

House Engrossed

development; adaptive reuse; rezoning; prohibition

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2110

AN ACT

AMENDING SECTION 9-462.10, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL ZONING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 9-462.10, Arizona Revised Statutes, is amended
3 to read:

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

8 A. ~~On or before January 1, 2025~~ WITHIN NINETY DAYS AFTER THE
9 EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, the governing body of a
10 municipality with a population of one hundred fifty thousand or more
11 persons shall establish objective standards to allow multifamily
12 residential development or adaptive reuse ~~on not more than ten percent of~~
13 ~~the total~~ OF existing commercial, office or mixed use ~~buildings~~ PARCELS
14 within the municipality without requiring a conditional use permit, a
15 planned unit development or rezoning application or any other application
16 that would require a public hearing. The governing body of the
17 municipality ~~may modify the percentage of existing commercial, office or~~
18 ~~mixed use buildings within the municipality available for multifamily~~
19 ~~residential development or adaptive reuse every ten years~~ SHALL:

20 1. ALLOW FOR MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE REUSE
21 OF AT LEAST TEN PERCENT OF THE EXISTING COMMERCIAL, OFFICE OR MIXED USE
22 PARCELS. FOR THE PURPOSES OF DETERMINING THE MINIMUM PERCENTAGE OF
23 PARCELS ELIGIBLE FOR MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE
24 REUSE, THE GOVERNING BODY OF THE MUNICIPALITY MAY ANALYZE THE COMMERCIAL,
25 OFFICE AND MIXED USE PARCELS EVERY TEN YEARS.

26 2. NOT DESIGNATE INDIVIDUAL PARCELS THAT ARE ELIGIBLE FOR
27 MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE REUSE.

28 3. NOT EXCLUDE COMMERCIAL, OFFICE OR MIXED USE PARCELS FROM
29 MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE REUSE OTHER THAN AS
30 ALLOWED BY SUBSECTIONS B AND G OF THIS SECTION OR IF TEN PERCENT OF THE
31 PARCELS HAVE ALREADY BEEN DEVELOPED OR ADAPTED FOR REUSE.

32 4. NOT EXCLUDE COMMERCIAL, OFFICE OR MIXED USE PARCELS FROM
33 MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE REUSE IF THE AVERAGE SOUND
34 LEVEL AT THE PARCEL IS BELOW SIXTY-FIVE DECIBELS.

35 B. A municipality may designate commercial or employment hubs and
36 other essential commercial or employment use areas where existing
37 commercial, office, employment or mixed use ~~buildings~~ PARCELS are excluded
38 from the provisions of this section. The designations made pursuant to
39 this subsection may not exceed ten percent of the existing commercial,
40 office, employment or mixed use ~~buildings~~ PARCELS within the municipality.
41 A municipality may modify the commercial or employment hubs that are
42 excluded from the provisions of this section once every ten years.

43 C. For multifamily residential development or adaptive reuse, the
44 objective standards established by a municipality shall require ~~but may~~
45 ~~not require more than~~ ONLY 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
3 proposed development.

4 2. Adequate public sewer and water service for the entire proposed
5 development.

6 3. Compliance with all applicable building CODES 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
12 either moderate-income housing or low-income housing or any combination of
13 the two for at least twenty years after the initial occupation of the
14 proposed development. The developer may set aside more than ten percent
15 at the developer's sole discretion.

16 D. The objective standards may not contain parking space
17 requirements that exceed the parking requirements that apply to
18 multifamily residential buildings or adaptive reuse buildings under the
19 existing zoning code unless the proposed multifamily residential
20 development or adaptive reuse also qualifies as a mixed use development.

21 E. A municipality ~~may~~ SHALL not withhold a demolition permit if a
22 multifamily residential development meets the requirements of this
23 section. For a multifamily residential development, all of the following
24 apply:

25 1. The demolition of all or a portion of the existing commercial,
26 office or mixed use buildings shall be allowed.

27 2. Setback requirements may not exceed what is required in the
28 existing zoning code for multifamily residential buildings, INCLUDING
29 MIXED USE BUILDINGS WITH THE MAJORITY OF FLOOR AREA DEDICATED TO
30 RESIDENTIAL USES.

31 3. Notwithstanding section 9-462.01, subsection C, the maximum
32 height and density shall be equal to the highest allowable multifamily
33 height and density for a multifamily zoning district OR A ZONING DISTRICT
34 THAT ALLOWS RESIDENTIAL DEVELOPMENT, INCLUDING COMMERCIAL DISTRICTS THAT
35 ALLOW FOR RESIDENTIAL DEVELOPMENT, WHICHEVER HEIGHT AND DENSITY IS GREATER
36 in the municipality within one mile of the ~~building~~ PARCEL to be
37 redeveloped. If there is no multifamily zoning district in the
38 municipality within one mile of the ~~building~~ PARCEL to be redeveloped, the
39 maximum height and density shall be equivalent to the next closest
40 multifamily zoning district OR A ZONING DISTRICT THAT ALLOWS RESIDENTIAL
41 DEVELOPMENT, INCLUDING COMMERCIAL ZONING DISTRICTS THAT ALLOW FOR
42 RESIDENTIAL DEVELOPMENT WHICHEVER HEIGHT AND DENSITY IS GREATER.

