



URBAN GROWTH BOUNDARIES

Issue

An Urban Growth Boundary (UGB) is a government-designated boundary surrounding a predetermined urbanized area outside of which development of any kind is prohibited or severely restricted. Allegedly the purpose of the UGB is to concentrate development in central areas to facilitate preservation of open space and agricultural lands. A variety of policies can serve as UGB's of one type or another including very large lot zoning, utility extension and road building priorities, etc. Local governments are considering many of these tools as part of their "smart growth" plans.

Background

More than 100 cities and counties nationwide have adopted some form of a growth boundary to curb development, protect open space, or encourage the redevelopment of inner-city neighborhoods. Statewide mandates for growth boundaries exist in Oregon, Tennessee, and Washington.

According to 1990 Census data, 90.3% (6,209.0 square miles) of the 14 County region (including Anson, Cabarrus, Catawba, Chester, Cleveland, Gaston, Iredell, Lancaster, Lincoln, Mecklenburg, Rowan, Stanley, Union and York) was classified as "rural". According to the U.S. Census of Agriculture, in 1987 there were 1.29 million acres of farmland in the region. By 1997, this number increased to 1.34 million acres of farmland. By 2000, the amount of farmland in the region continued to increase, reaching 1.35 million acres. This equates to a net increase of 60,000 acres of farmland in the Charlotte region from 1987 to 2000.

Oregon's experience with the UGB: An UGB was created as part of Oregon's statewide land use planning program in the early '70s, and was intended to mark the separation between rural and urban land. The original intent was to have an adequate supply of "buildable" land that would efficiently provide urban services, such as roads, sewer and water lines, to accommodate expected growth.

In the Portland metropolitan region, the UGB is a 364-square mile area (233,000 acres) that includes 24 cities and portions of three counties. Portland's UGB contains roughly 45% of Oregon's entire state population on about 1% of the state's land. The primary objectives of the UGB were to plan and promote the efficient use of urban land, to improve the efficiency of public facilities and services, and to preserve farm and forest lands outside the boundary.

The original intent of the UGB, a concept supported by the Portland and Oregon State Home Builders Associations, was that it would be a dynamic planning tool to be reviewed periodically, and expanded, as buildable land within the UGB became scarce. Unfortunately, this has not been the case. The UGB for the Portland metropolitan region was in place for twenty years with only negligible expansion.

A major reason behind the real estate community push for an expansion of the urban growth boundary was the lack of affordable housing. Just take a look at these facts. In addition to Oregon being rated the third worst in housing affordability in the country:

- The price of raw land within the UGB increased 400% between 1990 – 1996;
- The average price for raw land is \$200,000 per acre;
- The median price of a new home within the UGB increased 13% between 1995 – 1997;
- The average lot within the UGB is 6800 square feet.

From these statistics, it is clear to see that while the idea of having a UGB may seem intriguing; the result is a drastic impact on housing affordability.

Locally, York County's newly adopted Comprehensive Plan calls for the adoption of an UGB to help preserve open space and farmland. York County will begin the process of developing a draft plan over the next 12 to 18 months.

Position

Currently, without a UGB, counties and municipalities can manage growth and preserve open space through other mechanisms such as land use plans and creative zoning techniques such as cluster development. Urban-growth boundaries have potentially negative, if unintended, side effects. By reducing the supply of developable land, for example, housing and land prices could increase, reducing housing affordability and production. Local policymakers and citizens need to understand the nature of these tradeoffs and impacts before they adopt growth boundaries.

In addition, a private conservation group (conservancy) or government entity can buy land outright, typically referred to as conservation easements. Other alternatives to a UGB include, but are not limited to: creek buffers, watershed restrictions, floodplain development limitations, and local bonds for parks, greenways and open space. In addition, local governments need to plan and implement responsible capital improvement plans to facilitate and accommodate growth not impose an artificial boundary to constrict growth.

REBIC continues to oppose the use of any type of urban growth boundary. This government designation greatly reduces any land available to the real estate community and destroys housing affordability.