

PLANNING COMMISSION REPORT



Meeting Date: July 10, 2024
General Plan Element: *Land Use*
General Plan Goal: *Create a sense of community through land uses*

ACTION

Middle Housing Text Amendment 598-PA-2024

Request to consider the following:

1. Initiate a text amendment to the City of Scottsdale Zoning Ordinance (Ordinance No. 455) for the purpose of amending applicable sections, consistent with State of Arizona House Bill 2721.

Key Items for Consideration

- Conformance to City of Scottsdale General Plan 2035
- Recent State of Arizona legislation intended to address the allowance of duplexes, triplexes, fourplexes, and townhomes (collectively “middle housing”) on single-family residential lots within one (1) mile of a municipality’s central business district and/or designated downtown area
- Legislation outlines requirements, restrictions and allowances for new middle housing types
- New provisions must be adopted by local municipalities no later than January 1, 2026

Related Policies, References:

City of Scottsdale General Plan 2035, as amended
Zoning Ordinance
State of Arizona House Bill 2721 – recently-approved middle housing legislation

APPLICANT CONTACT

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City of Scottsdale
480-312-7713

LOCATION

Citywide

PROPOSAL

Goal/Purpose of Request

On May 21st of this year, the State of Arizona approved House Bill 2721, which established new provisions in a new Section 9-462.10 of Title 9, Chapter 4, Article 6.1 of the Arizona Revised Statutes. The new provisions direct municipalities with a population of 75,000 or more to establish objective standards to allow smaller-scale multifamily residential development, sometimes referred to as middle housing. Further, the legislation sets forth several criteria for a municipality to follow in establishing standards. Those include:

- A municipality may not restrict middle housing types to less than two (2) floors.
- A municipality may not restrict the floor area ratio to less than fifty percent (50%).
- A municipality may not set restrictions, permitting, or review processes for middle housing that are more restrictive than those for single-family residential dwellings in the same zone.
- A municipality may not require owner occupancy of any structures on the lot.
- A municipality may not require that any structure comply with commercial building code or to contain a fire sprinkler.
- A municipality may not require more than one (1) off-street parking space per unit.

In addition, the legislation provides areas that are exempt from the requirements of the legislation, including areas that are located near airports, areas that lack sufficient urban services, areas not served by water or sewer services, and areas not zoned for residential use. This legislation requires municipalities to adopt changes in response to these new requirements no later than January 1, 2026.

The purpose of this request is to initiate a text amendment to the City of Scottsdale Zoning Ordinance to modify any provisions and references to align with this new legislation, which will likely require updates to multiple sections of the Zoning Ordinance. This text amendment (Middle Housing Text Amendment) will be processed alongside other text amendments (Adaptive Reuse Text Amendment and ADU Text Amendment) that address additional new legislation from the State of Arizona. City staff will assess what applicable sections of the Zoning Ordinance will be required for updates and any updates will be targeted to directly address the new legislation.

IMPACT ANALYSIS

Community Involvement

This proposal will include standard community involvement consisting of public notice in the newspaper, online notification, postcard mailing to interested parties and community outreach meetings.

Community Impact

There is no immediate impact as this is an initiation action for a text amendment only. Total future impact is unknown at this time as this is the first step in addressing new legislation passed by the State of Arizona. The new legislation, as written, is intended to permit additional multifamily residential housing types in some areas that have traditionally been just single-family residential in nature. It is still uncertain whether property owners will utilize these new provisions to develop new multifamily residential developments on their properties.

STAFF RECOMMENDATION

Recommended Approach:

Staff recommends that the Planning Commission initiate the text amendment.

RESPONSIBLE DEPARTMENT

Community & Economic Development
Current Planning Services

STAFF CONTACT

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APPROVED BY



Brad Carr, Report Author

7/1/2024

Date



Tim Curtis, AICP, Current Planning Director
Planning Commission Liaison
Phone: 480-312-4210 Email: tcurtis@scottsdaleaz.gov

7/1/2024

Date



Erin Perreault, AICP, Executive Director
Planning, Economic Development, and Tourism
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07/03/2024

Date

ATTACHMENTS

1. House Bill 2721 Legislative Text

Senate Engrossed House Bill
municipal zoning; middle housing

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

CHAPTER 197
HOUSE BILL 2721

AN ACT

AMENDING TITLE 9, CHAPTER 4, ARTICLE 6.1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 9-462.10; 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. 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. Zoning; development; middle housing; applicability;
5 definitions

6 A. ON OR BEFORE JANUARY 1, 2026, A MUNICIPALITY WITH A POPULATION
7 OF SEVENTY-FIVE THOUSAND PERSONS OR MORE MUST AUTHORIZE BY ORDINANCE AND
8 INCORPORATE INTO ITS DEVELOPMENT REGULATIONS, ZONING REGULATIONS AND OTHER
9 OFFICIAL CONTROLS THE DEVELOPMENT OF DUPLEXES, TRIPLEXES, FOURPLEXES AND
10 TOWNHOMES AS A PERMITTED USE ON BOTH OF THE FOLLOWING:

11 1. ALL LOTS ZONED FOR SINGLE-FAMILY RESIDENTIAL USE WITHIN ONE MILE
12 OF THE MUNICIPALITY'S CENTRAL BUSINESS DISTRICT.

