



**City of Phoenix**

PLANNING AND DEVELOPMENT DEPARTMENT

**To:** Alan Stephenson  
Deputy City Manager

**Date:** November 8, 2024

**From:** Joshua Bednarek *JB*  
Planning and Development Director

**Subject:** ITEM 77 ON THE NOVEMBER 13, 2024, FORMAL AGENDA – PUBLIC HEARING - AMEND CITY CODE - ORDINANCE ADOPTION - ADAPTIVE REUSE AND MULTI-FAMILY (ARM) ARM OVERLAY DISTRICT - Z-TA-3-24-Y (ORDINANCE G-7318) - CITYWIDE

Item 77, is a request to hold a public hearing on a proposed text amendment Z-TA-3-24-Y and to request City Council approval per the Planning Commission recommendation which amends the Phoenix Zoning Ordinance Chapter 2, Section 202 (Definitions) to revise and clarify definitions regarding affordable housing and related items; replace Chapter 6, Section 632 (High-Rise H-R1 District - High-Rise and High Density District) and establish a new Adaptive Reuse and Multi-family (ARM) Overlay District; and amend Section 662 (Interim Transit-Oriented Zoning Overlay District One (TOD-1)) and Section 663 (Transit-Oriented Zoning Overlay District Two (TOD-2)) to clarify how the new Section 632 interacts with the provision of the TOD-1 and TOD-2 overlay districts.

The Planning Commission heard the case on November 7, 2024, and recommended approval, per the staff recommendation, by a vote of 9-0.

Staff recommends approval of Z-TA-3-24-Y as shown in the proposed text, per Planning Commission recommendation:

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*ECONOMICALLY AND FUNCTIONALLY OBSOLETE:* COMMERCIAL OR MIXED USE BUILDING(S) ON A SITE THAT ARE IN A STATE OF DISREPAIR OR HAVE A FIFTY PERCENT VACANCY IN THE TOTAL LEASABLE SQUARE FOOTAGE, IN ACCORDANCE WITH A.R.S. §9-462.10.

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*Affordable-Housing, AFFORDABLE:* Residential or mixed-use development providing HUD or other assisted low-income housing, as verified by the Phoenix Housing Department; typically includes dwelling unit(s) committed for a minimum term through covenants or restrictions to households with incomes at 80 percent or less of the area median income, as defined by the United States Department of Housing and Urban Development ~~for the City~~.

*HOUSING, WORKFORCE:* RESIDENTIAL OR MIXED-USE DEVELOPMENT PROVIDING HUD OR OTHER ASSISTED MODERATE-INCOME HOUSING, AS

VERIFIED BY THE PHOENIX HOUSING DEPARTMENT; TYPICALLY INCLUDES DWELLING UNIT(S) COMMITTED FOR A MINIMUM TERM THROUGH COVENANTS OR RESTRICTIONS TO HOUSEHOLDS WITH INCOMES OF AT LEAST 80 PERCENT AND UP TO 120 PERCENT OF THE AREA MEDIAN INCOME, AS DEFINED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

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SECTION 2: That Chapter 6, Section 632 (High-Rise H-R1 District—High-Rise and High Density District), is amended to strike everything and replace with the following text:

**SECTION 632. ADAPTIVE REUSE AND MULTI-FAMILY (ARM) OVERLAY DISTRICT**

- A. **PURPOSE.** THE PURPOSE OF THIS OVERLAY IS TO ESTABLISH ZONING REGULATIONS WHICH ACHIEVE COMPLIANCE WITH A.R.S. §9-462.10, AS FOLLOWS:
1. PROVIDE ALTERNATIVE DEVELOPMENT STANDARDS FOR THE NON-RESIDENTIAL ADAPTIVE REUSE OF EXISTING COMMERCIAL BUILDINGS.
  2. ALLOW MULTI-FAMILY DEVELOPMENT BY RIGHT ON EXISTING COMMERCIAL PROPERTIES, SUBJECT TO CERTAIN DEVELOPMENT STANDARDS ALSO PROVIDED WITHIN THIS SECTION.
- B. **APPLICABILITY.** THIS OVERLAY APPLIES TO ALL LAND WITHIN THE ADOPTED TRANSIT ORIENTED COMMUNITIES (TOC), PER THE MAP PROVIDED BELOW, WITH THE FOLLOWING EXCEPTIONS:
1. NOT APPLICABLE TO ANY PROPERTY WITH HISTORIC DESIGNATION, AS FOLLOWS:
    - a. PROPERTIES DESIGNATED HP OR HP-L.
    - b. PROPERTIES DESIGNATED AS HISTORIC ON THE NATIONAL REGISTER OF HISTORIC PLACES.
  2. NOT APPLICABLE TO PROPERTIES LOCATED WITHIN EITHER THE GATEWAY TOC OR THE 50TH STREET STATION AREA.
  3. NOT APPLICABLE TO PROPERTIES ZONED DOWNTOWN CODE PER CHAPTER 12.
  4. NOT APPLICABLE TO PROPERTIES ZONED WALKABLE URBAN CODE PER CHAPTER 13.



