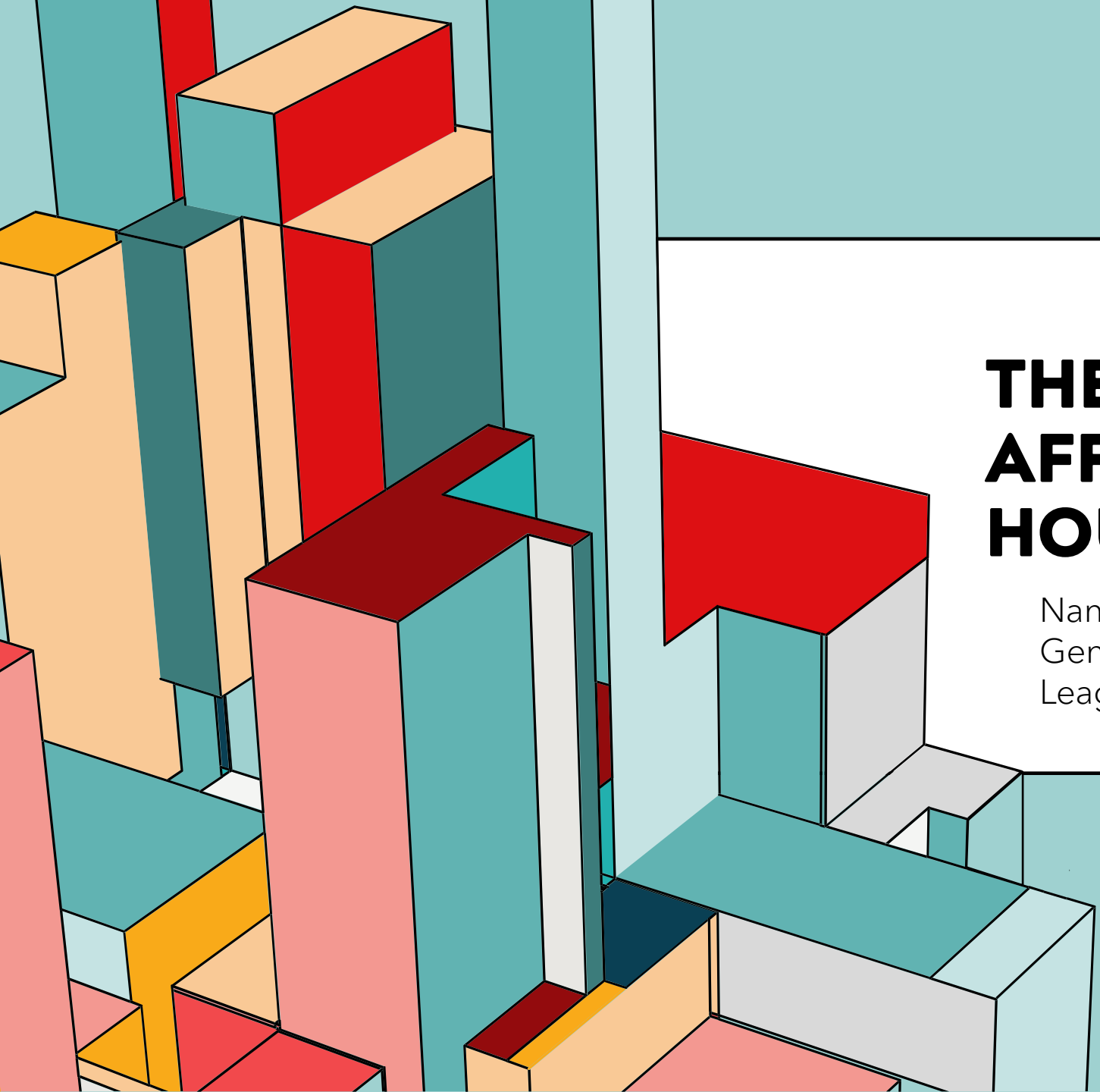
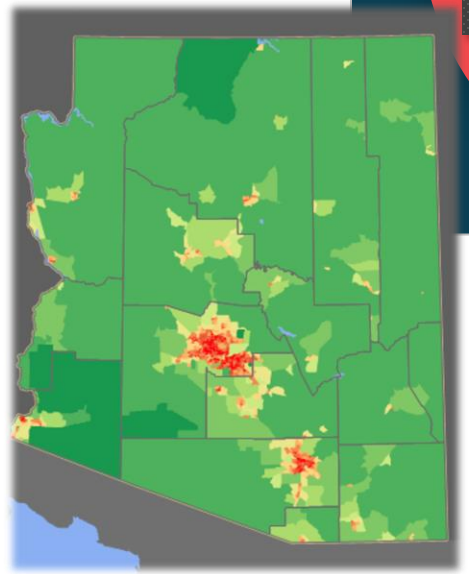


