

Senate Bill 1522-2 Urban Reserves “Built Constraints”

Balancing Housing Need with Resource Lands Conservation

Presentation to the Senate Committee on Housing and Development

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Long Range Planning – Balancing Resource Land Protection with Urban Needs

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.

Urban Reserve Planning

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.

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.

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

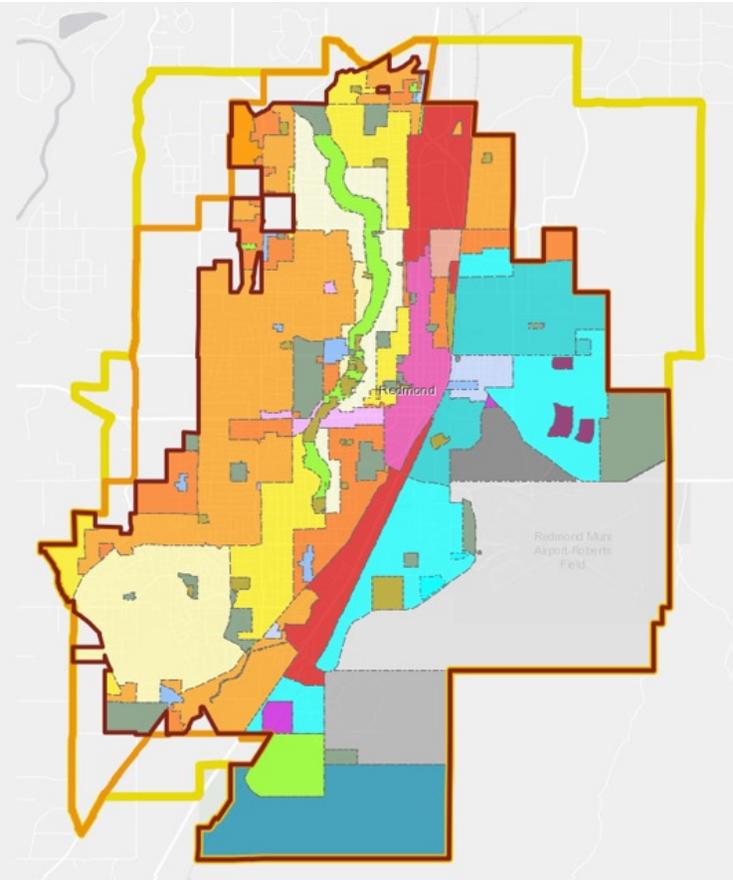
59% remaining

Urban Reserve Area (URA)

Adopted in 2005

Area eligible for UGB expansion

5,661 acres



Existing Urban Reserves in Oregon

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.

Eight additional urban reserves have been established for individual cities: Redmond, Madras, Newburg, Ontario, Sandy, Grants Pass, Woodburn, and Eugene.

SB 1129 (2025) Relevant Provisions re “Constraints”

- SECTION 2. On or before January 1, 2026, the Land Conservation and Development Commission shall amend its rules related to the prioritization of lands being added to an urban reserve in order to allow local governments to:
[...]
- (2) Give a lower priority to the inclusion of otherwise higher priority lands where providing urban services, as defined in ORS 195.065, is not reasonable or cost effective due to topographical or other physical constraints.

SB 1129 Statements of Intent (May 15, 2025)

In carrying the bill to passage on the House Floor, Rep. Kevin Mannix offered two expressions of intent (emphasis added):

- At 2:03:07: "The language in section 2(2) of the bill is intended to allow cities, again, if they desire, to deprioritize the inclusion of lands that cannot reasonably or cost effectively be served due to topographical or other physical constraints ***including built constraints.***"
- At 2:03:27: "These [statements] are intended to modify certain regulations and to provide clarity. These changes will provide clarity without any additional complexity ***or language that would otherwise limit their intended impact.*** Basically, we want to help these communities go forward with clear directions from the Legislature."

Final OHNA Language

We expected the language to look like this (underlined language):

- (5) Land of higher priority under section (4) of this rule may be assigned lower priority if:**
- (a) Provision of future urban services, as defined in ORS 195.065, is not reasonable or cost effective due to existing topographical or other physical constraints including built constraints.**
 - (b) Maximum efficiency of land uses within a proposed URA requires inclusion of lower priority lands in order to include or to provide services to higher priority lands.**

On page 328 of the final OHNA rules (OAR 660-021-0030) is the following language (underlined language is relevant language):

- (5) Land of higher priority under section (4) of this rule may be assigned lower priority if:**
- (a) Provision of future urban services, as defined in ORS 195.065, is not reasonable or cost effective due to:**
 - (A) Topographical or other physical constraints such as freeways, rail lines, or other restricted access corridors that would require new grade separated crossings to serve planned urban development; or**
 - (B) Existing or planned future public infrastructure investments.**
 - (b) Maximum efficiency of land uses within a proposed URA requires inclusion of lower priority lands in order to include or to provide services to higher priority lands.**

SB 1522-2 Language

“SECTION 1. On or before January 1, 2027, the Land Conservation and Development Commission shall amend its rules related to the prioritization of lands being added to an urban reserve in order to allow local governments to assign lower priority to land for which the provision of future urban services, as defined in ORS 195.065, is not reasonable or cost effective due to existing topographical or other physical constraints including built constraints.”