



Staff Report

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Item #: 5.a.

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

SUBJECT:

Deliberations - Our Salem Project. The public hearing is closed, only written testimony will be accepted.

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:

Deliberations on proposed updates to the Salem Area Comprehensive Plan (Comprehensive Plan); the Comprehensive Plan Map, Neighborhood Plan maps, zoning maps, and Salem Revised Code and adoption of the Salem Housing Needs Analysis to guide future growth and development in Salem.

ISSUE:

Shall City Council advance to second reading Ordinance Bills No. 9-22,10-22, 11-22 and 12-22?

RECOMMENDATION:

Advance to second reading Ordinance Bills No. 9-22,10-22, 11-22 and 12-22.

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 the following revisions (**Attachment 1**):
 - a. Remove the proposed map changes at 3094 Gehlar Road NW (Proposed Zone Change Map 173 and Proposed Comp Plan Change Map 145)
 - b. Expand the proposed MU-II zone to encompass the entire property for the 3100 Block of Orchard Heights Rd NW (Comp Plan Map 160 and Zone Change Map 190) and that

- c. Rezone 2916 Orchard Heights Rd NW to MU-II instead of RM-II (Comp Plan Map 159 and Zone Change Map 188)
- d. Update the policy language in Policies H 2.1, H 3.2 and H 1.3 as described in the supplemental staff report dated April 5th to be more inclusive for low-income housing, subsidized housing, and public housing

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

- 10. On May 23, 2022, the City Council voted to hold a public hearing of Ordinance Bills No. 9-22, 10-22, 11-22, and 12-22.
- 11. On June 13, 2022, the City Council voted to close the public hearing and leave the written record open for submission of additional written evidence and testimony.

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 through February of 2022 (**Attachment 2**). Project updates have been on-going throughout the adoption process.

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 amendment to update the Comprehensive Plan is included as Exhibit A of Ordinance Bill No. 9-22 (**Attachment 3**), and it is included in Spanish as **Attachment 4**.

The draft Comprehensive Plan 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.

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.

A revision to the description of the Willamette River Greenway Boundary on page 15 of the draft Comprehensive Plan is recommended by staff in response to public input. The revision adds the following sentence to the Greenway Boundary description: "The boundary defines those areas adjacent to the Willamette River that are included in the State and local Greenway Plans and which

are subject to the Greenway policies.” The revision was not included in Ordinance Bill No. 9-22 as it was presented for first reading, so staff recommends that the City Council direct staff to engross the ordinance to include the revision.

Many of the proposed goals in the draft Comprehensive Plan - and the related policies - do not exist in the current Comprehensive Plan but instead reflect the community’s priorities today 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 strategies in Salem’s Climate Action Plan. 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 TSP and Salem Comprehensive Parks System Master Plan (CPSMP). Both documents are expected to be updated with detailed policies following adoption of the updated Comprehensive Plan. **Attachment 5** 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 Cherriots’ 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:

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

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 6**).

The proposed changes to the Comprehensive Plan Map, zoning map, and the generalized land use maps in 10 neighborhood plans - CANDU, 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 7**.

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 8**) and existing Zoning Map (**Attachment 9**) 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. (The HNA is included as Exhibit A in Ordinance Bill No. 12-22 in **Attachment 10**.)

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 16th 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:

- 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 properties 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 west of Settlers Spring Drive NW to MU-II to allow for a mix of housing and commercial uses. There was a request during the Planning Commission's public hearing 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.

- d. Update the policy language in Policies H 2.1, H 3.2 and H 1.3 as described in the supplemental staff report dated April 5th to be more inclusive for low-income housing, subsidized housing, and public housing

The Planning Commission requested the language changes following public testimony by community organizers that focused on ensuring low-income, subsidized housing, and public housing were equitably distributed across the Salem area, including in south and west Salem. The changes have 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 are being 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 11**, which includes a spreadsheet. At second reading, City Council will be asked to engross the ordinances to incorporate these changes.

Amend the Salem Revised Code

The proposed code amendment is included as Exhibit A of Ordinance Bill No. 11-22 (**Attachment 12**).