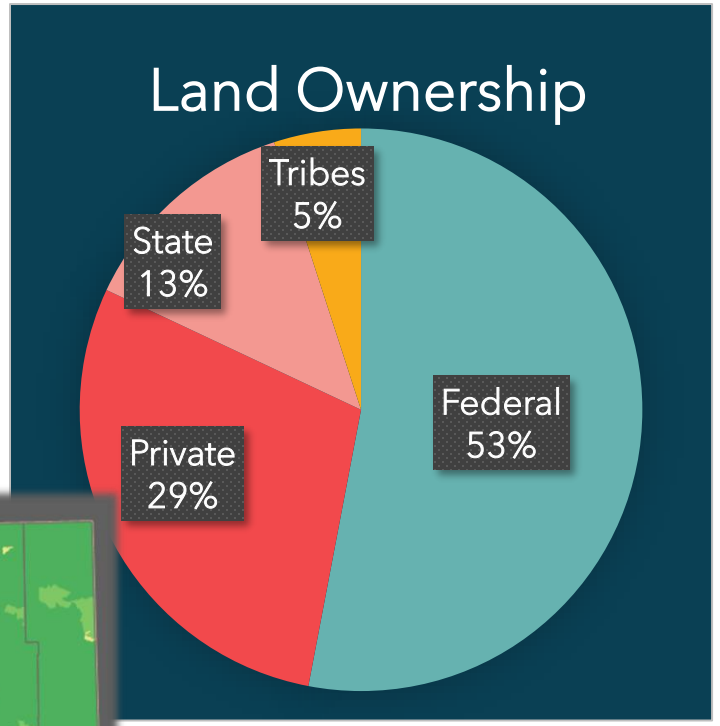
THE QUEST FOR AFFORDABLE HOUSING—ARIZONA

Nancy L. Davidson
General Counsel
League of Arizona Cities and Towns

ARIZONA

- 91 cities & towns
- 113,990 sq. mi.
- 7.2 million (62% in Maricopa County)
- Median Household Income $69,056
- 34.75% registered as Independents
- New Dem. Governor, AG, SOS
- Rep. majorities in House & Senate
- “1487 complaints”





ARIZONA HOUSING DATA

115% increase in inventory since 2022

Ave. days on the market has more than doubled since 2022

Sales to institutional buyers is high.

Short-term rentals are 1.6% of housing stock (31.3% in Sedona)

2023 limits over groundwater concerns

Sources: MAG data, Dec. 2022; Arizona Regional Multiple Listing Service, Jan. 2023; The State of the Nation's Housing 2023, Joint Center For Housing Studies Of Harvard University; The Information Market; Zillow



2671 Highway 82
Patagonia, AZ, 85624 United States

$29,950,000

16 Bedrooms • 19 Bathrooms • 8,934 Sq Ft.



330 Eagle Mountain Ranch Rd
Sedona, AZ, 86336 United States

$18,500,000

3 Bedrooms • 4 Bathrooms • 4,780 Sq Ft.
• 57.26 Acre(s)



7155 E Oakmont Drive
Paradise Valley, AZ, 85253 United States

$8,495,000

4 Bedrooms • 5 Bathrooms • 4,637 Sq Ft.



9886 E Sterling Ridge Road
Scottsdale, AZ, 85262 United States

$7,349,000

6 Bedrooms • 6 Bathrooms • 7,342 Sq Ft.

Estimated 13,553 individuals experiencing homelessness

5th largest increase in unsheltered homelessness (2015-2022)