C. **CONFLICTS.**

1. IF A PROPERTY SUBJECT TO THIS OVERLAY DISTRICT IS ALSO SUBJECT TO A SPECIAL PLANNING DISTRICT, SPECIFIC PLAN, NEIGHBORHOOD PLAN, OR SIMILAR REGULATORY PLAN ADOPTED BY COUNCIL, THE PROVISIONS OF THIS OVERLAY DISTRICT APPLY ONLY WHEN THEY DO NOT CONFLICT WITH THE OTHER ADOPTED REGULATORY PLANS.
2. IF A PROPERTY SUBJECT TO THIS OVERLAY DISTRICT IS ALSO SUBJECT TO THE TOD-1 OR TOD-2 OVERLAYS (SECTIONS 662 AND 663, RESPECTIVELY), THE TOD-1 OR TOD-2 OVERLAYS DO NOT APPLY WHEN CHAPTER 13 DEVELOPMENT REGULATIONS ARE UTILIZED FOR A DEVELOPMENT IN ACCORDANCE WITH SECTION 632.H.2.b.

D. **VARIANCES.** A PROVISION OF THIS OVERLAY DISTRICT MAY BE MODIFIED THROUGH THE VARIANCE PROCESS DISCUSSED IN SECTION 307, BUT ONLY WHEN THE VARIANCE REQUEST DOES NOT CAUSE NON-COMPLIANCE WITH A.R.S. §9-462.10.

E. **PERMITTED USES.** THE REGULATIONS GOVERNING THE USES OF LAND AND STRUCTURES SHALL BE AS SET FORTH IN THE UNDERLYING ZONING DISTRICTS EXCEPT AS EXPRESSLY MODIFIED BY THIS OVERLAY DISTRICT.

F. **GENERAL DEVELOPMENT REGULATIONS.** THE FOLLOWING REGULATIONS APPLY TO ALL DEVELOPMENT UTILIZING THE PROVISIONS OF THIS OVERLAY DISTRICT:

1. DEVELOPMENT REVIEW PER SECTION 507 IS REQUIRED.
  - a. THE FINAL SITE PLAN SHALL EXPLICITLY STATE WHICH, IF ANY, OF THE PROVISIONS OF THIS OVERLAY DISTRICT ARE TO BE IMPLEMENTED BY THE SUBJECT DEVELOPMENT.
2. ADEQUATE PUBLIC WATER AND SEWER SERVICE FOR THE ENTIRE PROPOSED DEVELOPMENT SHALL BE PROVIDED, AS DETERMINED BY THE WATER SERVICES DEPARTMENT.
3. COMPLIANCE WITH ALL APPLICABLE CONSTRUCTION AND FIRE CODES IS REQUIRED.
4. THE EXISTING BUILDINGS ON THE PROPOSED DEVELOPMENT SITE MUST BE ECONOMICALLY OR FUNCTIONALLY OBSOLETE, AS DEMONSTRATED TO AND APPROVED BY PDD.

5. THE EXISTING BUILDINGS MUST BE LOCATED WITHIN A UNIFIED DEVELOPMENT (APPROVED TOGETHER ON ONE SITE PLAN), AND THE AREA INCLUDED WITHIN THE UNIFIED DEVELOPMENT IS AT LEAST ONE NET ACRE BUT DOES NOT EXCEED 20 NET ACRES.

