



CITY OF SALEM

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Salem, OR 97301

Staff Report

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TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Norman Wright, Community Development Director

SUBJECT:

Our Salem Vision.

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; Good Governance.

ISSUE:

Shall the City Council accept the Our Salem Vision?

RECOMMENDATION:

Accept the Our Salem Vision

SUMMARY:

The City of Salem has developed the Our Salem Vision as part of the City's multi-year project to update the Salem Area Comprehensive Plan (Comprehensive Plan). The Vision lays the foundation for that update by describing and illustrating the community's vision for future growth and development in broad goals and a proposed Comprehensive Plan Map (Attachment 1: Our Salem Vision). It is the culmination of extensive community engagement that has spanned roughly a year and half.

If the City Council accepts the Vision, staff will continue moving the Our Salem project forward, using the goals and map to guide future work. Working with the community, staff will develop more detailed policies, updates to the zoning map, and revisions to the zoning code to implement the Vision. This work is expected to occur this year.

Staff plans to bring all of the proposed changes - the updated Comprehensive Plan, Comprehensive Plan map, zoning map, and zoning code - through the adoption process for City Council approval by the end of this year. Updates to the Salem Transportation System Plan and Comprehensive Parks System Master Plan will follow.

The proposed changes to the Comprehensive Plan Map can be viewed online here:

<https://salem.maps.arcgis.com/apps/webappviewer/index.html?id=36df9887a275455fbc8d34f055dd090e>

FACTS AND FINDINGS:

This report contains the following information:

- Section A: Project Overview and Outreach
- Section B: Vision Statement and Goals
- Section C: Proposed Comprehensive Plan Map
- Section D: Analysis of Updated Vision
- Section E: Planning Commission Input
- Section F: Next Steps

Section A: Project Overview and Outreach

The City kicked off the visioning phase of the Our Salem project 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, social media, and other outreach tools. Specifically, staff engaged with more than 80 community groups and attended more than 160 in-person or virtual meetings. The project website, www.cityofsalem.net/our-salem <http://www.cityofsalem.net/our-salem>, is 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 Map, inviting them to attend virtual meetings or talk with staff. The vast majority of property owners that talked with staff support the proposed changes.

The visioning phase had three major milestones.

- **Visioning:** In the fall and winter, 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.
- **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.

- **Community vision:** The community's input was used to develop the draft vision, which is contained in the draft Our Salem vision document.

Staff presented the draft vision to the City Council and Planning Commission in a joint work session on Sept. 23, 2020. Since then, staff has conducted additional outreach in the community to gather input on the draft vision. This outreach included a webinar, dozens of meetings with community groups, an online survey, and a postcard mailed to property owners impacted by proposed changes to the Comprehensive Plan Map. Staff has also continued to participate in the Climate Action Plan project.

Based on the feedback from the community - as well as City Council's greenhouse gas emissions reductions goals - staff has made changes to the goals and proposed Comprehensive Plan Map. The majority of the changes are to the proposed map, and they are explained below.

Section B: Vision Statement and Goals

Vision Statement

The vision statement describes what the community wants Salem to be like in the future. It reflects shared priorities and aspirations in the community. Based on community input, the vision statement has been revised since the fall to include an emphasis on families, diversity, and culture; to replace sustainability with the more-specific goal of carbon neutrality; and to clarify that safe mobility - including walkability - is desired. The revised vision statement is below:

Salem is a livable, equitable, carbon neutral city where everyone has access to affordable housing and safe mobility choices, families and local businesses are thriving, diversity and culture is celebrated, and open spaces and the environment are valued and protected.

Goals

The Vision describes goals for future growth and development that focus on a variety of topics: Community engagement, land use and urbanization, housing, economic development, parks and recreation, natural resources and natural hazards, Willamette Greenway, transportation, and community and public facilities and services. The goals reflect priorities that the community has expressed throughout the visioning phase of this Our Salem project. If the Our Salem Vision is accepted by the City Council, the goals will be carried forward and included in the updated Comprehensive Plan. More detailed policies will then be developed to support them in the next phase of the Our Salem project. (Draft policies are included in Appendix A of **Attachment 1**.)

