means  
Subcommittee on Natural Resources  
Oregon State Legislature  
900 Court St. NE, Room H-178  
Salem, OR 97301

**RE: City of Eugene Requests Funding for Climate-Friendly and Equitable Communities (CFEC) Implementation in DLCD Budget (HB 5027)**

Dear Co-Chair Dembrow, Co-Chair Pham, and Members of the Committee:

The City of Eugene appreciates the opportunity to provide input on the Department of Land Conservation and Development's (DLCD's) budget as it relates to implementation of the Climate Friendly and Equitable Communities (CFEC) rules.

As many of you know, this state-wide policy was created not from legislative direction, but from former Governor Brown's Executive Order 20-04, directing state agencies to take action to reduce greenhouse gas emissions across the state. Throughout the CFEC rule-making process, DLCD received consistent and comprehensive comments from local governments in three major areas, 1) complexity of the rules, 2) aggressive timelines for rule-making and implementation, and 3) adequate funding to complete the work. At the end of this process, the only item that DLCD responded to, in Eugene's opinion, was the funding item, allocating grant resources within the current biennial budget to assist with cities implementation.

Eugene has received financial support in the form of a third-party consultant hired by DLCD to assist in our work on creating the Climate Friendly Areas Study. Phase One of that work is occurring now and is focused on public engagement/equity analysis and the technical/data efforts. Phase Two of the work will require picking appropriate areas to then implement the findings from Phase One. That Phase Two process needs additional state funding.

DLCD proposed \$10M for continued implementation of the CFEC program. Cities estimate the state-wide need at \$30M to implement the work and meet the deadlines. Governor Kotek's recommended budget for DLCD does not provide for any funding to assist communities in implementing the CFEC rules. This equates to an unfunded mandate and one that the Legislature must act upon, by either allocating adequate funds to implement the state rules or address the rules within a policy committee to reduce the burden on cities. This comes at a time when all levels of government are working to increase the number of housing units, reduce homelessness, and address the impacts of climate change. Please fully fund DLCD's CFEC grant programs so that we can all work on getting this important work accomplished.

Sincerely,  
*submitted electronically*

Ethan Nelson, IGR Manager