

Exhibit 1
Draft Ordinance

ORDINANCE NO. 2024-21

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, AMENDING THE PEORIA CITY CODE, CHAPTER 21 SECTIONS 21-400 "RESIDENTIAL DISTRICTS", 21-500 "NON-RESIDENTIAL DISTRICTS", AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Arizona Legislature adopted House Bill (HB) 2297, which codified certain statutory requirements and regulations established pursuant to HB2297, including A.R.S. § 9-462.10 (A), which provides in part, that cities and towns with a population of 150,000 or more must establish objective standards, on or before January 1, 2025, pertaining to "multifamily residential development" or "adaptive reuse"; and

WHEREAS, the City wishes to amend the Zoning Ordinance of the City of Peoria within the Peoria City Code (1992) regarding certain provisions in Sections 21-400 "Residential Districts", 21-500 "Non-Residential Districts", of the Peoria City Code (1992 edition), for the purpose of addressing State of Arizona legislation relating to Adaptive Reuse (HB2297) (the "Ordinance"); and

WHEREAS, the Planning and Zoning Commission of the City of Peoria, Maricopa County, Arizona, held a public hearing on November 14, 2024, to consider proposed amendments to the Peoria City Code (1992 edition), after notice in the manner provided by law; and

WHEREAS, due and proper notice of such Public Hearing was given in the time, form, substance, and manner provided by law including publication of such in the Peoria Times on October 24, 2024; and

WHEREAS, the Planning and Zoning Commission of the City of Peoria, Arizona at its regularly convened meeting of November 14, 2024 voted to recommend the Code Amendment Case TA24-03 to the Mayor and Council of the City of Peoria, Arizona; and

WHEREAS, the City Council has considered the probably impact of this Ordinance on the cost to construct housing for sale or rent in accordance with Arizona Revised Statute 9-462.01.E; and

WHEREAS, the City Council has determined the code amendment to the Zoning Ordinance is in conformance with the City of Peoria General Plan, as amended; and

WHEREAS, the Mayor and Council of the City of Peoria, Arizona, have considered the recommendation of the Planning and Zoning Commission of the City of Peoria, Arizona, and deem it to be in the best interest of the public health, safety and welfare of the residents of the City of Peoria, Arizona to amend the provisions and associated sections as specified within the Ordinance; and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Peoria, Arizona as follows:

SECTION 1. The foregoing recitals are incorporated as if fully set forth herein.

SECTION 2. Chapter 21 of the Peoria City Code shall be amended to read as indicated in Exhibit A of this Ordinance.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 4. The City Clerk is hereby authorized to correct clerical and grammatical errors, if any, related to this Ordinance, and to make formatting changes appropriate for purposes of clarity, form, or consistency with the Peoria City Code.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Maricopa County, Arizona this 17th day of December, 2024.

Jason Beck, Mayor

Date Signed

ATTEST:

Agnes Goodwine, City Clerk

APPROVED AS TO FORM:

Emily Jurmu, City Attorney

Published in: Peoria Times

Publication Date:

Effective Date:

Exhibit A

Administration Refinements

Amendment for Adoption to the Peoria City Code, Chapter 21

HOW TO READ THIS DOCUMENT

Applicable Sections of the Zoning Ordinance are denoted by **highlighted bold text** for ease of readability during the drafting process.

Unless otherwise stated, provisions or regulations being deleted are shown in bold red strikethrough text or a line through the graphic, like this: ~~Provisions that are being deleted are shown with a bold red strikethroughs text.~~ Graphics containing bold red strikethrough are intended to remove the graphic in its entirety as well as any text that is embedded in the graphic.

Provisions or regulations that are being added are shown in double-underlined bold blue text, like this: Provisions that are being added are shown in double-underlined bold blue text. Graphics containing a bold double blue box are intended to add the graphic in its entirety as well as any text that is embedded in the graphic.

