

COMMITTEE ON FINANCE AND COMMERCE  
SENATE AMENDMENTS TO H.B. 2297  
(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 9, chapter 4, article 6.1, Arizona Revised  
3 Statutes, is amended by adding section 9-462.10, to read:

4 9-462.10. Commercial buildings; multifamily development;  
5 adaptive reuse; prohibition on rezoning or  
6 municipal review; objective standards;  
7 applicability; definitions

8 A. ON OR BEFORE JANUARY 1, 2025, THE GOVERNING BODY OF A  
9 MUNICIPALITY WITH A POPULATION OF ONE HUNDRED FIFTY THOUSAND OR MORE  
10 PERSONS SHALL ESTABLISH OBJECTIVE STANDARDS TO ALLOW MULTIFAMILY  
11 RESIDENTIAL DEVELOPMENT OR ADAPTIVE REUSE ON NOT MORE THAN TEN PERCENT OF  
12 THE TOTAL EXISTING COMMERCIAL, OFFICE OR MIXED USE BUILDINGS WITHIN THE  
13 MUNICIPALITY AS OF THE MOST RECENT GENERAL PLAN WITHOUT REQUIRING A  
14 CONDITIONAL USE PERMIT, A PLANNED UNIT DEVELOPMENT OR REZONING APPLICATION  
15 OR ANY OTHER APPLICATION THAT WOULD REQUIRE A PUBLIC HEARING.

16 B. A MUNICIPALITY MAY DESIGNATE COMMERCIAL OR EMPLOYMENT HUBS AND  
17 OTHER ESSENTIAL COMMERCIAL OR EMPLOYMENT USE AREAS WHERE EXISTING  
18 COMMERCIAL, OFFICE, EMPLOYMENT OR MIXED USE BUILDINGS ARE EXCLUDED FROM THE  
19 PROVISIONS OF THIS SECTION. THE DESIGNATIONS MADE PURSUANT TO THIS  
20 SUBSECTION MAY NOT EXCEED TEN PERCENT OF THE EXISTING COMMERCIAL, OFFICE,  
21 EMPLOYMENT OR MIXED USE BUILDINGS WITHIN THE MUNICIPALITY BASED ON THE MOST  
22 RECENTLY APPROVED GENERAL PLAN.

23 C. FOR MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE REUSE, THE  
24 OBJECTIVE STANDARDS ESTABLISHED BY A MUNICIPALITY SHALL REQUIRE BUT MAY NOT  
25 REQUIRE MORE THAN THE FOLLOWING:

1           1. A MUNICIPAL SITE PLAN REVIEW AND APPROVAL PROCESS REQUIREMENT,  
2 INCLUDING SITE PLAN REVIEW BY ANY UTILITY PROVIDER IMPACTED BY THE PROPOSED  
3 DEVELOPMENT.

4           2. ADEQUATE PUBLIC SEWER AND WATER SERVICE FOR THE ENTIRE PROPOSED  
5 DEVELOPMENT.

6           3. COMPLIANCE WITH ALL APPLICABLE BUILDING AND FIRE CODES.

7           4. THAT THE EXISTING BUILDINGS ARE ECONOMICALLY OR FUNCTIONALLY  
8 OBSOLETE.

9           5. THAT THE EXISTING BUILDINGS ARE LOCATED ON A PARCEL OR PARCELS  
10 THAT ARE AT LEAST ONE ACRE IN SIZE BUT NOT MORE THAN TWENTY ACRES IN SIZE.

11           6. A SET ASIDE OF TEN PERCENT OF THE TOTAL DWELLING UNITS FOR EITHER  
12 MODERATE-INCOME HOUSING OR LOW-INCOME HOUSING OR ANY COMBINATION OF THE  
13 TWO. THE DEVELOPER MAY SET ASIDE MORE THAN TEN PERCENT AT THE DEVELOPER'S  
14 SOLE DISCRETION.

15           D. THE OBJECTIVE STANDARDS MAY NOT CONTAIN PARKING SPACE  
16 REQUIREMENTS THAT EXCEED THE PARKING REQUIREMENTS THAT APPLY TO MULTIFAMILY  
17 RESIDENTIAL BUILDINGS OR ADAPTIVE REUSE BUILDINGS UNDER THE EXISTING ZONING  
18 CODE UNLESS THE PROPOSED MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE  
19 REUSE ALSO QUALIFIES AS A MIXED USE DEVELOPMENT.

