

CITY OF SALEM LEGISLATIVE SUBCOMMITTEE

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LEGISLATIVE COMMITTEE

Members

Mayor Bennett, Chair
Councilor Tom Andersen
Councilor Chris Hoy
Councilor Brad Nanke
Councilor Cara Kaser (alternate)

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Debra Aguilar (Police)
Courtney Knox Busch (City Manager's Office)
Tiffany Corbett (Information Technology)
Greg Hadley (Fire)
Jason Pulley (Public Works)
Jessica Blakely (Salem Housing Authority)
Josh Eggleston (Finance)
Mina Hanssen (Human Resources)
Eunice Kim (Community Development)
Sara Long (Urban Development)
Marc Weinstein (Legal)
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Declare potential or actual conflicts of interest prior to each item on the agenda.

MEETING AGENDA

March 22, 2019, 12:00 - 1:00 PM
City Manager's Conference Room
Salem Civic Center
555 Liberty Street SE

1. Welcome and Call to Order
2. Legislative Session Update, Justin Martin
3. Other Issues
 - Senate Bill 10 (see memo)
 - Plastic bag-related bills (see memo)
 - Marijuana tourism-related bills (see memo)
4. Proposed City position on bills before Legislature
5. Updates on Interim Priorities
 - Drinking water protections (including Drinking Water Resiliency)
 - Municipal broadband
 - Funding for affordable housing
 - Legislative fix for stolen vehicles
 - Increasing revenue options for local government
 - Preservation of urban renewal authority
6. Updates on Interim Priorities
7. Adjourn

TO: City Council Legislative Committee

FROM: Eunice Kim, Planner III
Community Development Department

DATE: March 13, 2019

SUBJECT: **Senate Bill 10 related to Housing Density along Transportation Corridors**

On March 8, the City Council Legislative Committee requested that City staff analyze Senate Bill 10 to determine how it could be amended so that the City of Salem could potentially support it. In response, Planning Division staff has taken another look at SB 10 and has provided the following information. Planning Division staff continue to have concerns about SB 10 and would recommend watching, if not opposing, the bill.

Bill Description and Analysis

SB 10 mandates increased density requirements along frequent transit routes. For Salem, the bill would require the City to increase the maximum density allowed for housing to 50 units per acre within a quarter-mile of bus routes with 15-minute service (e.g. Commercial, Center, Market, Lancaster, Broadway Streets, etc.) and 25 units per acre within a half-mile.

The maximum densities mandated by SB 10 would generally be higher than those currently established along those transportation corridors, particularly in the City's multifamily zones. (There is no maximum density in the City's commercial zones.) While developers rarely build to the current maximum densities due to parking and other requirements, SB 10 could change that; the bill would require the City to allow increased height limits to accommodate the required density and would prohibit the City from establishing parking minimums in these transit corridors. The quarter-mile and half-mile buffers in SB 10 would extend into single-family neighborhoods in Salem, and thus the increased density would apply to them too.

Local Authority and Planning

SB 10 would preempt local authority by interfering with local planning. The City has embarked on a multi-year project – called Our Salem – to update its Comprehensive Plan, which guides future growth and development in the Salem area. This project is moving into the visioning phase later this year. That is when the City will conduct extensive public outreach to determine how the community wants Salem to grow in the future.

It is through this visioning process that community discussions about the location of higher-density housing are anticipated to occur. The Planning Division thinks the visioning process is where those discussions *should* occur. This would allow the community to help shape where and

how future growth happens in Salem. It would also enable the community to discuss housing – how much, what kind, where, etc. – in the context of other closely related issues and impacts associated with growth. SB 10 does not allow for meaningful public engagement in planning for future growth. It dictates maximum densities based solely on the priorities of the transit district Cherriots.

Potential Bill Amendments

If SB 10 were to be amended but still mandate maximum densities, the Planning Division would suggest several changes:

- Limit where higher densities are required to a quarter-mile from priority transportation corridors (as opposed to a quarter-mile and a half-mile from the corridors)
- Limit where higher densities are required to only those areas zoned to allow multifamily developments with three or more units (as opposed to areas zoned to allow “residential development”)
- Allow cities to determine the priority transportation corridors along which the higher density housing would apply (e.g., Consider Cherriot’s Core Network, existing infrastructure, etc.)
- Remove the subsection that prohibits large cities from imposing maximum densities less than “25 percent greater than the maximum density of the area on the effective date of this 2019 act”
- Remove the requirement that cities may only adopt standards restricting housing that do not “establish minimum parking requirements” and instead require minimum parking requirements to be reduced to one space per dwelling unit in the areas where the higher densities are required

TO: City Council Legislative Committee
FROM: Kali Leinenbach
City Manager's Office
DATE: March 22, 2019
SUBJECT: Legislative Bills Related to Plastic Bags

A few bills have been introduced this legislative session that restrict or implement a charge for the distribution of plastic bags at retail checkout. In November 2018, City Council passed an ordinance restricting the use of plastic carryout bags with large retailers set to comply April 1, 2019, with all other retailers to comply by September 1, 2019.

