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May 9, 2025

Anyeley Hallova, Chair  
Oregon Land Conservation and Development Commission  
635 Capitol Street Northeast Suite 150  
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*Sent via email*

**RE:** Appeal of DLCD Order 001953, Metro Urban Growth Boundary Amendment

Pursuant to OAR 660-025-0150(6), 1000 Friends of Oregon (1000 Friends) and Tualatin Riverkeepers (TRK) respectfully appeal the director's decision to approve Metro's submittal of Ordinance No. 24-1520, which amends the urban growth boundary (UGB) by incorporating a 1291-acre area known as Sherwood West.

1000 Friends is a statewide mission-based 501(c)(3) nonprofit organization. 1000 Friends' mission is to work with Oregonians to enhance quality of life by building livable urban and rural communities, protecting family farms and forests, and conserving natural areas. TRK is a community-based organization that protects and restores the Tualatin River watershed. TRK's 500 members and thousands of volunteers - primarily Washington County residents - build watershed stewardship through advocacy, restoration work, and education.

This letter serves as our formal appeal of the director's decision to LCDC relating to compliance with Goals 5, 10, and 14, along with regional and local requirements. This letter includes the following sections: procedural requirements, introduction, bases of appeal, remedies, and conclusions.

### **PROCEDURAL REQUIREMENTS**

OAR 660-025-0150(6) provides the procedural requirements for appealing a director's decision. This rule section provides:

(6) Appeals of a director's decision are subject to the following requirements:

- (a) A director's decision approving or partially approving a work task or plan amendment may be appealed to the commission only by a person who filed a valid objection.
- (b) A director's decision remanding or partially remanding a work task or plan amendment may be appealed to the commission only by the local government, a person who filed a valid objection, or by another person who participated orally or in writing in the local proceedings leading to adoption of the local decision under review.
- (c) Appeals of a director's decision must be filed with the department's Salem office within 21 days of the date the director's action was sent.
- (d) A person, other than the local government that submitted the work task or plan amendment and an affected local government, appealing the director's decision must:
  - (A) Show that the person participated in the local proceedings leading to adoption of the work task or plan amendment orally or in writing;
  - (B) Clearly identify a deficiency in the work task or plan amendment sufficiently to identify the relevant section of the submittal and the statute, goal, or administrative rule the local government is alleged to have violated; and
  - (C) Suggest a specific modification to the work task or plan amendment necessary to resolve the alleged deficiency.

Subsections (a) and (b) address who is eligible to appeal a director's decision. In this case subsection (a) applies, as the decision was an approval of a UGB amendment. The rule only allows an appeal by those who submitted a valid objection. 1000 Friends and TRK both submitted valid objections (see pp. 4 of DLCD Order 001953).

Subsection (c) provides that appeals be submitted within 21 days of the decision, which was made April 18, 2025. Accordingly, the deadline for appeal submittal is May 9, 2025, and this appeal is timely filed.

Subsection (d) addresses the specific requirements for the content of the appeal. Regarding paragraph (A), local participation, DLCD Order 001953 recognizes that both 1000 Friends and TRK participated during Metro's hearing process. (see p. 4 of DLCD Order 001953). The requirements of paragraphs (B) and (C) are addressed in the following subsection of this letter.

## **INTRODUCTION**

Under Oregon state law, Metro is charged with managing the greater Portland region's UGB, and works with citizens, elected leaders, and researchers to plan for future growth and meet the needs for housing, jobs, and transportation. R. at 001187–95 Every six years, Metro assesses whether there is enough land inside of the UGB for 20 years of housing and job growth. R. at 001187. To

make a determination of whether there is a regional need for expanding the UGB, Metro must provide current information regarding, among other things, development trends and estimates of buildable land inside the UGB. R. at 004037. In response to the Metro Council's call for city submissions for expansion proposals, on March 5th, 2024 the City of Sherwood proposed bringing in the 1291 acre-Sherwood West urban reserve to support regional housing and employment needs. At Metro Council's public meeting on November 21, 2024, following a variety of public testimony, including written testimony submitted by 1000 Friends and TRK, Metro staff recommended that the Metro Council expand the UGB to include the Sherwood West urban reserve to address regional land needs identified in Metro's 2024 Urban Growth Report (UGR). R. at 000008–11, 001338–41. On December 5th, 2024, following another round of public comments, the Metro Council adopted Ordinance No. 24-1520 amending the existing UGB to include the Sherwood West area.

Throughout the UGB expansion process, several members of Metro Council publicly acknowledged political pressures to expand the UGB before the completion of staff analyses, local review, and public comment; one member lamenting that there were not more UGB expansion applications. R. at 001311. However, the August 2024 Urban Growth Report revealed that Metro “likely has room to accommodate most, if not all, of the region’s existing and future housing needs within the existing UGB for the next 20 years.” R. at 000027. And, the same report also documented a surplus of available industrial land, totalling over 3,191 acres surplus. Moreover, staff analysis stressed the need to focus on housing production strategies inside the existing UGB, underscoring the higher likelihood of meeting the region’s housing needs than expanding the UGB. Staff recognized that “adding more land alone is not enough. UGB expansions only produce jobs or housing when a city can provide infrastructure like pipes, roads, sidewalks, parks, and schools.”<sup>1</sup>

Following legal requirements and using the best available data provided to Metro at multiple junctures of the process should have led the Metro Council to conclude that no UGB expansion was needed. Instead, it appears that political pressure, including Sherwood's repeated statements against the imposition of any conditions, was a significant influence on Metro's ultimate decision: a large UGB expansion with merely aspirational conditions. R. at 004821, 005596–97. What’s more, a vote by the Metro Policy Advisory Committee taken during the September 24, 2024 meeting passed an amendment intended to pressure Metro Council to adopt the UGB expansion without any conditions. R. at 004021–4024.

As a result of this pressure, Exhibit B includes several “conditions” that lack enforceable measures, read as aspirations, and replicate actions already proposed by the City of Sherwood’s Sherwood West Concept Plan. R. at 000014–16.

The UGB expansion and appendices fail to comply with, let alone refer to, multiple, critical statewide and regional requirements necessary for all of us to succeed in addressing our housing

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<sup>1</sup> Metro. Metro Website, Landing Page on the 2040 Growth Management. Last accessed January 8, 2025. <https://www.oregonmetro.gov/public-projects/2024-growth-management-decision/expansion-proposal>

needs, rebuilding and building a prosperous and inclusive economy, and taking action on reducing carbon pollution. As detailed below, Metro Ordinance No. 24-1520 fails to comply with Statewide Planning Goals 5, 10, and 14. Further, in failing to consider practicable alternative area for UGB expansion, per Goal 14, Metro violates Metro Titles 3, 13, and 14 (specifically Metro Code 3.07.1425, 3.07.340(d)(3)(D)(i), and 3.07.1340(b). LCDC should remand the UGB decision back to the Metro Council and require consideration of both reasonable land use alternatives within the existing UGB to meet regional need and alternatives sites for the UGB expansion.

## **BASES OF APPEAL**

1000 Friends and TRK appeal several of the determinations made by the director in DLCD Order No. 001953 relating to Metro Council's requirements when considering expanding an urban growth boundary, outlined in Statewide Planning Goal 14. Under Statewide Planning Goal 14, prior to expanding the UGB, a local government must demonstrate that the estimated needs cannot reasonably be accommodated on land already inside the UGB. OAR 660-024-0050(4). Goal 14 also requires that "when considering a Metro UGB amendment, Metro must determine which land to add by evaluating alternative [UGB] locations. OAR 660-024-0600.

1000 Friends and TRK propose four main arguments for the bases of this appeal. First, Metro Council failed to consider reasonable measures to use land within the existing UGB to meet the estimated needs of the project. OAR 660-024-0050(4). Second, the Metro Council failed to consider alternative sites for the proposed UGB expansion, OAR 660-024-0600, which consequently led to violating Statewide Planning Goal 5 and Metro's own policies on protecting water quality and habitat conservation as required in Metro Code Titles 3 and 13. Third, Metro Ordinance No. 24-1520 fails to meet Statewide Planning Goal 10's housing goals and requirements, Metro's Regional Framework Code Section 1.3, and Metro's Urban Growth Management Functional Plan in Section 3.07.1110. Finally, Metro Ordinance 24-1520 fails to meet the requirements of the regionally adopted Climate Smart Communities Strategy. The arguments are expanded on below.

OAR 660-025-0040(2)(a) provides that, pursuant to ORS 197.626, the commission has exclusive jurisdiction to review an amendment of an urban growth boundary that adds more than 100 acres to the area within its urban growth boundary for compliance with the statewide planning goals. As Ordinance No. 24-1520 is a final decision that proposes the addition of 1291 acres to the existing UGB, the commission has jurisdiction to review the decision for compliance with the statewide planning goals.

- 1. Metro Council failed to consider reasonable measures to use land within the existing UGB to meet the estimated needs of the project.**



Metro’s urban growth boundary capacity analysis must comply with requirements set forth in Statewide Planning Goal 14, “Urbanization,” ORS 197A.350(6)(a) & (b), and Metro Code 3.07.1425 (Title 14). First, Goal 14 provides for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside UGBs, to ensure efficient use of land, and to provide for liveable communities. OAR 660-015-0000(14). More specifically, Goal 14 outlines the process of establishing and maintaining UGBs. Establishing and/ or changing a UGB requires a showing of land need, based on (1) a demonstrated need to accommodate long range urban population, consistent with a 20-year population forecast coordinated with affected local governments, or for cities applying the simplified process under ORS chapter 197A, a 14-year forecast; and (2) a demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks or open space, or any combination of the need categories in this subsection. OAR 660-015-0000(14). In determining need, the local government may specify characteristics, including parcel size, topography, or proximity, necessary for land to be suitable for an identified need. OAR 660-015-0000(14). Finally, prior to expanding a UGB, the local government must demonstrate that needs cannot reasonably be accommodated on land already inside the UGB. OAR 660-015-0000(14): Goal. These factors are also found in ORS 197A.350(6)(a)&(b).

