



**MEMORANDUM**

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**FROM:** Jim Rue, Director  
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**CC:** Kirstin Greene, Deputy Director  
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**DATE:** May 15, 2020

**RE:** Report on Greenhouse Gas Emission Reduction Actions  
(Executive Order 20-04, Sec. 3D)

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**INTRODUCTION**

Governor Brown’s Executive Order 20-04 directed the Department of Land Conservation and Development (DLCD) to identify current and potential actions within its authority that reduce greenhouse gas (GHG) emissions and mitigate climate change impacts (Section 3D). Based on our 2019-21 Policy Agenda and input from policy and technical staff, DLCD has prepared this response memorandum.

**SCOPE OF REVIEW**

The scope of Section 3D of Executive Order 20-04 is broad. Among other things, it directs agencies to prioritize rulemakings and policy efforts that reduce greenhouse gas emissions and mitigate the impacts of climate change. Certain agencies such as DLCD are instructed to look broadly at their operations and programs for additional opportunities to address climate change. This memorandum more fully describes DLCD’s response to Section 3D.

The memorandum consists of three separate sections. Each section describes either a set of current or potential actions that reduce greenhouse gas emissions or address the effects of climate change. The first section outlines current work in DLCD’s 2019-21 Policy Agenda. Because this work is on-going with dedicated staffing and expected deliverables, this section provides more details on implementation. The second section describes budget requests (aka, policy option packages) that DLCD is considering for the 2021-23 biennium. This section also contains a fair amount of information as these actions have undergone initial review for implementation. The final section outlines potential actions within DLCD’s authority but that



have not been vetted for implementation. If and when these potential actions are considered for implementation, DLCD will need to undertake additional analysis as to staffing, resources and timelines and share that information with the Governor's Office, other state agencies, and interested stakeholders.

### **CURRENT & POTENTIAL ACTIONS ADDRESSING CLIMATE CHANGE**

Within this portion of the memorandum, current and potential actions within DLCD's authority that are being or could be implemented to reduce greenhouse gas emissions or mitigate climate change effects are identified. The actions listed are not presented in priority order.

#### Current Work from the 2019-21 Policy Agenda

These actions are being implemented or are expected to be implemented based on the approved 2019-21 Policy Agenda or the provisions of Executive Order 20-04.

1. DLCD expects to launch a project in the fall of 2020 to scope whether and how the Statewide Planning Goals and other implementing rules can be revised to incorporate climate mitigation, adaptation and sequestration. The 19 Statewide Planning Goals set the foundation for Oregon's planning program, addressing a wide range of issues from citizen involvement, housing, natural resources, infrastructure and coastal resources. Local comprehensive plans must be consistent with these goals and any related administrative rules.

During this time, DLCD plans to invite consultation with Oregon's nine Tribal nations and host several meetings with stakeholders to discuss whether the Statewide Planning Goals should be revised to reflect climate issues, what public process is appropriate for revising goals, what types of data or research would be useful, and how to fund potential future work. The findings and next steps would be summarized in a short white paper to be published in January 2021.

2. DLCD continues to work with staff from 25 state agencies to update the 2010 Oregon Climate Change Adaptation Framework and, more importantly, recommend how best to implement programmatic and policy changes that will prepare our environment, economy, local governments, and people for the effects of climate change. Expected in the fall of 2020, the update will address how to collect information on current adaptation efforts, identify gaps in resources and efforts, address impacts to marginalized communities, and renew state government's focus on climate change adaptation. A diversity, equity, and inclusion toolkit is being developed as part of this effort.
3. As directed by Governor Brown's September 2019 letter and pursuant to Section 9 of Executive Order 20-04, DLCD continues to work with the Oregon Department of Transportation, Oregon Department of Energy, and the Oregon Department of Environmental Quality to implement the Statewide Transportation Strategy. The



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*Statewide Transportation Strategy: A 2050 Vision for Greenhouse Gas Reduction* was completed in 2013, following legislative direction to identify ways to reduce transportation-related greenhouse gas emissions. The four agencies expect to share a draft Statewide Transportation Strategy Multi-Agency Implementation Work Plan that covers a two year period, from June 2020-June 2022, with the Governor's Office on May 15, 2020 and, after a public comment period, deliver a final work plan no later than June 30, 2020.