Sources: HUD 2022 Annual Homeless Assessment Report; Zillow; Complaint in *Brown et al. v. City of Phoenix,* pp. 3, 20





PREEMPTION & ATTEMPTS

Existing (129+ statutes), e.g.:

- Rent control
- Bedbug control
- Inclusionary zoning
- Short-term rentals
- Multifamily buildings-energy use
- Water conservation-plumbing
- Fire access roads

2023 attempts, e.g.:

- × Local charter authority
- × Zoning & design review
- × Building codes
- × Parking
- × Home-based businesses
- × Landlord/tenant
- × Backyard chickens 🐓

HOUSING SUPPLY STUDY COMMITTEE (JULY-DEC. 2022)

PURPOSES

- ❑ Review data
- ❑ Solicit ideas & recommendations
- ❑ Submit report to Senate & House

HOW DID IT GO?

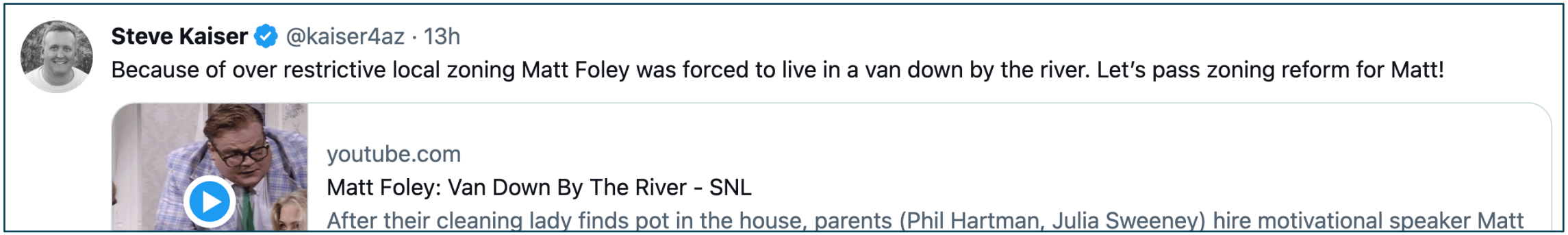
- ❑ 30+ hours of testimony
- ❑ No consensus
- ❑ Among Chairman's findings*: (1) NIMBYs are the primary barriers; (2) "it takes too long to build."

CHAIRMAN'S RECOMMENDATIONS*

- ❑ Allow more housing types
- ❑ Require objective design standards
- ❑ Allow At-risk permitting
- ❑ Provide state funding



2023 LEGISLATIVE SESSION



S.B. 1117: PREEMPTIONS

- "All housing matters"
- The "regulation of housing within residential zoning districts is not subject to further regulation."
- No denial of any permit or license that is "necessary for land development or building construction"
- Residential and multifamily zoning and design (including development agreements)