The goals support the Vision Statement and are broad in nature. For example, they highlight the community's desire to strengthen Salem's economy, promote housing affordability, provide interconnected recreational opportunities, protect natural resources, and provide an integrated multimodal transportation network. Many of the goals do not exist in the current Comprehensive Plan but instead reflect the community's priorities today for the future. For example, one goal emphasizes the community's desire to ensure that the City engages the public in an equitable, transparent, inclusive way when making planning, investment, and policy decisions.

Since the draft Vision was presented to the community in the fall, there have been a few changes to the goals based on community and Council input. The greenhouse gas emissions reduction goal has been revised to reflect the Council's recently-adopted goal and now states:

Greenhouse gas emissions: Reduce Salem's greenhouse gas emissions to 50 percent of the citywide emissions for the baseline year of 2016 by 2035, and be carbon neutral by 2050.

A draft policy related to land supply for housing has been elevated to a goal. The need for adequate land for all housing types, including single-family and multifamily housing, is a priority in Salem as well as a State requirement. Making it a goal aligns it with the land supply goal related to employment land. The housing-related land supply goal is as follows:

Land supply: Provide a supply of residential land that accommodates the amounts and types of housing needed to meet the population forecast for the Salem Urban Area.

The draft goal related to regional coordination has been updated to specifically call out transportation to emphasize the need and desire to coordinate transportation planning and investment decisions with our regional partners. The updated goal is as follows:

Regional Coordination: Coordinate land use, transportation, and public facility planning and investment decisions with Marion and Polk counties and the City of Keizer to promote equitable, efficient, and sustainable growth.

Staff has also received input that the goals should emphasize that the community vision should allow for responsiveness to market demands. The Comprehensive Plan document itself, once updated, will include a description of the Plan's overall intent; that intent includes guiding future growth and development to reflect the community's vision for the Salem area, while retaining flexibility to remain responsive to changing conditions, including market demands. The proposed Comprehensive Plan Map also allows for responsiveness to the market by providing flexibility in many ways, including the expansion of the Mixed Use designation throughout Salem.

In addition, staff has received input that the City should set goals for the percentage of new housing and jobs are located in mixed-use areas along Cherriots' Core Network. The Core Network is a network of bus service corridors where frequent service is prioritized (Attachment 2). Staff is in the process of analyzing if Salem has met its current goals - called benchmarks - related to the location of new housing and jobs (e.g., near transit stops and activity nodes and corridors). These existing benchmarks are in Table 1 of the current Comprehensive Plan. Staff plans to then propose new benchmarks that focus on locating new housing and jobs along Cherriots' Core Network, among other measures.

One possible benchmark would be to aim for at least 40 to 50 percent of all new housing units be located within a $\frac{1}{4}$ mile of the Core Network. This would align with the community's desire to see more housing located near transit service, near commercial services and jobs, and in mixed-use areas, and it would promote the use of transit. It would also advance the City's goal of reducing GHG emissions and align with the Oregon Statewide Transportation Strategy <<https://www.oregon.gov/odot/Planning/Pages/STS.aspx>> (STS), which identifies strategies to reduce GHG emissions. One such strategy in the STS is to promote "compact, mixed use development," and it projects that more than 30 percent of urban households in Oregon would need to live in compact, mixed-use neighborhood, up from 20 percent in 2020, to meet State GHG reduction goals. That projection of 30 percent was for all housing, so a benchmark for new housing would need to be higher to achieve that 30 percent across all housing units.

The State is expected to mandate specific benchmarks and regulations related to development and

transportation to reduce GHG emissions as part of the Climate Friendly and Equitable Communities rulemaking that is underway. That work is expected to be complete by the fall or winter, so staff will incorporate the work into the update of the Comprehensive Plan.

Draft Policies

Most of the community's input related to the draft goals from the fall was at the more detailed policy level as opposed to the broader goal level. Staff intends to use that input to develop new policies or revise existing draft policies after the Vision is accepted by the City Council. Below are the specific issues raised by the community and Council that staff intends to consider when doing that work, which starts in March. The information below is not intended as proposed policy language.

