

Douglas A. Ducey  
Governor



Arizona  
Department  
of Housing

1110 W. Washington St., Suite 280, Phoenix, AZ 85007  
(602) 771-1000 • [www.azhousing.gov](http://www.azhousing.gov)

Thomas M. Simplot  
Director

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Media Contact: Dave Cherry  
Public Information Officer

[dave.cherry@azhousing.gov](mailto:dave.cherry@azhousing.gov) • 602-771-1008

## **GOVERNOR SIGNS HB2610 PAVING WAY FOR MORE AFFORDABLE HOUSING**

**\*\*New law removes major barrier to desperately-needed new development\*\***

**PHOENIX, AZ** – Arizona Governor Doug Ducey this week signed HB2610 into law removing the arbitrary cap on the size of affordable housing apartment communities constructed by non-profits wanting to qualify for a property tax exemption. The new law encourages more construction of larger affordable apartment communities across the state that rent solely to income-eligible tenants.

“We are committed to growing our state’s affordable housing inventory and this law helps by eliminating an unnecessary barrier to development,” said Arizona Department of Housing Director Tom Simplot. “By removing this burdensome regulation, non-profits can build larger affordable housing communities and still receive the tax break they need for these projects.”

Prior to HB2610 becoming law, non-profit developers could only qualify for a real estate tax exemption on apartment communities of 200 units or less. The new law eliminates the cap and makes tax exemptions (which have no direct cost to the state) available on larger affordable complexes.

“We believe this law will directly result in more, new affordable housing,” said Simplot. “The 200-unit limit was an arbitrary deterrent preventing non-profit organizations from receiving property tax exemptions, which is a primary method the state uses to stimulate the creation of new affordable housing.”

The law also requires non-profits to certify use of the tax exemption savings to sustain the affordable housing property which helps ensure properties have sufficient operating funds for renovations and improvements over the long-term. Arizona Department of Housing analysis estimates that 270,000 housing units are needed statewide just to meet current demand.

“The need in Arizona is real and this law is a positive step in broadening a non-profit’s ability to develop a larger number of affordable housing units,” said Simplot.

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### **About the Arizona Department of Housing (ADOH)**

Established in 2002, we administer programs to create, preserve, and invest in affordable housing statewide. ADOH does not own or build housing; we manage programs that convey funding to private and government entities that apply and meet criteria developed by state/federal law. ADOH receives no state General Fund appropriation and most programs are federally-funded.