



Staff Report

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Date: 6/27/2016

Item #: 6.c.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Glenn W. Gross, Community Development Director

SUBJECT:

Planning Salem (Bucket List) Update.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Provide the City Council with an update on Planning Salem.

RECOMMENDATION:

Information only.

SUMMARY AND BACKGROUND:

Planning Salem is a long-range planning work program that will address policy issues that were identified during the Unified Development Code (UDC) project. The policy issues fell outside the scope of the UDC project, which was generally policy neutral, and were therefore placed in an imaginary “bucket ” to be reviewed later. The UDC was adopted in May 2014.

On July 28, 2014, the City Council held a work session on Planning Salem where staff presented its recommendation for addressing the outstanding policy issues. The City Council expressed general support for staff’s recommendation. The City Council also directed staff to conduct public outreach and provide staff’s analysis of each policy issue, which is included in **Attachment 1**.

With that work complete, staff has revised its plans and now intends to address the 51 outstanding policy issues through the following approach. The approach focuses on two top priorities - housing issues and overlay zones - and addresses them as part of the Planning Division’s overall long-range planning program that is being called Planning Salem. Staff has identified housing issues and overlay zones as high priorities because they advance City Council goals, have been identified by the public

as a priority, and are related to other planning projects or recommendations.

1. **Housing Issues:** Staff plans to address the housing issues as part of the Salem Housing Needs Analysis (HNA) work plan (see Categories 7 and 8 in Attachment 1).
2. **Overlay Zones:** Staff plans to do a comprehensive review of overlay zones in Salem following the completion of the State Street Corridor Plan project (see Category 1 in Attachment 1).
3. **Other Issues:** The other policy issues identified during the UDC project have either already been addressed, are considered lower priorities based on public input and staff expertise, or should be addressed as part of a broader update to the Comprehensive Plan.

FACTS AND FINDINGS:

Process

The multi-year UDC project streamlined and clarified the City's land use and development codes and was generally policy neutral. Policy issues that were identified by the UDC Advisory Committee and public but that fell outside the scope of the UDC project were set aside in a "bucket list" to be reviewed later. The UDC was adopted in May 2014.

Following the UDC's adoption, staff reviewed the "bucket list" to determine how to strategically manage the outstanding policy issues. This included categorizing issues that were similar or related to each other and then grouping the categories together into strategies, which could provide a framework for addressing the issues. The categories and strategies are included in **Attachment 1**. Staff recommended addressing two categories - Residential Development and Overlay Zones - as top priorities moving forward.

On July 28, 2014, City Council held a work session on Planning Salem where staff presented its recommendation for how to address the outstanding policy issues and asked for direction as to how to proceed. City Councilors expressed general support for staff's recommendation. They directed staff to conduct public outreach to get input from the community and provide staff's analysis of each policy issue. City Councilors also asked staff to reconvene the UDC Advisory Committee to get its input on the policy issues and on how to proceed.

Public Outreach

On Sept. 2, 2014, staff presented Planning Salem and its recommendations to the UDC Advisory Committee and asked for input. The committee expressed support for staff's recommendation but also suggested that staff make it a priority to address policy issues related to Planned Unit Developments. Based on this input, staff has revised its plans and now intends to address the Planned Unit Development issues as part of the HNA work plan.

Between October 2014 and August 2015, staff conducted broad public outreach to get input from the community on the outstanding policy issues. Staff held a public open house at Pringle Hall, and other outreach activities included meetings with the following groups or organizations:

- Salem CityWatch
- Neighborhood association chairs
- Residential realtors
- Home Builders Association of Marion and Polk Counties Government Affairs Committee
- Neighborhood association land use chairs
- Salem Association of Realtors Government Affairs Committee

Input from the public confirmed that the policy issues related to residential development and overlay zones are high priorities in the community. In addition, a desire to allow accessory dwelling units - also known as mother-in-law apartments - arose as a top priority. The allowance of accessory dwelling units in Salem was not identified as an issue during the UDC project and was therefore not on the "bucket list." However, the HNA recommended allowing accessory dwelling units in Salem, and staff is working on this code amendment as the first project on the HNA work plan.

Approach to Address Policy Issues

Staff plans to address the policy issues identified during the UDC project through the following approach. As mentioned earlier, the approach focuses on two top priorities, housing issues and overlay zones, and addresses them as part of the Planning Division's overall long-range planning work program called Planning Salem. This work program includes neighborhood plans, code amendments, the State Street Corridor Plan project, follow-up work to the HNA, and other projects. Staff has identified housing issues and overlay zones as high priorities because they advance City Council goals, have been identified by the public as a priority, and are related to other planning projects or recommendations.

1. Housing Issues

Description: Staff plans to address the housing issues as part of the HNA work plan, which is now underway. The housing issues identified during the UDC project focus on residential infill, design standards for multifamily housing, and Planned Unit Development regulations (see Categories 7 and 8 in Attachment 1). For example, one such issue is to consider establishing different development standards for small multifamily developments.