Housing

- Encourage development in walkable, mixed-use areas, including near Cherriots' Core Network
- Consider process improvements to reduce impacts on housing affordability
- Encourage a range of shelter and housing opportunities to help address the needs of unsheltered residents and those at risk of losing housing
- Support programs and investments that increase affordable homeownership opportunities for residents, particularly for communities of color

Climate and resiliency

- Ensure climate action work is centered on equity
- Address wildfire hazard risks
- Increase redundancy in telecommunications and broadband networks to protect commerce and public safety in the event of disasters
- Improve the community's economic resilience to impacts from disasters and major disturbances to the local economy

Economic development

- Promote and support businesses that provide living wages
- Coordinate planning and the establishment and use of urban renewal areas

Community engagement

- Expand opportunities for Sovereign tribes - in addition to communities of color, low-income, and other underrepresented residents - to participate in planning and investment decisions

Transportation and parking

- Improve parking management by establishing and maintaining parking prices that balances supply and demand and supports economic vitality
- Discourage the development of new standalone parking lots in the downtown area

Other issues

- Support the removal of barriers to annexing land within the Salem urban area
- Ensure land uses around McNary Airport do not preclude future airport expansions or commercial air service
- Increase access to library services throughout Salem, particularly in underserved areas, and

do so in a variety of ways

Section C: Proposed Comprehensive Plan Map

The proposed Comprehensive Plan Map shows proposed changes to the Comprehensive Plan designation of properties across the Salem area. It reflects four big ideas about where the community wants to see different types of land uses and development in the future.

- Mixed use:** Encourage a mix of uses in the downtown area and along major corridors, particularly those with frequent transit service
- Housing:** Encourage a broader range of housing types and distribute multifamily housing across Salem
- Neighborhood hubs:** Allow pockets of small-scale businesses in single-family areas
- Employment:** Create flexibility in where commercial uses are allowed, while maintaining existing industrial areas.

Staff presented the proposed Comprehensive Plan Map to the community in the fall and early winter, and the feedback was largely supportive. Staff used the input from the community - as well as the City's new GHG reduction goals - to revise the proposed Comprehensive Plan Map.

The revisions largely aim to help create more complete neighborhoods. Under the proposed Comprehensive Plan Map, there would be more opportunities for residents to live closer to and more easily access shops, services, and amenities without driving, and the revisions would allow more people to live and work in the same area or on the same property. This would help Salem move closer to its greenhouse gas emissions reductions goals.

The big ideas and related revisions are described in further detail below.

Mixed Use

There has been ongoing support for expanding mixed-use areas in Salem, particularly along major corridors with frequent transit service as well as in and around downtown. The proposed Comprehensive Plan Map increases the amount of land designated as Mixed Use in the Salem area by more than fourfold.

The Mixed Use Comprehensive Plan Map designation would be implemented by existing and new mixed-use zones, which would allow a broad range of residential, commercial, and other uses. Establishing more mixed-use areas in Salem would promote walkability, increase access to jobs and services, and create more flexibility in how properties can be used. Creating more walkable, complete neighborhoods - particularly near transit service - would help move Salem closer to its greenhouse gas emissions reductions goals.

Much of the added Mixed Use land is along Cherriots' Core Network. For example, land along Commercial Street SE, Liberty Lancaster Drive NE, and Portland Road NE is proposed to be redesignated as Mixed Use. Other proposed mixed-use areas include currently vacant or underutilized property in largely residential neighborhoods. This includes vacant land in West Salem and South Salem. While areas like these are not served by transit, they offer opportunities to

incorporate commercial services, shops, and jobs into otherwise residential areas. Redesignating these areas to Mixed Use would help create more complete neighborhoods as Salem continues to grow.

Since the draft vision was presented to the City Council, Planning Commission, and the community in the fall, staff has added the Mixed Use designation in several locations across Salem. For example, it has been added north of downtown Salem along Liberty and Broadway streets NE and connecting to Keizer's mixed-use corridor along River Road N. This is an area with frequent transit service that could see infill and redevelopment in the future. It is also near River Road Park, a large community facility and amenity that could serve residents.

