

Senate Bill 1129 - Urban Reserves
Balancing Housing Need with Resource Lands Conservation via
Long-Range Planning (Amendment Forthcoming)

Presentation to the Senate Committee on Housing

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Urban Reserves – Statutory Definitions and Purpose

197A.232 Findings regarding long-range planning.

The Legislative Assembly finds that:

- (1) Long-range planning for population and employment growth by local governments can offer greater certainty for:
 - (a) The agricultural and forest industries, by offering long-term protection of large blocks of land with the characteristics necessary to maintain their viability; and
 - (b) Commerce, other industries, other private landowners and providers of public services, by determining the more and less likely locations of future expansion of urban growth boundaries and urban development.
- (2) State planning laws must support and facilitate long-range planning to provide this greater certainty.

197A.245 Urban reserves; rules.

- (1) To ensure that the supply of land available for urbanization is maintained: (a) Local governments may cooperatively designate lands outside urban growth boundaries as urban reserves subject to ORS 197.610 to 197.625 and 197.626.

Example: What Does an Urban Reserve Look Like?

Redmond Boundaries

City Limits

Est. 1910

Area of city jurisdiction

11,025 acres (17.22 square miles)

Urban Growth Boundary (UGB)

Adopted in 2006

Area eligible for annexation and planning

2,299 acres

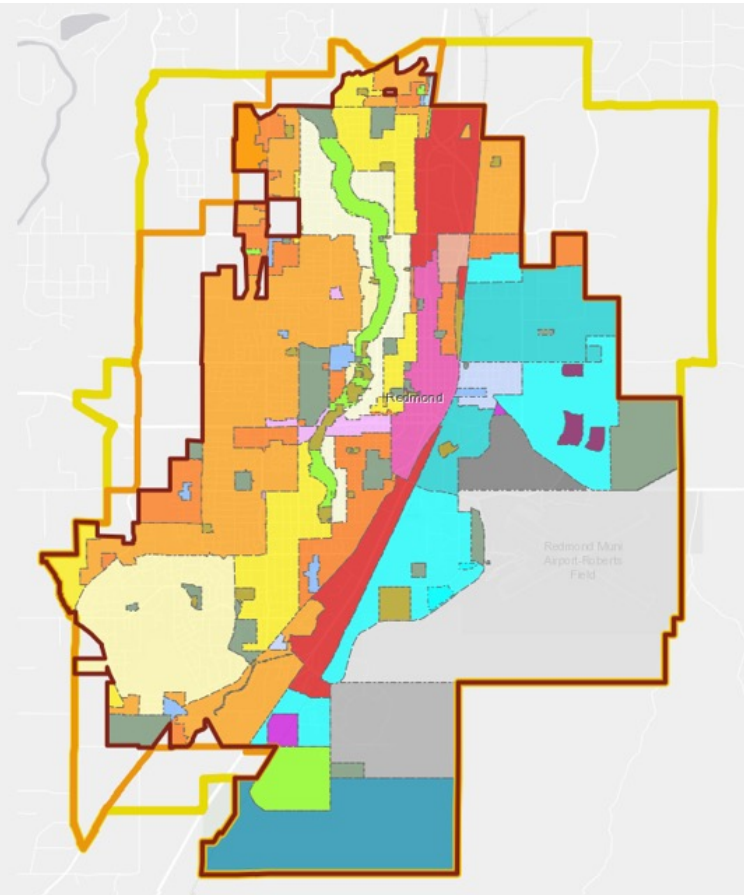
59% remaining

Urban Reserve Area (URA)

Adopted in 2005

Area eligible for UGB expansion

5,661 acres



Existing Urban Reserves

Regional Processes

- **Metro Reserves Process** – Regional (All 25 Metro Cities); Initiated in 2006; Passage of Senate Bill 1011 in 2007; Adopted and appealed 2012; Finalized via HB 4078 (2014) “Land Use Grand Bargain.”
- **Southern Oregon Regional Problem Solving (RPS)** – Ashland, Central Point, Eagle Point, Medford, Phoenix and Talent. Unique regional process. Initiated in 2000. Locally-adopted in 2011; Acknowledged by State in 2013.

Out of the 210 of Oregon’s remaining cities, eight urban reserves have been established. Five were established prior to a 2011 DLCD rule change that made adoption more challenging, and three since:

- Pre-2011 City Adoptions: Redmond, Madras, Newburg, Ontario, Sandy.
- Post-2011 City Adoptions: Grants Pass (2013), Woodburn (2016), and Eugene (2024).

Urban Reserves – Statutory Details (ORS 197A.245)

197A.245(6) The designation of urban reserves under subsection (1)(b) of this section must be based upon consideration of factors including, but not limited to, whether land proposed for designation as urban reserves, alone or in conjunction with land inside the urban growth boundary:

- (a) Can be developed at **urban densities** in a way that makes **efficient use of existing and future public infrastructure investments**;
- (b) Includes **sufficient development capacity** to support a **healthy urban economy**;
- (c) Can be served by **public schools** and other **urban-level public facilities and services efficiently and cost-effectively** by appropriate and financially capable service providers;
- (d) Can be designed to be **walkable** and served by a **well-connected system of streets** by appropriate service providers;
- (e) Can be designed to **preserve and enhance natural ecological systems**; and
- (f) Includes **sufficient land suitable for a range of housing types**.