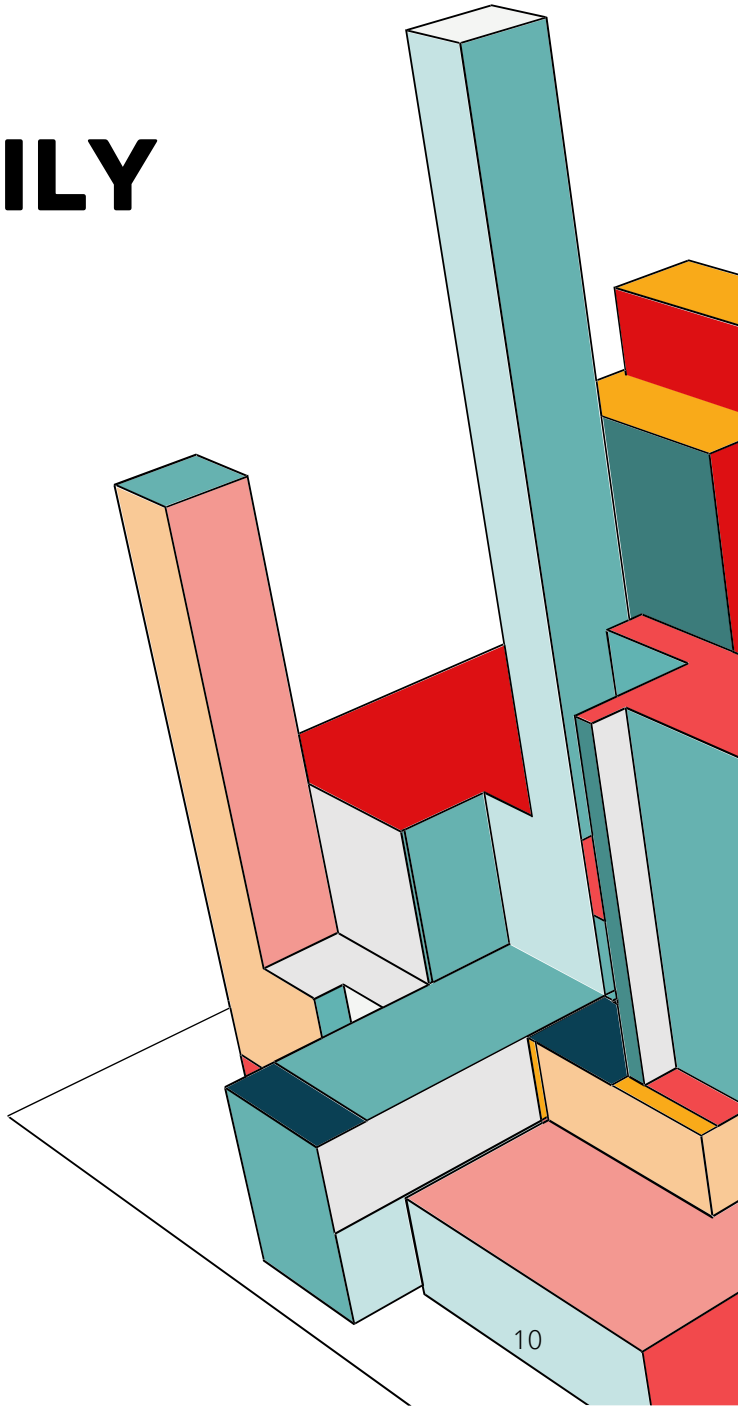
S.B. 1117: RESTRICTIONS

- MF heights & densities
- Min. lot sizes, coverage, setbacks
- Zoning for lots <4000SF
- Accessory dwelling units
- Single room occupancies
- Off-street parking & loading
- Local building codes