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. 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 strategies in Salem's Climate Action Plan 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 base 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 vacant land within ¼ mile of Cherriot's Core Network

Corresponding amendments

The proposed code amendment includes corresponding changes to various other parts of the UDC to reference and incorporate the proposed new zones and remove references to zones and overlay zones that are proposed to be eliminated. Revisions to SRC 900 (Sign Code) were not included in Ordinance Bill No. 11-22 as it was presented for first reading, so staff recommends that the City Council direct staff to engross the ordinance to include these additional recommended changes. These changes to the Sign Code establish development standards for the proposed new zones that generally follow standards for existing similar zones. The additional recommended changes to SRC 900 are included in Exhibit A of Ordinance Bill No. 11-22 attached to this staff report.

For existing land use applications that have gone through their respective review process and have been approved but development has not yet commenced prior to the expiration date of the approval, a Class 1 extension may be approved. It is not the intent of the proposed amendments, however, to invalidate existing land use approvals, or existing land use applications that are being reviewed under current standards, or to preclude them from being extended when there is still time remaining under their original approval. To ensure that the proposed amendments do not unintentionally prevent the approval of extensions to existing land use decisions that have been through the review process and approved, or existing land use applications that are currently submitted and under review based on the current standards, staff recommends that the City Council direct staff to add a section to Ordinance Bill No. 11-22 specifying that.

Testimony Received

Public testimony on the proposed amendments was received during the public hearing process at the Planning Commission and City Council. The comments provided at the City Council public hearing and through June 30, 2022 are summarized with staff responses below. All of the public comments from the Planning Commission and City Council public hearing process are summarized with staff responses in Exhibit 1 to the findings included in Ordinance No. 9-22, 10-22, 10-22, and 11-22 in **Attachment 13**.

The written testimony provided for the Planning Commission public hearing is included in full here: <https://www.cityofsalem.net/home/showpublisheddocument/15576/637904588194370000>. Additional written testimony provided for the City Council public hearing through June 30, 2022 is included in full here

<https://www.cityofsalem.net/home/showpublisheddocument/15588/637904588233130000> and in Attachment 14

<<https://www.cityofsalem.net/home/showpublisheddocument/15588/637904588233130000%20and%20in%20Attachment%2014>>. A staff memorandum addressing comments is also included as Attachment 15.

1. A comment was received from the owner of properties along Fairview Industrial Drive in support of the proposed rezoning to Industrial Commercial.
2. A comment was received from the South Central Association of Neighbors (SCAN) requesting that the Mixed Use-II (MU-II) zone be applied to properties located along Commercial St. SE within SCAN boundaries instead of other mixed-use zones. SCAN's request was specifically to extend the MU-II zone on the east side of Commercial Street SE from Mission St. SE to Vista Ave. SE and on the west side of Commercial St. SE from Mission St. SE to Myers St. SE and from Superior St. S to Pioneer Cemetery.

Staff Response: Properties adjacent to Commercial St. SE between Mission St. SE and Myers St. SE are proposed to be zoned Mixed Use-I (MU-I), as well as properties on the east side of Commercial St. SE between Mission St. SE and Leslie St. SE. These properties are currently zoned CR.

Staff proposed to rezone this corridor to MU-I for several reasons. The community has voiced support for increasing density - including specifically residential density - in and around the downtown area, as it includes many jobs, services, shops, and amenities as well as having frequent transit service. The MU-I zone permits taller buildings - and therefore more potential housing - than the MU-II zone, as the maximum height in the MU-I zone is 65 feet compared to 55 feet in the MU-II zone. As noted by SCAN, the lots are relatively small on Commercial Street SE south of Mission Street SE; by allowing additional height, the MU-I zone could help make multifamily housing and/or mixed-use development more feasible.

In addition, the proposed zoning considers the existing zoning of the properties adjacent to this area, which are zoned RM-II and CO; both zones allow development of up to 70 ft. Also, this portion of Commercial Street SE is oriented toward retail, restaurants, and services, which better aligns with the MU-I zone than the MU-II zone. The MU-I zone is intended to promote a pedestrian-oriented development, with an emphasis on active commercial uses on ground floors facing major streets.

South of Superior Street SE, the majority of properties adjacent to Commercial St. SE in the SCAN neighborhood are zoned CR. Some are also zoned CO and CG. These properties are largely developed with commercial uses, some of which have automobile-oriented development. The Mixed Use-III (MU-III) zone is proposed in these areas because staff is seeking to balance the broad mix of commercial uses currently allowed in this area with the community's vision for this area to become a more pedestrian-friendly, mixed-use corridor.

