



Staff Report

File #: 23-119

Version: 1

Date: 4/10/2023

Item #: 4.b.

TO: Mayor and City Council

THROUGH: Keith Stahley, City Manager

FROM: Kristin Retherford, Community and Urban Development Director

SUBJECT:

Proposed Code Amendment to Eliminate Minimum Parking Requirements Citywide.

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 proposed code amendment updates the Unified Development Code (UDC) to eliminate minimum off-street parking requirements citywide in response to new State Climate-Friendly and Equitable Communities rules.

ISSUE:

Shall the City Council advance Ordinance 4-23 to second reading for the purpose of amending the Unified Development Code to eliminate minimum off-street parking requirements citywide in response to new State rules?

RECOMMENDATION:

Advance Ordinance 4-23 to second reading for the purpose of amending the Unified Development Code to eliminate minimum off-street parking requirements citywide in response to new State rules and advance to second reading.

FACTS AND FINDINGS:

Procedural Findings

- 1) The proposed code amendment are amendments to the Unified Development Code (UDC), which are legislative land use decisions under SRC 110.085. Legislative land use proceedings may be initiated by staff by preparing an ordinance bill and placing the ordinance on the Council agenda for first reading under SRC 300.1110. The City Council voted on March 13, 2023 to hold a public hearing on Ordinance 4-23.
- 2) 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. Amendments to the 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).

Proposed Amendment

- 1) *Eliminating minimum off-street parking requirements for all uses citywide*

The proposed code amendment, which is included as Exhibit A to Ordinance Bill No. 4-23 in **Attachment 1**, implements new State rules that resulted from a rulemaking project called Climate Friendly and Equitable Communities (CFEC). Adopted by the Oregon Land Conservation and Development Commission (LCDC) in July 2022, the [new rules](https://www.oregon.gov/lcd/CL/Pages/CFEC.aspx) [<https://www.oregon.gov/lcd/CL/Pages/CFEC.aspx>](https://www.oregon.gov/lcd/CL/Pages/CFEC.aspx) aim to reduce greenhouse gas (GHG) pollution from transportation while increasing housing choices and creating more equitable outcomes for Oregonians.

The rules require the City to change how it regulates and manages parking in Salem. Specifically, the City must eliminate all minimum off-street parking requirements for all uses citywide or implement an array of other parking reforms by June 30, 2023, unless an extension is approved by the State.

On November 7, 2022, staff presented the State-mandated parking reform options to the Climate Action Plan Committee. Following a discussion, the committee voted to recommend eliminating all minimum off-street parking requirements citywide. This proposed code amendment moves forward that recommendation. Staff also held a public open house on January 31 to explain the proposal to the community and answer any questions people had.

As described below, the proposal aligns with the Climate Action Plan, allows the market to determine parking amounts, can be implemented relatively quickly through a code amendment without additional staff or resources, and allows the City to *voluntarily* explore and implement other parking reforms in the State rules.

A. Aligns with Climate Action Plan

The City Council accepted the Climate Action Plan in February of 2022. That plan included

Strategy TL40 (Transportation and Land Use): *Amend City code to eliminate parking minimums throughout Salem, with priority focus along Cherriots' Core Network.* This proposed code amendment fully implements that strategy, which goes beyond the changes made to off-street parking requirements through the Our Salem project.

The Climate Action Plan describes the strategy has having "medium" GHG reduction potential, and it suggests an implementation timeframe of short-term (occurring in the two years following the plan's acceptance in February of 2022). The strategy is also described as having three co-benefits: Potential to improve the community's health; potential to improve the health of Salem's air, water, and land; and potential to increase mobility choice for Salem's residents and visitors.

B. Allows the market to determine parking amounts (*parking maximums still apply*)

Currently, the City generally requires a certain number of off-street parking spaces for each use such as a restaurant, office, or warehouse. For example, a restaurant must provide one off-street parking space per 250 square feet of the building. (There are exceptions based on location, which is explained below.) Under the proposed code amendment, the City would no longer mandate any specific number of off-street parking spaces for each use.

