

Expedited Urban Growth Boundary Expansion

A guide for Oregon cities



July 2024



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M *M for Metro*

Note the Metro symbol throughout this guide. Many expedited UGB expansion rules are specific to Metro and Metro cities near Portland. This symbol will indicate when special guidelines apply.

Definition: Net residential acre

“Net residential acre” means an acre of residentially designated buildable land, not including rights of way for streets, roads or utilities or areas not designated for development due to natural resource protections or environmental constraints.

Introduction to Expedited UGB Expansion

The 2024 Oregon Legislature took bold action to address the state's housing shortage with the passage of Senate Bill 1537. This bipartisan bill introduced many new housing production strategies, including a new process allowing cities to more easily expand urban growth boundaries for the purpose of increasing housing production.

This process is called expedited UGB expansion and is described in Sections 48-60 of the bill. This new tool functions outside Oregon's traditional land use process while still providing safeguards to ensure protection of resource lands and compliance with statewide planning goals.

The intention of this tool is to remove barriers and burdens for local governments that need to increase their buildable land supply and create housing affordable for residents of diverse incomes. This collaborative and goal-oriented process provides an expedited alternative to the traditional expansion process, while still providing safeguards to ensure protection of resource lands and compliance with statewide planning goals.

Expedited UGB expansion also builds in affordability and amenity standards, which will help create inclusive, complete communities where Oregonians of all socioeconomic backgrounds can share in the benefits of this valuable new tool for solving Oregon's housing crisis.

Visit olis.oregonlegislature.gov to learn more about SB 1537.

Maximum Expansion Guidelines

- Cities of more than 25,000 people may expand by a maximum of 100 net residential acres.
- Cities smaller than 25,000 people may expand by a maximum of 50 net residential acres.

10 Steps to Expedited UGB Expansion

This handbook explains the simple steps of the expedited UGB expansion process. Cities may be able to complete the process in less than one year.

1 Determine city eligibility

2 If eligible, city issues public notice of intent to select new site for inclusion in UGB

3 City holds 45-day site application period, with conceptual plans submitted if required

4 City reviews applications, and holds one public meeting and one public comment period

5 City selects UGB amendment site

6 City adopts UGB amendment and, if necessary, conceptual plan

7 City submits UGB amendment and conceptual plan petition to DLCD

8 DLCD approves amendment or remands with deficiency notice and direction

9 City updates comp plan, or requests judicial review

10 Once approved, city submits progress report to DLCD every two years until development is complete

Important: Metro Process Differences

A maximum of 300 acres allowed

Cities within the Metro area work through many of the same steps as non-Metro cities, but with one important addition: they must petition Metro for expansion of the Metro UGB, and the sooner they do so the more likely their petition is to be approved.



This is because SB 1537 limits the 24 cities within the Metro UGB to a 300 net residential acre expansion.

Cities may find themselves in competition, forcing Metro to determine which sites best comply with the intentions of SB 1537 to maximize development of needed housing.

To best coordinate the Metro UGB expansion process under this new tool, the following guidelines have been established:

- Once a city has applied to Metro to expand its UGB, Metro has 120 days to determine whether the petition would substantially comply with SB 1537
- If the petition does not comply, Metro will notify the city of deficiencies and provide direction on how to fix the petition. The city may amend and resubmit
- If the petition does comply and it doesn't cause Metro's UGB to exceed the 300 net residential acre expansion threshold, Metro's boundary shall be expanded to include the site
- Metro shall expand its boundary by Nov. 1, 2025 to accommodate all compliant petitions received by July 1, 2025—as long as the total number of net residential acres is not more than 300 acres
- If net residential acres petitioned are more than 300 acres, Metro will choose which to include and will do so by Jan., 1, 2027

Who is Eligible?

Cities must meet five criteria

CRITERIA 1

One-Time Expedited UGB Expansion provided by SB 1537 hasn't been used before

CRITERIA 2

At least one parcel of site is adjacent to the existing UGB, or separated by only a road or street

CRITERIA 3

Site meets land use requirements as follows:

For Non-Metro cities, the site is one of the following:

- Designated urban reserve
- Non-resource land that do not meet the definition of agriculture or forest land in LCDC's Goal 3 or 4
- Subject to an exception of planning goals for farm or forestland, which are lands typically zoned rural residential, rural industrial, or rural commercial, and are not considered farmland or forestland.

