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# Memorandum

**Date:** February 28, 2023  
**To:** City of Salem Planning Staff  
**From:** Kim Sapunar, MWVCOG  
**Re:** **Technical Memo #5 Dwelling Unit Capacity**

From the DLCD/MWVCOG Scope of Work:

## 2.6 Dwelling Unit Capacity Analysis for CFAs

- a) Calculate the net developable area (NDA) for each candidate CFA. See 0315-(2)(a) for discussion of setbacks, building heights, on-site parking, open space, and similar regulations and work from task 3.1 and Technical Memo #4
- b) For each candidate CFA, apply the existing and alternative development standards from Technical Memo #4 to the NDA to calculate buildable square footage within the candidate CFA.
- c) Calculate the dwelling unit capacity of each candidate CFA based on parameters listed in 0315-(2) including: building height maximums and height bonuses; the assumption that residential dwellings shall occupy 30% of zoned building capacity; and average dwelling size of 900 square feet.
- d) Compare the dwelling unit capacities of CFAs from task 3.2.c to the identified housing need from Technical Memo #1.

From this work, Consultant will prepare draft **Technical Memo #5**. Consultant and City staff shall hold Project Management Meeting #4 prior to finalizing Technical Memo #5.

## Background

Beginning in late 2022, MWVCOG began work to evaluate potential areas for consideration of designated climate friendly areas (CFAs) referred to in Salem as Walkable, Mixed-Use Areas (WaMUAs) as part of the compliance for DLCD's recent Climate-Friendly and Equitable Communities rules, adopted in July 2022. As work began and in the documentation of the process and the writing of technical memos, it became clear that there was overlap in necessary content between several of the technical memos. Technical memo #2 calls for

identifying draft CFAs to meet the required housing targets, and this necessitated calculating initial potential development to see if requirements could be met which is the task involved in technical memo #5. The CFA assessment is an iterative process. This memo will cover the dwelling unit capacity with overlap from the results presented in technical memo #2.

### Step 1: Candidate Areas

Salem staff identified five areas with the greatest CFA potential. The areas included the downtown, south of downtown, West Salem, Lancaster Drive and Market Street, and Liberty Road and Commercial Street. More documentation of these areas is in technical memo #2.

### Step 2: Determine the Housing Capacity Parameters

With general areas identified, it was necessary to begin the dwelling unit capacity analysis (Task 2.6) to be able to evaluate, compare and refine CFA areas. The analysis became iterative to provide quick feedback as to whether candidate areas were too far below or above the required 30% of housing need.

Estimating the potential for housing development depends on the underlying existing zoning category, and application of the rules as described in OAR 660-012-0315. A list of zoning categories was assembled and based on current code for each, the development standards were summarized in a spreadsheet. These included the number of allowed floors, setbacks (front, side, rear), maximum lot coverage, and minimum density. Exceptions and notes for each category were also included as appropriate.

OAR 660-012-0315 is specific in the allowed building height (if unspecified in the zoning), the square footage of potential units for calculation, and the percentage of developable area to be considered as residential. Less specifically, the rules state “(a) Based on development standards within a climate friendly area, including applicable setbacks, allowed building heights, open space requirements, on-site parking requirements, and similar regulations, determine the buildable square footage for each net developable area.<sup>1</sup>” To estimate setbacks which can be applied as a percentage to the calculation of development, rather than parcel by parcel as a deduction in linear feet, a setback percentage was estimated for each zoning category. In addition, an additional setback percentage was added to account for unspecified other considerations such as landscaping requirements, foot paths, access areas, mail boxes, etc. These setback estimates were reviewed and adjusted by city of Salem staff based on professional experience, and then submitted to DLCDC for comment and review.<sup>2</sup>

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<sup>1</sup> 660-01200315(2)(a)

<sup>2</sup> 12/1/2022 via email

DLCD review was favorable to the approach, referencing parking setbacks if necessary and natural hazards if applicable. Salem is in the process of eliminated all parking mandates. Additionally, all the potential CFAs (WaMUAs) are largely within ½ mile of 15-minutes bus service, and off-street parking requirements have already been eliminated in those transit corridors. Therefore, parking was not considered as part of additional setbacks of development. As for natural hazards, there are exclusions only if locally adopted development regulations significantly limit development. This was not applicable in the study areas. The summary of setbacks and building heights is in Table 1.

