



## Staff Report

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**File #:** 22-213

**Version:** 1

**Date:** 5/23/2022

**Item #:** 7.1c.

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**TO:** Mayor and City Council

**THROUGH:** Kristin Retherford, Interim City Manager

**FROM:** Norman Wright, Community Development Department Director

### **SUBJECT:**

Our Salem Project - Amending the Comprehensive Plan Map and Zoning Map.

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.

### **SUMMARY:**

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

### **ISSUE:**

Shall City Council conduct a public hearing on Ordinance Bill No. 10-22 for the purpose of revising the Comprehensive Plan Map, neighborhood plan maps, and zoning map and advance to second reading?

### **RECOMMENDATION:**

Conduct a public hearing on Ordinance Bill No. 10-22 for the purpose of revising the Comprehensive Plan Map, neighborhood plan maps, and zoning map and advance to second reading

### **FACTS AND FINDINGS:**

#### ***Procedural Findings***

1. The City of Salem 2017 Strategic Plan identified a goal to develop a “comprehensive, long-term vision for future growth and development in Salem that has community participation” and two specific actions: Conducting citywide visioning and updating the Salem Area Comprehensive Plan with the results of that visioning.
2. The City Council approved funding in 2017 to hire a consultant and update the Comprehensive Plan.
3. The City, with support from the consultant team led by Fregonese Associates, undertook a multi-year project called Our Salem to update the Salem Area Comprehensive Plan, which included extensive community engagement.
4. The result of the Our Salem project includes an updated Salem Area Comprehensive Plan; proposed changes to the Comprehensive Plan Map, zoning map, and generalized land use maps of several neighborhood plans; and proposed amendments to the Salem Revised Code.
5. The proposed changes to the Comprehensive Plan Map accommodate Salem’s projected housing needs, allowing for the Salem Housing Needs Analysis (HNA) to be adopted as a support document to the Comprehensive Plan.
6. The proposed changes are considered the following: Adoption of the updated Salem Area Comprehensive Plan is a “Major Comprehensive Plan Amendment” that must be initiated by the City Council under SRC 64.020(e)(1); changes to the Salem Area Comprehensive Plan Map and generalized land use maps in neighborhood plans are “Major Plan Map Amendments” that must be initiated by the City Council under SRC 64.025(b)(1); legislative zone changes may be initiated by the City Council under SRC 265.010(c); proposed amendments to the Salem Revised Code may be initiated by the City Council by resolution under SRC 300.1110(a); and adoption of the HNA as a support document to the Salem Area Comprehensive Plan is considered a “Major Comprehensive Plan Amendment” that must be initiated by the City Council under SRC 64.020(e)(1) with associated amendments to SRC Chapter 64, Comprehensive Planning, that may be initiated by the City Council under SRC 300.1110(a)(1).
7. The City Council may refer the matter to the Planning Commission for public hearing and recommendation pursuant to SRC 300.1110(a)(1). On December 6, 2021, the City Council initiated the amendments with Resolution 2021-48 and referred the matter to the Planning Commission for public hearing and recommendation.
8. SRC 300.1110(e)(1)(A) requires that the City mail notice of the first evidentiary public hearing in a legislative land use proceeding not more than 40 days, but not less than 20 days prior to the first hearing. Legislative zone changes and amendments to the Comprehensive Plan, Comprehensive Plan Map, Neighborhood Plan Maps, and UDC require notice to the Director of the Department of Land Conservation and Development no later than 35 days before the first public hearing pursuant to SRC 300.1110(d). Because the proposed code amendment and Comprehensive Plan Map and zoning map changes restrict some land uses, ORS 227.186 requires written individual notice to the owner of each affected property. This notice is commonly referred to as a “Ballot Measure 56 notice.” All required notices have been provided in accordance with the above requirements.
9. On March 15 and April 5, 2022, the Planning Commission held a public hearing to review and receive public testimony on the proposed amendments. The Planning Commission closed the public hearing on April 5, 2022 and voted to deliberate at its April 19, 2022 meeting. On April 19, 2022, the Planning Commission voted to recommend City Council approval of the proposed amendments with revisions (**Attachment 1**). The revisions recommended for the Comprehensive Plan Map and/or zoning map are below:
  - a. Remove the proposed map changes at 3094 Gehlar Road NW

- b. Expand the proposed MU-II zone to encompass the entire property for the 3100 Block of Orchard Heights Rd NW
- c. Rezone 2916 Orchard Heights Rd NW to MU-II instead of RM-II

The Planning Commission's recommendations have been incorporated into the ordinances before the City Council for consideration.

