



Legislation Details (With Text)

File #: 22-214 **Version:** 1

Type: Ordinance First Reading **Status:** Second Reading

In control: City Council

On agenda: 5/23/2022 **Final action:**

Title: Our Salem Project - Amending the Salem Revised Code.

Ward(s): All Wards
 Councilor(s): All Councilors
 Neighborhood(s): All Neighborhoods
 Result Area(s): Natural Environment Stewardship; Safe Community; Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy; Welcoming and Livable Community.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1 - Planning Commission Recommendation, 2. 2 - Our Salem Outreach Summary, 3. 3 - Ordinance Bill No. 11-22, 4. Ordinance 11-22 Exhibit A Code Amendment, 5. Ordinance 11-22 Exhibit B Findings Code Amendment, 6. 4 - Public Comments after Planning Commission through May 6 2022, 7. 5 - Public Testimony

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|-----------------------------|--------|
| 5/23/2022 | 1 | City Council | introduced on first reading | Pass |

TO: Mayor and City Council

THROUGH: Kristin Retherford, Interim City Manager

FROM: Norman Wright, Community Development Department Director

SUBJECT:

Our Salem Project - Amending the Salem Revised Code.

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SUMMARY:

The City of Salem has developed proposed revisions to the Salem Revised Code to guide future growth and development in Salem. The work is the culmination of a multi-year project called Our Salem that has involved extensive community engagement.

ISSUE:

Shall City Council conduct a public hearing on Ordinance Bill No. 11-22 for the purpose of revising the Salem Revised Code and advance to second reading?

RECOMMENDATION:

Conduct a public hearing on Ordinance Bill No. 11-22 for the purpose of revising the Salem Revised Code and advance to second reading

FACTS AND FINDINGS:

Procedural Findings

1. The City of Salem 2017 Strategic Plan identified a goal to develop a “comprehensive, long-term vision for future growth and development in Salem that has community participation” and two specific actions: Conducting citywide visioning and updating the Salem Area Comprehensive Plan with the results of that visioning.
2. The City Council approved funding in 2017 to hire a consultant and update the Comprehensive Plan.
3. The City, with support from the consultant team led by Fregonese Associates, undertook a multi-year project called Our Salem to update the Salem Area Comprehensive Plan, which included extensive community engagement.
4. The result of the Our Salem project includes an updated Salem Area Comprehensive Plan; proposed changes to the Comprehensive Plan Map, zoning map, and generalized land use maps of several neighborhood plans; and proposed amendments to the Salem Revised Code.
5. The proposed changes to the Comprehensive Plan Map accommodate Salem’s projected housing needs, allowing for the Salem Housing Needs Analysis (HNA) to be adopted as a support document to the Comprehensive Plan.
6. The proposed changes are considered the following: Adoption of the updated Salem Area Comprehensive Plan is a “Major Comprehensive Plan Amendment” that must be initiated by the City Council under SRC 64.020(e)(1); changes to the Salem Area Comprehensive Plan Map and generalized land use maps in neighborhood plans are “Major Plan Map Amendments” that must be initiated by the City Council under SRC 64.025(b)(1); legislative zone changes may be initiated by the City Council under SRC 265.010(c); proposed amendments to the Salem Revised Code may be initiated by the City Council by resolution under SRC 300.1110(a); and adoption of the HNA as a support document to the Salem Area Comprehensive Plan is considered a “Major Comprehensive Plan Amendment” that must be initiated by the City Council under SRC 64.020(e)(1) with associated amendments to SRC Chapter 64, Comprehensive Planning, that may be initiated by the City Council under SRC 300.1110(a)(1).
7. The City Council may refer the matter to the Planning Commission for public hearing and recommendation pursuant to SRC 300.1110(a)(1). On December 6, 2021, the City Council initiated the amendments with Resolution 2021-48 and referred the matter to the Planning Commission for public hearing and recommendation.
8. SRC 300.1110(e)(1)(A) requires that the City mail notice of the first evidentiary public hearing in a legislative land use proceeding not more than 40 days, but not less than 20 days prior to the

first hearing. Legislative zone changes and amendments to the Comprehensive Plan, Comprehensive Plan Map, Neighborhood Plan Maps, and UDC require notice to the Director of the Department of Land Conservation and Development no later than 35 days before the first public hearing pursuant to SRC 300.1110(d). Because the proposed code amendment and Comprehensive Plan Map and zoning map changes restrict some land uses, ORS 227.186 requires written individual notice to the owner of each affected property. This notice is commonly referred to as a “Ballot Measure 56 notice.” All required notices have been provided in accordance with the above requirements.

9. On March 15 and April 5, 2022, the Planning Commission held a public hearing to review and receive public testimony on the proposed amendments. The Planning Commission closed the public hearing on April 5, 2022 and voted to deliberate at its April 19, 2022 meeting. On April 19, 2022, the Planning Commission voted to recommend City Council approval of the Our Salem project with revisions (**Attachment 1**). They did not recommend any revisions to the proposed code amendment.

