
COMMUNITY DEVELOPMENT DEPARTMENT

DATE: JULY 8, 2021

TO: OUR SALEM ZONING SUBCOMMITTEE

FROM: EUNICE KIM, LONG RANGE PLANNING MANAGER

THROUGH: LISA ANDERSON-OGILVIE, PLANNING ADMINISTRATOR AND COMMUNITY DEVELOPMENT DEPUTY DIRECTOR

SUBJECT: SUMMARY OF ZONING SUBCOMMITTEE DISCUSSIONS

The Our Salem Zoning Subcommittee has met virtually four times this spring and early summer to discuss six zoning options intended to reduce greenhouse gas emissions. The subcommittee has provided its preferred approach on each option.

The Subcommittee will meet for the last time on Thursday, July 15 from 3 to 5 p.m. and vote to make final recommendations on each option. Staff will incorporate the subcommittee's recommendations into the zoning code changes that will be proposed as part of the Our Salem package of amendments. Staff expects to start the adoption process for that package of amendments – adoption of the Our Salem project – by the end of this year.

This memorandum summarizes the Subcommittee's preferred approach on the zoning options thus far in the process and provides additional information on a few of the options.

1. Maximum height in the proposed Mixed Use-III (MU-III) zone

The subcommittee took an initial vote to establish a maximum height in the proposed MU-III of 70 feet. Establishing a high maximum height would increase the possibility of taller buildings and therefore more housing units close to frequent transit service.

The subcommittee also initially voted to base the setback of buildings adjacent to residential zones on the height of the buildings. Specifically, the setback would be the same as in the Mixed Use-I and Mixed Use-II zones: Minimum 10 ft setback plus 1.5 feet for each 1 foot of building height above 15 feet. A 70-ft tall building would be set back 92.5 feet from a residential zone. The setback would apply even if there was an alley, and a minimum 6-foot-tall fence or wall would be required.

The subcommittee asked if the setback adjacent to residential zones could be capped, meaning the setback would increase as building heights increased, but at some point, the setback would no longer need to be increased. The subcommittee could recommend setting a cap at its next meeting. For

example, a cap of 50 feet could be established in the MU-III zone, which would be larger than any current setback between zones. The largest setback between zones in Salem now is 40 feet. Specifically, buildings in the General Industrial (IG) zone must be set back at least 40 feet from residential zones, and that setback must include a 6-ft tall wall. Buildings in the IG zone can be up to 70 feet tall.

2. Eliminate parking requirements near the Core Network

The subcommittee initially voted to eliminate minimum off-street parking requirements for mixed-use developments in the mixed-use zones within ¼ mile of Cherriot's Core Network. (The provision of parking would continue to be allowed.) This would apply to horizontal and vertical mixed-use developments. It would incentivize the development of mixed-use projects near the Core Network. It would also encourage the addition of housing – infill – on property that is currently developed with commercial uses because that housing could be built on existing parking spaces. The existing parking spaces would no longer be required off-street parking spaces, though they could remain if so desired. The amount of parking provided on a property would be driven by the market.

3. Increase minimum density requirement in the Multiple Family Residential II (RM-II) and mixed-use zones

The subcommittee initially voted to increase the minimum density in the RM-II, MU-I, MU-II, and proposed MU-III zones to 15 units per acre. This would promote the development of more housing in mixed-use, transit-supported areas, as a lot of the land along the Core Network is proposed to be rezoned to mixed use as part of the Our Salem project. Increasing minimum densities more broadly in Salem would help the City meet its housing needs and help ensure land is more efficiently used, as housing continues to be built.

Currently, the minimum density in the RM-II zone and MU-I and MU-II zones is 12 units per acre. If it is increased to 15 units per acre, then the existing maximum density of 28 units per acre in the RM-II zone should also be increased to 31 units per acre to ensure that there continues to be a range of densities allowed. There is no maximum density in the MU-I and MU-II zones.

4. Require multifamily housing in the mixed-use zones

The subcommittee provided feedback at the June 21 meeting that it preferred not to require multifamily housing in the mixed-use zones. Instead, the subcommittee is interested in using incentives to encourage multifamily housing in the mixed-use zones near the Core Network. Some of the incentives are described above (e.g., tall buildings, parking reductions, and increased densities).

The subcommittee also expressed interest in pursuing financial incentives for affordable housing, including a construction excise tax. A construction excise tax is a tax assessed on estimated value of residential, commercial, and/or industrial construction projects that can be issued by cities and counties. In 2016, the Oregon State Legislature passed a bill that allows local jurisdictions to assess a construction excise tax to fund affordable housing.

