



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 17-345

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Date: 6/26/2017

Item #: 2.a.

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Lisa Anderson-Ogilvie, AICP,
Interim Community Development Director

SUBJECT:

Allowing accessory dwelling units in all residential zones, most commercial and industrial zones, and the neighborhood center mixed-use zone.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Shall City Council engross Ordinance Bill No. 10-17, amending the Salem Revised Code to allow and establish standards for accessory dwelling units in all residential zones, most commercial and industrial zones, and the Neighborhood Center Mixed-Use Zone, and advance the ordinance to second reading for enactment?

RECOMMENDATION:

Engross Ordinance Bill No. 10-17, amending the Salem Revised Code to allow and establish standards for accessory dwelling units in all residential zones, most commercial and industrial zones, and the Neighborhood Center Mixed-Use Zone, and advance the ordinance to second reading for enactment.

SUMMARY AND BACKGROUND:

This proposed code amendment (**Attachment 1**) would allow accessory dwelling units (ADUs) as a special use in all residential zones, most commercial and industrial zones, and the Neighborhood Center Mixed-Use Zone. ADUs could be attached to or detached from a main house on the same lot. The proposed code amendment would establish special use standards that would require the ADU to be smaller than the main house. The proposed code amendment would also establish maximum heights, minimum setbacks, and other standards for ADUs.

Staff is recommending that council engross the ordinance to add findings in support of the ordinance, set forth in Exhibit A (Attachment 2).

On February 8, 2016, the City Council accepted the Salem Housing Needs Analysis (HNA), which found that Salem's portion of the UGB has a projected 207-acre deficit of land designated for multifamily housing (2,897 units) based on a 20-year population forecast. The City Council also directed staff to implement the HNA Work Plan to address the projected deficit. The work plan can be viewed online at:

[<http://www.cityofsalem.net/CityDocuments/accessory-dwelling-units-housing-needs-analysis-work-plan-2016-02-08.pdf>](http://www.cityofsalem.net/CityDocuments/accessory-dwelling-units-housing-needs-analysis-work-plan-2016-02-08.pdf).

The HNA work plan includes three phases of work, and the first project is to allow ADUs. The HNA recommends expanding housing choices by encouraging the development of ADUs while establishing standards to promote neighborhood compatibility. The proposed amendment was developed with input from the public, neighborhood associations, and the Housing Choices Advisory Committee, which includes a City Councilor, three Planning Commissioners, neighborhood association representatives, and representatives from the development community.

The City Council may:

1. Engross Ordinance Bill No. 10-17 to add findings as set forth in Exhibit A, and advance the ordinance to second reading for enactment;
2. Refer the proposal back to the Planning Commission for additional deliberation; or
3. Decline to advance Ordinance Bill No. 10-17 to second reading for enactment.

Staff recommends that council engross Ordinance Bill No. 10-17 to add findings set forth in Exhibit A, and advance the ordinance to second reading for enactment.

FACTS AND FINDINGS:

Procedural Findings

1. Under SRC 300.1100, legislative land use proceedings include proposals to amend the City's land use regulations and involve the creation, revision, or implementation of broad public policy generally affecting a large number of individual properties. The final decision in a legislative land use proceeding is an ordinance enacted by City Council.
2. Pursuant to SRC 300.1110(a)(2), the Planning Commission may initiate a legislative land use proceeding by the adoption of a resolution referring the matter to public hearing for review and recommendation to the City Council. Planning Commission initiated the code amendment on February 7, 2017 by Resolution No. 17-03.
3. On April 18, 2017, the Planning Commission held a public hearing to receive public testimony and consider the proposed code amendment. Subsequent to the close of the hearing, the Planning Commission voted to recommend that the City Council accept

first reading of an ordinance bill for the purpose of amending the code as recommended by staff with two revisions:

- Remove the proposed requirement for one off-street parking space per ADU
- Increase the proposed maximum height for a detached ADU from 20 feet to 25 feet

These revisions are further described below as part of the explanation of the proposed code amendment. The Planning Commission's recommendation is included as **Attachment 2**.