13 2. AT LEAST TWENTY PERCENT OF ANY NEW DEVELOPMENT OF MORE THAN TEN
14 CONTIGUOUS ACRES.

15 B. THE MUNICIPALITY MAY NOT DO ANY OF THE FOLLOWING:

16 1. DISCOURAGE THE DEVELOPMENT OF MIDDLE HOUSING THROUGH
17 REQUIREMENTS OR ACTIONS THAT INDIVIDUALLY OR CUMULATIVELY MAKE
18 IMPRACTICABLE THE PERMITTING, SITING, OR CONSTRUCTION OF MIDDLE HOUSING.

19 2. RESTRICT MIDDLE HOUSING TYPES TO LESS THAN TWO FLOORS.

20 3. RESTRICT MIDDLE HOUSING TYPES TO A FLOOR AREA RATIO OF LESS THAN
21 FIFTY PERCENT.

22 4. SET RESTRICTIONS, PERMITTING OR REVIEW PROCESSES FOR MIDDLE
23 HOUSING THAT ARE MORE RESTRICTIVE THAN THOSE FOR SINGLE-FAMILY DWELLINGS
24 WITHIN THE SAME ZONE.

25 5. REQUIRE OWNER OCCUPANCY OF ANY STRUCTURES ON THE LOT.

26 6. REQUIRE ANY STRUCTURES TO COMPLY WITH A COMMERCIAL BUILDING CODE
27 OR TO CONTAIN A FIRE SPRINKLER.

28 7. REQUIRE MORE THAN ONE OFF-STREET PARKING SPACE PER UNIT.

29 C. THIS SECTION DOES NOT PROHIBIT THE GOVERNING BODY OF A
30 MUNICIPALITY FROM ALLOWING EITHER OF THE FOLLOWING:

31 1. SINGLE-FAMILY DWELLINGS IN AREAS ZONED FOR SINGLE-FAMILY
32 DWELLINGS.

33 2. ADDITIONAL TYPES OF MIDDLE HOUSING NOT REQUIRED UNDER THIS
34 SECTION.

35 D. THIS SECTION DOES NOT APPLY TO ANY OF THE FOLLOWING:

36 1. AREAS THAT ARE NOT INCORPORATED.

37 2. AREAS THAT LACK SUFFICIENT URBAN SERVICES.

38 3. AREAS THAT ARE NOT SERVED BY WATER AND SEWER SERVICES.

39 4. AREAS THAT ARE NOT ZONED FOR RESIDENTIAL USE.

40 5. AREAS THAT ARE NOT INCORPORATED AND ARE ZONED UNDER AN INTERIM
41 ZONING DESIGNATION THAT MAINTAINS THE AREA'S POTENTIAL FOR PLANNED URBAN
42 DEVELOPMENT.

43 6. AREAS COVERED UNDER TITLE 48, CHAPTER 6, ARTICLE 4.

44 7. ANY LAND WITHIN THE TERRITORY IN THE VICINITY OF A PUBLIC
45 AIRPORT AS DEFINED IN SECTION 28-8486 OR TO THE EXTENT THIS SECTION WOULD

1 INTERFERE WITH THE PUBLIC AIRPORT'S ABILITY TO COMPLY WITH THE LAWS,
2 REGULATIONS AND REQUIREMENTS OF THE UNITED STATES RELATED TO APPLYING FOR,
3 RECEIVING OR SPENDING FEDERAL MONIES.

4 8. ANY LAND WITHIN THE TERRITORY IN THE VICINITY OF A MILITARY
5 AIRPORT AS DEFINED IN SECTION 28-8461.

6 E. IF A MUNICIPALITY DOES NOT ADOPT THE REGULATIONS REQUIRED BY
7 THIS SECTION ON OR BEFORE JANUARY 1, 2026, MIDDLE HOUSING SHALL BE ALLOWED
8 ON ALL LOTS IN THE MUNICIPALITY ZONED FOR SINGLE-FAMILY RESIDENTIAL USE
9 WITHOUT ANY LIMITATIONS.

10 F. THIS SECTION DOES NOT CHANGE OR OTHERWISE IMPAIR THE TERMS OF
11 ANY DEVELOPMENT AGREEMENT THAT EXISTS ON THE EFFECTIVE DATE OF THIS
12 SECTION.