Urban Reserves – Administrative Definitions and Purpose

660-021-0010 Definitions

(1) "Urban Reserve" means lands outside of an urban growth boundary that will provide for:

(a) **Future expansion over a long-term period;** and

(b) **The cost-effective provision of public facilities and services** within the area when the lands are included within the urban growth boundary.

Urban Reserve Procedures in Rule – Land Prioritization

OAR 660-021-0030 (3) Land found suitable for an urban reserve may be included within an urban reserve only according to the following priorities:

(a) First priority goes to land adjacent to, or nearby, an urban growth boundary and identified in an acknowledged comprehensive plan as an **exception area or nonresource land**. First priority may include resource land that is completely surrounded by exception areas unless these are high value crop areas as defined in Goal 8 or prime or unique agricultural lands as defined by the United States Department of Agriculture;

(b) If land of higher priority is inadequate to accommodate the amount of land estimated in section (1) of this rule, **second priority** goes to land designated as **marginal land** pursuant to former ORS 197.247 (1991 edition);

(c) If land of higher priority is inadequate to accommodate the amount of land estimated in section (1) of this rule, **third priority** goes to land designated in an acknowledged comprehensive plan for **agriculture or forestry**, or both. Higher priority shall be given to land of lower capability as measured by the capability classification system or by cubic foot site class, whichever is appropriate for the current use.

Urban Reserve Procedures in Rule – Exceptions to Land Prioritization

(4) Land of lower priority (think farm and forest) under section (3) of this rule may be included **if land of higher priority (think non-resource and exception land) is found to be inadequate** to accommodate the amount of land estimated in section (1) of this rule for one or more of the following reasons:

(a) Future urban services could not reasonably be provided to the higher priority area (think nonresource and exception lands) due to **topographical or other physical constraints**; or

(b) Maximum efficiency of land uses within a proposed urban reserve requires inclusion of lower priority lands **in order to include or to provide services to higher priority lands.**

Policy Misalignment – Statute vs Rule Details

- **Statute offers direction on urban uses and efficient urbanization that is lacking in the rules.**
- ORS 197A.245 states that urban reserves *must* be based on criteria relating to urban densities, efficient and cost-effective infrastructure and services, healthy urban economy, walkable, well-connected streets, a range of housing types, and ecological enhancement.
- These are all important considerations for growing healthy and sustainable cities with an emphasis on walkable, bikeable, and complete communities.
- The rules make no mention of most of these considerations and instead offer direction for prioritizing lands based on their rural resource value or lack thereof – with the two limited exceptions mentioned previously.
- Urban Reserve rules overwrite the statutory direction for urban reserves in a way that's out of alignment with statute.

Proposed Solutions (Amendment Forthcoming)

High-Level Objectives for SB 1129

- No changes will be made to urban reserve statutes in ORS 197A.245.
- Provide legislative direction to DLCD to improve alignment between statute and rules.
- Looking to avoid changing the underlying land prioritizations in OAR 660 and remove language relating to poor quality EFU-zoned land.
- **Changes will focus on differentiating land that is difficult to urbanize from land that isn't.**
- Changes can be accomplished within existing OHNA rulemaking process.

Changes to Land Prioritization within OAR 660-021-0300

(3) Land found suitable for an urban reserve may be included within an urban reserve only according to the following priorities:

(a) First priority goes to land adjacent to, or nearby, an urban growth boundary and identified in an acknowledged comprehensive plan as an **exception area or non-resource land**. First priority may include resource land that is completely surrounded by exception areas unless these are high value crop areas as defined in Goal 8 or prime or unique agricultural lands as defined by the United States Department of Agriculture. **Within this paragraph, lower priority may be given to exception areas or non-resource lands that are “rural subdivisions or planned developments;”**

(b) If land of higher priority is inadequate to accommodate the amount of land estimated in section (1) of this rule, second priority goes to land designated as **marginal land** pursuant to former ORS 197.247 (1991 edition);

(c) If land of higher priority is inadequate to accommodate the amount of land estimated in section (1) of this rule, third priority goes to land designated in an acknowledged comprehensive plan for **agriculture or forestry**, or both. Higher priority shall be given to land of lower capability as measured by the capability classification system or by cubic foot site class, whichever is appropriate for the current use.

Changes to Exceptions to Land Prioritization within OAR 660-021-0300

(4) Land of lower priority under section (3) of this rule may be included if land of higher priority is found to be inadequate to accommodate the amount of land estimated in section (1) of this rule for one or more of the following reasons:

(a) Future urban services could not [~~reasonably~~] **cost effectively** be provided to the higher priority area due to topographical or other physical constraints;

(b) The cost of future urban services needed to serve rural subdivisions or planned developments is demonstrated to be higher per housing unit than for lower priority lands.

(c) Maximum efficiency of land uses within a proposed urban reserve requires inclusion of lower priority lands in order to include or to provide services to higher priority lands.

SB 1129 – Conclusions

Legislative Objectives:

- Improve alignment between statute and rule.
- Balance housing needs with resource conservation.
- Develop usable procedures for cities and their communities to navigate.
- No changes to urban reserve statutes.
- Provide direction for rulemaking via existing OHNA rulemaking process.