The bills discussed in this memo have not previously been considered by the City Council's Legislative Committee.

HB 2509 would create statewide minimum standards for retailers and restaurants regarding the distribution of plastic carryout bags and allows other jurisdictions to exceed these standards. The proposed bill has similarities to the current plastic bag ordinance in Salem, but also has a few significant differences.

HB 2653 would create a statewide standard for retailers and restaurants for the distribution of plastic carryout bags, with no allowance for variation. This proposed bill is most similar to the current ordinance in Salem, but does not allow flexibility for any differences to exist.

HB 2766 creates an excise tax on single-use plastic checkout bags of five cents per bag, with no charge for paper bags. The entire amount collected by retailers would be remitted to the State of Oregon to create The Plastic Clean-Up and Recycling Fund to support programs or activities that clean up plastic waste and promote plastic recycling.

Attached is a comparison of the current Salem ordinance and the three bills under consideration.

Staff proposes supporting amendments to these bills to align them with Salem's existing ordinance to support existing communication efforts and smooth the transition of businesses to the new requirements.

Attachments:

1. Plastic Bag State Legislation Comparison

	Salem Ord.	HB 2509	HB 2653	HB 2766
<i>Effective Date</i>	Apr 1, 2019, Sept 1, 2019	Jan 1, 2020	Jan 1, 2020	Jul 1, 2020
<i>Thin plastic bags at retail checkout</i>	No, except pharmacy	No	No, except pharmacy	Yes
<i>Thick plastic bags at retail checkout</i>	No	Yes, 4 mils or more	Yes, 2.25 mils or more	Yes
<i>Charge for paper bag at retail checkout</i>	Yes, \$0.05	Yes, \$0.08	Yes, \$0.05	No
<i>Charge for plastic bag at retail checkout</i>	No	Yes, \$0.08	Optional	Yes, \$0.05 tax sent to the State
<i>Retailers to retain charge for bags</i>	Yes	Yes	Yes	No
<i>Low income exemption (no charge for bag)</i>	Yes	Yes	Yes	Yes
<i>Plastic bags to transport items to checkout</i>	Allowed	Allowed	Allowed	Allowed
<i>Non-compliance fine</i>	Yes, scale up to \$250	Yes, max. \$250	Yes, max. \$250 per day	Yes, max. \$500
<i>Thin plastic bags at restaurants</i>	Yes	No	Yes	Yes
<i>Thick plastic bags at restaurants</i>	Yes	Yes	Yes	Yes
<i>Restaurants charge for paper</i>	No	No	No	No
<i>Restaurants charge for thick plastic</i>	No	Yes, \$0.08	No	No

TO: City Council Legislative Committee

FROM: Courtney Knox Busch
City Manager's Office

DATE: March 22, 2019

SUBJECT: **Legislative Bills Related to Marijuana Tourism**

Two bills before the 2019 Legislature could support making marijuana, in various forms, available at temporary events, lounges for public consumption, and delivery in communities across Oregon. The bills discussed in this memo have not previously been considered by the City Council's Legislative Committee.

House Bill 2233 allows for the Oregon Liquor Control Commission (OLCC) to regulate consumption and sale of marijuana items (smoked, aerosolized or vaporized) at temporary events and at public or private clubs for communal consumption – and for local governments to adopt ordinances to allow the temporary events and/or cannabis lounges. OLCC would regulate appropriate exhaust of the locations and ensure production and consumption activities, if at same location, occur in distinct areas.

Senate Bill 639 is similar in its intent, expanding to allow for delivery of marijuana items to consumers at specific permanent and temporary residences, and to offer tours of licensed premises. Residences are defined to include short-term or transient occupancy (hotels, inns, etc.) rentals. Dormitories or residences on campuses of private or public institutions of higher education, however, are excluded.