G. **DEVELOPMENT REGULATIONS—ADAPTIVE REUSE.** THE FOLLOWING REGULATIONS MAY BE APPLIED TO NON-RESIDENTIAL ADAPTIVE REUSE OF EXISTING COMMERCIAL, OFFICE, OR MIXED USE BUILDINGS WITHIN THIS OVERLAY DISTRICT, WHEN ALSO IN COMPLIANCE WITH SUBSECTION F, AS FOLLOWS:

1. AUTOMOBILE PARKING SHALL BE PROVIDED AS REQUIRED BY THE UNDERLYING ZONING DISTRICT.
2. SETBACKS SHALL BE AS REQUIRED BY THE UNDERLYING ZONING DISTRICT, WITH THE FOLLOWING MODIFICATIONS:
  - a. IF THE MINIMUM SETBACK FOR THE PROPOSED USE IS GREATER THAN THAT OF THE EXISTING BUILDING, THE PROPOSED USE MAY BE PROVIDED AT THE EXISTING SETBACK SO LONG AS THE PROPOSED USE IS PERMITTED BY RIGHT WITHIN THE UNDERLYING ZONING.
  - b. IF THE PROPOSED USE HAS SPACING OR SEPARATION REQUIREMENTS REQUIRED BY THE UNDERLYING ZONING, THOSE PROVISIONS STILL APPLY.
3. MAXIMUM BUILDING HEIGHT SHALL BE AS REQUIRED BY THE UNDERLYING ZONING, WITH THE FOLLOWING MODIFICATIONS:
  - a. IF THE MAXIMUM HEIGHT FOR THE PROPOSED USE IS LESS THAN THAT OF THE EXISTING BUILDING, THE PROPOSED USE MAY BE PROVIDED AT ANY HEIGHT WITHIN THE EXISTING BUILDING SO LONG AS THE PROPOSED USE IS A USE PERMITTED BY RIGHT WITHIN THE UNDERLYING ZONING DISTRICT.
  - b. ANY NEW BUILDINGS SHALL COMPLY WITH THE HEIGHT PROVISIONS OF THE UNDERLYING ZONING DISTRICT.

H. **DEVELOPMENT REGULATIONS—MULTI-FAMILY AND MIXED USE DEVELOPMENT.** THE FOLLOWING REGULATIONS APPLY TO MULTIFAMILY AND MIXED USE DEVELOPMENT WITHIN THIS OVERLAY DISTRICT, WHEN ALSO IN COMPLIANCE WITH SUBSECTION F, AS FOLLOWS:

1. THE PROPOSED DEVELOPMENT SITE SHALL HAVE AN UNDERLYING ZONING CLASSIFICATION OF R-5 (SECTION 618), R-4A (SECTION 619), C-1 (SECTION 622), C-2 (SECTION 623), OR C-3 (SECTION 624).

2. MULTI-FAMILY DEVELOPMENT SHALL COMPLY WITH ONLY ONE OF THE FOLLOWING (a OR b):
  - a. ALL DEVELOPMENT REGULATIONS APPLICABLE TO MULTI-FAMILY DEVELOPMENT IN THE UNDERLYING ZONING DISTRICT, OR
  - b. ALL DEVELOPMENT REGULATIONS APPLICABLE TO MULTI-FAMILY DEVELOPMENT SUBJECT TO CHAPTER 13, WALKABLE URBAN CODE, TRANSECT T5:5, WITH THE FOLLOWING MODIFICATIONS:
    - (1) DENSITY IS NOT RESTRICTED.
    - (2) HEIGHT IS RESTRICTED TO FIVE STORIES AND 56 FEET IN HEIGHT, EXCEPT THAT FOR BUILDINGS LOCATED WITHIN 100 FEET OF A SINGLE-FAMILY ZONING DISTRICT, THE MAXIMUM HEIGHT SHALL BE RESTRICTED TO TWO STORIES AND 30 FEET.
    - (3) A MINIMUM OF TEN PERCENT OF THE TOTAL NUMBER OF DWELLING UNITS PROVIDED SHALL BE AFFORDABLE AND/OR WORKFORCE HOUSING FOR A MINIMUM TERM OF TWENTY YEARS AFTER THE INITIAL OCCUPATION OF THE PROPOSED DEVELOPMENT, AS APPROVED BY THE CITY'S HOUSING DEPARTMENT.
3. MIXED USE DEVELOPMENT (RESIDENTIAL AND NON-RESIDENTIAL USES) SHALL COMPLY WITH THE MULTI-FAMILY DEVELOPMENT REGULATIONS STATED IN THIS SECTION, IN ADDITION TO ALL NON-RESIDENTIAL USE REGULATIONS APPLICABLE TO SUCH USES WITHIN THE T5:5 TRANSECT. HOWEVER, NON-RESIDENTIAL USES ARE ONLY PERMITTED IN MIXED USED DEVELOPMENT WHEN THE UNDERLYING ZONING ALSO PERMITS THE PROPOSED NON-RESIDENTIAL USES.