Housing

The community has shown support for a broader mix of housing types in Salem to accommodate the growing population. The need for more multifamily housing has also continued to be a priority. (This is explained further below.) The community has shown support for this type of housing to be located near jobs, services, amenities, and transit service.

The proposed Comprehensive Plan Map reflects these priorities by providing more opportunities for a mix of housing types across Salem's neighborhoods. Specifically, the proposed map adds land designated as Multi-Family Residential (MF) throughout the Salem area, as opposed to concentrating it in one neighborhood or area. The MF designation would be implemented in Salem through multifamily residential zoning. The proposed map also encourages more housing near transit service by adding mixed use areas along Cherriots' Core Network, as mentioned earlier.

As this project has continued, development and land use applications have also continued across the city. Staff has adjusted the proposed Comprehensive Plan Map to reflect recent land use approvals, and in some cases, this has meant removing some of staff's previous proposal to redesignate land to MF and retaining the Single Family (SF) Residential designation. As a result, staff has looked for additional land to redesignate MF to meet Salem's projected multifamily housing need.

Neighborhood Hubs

There has continued to be community support for neighborhood hubs throughout Salem. Neighborhood hubs, a new idea in Salem, 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.

Neighborhood hubs are shown on the proposed Comprehensive Plan Map as Mixed Use, and they are located throughout neighborhoods in the Salem area. They are generally located at intersections or on collector streets near parks, schools, or other community gathering places. They are also largely in areas with transit service, sidewalks, and in some cases, bike lanes. Some of the new hub locations have been suggested by the community.

Neighborhood hubs would be implemented through a new zone that would be created as part of this Our Salem project. The new zone would allow but not mandate a broader range of uses, such as small-scale retail shops, cafes, personal services, and recreational and cultural services. Single-

family homes would continue to be allowed.

Standards would be established to promote pedestrian-oriented development, adaptive re-use of existing homes, and new structures that are scaled and designed to be sensitive to the neighborhood context.

Since the draft vision was presented in the fall, staff has tripled the number of proposed neighborhood hubs from 11 to 33. The added hubs are located in residential neighborhoods, particularly in outer areas of Salem that are not close to existing commercial services. Staff has also increased the size of some of the previously-proposed hubs based on community input.

Employment

The community has shown support for maintaining and expanding existing employment areas in Salem, particularly industrial areas. There has also been a desire to create flexibility in where commercial uses are allowed and in what form they are allowed. This flexibility would both expand access to jobs and services for residents throughout Salem, while recognizing that the future economy and market is not certain.

The proposed Comprehensive Plan Map reflects these ideas by expanding the amount of Industrial Commercial (IC) land in Salem; this designation - and corresponding zone - allows for a mix of commercial and industrial uses. For example, land in and around the Fairview Industrial area has been designated IC. The proposed map also introduces a new zone Residential 4 (R4) that is intended to promote live-work space on arterial streets. The new zone would continue to allow single-family homes as permitted uses but would provide the opportunity for residents to run businesses out of their houses. This would support small businesses and entrepreneurs, while increasing shops and services in residential areas.

Since the draft vision was presented in the fall, staff has increased the number of areas proposed to be rezoned to R4 from four to 15 corridors. The new locations are generally along arterial streets where there are existing homes that face the street. The streets generally have transit service and sidewalks, which improves access to and visibility of potential businesses that are established. Some of the proposed R4 corridors would be an extension of existing or proposed commercial or mixed-use areas.

Other changes or issues

Some in the community have requested that residential areas of Salem that are predominately developed with single-family homes but are currently designated Multi-Family Residential (MF) be redesignated to Single Family Residential (SF). Staff has proposed to do this in limited areas, particularly to discourage displacement of existing homes. Redesignating areas to Single Family will not preclude additions or conversions to middle housing - including duplexes, triplexes, and fourplexes - once the City implements HB 2001. (Staff intends to do that code work later this spring.)

