

HB 2647 -3 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Meeting Dates: 3/31, 4/9

WHAT THE MEASURE DOES:

The measure allows smaller cities outside the Metro area with fewer than 55,000 residents to expand their urban growth boundaries under specific conditions and with restrictions on industrial development and requirements for preserving open space, while also setting limits on future rezoning and establishing a sunset date for the law.

Detailed Summary:

- Allows the governing body of a city outside of Metro with a population of less than 55,000 to identify lands suitable for the expansion of its urban growth boundary (UGB) and is contiguous to the UGB.
- Specifies that these lands cannot be larger than 80 acres and need to be contiguous to each other or to the UGB.
- Directs local governments with jurisdiction over the lands to amend the city's UGB to include the identified lands within 100 days of notice of the identification of the lands.
- Directs local governments, within 100 days of land identification, to amend their comprehensive plan and land use regulations with respect to the identified lands to:
 - allow up to 50 percent of the lands to be used for industrial use, including semiconductor manufacturing or other high-tech facilities;
 - require that the remaining lands be preserved as open space or park use; and
 - provide the Land Conservation and Development Commission with copies of the amended comprehensive plan and land use regulations.
- Exempts UGB amendment from statewide land use planning goals and land use decisions.
- Specifies that decisions for UGB amendment under this measure can be only reviewed for errors by court.
- Restricts cities to one time amendment of their UGB under these provisions.
- Prohibits cities from rezoning said lands, if brought into its UGB under these provisions, for a period of 30 years following the date of the UGB amendment.
- Sunsets UGB amendment program on January 2, 2035.
- Repeals statutes governing the designation of regionally significant industrial areas.

ISSUES DISCUSSED:

- City of Monmouth growth constrictions
- Urban growth boundary (UGB) swap process timelines
- Modernizing and review of process for UGB swaps

EFFECT OF AMENDMENT:

-3 The amendment replaces the measure and allows the City of Monmouth to adjust its urban growth boundary by effectively swapping land with a specific process.

Detailed Summary:

Allows the City of Monmouth may amend its urban growth boundary (UGB) to add one or more sites to the urban growth boundary and to remove one or more tracts of land from the urban growth boundary.

Specifies removed area requirements:

- up to 90 acres in size;
- has more than one-quarter of its acreage within an area mapped as flood hazard or wetland;
- not have been annexed by the city;
- designated for residential use on the city's comprehensive plan map; and
- not currently served by city sewer service.

Specifies added area requirements:

- Up to 75 net residential acres;
- contiguous to the boundary of the city and the city's existing urban growth boundary;
- up to 20 percent of its acreage within an area mapped as a flood hazard or wetland;
- able to connect to nearby water and sewer services; and
- owners that have consented to having the site added to the urban growth boundary, annexed by the city, and planned for residential development.

Requires cities to adopt amendments to the city's comprehensive plan and land use regulations to allow for residential development of the added sites at a minimum density of seven units per acre.

Directs the Department of Land Conservation and Development to allow and acknowledge these amendments to the UGB by the city.

Allows land to be removed from UGB without landowner consent.

Clarifies that provisions regarding compensation for restriction of use of real property due to land use regulation do not apply to the removal of land with this process.

Specifies that review of an exchange of lands can only be made by the county and the Department of Land Conservation and Development under the one-time site addition requirements for urban growth boundaries enacted in 2024 through Senate Bill 1537.

Exempts site additions from provisions on current one-time site additions to urban growth boundaries.

Sunsets provisions on January 2, 2033.

BACKGROUND:

Every city in Oregon is encircled by an urban growth boundary (UGB), which is a designated line on planning maps that indicates where the city plans to expand over the next 20 years. This expansion may include new residential developments, industrial sites, commercial establishments, or public amenities like parks and utilities. Areas beyond the UGB are protected from urban development to safeguard farmland and forest resources, effectively marking the transition from urban to rural landscapes.

Expanding a UGB involves collaboration between the city and county, along with coordination with special districts that supply essential urban services. Typically, the expansion process includes opportunities for public participation. Once an area is incorporated within a UGB, it becomes eligible for annexation into the city limits. Notably, this annexation process is not overseen by the Land Conservation and Development Commission (LCDC).

Since 2016, after the LCDC introduced updated guidelines for UGB expansions, cities and counties across Oregon have approved 40 such changes. This alternative process is optional and is meant to simplify and speed up UGB amendments by reducing costs and administrative complexity ([OAR 660-038-0000](#)). Some local governments submit their UGB amendments to the Department of Land Conservation and Development (DLCD) for [review](#). The DLCD director is required to either approve the amendment, send it back for revisions, or refer it to the LCDC, with a decision made within 120 days of receiving the submission.

In 2007, legislation empowered Metro and metro-area counties to designate areas for future urban development and, conversely, to protect rural lands for agricultural, forestry, and other non-urban uses. Specific rules for urban reserves in the Portland metropolitan region are designed to guide long-term urban planning, helping industries, landowners, and service providers recognize potential expansion areas for the Metro UGB over the next 50 years. Additionally, rural reserves serve to preserve extensive tracts of agricultural and forest lands, as well as other key natural landscapes, limiting urban sprawl ([OAR 660-027-0005](#)).