



## Staff Report

**File #:** 21-517

**Version:** 1

**Date:** 12/6/2021

**Item #:** 3.2a.

**TO:** Mayor and City Council  
**THROUGH:** Steve Powers, City Manager  
**FROM:** Norman Wright, Community Development Director

### SUBJECT:

Initiate the process to update the Salem Area Comprehensive Plan, adopt the Housing Needs Analysis, and amend the Comprehensive Plan Map, zoning map, Transportation System Plan, and Salem Revised Code.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Good Governance; Natural Environment Stewardship; Safe Community; Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy; Welcoming and Livable Community.

### SUMMARY:

The City of Salem has developed a draft updated Salem Area Comprehensive Plan (Comprehensive Plan) and changes to the Comprehensive Plan Map, zoning maps, and zoning code to guide future growth and development in Salem. This resolution initiates the adoption process for that work, which is the result of the three-year project called Our Salem. Public hearings will follow initiation and are expected to be held next year.

### ISSUE:

Shall the City Council initiate the adoption process to update the Salem Area Comprehensive Plan, adopt the Housing Needs Analysis, and amend the Comprehensive Plan Map, zoning map, Transportation System Plan, and Salem Revised Code?

### RECOMMENDATION:

Adopt Resolution No. 2021-48 to:

- 1) Initiate the following:
  - a. Adoption of the updated Salem Area Comprehensive Plan (**Exhibit A of Attachment 1**);
  - b. Changes to the designation of properties on the Comprehensive Plan Map as shown in

**Exhibit B of Attachment 1** and on the Generalized Land Use Maps in the CANDO, ELNA, Liberty-Boone, Grant, Highland, NESCA-Lansing, Morningside, NEN-SESNA, South Gateway, Sunnyslope, and West Salem Neighborhood Plans;

- c. Changes to the zoning of properties as shown in **Exhibit C of Attachment 1**;
  - d. Amendments to the Salem Revised Code;
  - e. Amendments to the Salem Transportation System Plan, a component of the Salem Area Comprehensive Plan; and
  - f. Adoption of the Salem Housing Needs Analysis
- 2) Refer the matter to the Planning Commission for public hearing and recommendation.

## FACTS AND FINDINGS:

### *Procedural Findings*

- 1) The City of Salem 2017 Strategic Plan identified a goal to develop a “comprehensive, long-term vision for future growth and development in Salem that has community participation” and two specific actions: Conducting citywide visioning and updating the Salem Area Comprehensive Plan with the results of that visioning.
- 2) The City Council approved funding in 2017 to hire consultant and update the Comprehensive Plan.
- 3) The City, with support from a consultant team led by Fregonese Associates, undertook a multi-year project called Our Salem to update the Salem Area Comprehensive Plan, which included extensive community engagement.
- 4) The result of the Our Salem project includes an updated Salem Area Comprehensive Plan; proposed changes to the Comprehensive Plan Map, zoning map, and generalized land use maps of several neighborhood plans; and proposed amendments to the Salem Revised Code.
- 5) The proposed changes to the Comprehensive Plan Map accommodate Salem’s projected housing needs, allowing for the Salem Housing Needs Analysis (HNA) to be adopted as a support document to the Comprehensive Plan.
- 6) The proposed changes are: Adoption of the updated Salem Area Comprehensive Plan and amendments to the Transportation System Plan are “Major Comprehensive Plan Amendments” that must be initiated by the City Council under SRC 64.020(e)(1); changes to the Salem Area Comprehensive Plan Map and generalized land use maps in neighborhood plans are “Major Plan Map Amendments” that must be initiated by the City Council under SRC 64.025(b)(1); legislative zone changes may be initiated by the City Council under SRC 265.010(c); proposed amendments to the Salem Revised Code may be initiated by the City Council by resolution under SRC 300.1110(a); and adoption of the HNA as a support document to the Salem Area Comprehensive Plan is considered a “Major Comprehensive Plan Amendment” that must be initiated by the City Council under SRC 64.020(e)(1) with associated amendments to SRC Chapter 64, Comprehensive Planning, that may be initiated by the City Council under SRC 300.1110(a)(1).
- 7) The City Council may refer the matter to the Planning Commission for public hearing and recommendation pursuant to SRC 300.1110(a)(1).
- 8) Legislative zone changes and amendments to the Comprehensive Plan, Comprehensive Plan Map, Neighborhood Plan Maps, and UDC require notice to the Director of the Department of Land Conservation and Development no later than 35 days before the first public hearing pursuant to SRC 300.1110(d). Because the proposed code amendment and Comprehensive Plan Map and