- a. Metro Council failed to demonstrate that there is not viable land within the existing UGB to support long-term growth for employment and housing in the region. Accordingly, a legislative amendment to bring in land to the current UGB is unwarranted.

This was TRK’s Objection A.1 in its January 9, 2025 objection and addressed on pp. 70–72 of DLCD Order 001953. TRK noted that while Metro Staff published an alternatives analysis of 27 urban reserves in mid-October of 2024, no comparable analysis of reasonable new land use measures that would meet the estimated regional need without expanding the UGB exists. TRK Objection at 4. This issue also arises in TRK’s Objection A.3, addressed in subsection 4 below. Additionally, a similar issue arose in several 1000 Friends’ objections that are addressed in subsequent sections.

TRK’s objections further highlighted Metro Council’s failure to consider reasonable measures of land use within the existing UGB to meet the estimated needs by calling attention to comments from Metro Councilor Nolan at the Council’s December 5, 2024 meeting (R. at 001311):

*“[...] I’ve been disappointed that [...] we have not taken advantage of all that time, all that energy, all that attention to meet some basic elements of urban growth management. We are supposed to, in fact, start by asking do we need more land in the urban growth boundary or is the land we have in the urban growth boundary today sufficient to meet our need for housing and*

*employment needs. We started instead with asking for proposals, and one could look at the process then as fitting our answer to the first question into the proposals that we got.”*<sup>2</sup>

Statewide Planning Goal 14 requires that, prior to expanding the UGB, a local government must demonstrate that estimated needs cannot be reasonably accommodated on land already inside the UGB. OAR 660-024-0050(4). By failing to consider reasonable measures of land use within the existing UGB to meet estimated needs, Metro Council did not comply with Statewide Planning Goal 14.

In fact, viable land exists within the current UGB that meets the housing and job needs of the proposed expansion. While the City of Sherwood claims that UGB expansion is needed to support the development of housing and jobs for the next 20 years, a recent vacant lands capacity analysis suggests otherwise. In September 2024, West of Sherwood Farm Alliance conducted a capacity analysis of vacant land in the Sherwood Planning Area, which comprises the land inside of Sherwood’s city limits, along with Brookman Addition area and Tonquin Employment area that had been previously added to the UGB.<sup>3</sup> The analysis compares Sherwood West with Sherwood Planning Area’s vacant lands for meeting the needs of housing and job growth development. According to the analysis, the Sherwood West proposal would result in a 41% expansion of the city’s land area, support 3,117 to 5,582 new expensive low-density homes and apartments and 4,524 new jobs, and lead to a \$58–70 million funding shortfall for infrastructure. Alternatively, the vacant lands within the Sherwood Planning Area could support 4,572 new homes that more closely fit housing needs of the area, 5,526 new jobs, and \$58–70 million taxpayer and ratepayer savings saved on unneeded infrastructure.<sup>4</sup> Additionally, the Sherwood Planning Area vacant lands conserves rather than develops precious farmland, forests, streams, and wildlife. Accordingly, there is viable land within the existing UGB to support long-term growth for employment and housing in the region, and therefore no need exists for a legislative amendment to bring in land to the current UGB.

To remedy this defect, TRK requests LCDC remand Metro Ordinance No. 24-1520 back to Metro to evaluate reasonable and alternative uses of the land within the existing UGB that would reasonably accommodate the regional housing and employment needs identified in the UGR.

- b. Metro Council failed to demonstrate how the UGB expansion complies with the land need thresholds outlined in OAR 660-024-0040, ORS 197A, Land Use Planning Goal 14, and Metro Code Sections 3.07.1405–3.07.1465 [residential needs and capacity].

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<sup>2</sup> Metro Council meeting video on 2024-12-05, 10:30am, at 1:50:15–1:52:10  
[https://oregonmetro.granicus.com/MediaPlayer.php?view\\_id=1&clip\\_id=932](https://oregonmetro.granicus.com/MediaPlayer.php?view_id=1&clip_id=932).

<sup>3</sup> West of Sherwood Farm Alliance, *Sherwood Vacant Lands Capacity Analysis*, September 2024.

<sup>4</sup> *Id.*

This was 1000 Friends’ Objection A in its January 9, 2025 objection and addressed on pp. 32–35 of DLCD Order 001953. 1000 Friends objected to Metro Council’s failure to adopt, incorporate and reassess the capacity for the 20-year land needs for the region with the updated housing production strategy.

As Metro, itself, acknowledges: “Metro Council can consider expanding the greater Portland region’s urban growth boundary **if there is a regional need for land to accommodate the next 20 years of jobs and housing growth.**”<sup>5</sup> Under Goal 14, “prior to expanding the UGB, a local government must demonstrate that the estimated needs cannot reasonably be accommodated on land already inside the [existing] UGB.”

Therefore, the main and initial question before the Metro Council is whether there is sufficient capacity within the existing UGB to accommodate current and future housing needs. The answer, based on Metro’s own data as well as a significant update from the City of Portland, is a resounding yes. Metro failed to demonstrate that the estimated needs cannot reasonably be accommodated on land inside the existing UGB.

Metro's 2024 Urban Growth Report finds that the region's housing needs can be met within the existing UGB, even without incorporating Portland's housing production strategy. In its August 2024 Urban Growth Report, Metro staff reflect that “while there is a housing crisis nationally and in our region, it is not clear that shortage is caused by sheer lack of space for housing to be built on.” R. at 000027. The 2024 Urban Growth Report goes on to state that “analysis of the Urban Growth Report reveal[s] that there is likely room to accommodate most, if not all, of the region’s existing and future housing needs inside the existing UGB for the next 20 years.” R. at 000027. In the August 2024 Urban Growth Report, staff’s initial assessment of future housing needs details:

*Table 2: Recommended Metro region current and future housing need assumptions (2024-2044)*

7-county MSA baseline household growth (2024-2044)	203,530
Future household growth in Metro UGB (70% to 72% Metro UGB capture)	142,500 to 146,500
Add 5% vacancy rate (to convert future households to homes)	7,100 to 7,400
Subtotal of UGB future housing needs (number of homes)	149,600 to 153,900
Add current housing needs (underproduction, houselessness, 2 <sup>nd</sup> and vacation rentals)	26,953
Total current and future UGB housing need (2024-2044, rounded)	176,500 to 180,800

<sup>5</sup> Metro. Metro Website, Landing Page on the 2040 Growth Management. Last accessed January 8, 2025. <https://www.oregonmetro.gov/public-projects/2024-growth-management-decision/expansion-proposal>

Metro's COO's August 2024 recommendation notes that staff recommend that Metro Council plan for 176,500 to 180,800 additional homes in the Metro UGB to meet current and future needs.

In the same month that Metro finalized its 2024 Urban Growth Report, the City of Portland added new information that unequivocally confirms that there is sufficient land within the existing UGB to accommodate current and future housing needs over a 20-year timeframe. On August 28, 2024, Portland City Council unanimously adopted an updated housing production strategy, developing tangible actions over a 6-year timeframe in line with Governor Tina Kotek's Executive Order goals to produce 36,000 housing units annually and in line with the Oregon Housing Needs Analysis requirements. The City of Portland reflected upon its work, stating: "the housing needs analysis estimated a demand for an additional 120,560 dwelling units by 2045. The Buildable Land Inventory (BLI) found that current plans and zoning provide an estimated development capacity of 236,977 units. At a basic level, Portland has more than enough development capacity to meet future demand. However, the needs analysis goes further to address specific housing needs such as affordability, accessibility, and larger households."<sup>6</sup> Ahead of the UGB expansion decision at Metro, the City of Portland and several commenters shared the updated findings from the City of Portland's Resolution with Metro through formal advisory committees; the housing production strategy was also submitted in writing to Metro Council.

However, Metro Council failed to adopt, incorporate, and reassess the capacity for the 20-year land needs for the region with the updated housing production strategy in accordance with several requirements, including those outlined in Land Use Planning Goal 14, ORS 197A, and Metro Code Sections 3.07.1405–3.07.1465. Given the significant capacity to develop and redevelop within the City of Portland's boundaries alone, the redevelopment potential rate assumption in Metro's Urban Growth Report should have increased and, therefore, would have confirmed the Urban Growth Report's analysis that there is enough land inside the existing UGB to accommodate the region's current and future housing needs over the 20-year period. In which case, Metro Council should have determined that the threshold required for Metro to meet in order to expand has not been met.

This error is significant as Metro's COO recommendation stated: "Staff recommend that the Metro Council base their decision on a finding that there is capacity inside the UGB for 175,500 additional homes." This appears to serve as a crux for giving "latitude" for Metro to expand its UGB. However, given the City of Portland's updated Housing Production Strategy's figures, there is no reasonable basis for Metro to determine that there is not sufficient capacity to accommodate current and future housing needs within the existing UGB.

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<sup>6</sup> City of Portland, Resolution 37673, August 28, 2024.  
<https://www.portland.gov/council/documents/resolution/adopted/37673>

1000 Friends urges LCDC to help the region make the best, informed decision and set the correct course for addressing our housing crisis by undoing the suppression of the critical information and hard work completed by the City of Portland. 1000 Friends urges LCDC to support the Metro Council to make a data-driven decision to help the greater Portland area recover and rebuild after some tumultuous years.