4. On May 22, 2017, the City Council conducted first reading of Ordinance Bill No. 10-17.
5. On June 12, 2017, the City Council opened the public hearing and continued it to June 26, 2017. A work session was also scheduled for June 26, 2017, prior to the Council meeting.

Public Outreach

6. Staff attended meetings of 11 neighborhood associations and several other community organizations in 2016 to introduce the project to interested stakeholders and get initial feedback on ADUs. The primary issue raised at the meetings was a desire to require parking for ADUs.
7. The Housing Choices Advisory Committee was formed in 2016 to provide guidance and advise staff on how ADUs should be regulated in Salem. The committee met in October and November of 2016, with both meetings open and available to the public. The committee was very supportive of allowing ADUs in Salem and generally favored establishing flexible regulations that would encourage people to develop ADUs. For example, the committee generally supported allowing ADUs to be up to 1,000 square in size, or 75 percent of the main house's area, whichever is less. It also recommended detached ADUs to be up to 20 feet in height.
8. Staff held a public open house on November 29 to answer questions about ADUs and get additional input from the public. More than 50 people attended and offered their thoughts on a variety of potential standards for ADUs, including maximum size, maximum height, minimum setbacks, parking requirements, owner-occupancy requirements, and design standards. A full summary of the input received at the open house can be found on the project website:
<http://www.cityofsalem.net/CityDocuments/Accessory-dwelling-units-open-house->
9. In January 2017, staff reached out to all of the neighborhood associations in Salem

and provided them with draft regulations for ADUs that reflected the committee and public input received so far. Staff asked the neighborhood association chairs and land use chairs for their feedback on the draft regulations and attended several meetings of to answer questions and get additional input. Seven neighborhood associations responded or provided input, including Faye Wright Neighborhood Association, Lansing Neighborhood Association, South Central Association of Neighbors (SCAN), East Lancaster Neighborhood Association (ELNA), West Salem Neighborhood Association, Northgate Neighborhood Association, and Northeast Neighbors (NEN). While the neighborhood associations expressed a broad range of opinions and concerns, many expressed a desire to require off-street parking for ADUs. Many also recommended that the maximum size of ADUs be lower than 1,000 square feet.

Proposed Code Amendment

10. The HNA was completed in December 2014. It found that the Salem area population is expected to grow by nearly 60,000 over the next 20 years, and there is expected to be a need for smaller and less expensive housing units as well as a broader array of housing choices. This need is largely driven by changing demographics. Ultimately, the HNA projected that there will be a 207-acre deficit of land for multifamily housing in Salem's portion of the UGB over the next 20 years. Approximately 14 acres of land has been redesignated to multifamily since the data in the HNA was collected and analyzed.
11. The HNA recommended code amendments that address the projected deficit of land for multifamily housing while expanding housing choices in Salem. One such recommendation was to allow ADUs in Salem. ADUs have never been explicitly allowed in Salem's zoning code. In addition to the HNA, the NEN-SESNA Neighborhood Plan and Morningside Neighborhood Plan recommended allowing ADUs in Salem, and community members have long asked to be able to create ADUs for family members and others.
12. The proposed code amendment would allow ADUs as an accessory use to single-family detached dwellings, manufactured homes, and zero side yard dwellings in all residential zones, most commercial and industrial zones, and the Neighborhood Center Mixed-Use Zone. ADUs would be allowed as a special use, which would have standards that seek to encourage their development while ensuring compatibility with surrounding neighborhoods. The proposed code amendment as recommended by staff and amended by the Planning Commission is described below.

- a) *Definition*

ADUs would be defined as a "second dwelling unit that is attached to or detached from a single family detached dwelling, manufactured home, or zero side yard dwelling on the same lot. The accessory dwelling unit is accessory to and is smaller than the

primary dwelling unit."

