



UGB 101: Everything you wanted to know about the urban growth boundary, but were afraid to ask

By the end of 2024, the Metro Council will decide whether there is enough land in greater Portland's urban area for 20 years of growth. If there is not enough land, the council will decide what areas are best suited and most prepared for future growth. Here's a look at what goes into this year's growth management decision.

What's the urban growth boundary?

It's where the city ends and the farms and forests begin. Every city in Oregon has one. But the 24 cities in the greater Portland region share one common UGB, managed by the regional government, Metro.

Why does greater Portland have one?

Oregonians have always wanted to be thoughtful about growth. In the 1970s, to curb the sprawl typical of western cities, Oregon established a land use law that limited development outside of established communities. That way, growth would be

concentrated in existing areas, and farms, forests and deserts would be protected from sprawl.

How does it work?

Metro is responsible for ensuring that there's enough land in the UGB for 20 years of growth so that even if the UGB wasn't expanded, we wouldn't run out of room for two decades.

Inside of a UGB, cities around Oregon can plan what they want their communities to look like. They can expand their UGB if they can

show state regulators that they need more developable land. State regulators look to see that cities followed the state's rules and goals in managing their growth, including addressing people's housing needs, using existing land efficiently, adequate public engagement and choosing land with minimal impacts to farms and forests.

There's one exception to the every-city-has-a-UGB rule: In greater Portland, Metro manages the shared UGB for the 24 cities in the area, from Troutdale in the east, to Wilsonville in the south, to Forest Grove in the west.

Portland's shared UGB

How can we handle our growth and make the most of what we have?

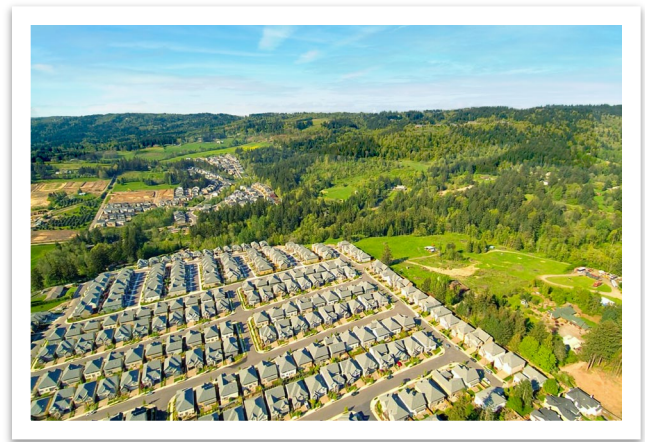
The real key is making the most of existing land. There might be good reasons why nobody wants to build on that vacant lot down the street from you – but overall, it's still probably cheaper for taxpayers to build on that lot instead of connecting a new sewer pipe or highway to housing on the edges of town. The UGB is a way to keep the costs of those pipes and roads in check.

At the same time, the UGB does, periodically, need to be expanded. It's up to Metro, with the support of state regulators, to ensure that the expansions are meeting the region's needs.

Doesn't the UGB cause density?

Oregon land use law favors places that have a variety of development types –apartments, condos and single-family homes, office buildings big and small, large factories and small manufacturers. Currently, about half of all the housing units inside the UGB are single-family homes.

The fact is, UGB or not, any city's going to have a healthy share of multi-family housing.



Bethany, Ore.

But Oregonians familiar with other parts of the country, particularly the Sun Belt, know that apartments in other cities tend to wind up nestled on six-lane boulevards on the edges of town, surrounded by parking lots. In greater Portland, the focus is encouraging multi-family development in existing business districts, where people can walk to get to what they need and support small businesses.

If a city plans exclusively for single-family homes on one-acre lots for growth, that plan is likely to be rejected by the Land Conservation and Development Commission, the state regulators. The law would require that city to instead offer a variety of housing options for people.

Does the UGB cause rents and house prices to go up?

No matter where you are in the country, new housing is expensive. The average sales price of an American home in 2023 was more than \$430,000, according to the Federal Reserve Bank. Rents in Portland aren't that different from Austin, Denver or Atlanta. There's a combination of factors at play: Housing construction almost totally stalled during the Great Recession, but population growth didn't. Once the recovery began, the rush to build new housing caused the prices on everything from labor to drywall to go up.

In greater Portland, one driver of rising housing costs is “system development charges” – fees that builders pay to help support construction of the pipes, roads, parks and schools that are required for urban living. Taxpayers here have said those bills should be picked up by people buying new housing, not the public at large.

So, where a new sewer line in, say, Phoenix, can be paid for by a combination of a small sales tax and small systems charge, here, all those charges are put back on the developer, and ultimately, home buyer or renter.

Certainly, land inside the UGB is often more expensive than land outside the boundary because land outside the boundary lacks urban services and the ability to develop. But there’s no escaping the fact that a piece of land will become more expensive once it’s inside the boundary and able to urbanize.

