



February 3, 2026

Representative Pam Marsh, Chair  
House Committee On Housing and Homelessness  
900 Court Se. NE  
Salem, OR 97301

Chair Marsh, Vice Chairs Anderson and Breese-Iverson, and members of the Committee:

I am Eugene Mayor Kaarin Knudson, here on behalf of the City of Eugene, providing testimony on the -1 amendment to House Bill 4108.

HB 4108 is one step toward helping Eugene meet some of our community's housing needs. The City supports the permissive element of the proposed amendment that creates an opt-in pathway for annexing non-contiguous properties within the existing UGB, respecting local governing body's legal authority over land use decisions.

Eugene needs to build thousands of units of new housing in the coming years. Annexation is required for the development of most housing, and it creates the opportunity to facilitate more housing production on residential land. Common motivations to pursue annexation include the subdivision of land to enable the development of additional housing, construction of a new house on a vacant lot, development of middle housing, and new commercial or industrial development.

Currently, contiguity to City limits is a requirement for annexation within state law and Eugene Code Chapter 9. Prior to 2008, when the Lane County Local Government Boundary Commission was the approving body for annexations, properties were not required to be contiguous to Eugene's city limits to be annexed.

The contiguous requirement is a known barrier to voluntary annexation, specifically for properties in the River Road and Santa Clara neighborhoods that are connected to urban public utilities (e.g. water and sewer), but are not contiguous to the current city limits. This area of West Eugene appears as an archipelago of city and county jurisdictions. Lack of contiguity results in annexation being impossible for many, even if property owners are willing and ready to annex. Because of this barrier, the City of Eugene has piloted annexing streets to support voluntary annexation by making more properties contiguous along their street frontage.

HB 4108, as amended, would build off Eugene's pilot efforts to allow for more voluntary annexations that can increase our community's efficient use of available land within the existing UGB.

Currently, applications for annexing land into the City of Eugene are decided upon by the City Council as part of their Consent Calendar at regular City Council Meetings. As amended by the -1

changes, HB 4108's proposed language to allow annexation without requiring a public hearing would align closely with current city practice. We have seen that between 2008-2023, an average of seven applications were approved each year.

Regarding the proposed the new subsection 3 to be inserted after line 17 of the original bill, it will prohibit a city from withdrawing annexed property from a special district until that property becomes contiguous to city limits. Eugene does not support the addition of subsection 3 included in the -1 amendment because it would likely create a disincentive for properties to annex and add substantial administrative burden to the City.

Currently, state statutes allow cities to withdraw annexed property from a special district if the city provides the property with the service previously provided by the special district (for example, if the property previously received fire protection from a fire district but will now receive fire protection from the City). If a property is annexed but is not withdrawn from a special district, the property owner will continue to owe property taxes to both the City and the special district. Therefore, we believe the proposed paragraph (3) within the -1 amendment will ultimately disincentivize voluntary annexations. Eugene respectfully requests that this section be removed from an amended HB 4108 as considered for a future work session.

Thank you for the opportunity to share Eugene's perspective on HB 4108 and support for the -1 amended version without the addition of subsection 3 for the reasons noted above. We ask you to support this pragmatic step to encourage housing production in Eugene and across the state.

Sincerely,

A handwritten signature in blue ink that reads "kaarin knudson".

Mayor Kaarin Knudson