ADUs would not include small houses on wheels, which are often referred to as tiny houses. In Salem, these are considered recreational vehicles, and the City prohibits such vehicles from being used as permanent homes on residential property.

b) *Special Use*

ADUs would be allowed as a special use in the Residential Agriculture (RA), Single-Family Residential (RS), Duplex Residential (RD), Multiple Family Residential 1 (RM1), Multiple Family Residential 2 (RM2), Multiple Family High-Rise Residential (RH), Commercial Office (CO), Retail Commercial (CR), General Commercial (CG), Central Business District (CB), Industrial Commercial (IC), Industrial Park (IP), General Industrial (IG), and Neighborhood Center Mixed-Use (NCMU) zones.

These are zones where new or replacement single-family detached dwellings, manufactured homes on individual lots, and/or zero side yard dwellings are allowed as permitted uses, continued uses, or special uses. Therefore, they are areas where Salem's zoning intends for those uses to remain or be developed. ADUs would be accessory to those allowed uses.

As a special use, ADUs would be allowed by right as long as they met specific standards that seek to encourage the development of ADUs while ensuring compatibility with surrounding neighborhoods. The special use standards would apply to all ADUs regardless of the zone in which they were located.

c) *Special Use Standards*

ADUs would be required to meet the special use standards described below. If an ADU could not meet a special use standard, an applicant could apply for an adjustment or variance to deviate from the standard. The applicant would have to prove that the ADU could meet the approval criteria for the adjustment or variance. The adjustment process provides the public with an opportunity to comment on applications as does the variance process, which also includes a public hearing.

- *Number*

The proposed code amendment would only allow one ADU to be created per lot. This would allow property owners to develop ADUs and expand housing opportunities in Salem while limiting the impact on existing neighborhoods. This code amendment would not allow single-family properties to convert into multifamily properties.

- *Size*

The proposed code amendment would allow ADUs to be up to 900 square feet in size or 75 percent of the size of the main home, whichever is less. This would ensure that an ADU is smaller, proportional, and accessory to the single-family home on the same lot. Generally, the 75 percent standard would restrict the size of ADUs on properties with smaller single-family homes, while the 900-square-foot standard would restrict the size of ADUs on properties with homes that are larger than 1,200 square feet. The 900-square-foot maximum size would generally allow ADUs to have up to two bedrooms.

- *Location*

The proposed code amendment would allow detached ADUs to be built in side and rear yards. This would limit the visual impact ADUs would have on residential neighborhoods by maintaining the predominant appearance of the single-family home on the lot. Attached ADUs, including those added to a main home or created through an internal conversion, would not be restricted in location, but they would be required to meet the underlying zone's setbacks for single-family homes.

- *Setbacks*

The proposed code amendment would establish a side yard setback for detached ADUs of three feet. This is the same standard that applies to existing single-family homes in the RS zone; existing homes can be as close as three feet from the side property line. The proposed code amendment would establish a rear yard setback for detached ADUs of five feet. Currently, accessory structures such as detached garages and shops can be between zero and six feet from properties lines in rear yards, depending on their height. Establishing a rear yard setback of five feet would provide a clear and consistent standard for ADUs regardless of their size or height. It would also provide a buffer from adjacent properties while not pushing ADUs to the center of back yards and breaking up usable open space.

Under the proposed code amendment and existing regulations related to nonconforming development, an existing accessory structure in a rear yard such as a detached shop that did not meet the proposed five yard setback could be converted to an ADU, but any addition to that existing structure would be required to meet the setback. A property owner could apply for a variance or an adjustment to the setback.

Attached ADUs would be required to meet the setbacks of the underlying zone. In the RS zone, for example, new single-family homes have a minimum side setback of 5 feet and a minimum rear setback of 14 feet for a one-story building or 20 feet for a building more than one story tall.

- *Lot coverage*

The proposed code amendment would set a maximum lot coverage of 60 percent for properties with ADUs. This is the same maximum lot coverage in the RS zone,

so establishing this standard for ADUs would help minimize the impact such units would have on existing residential neighborhoods. At least 40 percent of a lot with a single-family home would remain open space, regardless of whether or not that lot included an ADU.