*Table 1 Existing Development Standards*

<b>Zoning</b>	<b>Estimated Reduction setbacks</b>	<b>Estimated additional reduction (misc., landscape, etc.)</b>	<b>Total reduction</b>	<b>Number of floors</b>
<a href="#">CB</a>	0%	5%	<b>5%</b>	7
<a href="#">WSCB</a>	0%	5%	<b>5%</b>	6
<a href="#">MU-1</a>	5%	5%	<b>10%</b>	5
<a href="#">MU-2</a>	5%	5%	<b>10%</b>	4
<a href="#">MU-3</a>	15%	5%	<b>20%</b>	6
<a href="#">MU-R</a>	5%	5%	<b>10%</b>	6
<a href="#">RM2</a>	40%	0%	<b>40%</b>	3
<a href="#">RM3</a>	5%	5%	<b>10%</b>	6

### Step 3: Calculate Dwelling Unit Capacity

In a Geographic Information System (GIS) environment, Salem’s most recent zoning layer was used as the development base. This layer was updated with the adoption of the Our Salem plan in July 2022. While summarizing these initial results, it was clear that capacity far exceeded what was required, therefore only 4 of the 5 study areas were mapped and summarized for the next steps (based on preference previously expressed by city staff).

The steps to calculate the net developable area and dwelling capacity include:

- Total development area, excluding streets, was identified.
- A deduction for setbacks was applied to each area based on the zoning.
- Area (after setbacks) by the number of floors allowed (by zoning)
- Of this resulting development in square feet, 30% only, to be considered residential
- The 30% of residential development divided by 900 square feet per unit
- Yields = the dwelling unit capacity, by zoning in four study areas.

#### Step 4: Alternative Standards

In the course of this work, the city determined it was not necessary to develop an alternative set of development (zoning) standards and run a corresponding dwelling unit capacity analysis, as it was expected that CFA compliance could be met with the city's current standards. An alternative set was a contingent in the event that existing standards were insufficient to achieve the necessary dwelling units to identify a potential CFA. Technical memo #4 will document any required changes necessary for compliance when final CFAs are designated.

#### Step 5: Dwelling Capacity Initial Results

As the results of the GIS The potential number of dwelling units for the four study areas totaled 55,262 units, substantially more than the needed number of 25,860. Table 2 shows units by zoning type for each of the four areas. Following Table 2 are maps of the four study areas (highlighted boundaries indicate which development areas are included in the tables).

Table 2 Preliminary Dwelling Unit Estimates

<b>Salem Preliminary CFA Estimates</b>					
<b>Target Units for CFA(s) =</b>	<b>25,860</b>				
<b>Area</b>	<b>Potential units</b>	<b>Acres</b>	<b>Zoning</b>	<b>Acres</b>	<b>Units</b>
<b>Downtown Salem</b>	<b>19,638</b>	252	CB	121	11,647
			MU-I	55	3,577
			MU-II	4	207
			MU-R	41	3,193
			RM2	29	757
			RM3	3	258
<b>West Salem</b>	<b>9,821</b>	142	MU-I	11	694
			MU-III	55	3,819
			RM2	19	505
			WSCB	58	4,803
<b>Commercial/Liberty</b>	<b>8,846</b>	191	MU-I	21	1,343
			MU-II	0	21
			MU-III	70	4,853
			RM2	101	2,629
<b>Lancaster</b>	<b>16,957</b>	301	MU-I	41	2,662
			MU-III	171	11,908
			RM2	91	2,388
<b>Four Locations Total=</b>	<b>55,262</b>				

