



HB 2721 – Middle Housing

Sponsored by: Representative Michael Carbone (LD25), co-sponsors: Aguilar, Biasiucci
Signed by Governor Hobbes 5/21/24 – Bill had bipartisan support

Passed House 42-15

Passed Senate 21-7

Supported by development community, affordable housing advocates and League of Cities
Bill aims to encourage more diverse housing options

BILL PROVISIONS:

- A. Regulations must be in place by January 1, 2026 – otherwise middle housing is allowed on all lots zoned for single-family residential use without limitations.
- B. Cities over 75,000 population must authorize “middle housing” – duplexes, triplexes, fourplexes and townhomes – as a *permitted use* in the two scenarios below:
- C. *Permitted Use* means the ability for a development to be approved *without requiring a public hearing*, variance, conditional use permit, special permit or special exception, other than a discretionary action to confirm Site Plan meets requirements.
 1. **Scenario 1:** All lots zoned single-family residential use within 1-mile of the City’s *Central Business District (CBD)*.
 - a. Note: The city has designated P83 as its CBD through Resolution 2020-70.
 - b. *Recommendation:* Lots zoned Suburban Ranch and Single-Family Residential. This does not include AG or PAD/PCD’s that allow single-family residential.
 2. **Scenario 2:** Within at least 20% of any *new development* of more than ten (10) contiguous acres.
 - a. *New Development* or modifier is not defined in the Bill.
 - b. *Recommendation:* Up to 20% of the gross area of any new development zoned Suburban Ranch or Single-Family Residential.
- D. **PROHIBITIONS.** HB 2721 prohibits a municipality from:
 1. Discouraging the development of middle housing cumulatively through its regulations.



PLANNING DEPARTMENT

HB 2721 MIDDLE HOUSING BRIEFING SHEET

9/16/2025

2. Restricting middle housing to single-story. *Currently, single-family residential districts allow up to thirty (30) feet in height, which is typically two stories.*
3. Restricting middle housing to a Floor Area Ratio (FAR) of less than 50%. *FAR is a ratio of the house floor area to the lot area. The City uses "maximum lot coverage", not FAR.*
4. Set restrictions or processing requirements that are more restrictive than single-family residential dwellings in the same zoning district.
5. Require owner occupancy of any structure. *This is not a current requirement.*
6. Require structures to comply with commercial code or to contain a fire sprinkler.
7. Require more than 1 parking space per unit. *We currently require 2.0 spaces per duplex/triplex unit and 2.0 spaces per single-family home with on-street parking.*

E. EXCEPTIONS. This law does not apply to the following:

1. Unincorporated areas ("County Islands") or areas with only Initial Zoning (annexation)
2. Areas that lack sufficient "urban services"
3. Areas not served by water and sewer services
4. Areas not zoned for residential use
5. Land within the territory in the vicinity of a military airport, as defined in ARS Section 28-8461 or a public airport as defined in ARS Section 28-8486
 - a. Note: Large part of southern Peoria within this boundary
6. This law does not change the terms of any area covered by an existing development agreement.
7. Utility providers impacted by a development permitted under this law must have the opportunity to review and approve the Site Plan for the development.

SCHEDULE:

Code Amendment (Case TA 25-01)	
P&Z Commission Study Session #1	5/15/25
City Council Study Session	9/16/25
P&Z Commission Study Session #2	9/18/25
P&Z Commission Study Session #3 – 1 st Reading	10/2/25
P&Z Commission Public Hearing – Recommendation	10/16/25
City Council Meeting – Adoption	11/18/25
Effective Date	12/18/25