
Senate Bill 1537: One-time UGB Addition

Updated March 2026

Senate Bill 1537 (SB 1537) was adopted by the Oregon State Legislature in 2024 and signed into law on May 6, 2024. The bill offers a menu of tools that will provide the support needed to ease Oregon’s housing and homelessness crisis and help communities thrive. The bill includes policies and investments to boost housing production statewide including providing qualifying local governments a one-time option to add or exchange land to an urban growth boundary through an expedited process for the purpose of building affordable and market-rate housing.

Senate Bill 48 (SB 48) is a technical fix bill to SB 1537 that was passed by the Oregon Legislature in 2025 and took effect September 26, 2025. The provisions in this bill clarify the one-time UGB site additions including specific terms and scenarios. House Bill 4035 (HB 4035), passed in 2026, further amended SB 1537 to remove identified barriers to some cities being able to qualify for the one-time UGB addition and took effect March 31, 2026. The information in this document includes updated criteria based on the changes in SB 48 and HB 4035.

The Legislature also passed HB 4082 in 2026, which provides cities with an additional opportunity to pursue a one-time UGB site addition for senior housing and manufactured home communities. DLCD will provide a separate guidance document to support cities in utilizing this bill prior to the effective date of June 6, 2026.

Getting Started

Determining whether a city is eligible to utilize the one-time options provided, and whether it is practical for a city, include: 1) determining what options for an addition or an exchange work best, 2) what eligibility criteria apply, and 3) what adjacent land might be available. Below are a few initial steps for local consideration in answering these questions. Contact information for DLCD staff to help answer questions is also provided.

Determining Eligibility

To utilize the options for expanding the UGB provided in SB 1537, cities are required to demonstrate eligibility under **both of the following criteria**, based on data and factors at the time of public notice.

1) Land Need:

- a. Cities that have not adopted any UGB expansions for residential use in the previous 20 years, or expansions by Metro in a location adjacent to the city, and do not have within the existing UGB a tract that meets all of the following conditions:
 - a. Is larger than 20 net buildable acres,
 - b. Does not contain permanent buildings. “Building” is defined in the State Building Code as “any structure utilized or intended for supporting or sheltering any use or occupancy,”
 - c. Is not adjacent to improved public utilities that are suitable for immediate connection at the property line,
 - d. Has not received final approval of any land use entitlements, development approvals, subdivision plats, site plans or building permits, and

- e. Consists of one of more lots or parcels that abut each other or are separated only by a street or road;

The table below can help a city determine whether they are eligible for the one-time UGB addition under §52(1)(a).

#	Criteria	If no:	If yes:
(a)(A)	Have there been any UGB expansions for residential use adopted by the city or by Metro in a location adjacent to the city in the previous 20 years?	Assess eligibility under §52 (1)(a)	Assess eligibility under §52 (1)(b)
If the answer is yes to all criteria under (i) –(v), then the city is not eligible for a one-time UGB addition			
(B)(i)	Does the city have a tract inside the existing UGB larger than 20 net buildable acres?	Eligible for one-time UGB addition	See (ii)
(ii)	Is the tract without any permanent buildings?	Eligible for one-time UGB addition	See (iii)
(iii)	Is the tract not adjacent to improved public utilities that are suitable for immediate connection at the property line?	Eligible for one-time UGB addition	See (iv)
(iv)	Has the tract not received final approval of any land use entitlements, development approvals, subdivision plats, site plans or building permits?	Eligible for one-time UGB addition	See (v)
(v)	Does the tract consist of one or more lots or parcels with or without common ownership and that abut each other or are separated by only a street or a road?	Eligible for one-time UGB addition	Not eligible

- b. Cities that have adopted a UGB expansion over the previous 20 years, or expansions by Metro in a location adjacent to the city, must demonstrate that 75 percent of these lands are developed or have an acknowledged comprehensive plan with land use designations in preparation for annexation, and public facilities plan and associated financing plan. “Developed,” as used in this section, may include rural residential lands brought into the UGB in the last 20 years, even if they have not been developed further.

-AND-

2) Affordable Housing Need:

- a. Cities with a greater percentage of cost-burdened households than the average for Oregon based on the most recent American Community Survey five-year estimate data from the United States Census Bureau; or
- b. Cities with at least 25 percent of renter households being rent burdened based on the most recent American Community Survey five-year estimate data from the United States Census Bureau.

Eligibility of a Site Proposed to be Added to the UGB

- Sites must be adjacent to the existing UGB or separated by only a street or road
- Sites must be designated as:
 - o An urban reserve under ORS 197A.230 to 197A.250, including a site whose designation is adopted under ORS 197.652 to 197.6582, or
 - o Designated as non-resource land, or
 - o Subject to an acknowledged exception to a statewide land use planning goal relating to farmland or forestland, or
 - o Other land, only if all of the following conditions are met:
 - Resource land constitutes more than 80 percent of the land area lying within a quarter mile outside the city's urban growth boundary,
 - Upon the city's review of site applications under section 54 (1) of the bill, there were no qualified applications for lands designated as urban reserve, non-resource, or exception. Cities must add substantive requirements to the application for purposes of evaluating qualified applications,
 - Of the qualified applications received by the city, the site is the highest priority, based on the prioritization of land described in ORS 197A.285
- Cities within Metro may only petition to add a site within the Metro UGB if it is designated as an urban reserve.

Providing Public Notice

A city must provide public notice of their intention to expand the UGB. The notice must include the following information:

- The city's intention to select a site for inclusion within the UGB,
- Each basis under which the city has determined its eligibility,
- A deadline for submissions of applications that is at least 45 days following the date of notice,
- Additional substantive requirements, including a minimum size for a site, as established by the city and not incompatible with the bill, and
- A description of the information, form and format required of an application, including the requirements for a binding conceptual plan per Section 55 of the bill and as amended by SB 48.

A copy of this notice must be provided to each county in which the city resides, and each special district providing urban services within the city's UGB, DLCD, and Metro, if the city is within the Metro UGB. A copy of this notice should be emailed to the department at housing.dlcd@dlcd.oregon.gov.

For more information or to ask questions of DLCD staff contact:

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The guidance provided in this document represents DLCD staff's best understanding of statute and is not intended to provide definitive legal interpretation, advice, or guidance. For such questions, DLCD advises consulting your jurisdiction's legal counsel.