20           E. FOR A MULTIFAMILY RESIDENTIAL DEVELOPMENT, ALL OF THE FOLLOWING  
21 APPLY:

22           1. THE DEMOLITION OF ALL OR A PORTION OF THE EXISTING COMMERCIAL,  
23 OFFICE OR MIXED USE BUILDINGS SHALL BE ALLOWED.

24           2. SETBACK REQUIREMENTS MAY NOT EXCEED WHAT IS REQUIRED IN THE  
25 EXISTING ZONING CODE FOR MULTIFAMILY RESIDENTIAL BUILDINGS.

26           3. NOTWITHSTANDING SECTION 9-462.01, SUBSECTION C, THE MAXIMUM  
27 HEIGHT AND DENSITY SHALL BE EQUAL TO THE HIGHEST ALLOWABLE MULTIFAMILY  
28 HEIGHT AND DENSITY FOR A MULTIFAMILY ZONING DISTRICT IN THE MUNICIPALITY  
29 WITHIN ONE MILE OF THE BUILDING TO BE REDEVELOPED. IF THERE IS NO  
30 MULTIFAMILY ZONING DISTRICT IN THE MUNICIPALITY WITHIN ONE MILE OF THE  
31 BUILDING TO BE REDEVELOPED, THE MAXIMUM HEIGHT AND DENSITY SHALL BE  
32 EQUIVALENT TO THE NEXT CLOSEST MULTIFAMILY ZONING DISTRICT.

1           4. THE ALLOWABLE HEIGHT MAY NOT EXCEED FIVE STORIES AND A  
2 MUNICIPALITY MAY LIMIT THE HEIGHT TO TWO STORIES IN THE AREAS OF A SITE  
3 WITHIN ONE HUNDRED FEET OF SINGLE-FAMILY RESIDENTIAL ZONES. MULTIFAMILY  
4 RESIDENTIAL DEVELOPMENT THAT IS CONSTRUCTED PURSUANT TO THIS SECTION DOES  
5 NOT QUALIFY AS BEING WITHIN ONE MILE OF THE BUILDING BEING REDEVELOPED OR  
6 THE NEXT CLOSEST MULTIFAMILY BUILDING.

7           F. FOR ADAPTIVE REUSE, ALL OF THE FOLLOWING APPLY:

8           1. THE DEMOLITION OF A PORTION OF THE EXISTING COMMERCIAL, OFFICE OR  
9 MIXED USE BUILDING OR BUILDINGS SHALL BE ALLOWED.

10           2. THE SETBACK REQUIREMENTS FOR THE PROPOSED USE SHALL APPLY. IF  
11 THE MINIMUM SETBACK REQUIREMENT THAT APPLIES TO THE EXISTING COMMERCIAL,  
12 OFFICE OR MIXED USE BUILDING IS LESS THAN THE MINIMUM SETBACK REQUIREMENT  
13 THAT APPLIES TO THE PROPOSED USE, THE EXISTING BUILDING SHALL BE CONSIDERED  
14 NONCONFORMING FOR SETBACK PURPOSES UNLESS EASEMENTS, INCLUDING PUBLIC  
15 UTILITY EASEMENTS, ARE LOCATED WITHIN SETBACK AREAS.

16           3. IF THE MAXIMUM ALLOWABLE HEIGHT THAT APPLIES TO THE EXISTING  
17 COMMERCIAL, OFFICE OR MIXED USE BUILDING EXCEEDS THE MAXIMUM ALLOWABLE  
18 HEIGHT FOR THE PROPOSED USE, THE EXISTING HEIGHT MAY REMAIN AND SHALL BE  
19 CONSIDERED NONCONFORMING FOR HEIGHT PURPOSES AND THE EXISTING BUILDING MAY  
20 BE EXPANDED TO THE MAXIMUM ALLOWABLE DENSITY FOR THE PROPOSED USE. ANY  
21 ROOFTOP APPURTENANCES SHALL BE INCLUDED WITHIN THE HEIGHT EXEMPTION.

22           G. THIS SECTION DOES NOT APPLY TO ANY OF THE FOLLOWING:

23           1. LAND IN AN AREA THAT IS DESIGNATED AS A DISTRICT OF HISTORICAL  
24 SIGNIFICANCE PURSUANT TO SECTION 9-462.01, SUBSECTION A, PARAGRAPH 10.

25           2. LAND IN AN AREA THAT IS DESIGNATED HISTORIC BY A LOCAL  
26 GOVERNMENT.

