



Staff Report

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Date: 9/26/2022

Item #: 3.3c.

TO: Mayor and City Council

THROUGH: Keith Stahley, City Manager

FROM: Norman Wright, Community Development Director

SUBJECT:

Intergovernmental Agreement with Oregon Department of Land Conservation and Development for a land use study and community engagement plan

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

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

SUMMARY:

The City is required by new State rules to conduct a study to identify and evaluate potential walkable, mixed-use areas in Salem and to develop a community engagement plan. The Intergovernmental Agreement includes two scopes of work that specify responsibilities for the City, Oregon Department of Land Conservation and Development (DLCD), and consultants to carry out that work.

ISSUE:

Shall City Council authorize the City Manager to execute the attached Intergovernmental Agreement with DLCD for a study to identify and evaluate walkable, mixed-use areas and develop a community engagement plan?

RECOMMENDATION:

Authorize the City Manager to execute the attached Intergovernmental Agreement with DLCD for a study to identify and evaluate walkable, mixed-use areas and develop a community engagement plan.

FACTS AND FINDINGS:

On July 21, 2022, the Oregon Land Conservation and Development Commission (LCDC) adopted administrative rules that were developed through a rulemaking project called Climate Friendly and Equitable Communities (CFEC). The CFEC rules aim to reduce greenhouse gas (GHG) pollution from transportation while increasing housing choices and creating more equitable outcomes for Oregonians.

One major component of the rules requires Salem and other cities in metropolitan areas to identify walkable, mixed-use areas - referred to by the State as "[climate friendly areas](https://www.oregon.gov/lcd/CL/Documents/OnePagerCFAs.pdf) [<https://www.oregon.gov/lcd/CL/Documents/OnePagerCFAs.pdf>](https://www.oregon.gov/lcd/CL/Documents/OnePagerCFAs.pdf)" - and adopt regulations in these areas to promote development. The first step in this work is to conduct a study of potential walkable, mixed-use areas (Study) in Salem. This work will rely on and build upon the recently-completed Our Salem project, which rezoned many areas - particularly transit corridors - for mixed-use development.

The Study is being funded by DLCD, and the scope of work is included in the intergovernmental agreement (IGA) between the City and DLCD (**Attachment 1**). Specifically, DLCD has contracted with the Mid-Willamette Valley Council of Governments (MWVCOG) to conduct the Study with assistance from the City. The City, through the IGA, is obligated to appoint a project manager, review project deliverables, provide data and information, and manage any work session and public hearings. Staff in Community Development will lead this work in collaboration with the Public Works Department. The Study is expected to start this fall and be complete by the end of June 2023. The City is not obligated through the IGA to adopt the Study. The City is required to submit the Study to DLCD by December 31, 2023.

DLCD has also contracted with a consultant, Kearns and West, to develop a community engagement plan for the Study and other related work and help conduct outreach. That work, funded through DLCD, is outlined in a separate scope of work in the same attached IGA with DLCD. The City is obligated to assist in the development and implementation of the engagement plan. That work is starting in the late summer/early fall and is expected to be complete by the end of July 2023.

The City is not responsible under any circumstances to pay any costs incurred under the contract between DLCD and any consultant.

Climate Friendly and Equitable Communities

The requirements to conduct a study of walkable, mixed-use areas and develop a community engagement plan are part of a larger package of amendments to Oregon's Transportation Planning Rule and other administrative rules developed through the CFEC rulemaking, as mentioned earlier. The CFEC rulemaking project came in response to Governor Kate Brown's Executive Order 20-04, which directed State agencies to reduce climate pollution.

Many of the CFEC rules align with the work already accomplished through the Our Salem project as well as the ongoing work to implement the Climate Action Plan and future work to update the Salem Transportation System Plan (TSP). Below are the major components of the CFEC work the City is required to undertake:

Regional Scenario Planning

The City is required to conduct scenario planning with regional partners, including Marion County and the City of Keizer, to reduce greenhouse gas emissions from light vehicle travel and meet the State's climate pollution reduction targets. (Polk County and the City of Turner are eligible to request an exemption from participating in the regional scenario planning.) For the Salem-Keizer region, that target is a 30 percent reduction from 2005 emission levels of per capita greenhouse gas (GHG) emissions from travel in light vehicles by 2050 and beyond. In 2020, the City adopted its own targets for reducing citywide GHG emissions: 50 percent reduction from the baseline year of 2016 by 2035 and carbon neutral by 2050.

The regional scenario planning process requires the Salem-Keizer metropolitan area to "evaluate what changes to local and regional land use and transportation plans and programs are needed," as noted in DLCDs overview <<https://www.oregon.gov/lcd/CL/Documents/OnePagerScenarioPlanning.pdf>>. The process is similar to the scenario planning work that was done with the Our Salem project; the focus then was on land use changes. Staff anticipates that the new regional scenario planning work will focus on transportation changes needed to meet the state's climate pollution reduction targets, including current and future investments in active transportation, fleet and fuels, transit, pricing, parking management, education and marketing, and roads.

