

ATTENTION
IN-PERSON AUDIENCES AT HOUSING COMMISSION MEETINGS HAVE BEEN SUSPENDED UNTIL FURTHER NOTICE

[Click here to participate in the online meeting](#)

The public can submit comments to LBloom@FlagstaffAZ.gov. Public comment will be emailed to Housing Commissioners and will be read at the meeting by a staff member.

NOTICE AND AGENDA

**HOUSING COMMISSION
THURSDAY
FEBRUARY 25, 2021**

**CITY OF FLAGSTAFF
MICROSOFT VIRTUAL MEETING
1:00 P.M.**

1. Call to Order

2. Roll Call

NOTE: One or more Commission Members may be in attendance telephonically or by other technological means.

ERIC DAVIS
NICOLE ELLMAN
KAREN FLORES
SANDI FLORES
KHARA HOUSE

CHRIS KEMMERLY
DEVONNA MCLAUGHLIN
MOSES MILAZZO
ERIN O'LOUGHLIN
ADRAH PARAFINIUK

TAD RIGGS
ROSS SCHAEFER
JOANNA WHEATON

3. Public Comment

At this time, any member of the public may address the Commission on any subject within their jurisdiction that is not scheduled before the Commission on that day. Due to Open Meeting Laws, the Commission cannot discuss or act on items presented during this portion of the agenda. To address the Commission on an item that is on the agenda, please wait for the Chair to call for Public Comment at the time the item is heard.

4. APPROVAL OF MINUTES

- A. Consideration and Approval of Minutes:** Housing Commission Meeting, January 28, 2021
Approve the minutes of the January 28, 2021 Housing Commission Meeting.

5. **DISCUSSION ITEMS**

- A. **Discussion and Input:** A presentation on Rental Assistance Demonstration Discussion and Input
- B. Case No. PZ-21-00019 Zoning Code Text Amendment - 2021: Affordable Housing Modified Development Standards. A request by the City to amend the Zoning Code to amend the Zoning Code to incorporate provisions into the Affordable Housing Incentives and the Parking Adjustments.
- Staff is requesting the Housing Commission provide a recommendation to the City Council for approval of the City's request for a Zoning Code Text Amendment to incorporate provisions into the Zoning Code's Affordable Housing Incentives and the Parking Adjustments.

6. **INFORMATIONAL ITEMS TO/FROM COMMISSION MEMBERS, STAFF, AND FUTURE AGENDA ITEM REQUESTS**

- A. Update from Housing Authority Commission Member
- B. Update from Housing Staff
- c. Other Informational Items

7. **ADJOURNMENT**

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. This notice has been posted on the City's website and can be downloaded at www.flagstaff.az.gov.

Dated this _____ day of _____, 2020.

Leah Bloom, Housing Section



Housing Commission

4. A.

From: Leah Bloom, Affordable Housing Advancement Project Manager

DATE: 02/25/2021

SUBJECT: Consideration and Approval of Minutes: Housing Commission Meeting, January 28, 2021

STAFF RECOMMENDED ACTION:

Approve the minutes of the January 28, 2021 Housing Commission Meeting.

Executive Summary:

Minutes of Commission meeting are the requirement of Arizona Revised Statutes and, additionally, provide a method of informing the public of discussions and actions taken by the Housing Commission.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Not applicable.

Previous Council Decision on This:

Not applicable.

Attachments

DRAFT Minutes 01-28-2021

DRAFT MEETING MINUTES

**HOUSING COMMISSION
THURSDAY
JANUARY 28, 2021**

**COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
1:00 P.M.**

1. Call to Order

Chair Nicole Ellman called the meeting to order at 1:01pm.

2. Roll Call

NOTE: One or more Commission Members may be in attendance telephonically or by other technological means.

ERIC DAVIS - Present
NICOLE ELLMAN - Present
KAREN FLORES - Present
SANDI FLORES - Absent

KHARA HOUSE - Present
CHRIS KEMMERLY - Present
DEVONNA MCLAUGHLIN - Present
MOSES MILAZZO - Present
ERIN O'LOUGHLIN - Present

ADRAH PARAFINIUK - Arrived at 2:13pm
TAD RIGGS - Present
ROSS SCHAEFER - Arrived at 1:07pm
JO WHEATON - Arrived at 1:08pm

COUNCIL LIAISON PRESENT: Vice Mayor Becky Daggett

STAFF PRESENT: Leah Bloom, Justyna Costa, Sarah Darr, Adriana Fisher, Dan Folke, Jennifer Mikelson, Kristine Pavlik

3. Public Comment

At this time, any member of the public may address the Commission on any subject within their jurisdiction that is not scheduled before the Commission on that day. Due to Open Meeting Laws, the Commission cannot discuss or act on items presented during this portion of the agenda. To address the Commission on an item that is on the agenda, please wait for the Chair to call for Public Comment at the time the item is heard.