27           3. LAND IN AN AREA THAT IS DESIGNATED AS HISTORIC ON THE NATIONAL  
28 REGISTER OF HISTORIC PLACES.

29           4. LAND IN THE VICINITY OF A MILITARY AIRPORT OR ANCILLARY MILITARY  
30 FACILITY AS DEFINED IN SECTION 28-8461.

1           5. LAND IN THE VICINITY OF A FEDERAL AVIATION ADMINISTRATION  
2           COMMERCIALLY LICENSED AIRPORT OR A GENERAL AVIATION OR PUBLIC AIRPORT AS  
3           DEFINED IN SECTION 28-8486.

4           6. LAND IN A MUNICIPALITY THAT IS LOCATED ON TRIBAL LAND.

5           H. FOR THE PURPOSES OF THIS SECTION:

6           1. "ADAPTIVE REUSE" MEANS CONVERTING AN EXISTING BUILDING FROM THE  
7           USE FOR WHICH IT WAS CONSTRUCTED TO A NEW USE BY MAINTAINING SOME OR ALL OF  
8           THE ELEMENTS OF THE BUILDING.

9           2. "BUILDING CODE" HAS THE SAME MEANING PRESCRIBED IN SECTION  
10          9-1301.

11          3. "ECONOMICALLY OR FUNCTIONALLY OBSOLETE" MEANS THE COMMERCIAL,  
12          OFFICE OR MIXED USE BUILDING IS IN A STATE OF DISREPAIR OR HAS A FIFTY  
13          PERCENT VACANCY IN THE TOTAL LEASABLE SQUARE FOOTAGE.

14          4. "LOW-INCOME HOUSING" MEANS HOUSING:

15          (a) FOR A PERSON OR PERSONS WHOSE HOUSEHOLD INCOME DOES NOT EXCEED  
16          EIGHTY PERCENT OF THE AREA MEDIAN INCOME.

17          (b) FOR WHICH THE OCCUPANT PAYS NOT MORE THAN THIRTY PERCENT OF THE  
18          OCCUPANT'S GROSS INCOME FOR THE OCCUPANT'S RENT OR MORTGAGE, AS DETERMINED  
19          BY THE ARIZONA DEPARTMENT OF HOUSING AND ADJUSTED FOR HOUSEHOLD SIZE BASED  
20          ON THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

21          5. "MODERATE-INCOME HOUSING" MEANS HOUSING:

22          (a) FOR A PERSON OR PERSONS WHOSE HOUSEHOLD INCOME DOES NOT EXCEED  
23          ONE HUNDRED TWENTY PERCENT OF THE AREA MEDIAN INCOME.

24          (b) FOR WHICH THE OCCUPANT PAYS NOT MORE THAN THIRTY PERCENT OF THE  
25          OCCUPANT'S GROSS INCOME FOR THE OCCUPANT'S RENT OR MORTGAGE, AS DETERMINED  
26          BY THE ARIZONA DEPARTMENT OF HOUSING AND ADJUSTED FOR HOUSEHOLD SIZE BASED  
27          ON THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

28          6. "MULTIFAMILY RESIDENTIAL DEVELOPMENT" MEANS A BUILDING OR  
29          BUILDINGS THAT ARE DESIGNED AND USED FOR RESIDENTIAL PURPOSES AND THAT  
30          CONTAIN MORE THAN ONE APARTMENT OR DWELLING UNIT FOR SALE OR FOR RENT BUT  
31          THAT ARE NOT ADAPTIVE REUSE.

1           7. "NONCONFORMING" MEANS STRUCTURES THAT HAVE RECEIVED BUILDING AND  
2 ZONING PERMITS UNDER THE REGULATIONS IN PLACE AT THE TIME OF CONSTRUCTION.

3           8. "ROOFTOP APPURTENANCES":

4           (a) MEANS ROOFTOP STRUCTURES THAT PRINCIPALLY HOUSE AIR CONDITIONING  
5 EQUIPMENT, SOLAR PANELS, UTILITIES, ELEVATORS, OTHER ENERGY PRODUCTION  
6 FACILITIES AND OTHER NONHABITABLE STRUCTURES.

7           (b) INCLUDES OPEN SPACE FEATURES, SWIMMING POOLS, SPACE FOR USE BY  
8 RESIDENTS AND LANDSCAPING.

9           (c) DOES NOT INCLUDE ENCLOSED AREAS, SPIRES, BELL TOWERS, DOMES,  
10 CUPOLAS, PEDIMENTS, OBELISKS OR MONUMENTS."

11 Amend title to conform

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