The regional scenario planning will establish regional performance targets and local performance measures that Salem will have to use to report on implementation of the preferred scenario. Developing the regional scenario plan is a necessary initial phase to guide the City's update to the Salem Transportation System Plan (TSP) and will be coordinated with the Salem Area Mass Transit District.

To initiate this work, Salem and its regional partners are required to submit to DLCD a work program to develop and implement the regional scenario plan. That work program, due June 30, 2023, must include a proposed governance structure for regional cooperation, scope of work, community engagement plan, funding estimate, and schedule. Staff anticipates that the Public Works Department will lead this scenario planning work in close collaboration with the Community Development Department. Coordination with Salem's regional partners has begun and will continue. An overview of regional scenario planning developed by DLCD is attached as **Attachment 2**.

Transportation System Plan

The rules require updates to the Salem TSP to meet or exceed the state's greenhouse gas reduction goals. This will be done by aligning the Salem TSP with the preferred scenario developed through the regional scenario planning process.

In addition, the rules require local governments in metropolitan areas to:

- Develop and adopt new system performance measures that achieve community livability goals;
- Plan for enhanced facilities to serve people walking, bicycling, and using transit - with a focus on walkable, mixed-use areas identified through the initial Study;
- Adopt a financially-constrained project list in the TSP;
- Prioritize investments for reaching destinations by walking, bicycling, and transit;
- Undertake enhanced review of roadway projects that would add significant capacity for motor vehicles; and
- Regularly monitor and report progress.

An overview of the updates to the Transportation Planning Rules developed by DLCD is attached as **Attachment 3**.

Parking

The new State rules require the City to reform the way it manages and/or requires parking, and the City can choose from different options. The overarching policy decision for Salem is whether the City wants to eliminate minimum parking requirements for all uses in the city. If the City chooses to do that, it is not required to implement other parking reform options (see below), although it could voluntarily choose to do so.

The other parking reform options include, but are not limited to:

- Pricing at least 10 percent of on-street parking spaces in Salem
- Unbundling parking for multifamily housing near transit and in walkable, mixed-use areas (e.g., require that the cost of parking is separated from the cost of renting or buying a dwelling unit)
- Eliminating parking requirements for developments within a ½ mile of frequent transit routes and for certain uses citywide such as homeless shelters, reform parking in walkable, mixed-use areas
- Implement fair parking policies
- Eliminate parking requirements for a variety of uses and locations

In addition to the options included in the rule, several other parking changes are mandated without any choices. They include revising the maximum amount of off-street parking spaces that are allowed; allowing the redevelopment of existing parking areas for bicycle- and transit-oriented facilities like bus shelters; and requiring new multifamily or mixed-use projects that have at least five dwelling units to provide electrical service capacity to accommodate at least 40 percent of all parking spaces.

DLCD has provided an [overview](https://www.oregon.gov/lcd/CL/Documents/ParkingReformOverview.pdf) [<https://www.oregon.gov/lcd/CL/Documents/ParkingReformOverview.pdf>](https://www.oregon.gov/lcd/CL/Documents/ParkingReformOverview.pdf) of the parking rules. Community Development and Public Works staff anticipate presenting the parking policy questions to the Climate Action Plan Committee in November to begin getting input.

Land Use

The State rules require the City to amend land use regulations to support compact, pedestrian-friendly, mixed-use development patterns in urban areas and to support access by people using pedestrian, bicycle, and public transportation networks. The rules, for example, call for pedestrian-oriented design standards and pedestrian access standards in commercial and mixed-use areas. The rules also require neighborhoods to be designed with connected networks of streets, paths, accessways, and other facilities. The City has many such regulations already in place, but staff will evaluate and implement any additional code and Comprehensive Plan changes that are required. Community Development staff will lead this work.

A CFEC implementation guide developed by DLCD is attached as **Attachment 4**. Many of the deadlines shown in the guide can be modified - and staff anticipates doing so - through the work program that is required as part of Regional Scenario Planning described above. Additional details about the CFEC rulemaking can be found on DLCD's website:

<https://www.oregon.gov/lcd/LAR/Pages/CFEC.aspx>

BACKGROUND:

On March 10, 2020, Governor Kate Brown issued Executive Order 20-04, directing state agencies to reduce climate pollution. In response, LCDC launched the CFEC rulemaking project in September 2020. The rulemaking project amended rules governing Oregon's planning system for communities in Oregon's eight most populated areas.

Eunice Kim
Long Range Planning Manager

Attachments:

1. IGA with DLCD
2. Scenario Planning Overview
3. Transportation Planning Rule Overview
4. Implementation Overview