In addition, staff has reached out to the Salem-Keizer School District to discuss how the Vision could impact future school needs, particularly the need for land for additional schools. The school district anticipates needing an additional middle school in the future to balance feeder systems and address future enrollment at the middle level. The Vision does not impact or create that need, as it is a

structural imbalance, according to the school district. Staff will continue to coordinate with the school district, as the Our Salem project unfolds.

Staff also plans to address properties that have zoning that is inconsistent with their Comprehensive Plan designations. This type of situation creates challenges when property owners want to develop or redevelop their land. These mismatches will be fixed as part of the next phase of the Our Salem project.

Section D: Analysis of Updated Vision

Staff has analyzed the updated Vision - the proposed Comprehensive Plan Map - to better understand its implications on greenhouse gas emissions and the transportation systems, which are two priorities that have been expressed in the community. Staff has also analyzed the updated Vision to ensure it can accommodate Salem's projected housing needs.

Greenhouse Gas Emissions

Staff revised the preferred scenario as a way to analyze how the proposed Comprehensive Plan Map impacted greenhouse gas (GHG) emissions. The preferred scenario is a best guess at what properties could develop or redevelop by 2035; it is therefore different than the proposed Comprehensive Plan Map. The preferred scenario does not assume all properties designated Mixed Use, for example, are redeveloped.

The Mid-Willamette Valley Council of Government (MWVCOG) ran the revised preferred scenario through the Salem-Keizer Area Transportation Study (SKATS) Regional Travel Demand Forecasting Model, and it showed little to no impact on the daily vehicle miles traveled per capita (VMT) in Salem's portion of the UGB. Specifically, the daily VMT per capita is projected to be 17.66 if Salem were to continue growing under current policies (e.g., current trends) versus 17.56 under the revised preferred scenario. The GHG emissions from transportation similarly did not significantly change: 792,000 annual metric tons of CO₂e under current trends to 777,000 under the revised preferred scenario.

It is important to note that results above factored in all vehicle trips, including those that pass through Salem on Interstate-5 for example. More than half of all daily trips included in the transportation model are trips that pass through Salem or that just start or end in Salem.

To test if the revised preferred scenario impacted travel inside the Salem UGB, SKATS ran its model factoring in only internal trips. The results showed a slightly greater impact on daily VMT per capita. Specifically, the daily VMT per capita is projected to be 8.32 under current trends versus 8.05 under the revised preferred scenario; that is a decrease of 3.2 percent. The GHG emissions from transportation similarly changed only slightly: 374,000 annual metric tons of CO₂e under current trends to 357,000 under the revised preferred scenario, a 4.5 percent decrease.

While this is a small degree of change, it does seem to suggest that land use changes could have a greater impact on how people travel *within* Salem compared to how people drive through Salem or to or from Salem. The results overall continue to highlight that land use changes alone will not result in drastic reductions in VMT or associated GHG emissions. Both of these points are supported by sensitivity testing done by the MWVCOG (Attachment 3).

That is not to say, though, that more could not be done to move the needle, particularly at the zoning level. The proposed Comprehensive Plan Map, as mentioned earlier, aims to create more complete neighborhoods, and it indeed provides many more opportunities for people to live, work, and shop in the same place or neighborhood. For example, the percentage of *new* households in complete neighborhoods is projected to increase from 31 percent under current growth trends to 53 percent under the revised preferred scenario (e.g., proposed Comprehensive Plan Map), and the percentage of all households in complete neighborhoods is projected to increase from 63 to 74 percent. The proposed Comprehensive Plan Map sets the framework to accommodate more growth in mixed-use areas, particularly in locations near frequent transit service.

The proposed map, however, does not get to the detailed level of establishing maximum building heights, setting minimum densities, and making other regulatory provisions that could further incentivize or mandate higher density, mixed-use development, or other changes that could help reduce vehicle trips and associated GHG emissions. Those changes happen at the zoning code level, and they are expected to occur in the Our Salem project after the vision is accepted by the City Council.

Options for future zoning work

Below are several options for how the City could make changes to land use at the zoning level that could help reduce GHG emissions. Some of the suggestions come from community members, other cities, and best practices. Staff is requesting that Council provide direction as to which of the following options staff should pursue in the next phase of the Our Salem project.