- *Height*

The proposed code amendment would require ADUs attached to a main home to meet the same maximum height standards as that main home. In the RS zone, the maximum height for a new single-family home is 35 feet; for an existing single-family home, it is 28 feet or the existing building height, whichever is greater.

For detached ADUs, staff recommended that the maximum height be 20 feet, which would allow a two-story detached ADU to be constructed and an ADU to be built over detached garage. Planning Commission, however, voted to recommend that the maximum height for detached ADUs be increased to 25 feet. The main intent of this increased height is to allow for better designs of two-story detached ADUs, therefore making them more compatible with existing homes in established neighborhoods. For example, a detached ADU could have a steeper roof that may better reflect the design of existing homes in older neighborhoods.

- *Types of structures allowed*

The proposed code amendment would only allow ADUs in dwelling units that meet building code requirements. This standard would make it clear that ADUs could not be created in recreational vehicles, motor vehicles, or other structures that were not intended to be dwelling units. As mentioned earlier, small homes on wheels, often referred to as tiny houses, are considered recreational vehicles in Salem, and the City prohibits such vehicles from being used as permanent homes on residential property.

- *Other uses*

The proposed code amendment would prohibit ADUs from being rented out as short-term rentals like hotel rooms or accessory short-term rentals (e.g., Airbnb). This code amendment is intended to expand housing choices in Salem while helping meet the projected deficit of land for multifamily housing in Salem's portion of the UGB. Prohibiting ADUs from being used as short-term rentals would help ensure that the new ADUs contribute to Salem's housing stock.

- *Ownership*

The proposed code amendment would prohibit ADUs from being converted into condominiums that have separate owners from the underlying properties on which they are located and the main house to which they are accessory. ADUs would therefore remain accessory to single-family homes. Accessory uses, under SRC Chapter 400, must be located on the same lot and must be operated under the same ownership as the principle activity, and in the case of ADUs, the principle

activity is the single-family dwelling on the same lot.

- *Density*

The proposed code amendment would exempt ADUs from density requirements such as those in the RM1 and RM2 zones. The intention of the minimum and maximum densities in the RM1 and RM2 zones is to achieve a certain level of housing density in areas of Salem that best accommodate multifamily housing; however both multiple family zones allow for new or the replacement of single-family homes. Lots with single-family homes can subsequently remain in these zones, so exempting ADUs from the density calculations would provide these lots with the same ability to add an ADU as single-family homes in the RS zone. If this exemption were not established, there would likely be single-family lots in multiple family zones that could not add ADUs because they would not meet the minimum density requirements.

- *Overlay zone standards*

The proposed code amendment would exempt ADUs from development standards and design standards and guidelines in overlay zones. Generally, overlay zones establish standards and guidelines that are tailored to the needs and vision of specific areas of the city. In contrast, the intent of this code amendment is to establish and apply standards to ADUs that are consistent across the city regardless of the zone or overlay zone in which they are located. In addition, several overlay zones currently exempt single-family uses from design review guidelines and standards and additional development standards; this code amendment would extend that existing exemption to ADUs, which are accessory uses to single-family uses. All development in historic districts, including ADUs, would continue to be required to meet standards in historic districts. ADUs would not be exempt from historic district standards.

- *Garages*

The proposed code amendment would exempt ADUs from the requirement in zones such as the RS zone that each dwelling unit constructed after February 8, 2006 have a garage constructed with it. By not requiring a garage to be constructed with an ADU, the overall size of the ADU would be minimized as would the visual impact on existing neighborhoods.

d) *Other Standards*

- *Off-street parking*

Parking was the most prominent issue raised by neighborhood associations and residents when discussing how ADUs should be regulated. Staff recommended that the City require one off-street parking space per ADU. Given the proposed size restrictions, ADUs are not expected to result in as many vehicles per dwelling as

single-family homes, which are required to have two off-street parking spaces. One additional space would be consistent with current requirement for two-family shared housing created through an internal conversion in an existing single-family home. In addition, requiring one space would help minimize potential negative impacts in existing neighborhoods where on-street parking is limited.

The Planning Commission voted to recommend removing the proposed requirement to provide one off-street parking space per ADU.

