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September 9, 2013

To: Chair Marilyn Worrix, LCDC
Members of the Land Conservation and Development Commission

From: Erin Doyle, League of Oregon Cities

Re: Proposed Policy Agenda for 2013-2015

Dear Chair Worrix & Land Conservation and Development Commissioners:

As you may know, the League of Oregon Cities represents all 242 cities within the state of Oregon, providing a statewide perspective about the important role of local government and the issues facing cities. We want to start by thanking the Land Conservation and Development Commission (LCDC) for the opportunity to comment on the recommendations of the Department of Land Conservation and Development (DLCD) for the LCDC's policy agenda. It is important to the League that we be able to participate in the policy development because, while the state determines the regulatory framework for land use decisions, cities and counties are required to interpret, follow, and implement these laws. Without local input, statewide policy can increase costs to local governments and discord between local officials and citizens. The League supports putting the LCDC's resources toward policies that streamline land use practices, encourage local solutions to disagreements about land use decisions, and that encourage intelligent and flexible solutions to land use dilemmas.

The highest priority for the League is finalizing the extensive work of the DLCD and stakeholders regarding urban growth boundary expansion and centralized population forecasting. The League is also strongly supportive of using a similar collaborative process to find solutions to the issues of post acknowledgement plan amendment appeals – i.e. the “raise it or waive it” for legislative decisions. Further efforts need to go toward finding solutions to the issues surrounding industrial land growth, replacing periodic review and development of the long-term policy direction of the LCDC.

UGB Streamlining and Population Forecasting Rulemaking

The League commends the huge efforts put forth by LCDC, the DLCD, and stakeholder organizations which resulted in extensive legislation that created a new method for urban growth boundary (UGB) expansion for rapidly growing cities. This new methodology should assist cities in meeting their Goal 14 responsibilities. However, as is always the concern when attempts are made to simplify matters, the League wants to insure that the goal of streamlining the process does not result in an equally formidable system that delays the UGB expansion process. Therefore, we believe it vital to continue the role of city

planners, officials and the League had in the legislative drafting group through the rulemaking process. As a result of the extensive work of the stakeholder group, we believe we have a great structure in place and want to insure that the rules that are developed from HB 2254 meet with the expectation of cities that this bill will reduce the time and expense we must outlay to accomplish our role in the statewide land use system.

Similarly, the League desires that the LCDC quickly complete the rulemaking process related to population forecasting with input from cities. We recognize that the technical aspects of the rulemaking will rest with Portland State University and the State Board of Education, but cities remain invested in the rules guiding notice and process that are within the LCDC's authority. The League believes that these rules can be finalized quickly based on continuing the collaboration of the group which developed the framework outlined in HB 2253.

Raise it or Waive It Budget Note

As explained in the DLCD's staff policy recommendations, Central Oregon Cities Organization proposed an amendment to the requirements for appealing a post acknowledgement plan amendment (PAPA) which would require the appellant to have raised an issue at the local level prior to raising it on appeal. From that discussion, it became clear that there are concerns on all sides related to the process, notice, and appeals of legislative decisions. It is clear that some solution must be created that allows these decisions to be reached at the local level, with an opportunity for citizens to fully participate in the decision. The League strongly supports efforts to address these concerns. However, we remain concerned that significant changes to notice requirements may create another expensive burden for cities without seeing any reduction in appeals which would justify reforms. There also should not be a new process put into place that would overwhelm or stymie the ability of a local government to reach a final decision. The LCDC should work with all of the stakeholders to determine if there is a path forward that meets the needs of all parties and creates the opportunity to reduce appeals and increase local leadership on land use issues.

Industrial Land Planning

Throughout the state, many of our cities are looking for ways to attract economic development opportunities, to expand the economic drivers within a city, and to lower the unemployment rate. One area that is consistently raised as an opportunity to create economic opportunity is to have a more nimble and responsive land use system. Many state legislators are also drafting exceptions to the statewide planning system to address local concerns or additions to address economic growth at the state level. Further, the working group that developed HB 2254 started a conversation on long-term industrial land planning. There is a clear need and an open avenue for continuing these important discussions on how to best create long-term solutions to the perception of an unwieldy land use system that hampers economic opportunities coming into Oregon

Similarly, there is a need to consider how industrial lands can and should be planned for in different regions of the state. Some communities have a limited amount of developable land but a lot of variety of industries they would like to bring into an area where other areas have a significant amount of land to offer but limited opportunities to develop the land for new industry in the area. As we move forward, we need to examine how regional differences are affecting the economic vitality of some of our cities to determine if the land use system is preventing new industry to move into an area which is losing current

jobs. This is particularly important where population forecasting shows little or no growth for an area. When a city is not allowed to expand because there is no growth and there is no growth because there is no land on which new industries can develop, our land use system is stunting the potential for growth and strangling population growths.