zoning map changes restrict some land uses, ORS 227.186 requires written individual notice to the owner of each affected property. This notice is commonly referred to as a “Ballot Measure 56 notice.” All required notices will be provided prior to any public hearings on the proposed amendment.

### ***Project Overview and Outreach***

The City kicked off the Our Salem project in 2018 and has involved community-wide engagement over three years. The project started with an examination of the existing conditions of Salem. The first phase of the project also looked at how the Salem area could grow under existing policies. It resulted in a report card that evaluated whether Salem was heading in the right direction given current policies and therefore set the stage for the second phase of the project, community-wide visioning. The first phase also resulted in Salem’s first greenhouse gas emissions inventory, which has informed the rest of the Our Salem project as well as the climate action plan work that is nearing completion.

The visioning phase of the Our Salem project started in late summer 2019. City staff conducted extensive outreach throughout the Salem area to understand the community’s priorities, concerns, and ideas for future growth and development. Staff engaged residents, businesses, neighborhoods, community organizations, partner agencies, and others through a variety of in-person and online meetings, events, workshops, surveys, webinars, emails, mailed flyers, social media, and other outreach tools. Specifically, staff engaged with more than 80 community groups and attended more than 180 in-person or virtual meetings. The project website served as the hub of information and updates: <https://www.cityofsalem.net/our-salem>.

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

The visioning phase had three major milestones.

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

The last phase of the project focused on developing and refining detailed policies to support the goals in the Vision as well as proposing changes to the zoning map and zoning code to reflect the Our Salem Vision. Outreach included weekly virtual policy meetings on different topics, an interactive

proposed zoning map that resulted in more than 1,500 comments, continued meetings with community organizations, and continued coordination with partner agencies such as Cherriots and other jurisdictions such as Marion and Polk counties. Staff also closely collaborated with the climate action plan work that is being led by the Public Works department.

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

### ***Proposed Amendments***

#### ***1) Update the Salem Area Comprehensive Plan***

The draft Comprehensive Plan would replace the existing Comprehensive Policies Plan, updating the goals and policies in line with the community's priorities and vision for the future. The draft plan covers a broad range of topics, including community engagement and equity, housing, economic development and employment, land use and urbanization, parks and recreation, natural resources and the environment, climate change and natural hazards, Willamette Greenway, transportation, public facilities and infrastructure, and community services and historic resources.

For each topic, there are proposed goals, which are board in nature and support the community's Vision Statement: *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.* For example, the goals 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 proposed goals - and related policies - do not exist in the current Comprehensive Plan but instead reflect the community's priorities for the future. There are many proposed policies, for example, related to equity and broadening community engagement. One such policy emphasizes the community's desire to ensure that the City expands opportunities for communities of color, low-income residents, and other underrepresented groups to participate in planning and investment decisions. Policies that promote equitable outcomes are also included throughout the draft plan.

There are also proposed goals and policies that aim to build community resiliency and help reduce greenhouse gas emissions to meet the City's goal of being carbon neutral by 2050. The proposed policies align with the draft strategies that were developed as part of the climate action plan work. For example, one proposed policy supports the development of a robust network of infrastructure needed to facilitate wide-scale adoption of electric vehicles, and another proposes implementing programs and practices that reduce the amount of waste sent to landfills and incinerators.