The intent of this change - requiring no off-street parking spaces for ADUs - is to remove a potential significant barrier to developing ADUs. It also recognizes that in some cases a new curb cut would be needed to create an additional parking space for an ADU. This curb cut could eliminate an on-street parking space, resulting in no net parking gain.

The proposed code amendment would not require an existing home that added an ADU to remedy any existing parking deficiency for that main home. A property with an existing home with no off-street parking spaces would only have to add one parking space for a new ADU; three spaces - one for the ADU and two for the existing home - would not be required. This would remove a potential barrier to creating ADUs in neighborhoods where properties may not have existing off-street parking spaces.

- *Location of off-street parking*

This proposed code amendment would allow vehicles to park on driveways leading to garages even if those garages have been converted into ADUs or other living space. Currently, SRC 806 only allows off-street parking to be located on driveways if those driveways lead to a garage, carport, screened off-street parking area, or screened vehicle storage area. By changing this standard, it would allow people to convert their garages into ADUs - or other living space - without losing their parking spaces in their driveways. This opens up the possibility for more properties to add ADUs through conversion of existing spaces, particularly lots that do not have much space for additional parking. The proposed amendment provides for additional off-street parking spaces on properties that have already converted their garages to living spaces.

Additional Considerations

13. System development charges

Public Works staff is forming a work group to review and update the methodology used to establish system development charges (SDCs) in Salem. The group is expected to review how SDCs should be charged for ADUs. The group's work is expected to be complete in roughly six months and will result in a recommendation to Council.

Prior to that work being complete, the City would charge SDCs for an ADU based on current rules:

- Parks (same as a multifamily unit): \$2,770.72
- Transportation (same as a multifamily unit): \$1,371.96
- Stormwater: Does not apply
- Water and Sewer: Does not apply unless water meter size is changed

Testimony Received

14. Public comments received as part of the Planning Commission public hearing process generally expressed support for allowing ADUs in Salem but included a variety of concerns about specific proposed standards and impacts on neighborhoods. Comments in support of the code amendment indicated that the proposal would allow a greater diversity of housing in Salem, increase housing density and help meet Salem's housing needs, and strike a balance between encouraging ADUs in the community and addressing neighborhood concerns. Several comments in favor of the proposal specifically indicated support for requiring one off-street parking space per ADU.

The comments with specific concerns are summarized below, followed by staff responses.

a) *Off-street parking:* Two people recommended that no off-street parking be required for ADUs. One person wanted to encourage the use of public transportation, while another cited several concerns: Parking requirements would restrict the development of ADUs, there is no data on the occupancy of existing on-street parking in Salem neighborhoods, requiring parking is contrary to recommendations in the NEN-SESNA Neighborhood Plan, and requiring parking could result in no net increase to the parking supply due to the likely creation of a new curb cut.

Response: As mentioned above, the Planning Commission voted to recommend that no off-street parking spaces be required for ADUs to address this concern.

b) *Building height:* Two people expressed concern that a maximum height of 20 feet for a detached ADU could create design problems and would not allow for steep roofs on two-story ADUs or an ADU over a detached garage.

Response: As mentioned above, the Planning Commission voted to recommend that the maximum height for detached ADUs be increased to 25 feet to address this concern.

c) *Design standards:* A Lansing Neighborhood Association representative expressed

disappointment that ADUs would be exempt from design standards.

Response: As mentioned above, the design standards and guidelines in overlay zones are tailored to the needs and vision of specific areas of the city, and the intent of this code amendment is to establish standards to ADUs that are consistent across the city. In addition, several overlay zones currently exempt single-family uses from design standards and guidelines, and this code amendment would extend that exemption to ADUs, which would be accessory to single-family uses.

ADUs in historic districts would be required to meet standards in those historic districts. They would not be exempt from historic district standards.

d) *Short-term rentals:* One person suggested that ADUs be allowed to be used as short-term rentals.