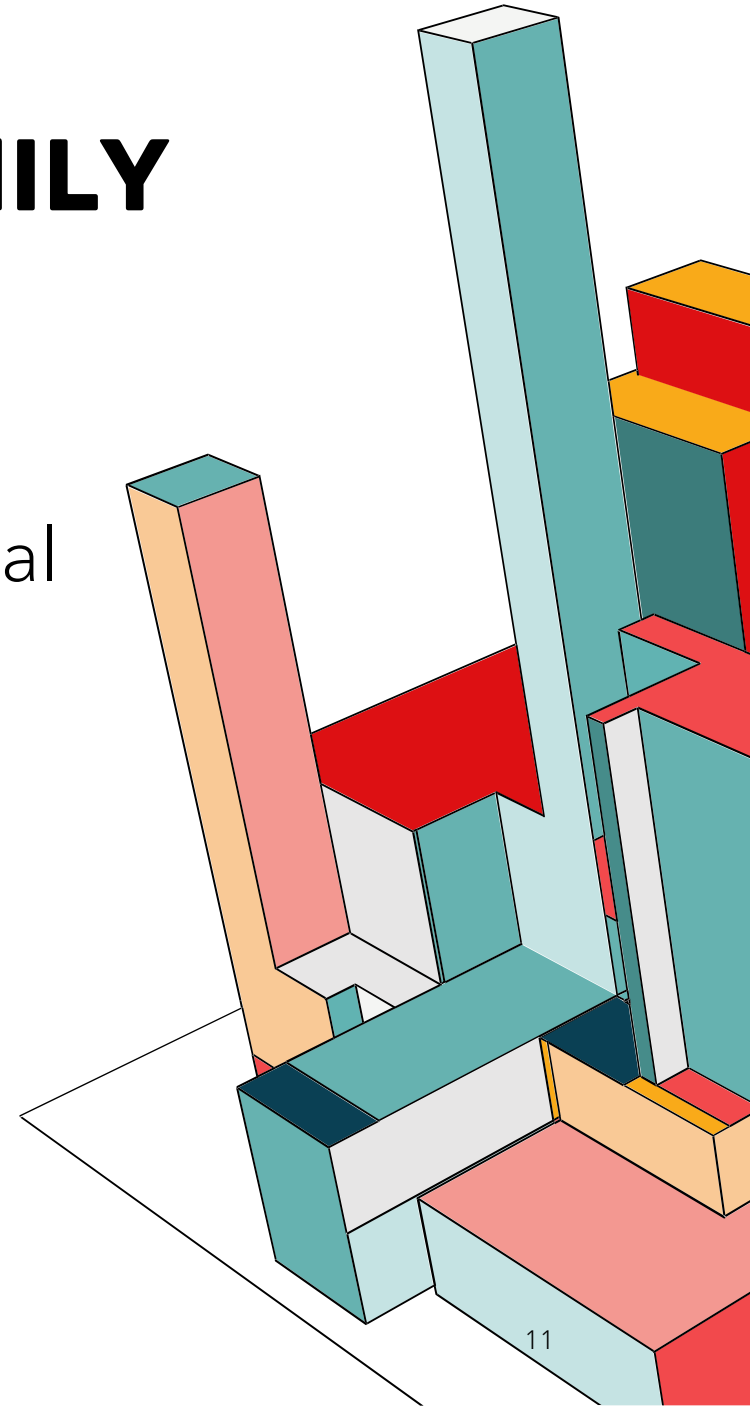
S.B. 1117: "BY RIGHT" MULTIFAMILY

- Administrative approval
- "Deemed approved" shot clocks
- Cities prohibited from requiring:
  - Rezoning
  - Amendments to a general plan
  - Use permits
  - Review by a board/commission



S.B. 1117: "BY RIGHT" MULTIFAMILY

- MF buildings, duplexes, triplexes, and "all housing types proposed by applicants"
- 65 ft. or highest allowed for the site, commercial within 1 mile, or residential within 1 mile
- 80 ft or higher within 2 miles of a rail stop.
- Greatest allowed density for any mixed use or residential use
- Up to 10 residences on any lot



S.B. 1117: MITIGATION MEASURES

Cannot require mitigation unless a protest is filed with clear and convincing evidence:

1. Proposed housing units will create an "objective externality to the property owner while on the owner's property"; and
2. Objective externality has not been mitigated.*

*Any **water runoff, traffic or parking issue is deemed mitigated if the city has requirements for grading/drainage and street improvements.**

S.B. 1117: MITIGATION MEASURES

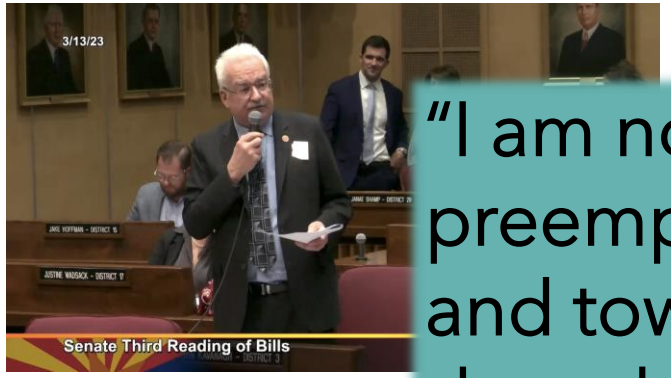
If "protest" standard is met, cities must:

1. Identify the "least restrictive means* to sufficiently mitigate the objective externality"; and
2. Conditionally approve the application subject to required mitigation.

*However, the mitigation requirement cannot create any "undue burden" on the development or the construction of new housing units.

