



TO: Chair Ken Helm, House Committee on Agriculture, Land Use, Natural Resources, and Water
FROM: Ariel Nelson, League of Oregon Cities
DATE: April 3, 2023
RE: HB 2659, Climate Friendly & Equitable Communities

HB 2659 was introduced to help advance workable solutions so Oregon can successfully achieve the goals of the DLCD's Climate Friendly and Equitable Communities rules, which they adopted last year.

As local governments have consistently demonstrated, we agree with the goals of the rules and have actively engaged DLCD throughout the entire process in an attempt to inform the rules so that cities can be successful in implementing and advancing more sustainable and equitable communities.

Most of the feedback from local governments was not integrated into the final rules - and as the rules have begun to take effect, it is clear that many of the challenges previewed by cities are real.

The rules are too prescriptive to be workable for all communities.

There is no easy "fix" because one size cannot fit all, which is part of the problem with these rules.

Most parties engaged in this issue acknowledge that the rules need amending. Even DLCD finally acknowledged there are issues.

The agency is releasing a draft of temporary emergency rules today, April 3, for public comment in an attempt to address some - but not all - of the concerns raised by local governments and others affected by the rules.

We want to believe these emergency rules are more than a symbolic step in the right direction. But we will know how meaningful this step is once local governments have a chance to analyze and provide feedback.

That is why this bill is such a critical tool to maintain as an option to ensure all parties remain at the table and participate in a meaningful and productive process to address the short-term and long-term issues with these rules.

- **Timing:** The rules released on April 3 are open for public comment until April 17, and the LCDC meets on April 20 to potentially adopt those amendments. We don't know yet if these rules truly address some of the short-term issues or not - and we don't know if the comments from local governments will be recognized and integrated. April 20 will give us more information on both.
- **Process:** We know the temporary rules are just that - temporary rules - and they do not address the entire scope of the outstanding issues, including the requirements of local governments created by the Oregon Housing Needs Analysis. The process for amending the permanent rules is another outstanding issue. We need assurance from LCDC and DLCD that their engagement process will be transparent and accountable - working with all stakeholders and taking guidance from local governments and other experts. We hope the commission will address this at their next meeting or before the permanent rule-making amendment process begins.
- **Resources:** Even if all issues on the policy and technical side are addressed, resources for implementation remain an ongoing issue. Whether it is local government staff capacity to implement or funding for implementation at the agency and local government levels - resources have yet to be identified to support all that our local governments are being asked to do.

In summary, HB 2659 remains a critical vehicle to ensure productive conversations continue beyond the temporary rule, that trust can be rebuilt, and that the rules work for local governments and are aligned with efforts underway to meet Oregon's affordable housing needs.

We urge the committee to keep this bill as an option - and the last option of resort if necessary - in order to support our communities in building sustainable, equitable communities and meeting Oregon's affordable housing demands. If we don't get this right, these goals and objectives are at risk.