



ARIZONA STATE SENATE
Fifty-Seventh Legislature, First Regular Session

FACT SHEET FOR H.B. 2110

development; adaptive reuse; rezoning; prohibition

Purpose

An emergency measure that modifies the requirement for certain municipalities to establish objective standards for multifamily residential development or adaptive reuse of existing commercial, office and mixed use buildings.

Background

In 2024, the Legislature required the governing body of a municipality with a population of 150,000 persons or more, by January 1, 2025, to establish objective standards that allow multifamily residential development or adaptive reuse on no more than 10 percent of the total existing commercial, office or mixed use buildings within the municipality without requiring a conditional use permit, a planned unit development or rezoning application or any other application that would require a public hearing. The governing body may modify the percentage of existing commercial, office or mixed use buildings within the municipality available for multifamily residential development or adaptive reuse every 10 years.

A municipality may designate commercial or employment hubs and other essential commercial or employment use areas where existing commercial, office, employment or mixed use buildings are excluded from the objective standards requirements. The designation made in accordance with statute may not exceed 10 percent of the existing commercial, office, employment or mixed use buildings within the municipality. A municipality may modify the commercial or employment hubs that are excluded from the objective standards requirements once every 10 years. Statute outlines additional exemptions to the objective standards requirements and prescribes the requirements for a multifamily residential development or adaptive reuse project ([Laws 2024, Ch. 141](#); [A.R.S. § 9-462.10](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires the governing body of a municipality with a population of 150,000 persons or more to establish, within 90 days of the effective date, objective standards to allow multifamily residential development or adaptive reuse of existing commercial, office or mixed uses parcels, rather than buildings.
2. Authorizes the governing body of the municipality to allow for multifamily residential development or adaptive reuse of at least 10 percent of the existing commercial, office or mixed use parcels, rather than on no more than 10 percent of existing commercial, office or mixed used buildings.

3. Allows the governing body of the municipality, for the purposes of determining the minimum percentage of parcels eligible for multifamily residential development or adaptive reuse, to analyze the commercial, office and mixed use parcels every 10 years.
4. Prohibits the governing body of a municipality from:
 - a) designating individual parcels that are eligible for multifamily residential development or adaptive reuse;
 - b) excluding commercial, office or mixed use parcels from multifamily residential development or adaptive reuse other than as designated as commercial or employment hubs or otherwise excluded from the objective standards requirements; or
 - c) excluding commercial, office or mixed use parcels from multifamily residential development or adaptive reuse if the average sound level at the parcel is below 65 decibels.
5. Specifies, for multifamily residential developments, the following:
 - a) the setback requirements may not exceed what is required in the existing zoning code for multifamily residential buildings, including mixed used buildings with the majority of floor area dedicated to residential uses;
 - b) the maximum height and density must be equal to the highest allowable multifamily height and density for a multifamily district or a zoning district that allows residential development, including commercial districts that allow for residential development, whichever height and density is greater; and
 - c) the allowable height may not exceed five stories and a municipality may limit the height to two stories in the areas of a multifamily residential development site directly adjacent to and within 100 feet of single-family residential zones and must allow for greater height in the remainder of the site.
6. Specifies, for adaptive reuses, that:
 - a) the existing setback must retain, if the minimum setback requirement that applies to the existing commercial, office or mixed use building is less than the minimum setback that applies to the multifamily use, unless easements are located within setback areas; and
 - b) the existing height must, rather may, remain, if the maximum allowable height that applies to the existing commercial, office or mixed use building exceeds the maximum allowable height for the proposed use.
7. Removes, from the definition of *low-income housing*, housing for which the occupant pays no more than 30 percent of the occupant's gross income for the occupant's rent or mortgage, as determined by the Arizona Department of Housing (ADOH) and adjusted for housing size based on the U.S. Department of Housing and Urban Development (U.S. HUD).
8. Removes, from the definition of *moderate-income housing*, housing for which the occupant pays no more than 30 percent of the occupant's gross income for the occupant's rent or mortgage, as determined by ADOH and adjusted for household size based on the U.S. HUD.
9. Modifies the definition of *nonconforming* as structures that have received occupancy permits, rather than building and zoning permits, under the regulations in place at the time of construction.
10. Makes technical and conforming changes.

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11. Becomes effective on signature of the Governor, retroactive to January 1, 2025, if the emergency clause is enacted.

House Action

COM	2/4/25	DPA	10-0-0-0
3 rd Read	2/20/25		42-16-2

Prepared by Senate Research

March 3, 2025

JT/ci