



City of Apache Junction

Development Services Department



Date: December 2, 2025

To: Honorable Mayor and City Council Members

Through: Bryant Powell, City Manager
Rudy Esquivias, Development Services Director
Sidney Urias, Development Services Deputy Director

Subject: December 2, 2025, City Council Public Hearing:
P-25-38-CUP: Proposed Conditional Use Permit to allow a 300-unit, three-story, multi-family residential rental development - SEC of Idaho Road and the Scenic Street alignment

Background

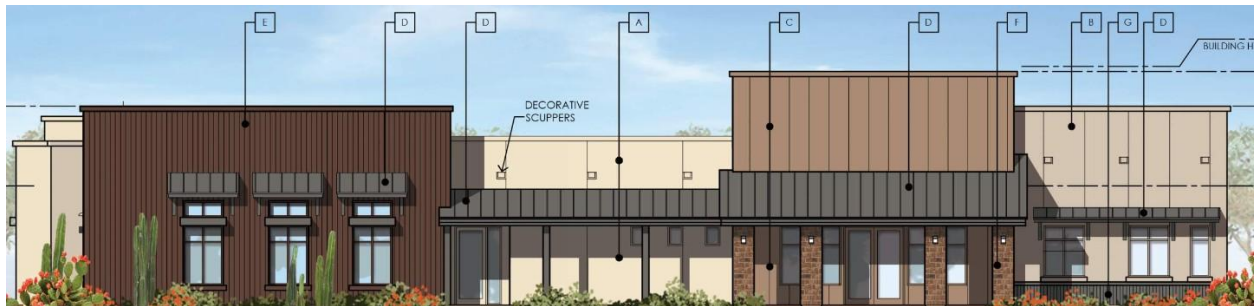
Per historic Pinal County and City zoning records, parcels 101-19-014B, 101-19-0130, 101-19-015B, and 101-19-015D have historically been zoned City Center ("B-3"), or an equivalent county commercial zoning designation, but have never been developed.

Proposal

P-25-38-CUP is a proposed Conditional Use Permit (CUP) to allow for the development of a 300-unit, three-story multi-family residential community. The proposed project is located on an approximately 13-acre site near the southeast corner of Idaho Road and the Scenic Street alignment. The property is currently zoned City Center (B-3).

The subject area consists of approximately 13-acres, upon which 300-units are proposed, resulting in an approximate density of 22 dwelling units per acre. The development plan proposes fourteen (14) three-story buildings. The residential units will include forty-eight (48) 1-Bedroom/1-bath, one hundred thirty-two (132) 2-Bedroom/2-bath units, eighty-four (84) 3-bedroom/2-bath units, and thirty-six (36) 4-bedroom/2-bath units. Parking will consist of a mix of surface (370 spaces) and covered parking stalls (300 spaces).

In terms of the design of the proposed buildings, the applicant and Staff went through multiple revisions to capture the community's desire for Southwest-inspired architecture. The resulting design combines modern Southwest elements with warm, desert tones and materials such as corrugated metal and vertical siding, creating a contemporary look that feels cohesive with the surrounding desert landscape. The same design style continues throughout all three building types and the clubhouse.



According to the applicant's narrative, this project will utilize the Section 42 Low-Income Housing Tax Credit (LIHTC) program, which allows developers to offer affordable housing to residents earning up to 60% of the area's median income (AMI). Rental rates are set annually by the U.S. Department of Housing and Urban Development (HUD). For this area in 2025, rents range from \$1,262 for a one-bedroom to \$1,950 for a four-bedroom unit, inclusive of utilities.

Families must meet both income and household size requirements to qualify for housing under the LIHTC program. In 2025, the maximum income limits were as follows:

- 1-person household: \$47,160
- 2-person household: \$53,820
- 3-person household: \$60,600
- 4-person household: \$67,320

Although this community will utilize the LIHTC program, it is designed to offer a comparable experience to nearby market-rate developments, with a range of amenities for residents. Primary access will be off Idaho Road, shared with the adjacent proposed multi-family development to the south, while a secondary right-in/right-out only access point is planned for the northwest corner of the site. Planned amenities include a clubhouse, pool, dog park, tot lot, community open space, and covered parking stalls with solar panels.



Planning and Zoning Commission Recommendation

The Planning and Zoning Commission public hearing was held on October 28, 2025 (planning staff report and exhibits attached).

The commissioners requested clarification on several aspects of the proposed development. Their questions focused on which utilities would be paid for by the developer, how often residents would need to verify their income eligibility, whether a property manager would live onsite, details regarding the secondary access point, the building height, and the absence of elevators.

