



PLANNING DEPARTMENT

2024 LEGISLATIVE UPDATE | BRIEFING SHEET 9/17/24

Signed Bills

BILL	TITLE	ACTION
HB 2210	Annual Report to ACA - Stats	Submit by September 30, 2024
SB 1162	Rezone Shot-Clock	Adopt by January 1, 2025
	5-Year Housing Needs Assessment	Beginning January 1, 2025
	Annual Housing Report	Beginning January 1, 2025
HB 2720	ADU's	Adopt by January 1, 2025
HB 2297	Adaptive Reuse to MFR	Adopt by January 1, 2025
HB 2721	Middle Housing	Adopt by January 1, 2026

HB 2210 – Zoning & Permitting Stats to Arizona Commerce Authority

- On or before September 30 of each year, each City must submit statistics for the preceding fiscal year that include the following:
 - Average time from the submission of an “Initial Building Permit” application to a Certificate of Occupancy.
 - Average time from the submission of a “Zoning Application” to Zoning Approval.
 - Average Time from the submission of a Final Plat to the *Recordation* of a Final Plat.
 - Any other statistics as requested by the ACA.

SB 1162 – Rezone Shot-Clock & Housing Assessment

- Rezones
 - **Code update must be in place by January 1, 2025**
 - City must determine completeness within 30 days; if rejected, must determine completeness within subsequent 15-days
 - After declaring complete, City has 180 days to approve or deny the Rezone
 - City may extend timeframe beyond 180 days if: (1) Extenuating circumstances up to 1-time, 30 days; or (2) applicant requests extension
 - Does not apply to Planned Area Developments (PAD) or Planned Community Districts (PCD's)
- Housing Needs Assessment – Housing & Neighborhood Services
 - Beginning January 1, 2025 – and every 5 years thereafter – City must publish Housing Needs Assessment
 - Projected population growth for 5-year period
 - Projected job growth for the 5-year period
 - Total amount of land zoned for Single-Family Residential (SFR) or Multi-Family Residential (MFR)



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- Assessment of Need for for-sale and for-rent product to meet-
 - Any deficiencies to house existing population, existing workforce, projected population, projected job growth and needs across all income segments.
- Annual Housing Report
 - Beginning January 1, 2025 – and every year thereafter – City to submit annual report to the Arizona Department of Housing
 - # of Housing applications received in prior year (Rezone, Pre-Plat, Permits)
 - # of SFR and MFR lots included in prior year
 - # of SFR and MFR approved and/or disapproved
 - Percentage of MFR zoned land vs SFR zoned land
 - Progress report in meeting the need
 - Arizona Department of Housing compiles reports and submits to the Governor
 - Bill does not require City to fulfill the projections

HB 2720 – Accessory Dwelling Units (ADU's)

- **Code update must be in place by January 1, 2025**
- In zones where SFR is permitted - City must allow at least 1 detached; and 1 attached ADU.
- City must permit an additional detached ADU when lot 1-acre+ and ADU is a “restricted-affordable” unit.
- Restricted affordable is up to 80% of Area Median Income and either implemented through deed restriction or Development Agreement with City.
- The ADU can be up to 75% of Gross Floor Area of house or 1,000 SF, whichever is less.
- A City may NOT:
 - Prohibit the use of ADU to be leased as long-term rental housing.
 - Require occupants to be familial or other specified arrangement with owner or occupant.
 - Require additional parking.
 - Require ADU match exterior design or finish of main house. No Design Review.
 - Require setbacks for ADU's greater than 5' from side or rear property line.
 - Set restrictions for ADU's that are more restrictive than SFR units with regard to height, setbacks, lot size or coverage.
 - Cannot require roadway improvements.
 - Cannot require a restrictive covenant; although new law does allow restrictive covenant between private properties – A nod to HOA's.
- New law does not supersede building or fire codes; however, City cannot require ADU to comply with commercial building code or require fire sprinklers.
- A City can require the owner of a vacation rental to reside on the property, if the property contains an ADU.



HB 2297 – Adaptive Reuse -- Multifamily

- **Code update must be in place by January 1, 2025**
- City to establish 'objective standards' to allow MFR or Adaptive Reuse on up to 10% of the existing commercial, office or mixed-use buildings without a CUP, Rezone or any other type of application that requires a public hearing.
 - The City may modify the percentage of existing buildings available for MFR or Adaptive Reuse every ten (10) years.
- City may designate commercial or employment hubs where existing buildings are excluded from the provisions of this section. Excluded area cannot exceed 10% of the existing commercial, office, employment or mixed-use buildings within the City.
- 'Objective standards' for MFR conversions are limited to the following:
 - Site Plan Review.
 - Adequate infrastructure
 - Compliance with applicable building and fire codes.
 - Existing buildings are 'economically or functionally obsolete' – meaning building is in a state of disrepair or has a 50% vacancy in the total GLA.
 - Existing buildings are located on parcels between 1 – 20 acres in size.
 - Set aside of 10% of total units for moderate-income (<120% of AMI) or low-income (80% of AMI) housing (or combo) for at least 20 years after the initial occupation.
 - Require more than 1 parking space per unit
- City may not withhold a demolition permit for all or a portion of the existing buildings.
 - Setback requirements for the TI (or new conversion building) cannot exceed what is provided for in MFR zoning districts.
 - The maximum height and density to be equal to allowance of a MFR district (in the City) within 1-mile. If no MFR within 1 mile, we look to the next closest MFR zoning district (in the City).
 - Maximum height may not exceed 5-stories and City may limit to 2-stories if within 100 feet of a SFR zoning district.
- City may not withhold a demolition permit if adaptive reuse project meets requirements. For adaptive reuse, all of the following apply:
 - Setback for proposed use shall apply. If minimum setback that applies to the existing building is less than the proposed use, the existing building shall be deemed Nonconforming with respect to setback purposes.



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- If maximum height that applies to existing building exceeds the maximum height of the proposed use, the existing height may remain and shall be deemed Nonconforming for height purposes – the existing building may be expanded to the maximum allowable density for the proposed use.
- Rooftop appurtenances shall be included with the height exception.
- This law does not appear to apply to land within the territory in the vicinity of a military airport, as defined in Section 28-8461 – portions of South Peoria.

HB 2721 – Middle Housing

- **Code Update must be in place by January 1, 2026**
- Must authorize “middle housing” – duplexes, triplexes, fourplexes and townhomes – as a permitted use within SFR zoned areas within 1-mile of the City’s Central Business District.
 - The City has previously designated P83 as its CBD; AND
- Must authorize “middle housing” as a permitted use within at least 20% of any new development of more than ten (10) contiguous acres.
- A City may NOT:
 - Discourage the development of middle housing, cumulatively through its regulations.
 - Restrict middle housing to single-story
 - Restrict middle housing to a Floor Area Ratio (FAR) of less than 50%
 - Set restrictions or processing that is more restrictive than SFR dwellings in same zone
 - Require owner occupancy of any structure.
 - Require structures to comply with commercial code or to contain a fire sprinkler
 - Require more than 1 parking space per unit
- This law does not appear to apply to land within the territory in the vicinity of a military airport, as defined in Section 28-8461.
 - Large part of Southern Peoria within the boundary
- This law does not change the terms of any area covered by an existing development agreement.
- Utility provider impacted by a development permitted under this law must have the opportunity to review and approve the Site Plan for the development.