To remedy this defect, 1000 Friends requests DLCD remand Metro Ordinance No. 24-1520 back to Metro for Metro to accept the City of Portland’s updated housing production strategy into the Urban Growth Report’s buildable land inventory at which time Metro staff must reassess the region’s land needs for current and future housing over a 20-year time period in accordance with OAR 660-024-0040(4). LCDC’s support is consistent with Metro’s assessment in its August 2024 Urban Growth Report that the region must “focus on housing production strategies inside the existing UGB, underscoring the higher likelihood of meeting the housing needs.” R. at 000027.

- c. Metro fails to demonstrate how the UGB expansion complies with the land need requirements outlined in OAR 660-024-0040, Land Use Planning Goal 14, ORS 197A, and Metro Code Sections 3.07.1405–3.07.1465 [employment needs and capacity].

This was 1000 Friends’ Objection B in its January 9, 2025 objection and addressed on pp. 32–35 of DLCD Order 001953. As Metro, itself, acknowledges: “Metro Council can consider expanding the greater Portland region’s urban growth boundary ***if there is a regional need for land to accommodate the next 20 years of jobs and housing growth.***”<sup>7</sup> Under Goal 14, “prior to expanding the UGB, a local government must demonstrate that the estimated needs cannot reasonably be accommodated on land already inside the [existing] UGB.”

The main question before the Metro Council is whether there is sufficient capacity within the existing UGB to accommodate current and future employment needs. The answer, based on Metro’s own data and private sector reports, is a resounding yes. Metro Council has not met the threshold to determine that the employment needs cannot be reasonably accommodated inside the existing UGB.

The August 2024 Urban Growth Report depicts two gap analyses for employment (demand and capacity side-by-side):

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<sup>7</sup> Metro. Metro Website, Landing Page on the 2040 Growth Management. Last accessed January 8, 2025. <https://www.oregonmetro.gov/public-projects/2024-growth-management-decision/expansion-proposal>

## Commercial land gap analysis results

Commercial lands support all other non-industrial employment uses like offices, retail, and medical. To some extent, commercial demand also gets met on industrial lands, for example through retail uses on industrially zoned lands. However, this analysis has not estimated that potential crossover. The binary classification of employment capacity as industrial or commercial may have the effect of overstating the deficit for commercial land. A similar issue may be present for mixed use zones since the pro forma model often “chooses” residential redevelopment over commercial redevelopment. In reality, demand for commercial space would lead to more redevelopment for that use, potentially in combination with residential uses above.

Table 20: commercial land capacity gap for Metro UGB 2024-2044

	Capacity (acres)	Demand (acres)	Surplus or deficit (acres)
Low growth forecast	514	-300	+814
Baseline growth forecast	514	800	-286
High growth forecast	514	2,300	-1,786

## Employment lands gap analysis results

### Industrial land gap analysis results

Industrial lands support uses like industrial, flex/business parks, and warehousing. This analysis found that, in aggregate, there is a surplus of industrial lands inside the UGB for meeting expected industrial employment growth. This is true even under the high growth forecast.

Table 19: Industrial land capacity gap for Metro UGB 2024-2044

	Capacity (acres)	Demand (acres)	Surplus or deficit (acres)
Low growth forecast	5,331	-1,500	+6,831
Baseline growth forecast	5,331	1,400	+3,931
High growth forecast	5,331	5,200	+131

As Metro Council adopted the baseline growth forecast, staff analysis demonstrates a surplus of over 3,500 acres for employment uses. Additionally, the greater Portland area reports a 24% region-wide vacancy rate in commercial buildings, not including shadow space (where a building is leased on paper, but employees are not using the building regularly). Colliers International shares a forecast for continued, downward demand for the future of commercial leases, noting that this is the 17th consecutive quarter of increasing vacancy rate in the greater metro region and that a significant amount of leases are coming up for renewal/expiration. The greater Portland area currently offers significant employment capacity in addition to Metro’s over 3,000 surplus acreage via existing buildings, notching a 33% vacancy rate in Portland’s Central City alone. R. at 002823–24.<sup>8</sup>

And, to assess the greater Portland area’s industrial lands capacity and demand, 1000 Friends looks to Colliers International who, every quarter, reports a region-wide performance. Currently,

<sup>8</sup> Colliers International. Portland Metro Office Market Report Q3 2024.  
<https://www.colliers.com/en/research/portland/2024-q3-portland-metro-office-market-report>.



Colliers International 7.5% vacancy rate (over 15 million square feet of industrial space in the greater market). R. at 002823–24.<sup>9</sup> Over 1.03 million industrial square feet has been added to the current supply with 16% of it only pre-leased. The City of Sherwood, itself, celebrated a brand new industrial park on over 35 acres now available for lease. R. at 002824.<sup>10</sup>



Sherwood Commerce Center, Opened 2024, Leasing Available in all Three Buildings

Notwithstanding the documented +3500 acres surplus of employment land inside the existing UGB, Metro Ordinance No. 24-1520 and Sherwood West Concept Plan propose approximately 135 acres of hospitality/retail use without Metro demonstrating these uses cannot be accommodated within the existing UGB.

With respect to the industrial lands surplus, Metro staff appear to note that the categories between commercial and industrial lands are interchangeable. “Consistent with observed development trends, assume a small portion (about 150 acres) of the region’s industrial land surplus is available for commercial employment uses, thereby addressing any remaining commercial capacity gap.” R. at 000084. Using that logic consistently, Metro has effectively determined that there is a 3,500 acre-surplus of employment lands and, therefore, does not meet the threshold to expand the UGB.

To remedy these defects, 1000 Friends requests LCDC remand Metro Ordinance No. 24-1520 back to Metro for Metro to reassess the Urban Growth Report’s buildable land inventory at which time Metro staff must reassess the region’s land needs for current and future employment over a 20-year time period in accordance with OAR 660-024-0040(4), ORS 197A, and Metro Code Sections 3.07.1405 - 3.07.1465. With respect to the large industrial lots, Metro notes the need to focus on brownfield redevelopment, site aggregation, land readiness funding and financing tools to bring land to Tier I, and more.

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<sup>9</sup> Colliers International. Portland Metro Industrial Market Q3 2024.  
<https://www.colliers.com/en/research/portland/2024-q3-portland-metro-industrial-market-report>.

<sup>10</sup> Sherwood Commerce Center, 2024.  
<https://www.loopnet.com/Listing/21600-SW-Oregon-St-Sherwood-OR/26881071/>.

1000 Friends acknowledges that while adding undeveloped land outside the UGB far from existing services and infrastructure is neither justified nor helpful for short-term economic growth needs, the Metro Council may want to secure or designate industrial lands for industrial uses in a shorter time frame, particularly for the semiconductor industry. The Metro COO notes “high tech manufacturing has become a major focus of incentive programs from the federal government designed to increase domestic production of critical technologies...a lack of available sites would be a limiting factor in our region’s ability to take advantage of historic incentives to support economic development.” R. at 004043. There is questionable evidence demonstrating that there is still outstanding demand to compete for historic incentives (several CHIPS and Science Act applications have been successful ranging from Intel to Micron) as well as lack of available sites (Hillsboro and Wilsonville have large sites inside the existing UGB zoned for industrial uses).

As a show of good faith to Metro Council and COO’s stated goals, 1000 Friends requests that LCDC remand Metro Ordinance No. 24-1520 back to Metro and include an option for Metro to determine if there is an appropriate and justified designation of lands for industrial uses for the large sites under OAR 660-009-0025 and consistent with Metro Code Sections 3.07.1405 - 3.07.1465. Notably, OAR 660-009-0025 requires that:

“Plans for cities and counties within a Metropolitan Planning Organization or cities and counties that adopt policies relating to the short-term supply of land must designate suitable land to respond to economic development opportunities as they arise. Cities and counties may maintain the short-term supply of land according to the strategies adopted pursuant to OAR 660-009-0020 (Industrial and Other Employment Development Policies)(2).”

- (a) Except as provided for in subsections (b) and (c), cities and counties subject to this section must provide at least 25 percent of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.

## **2. Metro Council failed to consider alternative sites for the proposed UGB.**

Along with establishing a need that cannot be reasonably accommodated on land already inside the UGB, a local government must determine what area is best fit for changing the boundary location. OAR 660-015-0000(14). This is determined by *evaluating alternative boundary locations* (emphasis added) consistent with ORS 197A.320 or, following the Metropolitan Service District, ORS 197.298, and with consideration of the various factors addressed below

- a. In failing to meaningfully consider alternative sites for the proposed UGB expansion, Metro Council’s approval of Ordinance No. 24-1520 does not comply with Statewide Planning Goal 14, OAR 660-024-0060, ORS 197A.350(6)(a) & (b), and Metro Code 3.07.1425.



This was TRK's Objections A.2 and A.3 in its January 9, 2025 objection and addressed on pp. 72–73 of DLCD Order 001953.

In Objection A.2, TRK pointed out that the timeline of Metro's urban growth management (UGM) decision establishes conclusively that the Metro Council failed to consider Metro staff's alternative location analysis before approving the Sherwood West Concept Plan. This analysis, provided in Appendix 7 and 7A of the UGR, was published on Metro's website on October 18, 2024, **10 days after** Metro Council's work session on October 8, 2024.<sup>11</sup> Clearly the alternatives analysis was not presented to Metro Councilors at their work session and alternative sites were not discussed, as these analyses had not been published prior to the work session. Further, minutes from the October 8 work session imply that the majority of the Councilors had made an initial determination to approve the Sherwood West UGB expansion without ever evaluating alternative sites: "Council President Peterson summarized that the majority of Council supported introducing an ordinance to bring Sherwood West within the UGB based on a medium growth forecast." R. at 003053. The minutes from the October 8 Metro Council Work Session also suggest that, because the Council had not been presented with the staff's alternatives analysis, Metro Council's recommendations to staff for UGB approval conditions were uninformed: "there being no further discussion, Council President Peterson summarized the Council's recommendations to staff for updating the conditions of approval and moved on to the next agenda item. R. at 003054.