The MU-III zone specifically allows very similar commercial uses to the existing CR zone, but it promotes housing and mixed-use development by allowing multifamily housing outright and incentivizing mixed-use development. The MU-III zone specifically encourages infill

development - particularly if it includes housing - and redevelopment in existing auto-oriented commercial areas without restricting the range of uses currently allowed. It also promotes pedestrian-oriented development through simple design standards without requiring full-scale redevelopment. Existing overlay zones in this area will continue to ensure that development is sensitive to adjacent residential uses where they are applied.

Nonetheless, staff has no objection to SCAN's request to rezone this southern portion of Commercial Street SE to MU-II. However, the Planning Commission considered SCAN's request and voted not to recommend it, so the change has not been incorporated into the Our Salem proposal. In addition, if the Council wanted to rezone this southern portion of Commercial Street SE to MU-II, the properties would need to be removed from Ordinance 10-22, as proper notice of this potential revision to MU-II was not provided to the property owners prior to the public hearing. A separate ordinance would need to be prepared, and a separate public hearing would need to be held on this revised map change after proper notice was provided to the property owners.

3. A comment was received about property near the intersection of Holder Lane SE and Lone Oak Road SE, citing concerns about water, wetlands, and trees. The comment included a request that a border of trees be left around the property to create privacy for adjacent single-family homes. A subsequent comment requested that "at least some of the trees" are protected, drain or flooding issues be resolved before any sale or construction begins, and a "positive spin" on providing affordable housing be put on if building is feasible and safe.

Staff response: These properties are currently zoned Residential Agriculture (RA), which allows for development of housing and limited other uses. The proposal is to rezone the properties to Mixed Use-II (MU-II), which would allow a range of housing and commercial uses. Rezoning the properties does not require that they be developed. Development could also occur under the existing zoning.

The local wetlands inventory does not indicate wetlands on the properties; the proposed zone change does not eliminate the requirement for future development to meet the conditions of SRC Chapter 809 (Wetlands), which aims to avoid or minimize risks to people and property from natural hazards. In addition, if the properties were developed in the future, the development would be subject to other portions of the Salem Revised Code that aim to promote public health and safety, including SRC Chapter 810 (Landslide Hazards) that seeks to mitigate landslide risks. A developer would also be required to design and construct a storm drainage system at the time of development - not at the time of sale - in compliance with SRC Chapter 71 (Stormwater) and Public Works Street Design Standards. Stormwater quality facilities would be required to reduce the risk of impacts to the adjacent properties.

In addition, requirements for preservation of trees and vegetation in SRC Chapter 808 would continue to apply to these properties if they were rezoned to MU-II. The City Council recently adopted a code amendment that increases the number and types of trees that are required to be preserved in Salem. For example, the definition of "significant trees" - which cannot be removed without a tree removal permit, tree conservation plan, or tree variance - was expanded to include any tree in addition to white oaks that have a diameter at breast height (dbh) of 30

inches or greater, excluding tree of heaven, empress tree, black cottonwood, and black locust.

In addition, side and rear setbacks in the MU-II zone are intended to provide a buffer to adjacent residential development. Specifically, side and rear setbacks adjacent to residential zones are based on building height, so taller buildings that are developed are required to be set back farther from residential zones. Buildings must be set back from adjacent residential zones a minimum of 10 feet plus 1.5 feet for each foot of building height above 15 feet. That setback area must be landscaped - including with trees - and must include a 6-foot tall wall or fence.

The City incentivizes the development of affordable housing in a variety of ways. For example, affordable housing - affordable to households with an income at or below 80 percent of the area median income - is exempt from system development charges (SDCs). Minimum off-street parking requirements are also reduced for affordable multifamily housing, and the City has a tax incentive program, the Multi-Unit Housing Tax Incentive Program (MUHTIP), to incentivize the development of transit supportive, multiple-unit housing in the core areas of urban centers.

4. Comments were received from representatives of the property located southwest of the intersection of Kuebler Blvd. SE and I-5, where there is a pending land use application (CPC-ZC21-04), and the request was to add the initial Our Salem proposal for the property - a zone change to CO - back into the Our Salem project.