Periodic Review Replacement

As is mentioned in the DLCD's staff report on policy recommendations indicates, periodic review is currently in limbo as the new UGB system is intended to replace the need for larger, growing cities to engage in periodic review. In addition, it is clear from the number and size of grants provided through the local grant program that periodic review is an expensive and resource consuming project for any city to undertake. It also uses a large amount of DLCD staff time and energies. If the LCDC plans to look at how periodic review is going to be amended, there needs to be a discussion of how a new system would benefit local communities so that the process leads to a final product that indicates more than an extensive use of resources. The first part of this conversation should be a dialogue with cities to determine the benefits of the current process that will not be incorporated by the new UGB expansion system. The LCDC's conversation should be about maximizing the benefits of consistent review with the goals of cities in determining how it will grow and address future infrastructure and land needs. Cities, therefore, need to be at the table from the beginning of this policy discussion as they are the only local government currently subject to periodic review. As a result, the collected experience with the current system combined with the knowledge of what the state is seeking from periodic review will allow for a smart, more efficient review program, if one is deemed necessary.

Long-term Policies Relating to Urbanization

As part of the policy recommendations, there are a number of long-term considerations proffered in the staff report. The League believes that a long-term plan may be helpful, but would ask for consideration of the following issues as the LCDC move forward in prioritizing issues.

First, the more regulations and expectations change, the more costly long-term plan may become. Cities have limited opportunities to find new revenue streams to offset any increased burdens on a budget. The local grants have provided one source of assistance to cities, but that funding source has shrunk significantly in the last two biennium. We would like to see the LCDC encourage the legislature and the governor to prioritize some monies toward this fund to allow cities the opportunity to address important infrastructure and planning projects. Similarly, simplifying land use regulations will help many cities better meet the goals of the LCDC and reduce the amount of resources spent insuring that a plan complies with regulations. Finally, continuing to find ways in which DLCD staff can provide direct assistance to cities is vital to insuring city resources are not so stretched that planning is too expensive to continue.

Second, urbanization goals should not only focus on the rapidly growing communities within Oregon. HB 2254 provides these communities with a new tool that will directly address a major issue for these communities. While rapidly growing communities have further needs for less complex regulation, slower growing or no-growth communities need to be provided tools that allow for local solutions to economic vitality and will allow for increased rates of growth in these communities. By having a variety of growing areas, it will relieve some communities that are expanding at unsustainable rates and will encourage growth of industries throughout the state. For example, if we look to the large number of

communities that have recently experienced closing mills these areas need land use policies that allow them to create new economic opportunities. This in turn will create a growing community which might increase building which could bring back the milling industry to the area. In order for communities to survive, we need better ways to balance conservation of resource lands with the possibility of development in new areas.

Finally, cities are increasingly facing barrier to planned development throughout the state. There are issues related annexation policy and concerns for every city about balancing new infrastructural capacity with the need to maintain our current service levels. As LCDC moves forward in developing long-term policy, there needs to be consideration of these issues as part of a comprehensive review of the future of the land use system. Similarly, the League remains concerned that there continues to be growth of unincorporated areas as a way of addressing the pressing need for developed areas. These areas create issues between cities and counties and between cities and special districts. In addition, they undermine Goal 14's statement that growth take place within urban growth boundaries. There is an intention that areas of urban population become part of cities and expanding unincorporated growth undermines that goal. Therefore, long term policy goals should be developed for addressing how these areas are treated and planned moving forward.

Again, the League of Oregon Cities appreciates the opportunity to comment on the proposed policy agenda. Our concerns remain rooted in providing cities with efficient land use planning regulation and examining systems to ensure that cities can efficiently comply with state policy. Further, cities want to insure that issues are decided locally, which a reduction in appeals because of good local decision making. We look forward to working with the Land Conservation and Development Commission moving forward on the number of policy issues in this and future biennia. We are happy to answer any questions you may have.

Sincerely,

Erin Doyle
Intergovernmental Relations Association
League of Oregon Cities