Legislative Committee

Report Date: March 19, 2019

City of Salem

Bill Name	Bill Sponsor	Position	Priority
HB 2144 INTRO	Pre-session filed (at the request of House Interim Committee on Revenue)	Oppose	1
<p>Relating to tax treatment of investment in qualified opportunity zone; prescribing an effective date.</p> <p>Requires addition to federal taxable income of amounts deducted as gain attributable to investment in federal qualified opportunity zone.</p> <p>2/1/2019 - HB 2144: Deals with Federal Income Tax as it applies to Opportunity Zones. Salem has several designated Opportunity Zones so we need to see where this bill goes and it how it might impact those areas. Bill Review - Sara Long</p> <p>I would like to modify this to a Priority 1-Oppose. As this bill has evolved the purpose would be to decouple it from the federal taxable income, i.e. hurting Oregon and the City of Salem in terms of being able to bring in the investments/projects which Opportunity Zones were established to do.</p> <p>HB 2144 would decouple Oregon from the federal capital gains tax benefits of the Opportunity Zone program. Decoupling from the federal capital gains rules lessens the incentive for investment within the State as these projects would no longer receive both state and federal benefits. This could also deter out of state money from being invested in Oregon projects. In Salem, there are currently four potential Opportunity Zone projects in the works we are aware of with the possibility of more to come.</p>			
HB 3326 INTRO	Energy and Environment (H)	Support	1
<p>Relating to water quality.</p> <p>Declares harmful algal blooms to be menace to public health and welfare.</p> <p>3/15/2019 - Directs OHA and DEQ to establish a proactive monitoring program for harmful algal blooms (HABs) throughout the state and conduct research on causes and solutions to HABs. The program would fill a great void in current state efforts and greatly benefit the City. Expected amendments would allocate funding to DEQ for lab analysis and require oversight of OHA expenditures related to drinking water.</p>			
HB 3340 INTRO	Rep Holvey; Rep Power; Rep Salinas	Support	1
<p>Relating to water quality.</p> <p>Declares harmful algal blooms to be menace to public health and welfare.</p> <p>3/15/2019 - Directs OHA and DEQ to establish a proactive monitoring program for harmful algal blooms (HABs) throughout the state and conduct research on causes and solutions to HABs. The program would fill a great void in current state efforts and greatly benefit the City. Similar to HB 3326 but does not allocate any funding to the program.</p>			
Bill Name	Bill Sponsor	Position	Priority
HB 2656 INTRO	Rep Power; Rep Salinas (Pre-session filed)	Support	2
<p>Relating to forestland that supplies drinking water systems.</p> <p>Prohibits certain forest operation activities on forestland that supplies drinking water for one or more public water systems.</p> <p>1/30/2019 - Prohibits certain forest management activities (fertilizer & pesticide application, new road construction, etc.) in forestland designated as a drinking water source. This would provide a major protection to a portion of the City's North Santiam watershed. However, Federal lands make up 65% of the land in the watershed and would not be affected by the provisions of the bill.</p>			
HB 3023 INTRO	Rep Barker; Rep Barreto; Rep Bonham; Rep Boshart Davis; Rep Bynum; Rep Clem; Rep Leif; Rep McLain; Rep Nearman; Rep Sollman; Rep Wilson; Sen Hansell; Sen Heard; Sen Manning Jr; Sen Roblan; Sen Thomsen	Oppose	2
<p>Relating to transportation network companies; prescribing an effective date.</p> <p>Requires transportation network company that operates in this state to obtain license from Department of Transportation.</p>			

Legislative Committee

Report Date: March 19, 2019

City of Salem

Bill Name	Bill Sponsor	Position	Priority
3/12/2019 - HB 3023 would preempt local authority by negating the City's regulations of transportation network companies (e.g., Uber and Lyft). Instead, such companies would be required to get a license from the Oregon Department of Transportation and follow State regulations.			
HB 3226 INTRO	Rep Barreto; Rep Wilson; Sen Hansell	Oppose	2
<p>Relating to covenants not to sell separately.</p> <p>Requires local governments to allow building across lot lines if owner has recorded covenant not to sell separately.</p> <p>3/8/2019 - HB 3226 would require the City to allow buildings to be constructed across property lines, essentially combining properties for the sake of lot size and building setback requirements. A covenant not to sell the properties separately would have to be recorded. The City already has effective processes that allow property lines to be moved or removed to accommodate developments on multiple properties. This bill would require the City to establish a new process for approving the termination of covenants.</p>			
HB 3317 INTRO	Rep Sprenger	Oppose	2
<p>Relating to the expansion of urban growth boundaries.</p> <p>Requires cities to amend urban growth boundary yearly to expand in proportion to their most recent estimated population growth.</p> <p>3/12/2019 - HB 3317 would require the City to expand its urban growth boundary (UGB) each year in proportion to the annual percentage of population growth. The City's Housing Needs Analysis and Economic Opportunities Analysis determined that the UGB does not need to be expanded for 20 years.</p>			
HB 3334 INTRO	Rep Sprenger	Oppose	2
<p>Relating to armories; declaring an emergency.</p> <p>Provides that local government laws, including land use regulations, do not apply to siting of armories by Oregon Military Department.</p> <p>3/12/2019 - HB 3334 would preempt local authority by allowing State military armories to essentially be constructed wherever the military department thinks they are needed, regardless of local regulations.</p>			
SB 927 INTRO	Environment and Natural Resources (S)	Watch	2
<p>Relating to historic preservation.</p> <p>Allows local governments to develop historic resource program to designate resources for protection.</p> <p>3/12/2019 - SB 927 would preserve the City's local authority to develop and administer its own historic preservation program. The bill would also remove the State requirement that an owner must consent to his/her property being designated a historic resource. The City could continue to require owner consent if it so desired.</p>			
Bill Name	Bill Sponsor	Position	Priority
HB 2233 INTRO	Rep Fahey; Rep Helm; Rep Marsh; Rep Nosse; Rep Piluso; Rep Power; Rep Salinas (Presession filed)	No Position	3
<p>Relating to marijuana; prescribing an effective date.</p> <p>Provides for regulation by Oregon Liquor Control Commission of consumption and sale of marijuana items at temporary events, including licensure of premises at which temporary events are conducted.</p> <p>3/18/2019 - HB 2233 allows for the Oregon Liquor Control Commission (OLCC) to regulate consumption and sale of marijuana items (smoked, aerosolized or vaporized) at temporary events and at public or private clubs for communal consumption – and for local governments to adopt ordinances to allow the temporary events and/or cannabis lounges. OLCC would regulate appropriate exhaust of the locations and ensure production and consumption activities, if at same location, occur in distinct areas. This bill is similar in scope to SB 639.</p>			