Staff Response: The proposed Comprehensive Plan Map and zoning changes that are part of the Our Salem project are not intended to override land use cases. Staff has been adjusting the proposed Our Salem map changes to reflect the results of any land use cases that are decided prior to adoption by City Council. For example, properties that have been rezoned through a land use application have been removed from the Our Salem project.

In May 2022, the City Council held a public hearing on a land use application to rezone property located at the southwest of the intersection of Kuebler Blvd. SE and I-5. The City Council remanded the application back to the Planning Commission. Staff has therefore removed the property from the Our Salem project. Initially, staff proposed that the property be rezoned to CO to allow a mix of residential and office uses, but staff did not recommend rezoning the property to CR due to concerns related to transportation impacts. Staff does recommend adding the property back into the Our Salem project, as the applicant is proposing a mix of zones and uses, that are not compatible with CO zoning. Their application is expected to be reviewed by the Planning Commission later this year.

5. A comment was received, stating that there are legal deficiencies regarding the current and proposed Comprehensive Plan Map and requesting that the City Council direct legal staff to address the issues during the fiscal year 2022-23 outside of the Our Salem project.

Staff Response: The issues raised in the comment are not related to the Our Salem project nor are they related to the proposed amendments to the Comprehensive Plan Map. Separate from the Our Salem project, staff has worked with the commenter on the issues raised and will

continue to do so.

6. A comment was received in opposition to the proposed zone change to Neighborhood Hub (NH) at 2390 Brown Rd. NE to maintain safety improvements such as bike lanes and sidewalks.

Staff Response: The NH zone allows small-scale shops and services in residential neighborhoods and is intended to promote complete neighborhoods where residents can walk to meet some of their daily needs. This location was proposed for the NH zone because it is relatively far from existing services (.75 miles), it is in close proximity to complementary amenities (e.g. a park and community garden), it is served by sidewalks and bike lanes that help improve access, and it is located along a bus route with 15-minute service. There is also a flashing beacon crosswalk in this location that was installed to address safety issues with crossing Brown Rd. NE. These were all factors the community indicated were important to consider when locating neighborhood hubs.

The NH zone will continue to allow single-family homes, and there is no requirement that a small business be developed or established if the property is rezoned to NH. The existing single-family home on the Brown Road property can remain.

Brown Road NE was recently improved to a collector street standard with sidewalks and bike lanes, including an enhanced pedestrian crossing at Brown Road NE and Maria Ave. NE. This increases the walkability of this area, which aligns with the broader intention of the NH zone. Any commercial redevelopment would need to meet City standards related to transportation safety.

7. A comment was received from the representative of the owner of properties south of Orchard Heights Road NW and west of Settlers Spring Drive NW. The comment requested that the Our Salem proposal be reverted back to staff's original recommendation to rezone only the northern portion of the properties to MU-II.

Staff response: Staff initially proposed rezoning the northern portion of properties south of Orchard Heights Road NW and west of Settlers Spring Drive NW to MU-II to allow for a mix of housing and commercial uses. A request was made during the Planning Commission public hearing to rezone the entirety of the properties 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.

At the City Council public hearing, a comment was received from the representative of the property owner, requesting that staff's original proposal to rezone only the northern portion to MU-II be adopted. Staff supports both proposals: the original recommendation to only rezone the northern portion to MU-II as well as the Planning Commission's recommendation to rezone the entirety of the properties.

8. Comments from property owners were received in opposition to the proposed redesignation of land from Development Residential (DR) to Multiple Family Residential (MF) on the Comprehensive Plan Map on the north side of Orchard Heights NW and west of Grice Hill Park. Comments expressed that the properties are small and most are developed with homes, the

properties have significant tree canopy that would have to be removed for multifamily to be developed, and the proposed map changes result in a surplus of land for multifamily housing.

Staff response: Salem's Housing Needs Analysis (HNA) determined that there is a projected 207-acre deficit for land designated for multifamily housing (2,897 dwelling units) in Salem's portion of the UGB. The proposed change on Orchard Heights NW would increase the amount of land available for multifamily housing in the future. As noted in the comments, if the properties proposed to be redesignated to MF were removed from the Our Salem project (e.g., the MF designation was no longer proposed), Salem would still meet its projected housing needs as identified in the HNA and the City could still adopt the HNA as proposed with the Our Salem project.