If Council directs staff to pursue any or all of the following options, staff will conduct more research and outreach to flush out the details. Those details will be incorporated into the proposed zoning changes that staff will bring forward for adoption by the end of this year - along with a revised Comprehensive Plan, Comprehensive Plan Map, and zoning map.

1. Increase maximum heights in mixed-use zones, particularly along Cherriots' Core Network
 - The maximum height along much of Cherriots' Core Network is 50 feet today, and it could be increased to 65 feet like in the MU-I zone. Increasing the maximum height would increase the possibility of taller buildings and therefore more housing units close to frequent transit service. Buffers from abutting residential areas would also be considered.
2. Eliminate minimum parking requirements for all uses near Cherriots' Core Network
 - The City recently eliminated parking requirements for multifamily housing within $\frac{1}{4}$ mile of Cherriots' Core Network. Expanding this to all uses within a $\frac{1}{4}$ mile of the network would create even greater capacity for development, including housing, near frequent transit service. This would also support the use of transit and encourage walking and biking. As an alternative, the City could eliminate minimum parking requirements for mixed-use projects near the Core Network or throughout Salem. This would incentivize the development of mixed-use projects and provide more space for such projects to occur. If parking requirements were eliminated, the amount of parking provided on a property would be driven by the market.
3. Increase the minimum density in the mixed-use and/or multifamily zones near Cherriots' Core Network or throughout Salem

- Current minimum densities are 8 units per acre in the Multiple Family I (RM-I) zone and 12 units per acre in the Multiple Family II, MU-I, and MU-II zones. The minimum densities in the MU-I and MU-II zones only apply to developments that are exclusively residential; it does not apply to mixed-use developments. The vast majority of multifamily projects approved or built recently in Salem have densities greater than 12 units per acre. Increasing minimum densities near the Core Network would help ensure more housing is located in mixed-use, transit-supported areas. Increasing minimum densities more broadly in Salem would promote the development of middle housing like triplexes and quadplexes on small lots and would help ensure that land generally in Salem is more fully developed or redeveloped. If minimum densities were increases, corresponding maximum densities would also be increased to ensure a range of densities was still allowed in each zone.

4. Require multifamily housing in the mixed-use zones

- The current MU-I and MU-II zones allow but do *not* require multifamily housing; standalone commercial uses are allowed. Requiring housing in the mixed-use zones - particularly when land is developed or redeveloped with commercial uses - would help ensure dwelling units are located next to services, jobs, and transit service. This type of requirement could be applied to specific areas in Salem as opposed to mixed-use zones throughout the city. It could also be tailored so that additions to existing businesses, for example, were exempt.

5. Require neighborhood hubs and/or middle housing (e.g., duplexes, triplexes, fourplexes, and townhouses) in large subdivisions

- Requiring neighborhood hubs - a proposed new zone - in large subdivisions would help promote the creation of more complete neighborhoods, particularly as vacant land on the edges of Salem are developed. Siting neighborhood hubs in subdivisions would not preclude the development of single-family homes but would provide the opportunity for neighborhood services and shops to be located within newer neighborhoods as they are created. Requiring middle housing in subdivisions - a certain percentage of lots - would promote a greater mix of housing types and mixed-income neighborhoods in Salem. It could allow more people to easily access jobs, shops, and services depending on the subdivision's location.

6. Establish a minimum density in the Single Family Residential (RS) zone near Cherriots' Core Network

- The RS zone does not have a minimum density; a single-family home is allowed on a lot that is at least 4,000 square feet in size. Implementation of House Bill 2001 will generally require the City to allow in single-family zones the following: A duplex on every lot, a triplex on lots that are at least 5,000 square feet, and a quadplex and cottage cluster on lots that are at least 7,000 square feet. Establishing a minimum density on RS-zoned lots near Cherriots' Core Network would help ensure that higher-density middle housing is located near frequent transit service. (No parking is required for three and four-family projects within ¼ mile of the network, so it could be more feasible to see those types of projects there.) It could preclude the development of *new* single-family homes on RS lots, however, depending on the minimum density that was established.

