

Exhibit B
FINDINGS FOR ENGROSSED ORDINANCE BILL NO. 22-22

**AMENDMENTS TO THE UNIFIED DEVELOPMENT CODE
 TO RESPOND TO A LAND USE BOARD OF APPEALS DECISION,
 IMPLEMENT CHANGES IN STATE LAW AND RULES,
 ADD NEW TEMPORARY USES, AND ADDRESS OTHER ISSUES**

(CODE AMENDMENT CASE NO. CA22-05)

Substantive Findings

SRC 110.085 establishes the following approval criteria which must be met in order for a code amendment to be approved:

1. *The amendment is in the best interest of the public health, safety, and welfare of the City; and*

Finding: The proposed code amendment is in the best interest of the public health, safety, and welfare of the City because it codifies the City’s existing vehicles camping program as a temporary use permit for “safe parking shelters.” The City authorized the existing program under an emergency declaration in 2020, and the proposed code amendment establishes standards for safe parking shelters that mirror that existing program. For example, safe parking shelters are only allowed on property owned by non-profits, governments and commercial entities. By codifying the program in the proposed code amendment, it can continue to be an option to provide shelter for Salem’s unsheltered population without the need for an emergency declaration, which typically expires after a period of time.

In addition, the proposed amendment creates a new temporary use category for construction modulars, which removes barriers to their use. These modulars, which typically house office space and restrooms, are used by contractors during long-term construction projects. Currently, they must get a building permit and must meet the development standards in the zone in which they are located. With the proposed code amendment, they can be used more easily on a temporary basis, recognizing that they are not intended to be permanent structures and instead are removed at the end of a construction project.

The proposed code amendment also responds to an order issued by the Oregon Land Use Board of Appeals (LUBA) in East Park, LLC vs. City of Salem. Specifically, LUBA found that the City erred in denying a conditional use permit for a proposed multifamily development in the Retail Commercial (CR) zone because the criteria for such a permit is not clear and objective. ORS 197.307 requires that local governments only apply clear and objective standards, conditions, and procedures regulating the development of housing. Currently, multifamily housing is only allowed in the CR zone – and Commercial General (CG) and Industrial Commercial (IC) – through a conditional use permit. LUBA determined that some of the criteria for a conditional use permit are not clear and objective. This proposed code amendment rectifies that issue identified by LUBA by removing the requirement for a conditional use permit for multifamily housing in the CR, CG, and IC zones. The amendment would instead allow multifamily housing outright in the CR, CG, and

IC zones if that housing is located in a mixed-use building.

Affordable housing will also continue to be allowed in the CR, CG, and IC zones, as the proposed code amendment creates a new affordable housing chapter to implement Senate Bill 8, which passed during the 2021 Oregon Legislative Session. SB 8, which has been incorporated into ORS 197.308, promotes the development of affordable housing by requiring local governments to allow such housing on properties zoned for commercial uses, religious assembly, or public lands, or the housing is owned by a public body or religious corporation. (Affordable housing is defined in SB 8 as housing in which each unit is available to families with incomes of 80 percent or less of the area median income or the average of all units is available to families with incomes of 60 percent or less of area median income, and the affordability period is at least 30 years.) Therefore, this proposed code amendment encourages the development of affordable housing by allowing such housing more broadly in Salem, including allowing it outright in the CR, CG, and IC zones.

2. *The amendment conforms with the Salem Area Comprehensive Plan, applicable Statewide Planning Goals, and applicable administrative rules adopted by the Department of Land Conservation and Development.*

Finding: The Salem Area Comprehensive Plan (Comprehensive Plan) is the long-range plan for guiding future growth and development in the Salem area. The Comprehensive Plan establishes a framework to guide all land use and related activities in line with the community's vision, and it aims to ensure orderly and efficient development that meets the community's needs. The Comprehensive Plan was updated by the City of Salem and acknowledged by the Department of Land Conservation and Development (DLCD) in August of 2022.

The proposed code amendment was reviewed for conformance with the applicable goals and policies of the Comprehensive Plan. The following goals and policies relate to the proposed code amendment:

H 2 Housing Affordability Goal: *Provide opportunities for housing that are affordable to current and future residents of all income levels.*

H 2.6 Shelter to housing continuum: *A continuum of shelter to housing opportunities should be encouraged through regulations, incentives, or other tools to help address the needs of unsheltered residents and those at risk of losing housing.*

The proposed code amendment is consistent with the above goal and policy because it codifies the City's existing vehicle camping program by creating a temporary use category for safe parking shelters. This allows the program to continue to be an option to provide shelter for Salem's unsheltered population without the need for an emergency declaration. This aligns with policy H2.6 by reinforcing Salem's continuum of shelter to housing opportunities.

As mentioned above, the proposed code amendment implements SB 8, which passed during the 2021 Oregon Legislative Session. SB 8 promotes the development of affordable housing by requiring local governments to allow such housing on properties zoned for commercial uses, religious assembly, or public lands, or the housing is owned by a public body or

religious corporation. Therefore, this proposed code amendment encourages the development of affordable housing by allowing such housing more broadly in Salem, including allowing it outright in the CR, CG, and IC zones. This code amendment also eliminates minimum off-street parking requirements for affordable housing and shelters that serve people experiencing homelessness, as required by new State administrative rules that resulted from the Climate-Friendly and Equitable Communities rulemaking. This promotes the development of affordable housing and shelters by not mandating that space be used for parking if it not needed.