Project Overview and Outreach

The City kicked off the Our Salem project in 2018 and has involved community-wide engagement over three years. Overall, staff hosted or attended roughly 260 in-person and virtual meetings and events and engaged with more than 80 community groups (**Attachment 2**).

The project started with an examination of the existing conditions of Salem. The first phase of the project also looked at how the Salem area could grow under existing policies. It resulted in a report card that evaluated whether Salem was heading in the right direction given current policies and therefore set the stage for the second phase of the project, community-wide visioning. The first phase also resulted in Salem’s first greenhouse gas emissions inventory, which has informed the rest of the Our Salem project as well as the climate action plan work that is nearing completion.

The visioning phase of the Our Salem project started in late summer 2019. City staff conducted extensive outreach throughout the Salem area to understand the community’s priorities, concerns, and ideas for future growth and development. Staff engaged residents, businesses, neighborhoods, community organizations, partner agencies, and others through a variety of in-person and online meetings, events, workshops, surveys, webinars, emails, mailed flyers, social media, and other outreach tools. The project website served as the hub of information and updates.

A Technical Advisory Committee consisting of staff from all City Departments and partner agencies - including Cherriots, the Salem-Keizer School District, Marion County, Polk County, the Oregon Department of Land Conservation and Development, and the Mid-Willamette Valley Council of Governments - provided input at key milestones. City staff also mailed flyers to all property owners that could be impacted by proposed changes to the Comprehensive Plan and zoning maps, inviting them to attend virtual meetings or talk with staff.

The visioning phase had three major milestones.

1. **Visioning:** City staff conducted public outreach throughout the community to understand people’s overall priorities and goals for future growth. City staff, working with a consultant team, also asked the community to show on maps where different types of development were desired in the future.
2. **Scenarios:** Using that input, City staff worked with the consultant team to create guiding principles and four scenarios for future growth. The scenarios were maps that tested various

ideas for where different development types should occur.

- 3. Community vision:** The community's input was used to develop the Our Salem Vision, which was presented to and accepted by the City Council in March. The vision included high-level goals and a map that was used to guide the third phase of the Our Salem project.

The last phase of the project focused on developing and refining detailed policies to support the goals in the Vision as well as proposing changes to the zoning map and zoning code to reflect the Our Salem Vision. Outreach included weekly virtual policy meetings on different topics, an interactive proposed zoning map that resulted in more than 1,500 comments, continued meetings with community organizations, and continued coordination with partner agencies such as Cherriots and other jurisdictions. Staff also closely collaborated with the climate action plan work that was led by the Public Works department.

The third phase resulted in a draft of the updated Comprehensive Plan, proposed Comprehensive Plan Map changes, proposed zoning map changes, and proposed zoning code amendments. They are described below.

Proposed Amendments

Update the Salem Area Comprehensive Plan

The proposed update to the Comprehensive Plan, which is concurrently before the City Council (Ordinance Bill No. 9-22), would update the existing Comprehensive Policies Plan, revising the goals and policies in line with the community's priorities and vision for the future. The draft plan covers a broad range of topics, including community engagement and equity, housing, economic development and employment, land use and urbanization, parks and recreation, natural resources and the environment, climate change and natural hazards, Willamette Greenway, transportation, public facilities and infrastructure, and community services and historic resources.

Amend the Comprehensive Plan Map, Zoning Map, and Generalized Land Use Map in the 10 neighborhood plans

The proposed changes to the Comprehensive Plan Map designations (Ordinance Bill No. 10-22) and the proposed changes to the zoning map (Ordinance Bill No. 10-22) are being concurrently considered by the City Council. The proposed changes to the Comprehensive Plan Map, zoning map, and the generalized land use maps in 10 neighborhood plans - CANDO, ELNA, Faye Wright, Grant, Highland, NESCA-Lansing, Morningside, NEN-SESNA, Sunnyslope, and West Salem Neighborhood Plans - aim to advance the goals and policies in the Comprehensive Plan.

Housing Needs Analysis

Adoption of the City's Housing Needs Analysis (HNA) (Ordinance Bill No. 12-22) is concurrently being considered for adoption by the City Council. Meeting Salem's projected housing needs through Comprehensive Plan Map changes allows the City to adopt the HNA, along with the map changes.

Amend the Salem Revised Code

The proposed code amendment is included as Exhibit A of Ordinance Bill No. 11-22 (**Attachment 3**).

New zones

The proposed amendments to the Salem Revised Code create three new zones: the Neighborhood Hub (NH) zone, Mixed Use-III (MU-III) zone, and Mixed Use-Riverfront (MU-R) zone.

The proposed NH zone would allow small-scale services and shops in addition to single-family and middle housing types (e.g., duplex, triplex, quadplex, townhouses, and cottage clusters as required by state law). Some specific types of businesses such as liquor stores, tobacco stores, tattoo parlors, night clubs, and medical laboratories would be prohibited. Neighborhood hubs are intended to be small clusters of businesses in residential neighborhoods. They would provide neighbors with safe, convenient access to shops and services to help meet their daily needs, and they would help create more complete neighborhoods. Standards in the NH zone would be established to limit hours of operation, promote pedestrian-oriented development, and help ensure new structures that are scaled and designed to be sensitive to the neighborhood context.