Many of the options above would not only help Salem reduce GHG emissions but would increase the supply of needed multifamily housing. Several of the options would specifically help increase housing near the Core Network, connecting more people with transit service. This would help Salem meet any

related benchmarks the City set.

Additional changes or strategies aimed at reducing GHG emissions are expected to be recommended through the Climate Action Plan project. They will be incorporated into the Our Salem project. This could include strategies related to electric vehicle infrastructure, parking charges, and telework or work-from-home.

In addition, staff is monitoring and participating in rulemaking that is happening at the State level, as mentioned earlier. Specifically, the State has started [Climate-Friendly and Equitable Communities Rulemaking <https://www.oregon.gov/lcd/LAR/Pages/CFEC.aspx>](https://www.oregon.gov/lcd/LAR/Pages/CFEC.aspx) that is expected to result in new requirements that cities must meet to reduce GHG emissions. This is expected to include requiring cities to allow dense housing and mixed-use development in city centers and corridors with high levels of transit service, limiting cities' ability to mandate parking requirements, and requiring planning for electric vehicle charging facilities. (The proposed Comprehensive Plan Map included in the Vision aligns with the requirement related to dense housing and mixed-use development.) Staff plans to incorporate the new requirements, as they are established, into the updated Comprehensive Plan, including changes to the zoning code.

Transportation

Staff has worked with the MWVCOG to analyze the potential impacts the proposed Comprehensive Plan Map - specifically the preferred scenario - could have on the transportation system. The regional transportation model showed where changes to the proposed map could result in certain streets being congested during the afternoon rush hour.

It is important to note that the model does not anticipate changes in transit service or frequency, does not factor in the bicycle or sidewalk network or any improvements to those networks, and does not incorporate any reduction in overall vehicle trips due to mixed-use areas. Instead, the model projects the continued growth of vehicle trips based on population growth in the future.

The model showed a few locations where small sections of roadway could see higher levels of congestion due to future development under the preferred scenario. Staff is working on potential options to address or mitigate the projected impacts on the transportation system. Options could include asking the City Council to accept higher levels of congestion in specific locations or recommending zoning within the proposed Comprehensive Plan designations for specific properties that could result in less vehicle trips. Staff will bring back recommendations to the City Council during the adoption process for updating the Comprehensive Plan.

Multifamily Housing

The Salem Housing Needs Analysis (HNA), completed in December 2014, projected a 207-acre deficit of multifamily land (or 2,897 units) in Salem's portion of our urban growth boundary (UGB) by 2035. This is based on an overall projected need for 7,299 multifamily housing units between 2015 and 2035.

Staff has analyzed the proposed Comprehensive Plan Map and determined that if adopted, it could accommodate Salem's projected multifamily housing need through 2035. Staff made this determination after analyzing recent development and building permit data, examining and updating assumptions from the HNA, and looking at the amount of vacant and partially vacant land that exists

today if the proposed Comprehensive Plan Map were adopted. Specifically, factors or assumptions included the following:

- Roughly 2,800 multifamily units and 150 duplex units have been approved since 2015, according to building permit data through December 2020.
- Middle housing - including duplexes, triplexes, and quadplexes - can be assumed to be developed on single-family land in the future, according to House Bill 2001.
- The amount of buildable Multifamily and Mixed Use land will be significantly increased if the proposed Comprehensive Plan Map is adopted.
- Multifamily housing has recently been developing at a higher density than when the HNA was completed.
- Multifamily housing will be produced through the redevelopment of multifamily and mixed-use land.

As mentioned earlier, the City continues to approve land use applications as the Our Salem project continues. This means land designated on the proposed Comprehensive Plan Map as Mixed Use or Multifamily Residential could be developed instead as single-family housing. If this occurs, staff will continue looking for more multifamily land.

HB 2001

The passage of House Bill 2001 in 2019 will impact housing development in the future, as mentioned above. Under the new law, Salem will be required to allow middle housing - duplexes, triplexes, quadplexes, and cottage clusters - on residential land zoned for single-family detached housing.

