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My View: Here's how to assess the pros, cons of Arizona's new housing bill HB 2721

Valley land-use attorney puts the new bill under a microscope



Image: Phoenix Business Journal

Arizona House Bill 2721 has emerged as a significant new land use law aimed at tackling the state's middle housing shortage.

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Arizona House Bill 2721 has emerged as a significant new land use law aimed at tackling the state's middle housing shortage. As the demand for affordable and diverse housing options continues to outstrip supply, the law addresses this issue through a series of provisions. Gov. Hobbs' recent signing immediately moves forward alternative housing options and municipalities will have to scramble to implement new zoning ordinances, or accept the law as-is.

HB 2721 mandates that cities in Arizona with populations over 75,000 permit the development of duplexes, triplexes, fourplexes and townhomes in single-family residential areas within a mile of central business districts. Additionally, 20% of new single-family housing developments of 10 acres or more may include these "middle housing" types. Municipalities must adopt new zoning code provisions to implement this law by Jan. 1, 2026, or these housing types will be permitted without restriction.

With this imperative in mind, let's examine the pros and cons of HB 2721 as it relates to addressing the middle housing shortage and its impact on land use law.

Pros

- 1. Promotion of housing diversity:** A common complaint I hear during new zoning cases is the lack of for-sale housing options that are within reach of first-time buyers. HB 2721 encourages the development of middle housing, which includes duplexes and other multi-unit dwellings. By diversifying housing options, the bill aims to accommodate a broader range of household sizes, incomes and preferences. This approach can enhance housing affordability and accessibility, especially for middle-income families and individuals seeking alternatives to single-family homes.
- 2. Increased housing supply:** By promoting the construction of middle housing units, the new law contributes to expanding the overall housing supply in Arizona - a win for everyone. Greater housing availability can help alleviate housing shortages, reduce competition for existing units and moderate costs. Increasing supply is essential to meet the demand for housing and addressing affordability challenges.
- 3. Urban revitalization and infill development:** The bill encourages infill development in urban areas, revitalizing underutilized or vacant parcels. By promoting dense development patterns, HB 2721 can help revitalize urban neighborhoods, improve walkability and support local businesses. Infill development maximizes existing infrastructure investments and reduces sprawl, promoting sustainable land use practices.
- 4. Zoning reform and regulatory flexibility:** The law proposes zoning reforms and regulatory flexibility to facilitate the development of middle housing. For example, the law requires cities to specifically allow this dense product type in single-family residential areas within a mile of central business districts. That can be a real game-changer in downtown areas where some cities are reluctant to permit this type of housing product. Removing barriers such as restrictive zoning ordinances and onerous

permitting processes streamlines the development approval process. This regulatory flexibility encourages innovation, fosters housing affordability, and empowers communities to adapt to evolving housing needs. It also helps remove the Not In My Backyard (NIMBY) element which is often a stumbling block in zoning cases we represent.

5. **Affordable housing access:** Middle housing developments facilitated by HB 2721 are a critical component of Arizona's affordable housing strategy. By providing more affordable housing options in desirable locations, the bill enhances affordability for low- and moderate-income households.

Cons

1. **Neighborhood character and aesthetics:** Critics of HB 2721 raise concerns about potential impacts on neighborhood character and aesthetics due to increased density and changes in housing types. But those NIMBY complaints are more hypothetical than actual. The important thing is the balance between preserving neighborhood aesthetics while promoting housing diversity, which requires careful planning and design considerations between applicants and city staff.
2. **Infrastructure and services strain:** The development of middle housing units could impact existing infrastructure, such as roads, utilities, schools and parks. Addressing infrastructure needs alongside housing development is essential for ensuring sustainable growth.
3. **Parking and traffic:** Some argue that increased housing density can affect parking and boost traffic in residential neighborhoods. Implementing effective parking management strategies and transportation solutions can go a long way to mitigate these concerns and promote compatible communities.
4. **Community resistance:** NIMBY resistance from residents will persist, despite the adoption of HB 2721. Concerns about changes to neighborhood character, property values, and quality of life can fuel opposition to denser housing development initiatives. Overcoming NIMBYism requires proactive community engagement, education and collaboration to build consensus and address legitimate concerns. It helps that the adoption of this law compels municipalities to take action to facilitate this housing product, even in the face of neighborhood opposition.

HB 2721 represents a proactive legislative effort to address the middle housing shortage and promote housing affordability and diversity. While it offers several potential benefits, including housing diversity, increased supply, urban revitalization, zoning reform and affordable housing access, it also raises concerns regarding neighborhood character, infrastructure impacts, parking and traffic, and community resistance.

Balancing the competing interests associated with HB 2721 requires thoughtful deliberation, collaboration among stakeholders and adaptive policy implementation. By

addressing these challenges, Arizona can leverage the opportunities presented by HB 2721 to create more inclusive, resilient and sustainable communities.

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Image: Elaine Kessler Photography

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