The proposed MU-III zone would allow but not require a mix of uses. It would specifically allow the same uses that are permitted today in the Retail Commercial (CR) zone - such as retail, restaurants, offices, and services. In addition, multifamily housing would be allowed outright as opposed to through a conditional use permit as is required today in the CR zone. The proposed MU-III zone would also promote pedestrian-friendly development through development standards. For example, one standard would require new parking lots to be located behind or beside buildings.

The proposed MU-III zone would largely be located on corridors with frequent transit service such as portions of Commercial Street, Lancaster Drive, Market Street, and Portland Road. It would therefore implement policies in the draft Comprehensive Plan. For example, several policies encourage mixed-use development near frequent transit routes.

The proposed MU-R zone would also allow but not require a mix of uses, and it would encourage pedestrian-friendly development through a variety of design-related standards. The proposed design-related standards would be similar to those in the MU-I and MU-II zones, as they require ground-floor windows, awnings, and articulated buildings. The proposed MU-R zone would also include an additional standard that requires public pedestrian access between Front Street and the Willamette River. This standard is included in the proposed zone because it is largely proposed to be located along the river north of downtown Salem, and it is a standard that largely applies to the area today. This would implement policies in the draft Comprehensive Plan that call for increased public access to the river.

In addition, the amendments include revising the Multiple Family High Rise Residential (RH) zone. The amendments rename the zone to Multiple Family Residential-III (RM-III) and establish a maximum height and density.

Zoning Subcommittee Recommendations

The proposed code amendments incorporate recommendations of the Our Salem Zoning Subcommittee, which included four City Councilors and four Planning Commissioners. That subcommittee met six times over the spring and summer of 2021 to discuss and make recommendations on six zoning options intended to help reduce greenhouse gas emissions from transportation. The public was invited to attend and provide input during the virtual meetings.

The Zoning Subcommittee's recommendations align with the strategies in Salem's Climate Action Plan as well as the goals and policies in the draft Comprehensive Plan.

The following is a high-level summary of the zoning subcommittee's recommendations:

- Establish a maximum height of 70 feet in the proposed new MU-III zone (and base the setback adjacent to residential zones on the height of buildings)
- Eliminate minimum off-street parking requirements for mixed-use developments in the mixed-use zones within ¼ mile of Cherriot's Core Network
- Increase the minimum density in the Multiple Family Residential-II (RM-II), Mixed Use-I (MU-I), Mixed Use-II (MU-II), and proposed MU-III zones to 15 units per acre
- Require subdivisions that are at least 10 acres in size to allow neighborhood hub uses (e.g., non-residential uses allowed in the NH zone) on at least two contiguous lots
- Establish a minimum density of 5.5 units per acre in the Single-Family Residential zone when land that is at least 5 acres in size is subdivided, and require at least 15 percent of the dwelling units in those subdivisions to be middle housing
- Establish a minimum density of 15 units per acre in the Single Family Residential (RS) for vacant land within ¼ mile of Cherriot's Core Network

Testimony Received

The comments provided during the Planning Commission public hearing can be found on the Our Salem project webpage here:

<https://www.cityofsalem.net/meetingdocs/ca21-04-our-salem-written-testimony-for-salem-planning-commission.pdf> Additional comments that have been submitted following the Planning Commission public hearing through May 6, 2022 are included in **Attachment 4**. Staff responses are included as Exhibit 1 to the findings included in Ordinance No. 11-22 (**Attachment 5**).

Substantive Findings

The proposal includes amendments to the Salem Revised Code.

1. SRC 110.085 establishes the following approval criteria for an amendment to the UDC to be approved:
 - a. The amendment is in the best interest of the public health, safety, and welfare of the City; and
 - b. 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.

Findings demonstrating the proposal's conformance with the applicable approval criteria are included in Exhibit B to Ordinance Bill No. 11-22 (**Attachment 3**).

BACKGROUND:

The City Council funded the Our Salem project in 2017. The funding followed the strategic planning process when the community identified the need to develop a vision for growth and development. Salem's portion of the urban growth boundary is projected to continue adding residents and jobs through 2035, and the Our Salem project provided the community with an opportunity to guide how

and where that growth occurs.

The City started the Our Salem project in the fall of 2018, working with a consultant team led by Fregonese Associates. The multi-year project has resulted in a proposed update to the Comprehensive Plan as well as the Comprehensive Plan Map, zoning map, and zoning code, as discussed in this staff report.

Eunice Kim
Long Range Planning Manager

Attachments:

1. Planning Commission Recommendation
2. Our Salem Outreach Summary
3. Ordinance Bill No. 11-22
4. Public Comments after Planning Commission Hearing through 5-6-22
5. Public Testimony