Additional minutes and videos from subsequent Metro Council public hearings reinforce that alternative sites and measures were not discussed by Metro Councilors in its UGB expansion decision. For example, at Metro Council's November 21, 2024 public hearing, while Appendix 7 and its attachments were a part of the meeting packet, Metro staff did not present any alternative sites for the Council to evaluate nor discuss alternative reasonable measures, and Metro Councilors did not discuss alternative measures. R. at 001324–27. Finally, at its final public hearing involving Ordinance No. 24-1520 on December 5, 2024, Metro Councilors failed to discuss alternative sites or measures when it approved the Sherwood West UGB Expansion. R. at 001309–11.

The failure to discuss alternative sites and measures, along with the fact that Metro staff's alternatives location analysis was published 10 days after Metro Council's working session call into question whether the Metro Councilors ever evaluated the alternative sites and measures analysis prior to approving the Sherwood UGB expansion. The failure to evaluate reasonable measures and alternative sites violates state regulations and local codes, and remedial measures are required to rectify these violations.

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<sup>11</sup> Email correspondence between TRK Metro's land use attorney Roger Alfred following TRK's submission of public comments in mid November confirmed that Metro staff's alternative location analysis under Goal 14 and the Metro Code, included in Appendix 7 and 7A of the UGR, had been posted mid October. *See Figure 4.*

Then, in Objection A.3, TRK argued that by failing to evaluate reasonable measures of land use within the existing UGB and alternative areas for UGB expansion Metro Council failed to comply with statewide planning Goal 14, ORS 197A.350(6)(a) & (b), and Metro Code 3.07.1425.

Along with establishing a need that cannot be reasonably accommodated on land already inside the UGB, a local government must determine what area is best fit for changing the boundary location. OAR 660-015-0000(14). This is determined by *evaluating alternative boundary locations* (emphasis added) consistent with ORS 197A.320 or, following the Metropolitan Service District, ORS 197.298, and with consideration of the following factors:

- (1) Efficient accommodation of identified land needs
- (2) Orderly and economic provision of public facilities and services;
- (3) Comparative environmental, energy, economic, and social (ESEE) consequences; and
- (4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

To implement Goal 14 objectives, the Metro Council adopted the Urban Growth Management Functional Plan (hereinafter “the UGMFP”) which incorporates the aforementioned factors in its criteria for evaluating alternative areas for UGB expansion. Metro Code 3.07.010. The UGMFP, part of the Metro Code, contains 14 titles that provide performance standards and other requirements cities and counties must meet. Metro Title 14 (“Urban Growth Boundary”) addresses urbanization and calls for a clear transition from rural to urban development, including maps depicting the UGB as well as urban and rural reserves. Following a periodic analysis of the capacity of the current UGB, the Council shall make legislative amendments if it determines there is a need to add land to the UGB. Title 14 Metro Code 3.07.1420. Legislative amendments to the UGB must meet several criteria, including an analysis of alternative areas designated as urban reserves, and a determination of which areas best meet the needs of the project. Title 14 Metro Code 3.07.1425(c) In evaluating which areas best meet the need to amend the existing UGB, the following factors are considered:

1. Efficient accommodation of identified land needs;
2. Orderly and economic provision of public facilities and services;
3. Comparative *environmental, energy, economic and social consequences*;
4. Compatibility of proposed urban uses with nearby agricultural and forest activities occurring on land outside UGB designated for agriculture or forestry pursuant to a statewide planning goal;
5. Equitable and efficient distribution of housing and employment opportunities throughout the region;
6. Contribution to the purposes of centers and Corridors;
7. Protection of farmland that is most important for the continuation of commercial agriculture in the region;

8. *Avoidance of conflict with regionally significant fish and wildlife habitat*; and
9. Clear transition between urban and rural lands, using natural and built features to mark the transition (emphasis added).

In order to comply with Goal 14, ORS 197.350(6)(a) & (b), and the UGMFP, Metro Council's UGB capacity analysis must consider alternative sites for a boundary expansion. In fact, there are several other areas of land designated as urban reserves that Metro Council should have analyzed that could meet the regional estimate needs of the project. For example, Sherwood South and Tonquin are other designated urban reserves, which may better meet the needs criteria, but no evaluation of this area was conducted for this UGB expansion proposal. Further, the purpose and need of the project to support the development of new homes and employment would not require one connected parcel; accordingly Metro Council may consider bringing in portions of other urban reserves that would comport with the aforementioned criteria in determining the best areas to amend the UGB. While the Metro Council is not required to make the determination that Sherwood South and Tonkin better meet the needs for a UGB expansion, they are still required to consider these alternative areas and failed to do so. Before approving bringing Sherwood West into the existing UGB, Metro should meaningfully evaluate other alternatives to determine which area best meets the needs criteria as required under Goal 14, Metro Code 3.07.1425(c).

Failure to analyze alternative sites and reasonable measures for land use within the existing UGB violates Statewide Planning Goal 14, ORS 197A.350(6)(a), and Metro Code 3.07.1425. TRK recommends that the DLCD Director remand the UGB amendment to the Metro Council to evaluate, to the extent that a UGB amendment is warranted, alternative sites that could be used to satisfy the regional needs identified by Metro staff in its 2024 UGR.

To remedy this defect and comply with Goal 14, TRK requests that LCDC remand the UGB amendment to Metro Council evaluate reasonable and alternative uses of the land within the existing UGB that would reasonably accommodate the regional housing and employment needs identified in the UGR.

- b. By failing to consider alternative sites for UGB expansion, Metro Council failed to both comply with Goal 5 and to follow its own policies on protecting water quality and habitat conservation as required in Metro Code Titles 3 and 13, specifically Metro Code 3.07.340(d)(3)(D)(i) and 3.07.1340(b).

This was TRK's Objection B in its January 9, 2025 objection and addressed on pp. 73–75 of DLCD Order 001953. TRK's objections address the substantial amount of Metro Title 3 and 13 classified natural areas in Sherwood West. (TRK objection at p.10).

Along with Title 14 of Metro's UGMFP, Title 3 ("Water Quality and Flood Management") and Title 13 ("Nature In Neighborhoods") are impliedly at issue in Metro Council's UGB amendment decision, as there are substantial Title 3 and Title 13 classified natural areas in Sherwood West.

By failing to consider alternative sites for UGB expansion, Metro Council failed to follow its own policies on protecting water quality and habitat conservation as required in Metro Code Titles 3 and 13, specifically Metro Code 3.07.340(d)(3)(D)(i) and 3.07.1340(b).

For starters, Title 3 flood hazard areas and wetlands surround Chicken Creek. Title 3's stated purpose is to protect the beneficial water uses and functions of resources within the Water Quality and Flood Management Areas.<sup>12</sup> Title 3 Water Quality and Flood Management Areas consist of:

- *Flood hazard areas* (e.g., FEMA "100-year" floodplains and 1996 flood inundation areas);
- *Wetlands* (e.g., from an enhanced National Wetlands Inventory and local wetlands inventories);
- Wetland areas, measured 50 feet from the edge of a wetland or up to 200 feet from the edge of wetland located adjacent to slopes greater than 25 percent; and
- Vegetated corridors between 15 feet and 200 feet in width, depending on the area drained by the water feature and the slope of the land adjacent to the water feature. R. at 000331.

Title 3 Water Quality and Flood Management areas exist within Sherwood West. First, there is a defined 100-year floodplain for a portion of Chicken Creek within Sherwood West. R. at 007141. Additionally, there are 31 acres of wetlands within Sherwood West, mapped by the National Wetland and Metro's inventories. R. at 007141. These wetlands are most prominently found along the riparian corridor of Chicken Creek and the headwaters of Goose Creek, and additional wetland areas are likely to exist within the project area. R. at 007141.

In failing to consider practicable alternatives for the UGB expansion, Metro Council violated Title 3.07.340(d)(3)(D)(i). Under Title 3.07.340, "[a]dditions [...] and development in the Water Quality and Flood Management Area may be allowed provided that: [...] (D) [i]n determining appropriate conditions of approval, the [applicant must]: (i) [d]emonstrate that *no reasonably practicable alternative design or method of development exists* that would have a lesser impact on the Water Quality Resource Area than the one proposed." TRK recommends that DLCD remand the UGB amendment to Metro Council to consider alternative sites that would have less impact on Title Water Quality Resource Areas.

Statewide Planning Goal 5 serves to protect natural resources and conserve scenic and historic areas and open spaces. These resources promote a healthy environment and contribute to Oregon's livability. Goal 5 tasks local governments with adopting programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. Statewide Planning Goal 5 requires inventory of the following resources: riparian corridors, including water and riparian areas and fish habitat; wetlands; wildlife habitat; and

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<sup>12</sup> Metro Code Title 3: Water Quality And Flood Management, 3.07.1310 Intent.

federal wild and scenic rivers. In this case, Goal 5 is locally implemented via Metro Title 13 (Nature in Neighborhoods). R. at 006552, 006740, 006795.

Sherwood West contains substantial Title 13 areas designated as high value Habitat Conservation Areas (HCAs), which include rivers, streams, wetlands, and adjacent resource areas. *See Figure 4.* Metro Title 13 establishes baseline requirements to protect, conserve, and restore the region's significant riparian corridors and wildlife habitat resources, which are Habitat HCAs. Metro Code 3.07.1310. HCAs include rivers, streams, wetlands, and adjacent resource areas, as well as upland wildlife habitat areas. Metro Code 3.07.1310. According to the Sherwood West Concept Plan, the mapping of Title 13 habitat areas will be further refined and protections will be established as part of the comprehensive planning for Sherwood West once it is brought into the UGB. R. at 007141.

