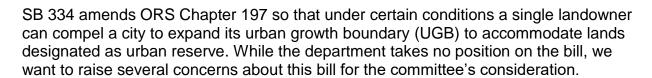March 11, 2019

TO: The Honorable Shemia Fagan, Chair
Senate Committee on Housing

FROM: Palmer Mason, Senior Policy Advisor

RE: **Senate Bill 334**

SB 334 amends ORS Chapter 197 so that under certain conditions a single landowner can compel a city to expand its urban growth boundary (UGB) to accommodate lands designated as urban reserve. While the department takes no position on the bill, we want to raise several concerns about this bill for the committee's consideration.

As an initial matter, the department recognizes that SB 334 honors some tenets of the state's land use planning program. A landowner, for instance, cannot petition to include lands designated as high-value farmland or for the protection of open spaces, historic areas or natural resource goals. However, on the whole, SB 334 undermines the basic principles of the state's land use planning program. It enables a single landowner to override any input from affected neighbors or businesses and the decision of locally elected officials to expand a city's UGB. Furthermore, unlike other UGB expansions, this decision is no longer based on a 20 year view of the community needs, supported by data, analysis and public input but, instead, it turns on the immediate needs of a single landowner.

A decision by a single landowner could have unfortunate consequences. For instance, SB 334 does not allow cities to block a UGB expansion to protect people and property from natural hazards risks such as flooding or landslides. In our view, the decision to expand a city's UGB should consider all issues but especially any risks to the safety of people and property.

Lastly, SB 334 does not guarantee that adequate infrastructure is available for the additional development. Interestingly, SB 334 only describes a "commitment" to providing necessary urban services to the subject lands rather than using a legally binding agreement, meaning that development could occur without adequate sewer, water and key services like fire and police protection. It may be the intent to incorporate this "commitment" into the special district agreements referenced in ORS Chapter 195 but the bill language is not clear on this point.