

Date: September 17, 2024 for September 24, 2024 Public Hearing Page: 1 of 5

To: Planning Commission

From: Koren Manning, Interim Director of Planning and Development

Services, and Executive Secretary

Subject: C8-24-01 Accessory Dwelling Unit Regulations and Timelines

for Zoning Applications Unified Development Code

Amendment (Citywide)

Issue – This is a public hearing on a proposed code amendment to amend existing regulations for Accessory Dwelling Units (ADUs) and timelines for rezoning applications in the Unified Development Code (UDC) in response to legislative bills passed by the Arizona State Legislature related to municipal zoning. These proposed amendments were initiated by Mayor and Council during the June 18, 2024 meeting. At that meeting, Mayor and Council directed City staff to develop proposed code amendments to bring the City's ADU standards into compliance with House Bill 2720 (Attachment B) and zoning timelines in compliance with the requirements of Senate Bill 1162 (Attachment C) by January 1, 2025. The proposed amendments were reviewed by the Planning Commission at a Study Session on September 4, 2024.

In order to come into compliance with HB 2720, several areas of the existing ADU regulations must be amended, including updating the number of ADUs allowed per lot, changing how the maximum size of an ADU is calculated, removing parking requirements, aligning the maximum height with the height regulations for single-family homes, and reducing the required setbacks for side and rear yards to five feet (see Attachment A for the draft redline amendment).

The proposed zoning timeline amendments address establishing maximum periods for the administrative review of zoning applications (30 days) and maximum periods for the approval or denial of zoning applications (180 days).

<u>Staff Recommendation</u> – Staff recommends the Planning Commission recommend the adoption of the Accessory Dwelling Unit and Zoning Timeline code amendments to the City of Tucson Mayor and Council.

Background – On December 7, 2021 Mayor and Council adopted regulations to allow Accessory Dwelling Units in Tucson.

On May 21, 2024 the Governor of the State of Arizona signed HB 2720 into law. This Bill established State standards for ADUs which the City of Tucson must comply with by January 1, 2025. The new State ordinance will require some modifications to the City's existing ADU

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standards. If the City does not adopt development regulations that are compliant with the new standards by January 1, 2025, then ADUs will be allowed on all lots zoned for residential use in the City, without limits.

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On April 23, 2024 the Governor signed SB 1162 into law. This Bill this bill requires municipalities to adopt regulations by January 1, 2025 to set deadlines for the review and approval of zoning applications. Administrative review of applications must be complete within 30 days of receiving an application. The municipality shall approve or deny the application within 180 days after determining the application is complete. Currently, for rezoning cases, the UDC requires that the Zoning Examiner Public Hearing be held within 70 days of application submittal (180 days for concurrent plan amendment / rezoning applications) and does not include a deadline for Mayor and Council to approve or deny the application.

A second provision of this bill requires that municipalities complete a housing needs assessment every five years and submit an annual report to the Arizona Department of Housing. Compliance with this section does not require any amendments to codes.

On June 18, 2024, Mayor and Council directed staff to develop an ordinance to bring the City's ADU and zoning timeline standards into compliance with the new bills. Following this authorization, PDSD staff began working to identify what changes to the City's ADU and timeline standards are required by the new regulations.

On September 4, 2024, the City of Tucson Planning Commission held a Study Sesson on the proposed code amendments. The Commission had questions clarifying the relationship of principal and accessory structures, how the new ADU regulations apply to historic review, and how the new rezoning timeline amendments address rezonings that have historic elements. The changes to the proposed amendment for this public hearing reflect a new exception for those rezonings with historic elements. At that time, Planning Commission took action to set the accessory dwelling unit regulations and timelines for zoning applications *Unified Development Code* amendment for a public hearing on September 24, 2024. The Legal Action Report for this study session is included as Attachment F.

Community Outreach

Public outreach included engagement with ADU stakeholders, neighborhood associations, and other community members. Staff from the Planning and Development Services Department (PDSD) held two stakeholder engagements to solicit feedback on the proposed ADU Code amendments under HB 2720. Both engagements were held virtually, with one held during the daytime, and the other during the evening. Announcement of the meetings were sent to community members, including ADU stakeholders, Neighborhood Associations, and the general public. Staff also provided a mechanism for submitting written comments (Attachment E). The engagement meetings were publicized via the PDSD webpage, and notice was emailed to existing PDSD stakeholder contact lists. At the stakeholder meeting, PDSD staff provided background and an overview of the proposed amendment to the bring the ADU regulations into compliance with State law. Staff also requested feedback on whether to allow two detached ADUs instead of one attached and one detached ADUs as required by HB 2720 and if we should retain the 650 square foot minimum size ADU permitted on a lot, regardless of the size of the primary residence. Staff also discussed potential impacts of the new regulations on covenants, conditions, and restrictions (CC&Rs), short

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term rentals, and historic preservation.

Comments and areas of feedback included:

- Addressing housing affordability through ADUs
- Regulation of short-term rentals
- The impacts of ADUs on Historic Preservation Zones, historic landmarks, and National Register of Historic Places listed properties

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- The desire for the new standards to be as flexible as possible instead of more restrictive
- The desire for the new standards to only comply with the minimum required by State law

Summaries of the two public meetings, and the presentation materials from the meeting are included as Attachment D.