Legislative Committee
Report Date: March 19, 2019

City of Salem

Bill Name	Bill Sponsor	Position	Priority
HB 2509 INTRO	Rep Gorsek; Rep McLain; Rep Mitchell; Rep Neron; Rep Nosse; Rep Piluso; Rep Rayfield; Rep Sanchez; Rep Smith Warner; Rep Sollman (Pre-session filed)	Watch	3

Relating to checkout bags.

Prohibits use of single-use checkout bags except in certain cases.

3/19/2019 - HB 2509 would create statewide minimum standards for retailers and restaurants regarding the distribution of plastic carryout bags and allows other jurisdictions to exceed these standards. The proposed bill has similarities to the current plastic bag ordinance in Salem, but also has a few significant differences.

HB 2509 would implement a statewide ban on single use bags. Amendments offered to the bill would preempt existing local regulations. In Salem's case, this would mean thick plastic bags would be allowed at check out, the fee for each carry out bag would be \$0.10 (not \$0.05), and restaurants would be required to charge for plastic but not for paper. The Council's Legislative Committee considered this bill at their February 22 meeting and decided to remain neutral on this bill.

SB 639 INTRO	Sen Fagan; Sen Frederick; Sen Golden; Sen Prozanski; Sen Steiner Hayward	No Position	3
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Relating to marijuana; prescribing an effective date.

Provides for regulation by Oregon Liquor Control Commission of consumption and sale of marijuana items at temporary events, including licensure of premises on which temporary events are held.

3/18/2019 - Senate Bill 639 is similar in its intent, expanding to allow for delivery of marijuana items to consumers at specific permanent and temporary residences, and to offer tours of licensed premises. Residences are defined to include short-term or transient occupancy (hotels, inns, etc.) rentals. Dormitories or residences on campuses of private or public institutions of higher education, however, are excluded. This bill is similar in scope to HB 2233.

Bill Name	Bill Sponsor	Position	Priority
HB 2653 INTRO	Rep Gorsek (Pre-session filed)	Not Reviewed	No Priority

Relating to checkout bags.

Prohibits use of single-use checkout bags except in certain cases.

3/19/2019 - HB 2653 would create a statewide standard for retailers and restaurants for the distribution of plastic carryout bags, with no allowance for variation. This proposed bill is most similar to the current ordinance in Salem, but does not allow flexibility for any differences to exist.

This bill would apply to all retailers, allow thick plastic bags at check out, allow thin plastic bags in certain scenarios, and require at least a five cent charge for paper bags. Restaurants would not be impacted. It would prohibit local governments from requiring a fee on any type of carryout bag. It does not specify who would retain the fee. This bill is most similar to our ordinance, but is more lenient with plastic bags.

HB 2766 INTRO	Rep Bonham	Not Reviewed	No Priority
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Relating to plastic checkout bags; prescribing an effective date; providing for revenue raising that requires approval by a three-fifths majority.

Imposes excise tax of five cents per bag on provision of single-use plastic checkout bags by establishments selling raw or processed food or alcohol at retail.

3/19/2019 - HB 2766 creates an excise tax on single-use plastic checkout bags of five cents per bag, with no charge for paper bags. The entire amount collected by retailers would be remitted to the State of Oregon to create The Plastic Clean-Up and Recycling Fund to support programs or activities that clean up plastic waste and promote plastic recycling.