43 4. The allowable height may not exceed five stories and a
44 municipality may limit the height to two stories in the areas of a
45 MULTIFAMILY RESIDENTIAL DEVELOPMENT site DIRECTLY ADJACENT TO AND within

1 one hundred feet of single-family residential zones. ~~Multifamily~~
2 ~~residential development that is constructed pursuant to this section does~~
3 ~~not qualify as being within one mile of the building being redeveloped or~~
4 ~~the next closest multifamily building~~ THE MUNICIPALITY SHALL ALLOW FOR
5 GREATER HEIGHT IN THE REMAINDER OF THE SITE.

6 5. MULTIFAMILY RESIDENTIAL DEVELOPMENT THAT IS CONSTRUCTED PURSUANT
7 TO THIS SECTION DOES NOT QUALIFY AS BEING WITHIN ONE MILE OF THE PARCEL
8 BEING REDEVELOPED OR THE NEXT CLOSEST MULTIFAMILY PARCEL.

9 F. A municipality ~~may~~ SHALL not withhold a demolition permit if an
10 adaptive reuse project meets the requirements of this section. For
11 adaptive reuse, all of the following apply:

12 1. The demolition of a portion of the existing commercial, office
13 or mixed use building or buildings shall be allowed.

14 2. The setback requirements for the proposed use shall apply. If
15 the minimum setback requirement that applies to the existing commercial,
16 office or mixed use building is less than the minimum setback requirement
17 that applies to the ~~proposed~~ MULTIFAMILY use, the existing SETBACK SHALL
18 REMAIN AND THE building shall be considered nonconforming for setback
19 purposes unless easements, including public utility easements, are located
20 within setback areas.

21 3. If the maximum allowable height that applies to the existing
22 commercial, office or mixed use building exceeds the maximum allowable
23 height for the proposed use, the existing height ~~may~~ SHALL remain and THE
24 BUILDING shall be considered nonconforming for height purposes and the
25 existing building may be expanded to the maximum allowable density for ~~the~~
26 ~~proposed~~ MULTIFAMILY use. Any rooftop appurtenances shall be included
27 within the height exemption.

28 G. This section does not apply to any of the following:

29 1. Land in an area that is designated as a district of historical
30 significance pursuant to section 9-462.01, subsection A, paragraph 10.

31 2. Land in an area that is designated historic by a local
32 government.

33 3. Land in an area that is designated as historic on the national
34 register of historic places.

35 4. Land in the territory in the vicinity of a military airport or
36 ancillary military facility as defined in section 28-8461.

37 5. Land in the territory in the vicinity of a federal aviation
38 administration commercially licensed airport or a general aviation or
39 public airport as defined in section 28-8486.

40 6. Land in a municipality that is located on tribal land.

41 H. For the purposes of this section:

42 1. "Adaptive reuse" means converting an existing building from the
43 use for which it was constructed to ~~a new~~ MULTIFAMILY use by maintaining
44 some or all of the elements of the building.

1 2. "Building code" has the same meaning prescribed in section
2 9-1301.

3 3. "Economically or functionally obsolete" means the commercial,
4 office or mixed use ~~building~~ PARCEL is in a state of disrepair or has AT
5 LEAST a fifty percent vacancy in the total leasable square footage.

6 4. "Low-income housing" means housing:—

7 ~~(a) for a person or persons whose household income does not exceed~~
8 eighty percent of the area median income.

9 ~~(b) For which the occupant pays not more than thirty percent of the~~
10 ~~occupant's gross income for the occupant's rent or mortgage, as determined~~
11 ~~by the Arizona department of housing and adjusted for household size based~~
12 ~~on the United States department of housing and urban development.~~

13 5. "Moderate-income housing" means housing:—

14 ~~(a) for a person or persons whose household income does not exceed~~
15 one hundred twenty percent of the area median income.

16 ~~(b) For which the occupant pays not more than thirty percent of the~~
17 ~~occupant's gross income for the occupant's rent or mortgage, as determined~~
18 ~~by the Arizona department of housing and adjusted for household size based~~
19 ~~on the United States department of housing and urban development.~~

20 6. "Multifamily residential development" means a building or
21 buildings that are designed and used for residential purposes and that
22 contain more than one apartment or dwelling unit for sale or for rent but
23 that are not adaptive reuse.

24 7. "Nonconforming" means structures that have received ~~building and~~
25 ~~zoning~~ OCCUPANCY permits under the regulations in place at the time of
26 construction.

27 8. "Rooftop appurtenances":

28 (a) Means rooftop structures that principally house air
29 conditioning equipment, solar panels, utilities, elevators, other energy
30 production facilities and other nonhabitable structures.

31 (b) Includes open space features, swimming pools, space for use by
32 residents and landscaping.

33 (c) Does not include enclosed areas, spires, bell towers, domes,
34 cupolas, pediments, obelisks or monuments.

35 Sec. 2. Retroactivity

36 Section 9-462.10, Arizona Revised Statutes, as amended by this act,
37 applies retroactively to from and after December 31, 2024.

38 Sec. 3. Emergency

39 This act is an emergency measure that is necessary to preserve the
40 public peace, health or safety and is operative immediately as provided by
41 law.