13 G. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A UTILITY PROVIDER
14 IMPACTED BY A DEVELOPMENT BEING DEVELOPED PURSUANT TO THIS SECTION SHALL
15 HAVE THE OPPORTUNITY TO REVIEW AND APPROVE THE SITE PLAN FOR THE
16 DEVELOPMENT.

17 H. FOR THE PURPOSE OF THIS SECTION:

18 1. "BUILDING CODE":

19 (a) MEANS A CONSTRUCTION CODE ADOPTED BY A MUNICIPALITY.

20 (b) INCLUDES A MODEL BUILDING CODE, COMMERCIAL CODE, PLUMBING AND
21 MECHANICAL CODE, ELECTRIC CODE, ENERGY CONSERVATION CODE, FIRE CODE,
22 PROPERTY MAINTENANCE CODE, NEIGHBORHOOD PRESERVATION CODE, ANTI-BLIGHT
23 CODE OR OTHER SIMILAR CODE.

24 2. "CENTRAL BUSINESS DISTRICT" MEANS AN AREA OR SERIES OF AREAS
25 DESIGNATED BY A MUNICIPALITY THAT ARE PRIMARILY NONINDUSTRIAL AND THAT
26 ATTRACT COMMUNITY ACTIVITY, INCLUDING THE ENTIRE GEOGRAPHIC AREA THAT THE
27 MUNICIPALITY HAS OFFICIALLY DESIGNATED AS ITS DOWNTOWN OR EQUIVALENT ON
28 THE EFFECTIVE DATE OF THE SECTION.

29 3. "DUPLEX" MEANS TWO DWELLING UNITS ON THE SAME PARCEL OR LOT IN
30 ATTACHED, DETACHED OR SEMI-DETACHED ARRANGEMENTS THAT ARE DESIGNED FOR
31 RESIDENTIAL OCCUPANCY BY NOT MORE THAN TWO HOUSEHOLDS LIVING INDEPENDENTLY
32 FROM EACH OTHER.

33 4. "FLOOR AREA RATIO" MEANS THE RATIO OF ALLOWED SQUARE FOOTAGE IN
34 A MIDDLE HOUSING PROJECT TO THE SQUARE FOOTAGE OF THE PARCEL ON WHICH IT
35 IS BUILT.

36 5. "FOURPLEX" MEANS FOUR DWELLING UNITS ON THE SAME PARCEL OR LOT
37 IN ATTACHED, DETACHED OR SEMI-DETACHED ARRANGEMENTS THAT ARE DESIGNED FOR
38 RESIDENTIAL OCCUPANCY BY NOT MORE THAN FOUR HOUSEHOLDS LIVING
39 INDEPENDENTLY FROM EACH OTHER.

40 6. "HOUSEHOLD" MEANS EITHER:

41 (a) A SINGLE PERSON LIVING OR RESIDING IN A DWELLING OR PLACE OF
42 RESIDENCE.

43 (b) TWO OR MORE PERSONS LIVING TOGETHER OR RESIDING IN THE SAME
44 DWELLING OR PLACE OF RESIDENCE.

- 1 7. "MIDDLE HOUSING":
2 (a) MEANS BUILDINGS THAT ARE COMPATIBLE IN SCALE, FORM AND
3 CHARACTER WITH SINGLE-FAMILY HOUSES AND THAT CONTAIN TWO OR MORE ATTACHED,
4 DETACHED, STACKED OR CLUSTERED HOMES.
5 (b) INCLUDES DUPLEXES, TRIPLEXES, FOURPLEXES AND TOWNHOUSES.
6 8. "PERMITTED USE" MEANS THE ABILITY FOR A DEVELOPMENT TO BE
7 APPROVED WITHOUT REQUIRING A PUBLIC HEARING, VARIANCE, CONDITIONAL USE
8 PERMIT, SPECIAL PERMIT OR SPECIAL EXCEPTION, OTHER THAN A DISCRETIONARY
9 ZONING ACTION TO DETERMINATION THAT A SITE PLAN CONFORMS WITH APPLICABLE
10 ZONING REGULATIONS.
11 9. "TOWNHOUSES" MEANS DWELLING UNITS THAT ARE CONSTRUCTED IN A ROW
12 OF TWO OR MORE ATTACHED UNITS IN WHICH EACH DWELLING UNIT SHARES AT LEAST
13 ONE COMMON WALL WITH AN ADJACENT UNIT AND THAT ARE ACCESSED BY SEPARATE
14 OUTDOOR ENTRANCES.
15 10. "TRIPLEX" MEANS THREE DWELLING UNITS ON THE SAME PARCEL OR LOT
16 IN ATTACHED, DETACHED OR SEMI-DETACHED ARRANGEMENTS THAT ARE DESIGNED FOR
17 RESIDENTIAL OCCUPANCY BY NOT MORE THAN THREE HOUSEHOLDS LIVING
18 INDEPENDENTLY FROM EACH OTHER.

APPROVED BY THE GOVERNOR MAY 21, 2024.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 21, 2024.