This does not mean that off-street parking cannot be provided. Instead, it means a developer or property owner could determine the amount of parking that should be provided given the market and other considerations. Space not used for parking could be used instead for housing, jobs, or other uses. The City would still enforce maximum off-street parking requirements, meaning there would continue to be a cap to the number of spaces that can be provided per use.

In recent years, the City has started eliminating minimum off-street parking requirements for specific uses and in specific locations. For example, the City removed parking requirements for middle housing - townhouses, two family, three family, four family, and cottage clusters - in early 2022 when it implemented House Bill 2001. The City also removed parking requirements for any use in a mixed-use zone within a quarter mile of Cherriots Core Network, provided the property included multifamily housing. (The Core Network is a network of bus service corridors where frequent service is prioritized by Cherriots.) This change was implemented through the Our Salem project to encourage infill and redevelopment of housing near frequent transit service, which in turn helps reduce GHG emissions from transportation. More recently, the City eliminated all minimum off-street parking requirements within a half-mile of 15-minute transit routes in response to the new CFEC rules.

Overall, off-street parking is already not required on roughly 40 percent of the land within City limits. The places where required parking remains today include largely residential areas in West and South Salem; however, in the Single-Family Residential (RS) and Residential Agriculture (RA) zones, the only housing type that is required to provide parking is a single-family home. Such a home is currently required to provide two off-street parking spaces. Two-family, three-family, four-family, and other middle housing types are already not required to

provide off-street parking. The other areas of the city where minimum parking requirements remain today include employment areas in southeast Salem, including the Fairview Industrial area, Mill Creek Corporate Center, and McGilchrist industrial area. These are areas where the amount of parking could be determined by the market if the proposed code amendment is adopted.

C. Can be implemented relatively quickly through a code amendment without additional staff or resources

The City can eliminate minimum off-street parking requirements through this proposed code amendment, which can be and is being facilitated by existing staff. The process to adopt this code amendment includes public notice and a public hearing, but additional City resources or staff are not required.

However, if the City does not adopt this proposed code amendment, the new State rules require that the City instead implement an array of other parking reforms (**Attachment 2**). Those other parking reforms would require additional staff, resources, and time to implement. Examples of other options include the following:

- **Unbundle parking:** The City would need to require that the cost of parking for multifamily housing near frequent transit and in walkable, mixed-use areas be separated from the cost of renting or buying a dwelling unit (e.g., unbundle parking.) That requirement would apply to existing and new multifamily housing units. The City does not have an existing program through which rental leases or purchase agreements/contracts for multifamily units are inspected or tracked. A new program would likely need to be established and funded.
- **Paid parking:** The City would need to institute paid parking for at least 10 percent of all on-street parking spaces, which includes all local residential streets as well as business districts. Based on a preliminary analysis, Salem currently charges for less than one percent of on-street parking. That does not include Salem's residential parking districts - RP districts - because the price of parking spaces in that program does not meet the State's requirements. To meet the requirements, the cost per vehicle would need to be increased from \$15 a year to at least \$15 a month. If the City made that increase, roughly 4 percent of Salem's on-street parking would be considered priced. If the City of Salem implemented paid parking in the downtown area, that percentage would be increased to roughly 5.5 percent. Meeting the 10 percent State threshold would require additional City resources, funding, and time.

Other parking reform options that the City would be required to choose from include unbundling parking for all leased commercial developments citywide, requiring large employers to provide a commute benefit to employees, creating a tax on commercial parking lot revenue, and eliminating minimum parking requirements for many uses and locations such as schools, bars, vacant buildings, studio/one-bedroom apartments, small businesses, and historic districts/buildings.

D. Allows the City to *voluntarily* explore and implement other parking reforms in the rules

If the City eliminated all minimum off-street parking requirements, the Council could voluntarily choose to implement other parking reforms but would not be restricted to the timeframes, program restrictions, and other requirements in the CFEC rules. For example, the City could implement a paid on-street parking system in the Downtown Parking District as recommended by the Downtown Advisory Board. Such a system could be shaped by the City and implemented on the City's timeline.