HB 2001 requires cities to consider methods to increase the affordability of middle housing – duplex, triplex, quadplex, townhouses, and cottage cluster – and one of the methods that must be considered is the construction excise tax. The City Council held a work session on HB 2001 in June and expressed interest in learning more about the construction excise tax and other financial tools to promote affordable housing. Staff intends to conduct more research on all of the options and bring them back to Council.

5. Require neighborhood hubs and/or middle housing in large subdivisions

Neighborhood hubs

The subcommittee expressed interest in requiring neighborhood hubs in new subdivisions that are at least 10 acres in size. These subdivisions would be required to designate at least two contiguous lots (or two lots separated by a street) as allowing the uses in the proposed Neighborhood Hub (NH) zone. The proposed NH zone would allow single-family homes and other uses permitted in the Single-Family Residential (RS) zone, and it would also allow but not require small-scale shops and services. This would help promote the creation of more complete neighborhoods, particularly as vacant land on the edges of Salem are developed.

The location standards or restrictions in the proposed NH zone would also apply. For example, proposed neighborhood hubs would have to be at least $\frac{1}{4}$ mile from other hubs, commercial, or mixed-use zones. In other words, if a 10-acre subdivision was located really close to a mixed-use corridor, lots in that subdivision would not need to be designated to allow uses in the NH zone. In addition, the proposed neighborhood hubs would be restricted to collector or minor arterial streets, and the designated hub lots could not exceed two acres in size.

Middle housing

The subcommittee expressed interest in establishing a minimum density in the RS zone as opposed to requiring middle housing in large subdivisions. Implementation of House Bill 2001 will generally require the City to allow the following in single-family zones: A duplex on lots that are at least 4,000 square feet, a triplex on lots that are at least 5,000 square feet, and a quadplex and cottage cluster on lots that are at least 7,000 square feet. Townhouses would also be allowed on lots that are at least 1,500 square feet.

Currently, there is no minimum density in the RS zone, which means a large acreage lot can be developed with a single home. Establishing a minimum density would ensure that residential land was more efficiently used, and a higher minimum density would promote a mix of housing types and lot sizes. Specifically, there would be flexibility in how subdivisions could meet a minimum density. There could be variations in lot sizes, middle housing could be developed, or some combination of the two could occur.

The subcommittee expressed interest in setting the minimum density in the RS zone at 5.5 units per acre when properties of at least 5 acres in size are subdivided. This would result in an average lot size 6,336 square feet if 20 percent of the subdivision were deducted for streets and other lot constraints. If 30 percent were deducted, the average lot size would be 5,544 square feet. Properties less than 5 acres would be exempt from the minimum density requirement, or a lower density could be established for these smaller properties. (Staff researched subdivisions going back to 2000, and the vast majority were developed at a density of at least 3 units per acre.)

The subcommittee asked about further tiering the minimum densities based on the size of a subdivision, given the greater flexibility generally available in larger subdivisions. A higher minimum density – more than 5.5 units per acre – could be established for subdivisions that were at least 20 acres in size. There have only been two subdivisions more than 20 acres in size approved in 2019 or 2020.

Staff researched subdivisions going back to 2000 to determine minimum densities that have been achieved when middle housing – specifically townhouses and/or duplexes – was included in all or a portion of the development. Gross densities ranged from roughly 5 units per acre to 13.3 units per acre. (Portions of some of the subdivisions were in the multiple family or commercial zones, but they were

included given that middle housing will be allowed the RS and RA zones under proposed HB 2001 code amendments.) Staff will provide examples at the next subcommittee meeting.

6. Establish a minimum density in the RS zone near the Core Network

The subcommittee expressed interest in establishing a minimum density of 15 units per acre in the RS zone within ¼ mile of the Core Network. As mentioned above, the RS zone does not have a minimum density today. Establishing one within ¼ mile of the Core Network would help ensure that higher-density middle housing is located near frequent transit service.

No parking is required for three- and four-family projects within a ¼ mile of the network, so it could be more feasible to see those types of projects there. In addition, the proposed code amendment implementing HB 2001 would not require additional parking for any single-family home that is converted to a two-family, three-family, or four-family housing through an addition, conversion, or new buildings on the same site.

If a minimum density is established, staff recommends establishing several exemptions. Such exemptions could include the following:

- Existing housing, including single-family homes, that are replaced, rebuilt, or expanded
- Accessory dwelling units
- Properties greater than 13,000 square feet that are proposed for a new single-family home, provided the remainder of the property can be divided and can be developed to meet the minimum density
- Development on a vacant lot or parcel consistent with an approved land division, except tracts identified for future phases