

Staff Report

File #: 23-83**Version:** 1**Date:** 3/13/2023**Item #:** 3.2b.

TO: Mayor and City Council**THROUGH:** Keith Stahley, City Manager**FROM:** Kristin Retherford, Community and Urban Development Director**SUBJECT:**

Initiate Legislative Zone Change and Code Amendment to Repeal Overlay Zones in the SCAN Neighborhood

Ward(s): Ward 2

Councilor(s): Councilor Nishioka

Neighborhood(s): South Central Association of Neighbors (SCAN)

Result Area(s): Natural Environment Stewardship; Strong and Diverse Economy; Welcoming and Livable Community.

SUMMARY:

A resolution to begin the process of eliminating five overlay zones: The Saginaw Street, Superior-Rural, Oxford-West Nob Hill, Oxford-Hoyt, and Hoyt-McGilchrist Overlay Zones. The proposal responds to a motion from City Council during their November 14, 2022 meeting.

ISSUE:

Shall City Council adopt Resolution No. 2023-9 to initiate the adoption process to eliminate the Saginaw Street, Superior-Rural, Oxford-West Nob Hill, Oxford-Hoyt, and Hoyt-McGilchrist Overlay Zones?

RECOMMENDATION:

Adopt Resolution No. 2023-9 to initiate the adoption process to eliminate the Saginaw Street, Superior-Rural, Oxford-West Nob Hill, Oxford-Hoyt, and Hoyt-McGilchrist Overlay Zones.

FACTS AND FINDINGS:***Procedural Findings***

1. On November 14, 2022, the City Council voted to direct staff to create an ordinance and schedule a public hearing to consider eliminating the Saginaw Street Overlay Zone, Superior-Rural Overlay Zone, Oxford-West Nob Hill Overlay Zone, Oxford-Hoyt Overlay Zone, and Hoyt-McGilchrist Overlay Zone.
2. Staff met with the SCAN Land Use Committee on January 12, 2023 and attended the SCAN Neighborhood Association meeting on February 8, 2023 to explain the proposed zone change, answer questions, and listen to the neighborhood's input.
3. Staff mailed out flyers to owners of affected properties on January 19, 2023, describing the proposed zone change and providing opportunities to discuss the proposal with staff.
4. The proposed zone change is a legislative zone change, which may be initiated by the City Council under SRC 265.010(c). The proposed code amendment is an amendment to the Unified Development Code (UDC), which is a legislative land use decision under SRC 110.085. The City Council may initiate a legislative land use proceeding by the adoption of a resolution under SRC 300.1110(a). The City Council may schedule a public hearing on the matter, refer it to another Review Authority for review and recommendation, or decline to initiate it.
5. Staff recommends that the City Council conduct the public hearing on this matter. Notice of the public hearing will be provided as required by SRC 300.1110(e).

Project Overview

During the November 14, 2022 City Council meeting, Council voted to direct staff to create an ordinance and schedule a public hearing to consider eliminating the Saginaw Street, Superior-Rural, Oxford-West Nob Hill, Oxford-Hoyt, and Hoyt-McGilchrist Overlay Zones.

The proposed changes to the zoning map and the UDC are described below.

Proposed Amendments

1) Amending the Zoning Map

The proposed changes to the zoning map are included as **Attachment 2**. The overlay zones shown on the map are proposed to be eliminated. The existing base zoning of the affected properties is not proposed to change. All the properties impacted by the proposed zone change are listed in **Attachment 3**.

The proposed changes to the zoning map aim to advance the goals and policies in the Salem Area Comprehensive Plan by encouraging housing and mixed-use development or redevelopment near frequent transit service. Specifically, removing these overlay zones will allow taller buildings on these properties, which are located near Cherriots Core Network. (This is a network of primary transit lines that Cherriots has committed to maintaining and improving in the future.) The MU-I, MU-II, and MU-III zones allow buildings up to a maximum height of 65 feet, 55 feet, and 70 feet, respectively. However, the overlay zones limit the maximum height of buildings to 35 feet. Removing the overlay zones will, therefore, allow more housing and denser development or redevelopment in the future, which promotes a compact mix of uses. Development standards found in the base

zoning also encourage pedestrian-oriented building and site design. This combination of factors supports walkability and transit use and reduces the need to drive, thereby helping Salem reduce greenhouse gas emissions from transportation.

