



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

Senate: JUD DPA 6-0-1-0 | 3RD Read 30-0-0-0

House: COM DPA/SE 7-3-0-0

**SB 1161: ~~probation; work time credits; reporting~~
NOW: affordable housing; development standards; report
Sponsor: Senator Kaiser, LD 2
House Engrossed**

Overview

Requires municipalities to allow by right the construction of low-income multifamily residential rental property and establishes municipal reporting requirements relating to housing needs.

History

Statute authorizes municipalities to adopt zoning ordinances and codes to conserve and promote the public health, safety, convenience and general welfare and outlines zoning guidelines and requirements ([Title 9, Ch.4, Art. 6.1, A.R.S.](#)). The governing body of a municipality must adopt by ordinance a citizen review process that applies to all rezoning and specific plan applications that require a public hearing. The citizen review process must include at least:

- 1) notifying adjacent landowners and other potentially affected citizens of the application;
- 2) informing adjacent landowners and other potentially affected citizens on the substance of the proposed rezoning; and
- 3) providing adjacent landowners and other potentially affected citizen an opportunity to express any issues or concerns regarding the rezoning.

Any zoning ordinances that propose to change property from one zone to another, that imposes any regulation not previously imposed or that removes any such regulation previously imposed must be adopted following the procedure prescribed in the citizen review process and in the manner set for public hearings ([A.R.S. § 9-462.03](#)).

A *low-income multifamily residential rental property* is a multifamily residential property to which:

- 1) The owner received an allocation of federal income tax credits through the low-income housing tax credit program;
- 2) The property remains both income and rent restricted consistent with the low-income housing tax credit program and the provisions of the declaration of affirmative land use restrictive covenants agreement recorded on the property. The requirement of this subdivision is met if an affirmative land use restrictive covenants agreement is not yet recorded on the property but the property is otherwise subject to both income and rent restrictions under the low-income housing tax credit program; and
- 3) A federal, state or tribal court has not entered a judgment or order based on a finding that an act or omission of an owner or operator of the property constitutes a breach or violation of either:
 - a) The declaration of affirmative land use restrictive covenants agreement recorded on the property.

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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- b) Restrictions under the low-income housing tax credit program imposed on the property but not contained within an affirmative land use restrictive covenants agreement.
- c) The restrictions apply to all units on the property except employee units.

Provisions

Housing Needs Assessment

1. Requires, beginning January 1, 2024, and every five years thereafter, a municipality to publish a housing needs assessment, which at a minimum includes:
 - a) the total population growth and total job growth projected for the subsequent five-year period; and
 - b) the total need for additional residential housing units for rent and for sale in the municipality to meet:
 - i. any deficiencies in housing the existing population and workforce;
 - ii. the population growth and jobs growth projections; and
 - iii. the housing needs across all various income levels. (Sec. 2)
2. Instructs a municipality, beginning January 1, 2025, and every year thereafter, to submit an annual report to the Department of Housing that accounts for:
 - a) the total number of proposed residential housing units and the total number of net new residential housing units submitted to the municipality; and
 - b) the total number of new residential housing units that are entitled, have been platted, have been issued a building permit and have received a certificate of occupancy by the municipality. (Sec. 2)
3. Outlines additional factors that the submitted report must include. (Sec. 2)
4. Specifies the requirement to publish a housing needs assessment does not require the municipality to meet or otherwise fulfill the projections stated in the assessment. (Sec. 2)
5. Excludes, from the assessment and reporting requirement, a municipality that is located on tribal land or that has a population of less than 30,000. (Sec. 2)

Miscellaneous

6. Requires, by January 1, 2024, certain municipalities to allow by right the construction of low-income multifamily residential rental property, in any existing commercial, mixed-use or multifamily residentially zoned district within one-half mile of a light rail or streetcar stop, with specified development standards. (Sec. 1)
7. Prohibits a municipality from requiring a general plan amendment, use permit or review by a board or commission for construction of low-income multifamily residential rental property. (Sec. 1)
8. Excludes, from the requirement to allow the construction of low-income multifamily residential rental property, any:
 - a) land in the immediate vicinity of a municipal airport;
 - b) territory in the vicinity of a military airport or ancillary military facility; or
 - c) area where an existing mobile home park may be displaced. (Sec. 1)
9. Asserts every political subdivision of Arizona must give preference to state residents for any available low-income housing assistance payments or tenant-based assistance pursuant to the federal Housing Act of 1937. (Sec. 3)