Response: As mentioned above, the code amendment is intended to expand housing choices in Salem while helping meet the projected deficit of land for multifamily housing in Salem's portion of the UGB. Prohibiting ADUs from being used as short-term rentals would help ensure that new ADUs contribute to Salem's housing stock.

e) *Owner occupancy:* A representative from the North Lancaster Neighborhood Association expressed concern that ADUs with absent owners would be dangerous because there would be little to no regard for problems that occur on the property. The representative also suggested that homeowners receive education on ADU management and rental law.

Response: Based on the input received from the public, neighborhood associations and others throughout the ADU project, there does not appear to be a strong desire to require owners to live on a property with an ADU in Salem. The majority of the community members that attended the public open house in the winter did not want owner occupancy to be required. The Housing Choices Advisory Committee's consensus was that the more requirements the City implements, the less likely will ADUs develop in Salem.

Surveys in other communities also have found that properties with ADUs tend to be owner occupied despite no requirement to do so. In Portland and Ashland, for example, 70 to 80 percent of properties with ADUs are owner occupied without any such requirement. Based on research of cities in Oregon that require owner occupancy like Eugene, such requirements are very challenging, if not impossible, to enforce. Financing is more difficult when owner occupancy is required.

f) *Property taxes:* Two people asked what the impact of adding an ADU would be on property taxes.

The City of Salem is not responsible for determining the amount of property taxes owed by properties in Salem. Property taxes are set by the county in which properties are located. Specific questions about impacts of ADUs on property taxes should be directed to those county assessors' offices.

Last year, the state revised Oregon Department of Revenue rules (Oregon Administrative Rule 150-308-0200) to clarify that the allowance of accessory dwelling units does not constitute a rezoning that would trigger an entire property to be reassessed.

g) *Manufactured homes:* The Oregon Manufactured Housing Association expressed concern that some standards for manufactured dwellings - such as the size requirement that they be at least 860 square feet - could conflict with proposed standards for ADUs.

Response: The special use standards for manufactured homes in the Salem Revised Code would not apply to ADUs, including when manufactured homes are used as ADUs. There would be no conflict with the proposed special use standards for ADUs.

h) *Zero side yard dwellings:* One person questioned why ADUs would be allowed with zero side yard dwellings.

Response: The code amendment is intended to afford detached single-family homes with the ability to add an ADU. That includes manufactured homes and zero side yard dwellings, which are detached dwelling units that are built contiguous to one side lot line. Additions to zero side yard dwellings could be built contiguous to one side lot line regardless of whether that addition included an ADU or not. Detached ADUs that are on the same lot as a zero side yard dwelling would be required to meet the special use standards for ADUs, including setbacks.

i) *Trees:* One resident recommended that the City prohibit property owners from cutting down mature trees to build ADUs and require non-mature trees that are removed to be replaced.

Response: The City has a tree preservation code to protect certain trees as natural resources and increase the tree canopy. SRC Chapter 808 requires approval prior to removing trees in certain circumstances: if the trees are Oregon White Oaks that are at least 24 inches wide at a height of 4.5 feet, if trees are in a riparian corridor (e.g., generally within 50 feet on each side of a waterway such as a creek), if more than five trees or 15 percent of trees on a lot over 20,000 square feet are proposed to be removed in a calendar year, and if the trees are heritage trees. Trees are also preserved through tree conservation plans that are required when a developer wants

to create lots to construct single-family or two-family homes and remove trees.

Trees that are not protected by the City's code can be removed by property owners. This applies to property owners who want to add to their house or construct an accessory structure.

15. After the Planning Commission public hearing, staff received six additional comments. Most of the comments addressed the same issues described above, including off-street parking, owner occupancy, and short-term rentals. Two of the comments addressed the issue of permitting fees or system development charges.

As mentioned earlier, Public Works staff is forming a work group to review and update the methodology used to establish SDCs in Salem. The group is expected to review how SDCs should be charged for ADUs and make a recommendation to Council. Prior to that work being complete, the City would charge SDCs for an ADU based on current rules, which were described earlier.

Public comments emailed or submitted to the City have been included as **Attachment 3**.