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

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

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

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

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

The visioning phase had three major milestones.

1. **Visioning:** City staff conducted public outreach throughout the community to understand people's overall priorities and goals for future growth. City staff, working with a consultant team, also asked the community to show on maps where different types of development were desired in the future.
2. **Scenarios:** Using that input, City staff worked with the consultant team to create guiding principles and four scenarios for future growth. The scenarios were maps that tested various ideas for where different development types should occur.
3. **Community vision:** The community's input was used to develop the Our Salem Vision, which was presented to and accepted by the City Council in March. The vision included high-level goals and a map that was used to guide the third phase of the Our Salem project.

The last phase of the project focused on developing and refining detailed policies to support the goals

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

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

### ***Proposed Amendments***

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

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

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

The proposed changes to the Comprehensive Plan Map designations are included as Exhibit A of Ordinance Bill No. 10-22, and the proposed changes to the zoning map are included as Exhibit B of Ordinance Bill No. 10-22 (**Attachment 3**).

The proposed changes to the Comprehensive Plan Map, zoning map, and the generalized land use maps in 10 neighborhood plans - CANDO, ELNA, Faye Wright, Grant, Highland, NESCA-Lansing, Morningside, NEN-SESNA, Sunnyslope, and West Salem Neighborhood Plans - aim to advance the goals and policies in the Comprehensive Plan. All of the properties impacted by a proposed map change is listed in **Attachment 4**.

The proposed map changes 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 10 neighborhood plans are carbon copies of the existing Comprehensive Plan Map and are therefore being amended to reflect the proposed changes to the 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 Designations (**Attachment 5**) and existing Zoning Map (**Attachment 6**) have been attached for reference.

### 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 roughly 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 changes 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. Adoption of the HNA (Ordinance Bill No. 12-22) is concurrently being considered by the City Council.

### Neighborhood Hubs

The proposed Comprehensive Plan Map and zoning map changes allow for the creation of neighborhoods 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 changes include 13 neighborhood hubs across Salem (down from 34 last year). 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. (These are in addition to two others that have already been eliminated through the recent Unified Development Code update). 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 roughly 700 properties throughout Salem. Inconsistencies between Comprehensive Plan Map designations and zones create challenges when property owners want to develop or redevelop their land.

#### Planning Commission and Other Recommended Revisions

As mentioned earlier, the Planning Commission voted on April 19, 2022 to recommend City Council approval of the proposed amendments with the following revisions to the Comprehensive Plan Map and/or Zoning Map:

- a. Remove the proposed map changes at 3094 Gehlar Road NW

Staff initially proposed to rezone the property from Residential Agriculture (RA) to MU-II to allow - but not require - commercial uses to be developed in the future. The property, which is at the intersection of Eola and Doaks Ferry roads NW, is owned and occupied by a church. During the Planning Commission public hearing, the land use chair of the West Salem Neighborhood Association voiced opposition to the proposed rezoning. The Planning Commission subsequently voted to recommend removing the proposal from the Our Salem project, which means the existing RA zoning would remain. Staff has incorporated the Planning Commission's recommendation into the proposal before the City Council, so the property is no longer proposed to be rezoned to MU-II. (The property owner has since expressed interest in having the church property rezoned to allow future commercial uses.)

- b. Expand the proposed MU-II zone to encompass the entire property for the 3100 Block of Orchard Heights Road NW

Staff initially proposed rezoning the northern portion of properties south of Orchard Heights Road NW and east of Settlers Spring Drive NW to MU-II to allow for a mix of housing and commercial uses. The property owner requested that the entirety of the properties be rezoned from RA to MU-II to allow for a more cohesive development proposal in the future. The Planning Commission voted to recommend that change, which has been incorporated into the proposal before the City Council.

- c. Rezone 2916 Orchard Heights Rd NW to MU-II instead of RM-II

Staff initially proposed rezoning the property to RM-II to allow for multifamily housing. The

property owner requested that the property be rezoned instead to MU-II to allow for commercial uses (in addition to residential uses). The Planning Commission voted to recommend that change, which has been incorporated into the proposal before the City Council.

In addition, staff has recommended and incorporated additional revisions to the proposed changes to the Comprehensive Plan Map and zoning map. These additional revisions have been made to reflect and/or align with recent land use decisions, pending land use applications, or existing zoning. The additional recommended revisions are listed in **Attachment 7**, which includes a spreadsheet.

