

# House Bill 2456

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Department of Land Conservation and Development)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Modifies optional process for evaluation of changes to urban growth boundary of city outside Metro with population of 10,000 or more.

## A BILL FOR AN ACT

1  
2 Relating to determination of the development capacity of lands proposed for inclusion in urban  
3 growth boundaries; amending ORS 197A.312.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 197A.312 is amended to read:

6 197A.312. (1) In addition to and not in lieu of the method prescribed in ORS 197.295 to 197.314  
7 and the statewide land use planning goals, the Land Conservation and Development Commission  
8 shall adopt a method by which a city outside Metro that has a population of 10,000 or more may  
9 evaluate or amend its urban growth boundary.

10 (2) The commission shall design the method so that:

11 (a) A city using the method:

12 (A) Will have within its boundaries sufficient buildable lands and other development capacity,  
13 including land and capacity for needed housing and employment opportunities, to meet the growth  
14 in population and employment forecast to occur over a 14-year period.

15 (B) Will not become less efficient in its use of land as a result of a change to the urban growth  
16 boundary.

17 (b) The urban population per square mile will continue to increase over time on a statewide  
18 basis and in major regions of the state, including that portion of the Willamette Valley outside of  
19 Metro.

20 (c) The rate of conversion of agricultural and forest lands to urban uses does not increase over  
21 time in any major region of the state.

22 (3) Under the method adopted by the commission:

23 (a) A city's determination of the amount of buildable lands needed for housing, employment and  
24 other urban uses must be based on the population and employment growth forecast to occur over  
25 a 14-year period.

26 (b) A city's determination of the supply and development capacity of lands within its urban  
27 growth boundary must be based on:

28 (A) An inventory of vacant and partially vacant buildable lands within the urban growth  
29 boundary;

30 (B) The comprehensive plan designation and the zoning of the portion of the buildable lands that  
31 is urban; and

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (C) Factors established by the commission for forecasting:

2 (i) The development and redevelopment capacity of urbanizable lands within the urban growth  
3 boundary; and

4 (ii) The redevelopment capacity of developed urban lands within the urban growth boundary.

5 **(c) A city's determination of the supply and development capacity of lands the city pro-**  
6 **poses to include within the urban growth boundary must be based on:**

7 **(A) An inventory of vacant and partially vacant lands; and**

8 **(B) Factors established by the commission for forecasting the development and redevelop-**  
9 **ment capacity of the lands.**

10 [(c)] (d) A city shall consider a range or combination of measures identified by rule of the  
11 commission to accommodate future need for land within the urban growth boundary and implement  
12 at least one measure or satisfy an alternate performance standard established by the commission.  
13 The commission shall design the alternate performance standard so that the standard is satisfied  
14 when the city:

15 (A) Has a development code that contains specified provisions designed to encourage the de-  
16 velopment of needed housing; and

17 (B) Demonstrates that, during the preceding planning period, the city:

18 (i) If located in the Willamette Valley, exceeded the median rate of redevelopment and infill for  
19 cities with a population of 10,000 or more in the Willamette Valley that are outside of the bounda-  
20 ries of Metro by an amount set by commission rule; and

21 (ii) If located outside of the Willamette Valley, exceeded the median rate of redevelopment and  
22 infill for cities with a population of 10,000 or more that are outside the Willamette Valley by an  
23 amount set by commission rule.

24 [(d)] (e) A city shall demonstrate that lands included within the urban growth boundary:

25 (A) Include sufficient serviceable land for at least a seven-year period.

26 (B) Can all be serviceable over a 14-year period.

27 [(e)] (f) Lands included within the urban growth boundary:

28 (A) Must be planned and zoned for categories of land uses in amounts that are roughly propor-  
29 tional to the land need determined for each category of use;

30 (B) Must be planned and zoned for an intensity of use that is generally consistent with the es-  
31 timates that were used to determine the amount of land needed;

32 (C) Must be planned and zoned to meet the requirements for needed housing, and those re-  
33 quirements must be specified by rule of the commission in a manner that is as objective as practi-  
34 cable; and

35 (D) May be either:

36 (i) Planned and zoned, or otherwise conditioned, to avoid significantly affecting a state highway,  
37 a state highway interchange or a freight route designated in the Oregon Highway Plan; or

38 (ii) Allowed to significantly affect a state highway, a state highway interchange or a freight  
39 route designated in the Oregon Highway Plan subject to mitigation, consistent with rules of the  
40 commission, if the lands are planned and zoned for compact urban development or industrial uses.

41 (4) For purposes of subsection (3)(a) of this section, population growth must be forecast as pro-  
42 vided in ORS 195.033. Employment growth must be forecast based on the population growth forecast  
43 for the city or the employment growth forecast issued by the Employment Department for the county  
44 or region. The commission shall establish factors, by rule, for converting the forecasted population  
45 and employment growth into forecasts of land need for housing, employment and other categories

1 of uses. The factors must:

2 (a) Be based on an empirical evaluation of the relation between population and employment  
3 growth and the rate and trends of land utilization in the recent past in the applicable major region  
4 of the state;

5 (b) Reflect consideration by the commission of any significant changes occurring or expected to  
6 occur in the markets for urban land uses in that major region of the state;

7 (c) Be designed to encourage an increase in the land use efficiency of a city, subject to market  
8 conditions; and

9 (d) Provide a range of policy choices for a city about the form of its future growth.

10 (5) For purposes of subsection (3)(b) of this section, the commission shall establish factors for  
11 supply and development capacity that are:

12 (a) Based on an empirical evaluation of the population and employment growth that has oc-  
13 curred on similarly situated lands through development and redevelopment;

14 (b) Based on consideration by the commission of any significant changes occurring or expected  
15 to occur in the markets for urban land uses in that major region of the state;

16 (c) Designed to encourage an increase in the land use efficiency of the city, subject to market  
17 conditions; and

18 (d) Designed to provide a range of policy choices for a city about the form of its future growth.

19 (6) For purposes of subsection (3)(c) of this section, the commission shall establish factors that  
20 are:

21 (a) Based on an empirical evaluation of the population and employment growth that has oc-  
22 curred on similarly situated lands through development and redevelopment;

23 (b) Based on consideration by the commission of any significant changes occurring or expected  
24 to occur in the markets for urban land uses in each major region of the state;

25 (c) Designed to encourage an increase in the land use efficiency of the city, subject to market  
26 conditions; and

27 (d) Designed to provide a range of policy choices for a city about the form of its future growth.

28 (7) For lands that are included within an urban growth boundary pursuant to this section and  
29 not made serviceable within 20 years after the date of their inclusion, the commission may provide  
30 by rule that:

31 (a) The lands must be removed from within the urban growth boundary the next time the city  
32 evaluates the urban growth boundary; or

33 (b) The planned development capacity of the lands must be reduced if there are significant in-  
34 creases in the cost of making the lands serviceable.

35 (8) When lands included within the urban growth boundary pursuant to this section are planned  
36 and zoned for industrial or residential uses, the lands must remain planned and zoned for the use  
37 unless a rule of the commission allows a change in planning and zoning based on a significant  
38 change in circumstance.

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