Relationship to Other Planning Projects: The City completed the HNA in December 2014, and it found that based on the 20-year population forecast, there is a 207-acre deficit of land designated for multifamily housing (2,897 units) in Salem's portion of the UGB. Under state law, the City cannot adopt the HNA without also addressing the projected deficit of multifamily land. The City Council accepted the HNA on February 8, 2016 and directed staff to implement the HNA work plan to address the projected multifamily land deficit. The work plan can be found on the City's website here: <http://www.cityofsalem.net/salem-eoahna>.

The HNA work plan specifically states that staff will consider the policy issues related to residential development that were identified during the UDC project. Those policy issues are related to the code amendment work in the HNA work plan and will be considered in the broader context of addressing Salem's projected deficit of multifamily land. Staff has started to implement the HNA work plan, which includes code amendments as well as the potential redesignation of

land to multifamily. All of the HNA work is expected to take approximately four to five years to complete.

Council Goal: Addressing the housing issues as a top priority will advance the following City Council goal for FY15-17: “Encourage a range of housing types and sizes at a range of affordability levels and coordinate with other agencies to ensure housing meets the needs of our community, develop more downtown housing.”

2. Overlay Zones

Description: Staff plans to do a comprehensive review of overlay zones in Salem following the completion of the State Street Corridor Plan project (see Category 1 in Attachment 1). Overlay zones establish additional regulations beyond the base zone to address issues and objectives in a specific area. There are more than 30 overlay zones in Salem, and they vary in their intent. The policy issues related to overlay zones identified during the UDC project generally focus on the effectiveness of some of Salem’s overlay zones. The sheer number of overlays has also been identified as an issue.

Relationship to Other Planning Projects: The Planning Division is working on the State Street Corridor Plan project, which aims to revitalize State Street from 12th to 25th Street into a vibrant, walkable, mixed-use corridor. The project is expected to result in a new mixed-use zone with simple design standards that encourages pedestrian-oriented, mixed-use development.

Many overlay zones in Salem have similar intents as the State Street Corridor Plan project, as they look to promote pedestrian-oriented, mixed-use districts. The overlay zones, however, have different allowed uses, development standards and design standards, which has been identified by some in the community as overly complicated. Staff plans to use the new mixed-use zone created through the State Street project as a template to simplify, consolidate or eliminate existing overlay zones in Salem as appropriate. The State Street project began in August 2015 and is expected to be complete in the summer of 2017. More information about the State Street Corridor Plan project can be found on the City’s website here:

<http://www.cityofsalem.net/StateStreetCorridorPlan>

Staff’s review of overlay zones will include examining whether the issues and objectives related to their creation still remain. Staff will use this information to recommend whether overlay zones should be modified, eliminated, or left alone.

In addition, Urban Development Department is planning to use West Salem Urban Renewal funds to implement zoning recommendations in the West Salem Business District Action Plan. This work could include a review of overlay zones in West Salem. More information about the West Salem Business District Action Plan can be found on the City’s website here:

<http://www.cityofsalem.net/westsalempln>

Council Goal: Addressing overlay zones as a top priority will advance the following City Council goal for FY15-17: “Continue clean up of overlay and underutilized zones, including historic overlay zones to protect historic properties while allowing for changing community and development needs.” By “clean up,” staff thinks the City Council means that overlay zones should be modified,

consolidated, or eliminated as appropriate.

3. Other Issues

Description: The other policy issues identified during the UDC project have either already been addressed, are considered lower priorities based on public input and staff expertise, or should be addressed as part of a broader update to the Comprehensive Plan. Specifically, more than a dozen policy issues have already been addressed (see pages 8 and 9 in Attachment 1). For example, the UDC addressed the issue of whether government offices should be allowed in the Industrial Business Campus (IBC) zone; such uses are now allowed in the IBC zone.

Other policy issues require a community-wide vision and dialogue. This can best be accomplished by updating the Comprehensive Plan, which has not been holistically updated since the 1970s. For example, the UDC Advisory Committee and public identified several issues related to the Commercial Office (CO) zone during the UDC project. The issues focus on whether certain land uses should be allowed in the CO zone. This relates to the broader questions of what the purpose of the CO zone is and what uses should therefore be allowed. To answer this question, the CO zone should be examined in the context of the other zones in Salem, such as the other commercial zones. This requires broad discussion and input from the community and should therefore be undertaken as part of an update to the Comprehensive Plan.

In conclusion, if the City Council agrees, staff will proceed by working on housing issues as part of HNA work plan and by reviewing and recommending modifications to existing overlay zones following the completion of the State Street Corridor Plan project.

Lisa Anderson-Ogilvie, AICP
Planning Administrator

Attachments:

1. Planning Salem May 2016

05/19/2016