Only those changes noted through the above methods for the specific sections and subsections of the code identified shall be made. When regulations, graphics or other text is omitted, or is shown unchanged in adjoining sections or subsections of the code, it shall remain unchanged.

Section 1. Amend Chapter 21 - Zoning, Section 21-400 Residential Districts, only as follows, leaving all other sections and subsections not specifically referenced unchanged:

Sec. 21-447 – 21-449 Reserved

Sec. 21-450. Optional Redevelopment of Qualified Obsolete Commercial Buildings

A. Purpose and Applicability.

Sections 21-450 through 21-452, referred herein as “Adaptive Reuse Section”, describes application requirements, review procedures, and approval criteria utilized by the Zoning Administrator when reviewing an application for a “Multi-Family Residential Development Adaptive Reuse” of qualified obsolete commercial buildings pursuant to A.R.S. § 9-462.10. The regulations in this Section are in addition to other codes and requirements of the City of Peoria.

B. Definitions. Terms used in this Section shall have the following definitions:

“Adaptive reuse” has the definition found in A.R.S. § 9-462.10 (H)(1), as it may be amended.

“Building code” has the definition found in A.R.S. § 9-462.10 (H)(2), as it may be amended.

“Economically or functionally obsolete” has the definition found in A.R.S. § 9-462.10 (H)(3), as it may be amended, and as further defined below:

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- A state of disrepair shall mean the decline of the general condition or appearance of the building or parts thereof, characterized by holes, breaks, rot, crumbling, cracking, peeling, rusting, or any other evidence of physical decay, neglect, or lack of maintenance.
- Vacancy shall mean the total leasable floor area of the building is vacant for a period of no less than twenty-four (24) consecutive months. For purposes of this section, rental payments, lease payments and taxes shall not be considered as a continued use.

“Low-income housing” has the definition found in A.R.S. § 9-462.10 (H)(4), as it may be amended.

“Moderate-income housing” has the definition found in A.R.S. § 9-462.10 (H)(5), as it may be amended.

“Multi-Family Residential Development” has the definition found in A.R.S. § 9-462.10 (H)(6), as it may be amended.

“Nonconforming” has the definition found in A.R.S. § 9-462.10 (H)(7), as it may be amended.

A “Qualified Obsolete Commercial Building” is a building which is:

- Located on a parcel or parcels that are zoned for and/or that allows the building to be used for commercial, office, or mixed use; and
- Economically or functionally obsolete; and
- Located on a parcel or parcels at least one (1) acre but not more than twenty (20) acres; and
- Not located in any of the following areas:
 - An area designated as a district of historical significance pursuant to A.R.S. §9- 462.01 (a)(10);
 - A site or building with Historic Preservation Overlay Zoning pursuant to Section 21-625;
 - A site or building listed on the National Register of Historic Places;
 - Land in the territory in the vicinity of a military airport or ancillary military facility as defined in A.R.S. § 28-8461; or
 - Land in the territory in the vicinity of a federal aviation administration commercially licensed airport or a general aviation or public airport as defined in A.R.S. § 28-8486.

“Rooftop appurtenances” has the definition found in A.R.S. § 9-462.10 (H)(8), as it may be amended.

Sec. 21-451. Obsolete Commercial Building Redevelopment

A. Application. An owner seeking “multi-family residential development adaptive reuse” of a *qualified obsolete commercial building* shall submit an application that includes all of the following:

1. A site plan application in conformance with Section 21-156 (“Site Plan”).
2. Evidence of Site Plan Review and approval by any utility provider impacted by the proposed development.
3. Evidence of adequate existing public sewer and water service for the entire proposed development.
4. Compliance with all applicable building and fire codes.
5. Evidence demonstrating that the existing building that is the subject of the application is economically or functionally obsolete; and

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6. Evidence that the existing building that is the subject of the application is located on a parcel or parcels of at least one acre but not more than twenty acres.
7. Documentation satisfactory to the City of Peoria that the redevelopment will include a set aside of at least 10% of the total dwelling units for either “moderate-income housing” or “low-income housing” or any combination of the two, for at least twenty years after the initial occupation of the proposed development.