Staff plans to bring forward a code amendment to implement HB 2001 later this spring or early summer. Initially, staff had planned to incorporate HB 2001 into the Our Salem project; however, given the State-mandated deadline of June 2022, staff plans to advance the code amendment sooner. In the meantime, staff has created a webpage that answers frequently asked questions related to the new law and its impact on Salem.

When adopting regulations to implement HB 2001, State law requires the City to consider ways to increase the affordability of middle housing. Specifically, the City must consider ordinances and policies that include:

- Waiving or deferring system development charges
- Adopting or amending criteria for property tax exemptions
- Assessing a construction excise tax

Staff is working with Urban Development and Public Work staff to consider these options and bring forward recommendations with the HB 2001 proposed code amendment.

Section E: Planning Commission Input

The Planning Commission held a work session on the updated Our Salem Vision on February 9. Staff provided an overview of the Vision and answered questions. Following a discussion, the Planning Commission voted to forward the following motion to the City Council: The Planning Commission

encourages the City Council to accept the Vision and to direct staff to begin work on bold policies and zoning that address climate change.

The Planning Commission also provided a variety of comments, many of which focused on a desire to see the Vision achieved. Other comments included the following:

- Policies should emphasize addressing homelessness, reducing greenhouse gas emissions, incentivizing affordable housing, and promoting equity in economic development.
- The 12th and 13th Street corridors should be redesignated to Mixed Use.
- The City should prioritize transportation improvements that align with the proposed Comprehensive Plan Map changes.

Section F: Next Steps

If the Our Salem Vision is accepted by the City Council, City staff will continue the work needed to update the Comprehensive Plan. This will include developing detailed policies, proposed zoning map changes, and proposed zoning code changes. Any changes to the Comprehensive Plan Map, zoning map, and zoning code would not be effective until they went through a formal adoption process, which includes public hearings. Staff will also continue engaging the community as zoning map, zoning code, and policy work proceeds.

In particular, staff will develop proposed changes to the zoning map to reflect the proposed Comprehensive Plan Map changes. If an area is proposed to be changed to Mixed Use on the Comprehensive Plan Map, for example, the zoning map would need to be updated to reflect the specific mixed-use zone that would apply to that area. Staff will also prepare proposed zoning code changes, which will include creating new zones (e.g., Neighborhood Hub, R4, and Mixed Use-III) and updating existing zones (e.g. High-Rise Residential).

In addition, staff will revise and add to the proposed policies found in Appendix A of the Vision document. This work is expected to include virtual public meetings on different policy areas, including housing, transportation, and economic development. City staff anticipates those meetings to occur weekly throughout the spring of 2021. All of this work will be done with assistance from staff across City departments and partner agencies.

City staff hopes to bring a proposed updated Comprehensive Plan through the adoption process by the end of 2021. If adopted, staff would then update the Salem Transportation System Plan and Comprehensive Parks System Master Plan to align with the newly updated Comprehensive Plan.

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 - roughly 60,000 more people - and jobs through 2035, and the Our Salem project provides the community with an opportunity to guide how and where that growth occurs. This multi-year project will update the Comprehensive Plan, which is the City's long-range plan for future growth and development.

The City started the Our Salem project in the fall of 2018, working with a consultant team led by Fregonese Associates. The first phase focused on examining the existing conditions of the city and evaluating difference scenarios for how Salem could grow under current policies. It also included the community's first greenhouse gas ([GHG\) inventory <https://www.cityofsalem.net/citydocuments/final-community-greenhouse-gas-inventory.pdf>.](https://www.cityofsalem.net/citydocuments/final-community-greenhouse-gas-inventory.pdf)

The second phase of the project has focused on community-wide visioning. City staff have been talking with community members across the Salem area about their priorities, concerns, and ideas for future growth and development. This phase culminates in the final Our Salem Vision document, discussed in this report. The Vision will lay the foundation for phase three of the Our Salem project - the City's update to the Comprehensive Plan.

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Attachments:

1. Our Salem Vision
2. Cherriots Core Network Map
3. Sensitivity Test