The proposed goals related to transportation and parks are included in the draft Comprehensive Plan; however, the related policies will be included in the Salem Transportation System Plan (TSP) and Salem Comprehensive Parks System Master Plan (CPSMP). Both documents are components of the Comprehensive Plan and are expected to be updated with detailed policies following adoption of the updated Comprehensive Plan. The Comprehensive Plan takes precedence over the components if

there are conflicts in provisions, pursuant to SRC Chapter 64. **Attachment 2** is a list of transportation and parks-related policy ideas that have come out of the Our Salem project and will be forwarded for inclusion in the TSP and CPSMP when they are updated.

The draft Comprehensive Plan also includes new benchmarks that align and advance the proposed policy to facilitate and support changes in land use patterns and the transportation system to reduce single-occupancy vehicle trips and greenhouse gas emissions from transportation. The benchmarks generally aim to encourage and focus new housing units in mixed-use areas downtown and near Cherriot's Core Network. (The Core Network is a network of bus service corridors where frequent service is prioritized.)

In addition, the draft Comprehensive Plan includes an appendix that lays out implementation steps that the City plans to undertake after the Our Salem project is complete and the updated Comprehensive Plan is adopted. Those steps include:

- Update the Transportation System Plan to align with the updated Comprehensive Plan
- Update the Comprehensive Parks System Master Plan to align with the updated Comprehensive Plan
- Coordinate and implement strategies in the Climate Action Plan
- Conduct a new Economic Opportunities Analysis
- Conduct a Goal 5 inventory
- Develop a Housing Production Strategy

2) *Amend the Comprehensive Plan Map, Zoning Map, and Generalized Land Use Map in the 11 neighborhood plans*

The proposed changes to the Comprehensive Plan Map, zoning map, and the generalized land use maps in 11 neighborhood plans aim to advance the goals and policies in the Comprehensive Plan. The proposed changes to the Comprehensive Plan Map designations and zoning of properties reflect four big ideas about where the community wants to see different types of land uses and development in the future. These big ideas are incorporated into several policies in the Comprehensive Plan.

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

The generalized land use maps in 11 neighborhood plans are carbon copies of the existing Comprehensive Plan Map and are therefore being amended to reflect the *updated* Comprehensive Plan Map. This proposed amendment would not impact any vision maps or opportunity maps in the neighborhood plans. Salem's existing Comprehensive Plan Map and Zoning Map have been attached for reference (**Attachments 3 and 4**).

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## Mixed Use

The proposed Comprehensive Plan Map and zoning map changes significantly expand mixed-use areas in Salem, particularly along major corridors with frequent transit service as well as in and around downtown. Specifically, 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 (MU) and River Oriented Mixed Use (ROM) Comprehensive Plan Map designations would be implemented by existing and new mixed-use zones, including the Mixed Use-I (MU-I), Mixed Use-II (MU-II), proposed Mixed Use-III (MU-III), and proposed Mixed Use-Riverfront (MU-R) zones. All of those zones would allow but not require 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-designated and mixed-use zoned 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 and rezoned to MU-I, MU-II, or MU-III. 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 currently served by transit, they offer opportunities to incorporate commercial services, shops, and jobs into otherwise residential areas. Redesignating and rezoning these areas to allow for a mix of uses would help create more complete neighborhoods as Salem continues to grow.

## Housing

The proposed Comprehensive Plan Map and zoning map changes provide more opportunities for a mix of housing types to be developed across Salem's neighborhoods. Specifically, the proposed maps add land designated as Multi-Family Residential (MF) and zoned Multiple Family Residential-I (RM-I) or Multiple Family Residential-II (RM-II) throughout the Salem area, as opposed to concentrating it in one neighborhood. The proposed maps also encourage more housing near transit service by adding mixed use areas along Cherriots' Core Network, as mentioned earlier.

This addition of MF-designated land and MU-designated land is critical to Salem meeting its future housing needs, as described in the Salem Housing Needs Analysis (HNA). The 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 on multifamily land 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 building permit data and the amount of vacant and partially vacant land that exists today if the proposed Comprehensive Plan Map were adopted. Meeting Salem's projected housing needs through Comprehensive Plan Map changes allows the City to adopt the HNA, along with the map changes.

