



April 28, 2025

Re. Pam Marsh, Chair
Committee Members
House Committee on Housing & Homelessness
State Capitol
Salem, OR 97301

Re: SB 1129A - Urban reserves

Dear Chair Marsh and Committee Members:

1000 Friends of Oregon does not support SB 1129A because it is unnecessary. SB 1129A has been created to respond to the City of Bend's questions about how to use the tool of urban reserves. Among other things, the city testified that it did not want to be required to include high end subdivisions that are just outside the city's urban growth boundary (UGB) in its urban reserves because of opposition to possibly being brought into the UGB and challenges to being zoned to allow smaller houses and lots.

Urban reserves are a useful tool for urban planning, one we advocated for and have supported for the over two decades it has been available, and which has been used by many cities, including Bend's neighbors of Redmond and Madras. We appreciate that SB 1129A has been amended to hopefully avoid any unintended consequences; however, the current urban reserve structure works, and we remain concerned that changing the language will have impacts we cannot foresee.

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. But farm land can and usually is also included in an urban reserve because of the length of time it encompasses. This priority makes sense:

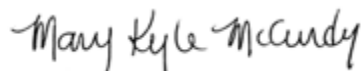
- This recognizes that it makes sense to plan for these already partly developed areas that are just outside of UGBs for eventual inclusion in a UGB, and the time frame of the urban reserves (30-50 years out) provides that. These are areas that are usually on wells and septic systems, and sometimes those 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.

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, cities of the Rogue Valley, 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