The proposed zoning timeline changes are minor, and mostly administrative in nature, so outreach specific to these changes was not necessary.

<u>Present Consideration(s)</u> – Currently ADUs are regulated under the Unified Development Code as a permitted accessory use in all zones that allow residential uses. In all instances, an accessory dwelling unit must be incidental or secondary to the principal use and be located on the same parcel as the principal use.

Under the City's existing ADU Standards, one ADU is permitted per residential lot. The size of an ADU is limited to 10% of the lot size up to 1,000 square feet, with a 650 square foot ADU allowed on any lot size. The height of an ADU is limited to 12-feet, or, if the primary home is two stories, the height of the primary residence. One parking space is required, but this requirement can be waived if the site is 1/4 mile from transit or bike facilities. Setbacks follow the regulations of the zone, generally 6 feet or 2/3 the height of the structure.

The existing City of Tucson ADU regulations are generally compliant with House Bill 2720. However, there are some areas where adjustments need to be made. These include the following shown on the table below:

	Current Regulations in Tucson	Regulations per HB 2720
Number of ADUs allowed	1 per residential lot	2 per lot – one attached and one detached Third ADU allowed on sites of one acre or more, if one ADU is restricted affordable housing
Size	10% of lot size, up to 1,000 square feet, with a 650 square foot ADU allowed on any size lot	75% of the size of the primary structure, up to 1,000 square feet
Height	Limited to 12', or, if the primary home is two- stories, the height of the primary residence	Height limit follows that of a single-family home within the same zone – generally 25'
Parking	One parking space required, can be waived if site is ¼ mile from transit or bike facilities	No parking may be required
Setbacks	Setbacks follow the regulations of the zone – generally 6' or 2/3 the height of the structure	Required rear and side setbacks cannot be more than be 5' from the property line

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Based on the newly adopted requirements of State law, the direction from Mayor & Council, feedback from stakeholders and the public, and research conducted, staff recommends amending the UDC Accessory Dwelling Unit requirements to address the changes above. Please see Attachment A for the draft redline of UDC Amendments for Accessory Dwelling Units and Timelines for Zoning Applications.

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Proposed Amendments related to Accessory Dwelling Unit (ADU) Regulations

The proposed amendments to the ADU regulations in the *Unified Development Code* are as follows:

- Update the number of ADUs allowed from 1 per residential lot to 2 per lot, one attached and one detached. Note that a third ADU is allowed on sites of one acre or more, if one ADU is restricted to affordable housing.
- Modify the methodology for calculating ADU size so that 75% so that an ADU may be up to 75% of the size of the primary structure, up to 1,000 square feet. An ADU may be up to 650 square feet in size, regardless of the size of the primary structure.
- Establish that the height limit for an ADU follows that of a single-family home within the same zone.
- Remove existing parking requirements for ADUs.
- Require that rear and side setbacks cannot be more than five feet from the property line.
- Establish that an ADU cannot be required to match the exterior design, roof pitch, or finishing materials of the primary single family home. This standard is applicable to Historic Preservation Zones and Neighborhood Preservation Zones.

Proposed Amendments related to Zoning Application Timelines

The Zoning Examiner Legislative Procedure applies to applications for a rezoning or a special exception requiring Mayor and Council approval. This procedure currently requires a Zoning Examiner Public Hearing to be held within 70 days of application submittal. For a concurrent plan amendment / rezoning application this deadline is 180 days. The procedure as currently described in the UDC does not include a deadline for Mayor and Council to approve or deny the application.

The proposed amendments to zoning application timelines in the *Unified Development Code* are as follows:

- Amend the Zoning Examiner Legislative Procedure to establish that administrative reviews of zoning applications must be complete within 30 days of receiving an application.
- Establish that the City shall approve or deny a zoning application within 180 days after determining the application is complete. This deadline would not apply to land designated as a Historic Landmark or Historic Preservation zone, on the National Register of Historic Places, or a Planned Area Development.

<u>Plan Tucson Consideration(s)</u> – The items above are related to the Elements of *Housing* policies and Goals. Specifically, they are supported by the following:

• **Housing** Policy H6 -Take multiple approaches to reduce housing costs and increase affordability. **Housing** Policy H9 - Promote safe, decent, and affordable housing and neighborhoods that support aging in place.

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• **Housing** Policy H11 - Encourage residential development including both market rate and affordable housing projects in Tucson.

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• **Plan Tucson** Goal 8 – The City strives for a timely, accessible, and inclusive process to actively engage a diverse community in City policy, program, and project planning.

Attachments:

- A. Draft Redline of UDC Amendments for Accessory Dwelling Units and Timelines for Zoning Applications
- B. House Bill 2720 Accessory Dwelling Units
- C. Senate Bill 1162 Timelines for Zoning Applications
- D. Outreach Meeting Summaries and Materials
- E. Written ADU Stakeholder Comments
- F. Legal Action Report for September 4, 2024 Planning Commission Study Session