In response, the developer explained that essential utilities including electric, gas, water, sewer, and trash services will be paid for by the developer, while internet and cable will be available as optional add-ons at an additional cost paid to the utility provider. The developer noted that although rents are set annually by the US Department of Housing and Urban Development ("HUD") and may fluctuate,

residents will never be required to pay for the included utilities, even in the event of rising utility costs. To help offset energy expenses, solar panels will be installed throughout the community. While the initial installation cost is significant, the developer emphasized that the long-term benefits of reduced utility costs make it a worthwhile investment for both the residents and the community.

Regarding daily operations and resident eligibility, applicants must meet the community's income qualifications and will be required to self-certify their income and household size annually to ensure continued compliance. Property management will oversee adherence to community guidelines and occupancy standards, helping to prevent unpermitted individuals from residing in the units. While the development will not include a dedicated onsite unit for a property manager, the developer intends to hire management staff from within the local community.

With respect to the site plan and building design, the secondary access point, located at the northwest corner of the property, will function as a right-in/right-out only. The building's pitched roof reaches a maximum height of 45 feet, remaining well below the permitted 60-foot height limit. ADA-compliant units will be located on the ground floor, and elevators are not required based on the building's current height and design.

Ultimately, the Commission determined that the proposed development met all the Conditional Use Permit findings of fact and voted 4:1 to approve case P-25-38-CUP. The commissioner who voted against the project did not provide details as to why they voted in opposition.

Staff Recommendation

After reviewing the project proposal and CUP Findings of Fact, Staff supports proposed Conditional Use Permit Case No. P-25-38-CUP.

Staff worked closely with the applicant throughout the review process to ensure the project reflects the community's expressed desire for a high-quality downtown development that incorporates a distinctly western design aesthetic. Staff supports the project due to its consistency with the City Center zoning district, the voter-approved General Plan, and the vision outlined in the Concentrated Downtown Master Plan. Together, these guiding frameworks encourage multi-family housing at this location to expand housing opportunities for year-round residents, support existing commercial businesses, and attract future investment, particularly on the nearby city-owned parcel envisioned as the center of a vibrant, walkable downtown.

It is important to note that this project is distinct from other recent developments in that it proposes the use of the Low-Income Housing Tax Credit ("LIHTC") program to provide affordable housing for future residents. Staff's recommendation is based on the applicant's proposal of a well-designed multi-family development within the

downtown core, which reflects strong architectural design, an well designed site plan, and high quality of provided amenities. While Staff supports the proposed use of the property for multi-family residential development, the policy decision regarding the appropriateness of a LIHTC project at this location is respectfully deferred to the Mayor and City Council.

Work Session Update

On November 18, 2025, the City Council reviewed case P-25-38-CUP as a new business item. This item was for presentation and discussion only. During the review, Council posed questions regarding the development's participation in the Apache Junction Crime Free Multi-Housing Program, whether management would be required to live on-site, and Staff's overall support of the project.

Condition No. 9 in draft Resolution No. 25-24 requires the development to participate in the Apache Junction Crime Free Multi-Housing Program. The applicant will be required to provide proof of participation annually on the anniversary of the grand opening to verify ongoing compliance.

With respect to on-site management, Staff clarified that during the Planning and Zoning Commission public hearing, the applicant stated that they do not typically have management reside on-site. However, they do try to hire from within the local community. Additional operational questions were deferred to the applicant, who will be available to respond at the December 2nd public hearing. If Council wishes to require on-site management, Staff has prepared a draft condition of approval that may be added to the Resolution at the time of a motion.

Optional Condition No. 11:

"A member of the apartment management team must reside on-site to ensure continuous management presence."

Lastly, Staff remains supportive of the proposed multi-family use and the overall quality of the development as presented. The applicant was responsive and collaborative throughout the review process and adjusted the project based on feedback from Staff and Council to create a development that reflects the vision for downtown and the Southwest character of Apache Junction.

The project's participation in the LIHTC program was considered as part of the review, though the primary focus remained on the proposal for a multi-family development in the downtown area. Staff's support is based on the project's strong architectural design, well-planned site layout, high-quality amenities, and its contribution to downtown density and a diverse mix of housing options. The LIHTC policy consideration is being deferred to Council, if desired, to maintain consistency with similar Council decisions and to acknowledge both the

importance of this downtown location and the careful planning that often accompanies income-restricted housing developments. That said, Staff recommends approval of the project as presented, subject to the conditions outlined in the proposed resolution.

Attachments:

- PZ Staff Report from October 28, 2025 (with all attachments)
- Draft Resolution No. 25-24