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Helping to shape the use of our natural resources to protect the quality of life in Yamhill County

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DATE: February 6, 2023

TO: Representative Maxine Dexter, Chair  
House Committee on Housing and Homelessness

FROM: Rob Hallyburton, Vice President

RE: House Bill 2889

Friends of Yamhill County (FYC) works to protect natural resources through the implementation of land use planning goals, policies, and laws that maintain and improve the present and future quality of life in Yamhill County for both urban and rural residents. Please enter this testimony regarding HB 2889 as introduced into the record of proceedings.

One of FYC's core objectives is to preserve farmland for farm use in Yamhill County. We support the bill. Our comments relate to the provisions in the bill that affect urban growth boundary (UGB) placement and expansion, possible effects on maintenance of the farmland base, and appropriate planning processes.

## URBAN GROWTH BOUNDARIES

Sections 9 through 13 ("Urbanization Generally") seek to, among other things, "provide greater flexibility, options and certainty for local governments amending urban growth boundaries..." through rule-making by the Land Conservation and Development Commission (LCDC). While this is a worthy goal, the existing processes for analyzing and amending UGBs already provide considerable flexibility. In our experience, cities encounter two primary difficulties when developing UGB amendments:

- the cost of completing required studies, and
- compliance with the statutory priorities for which lands to include in an expansion.

## **Cost of Completing Required Studies**

Studies required for a full UGB amendment include housing and residential land needs analyses, an economic opportunity analysis, and transportation and public facility impact studies.

Sections 1 through 8 of the bill (“Oregon Housing Needs Analysis”) would require the Housing and Community Services Department (OHCS) to perform certain work. The bill could provide better integration of the work performed by OHCS and later UGB work by local governments. For example, the bill calls for OHCS to complete regional housing needs analyses (section 3(1)) and city-specific eight-year housing production targets (section 4). The work required of OHCS will very nearly complete 20-year housing needs analyses that cities could use in review of its residential land need determination for its UGB review. Taking the last step and having OHCS complete analyses that cities can use would be an optional service that the state provides to local governments, saving cities time and money.

## **UGB Expansion Priorities**

Regarding compliance with statutory priorities for which lands to include in a UGB expansion, the bill rightly does not propose to amend the priorities. Cities typically prioritize easily developable land because it minimizes the cost of installing infrastructure. This easily developable land is usually farmland. The statutory priorities (ORS 197.298, with conforming amendments proposed in section 43 of the bill) make farm and forest land the last place a city should look for new urban land, setting up a struggle. More rule-making by LCDC (as called for in section 10) will not change this dynamic. LCDC worked for a decade to make the UGB amendment process more flexible,<sup>1</sup> and had much success save these two areas (costs and priorities). FYC would object to any change in the ORS 197.298 priorities that would reduce protection of farm and forest land from urban encroachment.

## **HOUSING OUTSIDE URBAN GROWTH BOUNDARIES**

Paragraph 3(2)(a) provides: “At the time the department [OHCS] performs the housing analysis under subsection (1) of this section, the department shall allocate for the areas *outside of the urban growth boundary* for each county and for each urban growth boundary except for Metro, the total housing need that it must plan for” (italics added). Counties do not plan for housing need outside UGBs, nor should they.

There is no housing needed outside of UGBs. The statewide planning goals direct housing and employment growth to urban areas (*i.e.*, land inside UGBs) and require local governments to provide adequate land to accommodate *all* needed housing. A certain amount of residential development commonly occurs on rural land (infill in rural residential zones and according to

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<sup>1</sup> LCDC adopted Oregon Administrative Rules chapter 24, “Urban Growth Boundaries,” in 2006 and amended it in 2009 to provide “safe harbors” and clear guidance for UGB amendments. It then adopted OAR chapter 38, “Simplified Urban Growth Boundary Method,” in 2015.

statutory and administrative rule provisions in farm and forest zones), but these areas are often poorly served with infrastructure, may be distant from jobs and services, and cause conflicts with production of food and fiber on resource lands. Counties should not plan for residential development beyond these small additions.

As written the bill seems to add a new requirement for counties without guidance on how to perform this new task or direction to LCDC to enact applicable rules. FYC recommends deleting paragraph 3(2)(a).

## **UPDATE PROCESS**

Sections 14 through 18 (“Urbanization Outside Metro”) would enact a new process for cities to follow in order to plan for needed housing on a regular schedule. That is, sections 15(2) and 16(2) provide that cities would be required to complete the planning:

- (a) At periodic review under ORS 197.628 to 197.651;
- (b) As scheduled by the commission at least once each eight years; or
- (c) At any other legislative review of the comprehensive plan that [amends the relevant section of the comprehensive plan].

The schedule in (b) is entirely redundant with periodic review, an established process with existing statutory basis and administrative rule structure.

The primary issue that may be considered a problem of periodic review in this context is that, while HB 2889 is focused on housing planning, periodic review requires a city to consider updates to sections of its plan unrelated to needed housing (economic development, transportation, public facilities and services, and urbanization), potentially diverting focus from the housing crisis. Simple amendments to ORS 197.628 *et seq.* could reduce bureaucratic redundancy and rely on periodic review as the vehicle for a range of needed planning.

Thank you for the opportunity to submit this testimony. If you have any questions, I am available at [rob.a.hallyburton@gmail.com](mailto:rob.a.hallyburton@gmail.com).