S.B. 1117: PROHIBITED "DESIGN" STANDARDS

- Exterior color, materials, elevations, etc.
- Roof style, materials, pitch, etc.
- Porches, patios
- Garages and driveways
- Landscaping & maintenance (except for drought tolerant)
- Yards
- Size and number of stories
- Open space & amenities (except for stormwater retention)
- Sidewalks (ADA only)
- Any other element that does not directly affect an objective health or safety condition



"I am no stranger to preempting cities and towns, but I do draw the line at kneecapping. And this bill kneecaps local control."

– Senator John Kavanagh, R-Fountain Hills



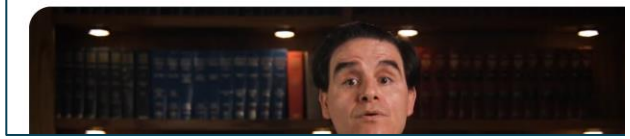
"I am still unpersuaded that zoning is the main problem…and certainly not the root cause. This bill has too many pitfalls to support it…"

– Minority Leader Mitzi Epstein, D-Phoenix

Arizona Senate Democrats
@AZSenateDems

"Housing without ensured affordability protections is a nonstarter. Housing without ensured water is a nonstarter. Housing plans that upend our cities and towns local control is a nonstarter."

Senator @mendezforaz explains the shortcomings of #SB1117 in its current form ⬇️



Steve Kaiser ... · 1h

Breaking: Joseph Stalin joins @AzCities and signs in opposed to SB1117, argues that private property rights are un-American.



Rep. Oscar De Los Santos
@os_delossantos

🧵 THREAD on housing and preemption.

Housing affordability is a statewide issue that won't be solved by a patchwork of city-by-city fixes. It's a crisis that requires bold, statewide solutions -- including preemption.

7:53 AM · 01 May 23 · **12K** Views

14 Retweets **4** Quotes **39** Likes

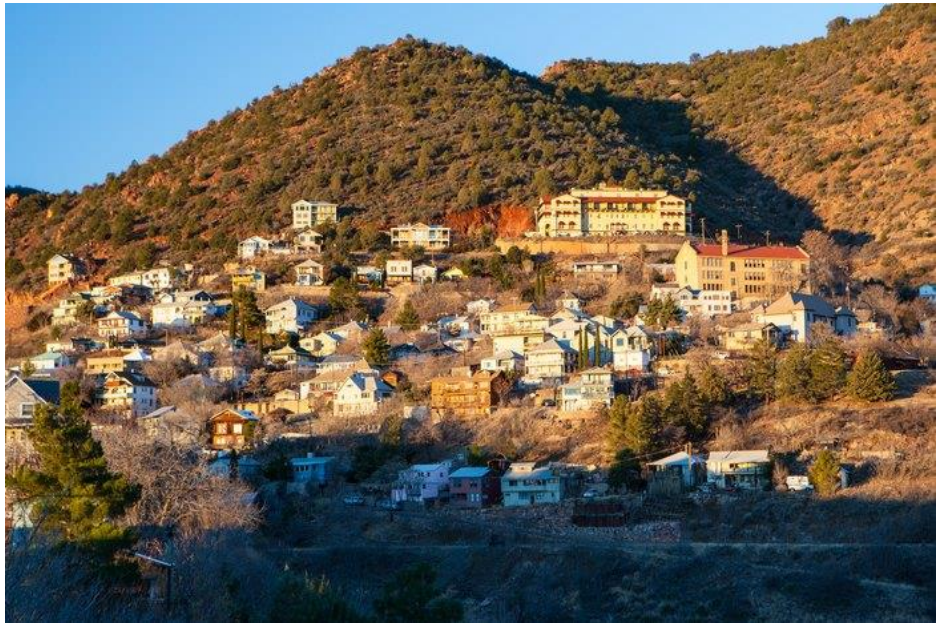
6 Bookmarks

Rep. Oscar De Los Santos ... · 01 May
Replying to @os_delossantos

First, what is preemption? It is a legal doctrine that allows a higher level of govt to override a lower level of govt. Oftentimes, preemption looks like the federal govt banning state govt from doing something. Or a state govt stopping a city council from doing something.

