



Staff Report

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Date: 5/23/2022
Item #: 7.1e.

TO: Mayor and City Council
THROUGH: Kristin Retherford, Interim City Manager
FROM: Norman Wright, Community Development Department Director

SUBJECT:

Our Salem Project - Adopting the Salem Housing Needs Analysis.

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 is proposing to adopt the Salem Housing Needs Analysis as part of the Our Salem project. The Our Salem project is a multi-year project to update the Salem Area Comprehensive Plan.

ISSUE:

Shall City Council conduct a public hearing on Ordinance Bill No. 12-22 for the purpose of adopting the Salem Housing Needs Analysis and advance to second reading?

RECOMMENDATION:

Conduct a public hearing on Ordinance Bill No. 12-22 for the purpose of adopting the Salem Housing Needs Analysis 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 Our Salem Project. The Planning Commission did not recommend any changes to the Housing Needs Analysis.

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 (Ordinance Bill No. 10-22) and the proposed changes to the zoning map (Ordinance Bill No. 10-22) are being concurrently considered by the City Council. 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.

Housing Needs Analysis

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. 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 on Multifamily land between 2015 and 2035.

Staff has analyzed the proposed changes to the Comprehensive Plan Map and determined that if the changes are adopted, Salem's projected multifamily housing need through 2035 could be accommodated in Salem's portion of the UGB. 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. Therefore, adoption of the HNA (Ordinance Bill No. 12-22) is being considered by the City Council (**Attachment 3**).

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 4**. Staff responses are included as Exhibit 1 to the findings included in Ordinance No. 12-22 (**Attachment 5**).

Substantive Findings

Adopting the HNA as a support document to the Salem Area Comprehensive Plan involves a major Comprehensive Plan amendment. SRC 64.020 establishes the following criteria for a major Comprehensive Plan amendment:

- 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.

Findings demonstrating the proposal's conformance with the applicable approval criteria are included in Exhibit B to Ordinance Bill No. 12-22 (**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. 12-22
4. Public Testimony after Planning Commission Hearing through 5-6-22
5. Public Testimony