Figure 1 Downtown

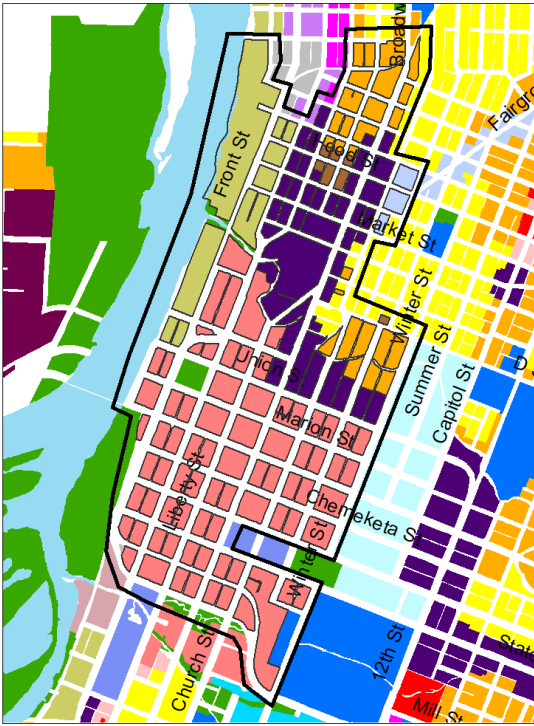


Figure 2 West Salem

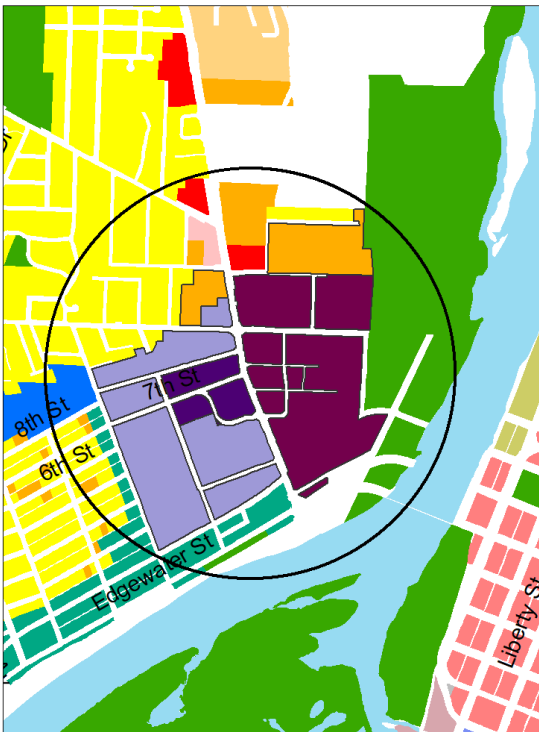


Figure 3 Liberty Rd and Commercial St

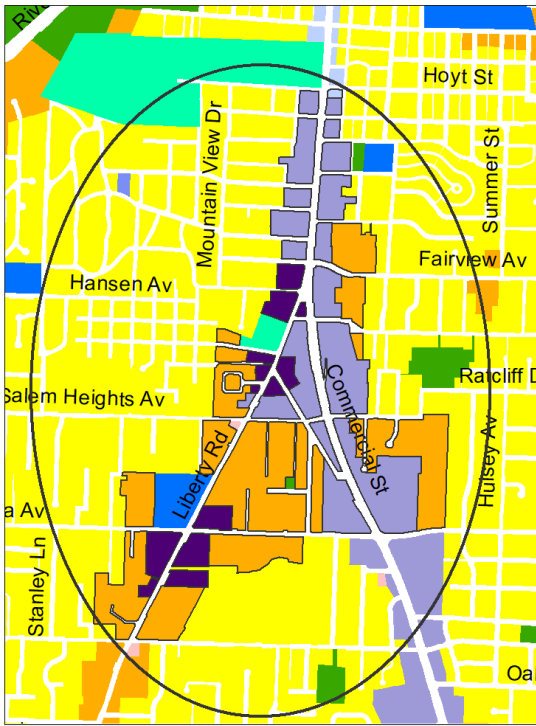


Figure 4 Lancaster Dr

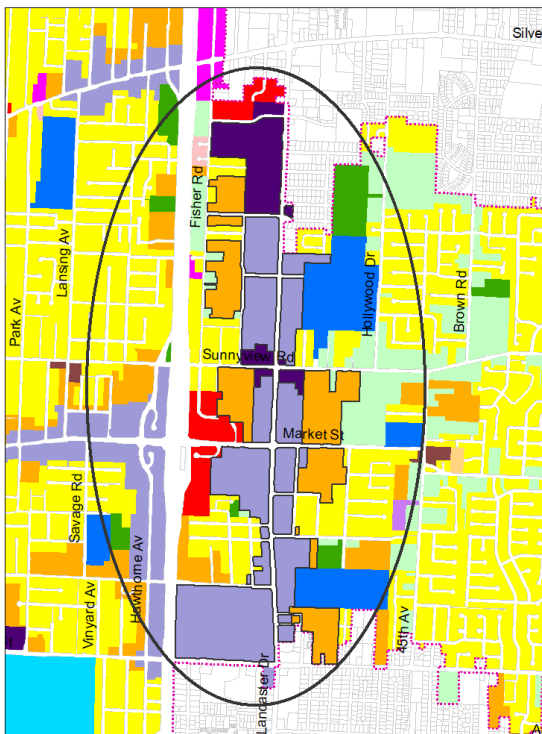


Figure 5 Zoning Legend

- SalemZoning2022
  - CB - Central Business District
  - CG - General Commercial
  - CO - Commercial Office
  - CR - Retail Commercial
  - EC - Employment Center
  - EFU - Exclusive Farm Use
  - ESMU - Edgewater/Second Street Mixed-Use Corridor
  - FMU - Fairview Mixed-Use
  - IBC - Industrial Business Campus
  - IC - Industrial Commercial
  - IG - General Industrial
  - IP - Industrial Park
  - MU-I - Mixed Use-I
  - MU-II - Mixed Use-II
  - MU-III - Mixed Use-III
  - MU-R - Mixed Use - Riverfront
  - NH - Neighborhood Hub
  - PA - Public Amusement
  - PC - Public/Private Cemetery
  - PE - Public/Private Education
  - PH - Public Health
  - PM - Capitol Mall
  - PS - Public Service
  - RA - Residential Agriculture
  - RM1 - Multiple Family Residential 1
  - RM2 - Multiple Family Residential 2
  - RM3 - Multiple Family Residential 3
  - RS - Single Family Residential
  - SWMU - South Waterfront Mixed-Use
  - WSCB - West Salem Central Business District

Step 6 Next steps

These initial results were reviewed by city staff on Jan 4, 2023. From that meeting, it was determined to further refine and focus on the areas of the downtown, just north of downtown and West Salem for candidate CFAs. After the decision is made on final CFA locations, technical memo #7 will document those selections.