

# UGB Expansion and Annexation - Policy Paper



Home Builders Association  
of Metropolitan Portland

## HBA Positions

- ◆ **HBA supports a regional approach that plans for balanced growth strategies** including inside the UGB (along centers and corridors) and with regular expansions of the UGB to ensure a market-based land supply is available. HBA will support candidates that stand behind this balanced approach.
- ◆ **HBA supports UGB expansion areas that allow greater options for housing and lot size variety**, especially since redevelopment is focused on high density. Not only do we need options for people who want larger lots and a little more space around them, but it makes sense that UGB edge areas have lower densities so as to provide a more natural transition to the rural areas to which they are adjacent.
- ◆ **HBA believes Metro needs to develop a realistic regional density goal with greater sensitivity to sub-regional needs.** Twelve units per acre is already an aggressive regional goal, equating to average lot sizes of less than 3,000 sq. ft. This or higher regional density goals simply make it impossible for new single family home lots greater than 5,000 sq.ft., regardless of higher densities built in some areas.
- ◆ **HBA strongly supports programs that encourage market-based infill development and redevelopment.** Infill development and redevelopment <sup>(1)</sup> will occur in areas where there is sufficient infrastructure in place and it is economically viable to do so.
- ◆ **HBA strongly opposes those who equate UGB expansion or growth in general as “sprawl.”** Sprawl is an overused and abused word in our region. Smart, calculated and managed growth is not “sprawl”. It is consistent with our land use system and an inherent obligation of those who have the responsibility to plan for it.
- ◆ **HBA supports UGB expansions for housing that are adjacent to employment opportunities.** We will hurt our region more and place a greater load on its transportation infrastructure if people have to live in one area and commute to another. Providing for realistic industrial and commercial zoned areas is critical for successful growth.
- ◆ **HBA believes that limiting housing choices in our region will create greater problems for all.** People will leapfrog to outlying areas where they can find the type and price of housing they want. This will only worsen our transportation and climate related issues.
- ◆ **HBA believes that Metro and our region must take a stronger stand on addressing annexation issues.** UGB expansion areas should not require voter annexation. Reasonable efforts should be made to allow adjacent expansion areas to connect to local services regardless of annexation. Short of this, areas approved for UGB expansion but not annexed should not be counted in the buildable land inventory.
- ◆ **HBA believes our region’s ability to meet future housing and employment needs must be based on realistic goals that consider financial, environmental and public realities.** It is imperative that redevelopment rates, buildable land inventories and other key data inputs are based on historical performance and reasonable future market changes. Overly optimistic rates will only push our region’s problems onto future leaders.

## Background

The Urban Growth Boundary (UGB) was established for the Portland Metropolitan area in the late 1970’s. When Metro was created in 1979, it was given authority over UGB planning efforts. The Portland Metro UGB was affirmed by the State Land Conservation and Development Commission in 1980.

The Urban Growth Boundary was designed to control expansion onto area farm and forest lands. Land inside the UGB supports urban services such as roads, water and sewer systems, parks, schools, fire and police pro-

tection that create thriving places to live, work and play. The UGB is one of the tools used to promote the efficient use of land, public facilities and services.

More than 30 expansions have occurred since the boundary’s original establishment. The most substantial additions to the UGB occurred between 1998 and 2005, where approximately 25,000 acres were added to address regional employment and housing needs. During that period, in 2002, Metro adopted ordinances that expanded the UGB by a total of 18,700 acres, of

which, approximately 13,000 acres are found within the area known as Damascus.

In 2007 the Oregon Legislature approved a bill allowing Metro to create urban and rural reserves. In 2010 Washington, Multnomah and Clackamas Counties and Metro entered into agreements that determine the location and scale of urban development for the next 50 years

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(1) Refer to Infill Housing Policy Paper

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## Planning For Our Future

Outside of our industry, some are quick to point out that although several expansions have occurred, a vast majority of new construction continues to be located within the confines of our initial UGB. They point to these prior expansion areas as evidence that new urban areas cannot be effectively serviced nor are needed.

Admittedly, the establishment of new urban areas is a complex and challenging process. However, the methodology for previous UGB decisions has made that process far more difficult, as it has resulted in the identification of expansion areas based largely on agricultural concerns rather than service provision and urban suitability.

It is also important to note that expansion areas are supposed to meet the region's 20 year land supply needs. Much of the largest expansion done in 2002 was in Damascus, an area Metro acknowledged likely wouldn't be developed and built out until closer to the end of the 20 year cycle, and even beyond that. Furthermore, the establishment of a UGB expansion area requires a stable economy as well as adequate time for community planning efforts to be fully vetted and needed infrastructure funding to be clearly defined.

With the establishment of Urban and Rural Reserves, our region has taken an important step forward to successfully planning for our future. This step will ultimately result in a simpler and more clearly defined UGB expansion process, focusing on infrastructure provision and urban suitability, instead of factors that do not

take into account an expansion area's actual potential for success. It also helps ensure developers can account for costs prior to entering into land purchase agreements or contracts, and will allow for the price of land to take into consideration needed infrastructure.

## Challenges Lie Ahead

Smart, calculated and managed growth is a key tenet to the planning success that our region is so well known for. With the adoption of Urban Reserves, that principle will now apply, not only to the "when" or "how much" to expand the UGB questions, but also to the question of "where" to expand the UGB. There are clear threats, however, to the success of this new system.

In order for this system to succeed, the local agencies (cities, counties, and service districts) must be willing to cooperate, compromise and recognize the benefits that regional success can provide for a local community. With the adoption of reserves and amendments to Title 11 in 2010 and 2011, the fate of all Urban Reserve areas was placed in the hands of the cities found around the region. This decision presents the inherent risk that Urban Reserve areas will inevitably be jeopardized due to an individual city's lack of desire to provide governance.

Even when a willing city steps forward, the planning of a UGB expansion area requires strong leadership and a clear message to the community about the local benefits of planning for future growth. This is a message that HBA and Metro can help to craft and convey.

Possibly the greatest threat to successfully addressing impending future growth, is the spread of voter annexation throughout our region. Although citizen involvement should clearly play a role in a city's decision to grow, the adoption of voter annexation can change what was originally a land use decision intended to address planned growth, into an unhealthy campaign of misleading messages.



HBA Website QR Code



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