Metro Title 13 habitats are present in Sherwood West and depicted in Figures 1 & 2. R. at 006262, 007156; R. at 006248, 007142. What's more, Metro's own MetroMap demonstrates a substantial amount of high value Title 13 HCAs in Sherwood West, particularly alongside Chicken Creek, which are also subject to Statewide Planning Goal 5. *See Figure 3.* Under Title 13, HCAs are subject to performance standards and best management practices outlined in Metro Code 3.07.1340. Additionally, HCA maps identify which areas will be subject to habitat conservation as part of Metro Council's Title 14 consideration of ESEE consequences. Metro Code 3.07.1320(b).

Further, Metro Code 3.07.1340(b) provides that:

City and County comprehensive plans and implementing ordinances shall contain review standards applicable to development in all [HCAs] that [contain standards that meet the requirements of other sections of Metro Title 13. This includes]:

(A) Avoid Habitat Conservation Areas:

- (i) Development may occur within a [HCA] only [if it is demonstrated] that *no practicable alternatives* to the requested development exist which will not disturb the [HCA];
- (ii) When implementing this requirement to determine whether a practicable alternative exists, cities and counties shall include consideration of the type of [HCA] that will be affected by the proposed development. For example, *High Habitat Conservation Areas* have been so designated because they are areas that have been identified as having *lower urban development value and higher-valued habitat*. (emphasis added).

Bringing in Sherwood West to the existing UGB without considering practicable alternative sites violates Metro Code 3.07.1340(b) and Goal 5. Further, failing to consider alternatives that would be less ecologically impactful violates Metro's own policies that establish baseline requirements

to protect, conserve, and restore Washington County’s Title 13/ Goal 5 riparian corridors and wildlife habitat resources.

What’s more, Metro Council must consider the high value of the HCAs in its determination of its adequacy for a boundary location. Under Statewide Planning Goal 14 (Urbanization), there are four factors that must be considered to determine the location of, and changes to, a UGB:

Factor 1 – Efficient accommodation of identified land needs

Factor 2 – Orderly and economic provision of public facilities and services

Factor 3 – Comparative environmental, energy, economic and social consequences

Factor 4 – Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB. R. 329, 1195–96.

Factor 3 requires an assessment of long-term environmental, social, energy, and economic (ESEE) consequences that could result from urbanization of land considered for inclusion within the UGB. R. at 000339. Metro’s staff alternative location analysis, provided in Appendix 7 and 7A of the UGR and published after Metro Council’s work session on October 8, 2024, contained an ESEE analysis of Sherwood West. R. 733–734. In this analysis of environmental consequences, Metro staff assigned Sherwood West “medium-high.” R. at 000734. Notably, the analysis mentions several times the potential for significant impacts on habitat areas if new road crossings were to be built:

- “[I]f new road crossings were to be built through the habitat areas, then the impacts could be significant;
- The stream corridor has associated inventoried habitat areas, which may be impacted by urbanization, particularly new street crossings serving development in the area.
- If numerous and/or sizable road crossings are constructed to serve new development, then the impacts to natural resources could be more significant.” R. at 000733–734.

Metro Staff acknowledges potential significant impacts of building a new road through Metro designated Title 13 high value HCAs in its ESEE analysis. R. at 000733–34. *See also Figures 5 and 6 that contain mapping to demonstrate the effects of development and proposed new roads in Title 13 areas.* Pursuant to Metro Code 3.07.1340, high value HCAs are subject to performance standards and best management practices. R. at 000015. What’s more, Sherwood’s Comprehensive Plan contains a list of methods in which the water quality of Chicken Creek, and other tributaries, is to be protected: construction site sediment control; storm sewer design and location; regulation of floodplain alterations; adoption of the regional Storm Water management plan; establish buffers between development and the designated wetlands; acquire through dedication at the time of development, or through purchase, all wetlands and floodplains; maintain or reduce stream temperatures; maintain natural stream corridors; and minimize erosion, nutrient and pollutant loading into water. Supplemental R. (3/22/25) D at 3. If Sherwood

West is brought into the UGB, Metro and LCDC must ensure that performance standards, best management practices, and habitat friendly development practices are enforced.

To remedy the aforementioned defects and comply with Metro Titles 3, 13, 14, and Statewide Planning Goal 5, TRK requests that LCDC remand the UGB amendment to Metro Council to consider alternative areas for supporting the region's growth that do not result in irreparable damage to these important, Metro-designated HCAs. TRK also proposes that, in its ESEE analysis for determining alternative boundary locations, Metro Council recognizes the high value HCAs present in Sherwood West and ensures that management practices that protect the water quality of Chicken Creek are followed and enforced.

**3. Metro Ordinance No. 24-1520 fails to meet Statewide Land Use Planning Goal 10's housing goals and requirements, Metro's Regional Framework Code Section 1.3, and Metro's Urban Growth Management Functional Plan in Section 3.07.1110.**

This was 1000 Friends' Objection C in its January 9, 2025 objection and described as two sub-objections (1.C.1 and 1.C.2) by DLCD on pp. 40–43 of DLCD Order 001953. In its objections, 1000 Friends argued that Metro Council and the City of Sherwood underscore the need to focus on delivering affordable housing, yet the UGB Expansion and Exhibit B fail to connect the UGB expansion with the housing need requirements set forth in State Land Use Planning Goal 10 and several sections of Metro Code.

Relevant portions of Statewide Planning Goal 10, OAR 660-015-0000(10) are as follows:

*(Purpose) To provide for the housing needs of citizens of the state. Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.*

. . . .

*Needed Housing Units -- means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing units" also includes government-assisted housing. For cities having populations larger than 2,500 people and counties having populations larger than 15,000 people, "needed housing units" also includes (but is not limited to) attached and detached single-family housing, multiple-family housing, and manufactured homes, whether occupied by owners or renters.*

*GUIDELINES A. PLANNING 1. In addition to inventories of buildable lands, housing elements of a comprehensive plan should, at a minimum, include: (1) a*

*comparison of the distribution of the existing population by income with the distribution of available housing units by cost;*

Metro Regional Framework Plan provides, in part:

*1.3 Housing Choices and Opportunities*

*It is the policy of the Metro Council to:*

*1.3.1. Provide housing choices in the region, including single family, multi-family, ownership and rental housing, and housing offered by the private, public and nonprofit sectors, paying special attention to those households with fewest housing choices.*

*1.3.2. As part of the effort to provide housing choices, encourage local governments to ensure that their land use regulations: a. Allow a diverse range of housing types; b. Make housing choices available to households of all income levels; and c. Allow affordable housing, particularly in Centers and Corridors and other areas well-served with public services and frequent transit service.*

*1.3.3. Reduce the percentage of the region's households that are cost-burdened, meaning those households paying more than 50 percent of their incomes on housing and transportation.*

Relevant excerpts from the Metro Urban Growth Management Functional Plan include:

3.07.1110 Planning for Areas Designated Urban Reserve

(a) The county responsible for land use planning for an urban reserve and any city likely to provide governance or an urban service for the area, shall, in conjunction with Metro and appropriate service districts, develop a concept plan for the urban reserve prior to its addition to the UGB pursuant to sections . . .

(b) A local government, in creating a concept plan to comply with this section, shall consider actions necessary to achieve the following outcomes:

(1) If the plan proposes a mix of residential and employment uses:

(C) A range of housing of different types, tenure and prices addressing the housing needs in the prospective UGB expansion area in the context of the housing needs of the governing city, the county, and the region if data on regional housing needs are available, in order to help create economically and socially vital and complete neighborhoods and cities and avoiding the concentration of poverty and the isolation of families and people of modest means;

ORS 197A.018 defines “needed housing” as follows:



*(1) As used in ORS chapter 197A, and except as provided in subsection (2) of this section:*

(a) “Needed housing” means housing by affordability level, as described in ORS 184.453 (4), type, characteristics and location that is necessary to accommodate the city’s allocated housing need over the 20-year planning period in effect when the city’s housing capacity is determined.

(b) “Needed housing” includes the following housing types:

(A) Detached single-family housing, middle housing types as described in ORS 197A.420 and multifamily housing that is owned or rented;

(B) Government assisted housing;

(C) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.493;

(D) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions;

(E) Housing for agricultural workers;

(F) Housing for individuals with a variety of disabilities, related to mobility or communications that require accessibility features;

(G) Housing for older persons, as defined in ORS 659A.421;

(H) Housing for college or university students, if relevant to the region; and

(I) Single room occupancies as defined in ORS 197A.430.

ORS 197A.348 defines “needed housing” as follows:

(1) As used in ORS 197A.350 and this section, “needed housing” means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a. “Needed housing” includes the following housing types:

(a) Attached and detached single-family housing, middle housing types as described in ORS 197A.420 and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.493;

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions;

(e) Agriculture workforce housing; and

(f) Single room occupancies as defined in ORS 197A.430.

ORS 197A.350 outlines Metro’s process for determining housing capacity and accommodation of needed housing:

(2)(a) Metro shall demonstrate that its regional framework plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years:

....

(3) In performing the duties under subsection (2) of this section, Metro shall:

- (a) Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands; and
- (b) Conduct an analysis of existing and projected housing need by type and density range, in accordance with all factors under ORS 197A.348 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years.