In addition, the properties proposed to be redesignated to MF are located outside of City limits. Redesignating them does not require that they be developed; they can remain as they are today. The proposed redesignation would only apply if the properties were annexed to the City. If the properties were annexed, they could be zoned RM-I or RM-II.

If annexed to the City, requirements for preservation of trees and vegetation in SRC Chapter 808 would apply to these properties. The City Council recently adopted a code amendment that increases the number and types of trees that are required to be preserved in Salem. The proposed redesignation also does not eliminate the requirement for future development on these properties - if annexed - to meet the conditions of SRC Chapter 809 (Wetlands), SRC Chapter 601 (Floodplain Overlay Zone), and SRC Chapter 71 (Stormwater).

9. Comments were received in opposition of the proposed zone change from Public and Private Educational Services (PE) to Multiple Family Residential I (RM-I) at 255 and 375 College Dr. NW. Comments cited inadequate transportation options, stormwater impacts, and concerns that multifamily would not be compatible with the surrounding development. One comment suggested rezoning the property to Single-Family Residential (RS) or amending the PE zone to allow the church as a special use.

Staff Response: The map change on College Drive NW is proposed at the request of the property owner, Life Church; specifically, the owner seeks the RM-I zone to allow the existing church on the property as a special use. The PE zoning only allows religious assembly uses when they are accessory to an educational use, and since Salem Academy left this site, the church has not been a permitted use. The church also has stated that it has no intention of developing multifamily housing on the property. Instead, it has a long-term vision of developing assisted living on the property, and the RM-I zone would allow this use. However, if the RM-I zoning is applied, the site could be used for any of the uses permitted in the RM-I zone.

Infrastructure improvements would be required by the developer at the time of development to ensure that public facilities can accommodate that new development, including roadway improvements. A developer would also be required to design and construct a storm drainage system at the time of development in compliance with Salem Revised Code (SRC) Chapter 71 and Public Works Street Design Standards. Stormwater quality facilities would be required to reduce the risk of impacts to the adjacent properties. In addition, if the properties were developed in the future, the development would be subject to other portions of the Salem Revised Code that aim to promote public health and safety, including SRC Chapter 810 (Landslide Hazards) that seeks to mitigate landslide risks.

As part of the Our Salem project, the City worked with the MWVCOG to analyze the transportation impacts of the proposed Comprehensive Plan Map and zoning changes. Based on that analysis, the proposed changes comply with the State Transportation Planning Rule. See Goal 12 findings in Exhibit C of Ordinance Bill No. 10-22 for additional detail on the transportation analysis and impacts.

If the Life Church property were to be rezoned to RS as opposed to RM-1, churches would be allowed as a special use. In other words, churches are allowed in the RS zone but must meet additional standards set forth in SRC Chapter 700.005. If a church cannot meet those additional standards - such as maximum lot size and seating capacity - an applicant can deviate from those standards through conditional use approval. An assisted living facility would not be allowed to be developed on the Life Church property if it were rezoned to RS.

If the PE zone was amended to allow churches as a special use, as suggested in one of the comments, that would impact all properties that are zoned PE in Salem such as school properties. The PE zone is intended for public and private educational services. Staff would not recommend allowing churches as a special use in the PE zone. In addition, an amendment to the PE zone was not initiated as part of the Our Salem project, so if Council wanted to direct staff to make that code change, it would have to be separated out as its own code amendment. Due to limited staff, such a code amendment could take more than a year to complete.

10. A comment was received, stating that property owners should be able to retain the zoning of their property if they make the request. No specific property was referenced.
11. Several comments were received in support of the Our Salem project, with requests that multifamily housing, including low-income housing, be allowed and built everywhere in Salem, including West and South Salem. The comments pointed to systematic and environmental racism as it relates to existing land use patterns and requested that it not be allowed to continue.
12. A comment was received in support of the Our Salem project, stating that if adopted and implemented, the project would result in desirable outcomes for the city such as a reduction in greenhouse gas emissions and more housing units and increased housing options. The comment also included support for SCAN's recommended revisions to the map changes.
13. A comment was received challenging the transportation planning rule analysis related to the proposed map changes and findings of significant traffic impacts. The comment states that there are omissions and errors in the analysis, asks that the findings of significant traffic impacts be rejected until corrections are made, and asks that the proposed Our Salem zone changes be conditionally approved.

