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March 24, 2025

Sen. Khanh Pham, Chair
Committee Members
Senate Committee on Housing & Development
State Capitol
Salem, OR 97301

Re: SB 1129 - Urban reserves

Dear Chair Pham, Vice-Chair Anderson, and Committee Members:

1000 Friends of Oregon testifies today in strong opposition to SB 1129, as introduced.

SB 1129 is not necessary. But it would undermine the work done by many and diverse stakeholders, over 20 years ago, to craft the urban reserve concept and process, which is working.

What is an urban reserve? Cities may voluntarily designate an area of land representing a period of 10-30 years *beyond the current 20-year UGB*, where the city will expand its UGB - if a need for additional land is shown.

An urban reserve is not a zone, but rather an overlay. Designation of an urban reserve does not mean a UGB will expand, but if it does, the urban reserve is the area into which it will grow. And at that time, a city may choose from any land in the urban reserve, regardless of its underlying zoning, so it could bring in farm land that is designated as an urban reserve.

Current law says when a city is considering which land to designate as an urban reserve, it should look first to any residential areas just outside the UGB, before looking at farm and forest lands and natural areas. These rural residential areas usually consist of parcels that are from 2-20 acres in size. This priority makes sense:

- This recognizes that it makes sense to plan for these already partly developed areas that are just outside of UGBs for eventual inclusion in a UGB, and the time frame of the urban reserves (30-50 years out) provides that. These are areas that are usually on wells and septic systems, and sometimes those fail or cause dropping water tables. In addition, the residents often use various city services and roads anyway.

- This priority for evaluation provides a back stop for cities that often understand it makes sense to bring these areas into the UGB and possibly eventually into the city, for various health, governance, or other reasons.
- The current law already provides a way for city to rural residential areas to a lower priority for various reasons related to urbanization. OAR 660-0021-0030(4); ORS 197A.245.
- Arguments that current residents of a rural residential subdivision of high-end homes do not want to come into a city and will not accept additional housing are not relevant for many reasons, including that the time frame is long term - this is looking at 10 to 30 years beyond the current UGB, so a total of 30-50 years out.

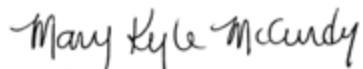
The urban reserve statute and rule represents a delicate balancing of interests to both provide long term certainty as to where future urban infrastructure might be needed, and to provide some certainty to farmers and foresters about where urbanization will not go, so they can make appropriate long-term investments.

And the urban reserve process is working.

- Urban reserve statute and rule in place for decades
- Whether to designate urban reserves is entirely voluntary
- Some cities have availed themselves of it, starting in the 1990s up to recently.
- At least 14 cities - including Ontario, Redmond, Sandy, others - plus the Metro region, have established urban reserves. They all include both rural residential exception areas and resource lands.
- HB 2001 (2023) - the OHNA bill - clarified a few elements making the process easier and directed LCDC to incorporate any other needed changes into its OHNA rulemaking, which it is doing right now.

The current urban reserve structure is working, and the OHNA rulemaking process is already looking at whether additional clarifications are needed. SB 1129 is not necessary.

Thank you for considering our comments.



Associate Director