B. Development Standards and Requirements. “Multi-Family Residential Development Adaptive Reuse” of a qualified obsolete commercial building shall comply with the following standards and requirements:

1. Parking.

- a. The development shall comply with parking space requirements applicable to multi-family residential units pursuant to Section 21-825 (“Parking Requirements”).
- b. Mixed-Use Development. If the development is a mixed-use development, parking consisting of the sum of the required parking for each individual use or through a qualified Parking Study shall be provided, in accordance with Section 21-825 (“Parking Requirements”).

2. Demolition Permit. A permit shall be obtained for the demolition of any existing building or portion of a building.

3. Setbacks. Setback requirements for the redevelopment shall be the lesser of the existing setbacks for multifamily residential buildings pursuant to Section 21-429 (“RM-1 Development Standards”) or the existing zoning district in place at the time of redevelopment.

4. Height and Density. Multi-Family Residential Development Adaptive Reuse shall not exceed:

- a. Two (2) stories or thirty (30) feet in height, on a site within one hundred (100) feet of a single-family residential zoning district.
- b. In areas not within one hundred (100) feet of a single-family residential district, the lesser of:
 - i. Five stories or sixty (60) feet in height; or
 - ii. The highest allowable height and density for a multi-family residential zoning district in the City of Peoria located within one mile of the building to be redeveloped; or
 - iii. If there is no multi-family residential zoning district in the City of Peoria within one mile of the building to be redeveloped, the City shall apply the maximum height and density of the multi-family residential zoning district located in the City of Peoria that is located closest to the building to be redeveloped.
- c. For the purpose of this section, applicable single-family residential districts or multi-family residential districts, shall be those districts specified in Section 21-156.A (“Residential Districts”) or designated for single-family residential or multi-family residential through an existing Planned Area Development (PAD) or Planned Community District (PCD).

5. Height Exemption. If the maximum allowable height applicable to the existing commercial, office, or mixed-use building exceeds the maximum allowable height for the proposed multi-family residential development adaptive reuse, the existing height shall prevail and be considered nonconforming for height purposes, and the existing building may be expanded to the maximum

allowable density for the proposed use. Any rooftop appurtenances shall be included within the height exemption.

Sec. 21-452 Multi-Family Residential Development Adaptive Reuse Cap and Tracking.

- A. **Cap.** Not more than 10% of the total estimated number of eligible existing commercial, office, or mixed-use buildings are redeveloped for multifamily residential adaptive reuse under this section.

- B. **Tracking.** The City shall keep track of the number of buildings redeveloped under this Section, and shall stop accepting applications when the total number of the following equals the cap established in paragraph A above:
 - 1. The number of buildings redeveloped for multi-family residential development adaptive reuse under this Section; plus
 - 2. The number of buildings with approved building permits for redevelopment under this Section but not yet completed; plus
 - 3. The number of buildings with pending applications for redevelopment under this Section but not yet permitted.

Section 2. Amend Chapter 21 - Zoning, Section 21-500 Non-Residential Districts, only as follows, leaving all other sections and subsections not specifically referenced unchanged:

Sec. 21-500 NON-RESIDENTIAL DISTRICTS

21-503 Land Use Matrix

~~The following Land Use Matrix (Table 21-503) indicates uses which are permitted outright, conditionally permitted, or prohibited in specific non-residential zoning districts in the City of Peoria. The Land Use Matrix is intended to serve as a guide for the convenience of the user of this Zoning Ordinance. Where the text of this Zoning Ordinance differs from the Land Use Matrix, the text shall prevail. In the event of a specific use not being identified on the matrix, the Community Development Director or designee(s) shall determine the closest associated use based on the provisions of this ordinance. The City will permit any accessory use customarily incidental to a permitted principal use in the same zoning district.~~

Table 21-503 indicates land uses allowed within the base commercial and employment zoning districts. Specific uses are further defined in Section 21-200 ("Definitions").