None.

4. APPROVAL OF MINUTES

- A. Consideration and Approval of Minutes:** Housing Commission Meeting, December 17, 2020
Approve the minutes of the December 17, 2020 Housing Commission Meeting.

Moved by Khara House, **seconded by** Moses Milazzo to approve the minutes from the regular meeting of December 17, 2020.

Vote: 9 - 0 - Unanimously

5. GENERAL BUSINESS

- A.** Introduce and welcome City Council Liaison, Vice Mayor Daggett

Chair Ellman introduced and welcomed Vice Mayor Becky Daggett, who is the new Council Liaison for the Housing Commission. Council Liaison Daggett provided a brief introduction.

6. **DISCUSSION ITEMS**

- A. Discussion and Input:** A presentation on *"Flagstaff's Lived Black Experience: A Forgotten People Forging a Path Forward"*
Informational only.

Ms. Leah Bloom, Affordable Housing Advancement Project Manager, introduced Ms. Deborah Harris and Ms. Khara House from Flagstaff's Lived Black Experience CommUnity Coalition. Ms. Harris and Ms. House delivered a verbal presentation and answered Commissioner questions.

Commissioners and staff discussed issues such as redlining, the Community Development Block Grant (CDBG) process, systemic racism, and upcoming working groups where there will be opportunities to discuss this topic in more detail.

- B. Consideration and Approval for the concept of the Public Participation Plan and Project Timeline:** Flagstaff's 2021-2031 Housing Plan.

1. Approve the concept of Flagstaff's 2021-2031 Housing Plan's Public Participation Plan and Project Timeline.

Ms. Bloom gave a verbal presentation about Flagstaff's 2021-2031 Housing Plan and associated Public Participation Plan and Project Timeline.

Commissioners provided comments and asked questions. Ms. Bloom answered questions, with support from Ms. Sarah Darr, Housing Director.

Chair Ellman coordinated Commissioners who volunteered to join the below Informational Working Groups;

1. Policy Working Group
2. Affordable Housing Gap Analysis
3. Connection between health and affordable housing
4. Connection between housing and sustainability
5. Neighborhood Context - Redlining, Historical data, Generational Wealth
6. Zoning and Land Use

Moved by Khara House, **seconded by** Karen Flores to approve Flagstaff's 2021-2031 Housing Plan's Public Participation Plan and Project Timeline.

Vote: 12 - 0 - Unanimously

7. **INFORMATIONAL ITEMS TO/FROM COMMISSION MEMBERS, STAFF, AND FUTURE AGENDA ITEM REQUESTS**

- A.** Update for Housing Authority Commission Member

Housing Authority Liaison, Commissioner Moses Milazzo, provided a brief update, with supporting information from Ms. Darr. Commissioner Milazzo thanked Ms. Darr and staff for the work that led to obtaining vouchers to assist foster youth aging out of the system.

B. Update from Housing Staff

Ms. Justyna Costa, Housing Manager, stated Ms. Bloom will email Commissioners the 2020 Housing Storybook, which includes the Housing Section's larger accomplishments.

C. Other informational items

None.

8. ADJOURNMENT

Meeting adjourned at 3:00pm by Chair Ellman.



Housing Commission

5. A.

Co-Submitter: Sarah Darr, Housing Director

From: Leah Bloom, Affordable Housing Advancement Project Manager

DATE: 02/25/2021

SUBJECT: **Discussion and Input:** A presentation on Rental Assistance Demonstration

STAFF RECOMMENDED ACTION:

Discussion and Input

Executive Summary:

Presentation by Sarah Darr, Housing Director

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Not applicable.

Previous Council Decision on This:



Not applicable.

Attachments

RAD Presentation



1

 <h2>Role of the Housing Commissions</h2> 	
<h3>Housing Authority Board (of Commissioners)</h3> <ul style="list-style-type: none"> • Federally Required • Arizona State Law • Powers delegated by City Council with regard to public housing projects (this includes voucher programs) • Oversees all Housing Authority Programs and Funding 	<h3>Housing Commission</h3> <ul style="list-style-type: none"> • Created by City Council • ...serves as an advisory board to City Council, makes recommendations with respect to housing policies, needs, and programs in Flagstaff, and furnishes the Council with information...