### *Amend the Salem Revised Code*

The proposed code amendment to the Salem Revised Code (Ordinance Bill No. 11-22) is being concurrently considered by the City Council. The proposed amendment creates three new zones: the Neighborhood Hub (NH) zone, Mixed Use-III (MU-III) zone, and Mixed Use-Riverfront (MU-R) zone. In addition, it incorporates recommendations of the Our Salem Zoning Subcommittee, which included four City Councilors and four Planning Commissioners. That subcommittee recommended six zoning options intended to help reduce greenhouse gas emissions from transportation in line with strategies in Salem's Climate Action Plan as well as the goals and policies in the draft Comprehensive Plan.

### *Testimony Received*

The comments provided during the Planning Commission public hearing can be found on the Our Salem project webpage here:  
<<https://www.cityofsalem.net/meetingdocs/ca21-04-our-salem-written-testimony-for-salem-planning-commission.pdf>> Additional comments that have been submitted following the Planning Commission public hearing through May 6, 2022 are included in **Attachment 8**. Staff responses are included as Exhibit 1 to the findings included in Ordinance No. 10-22 **Attachment 9**.

### *Substantive Findings*

The proposal includes amendments to the Comprehensive Plan Map, generalized land use maps in 10 neighborhood plans, and zoning map.

1. SRC 64.025 establishes the following approval criteria for a major Comprehensive Plan map amendment to be approved:
  - a. The amendment is in the best interest of the public health, safety, and welfare of the City; and
  - b. The amendment conforms to the applicable statewide planning goals and applicable administrative rules adopted by the Department of Land Conservation and Development.  
In considering a major plan map amendment whether the amendment has a significant effect on a City-owned transportation facility per OAR 660-012- 0060(1), the following shall be considered:
    - c. *Performance standard.* The performance standard shall be a volume to capacity ratio of 1.0 during the peak travel hour, which is the standard established in the Salem Transportation System Plan for operation of existing streets and intersections.



d. *Determining significance.* For the purposes of determining whether a proposed major plan map amendment will degrade the performance of an existing or planned transportation facility for OAR 660-012-0060(1)(c)(C) and (D), the following will not be considered significant:

- (aa) The plan map amendment increases average daily trips on a facility by fewer than 200 daily vehicle trips, or
  - (bb) The calculated volume to capacity ratio with proposed plan amendment is within 0.03 of the volume to capacity ratio with existing plan map designations.
- If the amendment is determined to have a significant effect, OAR 660-012-0060(2)-(4) shall apply.

Findings demonstrating the proposal's conformance with the applicable approval criteria are included in Exhibit C to Ordinance Bill No. 10-22 (**Attachment 3**).

2. SRC 265.010 establishes the following approval criteria for a legislative zone change to be approved:
  - a. The zone change is in the best interest of the public health, safety, and welfare of the City;
  - b. The zone change complies with the Salem Area Comprehensive Plan, applicable statewide planning goals, and applicable administrative rules adopted by the Department of Land Conservation and Development;
  - c. If the zone change requires a comprehensive plan change from an industrial designation to a non-industrial designation, or a comprehensive plan change from a commercial or employment designation to any other designation, a demonstration that the proposed zone change is consistent with the most recent economic opportunities analysis and the parts of the comprehensive plan which address the provision of land for economic development and employment growth; or be accompanied by an amendment to the comprehensive plan to address the proposed zone change; or include both the demonstration and an amendment to the comprehensive plan; and
  - d. The zone change does not significantly affect a transportation facility, or, if the zone change would significantly affect a transportation facility, the significant effects can be adequately addressed through the measures associated with, or conditions imposed on, the zone change.

Findings demonstrating the proposal's conformance with the applicable approval criteria are included in Exhibit D to Ordinance Bill No. 10-22 (**Attachment 3**).

## BACKGROUND:

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

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

discussed in this staff report.

Eunice Kim  
Long Range Planning Manager

**Attachments:**

1. Planning Commission Recommendation
2. Our Salem Outreach Summary
3. Ordinance Bill No. 10-22
4. Proposed Map Change Properties
5. Existing Comprehensive Plan Map
6. Existing Zoning Map
7. Additional Recommended Map Revisions
8. Public Testimony after Planning Commission Hearing through May 6, 2022
9. Public Testimony