A. Explanation of Table Abbreviations.

1. Permitted Uses.

- a. "P" in a cell indicates that the use is allowed by right. Permitted uses are subject to all other applicable regulations of this Zoning Ordinance, including the use-specific standards in Section 21-505, along with compliance with the Peoria Community Design Guidelines.
- b. "PA" in a cell indicates that the use is allowed by right, unless it is located within two hundred (200) feet of a residential use, than it shall be deemed as a "Conditional Use" which shall be permitted upon receiving a Conditional Use Permit (CUP) as defined below.

2. Conditional Uses.

- a. "C" in a cell indicates that in the respective zoning district the use is allowed only if reviewed and approved in accordance with the procedures of Section 21-155, Conditional Use Permits. Conditional uses are subject to all other applicable regulations of this Zoning Ordinance, including the use-specific standards in Section 21-505, along with compliance with the Peoria Community Design Guidelines.
- b. The "C" designation in Table 21-503 does not constitute an authorization or an assurance that such use will be permitted. Rather, each conditional use permit application shall be evaluated as to its probable effect on adjacent properties and surrounding areas, among other factors, and may be approved or denied pursuant to the procedures in Section 21-155, Conditional Use Permits.

3. Prohibited Uses. "-" in a cell indicates that the use is prohibited in the respective zoning district.

4. Use-Specific Standards. Regardless of whether a use is allowed by right or as a conditional use, there may be additional standards that are applicable to the use. Use-specific standards are noted through a cross-reference in the last column of the table. Cross-references refer to Section 21-505 Use-Specific Standards and apply to all districts unless otherwise specified.

B. Table Organization.

In Table 21-503, land uses and activities are classified into general "use categories" and specific "use types" based on common functional, product, or physical characteristics such as the type and amount of activity, the type of customers or residents, how goods or services are sold or delivered, and site conditions. This classification provides a systematic basis for assigning present and future land uses into

appropriate zoning districts. This classification does not list every use or activity that may appropriately exist within the categories. Certain uses may be listed in one category when they may reasonably have been listed in one or more other categories. The use categories are intended merely as an indexing tool and are not regulatory.

C. Use for Other Purposes Prohibited.

Approval of a use listed in Table 21-503, and compliance with the applicable use-specific standards for that use, authorizes that use only. Development or use of a property for any other use not specifically allowed in Table 21-503 is prohibited.

D. Classification of New and Unlisted Uses. When application is made for a use category or use type that is not specifically listed in Table 21-503, the following procedure shall be followed:

1. The Zoning Administrator shall provide an interpretation of the Ordinance in accordance with Section 21-112 as to the use category and/or use type into which such use should be placed. In making such interpretation, the Zoning Administrator shall consider its potential impacts, including but not limited to: the nature of the use; sales; processing; type of product, storage and amount, and nature thereof; enclosed or open storage; anticipated employment; transportation requirements; the amount of noise, odor, fumes, dust, toxic material, and vibration likely to be generated; and the general requirements for public utilities such as water and sanitary sewer.
2. Appeal of the Zoning Administrator’s decision may be made to the Board of Adjustment following procedures under Section 21-162 of this Zoning Ordinance.

Table 21-503 Land Use Matrix

Land Use	O-1	C-1	PC-1	PC-2	C-2	C-3	C-4	C-5	BPI	PI-1	I-1	I-2
Lodging <u>and Adaptive Reuse</u>												
Bed and Breakfast Inn #	-	-	-	-	-	C	-	-	-	-	-	-
Hotel or Motel #	-	-	-	P	P	P	P	P	P	-	-	-
<u>Multi-Family Residential Development Adaptive Reuse</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	=	=	=	=