- I. **DEVELOPMENT REGULATIONS—OTHER.** A PROPOSED DEVELOPMENT NOT SUBJECT TO EITHER SUBSECTION G OR SUBSECTION H ABOVE MUST COMPLY WITH ALL APPLICABLE DEVELOPMENT REGULATIONS OF THE UNDERLYING ZONING FOR THE SITE.

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SECTION 3: That Chapter 6, Section 662 (Interim Transit-Oriented Zoning Overlay District One (TOD-1)), is amended to read as follows:

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- B. **Applicability.** The City of Phoenix' Transit-Oriented Development Overlay District (TOD-1) shall apply to lands delineated on the City's Official Supplementary Zoning Map 1086 as adopted on November 19, 2003, AS AMENDED. All land uses and development including, but not limited to buildings, drives, parking areas, landscaping, streets, alleys, greenways, and pedestrian/bicycle ways designated to be within this district, shall be located and developed in accordance with the following provisions:

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- C. **Inconsistencies of Underlying Districts.** In the event that the underlying zoning district standards, or other ordinance or regulations are inconsistent with these overlay Zoning Ordinance standards or any other provisions herein, the standards of the TOD-1 shall apply, WITH THE FOLLOWING EXCEPTION:

1. PROPERTIES SUBJECT TO SECTION 632, ADAPTIVE REUSE AND MULTI-FAMILY (ARM) OVERLAY DISTRICT, ARE NOT SUBJECT TO TOD-1 DEVELOPMENT STANDARDS WHEN THE DEVELOPMENT IS CONSTRUCTED IN COMPLIANCE WITH THE DEVELOPMENT STANDARDS OF CHAPTER 13. HOWEVER, ALL USE REGULATIONS OF TOD-1 (BOTH PERMISSIONS AND PROHIBITIONS) SHALL STILL APPLY TO SUCH PROPERTIES.

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SECTION 4: That Chapter 6, Section 663 (Interim Transit-Oriented Zoning Overlay District Two (TOD-2)), is amended to read as follows:

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- B. **Applicability.** The City of Phoenix' Transit-Oriented Development Overlay District (TOD-2) shall apply to lands delineated on the City's Official Supplementary Zoning Map 1086 as adopted on November 19, 2003, AS AMENDED. All land uses and development including, but not limited to buildings, drives, parking areas, landscaping, streets, alleys, greenways, and pedestrian/bicycle ways designated to be within this district, shall be located and developed in accordance with the following provisions:

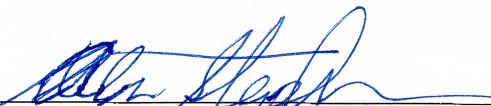
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C. **Inconsistencies of Underlying Districts.** In the event that the underlying zoning district standards, or other ordinance or regulations are inconsistent with these overlay Zoning Ordinance standards or any other provisions herein, the standards of the TOD-2 shall apply, WITH THE FOLLOWING EXCEPTION:

1. PROPERTIES SUBJECT TO SECTION 632, ADAPTIVE REUSE AND MULTI-FAMILY (ARM) OVERLAY DISTRICT, ARE NOT SUBJECT TO TOD-2 DEVELOPMENT STANDARDS WHEN THE DEVELOPMENT IS CONSTRUCTED IN COMPLIANCE WITH THE DEVELOPMENT STANDARDS OF CHAPTER 13. HOWEVER, ALL USE REGULATIONS OF TOD-2 (BOTH PERMISSIONS AND PROHIBITIONS) SHALL STILL APPLY TO SUCH PROPERTIES.

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Approved:

  
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Alan Stephenson, Deputy City Manager