H1 Housing Choice Goal: *Promote a variety of housing options to meet the needs, abilities, and preferences of all current and future residents.*

H 1.1 Housing types: *A variety of housing types shall be allowed and encouraged throughout the Salem Urban Area, including single-family homes, accessory dwelling units, manufactured homes, townhouses, middle housing, and multifamily housing.*

The proposed code amendment encourages a variety of housing types – particularly middle housing and multifamily housing – by simplifying and decreasing the minimum lot size requirements for such housing in the Commercial Office (CO) zone. Currently, for example, a three family development in the CO zone is required to have a minimum lot size of 5,000 square feet plus additional area based on the number of bedrooms in each dwelling unit (e.g., an additional 750 square feet for a one-bedroom unit, 1,000 square feet for a two-bedroom unit, and 1,200 square feet for a three+ unit). Under the proposed code amendment, the minimum lot size would be 5,000 square feet for a three family development and 6,000 square feet for a four family or multifamily development.

In addition, the proposed code amendment implements House Bill 4064, which restricts local governments from imposing additional standards to manufactured homes that do not apply to detached single-family homes. Specifically, the proposed amendment removes the special use standards that apply to manufactured homes such as requirements for roof pitches, minimum building size, and exterior color and material. This removes potential barriers to the development and placement of manufactured homes in Salem.

H 4 Complete Neighborhood Goal: *Encourage housing that provides convenient access to jobs, services, and amenities that meets residents' daily needs.*

H 4.1 Mixed use: *The development of housing should be encouraged in mixed-use areas to increase access to jobs and services and promote walkable, complete neighborhoods.*

The proposed code amendment encourages housing in employment areas and mixed-use areas to increase access to jobs and services. As mentioned earlier, the proposed amendment removes the requirement for a conditional use permit for multifamily housing in the CR, CG, and IC zones, provided that the housing is part of a mixed-use building. The CR, CG, and IC zones are generally located in employment areas with jobs and services such as 12th and 13th Streets SE and the Fairview Industrial area. The proposed code amendment therefore helps promote complete neighborhoods by allowing housing outright in mixed-use projects in employment areas.

E 2 Land Supply Goal: *Maintain an adequate supply of land to meet Salem's economic and employment needs.*

E 2.1 Employment land: *The City shall provide a supply of employment land that accommodates the amounts, size, types, locations, and service levels needed to meet the short-term and long-term employment growth forecasts for the Salem Urban Area.*

The proposed code amendment is consistent with the above goal and policy because it helps maintain an adequate supply of land to meet Salem's employment needs. The Salem Economic Opportunities Analysis (EOA), adopted in 2015, determined that the Salem area has a projected deficit of commercial land. The proposed code amendment helps meet this need by ensuring that commercial zones such as the CR and CG zones – as well as the IC zone – are generally preserved as employment lands and used for employment uses as opposed to housing, which can be accommodated in residential and mixed-use zones. (Salem's projected housing needs through 2035, as identified by the Salem Housing Needs Analysis, have been met.) Under the proposed code amendment, nonresidential uses – including commercial uses – would be required to be included in a mixed-use building in order for housing to be developed.

The proposed code amendment was also reviewed for conformance with the applicable Statewide Planning Goals and administrative rules adopted by the Department of Land Conservation and Development. The following goals are applicable to the proposed code amendment:

Goal 1 – Citizen Involvement: *To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.*

The process to adopt this proposed code amendment requires public notice and affords the public an opportunity to review, comment, and take part in the approval process.

Goal 9 – Economic Development: *To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens*

The proposed code amendment is consistent with the above goal because it helps maintain an adequate supply of land to meet Salem's employment needs. As mentioned above, the EOA determined that the Salem area has a projected deficit of commercial land. The proposed code amendment helps meet this need by ensuring that commercial zones such as the CR and CG zones – as well as the IC zone – are generally preserved as employment lands and used for employment uses as opposed to standalone housing, which can be accommodated in residential and mixed-use zones.

Specifically, the CR, CG, and IC zones could still be developed with standalone commercial uses as well as mixed-use buildings that include commercial uses. The zones could not be developed with standalone housing. Instead, nonresidential uses – such as commercial uses – would be required to be included in a mixed-use building in order for housing to be developed. This proposed amendment therefore does not negatively impact Salem's supply of employment land.

Goal 10 – Housing: *To provide for the housing needs of citizens of the state.*

The proposed code amendment is consistent with the above goal because it removes a potential barrier – the requirement for a conditional use permit – to providing housing in the CR, CG, and IC zones. It encourages the development of housing in mixed-use buildings by allowing such housing outright in those three employment zones.

The proposed amendment also codifies the City’s existing vehicle camping program by creating a temporary use category for safe parking shelters. This allows the program to continue to be an option to provide shelter for Salem’s unsheltered population without the need for an emergency declaration. As a result, Salem’s ability to meet the community’s housing needs are increased.

In addition, the proposed code amendment implements SB 8, as mentioned earlier. SB 8 promotes the development of affordable housing by requiring local governments to allow such housing on properties zoned for commercial uses, religious assembly, or public lands, or the housing is owned by a public body or religious corporation. Therefore, this proposed code amendment encourages the development of affordable housing by allowing such housing more broadly in Salem, including allowing it outright in the CR, CG, and IC zones.

Goal 14 – Urbanization: *To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.*

The proposed code amendment conforms to this goal because it promotes the efficient use of land by helping accommodate Salem’s urban population within its portion of the UGB. It does this by promoting the development of affordable housing and multifamily housing in mixed-use building while helping ensure employment lands continue to be available for employment uses. The code amendment also ensures that land that is annexed into the city is zoned in conformance with the City’s Comprehensive Plan Map. This, in turn, helps ensure that the land annexed into the City is developed to meet Salem’s housing and employment needs.