For Metro cities:

- The site must be designated urban reserve by Metro

CRITERIA 4

City has demonstrated need for additional land under either:

Option A:

No UGB expansion has occurred in past 20 years, and there are no undeveloped, contiguous tracts of residentially zoned lands of 20 net residential acres or more already inside the UGB; *or*

Option B:

75% of UGB expansion areas approved in past 20 years are: already developed, or already have an acknowledged comprehensive plan with land use designations in preparation for annexation and have a public facilities plan and associated financing plan

CRITERIA 5

City has demonstrated need for additional affordable housing under either:

Option A:

Having a higher percentage than average for Oregon of severely cost-burdened households based on HUD Comprehensive Housing Affordability Strategy data; *or*

Option B:

At least 25% of renter households are severely rent burdened as outlined in ORS 456.602 (defined as residential tenants who spend more than 50% of their household income on gross rent for housing)

Benefits for Cities

Reasons for using expedited UGB expansion



Affordability

Guaranteed affordability on at least 30% of units built, with affordable product types including for rent, for sale or both



Infrastructure

Completed infrastructure with costs incurred by developers at no cost to the city



Master Planning

Master planning and design completed by land owner/developer at no cost to the city



Complete Neighborhoods

Guaranteed complete neighborhoods adjacent to UGB including mix of residential and commercial, open space, trails, transportation connections, and transit if accessible



Inclusive Communities

Inclusive neighborhoods made up of mixed housing types where community members of diverse socioeconomic backgrounds share amenities together

Getting Started

All cities issue a notice of intent

The process for expedited UGB expansion begins in the same manner for every city: with public notice that the city intends to select a site for inclusion in the UGB.

This notice opens a period of at least 45 days during which landowners may submit applications for their land to be included in the UGB.

The public notice must include the following:

- Statement of intention to select a site for inclusion in UGB
- Each basis under which the city has determined it is eligible to use the expedited UGB expansion tool to include a site
- A deadline for submission of site applications that is at least 45 days following the date of the notice
- A description of the application requirements, which must include those outlined in the Site Application Requirements section in this guide as well as any format and submission standards of the city

Notice to other agencies

A copy of the public notice must also be provided to:

- Each county in which the city is located
- Each special district providing urban services within the city's UGB
- The Department of Land Conservation and Development
- Metro, if the city is within Metro



Site Application Requirements

Creating a balance in Oregon

Only sites that meet the specific set of criteria outlined here may be considered for expedited UGB expansion. These criteria were developed to ensure thoughtful and meeting housing production needs. A strong emphasis has been placed on ensuring affordability.

Submitting an application for site selection

Site applications must be completed in writing with participation of each property owner included in the site area. The application must provide the specific lots or parcels included in the site. Each owner of a lot or parcel within the site must sign the application, and also provide signed consent to annexation of the properties if the site is selected.

Site location and size

The site must be located adjacent to the city's existing urban growth boundary, or separated by only a street or road. If the population of the city is more than 25,000 people, the site may include a maximum of 100 net residential acres. If the population of the city is less than 25,000 people the site may include a maximum 50 residential acres.

Master Planning

Applications for sites of more than 15 net residential acres must include a conceptual, or master plan. Before adopting a UGB amendment using the expedited UGB expansion tool, the city must also adopt a binding conceptual plan for the site as an amendment to its comprehensive plan. A conceptual plan adopted by the city must include findings for why the lands were included within the plan. If some lands initially submitted in a site application were ultimately excluded from the plan, a city must also provide findings for those decisions, as well.

Conceptual Plan Requirements

Density minimums

Housing must be developed at net residential densities of:



- 17 units/net residential acre for Metro cities
- 10 units/net residential acre for non-Metro cities of 30,000 or more
- 6 units/net residential acre for non-Metro cities of 2,500 to 30,000
- 5 units/net residential acre for non-Metro cities of less than 2,500

Affordability

At least 30% of the residential units must be deed restricted as affordable for 60 years, and affordable properties must be dispersed throughout the site. Affordability must be at 80% AMI for rental units, and 130% AMI for home purchases. The requirement for affordable housing units must be recorded before the building permits are issued for any property within the site, and construction of all affordable units must be commenced before the city issues certificates of occupancy to the last 15% of market rate units. A city may require greater affordability than these minimum standards. In that case the city must significantly and proportionally offset development costs by reducing fees, system development charges, property taxes or land acquisition costs and predevelopment costs.