The elimination of these overlay zones will also remove additional restrictions, including standards related to setbacks, screening, site access, and landscaping. These topics are generally addressed elsewhere in the UDC, though the standards may differ from those provided by the overlay zones. For example, the Saginaw Street Overlay Zone requires a minimum 30-foot setback abutting a street and a minimum six-foot high hedge adjacent to Saginaw Street. However, the MU-I zone, the base zone in this area, requires a zero to 10-foot setback abutting a street and screening is not required adjacent to Saginaw Street.

The standards contained in the overlay zones reflect the priorities at the time they were created. These overlay zones were implemented in the 1980s as part of a planning effort to prepare for the widening of Commercial Street SE. At the time, some portions of the land abutting Commercial Street SE were zoned for residential development, but as the street was widened, the City recognized the importance of rezoning this land for commercial uses. These overlays were established to mitigate any new adverse effects on residential land near this corridor that might result as land converted from residential to commercial uses abutting Commercial Street SE.

The context of this neighborhood has changed over the ensuing three and a half decades, as have the community's priorities. During the recent update to the Salem Area Comprehensive Plan - the Our Salem project - the community and City Council prioritized creating walkable, mixed-use areas to support livability, increase residential density near services and transit service, and reduce dependence on automobiles. To accomplish this goal, many of Salem's commercial corridors with frequent transit service, including Commercial Street SE, were rezoned to mixed-use zones that allow multifamily housing outright in addition to commercial uses.

Many of these recently rezoned mixed-use corridors are adjacent to residential areas. Recognizing this, the mixed-use zones applied in these areas incorporate additional buffers between new development or redevelopment and adjacent residential areas: a minimum setback of ten feet plus 1.5 feet of setback for each foot of building height above 15 feet. The existing overlays in the SCAN neighborhood, however, are unique in that they go further to limit development potential along Commercial Street SE by limiting height and requiring additional setbacks adjacent to certain streets. Similar overlays do not exist elsewhere in Salem along mixed-use corridors that also abut residential areas.

Most of Salem's overlay zones were previously eliminated through the Our Salem project. Some of these overlay zones were eliminated because the standards they applied were incorporated into the base zones to which they were applied. Others were eliminated because they were no longer necessary due to changes made to base zoning through the Our Salem project.

Overall, although the standards implemented by the overlay zones may differ from the requirements of the base zoning, the proposed zone change would align the future development potential of these properties with the goals and policies in the recently updated Salem Area Comprehensive Plan while still providing regulations that encourage context sensitive development between zones.

2) *Eliminating Overlay Zones*

The proposed code changes are included as Exhibit B of Ordinance Bill No. 5-23 (**Attachment 4**). The proposed code amendment would eliminate the Saginaw Street, Superior-Rural, Oxford-West Nob Hill, Oxford-Hoyt, and Hoyt-McGilchrist Overlay Zones from the UDC. These overlay zones are location-specific and are only intended in the locations on or near Commercial Street SE where they are currently applied. The proposed zone change would remove these overlay zones from all the properties to which they currently apply, and the proposed code amendment would concurrently remove them from the UDC.

Outreach

Staff met with SCAN to explain the proposed zone change, answer questions, and listen to the neighborhood's input. The neighborhood expressed opposition to the proposal due to concerns about privacy, parking, and other compatibility issues. Staff also mailed a flyer to affected property owners to provide information about the proposed zone change and provide opportunities to discuss the proposal with staff. Information about the proposal can also be found on the City's Legislative Land Use Proposals webpage:

<https://www.cityofsalem.net/business/land-use-zoning/land-use-projects/legislative-land-use-proposals>. This includes a comparison of the development standards in the existing base zoning - Mixed Use-I (MU-I), Mixed Use-II (MU-II), Mixed Use-III (MU-III) and Single Family Residential (RS) - and the overlay zones. Recipients of the flyer were encouraged to visit the webpage and contact staff for more information and to provide input. This comparison was also shared with the SCAN Neighborhood Association.

BACKGROUND:

The City Council passed a motion on November 14, 2022 directing staff to bring forward a new ordinance to eliminate the overlay zones near Commercial Street SE in the SCAN neighborhood. The proposed legislative zone change and code amendment responds to this motion from Council.

Austin Ross
Planner II

Attachments:

1. Resolution 2023-9
2. Map of Overlays Proposed to be Eliminated
3. List of Properties within Overlays Proposed to be Eliminated
4. Proposed Code Changes