Within the initial work plan, DLCD will lead on three primary actions that are more fully described below:

#### *Parking Management*

Parking management is a multi-faceted action that supports reducing costly parking mandates, more pay-to-park locations, more market-based parking rates, and other strategies that internalize the costs of driving and provide a benefit for choosing a different mode of travel. It also provides important co-benefits such as reducing the number of mandated parking spaces, allowing for more housing units to be built on the same amount of land. Parking management strategies need to be carefully managed so not to disadvantage certain populations, and therefore the work will include mitigation strategies to support equity concerns. This action will be primarily led by DLCD, with support from ODOT and DEQ, and engagement of other entities as needed. The most direct implementation mechanism for parking management is through the update of the Transportation Planning Rules (TPR).

#### *Transportation and Land Use Rules*

One of the largest rulemaking efforts within the Statewide Transportation Strategy Multi-Agency Implementation Work Plan will be the update of the Transportation Planning Rules (TPR) and other planning rules. DLCD will lead this effort with the involvement of ODOT and potentially, some rulemaking resources from ODOE. Rule initiation is planned for September 2020 with rule adoption planned for approximately 12 months later.

The TPR directs most cities and counties to have coordinated land use and transportation plans. Rule amendments will require local governments to plan for transportation systems and land uses to reduce greenhouse gas emissions, including requiring plans in metropolitan areas to meet greenhouse gas reduction goals.

Among the needed amendments, staff have identified the opportunity to strengthen parking management regulations within the TPR, which is described above under the "Parking Management" action. There may also be opportunities within the TPR and in administrative rules implementing Statewide Planning Goal 10 (Housing) to address the state's housing crisis by increasing residential units in climate friendly investment areas.



The rulemaking effort will include broad stakeholder engagement and may apply to rule updates for Division 12 (Transportation Planning Rules), Division 44 (Greenhouse Gas Reduction Targets), Division 7 (Metropolitan Housing Rule), Division 8 (Interpretation of Goal 10, Housing) and a new rule associated with Housing Production Strategies (Division 46).

In addition to addressing land use patterns and transportation planning, DLCD will need to examine how to monitor and enforce local plans to ensure compliance with the greenhouse gas reduction goals. This evaluation will require working with ODOT to examine how state transportation plans, policies, and investments might change to enable implementation.

#### *Scenario and Greenhouse Gas Reduction Planning*

Further analysis will be needed to identify the best approaches for local and regional greenhouse gas reduction planning and for associated costs and technical support needs. ODOT and DLCD will engage stakeholders to understand their needs and constraints and rely on lessons learned from the last ten years of scenario planning to complete this work. These efforts will be done prior to or in the early stages of the TPR rulemaking in order to appropriately scope the effort, including how to engage the perspectives of historically marginalized communities and to identify policy options that can reasonably be implemented.

Once the rulemaking is complete, ODOT and DLCD will need to provide technical and financial support to Metropolitan Planning Organizations (MPOs) and local governments in metropolitan areas. ODOT and DLCD could potentially support scenario planning for up to one metropolitan area at a time within existing resources. However, each effort may take around two years to complete and there are seven metropolitan areas in the state that will require new work. Thus the demand will likely exceed capacity, requiring additional staff and funding.

4. In conjunction with the Oregon Global Warming Commission (OGWC), DLCD plans to support implementation of Section 12 of Executive Order 20-04. This section directs the OGWC to submit a proposal that considers the “adoption of state goals for carbon sequestration and storage by Oregon’s natural and working landscapes, including forest, wetland, and agricultural lands ...” By protecting the state’s farm and forests through urban growth boundaries, Oregon’s planning program already incorporates a fundamental policy of carbon sequestration. Also, knowing that Oregon’s coastal resources sequester large amounts of carbon, DLCD intends to work with OGWC on how the proposal might account for the state’s estuaries and other coastal resources. This proposal is due to the Governor’s Office no later than June 30, 2021.



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5. In support of Section 3E of Executive Order 20-04, DLCD will work with the Interagency Workgroup on Climate Impacts to Impacted Communities to ensure that historically marginalized communities and rural communities, along with those communities especially vulnerable to the effects of climate change, are considered in state policies, programs and grant criteria, including but not limited to those described in this memo.

#### Proposed 2021-23 Policy Option Packages

These actions are being considered as policy option packages (POPs) for the 2021-23 biennium. Implementation of these actions depends on whether these requests are included in Governor Brown's Recommended Budget and ultimately on available legislative appropriations.

1. Policy Option Package #1 – Housing

This 2021-23 POP proposes to continue funding six positions to support implementation of HBs 2001 (missing middle housing) and 2003 (housing production strategies and housing needs analyses) at the local level. In addition to work on HBs 2001 and 2003, this staff would work with DLCD transportation planning staff and local governments to implement climate-supportive land use strategies in urban areas. Most of the funding in this POP would provide technical assistance funding for local governments. Total cost of this POP for staff and technical assistance funds is approximately \$6.5M (General Fund).

2. Policy Option Package #2 – Climate Change Adaptation

This 2021-23 POP would fund two positions to implement the 25-agency 2020 Climate Change Adaptation Framework. Using the multiagency leadership structure recommended in the Framework, the positions will provide a venue for state agencies to work cooperatively to recommend climate change adaptation priorities, adjust programs to eliminate duplication, leverage adaptation efforts, provide technical assistance to local government, and address the needs of traditionally marginalized communities. Staff also would coordinate with other agencies to conduct an integrated, statewide, vulnerability analysis to identify specific geographic areas, populations, or sectors that are most susceptible to climate change related impacts. This information would enable policymakers and agencies to better prioritize limited resources based on threats to natural resources, places, businesses, and people with greatest need. Results from the vulnerability assessment also would be used to support DLCD's Natural Hazards Mitigation Program. Total cost of this POP would be approximately \$734,000 (General Fund).

3. Policy Option Package #3 – Greenhouse Gas Reductions

This 2021-23 POP would fund approximately two positions to develop rules relating to land use and transportation planning as directed by the Governor Brown's Executive Order 20-04 and consistent with the Statewide Transportation Strategy Multi-Agency



Implementation Work Plan. The purpose of these rules would be reduce vehicle miles travelled per capita, thus reducing greenhouse gas emissions in the transportation sector. These positions would be focused on assisting local governments and MPOs with scenario planning and implementation of rules related to parking, housing and transportation planning. Most of the funding in this POP would be distributed as technical assistance funding for local governments and MPOs. Total costs of this POP would be approximately \$5,000,000 (General Fund).

#### 4. Policy Option Package #4 – Wildfires

This 2021-23 POP would fund one permanent position to work with Oregon Department of Forestry, other agencies and a stakeholder policy committee on how best to implement the wildfire mapping and land use recommendations of the Governor's 2019 Council on Wildfire Response at the statewide and local levels. This work is critical given the expected increase in the duration and intensity of Oregon's wildfire season due to our changing climate. DLCD would submit a legislative report no later than Feb. 1, 2023, including any statutory and budgetary changes needed to support state and local wildfire reduction programs. Funding for professional facilitation and data collection / analysis is also included. Total cost of this POP would be approximately \$500,000 (General Fund).

#### 5. Policy Option Package #5 – Resiliency / Natural Hazards

This 2021-23 POP would provide additional capacity to assist local governments to prepare for natural hazards expected to increase with the changing climate and reduce the state's dependence on Federal Emergency Management Agency (FEMA) grants. Under FEMA grants, planning for natural hazards mitigation is limited to specific natural hazards and / or locations. With this POP, local governments would receive additional services and support to plan for natural hazards and increase their resiliency to economic and natural hazard impacts. This work is important given the expected increase in the frequency and intensity of natural hazards, particularly flooding and wildfires. The POP calls for two permanent positions and a local government technical assistance fund. Total cost of this POP would be approximately \$600,000 – \$700,000 (General Fund).

### New Potential Greenhouse Gas Reduction & Climate Adaptation Actions

This section outlines potential actions within DLCD's current legal authority that either would reduce greenhouse gas emissions, prepare the state and local communities for the effects of climate change, or promote carbon sequestration. If and when these potential actions are considered for implementation, DLCD will undertake additional analysis as to staffing, resources and timelines and share that information with the Governor's Office, other state agencies, and interested stakeholders.

1. Prioritize grants to communities addressing climate change mitigation, adaptation and carbon sequestration.



2. Update Goal 16 (Estuarine Resources) to incorporate climate mitigation, adaptation, and sequestration [*NOTE: This action could be incorporated into the Statewide Planning Goals project or the carbon sequestration work under Section 12 of Executive Order 20-04.*].
3. Develop a strategy to assist state agencies and coastal communities in the “managed retreat” of development and infrastructure<sup>1</sup>.
4. Require a climate assessment for each post-acknowledgement plan amendment (PAPA), possibly including how an amendment demonstrates reductions in greenhouse gas emissions. Alternatively, develop a climate “checklist” to use in reviewing PAPAs<sup>2</sup>.
5. Partner with the Oregon Department of Consumer & Business Services to consider how building codes and development standards could be changed to conserve energy and resources, increase resilience, and generally lower the greenhouse gas footprint of the built environment.
6. Revise Goal 7 (Natural Hazards) to better address climate change in areas subject to natural hazards such as sea level rise, wildfires, frequent flooding, and more intense storms [*NOTE: This action could be incorporated into the Statewide Planning Goals project described earlier.*].
7. Require existing residentially zoned lands in central locations and along “transit corridors” within some communities to allow for higher density residential development. “Transit corridors” would be broadly defined to encourage development even in areas with limited transit, which would have the effect of supporting more transit service. To further reduce driving and to support livable communities, these local governments would be required to rezone commercially zoned lands along transit corridors to allow mixed use development where the primary use was residential [*NOTE: This action could be incorporated into also in the STS Multi-Agency Implementation Work Plan under Section 9 of Executive Order 20-04.*].
8. Establish requirements for some cities with populations to allow all middle housing types (including triplexes, fourplexes, etc.) in single family residential zones with in central areas and near transit, with exceptions only for goal-protected areas (e.g., natural resources areas) [*NOTE: This action could be incorporated into the STS Multi-Agency Implementation Work Plan under Section 9 of Executive Order 20-04.*].

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<sup>1</sup> “Managed retreat” is the coastal management strategy where the shoreline is allowed to move inland rather than investing in structural engineering to hold the line. Seaward of the new line, efforts are made to enhance natural coastal habitat.

<sup>2</sup> PAPAs are the plan amendments to a local comprehensive plan that have been approved or “acknowledged” by the Oregon Land Conservation & Development Commission.



9. Review and possibly revise the criteria for the analysis of environmental, economic, social, and energy consequences to address climate change when granting land use exception areas under the Statewide Planning Goals.
  
10. Consider long-term water availability in Urban Growth Boundary (UGB) expansions including but not limited to the impacts of salt water intrusion, more frequent droughts and water quantity for in-stream flows.

### **CONCLUSION**

Along with our core work to promote compact development and to protect the state's natural resources, agricultural and forestry lands, DLCD is already making substantial efforts to reduce greenhouse gas emissions and to prepare Oregon for the effects of climate change through implementation of the approved 2019-21 Policy Agenda and Executive Order 20-04. The proposed 2021-23 POPs would enhance these existing efforts and support work on the important climate related issues of resiliency and wildfires. Finally, the new potential actions identified in this memorandum represent another level of effort that could be undertaken although an analysis of prioritization and available resources must be done before finalizing these strategies for implementation.