Residential uses

Net residential acres within the site must be defined. These residential areas must be on lands zoned for residential or mixed use residential uses. Residential development must include a mix of housing types and sizes, including middle and accessible housing.

Commercial lands

Lands must be provided for commercial uses, either wholly separate or as mixed use to serve the surrounding housing. These commercial uses should be provided at the minimum amount necessary to support the integration of commercial and residential uses, but on a smaller scale than typically expected for commercially zoned lands.

Open space and amenities

Recreation and open space lands must be designated within the site. All common areas and amenities must be equally available to residents of both the affordable and market rate units.

Transportation

If the city has a population of 5,000 or more a transportation network must be provided that offers diverse options including walking, biking, transit if available, and sufficient connectivity to existing and planned transportation facilities.

State planning goals

Plans must demonstrate that protective measure will be applied to the site that are consistent with statewide planning goals for:

- Open spaces, scenic and historic areas or natural resources
- Air, water and land resources quality
- Areas subject to natural hazards
- The Willamette River Greenway
- Estuarine resources
- Coast shorelands
- Beaches and dunes

Urban services

A binding agreement must be completed between the city, each owner within the site and any other necessary public or private utility provider, local government or district confirming that the site will be served with all urban services.

Small UGB Amendments

Smaller UGB amendments may be more appropriate for smaller cities, especially in rural areas. Non-Metro cities adding 15 net residential acres or less must meet affordability requirements but are not required to adopt a conceptual plan or meet density minimums.

If Metro cities wish to use a site of 15 net residential acres or less, they will be held to all normal affordability, density and conceptual plan rules regardless of site acres.



Selecting the Site

Public engagement

The city must provide opportunities for public participation in the site selection process. The following are minimum requirements for public engagement. Cities can provide additional engagement if desired.

- One public comment period
- One public meeting, which could be an open house, a planning commission meeting or a city council meeting
- Notice on the city's website or published in a paper of record for 14 days announcing the above will occur

The city must also consult with and provide opportunity for written comment from impacted stakeholder groups, including:

- The owners of each lot or parcel within the expansion site
- Any other governing bodies with land use jurisdiction over the site, such as county governments
- Any special district providing urban services to the site

Adopting the UGB Amendment

Non-Metro approval process

Once the city has selected a site and has obtained approval from all the property owners, it may adopt a UGB amendment to include the site. The city must also adopt the conceptual plan into its comprehensive plan for sites above 15 net residential acres. The county or counties in this the city resides must also approve the amendment.

Metro approval process

Metro cities must petition Metro for inclusion in the Metro UGB, with a maximum of 300 net residential acres available for expansions within the Metro area. Please see Page 5 for a complete description of the Metro UGB amendment process.



DLCD Approval

Submitting to the state is required

Cities and Metro are required to submit UGB amendments and/or adoption of conceptual plans to DLCD within 21 days of approval.

Within 60 days after receiving a submission, DLCD must:

- Review the UGB amendment or conceptual plan for compliance with HB 1537
- If in compliance, issue an order approving the UGB amendment or conceptual plan
- If not in compliance, issue an order remanding the amendment or plan to the city or to Metro with specific deficiencies and directions for resolving them

If a conceptual plan is remanded to Metro, DLCD must also notify the Metro city. The city may then amend its conceptual plan and resubmit it to Metro to be conveyed to DLCD.



Judicial review of DLCD's order may be requested. The review may be initiated only by the city or an owner of a proposed site, and should be considered a review of orders other than a contested case as defined under ORS 183.484.

Once the UGB amendment and conceptual plan, if required, have been approved by DLCD, they must be included in any future inventory of buildable lands or determination of housing capacity.

Following Up

Submitting progress reports to DLCD

Cities using this expedited UGB expansion tool must provide a report to DLCD every two years describing the status of development until this law sunsets on Jan. 2, 2033 or until the city determines that the development outlined in the conceptual plan is complete.



More Information for Interested Cities

Taking next steps

Cities interested in utilizing expedited UGB expansion may still have questions about how to use the tool. Many partners are available to help provide the answers.

For more information on this new resource please contact the following civic organizations to learn more:

League of Oregon Cities

503-588-6550

loc@orcities.org

www.orcities.org

Oregon Home Builders Association

503-378-9066

www.oregonhba.com



This guide has been produced through a collaboration between:

