

## Policy Memo: Urban Growth Boundaries

### Urban growth boundaries (UGBs) and their use in the U.S. and elsewhere:

By the 1960s Oregon's economy had relied on its vast reserves of lumber, minerals, fish, and farmland for more than a century. Its landscape remains dotted with ghost towns that were founded with the sole purpose of mining, cutting, tilling, or canning one resource until it ran out. By the end of the decade, it was becoming clear to people like Governor Tom McCall and State Senator and Willamette Valley dairy farmer Hector Macpherson that this way of doing things was no longer in the best interest of Oregonians. Due largely to the work of these two prominent political figures, Oregon's Senate Bill 10, which established 10 statewide planning goals and set up requirements for land-use plans that all cities and counties had to meet, was signed into law in 1969. SB 10 was a radical departure both from the state's traditional treatment of its land and from the nation's perspective of what its seemingly limitless resources are for.

Signed into law in 1973, SB 100<sup>1</sup> was an expansion of SB 10.<sup>2</sup> While SB 10 required comprehensive plans, SB 100 went even further by requiring every city to establish an Urban Growth Boundary (UGB), which must be submitted to the newly created Land Conservation and Development Commission (DLCDC).<sup>3</sup> Despite their name, UGBs in the Pacific Northwest are not hard borders between the historic city boundaries and the countryside. Oregon's UGBs are adjusted every five years to maintain a 20-year supply of buildable land based on growth projections, with land that is difficult to use for agriculture or maintain as natural habitat being the first to be selected for development. In addition to developable land within Oregon's UGBs, there are also urban reserves (land outside the UGB that may be considered for development within the next 50 years), rural reserves (land may not be considered for the next 50 years), exception land (or non-forest or agricultural land), marginal land (exception land where some dwelling units are allowed), and farm or forest land (the most productive land is often the most protected). Per the DLCDC website, any changes to a UGB "of over 50 acres that are adopted by cities larger than 2,500 population (or over 100 acres by Metro) are submitted to DLCDC for review and approval."<sup>4</sup> Portland's UGB has been expanded "about two dozen times"<sup>5</sup> since it was first drawn, although many of these expansions have been minor and the current UGB looks essentially the same as it did in the 1970s- the exception being the addition of Damascus. .

Today every one of Oregon's 36 counties and virtually all of its incorporated cities have adopted a UGB, the list of statewide planning goals has grown to 19, and in

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<sup>1</sup> Oregon Encyclopedia: *SB 100*:

[https://oregonencyclopedia.org/articles/senate\\_bill\\_100/#.XMtqdxNKhma](https://oregonencyclopedia.org/articles/senate_bill_100/#.XMtqdxNKhma)

Oregon Encyclopedia: *SB 10*:

[https://oregonencyclopedia.org/articles/senate\\_bill\\_10/#.XMtqnRNKhmA](https://oregonencyclopedia.org/articles/senate_bill_10/#.XMtqnRNKhmA)

<sup>3</sup> Oregon Encyclopedia: *Urban Growth Boundary*:

[https://oregonencyclopedia.org/articles/urban\\_growth\\_boundary/#.XMtalxNKhma](https://oregonencyclopedia.org/articles/urban_growth_boundary/#.XMtalxNKhma)

<sup>4</sup> Department of Land Conservation and Development, *Local Government Decisions Under Review*:

<https://www.oregon.gov/lcd/NN/Pages/PR-UGBs-Under-Review.aspx>

<sup>5</sup> Oregon Metro Library, *Urban Growth Boundary*: <https://www.oregonmetro.gov/urban-growth-boundary>

1993 voters created Metro- the nation's only elected regional government- to better manage the UGB of Oregon's largest metropolitan area (Portland). In the Portland UGB, Metro works with the three Portland-area counties (Clackamas, Multnomah, Washington) to designate urban and rural reserve land.<sup>6</sup> Portland is further unique in that its UGB actually encompasses four other cities (Wilsonville, Beaverton, Tualatin, Tigard, Hillsboro) surrounding its borders, a decision that was made to simplify the implementation of the policy.

Although similar policies in the UK developed decades earlier (greenbelts, discussed below), Oregon's Urban Growth Boundary policy was the first of its kind in the US, and it remains perhaps the most commonly cited US example. Oregon's UGB program has served as a model for similar state legislation in Washington, while statewide efforts in Tennessee as well as municipal and county efforts in Minneapolis-St. Paul, Honolulu, Miami-Dade, San Jose, and Lexington have echoed the program or taken their own approaches.

When it comes to the statewide policies, there are several crucial differences between Oregon's UGBs and those of Tennessee and Washington.

Modeled after Oregon's UGB legislation, Washington's Growth Management Act (1990) "requires fast-growing cities and counties to develop a comprehensive plan to manage their population growth."<sup>7</sup> Unlike Oregon's legislation, however, the GMA was focused on the state's most urban counties and allowed other counties to opt in or out of the program. Local governments are guided through the process of creating their comprehensive plan by the Department of Commerce's Growth Management Services.<sup>8</sup> There are currently 18 Washington counties that are required by law to "fully plan" under the GMA, 11 counties that are only subject to "critical areas and natural resource lands" requirements, and 10 counties that have chosen to "opt in" to the GMA. Ferry County initially opted in, but chose to opt out in 2015, which it was allowed to do as a county with a population of less than 20,000. For guidance on how to draft a comprehensive plan that satisfies the GMA, the legislation created a list of 14 goals. This list includes expected items like "concentrate urban growth" and "sprawl reduction", but also "affordable housing" and "property rights." The GMA also established "mandatory plan elements", which include "land use" and "utilities", and optional plan elements, which include "solar energy" and "subarea plans." Taking every county and city UGB into account, 95% of Washingtonians currently live within a UGB.

In contrast to Oregon and Washington, Tennessee did not create UGBs with the goal of conservation and growth management, but to formalize city boundaries and to "define where cities could annex by ordinance without consent."<sup>9</sup> The UGBs in this state, created as a result of the Growth Policy Act (1998), represent what land cities can

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<sup>6</sup> Clackamas County, *Urban and Rural Reserves*: <https://www.clackamas.us/planning/reserves.html>

<sup>7</sup> Municipal Research and Services Center, *Growth Management Act*: <http://mrsc.org/getdoc/37359eae-8748-4aaf-ae76-614123c0d6a4/Comprehensive-Planning-Growth-Management.aspx>

<sup>8</sup> American Planning Association, Washington Chapter, *Growth Management Act*: <https://www.washington-apa.org/growth-management-act>

<sup>9</sup> Tennessee Advisory Commission on Intergovernmental Relations (TACIR), *Updating Growth Plans: The Next 20 Years*: <https://www.tn.gov/tacir/annexation/redirect---annexation-in-tennessee/refining-policies-for-growth-planning-and-municipal-boundary-cha/updating-growth-plans--the-next-20-years.html>

incorporate into their growth plans based on their legal authority, not environmental necessity. This act was the result of Tennessee's rapidly growing population, which at the time was causing political strife between its local governments. While minimizing "urban sprawl" was one of the "five statements of legislative intent",<sup>10</sup> so were eliminating "annexation or incorporation out of fear" and matching "the timing of development to the provision of public service" (this statement is likely in reference to municipal governments annexing territory without having plans for incorporating that territory into the city's utility and street systems). The motivations behind the Growth Policy Act were different from the environmentally conscious motivations in the Pacific NW, so there is little mention in the GPA documents of the greenbelt-style conservation that defines so many other UGBs around the world. Considering the actions that created a need for this legislation, it is not surprising that Tennessee's UGBs are impossible to opt out of and difficult<sup>11</sup> to change- two realities that became cumbersome during the Great Recession, when the state's growth patterns were altered dramatically.

It is worth emphasizing that Tennessee's legislation is unique among UGB policies around the world, most of which are more aligned with the UGB policies of Washington and Oregon. Examples of the greenbelt policies mentioned above can be found in Canada, the UK, and France. Greenbelt policies are historically more aligned with concepts of providing recreational and park space to residents of large cities. In Canada greenbelt policies are often used to protect agricultural land, although this is changing. Ontario's Greenbelt (est. 2005)- which wraps around Toronto and claims to be largest permanent greenbelt in the world- protects wildlife habitats, forests, lakes, as well as 4,782 farms on "some of the most productive agricultural lands in Canada."<sup>12</sup> The main difference between a typical greenbelt policy and the Pacific NW's UGBs is that, by definition, greenbelts draw a permanent line around a city to maintain the surrounding environment (although "permanent" is difficult to achieve). Both Oregon and Washington's UGBs are intended to manage growth and can be more easily adjusted to fit present circumstances.

### **How UGBs affect land use and travel behavior:**

As the roster of governments who picked this strategy for managing urban growth continues to expand and diversify, many different perspectives and criticisms of UGBs have developed over the decades. Most common among the criticisms is that UGBs artificially inflate the value of land within their boundaries, creating housing shortages for low-income residents. A lengthy study<sup>13</sup> produced by libertarian think-tank Reason Foundation offers a list of four core constraints on the effectiveness of UGB policies.

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<sup>10</sup> TACIR, *Tennessee Growth Policy*: <https://www.tn.gov/tacir/growth-policy.html>

<sup>11</sup> TACIR, *Unilateral Retraction of Cities' Urban Growth Boundaries*: <https://www.tn.gov/tacir/annexation/redirect---annexation-in-tennessee/refining-policies-for-growth-planning-and-municipal-boundary-cha/unilateral-retraction-of-cities--urban-growth-boundaries.html>

<sup>12</sup> The Greenbelt Foundation, *The Greenbelt*: <https://www.greenbelt.ca/about-the-greenbelt>

<sup>13</sup> Staley, et al (2017) *A Line in the Land: Urban-growth Boundaries, Smart Growth, and Housing Affordability*: <https://reason.org/wp-content/uploads/files/c5ba9be86e1bda65352dcf0e87a46c5a.pdf>

This list was compiled after its authors studied the three US states that have adopted UGBs. The four obstacles to an effective UGB are:

- “Persistent preferences for single-family, detached homes by prospective home buyers, reducing the ability of growth controls and boundaries to slow the pace of suburban development;
- Poor coordination among local public agencies, creating mismatches between planning goals and actual investments in infrastructure such as roads, sewer, and water;
- Housing-price increases; and
- Political manipulation by antigrowth interest groups, converting a tool intended to manage growth into a vehicle for stopping growth”

The authors of this paper also note UGBs can lead to frustrating unintended consequences for transportation planners, especially if cars continue to be the primary mode of transportation in a city that adopts a UGB. A city that is being artificially constrained without consideration of this preference among residents will likely have to confront more congestion on local roadways as more people are driving on them. The problem of congestion can be compounded if higher housing prices within a UGB are encouraging residents to decamp to more affordable communities beyond, resulting in more auto commuters on the regions highways and interstates.

This “spillover” effect was noted in another 2004 study<sup>14</sup> on the effects of Portland’s UGB on “urban development patterns and commuting.” Author Myung-Jin Lin found that Portland’s UGB has not slowed down suburbanization or enhanced infill development. Instead, “a significant level of spillover from the counties in Oregon to Clark County of Washington took place during the 1990s, indicating that the UGB diverted population growth into Clark County.” Since many of these migrants have remained in Portland’s job market, this has resulted in, among other things, a 300% jump<sup>15</sup> in the time it takes to cross the Interstate Bridge from Vancouver to Portland during peak hours. (It is worth noting that Vancouver also has an urban growth boundary, although the effects of its UGB have not been documented as thoroughly as Portland’s).

This study suggests that Portland’s UGB might be preventing the city from satisfying some of the statewide transportation planning goals, which include minimizing “adverse social, economic, and environmental impacts and costs” through a comprehensive plan.<sup>16</sup>

### **Pros and cons of state legislation to mandate UGBs:**

Despite this criticism Oregon’s UGB program has remained popular. In 2013 two-thirds of Oregonians felt that “new development should occur existing cities and towns to

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<sup>14</sup> Myung-Jin Jun (2004). SAGE Pub: The Effects of Portland's Urban Growth Boundary on Urban Development Patterns and Commuting: <https://doi.org/10.1080/0042098042000214824>

<sup>15</sup> Evans, Lacey (2016). *Vancouver to Portland commute time up 300%*. Koin6 News: [https://www.koin.com/news/vancouver-to-portland-commute-time-up-300\\_20180208091811718/960340247](https://www.koin.com/news/vancouver-to-portland-commute-time-up-300_20180208091811718/960340247)

<sup>16</sup> Oregon’s Statewide Planning Goals and Guidelines: *Goal 12: Transportation*. OAR 660-015-0000(12)

save farmlands and stop sprawl”<sup>17</sup> and only a handful of ballot initiatives have threatened SB 100 in the past 45 years. Yet there are reasons to be cautious when trying to apply what has worked in the Pacific Northwest to other parts of the country. It is worth noting that Oregon’s program required enormous political effort from the state’s congress, farmers, activists, and a bold and popular governor, and if it wasn’t for the state’s largest cities being located in the middle of its most valuable farmland, it is unlikely that this broad political coalition would have congealed the way it did.

When it comes to municipal efforts, other cities trying to emulate Portland’s UGB strategy might run into obstacles that Oregon’s largest city was fortunate enough to be able to avoid. As explained by Henry Richmond, the founding executive director of 1000 Friends of Oregon and a proponent of strong land use planning since the adoption of Oregon’s planning goals: “Portland has twenty-four metropolitan (jurisdictions), but many metro regions around the United States have many more local governments around their central cities... The fragmentation of these governmental bodies makes it very difficult for any kind of policy to be carried out.”<sup>18</sup>

In a 2013 issue of the Oregon Planner’s Journal celebrating the 1973 legislation, authors Makler et al<sup>19</sup> attribute some of SB 100’s success to its openness to improvements. The authors mention HB 2254, which “creates option for cities with population of less than 10,000 to project need, based on population growth, for inclusion of land within urban growth boundary and establishes priority for selection of land for inclusion.” According to the authors, examples of this kind of openness to community-oriented changes to UGBs can also be found in Oregon’s largest cities. When the Oregon House passed a bill in 2007 requiring Springfield and Eugene to establish separate UGBs, residents were concerned with how this change would impact the economic development of Eugene. Extensive outreach was conducted to address this and to give the community the opportunity to influence the new ratio of UGB expansion to population growth.

### **The equity implications of UGBs and policies meant to address them:**

Because UGBs may inflate the price of housing within their borders, the impact on low-income residents is the primary equity consideration policymakers need to make. That these residents tend to be pushed to the fringes of a UGB-restrained metropolis in order to find affordable housing is a double-edged sword, as it also raises their transportation costs should they seek to stay in the city’s job market. Worse still, Oregon’s Metro government has found that housing developed on the edge of its UGB is not as inexpensive as housing on the edges of other cities.<sup>20</sup>

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<sup>17</sup> Oregon Values Project, *Summary: Land Use*: [http://oregonvaluesproject.org/ovp-content/uploads/2013/10/OVB\\_Land-Use\\_Summary.pdf](http://oregonvaluesproject.org/ovp-content/uploads/2013/10/OVB_Land-Use_Summary.pdf)

<sup>18</sup> Abbott, Carl, and Howe, D (1993). *The Politics of Land-US Law in Oregon: Senate Bill 100, Twenty Years After*. Oregon Historical Quarterly, 94(1), 4-35.

<sup>19</sup> Makler, Jon and Jeannine Rustad, Angela Lazarean (2013). *OAPA Committees get the work done!* Oregon Planner’s Journal, May/June 2013 pp. 22.

<sup>20</sup> Metro News (2015). *Urban Growth Review: A Q&A on the region’s urban growth boundary*: <https://www.oregonmetro.gov/news/urban-growth-review-qa-regions-urban-growth-boundary>

While “affordable housing” is one of the Washington GMA’s 14 goals, the affordability index of the Seattle-area dropped to 9-year lows in 2018.<sup>21</sup> Examples of policies to address housing affordability problems in UGBs include Seattle’s Mandatory Housing Affordability, which “requires new development to include affordable homes or contribute to a City fund for affordable housing.”<sup>22</sup> Another example is Portland’s Housing Bond, which is a voter-backed initiative to use \$260 million to produce more affordable housing within the city. Unfortunately, both of these cities continue to struggle to solve the problem of managing development sustainably without shifting some of the burden to the most vulnerable residents.

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4/24/19

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<sup>21</sup> Tim, The (2019) Seattle Bubble: Seattle-area affordability set to plunge to 9-year lows in 2018 <https://seattlebubble.com/blog/2018/03/19/seattle-area-affordability-set-to-plunge-to-9-year-lows-in-2018/>

<sup>22</sup> Seattle.gov: Housing Affordability and Livability, *Council Adopts Citywide MHA*: [https://www.seattle.gov/hala/about/mandatory-housing-affordability-\(mha\)](https://www.seattle.gov/hala/about/mandatory-housing-affordability-(mha))