There is no question that Oregon is suffering from a housing affordability crisis. Oregon’s land use system includes requirements for all local governments to plan and allow the housing Oregonians need and address this crisis. But, there are conflicting statements of housing needs between the State of Oregon, Metro, and the City of Sherwood. Metro Ordinance No. 24-1520 includes a provision, stating that “the 2024 Urban Growth Report estimates that approximately 60 percent of the region’s new renter households and 33 percent of new owner households will have incomes below \$60,000 and, depending on household size, households in this income bracket are classified by the U.S. Department of Housing and Urban Development as low income or very low income.” R. at 000006. In contrast, the City of Sherwood’s 2019 ECONorthwest analysis states that “about 18% of Sherwood’s new households will be low income, earning 50% or less of Washington County’s median income.” Supplemental R. (3/22/25) H at 30–31.<sup>13</sup>

Meanwhile, DLCD’s leadership in creating a collaborative, transparent, and data-driven approach to further defining housing needs in Goals 10 and 14 offer us more clarity into the deficiency in Sherwood’s housing needs analysis prepared by ECONorthwest. Supplemental R. (3/22/25) H. Metro Ordinance No. 24-1520 includes ECONorthwest’s housing needs analysis prepared for the City of Sherwood dating February 2019. Table 4 from the report below:

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<sup>13</sup> ECONorthwest, prepared for the City of Sherwood. Sherwood Housing Needs Analysis 2019 to 2039. February 2019. [https://cityofsherwood-my.sharepoint.com/personal/rutledge\\_sherwoodoregon\\_gov/\\_layouts/15/onedrive](https://cityofsherwood-my.sharepoint.com/personal/rutledge_sherwoodoregon_gov/_layouts/15/onedrive)

**Table 4. Estimate of needed new dwelling units by income level, Sherwood, 2019-2039**

Commonly Financially Attainable Housing Products					
Market Segment by Income Portland MSA MFI: \$69,400	Income Range	Number of New Households in Sherwood	Percent of Households in Sherwood (currently)	Owner-occupied	Renter-occupied
High (120% or more of MFI)	\$83,280 or more	725	42%	All housing types; higher	All housing types; higher
Upper Middle (80%-120% of MFI)	\$55,520 to \$83,280	467	27%	All housing types; lower	All housing types; lower
Lower Middle (50%-80% of MFI)	\$34,700 to \$55,520	232	13%	Single-family attached;	Single-family attached;
Lower (30%-50% of less of MFI)	\$20,820 to \$34,700	117	7%	Manufactured in parks	Apartments; manufactured
Very Low (Less than 30% of MFI)	Less than \$20,820	188	11%	None	Apartments; new and used

Source: ECONorthwest  
MFI is Median Family Income

↑  
Primarily New Housing  
Primarily Used Housing  
↓

Oregon cities must use numbers provided through the OHNA process to determine land needs for housing needs under OAR 660-024-0040(4). OHNA provides accurate, up-to-date housing needs based on income level. *See Table of OHNA's Methodology for Sherwood below*, R. at 002545. 1000 Friends made repeated requests in writing and orally for Metro Council, Metro staff, and Sherwood staff to incorporate the draft findings from the parallel OHNA process into the UGB expansion analysis and decision. R. at 002826, 002828, 003937, As indicated in Metro Ordinance No. 24-1520 and Exhibit B, 1000 Friends' requests were ignored.

Oregon Housing Needs Analysis Methodology

Metro UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Milwaukie	1 year	109	14	17	12	22	44
	20 year	2,164	265	338	235	442	885
Molalla UGB	1 year	65	14	12	7	11	21
	20 year	1,152	198	197	126	214	418
Multnomah UA	1 year	55	10	10	6	10	18
	20 year	982	155	165	107	194	362
North Plains UGB	1 year	39	7	7	4	7	14
	20 year	724	108	119	79	139	278
Oregon City	1 year	274	37	44	30	54	108
	20 year	5,358	691	853	587	1,066	2,160
Portland	1 year	2,851	334	431	302	620	1,164
	20 year	57,019	6,678	8,615	6,032	12,408	23,287
Rivergrove	1 year	3	1	1	0	1	0
	20 year	44	12	9	4	10	9
Sandy UGB	1 year	86	18	15	9	15	28
	20 year	1,523	259	259	166	286	553
Sherwood	1 year	144	33	28	16	24	42
	20 year	2,427	450	437	271	441	828

Overall, Metro Ordinance No. 24-1520's 1,291-acre expansion appears to raise a basic question on whether or not metropolitan service districts and local jurisdictions must align their UGB expansion decisions and their local HNA and HPS with OHNA requirements. State law, and our statewide housing crisis, requires the answer to this question to be yes.

To remedy this defect, 1000 Friends requests that LCDC remand Metro Ordinance No. 24-1520 back to Metro Council with directives for Metro Council to incorporate the updated numbers finalized through the OHNA process for regional totals and for the City of Sherwood to update its Housing Needs Analysis and Housing Production Strategy.

In addition to the conflicting definitions between the State of Oregon, Metro, and the City of Sherwood, Metro's UGB expansion into Sherwood does not deliver the housing needs for current and future residents under OAR 660-024-0040(4) and Metro Codes. Neither Metro's Exhibit B to Ordinance No. 24-1520 nor the City of Sherwood's supporting documents include enforceable conditions for the city to help address OHNA's housing requirements, particularly the region's housing needs for Oregonians earning under the area median income. The City of Sherwood, itself, acknowledges that housing prices within Sherwood are higher than average and that "sales price data suggest that, overall, owner-occupied housing being produced in Sherwood was more expensive because it is larger housing built in other cities in the southwestern Portland area." Supplemental R. (3/22/25) H at 26.<sup>14</sup> It is important to note that this larger, more expensive housing is built in part due to the City of Sherwood's preferences for certain housing over others outlined in its zoning code. "In addition, Sherwood is at the edge of the Metro UGB, making transportation costs higher for households in Sherwood, compared to households who live in more central parts of the region." Supplemental R. (3/22/25) H at 26.

Since Sherwood is at the edge of the Metro UGB, 1000 Friends urged Metro Council to include a condition to zone, incentive, and/or allow agricultural housing. Nearby affordable housing providers report waitlists and multiple calls from agricultural employers and workers for available affordable housing. And despite the Sherwood West Concept Plan's call for its use of approximately 135 acres for hospitality/retail use presented as "The Gates to Wine Country," 1000 Friends cannot find anywhere in Metro Ordinance No. 24-1520, or Sherwood's 2019 Housing Needs Analysis prepared by ECONorthwest that documents the agricultural housing needs of current or future residents or how the 1,291-acre expansion accommodates these housing needs.

To remedy this defect, 1000 Friends request LCDC remand Metro Ordinance No. 24-1520 back to Metro Council with directives for Metro Council to incorporate the updated numbers finalized through the OHNA process for regional totals for agricultural housing needs and for the City of Sherwood to update its Housing Needs Analysis and Housing Production Strategy with specific agricultural housing needs and strategies to meet these needs.

**4. Metro and the City of Sherwood fail to demonstrate how the 1,291-acre UGB expansion reduces carbon pollution required by the regionally adopted Climate Smart Communities Strategy and state legislation.**

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<sup>14</sup> ECONorthwest, prepared for the City of Sherwood. Sherwood Housing Needs Analysis 2019 to 2039 at page 26. February 2019.

This was 1000 Friends' Objection D in its January 9, 2025 objection and addressed on pp. 43–44 of DLCD Order 001953. 1000 Friends are not aware of an analysis done by Metro or City of Sherwood staff to determine if this expansion proposal demonstrates how the 1,291-acre UGB expansion reduces carbon pollution required by Metro's Climate Smart Strategy, the state's greenhouse gas emission reduction targets, or the goals outlined in the Climate Friendly Equitable Communities rulemaking.<sup>15</sup> To fill this gap, 1000 Friends of Oregon used Shift to analyze the anticipated greenhouse gas emissions from increased Vehicles Miles Travelled (VMT) that would occur on road extensions and new roads built because of the UGB expansion.

Currently, Washington County has approximately 425 lane miles of class 2 and 3 facilities inducing 1.6 billion VMT per year. By replicating the current transportation system designed in Sherwood and the supporting documents provided by the City of Sherwood, it is possible to approximate road extensions and new roads to total about 26 - 34 miles. Using Shift, it is apparent that this UGB expansion proposal - assuming the conservative 26 miles - would induce an additional 59 to 89 million VMT per year. Under today's conditions, the annual emissions from this increase would be .4 MMTCO<sub>2e</sub> to .9 MMTCO<sub>2e</sub>. This carbon pollution increase translates to approximately 8,100 more passenger cars or light trucks on the road or 4 million gallons of gas each year.<sup>16</sup>

These estimates represent a conservative figure when comparing Sherwood data from BestPlaces, a locally-based comprehensive database. Currently, the breakdown for how residents in Sherwood get to work: 80.1% drive in their own car alone, 7.6% carpool with others, 6.5% work from home, and 2.4% take mass transit. Neither Metro Ordinance No. 24-1520 nor Exhibit B includes reference to Climate Smart Communities, carbon reduction goals.<sup>17</sup> During the Metro Policy Advisory Committee's September 25, 2024 meeting discussing whether or not to approve the UGB expansion, board member of TriMet Thomas Kim reflected that that he cannot vote yes, because Sherwood's proposal is mostly single-family housing and duplexes and not the dense housing that TriMet usually supports. R. at 004022. Board member Kim explained that TriMet "already receives numerous critical feedback from suburban cities like Sherwood requesting more services - nothing wrong with that - but the very reason why TriMet cannot serve in these areas is because it becomes more costly and difficult to serve these areas that are not as dense."<sup>18</sup>

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<sup>15</sup> The Climate Smart Strategy, adopted by Metro Council in 2014, fulfills a 2009 mandate by the Oregon Legislature, requiring Metro to develop and implement a strategy to reduce the region's per capita greenhouse gas emissions from cars and light trucks by at least 20 percent by 2035. House Bill 2001 (2009); Oregon Senate Bill 1059 (2010).