Staff Response: City staff coordinated with staff from the Oregon Department of Land Conservation and Development (DLCD) and Oregon Department of Transportation (ODOT) on the methodology used to analyze transportation impacts from the proposed Our Salem comprehensive plan and zone changes. ODOT supported the findings included in Ordinance Bill No. 10-22 as they pertained to impacts to State highways.

Volume to capacity ratios that are within 0.03 of the adopted target are considered to comply with the Oregon Highway Plan target. Per Oregon Highway Plan, Action 1F.5, “For purposes of evaluating amendments to transportation system plans, acknowledged comprehensive plans and land use regulations subject to OAR 660- 12-0060, in situations where the volume to capacity ratio or alternative mobility target for a highway segment, intersection or interchange is currently above the mobility targets in Table 6 or Table 7 or those otherwise approved by the Oregon Transportation Commission, or is projected to be above the mobility targets at the planning horizon, and transportation improvements are not planned within the planning horizon to bring performance to the established target, the mobility target is to avoid further degradation.”

Regarding the mobility targets for Wallace Road, the commenter references both ODOT and Salem mobility targets. ODOT mobility targets apply to Wallace Road; Salem targets do not apply to the state highway.

For the Our Salem transportation analysis, volume to capacity ratios for segments of Wallace Road were projected using existing zoning in the year 2035. Most of these projected volume to capacity ratios exceed the targets contained in the Oregon Highway Plan tables. As indicated above, when the volume to capacity ratio for a highway segment is projected to be above the mobility target at the planning horizon, then the mobility target is to avoid further degradation. To identify where significant impacts might exist from the proposed Our Salem comprehensive plan and zone changes, volume to capacity ratios were projected using the proposed zoning. These were then compared to what was projected under existing zoning. As indicated in the proposed findings, only two segments (Link 772 and 328) were identified as having a significant effect following the guidelines established in the Oregon Highway Plan.

The City is required to adopt findings addressing the statewide planning goals, associated administrative rules and all applicable criteria. Therefore, the City cannot conditionally adopt the Our Salem ordinances without the accompanying findings, as requested in the comment.

The transportation analysis was informed by the proposed Comprehensive Plan Map and zone changes. Those proposed map changes were the result of the extensive public engagement that occurred throughout the Our Salem project.

Substantive Findings

The proposal includes amendments to the Salem Area Comprehensive Plan, Comprehensive Plan Map, generalized land use maps in 10 neighborhood plans, zoning map, Salem Revised Code, and the adoption of the Salem Housing Needs Analysis (HNA).

1. SRC 64.020 establishes the following approval criteria for a major Comprehensive Plan 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.

Findings demonstrating the proposal's conformance with the applicable approval criteria are included in Exhibit B to Ordinance Bill No. 9-22 (**Attachment 3**).

- 2. 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 6**).

- 3. 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 6**).

4. SRC 110.085 establishes the following approval criteria for an amendment to the UDC 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 with the Salem Area Comprehensive Plan, 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. 11-22 (**Attachment 12**).

5. 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 10**).

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.

ALTERNATIVES:

City Council may:

- A. Advance Ordinance Bills No. 9-22, 10-22, and 12-22 to second reading for enactment, and engross Ordinance Bill No. 11-22 and advance to second reading for enactment;
- B. Refer the proposal back to the Planning Commission for further deliberation; or
- C. Decline to advance the ordinance bills to second reading.

Eunice Kim
Long Range Planning Manager

Attachments:

- 1. Planning Commission Recommendation
- 2. Our Salem Outreach Summary
- 3. Ordinance Bill No. 9-22
- 4. Draft Salem Area Comprehensive Plan (Spanish)
- 5. Transportation and Parks Policy Ideas
- 6. Ordinance Bill No. 10-22
- 7. Proposed Map Change Properties
- 8. Existing Comprehensive Plan Map
- 9. Existing Zoning Map
- 10. Ordinance Bill No. 12-22
- 11. Additional Recommended Map Revisions
- 12. Ordinance Bill No. 11-22
- 13. Responses to Public Testimony
- 14. Additional Public Comments
- 15. Supplemental staff memorandum