LEAGUE ALTERNATIVES

- Agreement was reached with the sponsor of SB1117, but the alternate bills failed
- 1 ADU per SF lot (with limitations)
- Expedited permitting
- At-risk permits
- Reduced parking for MF near transit
- Limitations on certain design requirements
- 10% density or height bonus for LIHTC projects
- Zoning for housing on smaller lots (≤5,000 sq ft), MF, SRO, and manufactured housing



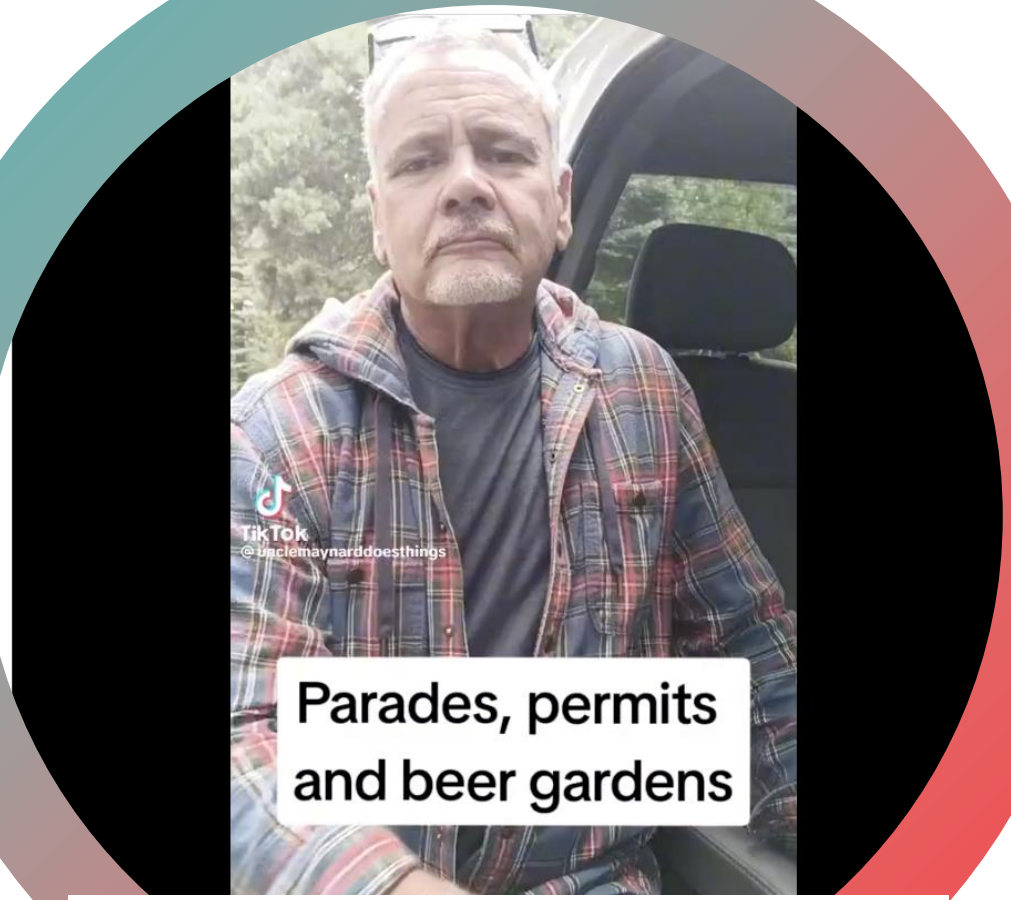
Town of Jerome, Getty Images Plus via Getty Images

LEAGUE ALTERNATIVES

- SB1103 (first bill signed by Governor Hobbs), which focuses on streamlining approval processes
- Model ordinances working group



Downtown Bisbee by Denis Tangney Jr. / iStock / Getty Images Plus



https://twitter.com/CohenSite/status/1689879463046365184?s=20

TAKEAWAYS

THANK YOU!

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https://www.azleague.org




League of Arizona
Cities AND Towns
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