[https://www.oregonmetro.gov/climate-smart-strategy#:~:text=The%20Climate%20Smart%20Strategy%20fulfills,least%2020%20percent%20by%202035](https://www.oregonmetro.gov/climate-smart-strategy#:~:text=The%20Climate%20Smart%20Strategy%20fulfills,least%2020%20percent%20by%202035;); The greenhouse gas reduction target for the Portland Metropolitan area is 20% reduction by 2035 and 35% reduction by 2045, with annual targets. Annual greenhouse gas emission reduction targets for the Portland Metropolitan Area are found in OAR 664-004-0020.

[https://oregon.public.law/rules/oar\\_660-044-0020](https://oregon.public.law/rules/oar_660-044-0020).

<sup>16</sup> Shift. Calculated using Sherwood West urban expansion plan. September 25, 2024. <https://shift.rmi.org/>.

<sup>17</sup> BestPlaces. <https://www.bestplaces.net/transportation/city/oregon/sherwood>.

<sup>18</sup> Metro Policy Advisory Meeting Video on 2024-09-25 at 5:00 PM [https://oregonmetro.granicus.com/MediaPlayer.php?view\\_id=1&clip\\_id=888](https://oregonmetro.granicus.com/MediaPlayer.php?view_id=1&clip_id=888).

Planning and zoning decisions are foundational decisions for whether or not Oregonians are able to get where they need and want to go without driving for every single trip.

Metro Ordinance No. 24-1520 fails to provide transportation choices for future residents of this area by failing to plan for more connected, dense, and complete communities. It is reasonable to conclude the UGB expansion encourages, and arguably requires, an automobile-dependent lifestyle, for residents to enjoy Sherwood and the surrounding region. This not only limits the opportunities of residents who call Sherwood home, but also limits the ages, abilities, and income levels of who is able to live in Sherwood by effectively requiring car ownership upon residency.

This also threatens the ability of Metro and the City of Sherwood to meet carbon pollution reduction targets outlined in Metro's Climate Smart Strategy and OAR 664-004-0200. Maybe more importantly for everyday Oregonians, effective carbon pollution reduction strategies bring co-benefits: more compact, walkable, and rollable centers and corridors guide conservation and development investments in ways that create more livable, affordable, and vibrant communities for residents and visitors alike. This UGB expansion would continue to bring added costs to the daily lives of residents, ranging from costs to build and maintain the roads, lighting, sewer and water pipes, and emergency services.

To remedy this defect, 1000 Friends requests LCDC remand Metro Ordinance No. 24-1520 back to Metro to analyze the carbon pollution increase resulting from the current UGB expansion and concept plans submitted by the City of Sherwood. Metro and the City of Sherwood can choose to either pause the UGB expansion or develop an UGB expansion with conditions to reduce VMT consistent with Metro's Climate Smart Communities and OAR 664-004-0200.

## **REMEDIES**

To address the bases of the appeal outlined in this letter, 1000 Friends and TRK respectfully urge LCDC to remand Metro Council's approval of Metro Ordinance No. 24-1520. On remand, Metro Council should:

1. Evaluate reasonable and alternative uses of the land within the existing UGB that would reasonably accommodate the regional housing and employment needs identified in the UGR.
2. Accept the City of Portland's updated housing production strategy into the Urban Growth Report's buildable land inventory at which time Metro staff must reassess the region's land needs for current and future housing over a 20-year time period in accordance with OAR 660-024-0040(4).
3. Incorporate the updated numbers finalized through the OHNA process for regional totals and for the City of Sherwood to update its Housing Needs Analysis and Housing Production Strategy.

4. Incorporate the updated numbers finalized through the OHNA process for regional totals for agricultural housing needs and for the City of Sherwood to update its Housing Needs Analysis and Housing Production Strategy with specific agricultural housing needs and strategies to meet these needs.
5. If it is determined that alternative measures do not exist or are impracticable, evaluate and select alternative areas for boundary expansion that would satisfy regional needs.
6. Where UGB expansion is merited, prioritize alternative sites that reduce negative impacts to local ecosystems, particularly Chicken Creek and the Tualatin River National Wildlife Refuge.
7. Recognize the substantial amount of high value Title 13 HCAs in Sherwood West in its Title 14 ESEE analysis of alternative boundary locations.
8. Use the criteria outlined in Goal 14, ORS 197A.350(6), the UGMFP (specifically Titles 3, 13, and 14) in its evaluations of reasonable alternative measures and sites for UGB expansion.
9. Analyze the carbon pollution increase resulting from the current UGB expansion and concept plans submitted by the City of Sherwood

## **CONCLUSION**

Thank you for the opportunity to make our case before the commission. We look forward to your decision on these important matters.

Sincerely,



Eve Goldman (she/her)  
Staff Attorney  
Oregon Bar No. 244201  
1000 Friends of Oregon  
[eve@friends.org](mailto:eve@friends.org)



Kelsey Shaw Nakama  
Policy and Advocacy Director  
Tualatin Riverkeepers  
[kelsey@tualatinriverkeepers.org](mailto:kelsey@tualatinriverkeepers.org)

Attachments: Figures 1–6

Figure 8. Composite Concept Plan Map

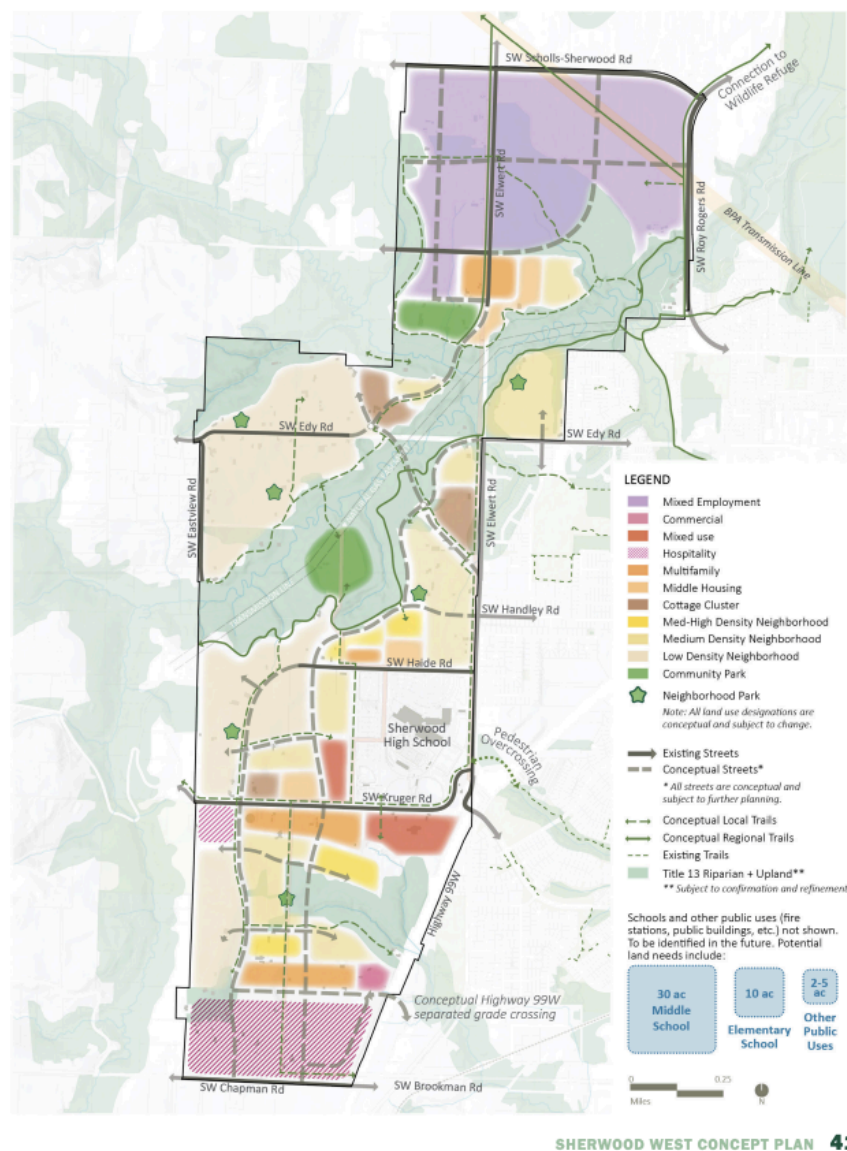


FIGURE 1: Title 13 Riparian and Upland Habitat within Sherwood West R. at 6262, 7156