2) *Revise maximum parking requirements*

The proposed code amendment implements the CFEC rule provision that requires cities with populations over 100,000 to revise the maximum amount of off-street parking spaces that are allowed. For example, the proposed code amendment establishes the following parking maximums for multifamily housing:

- 1.2 off-street parking spaces per studio unit
 - 1.75 off-street parking spaces per non-studio unit
- (Currently, the parking maximum for multifamily housing projects that do not have a minimum off-street parking requirement is 1.75 spaces per unit.)*

3) *Additional changes*

The proposed code amendment makes several other changes, including the following:

- Increases the amount of bicycle parking required for multifamily housing to 1 space per dwelling unit, which is the minimum amount required by the CFEC rules
 - The current requirement is a minimum of 1 space per dwelling unit in the Central Salem Development Program area and within ¼ mile of the Core Network, and a minimum of 4 spaces or 0.1 spaces per dwelling unit (whichever is greater) for all other locations.
- Allows bicycle parking requirements to be met by existing bicycle parking spaces in the public right-of-way when existing buildings are converted to other uses in mixed-use zones
- Exempts the installation of electric vehicle charging stations from triggering pedestrian connection requirements in parking lots
- Deletes pedestrian access standards that are no longer necessary in zones or overlay zones due to newer pedestrian access standards that apply citywide
- Clarifies the definition of building frontage
- Deletes references to required minimum parking requirements in other SRC chapters

This proposed code amendment is part of a larger package of State-required parking reforms that the City is working to implement. Some of the parking reforms are mandated by the State without any options. Those reforms include requiring large parking lots to provide street trees along driveways and other streetscape features; and allowing and encouraging the redevelopment of underused parking. Staff plan to implement these changes later this year.

The City has already implemented other parking reforms through a code amendment that went into effect on December 28, 2022. They included requiring electrical vehicle charging conduit to

be installed for 40% of the parking spaces provided on a site for a new multifamily or mixed-use building.

Public Comments

Three public comments were received as of March 24, 2023 (**Attachment 3**). The comments are summarized and addressed below.

1. A comment was received in support of the proposal, stating that it would encourage climate-friendly infrastructure - mainly electric vehicle charging stations - in existing commercial parking lots.
2. A comment was received in opposition of the proposal, stating that it would make it harder and more inconvenient for people to buy local and support small businesses.

Staff response: Under the proposed code amendment, businesses and developers could still choose to provide off-street parking spaces for customers. The minimum number of spaces would no longer be mandated by the City. That amount would be driven by the market and other considerations.

3. A comment was received in opposition of the proposal, stating that it would discourage downtown visitation and further erode Salem's economy and quality of life. The comment also suggested that many new parking spaces be required to have electric vehicle charging stations.

Staff response: Within the Downtown Parking District, off-street parking spaces are already not required by the City. This proposed code amendment would not change that. In addition, the City updated the UDC in December 2022 to require electrical vehicle charging conduit to be installed for 40% of the parking spaces provided on a site for a new multifamily or mixed-use building. That was done to in compliance with the new State CFEC rules.

Substantive Findings

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. 4-23.

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 State rules governing Oregon's planning system for communities in Oregon's eight most populated areas. Many of the rules align with the work already accomplished through the [Our Salem project <https://www.cityofsalem.net/government/shaping-salem-s-future/our-salem-planning-for-growth>](https://www.cityofsalem.net/government/shaping-salem-s-future/our-salem-planning-for-growth) as well as the ongoing work to implement the [Climate Action Plan <https://www.cityofsalem.net/community/natural-environment-climate/climate-action-plan-for-salem>](https://www.cityofsalem.net/community/natural-environment-climate/climate-action-plan-for-salem). The City is working to implement the rules, which require the City to conduct regional scenario planning and update Salem's Transportation System Plan, among other changes.

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Attachments:

1. Ordinance Bill No. 4-23
2. Parking Reform Overview
3. Public comments through March 24, 2023