Substantive Findings

16. SRC 110.085 establishes the following approval criteria which must be met in order for a code amendment to be approved:
 - e) *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 will expand housing choices in Salem by allowing a new housing type, ADUs, to be created in the city. The housing needs of the community can be better met now and in the future as the population is projected to continue growing.

The proposed code amendment will also protect the welfare of the community by establishing specific standards for ADUs - such as size limitations, setbacks, and height limitations - to ensure that these smaller housing units are compatible with surrounding neighborhoods.

- a) *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 (SACP) is the long-range plan for guiding development in the Salem urban area. The overall goal of the plan is to accommodate development in a timely, orderly, and efficient arrangement of land uses and public facilities and services that meet the needs of present and future residents of the Salem urban area.

The proposed code amendment was reviewed for conformance with the applicable goals and policies of the SACP. The following SACP residential development goal and policies relate to the proposed code amendment:

Residential Development Goal: *To promote a variety of housing opportunities for all income levels and an adequate supply of developable land to support such housing. In meeting this goal, residential development shall:*

- a) *Encourage the efficient use of developable residential land;*
- b) *Providing housing opportunities for Salem's diverse population; and*
- c) *Encourage residential development that maximizes investment in public services.*

Policy: Establishing Residential Uses

- *The location and density of residential uses shall be determined after consideration of the following factors:*
 - a) *The type and distribution of housing units required to meet expected population growth within the Salem urban growth boundary...*
 - e) *The character of existing neighborhoods based on height, bulk and scale of existing and proposed development in the neighborhood...*

Policy: Infill Development

- *City codes and ordinances shall encourage the development of passed-over or underutilized land to promote the efficient use of residential land and encourage the stability of neighborhoods.*

Policy: Alternative Housing Patterns

- *Residential Development Patterns: Subdivision and zoning regulations shall provide opportunities for increased housing densities, alternative housing patterns, and reduced development costs...*

The proposed code amendment is consistent with the above SACP residential development goal and policies because it will provide a greater opportunity to meet the housing needs of Salem's diverse and growing population. According to the HNA, there is expected to be a 207-acre deficit of land for multifamily housing in Salem's portion of the UGB over the next 20 years. One way the HNA recommends meeting that need is to allow ADUs in Salem. Allowing ADUs will not only help meet this projected need but also provide a greater variety of housing opportunities for all income levels.

Allowing ADUs will also promote the efficient use of residential land and provide opportunities for increased housing densities by allowing a second, smaller dwelling unit to be created on lots with a primary home. Currently, lots in the Single-Family Residential zone can generally only be developed with one dwelling unit. This proposed code amendment would allow two dwelling units - one being an ADU - to be developed.

The proposed code amendment considers the character of existing neighborhoods by establishing special use standards that seek to ensure ADUs are compatible with surrounding neighborhoods. This includes height, size, setback, and lot coverage standards as well as a parking requirement.

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 proposed code amendment conforms to this goal because the process undertaken to develop it included opportunities for the public to review and provide comments. For example, the Housing Choices Advisory Committee for this project comprised of a City Councilor, three Planning Commissioners, neighborhood association representatives, and representatives from the development community. The committee provided recommendations to City staff on how ADUs should be regulated in Salem. In addition, City staff received input from the majority of neighborhood associations, and a public open house was held in November 2016 to get input from the general public.

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

The proposed code amendment conforms to this goal because it expands housing choices in Salem by explicitly allowing a new type of housing, ADUs. It also helps meet the projected need for multifamily housing in Salem's portion of the UGB, as identified in the HNA. The HNA specifically recommends that the City develop an ordinance to allow ADUs in Salem. The HNA was intended to comply with Goal 10 and associated administrative rules, including OAR 660-008.

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 allowing a second, smaller dwelling unit to be created on lots that have a primary home on it. Allowing ADUs helps accommodate Salem's urban population within its portion of the UGB.

Eunice Kim
Planner II

Attachments:

1. Proposed Engrossed Ordinance Bill No. 10-17
2. Exhibit A to Engrossed Ordinance
3. Planning Commission Recommendation
4. Public Comments