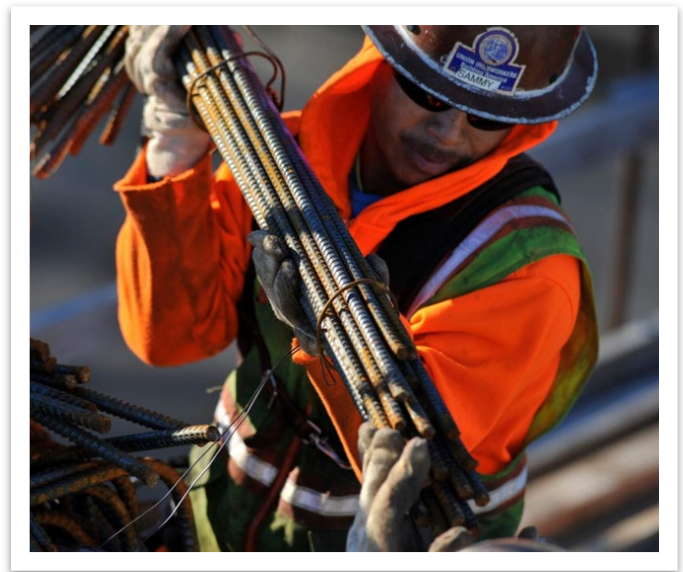
I heard that Metro has expanded the UGB dozens of times. What’s the point of having a boundary if it can be expanded indefinitely?

The UGB is meant to make the region be thoughtful about growth, not to stop it completely. By encouraging developers to think about areas already in the UGB that are available for development, it slows the rate that farms are converted to housing and prevents leap-frog developments.

Is there a limit to how far the UGB can expand?

Well, the Pacific Ocean makes a good buffer. And, at 60 miles away, that’s closer than the most distant suburbs of Los Angeles, San Francisco, Seattle or Phoenix are to their downtowns.

In theory, the UGB could expand in perpetuity, but the reality is that for the next 50 years, the UGB is unlikely to expand beyond the 20,000-or-so acres of urban reserves around greater Portland.



Can the UGB expand because one of the region’s 24 cities is growing particularly quickly?

It can, but only under certain circumstances. The city must show that it has a plan to support new development on newly urbanized land, and that the region, as a whole, needs more acreage for development. More on that below.

The Metro process

What’s the urban growth report?

Every six years, Metro is required by the State of Oregon to put together a report on growth in greater Portland – how much we’ve had, how much we expect, where people are living, and how much land there is for future development. It’s a complex, peer-reviewed snapshot of growth in the metro area, aimed primarily at calculating how much land is needed for 20 years of future growth. The last urban growth report was done in 2018, and found a need for more developable land to come into the UGB. In 2018, Metro added land to the UGB next to four cities - Hillsboro, Wilsonville, King City, and Beaverton - primarily for housing.

How does Metro pick where to expand the UGB?

It helps to start with a history lesson. Historically, Metro had to put any new UGB expansions on the lowest quality farmland. Oftentimes, that meant rolling hills and deep ravines – areas that were absurdly expensive to connect to pipes and roads. It led to the massive 2002 urban growth boundary expansion in Damascus, an area that still has only seen limited rural development in the 22 years since.

Other areas that were added to the UGB in 2002, like North Bethany, have had more success urbanizing – but even in these flatter and easier-to-develop areas it took more than a decade to get the pipes and roads paid for and built to serve any new growth.

In the late 2000s, Metro, developers, land conservation advocates and state leaders agreed that the system needed significant reforms. They spent four years hashing out a 50-year growth map, designating “urban reserves” – areas that Metro would target for UGB expansions through 2065 – and “rural reserves,” which were areas that would be off limits to urbanization in that time.

Some of those urban reserves were on high-quality farmland, a tough pill for land conservation advocates and farmers to swallow. It was a compromise deal that many felt was imperfect but most could live with.

Now, when Metro expands the regional UGB, it must first target urban reserves, accompanied by a city-led concept plan, for expansions.

In spring 2024, cities interested in expanding will submit their proposals to Metro. Expansion proposals will be available for public comment in the summer.

Who is involved in the decision?

Two groups have significant say in any UGB expansion: the Metro Policy Advisory Committee (MPAC) and the Metro Council. The Metro Council takes MPAC’s advice into account but is not bound by MPAC’s input. The Metro Council is also advised by the Metro Committee on Racial Equity.

The Metro Technical Advisory Committee provides technical feedback to MPAC on regional land use issues including the urban growth boundary. This committee is 35 members including planners, residents, land use advocates, environmental interests, and business representatives.

Metro convened a roundtable to learn about the contents of the 2024 Urban Growth Report. The roundtable is meeting throughout the process, exploring ongoing technical work around growth trends, and sharing their perspectives with staff.

Metro also convened a diverse youth cohort to both learn about and advise on its growth management approach. The youth cohort is facilitated by Next Up, a community-based organization focused on leadership development of younger Oregonians. The cohort will provide insights and lived experience to accompany the urban growth report’s housing and jobs quantitative analyses.

Learn more about the urban growth management decision at: oregonmetro.gov

Follow **oregonmetro**