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## Neighborhood Hubs

The proposed Comprehensive Plan Map and zoning map changes allow for the creation of neighborhood hubs. A newer idea in Salem, neighborhood hubs are intended to be small clusters of businesses in residential neighborhoods. They would provide neighbors with safe, convenient access to shops and services to help meet their daily needs, and they would help create more complete neighborhoods.

Neighborhood hubs are designated as Mixed Use on the proposed Comprehensive Plan Map and zoned Neighborhood Hub (NH), which would be a new zone in Salem. 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. (Some specific types of businesses such as liquor stores, tobacco stores, tattoo parlors, night clubs, and medical laboratories would be prohibited.) Single-family homes would continue to be allowed. Standards would be established to limit hours of operation, promote pedestrian-oriented development, and help ensure new structures that are scaled and designed to be sensitive to the neighborhood context.

The proposed zoning map includes 13 neighborhood hubs across Salem (down from 34 in the spring). The proposed hubs 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.

## Employment

The proposed Comprehensive Plan Map and zoning map changes expand existing employment areas in Salem. Specifically, the proposed maps expand the amount of Industrial Commercial (IC) land in Salem. This Comprehensive Plan designation - and corresponding IC zone - allows for a mix of commercial and industrial uses. For example, land in and around the Fairview Industrial area has been redesignated and rezoned to IC.

The proposed maps also maintain existing industrial land throughout Salem, including areas along Portland Road, Salem Parkway, McGilchrist Street, Sunnyview Road around 16<sup>th</sup> Street, and the Mill Creek Corporate Center. The industrial area in inner West Salem is proposed to be redesignated and rezoned to allow for a mix of uses, but the proposed zoning there includes a provision that would allow existing industrial businesses to continue and new industrial businesses to move into existing industrial buildings. This creates flexibility in when that industrial area transitions to a mixed-use area.

## Other changes

The proposed changes to the zoning map eliminate 18 overlay zones. Many of those overlay zones are no longer necessary because the underlying zone is proposed to change to a mixed-use zone; the overlays had previously promoted mixed-use development when the underlying zone was, for example, a commercial zone. Eliminating overlay zones has been a priority of the City over the years, as the community and City Council has asked for zoning to be streamlined and simplified. Historic districts will remain as will several overlay zones along portions of Commercial Street SE and Portland Road NE.

In addition, the proposed changes to the Comprehensive Plan Map and zoning maps fix inconsistencies between the two maps on more than properties throughout Salem. Inconsistencies between Comprehensive Plan Map designations and zones create challenges when property owners want to develop or redevelop their land.

### 3) *Amend the Salem Revised Code*

#### New zones

The proposed amendments to the Salem Revised Code create three new zones: the NH zone, MU-III zone, and MU-R zone. The proposed NH zone, as mentioned earlier, would allow small-scale services and shops in addition to single-family and middle housing types (e.g., duplex, triplex, quadplex, townhouses, and cottage clusters as required by state law).

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

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

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

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

#### Zoning Subcommittee Recommendations

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



transportation. The public was invited to attend and provide input during the virtual meetings.

The Zoning Subcommittee's recommendations align with the draft strategies developed as part of the climate action plan work as well as the goals and policies in the draft Comprehensive Plan.

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

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

### **Next Steps**

Staff will send out notice to DLCD and affected property owners early next year in advance of public hearings at the Planning Commission and City Council, if this matter is so referred by the City Council.

### **BACKGROUND:**

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

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

Eunice Kim  
Long Range Planning Manager

### **Attachments:**

1. Resolution 2021-48
2. Exhibit A - Draft Comprehensive Plan

3. Exhibit B - Draft Changes to the Comprehensive Plan Map
4. Exhibit C - Draft Changes to the Zoning Map
5. Transportation and Parks policy ideas
6. Existing Comprehensive Plan Map
7. Existing Zoning Map