Figure 4. Natural Resources Existing Conditions

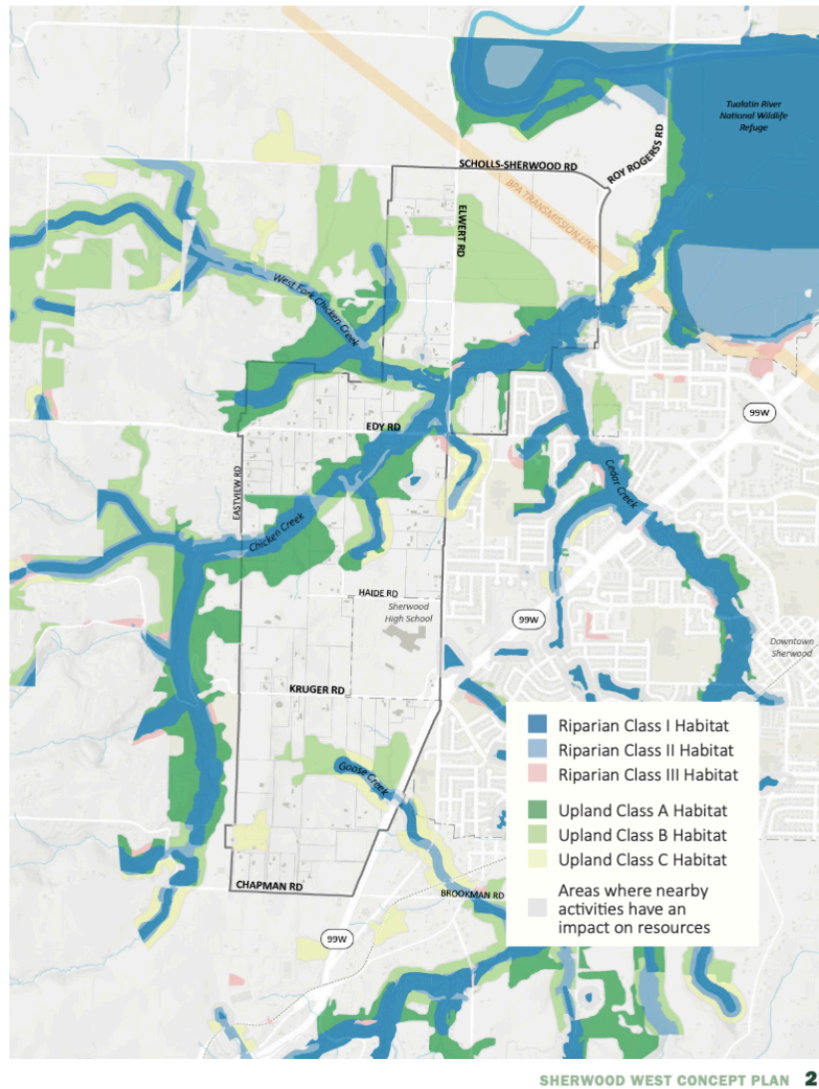


FIGURE 2: Sherwood West Concept Plan: Natural Resources Existing Condition R. at 6248, 7142.

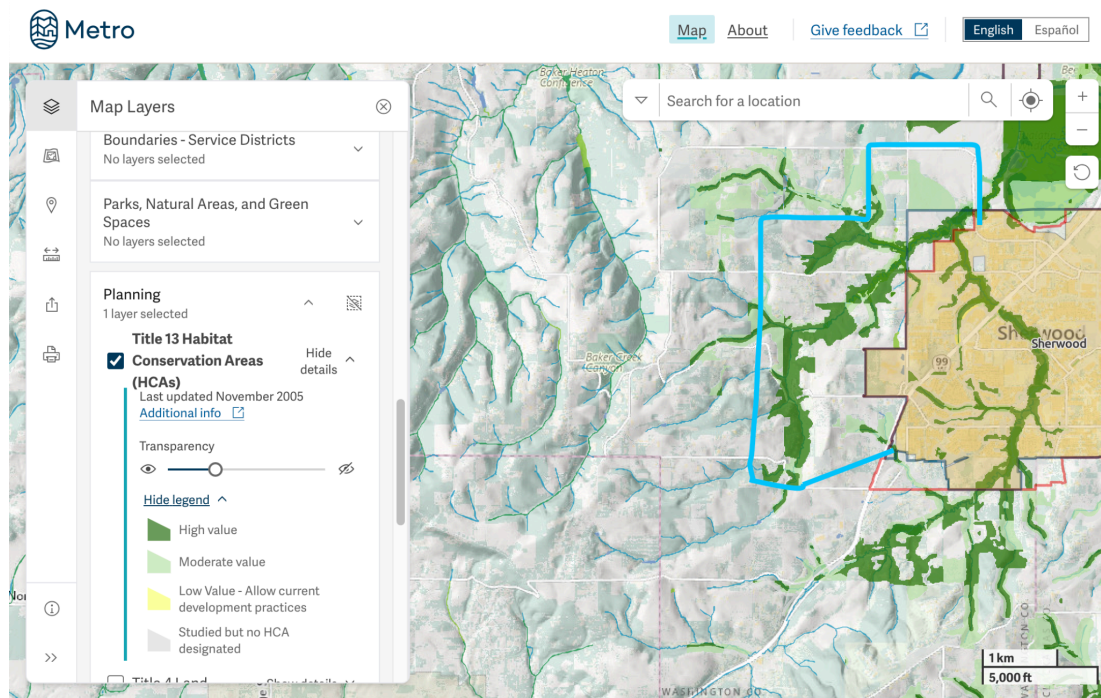


FIGURE 3: MetroMap highlighting Title 13 HCAs (dark green) in Sherwood West (blue).



Eve Goldman &lt;eve@tualatinriverkeepers.org&gt;

**RE: 11/11 Testimony**

3 messages

**Roger Alfred** <Roger.Alfred@oregonmetro.gov>  
 To: "eve@tualatinriverkeepers.org" <eve@tualatinriverkeepers.org>

Tue, Nov 12, 2024 at 12:00 PM

Hello – I'm not sure if we've met, I'm the Metro land use attorney. I was forwarded your letter and wanted to make sure you are aware that Metro staff's alternative location analysis under Goal 14 and the Metro Code is included in Appendix 7 and 7A of the UGR, which has been up on our website for a few weeks. Here is a link:

<https://www.oregonmetro.gov/public-projects/2024-growth-management-decision>

Thanks, please let me know if any questions.

Roger

**From:** Georgia Langer <Georgia.Langer@oregonmetro.gov>  
**Sent:** Monday, November 11, 2024 10:22 AM  
**To:** Metro Councilors <MetroCon@metro-region.org>; Carrie MacLaren <Carrie.MacLaren@oregonmetro.gov>; Marissa Madrigal <Marissa.Madrigal@oregonmetro.gov>  
**Cc:** Council Office Staff <CouncilOfficeStaff@metro-region.org>  
**Subject:** 11/11 Testimony

Councilors and Staff,

We have received the attached written testimony. Please let me know if you have any questions.

<< File: Tualatin Riverkeepers Testimony.pdf >> << File: Sukhjinder Singh Deo Testimony.pdf >>

Kind regards,

Georgia Langer (she/they)  
 Legislative and Engagement Coordinator

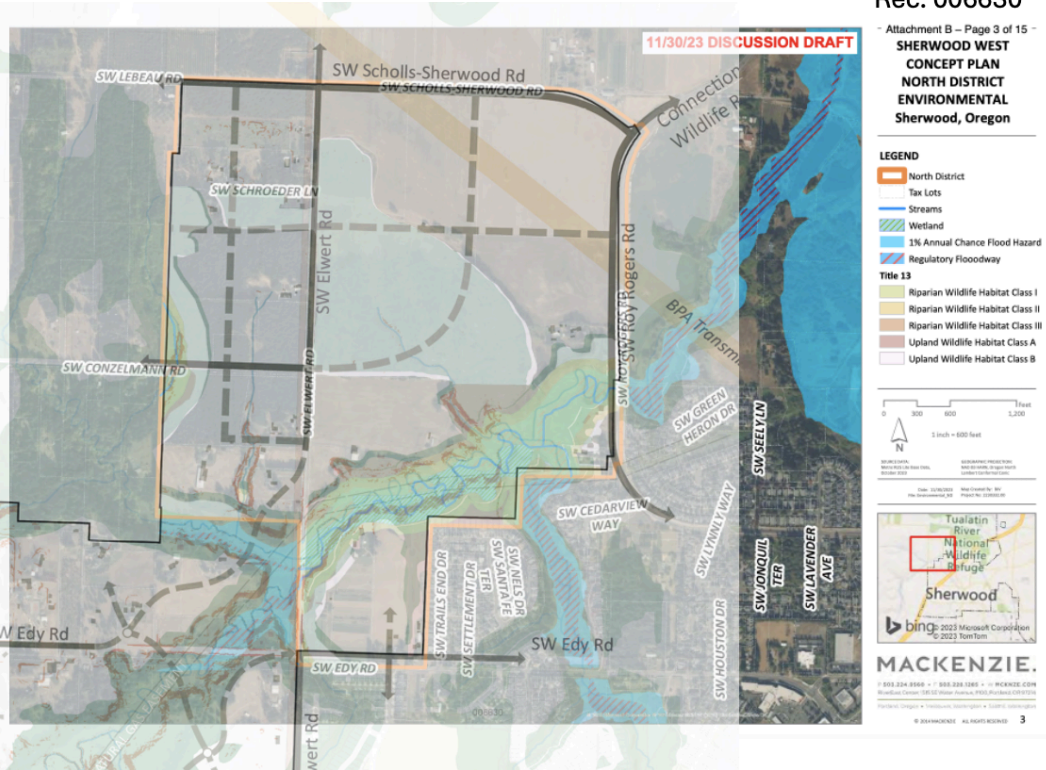
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<https://mail.google.com/mail/u/0/?ik=1dbf1a3a24&view=pt&search=all&permthid=thread-f:1815548156677209379&simpl=msg-f:1815548156677209379&simpl=...> 1/2

FIGURE 4: Email correspondence between TRK and Metro's land use attorney Roger Alfred regarding Appendix 7 and 7A publication date on Metro's website.

Figure 14. Conceptual Street Framework for Sherwood West

Rec. 006272



Rec. 006630

Attachment B – Page 3 of 15  
**SHERWOOD WEST  
 CONCEPT PLAN  
 NORTH DISTRICT  
 ENVIRONMENTAL  
 Sherwood, Oregon**

FIGURE 5: An overlay of Sherwood West North District environmental area map with conceptual new road mapping, demonstrating proposed roads going directly through streams, wetlands, and floodways, along with Title 13 Riparian and Upland Wildlife Habitat.