2



Public Housing Summary



Flagstaff Housing Authority – Public Housing



- Serves incomes up to 80% AMI
- 265 total public housing units
- 3 public housing sites:
 - Brannen Homes – 127 units
 - Siler Homes – 100 units
 - Scattered Sites – 38 units

For more info:

<https://www.flagstaff.az.gov/2350/Public-Housing-Program-Information>

3



Declaration of Trust



- All Public Housing in Flagstaff and associated property is owned by the City of Flagstaff
- Restricted by Declarations of Trust that limit its use to affordable housing

Declaration of Trust (Public Housing Modernization Grant Projects)

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB No. 3577-0279
exp. 09/30/2013

Whereas, (1, see instructions) City of Flagstaff Housing Authority (hereinafter called the Public Housing Agency (PHA), a public body corporate and public, duly created and organized pursuant to and in accordance with the provisions of the laws of the (2) City of Flagstaff, and the United States of America, Secretary of Housing and Urban Development (hereinafter called HUD) pursuant to the United States Housing Act of 1937 (42 U.S.C. 1437, et seq.) and the Department of Housing and Urban Development Act (12 U.S.C. 424) entered into a certain contract with the effective date as of (mm/dd/yyyy) (1) 03/15/1998, (hereinafter called the Annual Contributions Contract) and a certain Modernization Project Grant Amendment to the Annual Contributions Contract with the effective date as of (mm/dd/yyyy) (4) 03/15/2012, (hereinafter called the Modernization Grant Amendment) providing for a grant to be made by HUD to assist the PHA in modernizing (lower income housing projects), and

Whereas, as of the date of the execution of this Declaration of Trust, the Modernization Grant Amendment and the Annual Contributions Contract cover certain individual lower income housing projects located at: (1) City of Flagstaff, County of Coconino, State of Arizona, which will provide approximately (4) 127 dwelling units; and which lower income housing projects are known as Modernization Project No. (2) A220P000012, and individual projects as follows:

Project No. (3)	with approximately	dwelling units,
Project No. (3) A220P000002	47	dwelling units,
Project No. (3) A220P000003	40	dwelling units, and
Project No. (3) A220P000004	40	dwelling units, and

Whereas, the modernization of each Project will have been financed with grant assistance provided by HUD. New Therefore, to assure HUD of the performance by the PHA of the covenants contained in the Modernization Grant Amendment and the Annual Contributions Contract, the PHA does hereby acknowledge and declare that it is prepared to and holds in trust for the benefit of HUD, for the purposes herein stated, the following described real property situated at: (5)

City of Flagstaff, County of Coconino, State of Arizona

To Wit: (Insert legal description for each individual project. X3D)
See Exhibit A, attached, for Real Property Legal Description.

and all buildings and fixtures erected or to be erected thereon or appurtenant thereto.

The PHA hereby declares and acknowledges that during the existence of the trust hereby created, HUD has been granted and is possessed of an interest in the above described Project property. To Wit:

The right to require the PHA to execute a deed of title to said property and to refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said property or any part thereof, appurtenances thereto, or any rent, revenues, income, or savings therefrom or in connection therewith, or any of the benefits or emoluments thereof to be given or granted to the Modernization Grant Amendment and the Annual Contributions Contract, or any interest in any of the same except that the PHA may (1) to the extent and in the manner provided in the Annual Contributions Contract, (a) lease dwellings and other spaces and facilities in any Project, or (b) convey or otherwise dispose of any real or personal property which is determined to be excess to the needs of any Project, or (c) convey or otherwise dispose of any real or personal property, or any interest therein, or (d) convey or otherwise dispose of any real or personal property, or any interest therein, or (e) enter into and perform contracts for the sale of dwelling units to members of senior families, as authorized by the United States Housing Act of 1937, or (f) with the approval of HUD, release any Project from the trust hereby created. Provided, That nothing herein contained shall be construed as prohibiting the conveyance of title to or the delivery of possession of any Project to HUD pursuant to the Annual Contributions Contract.

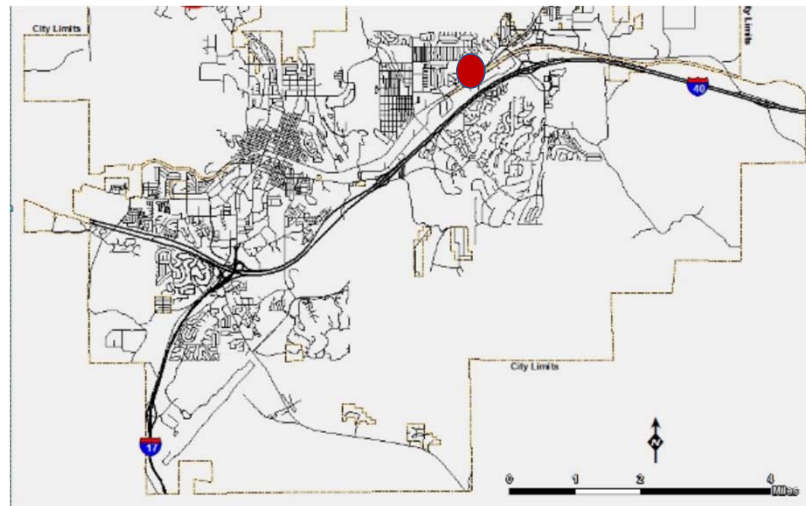
The endorsement by a duly authorized officer of HUD (1) upon any conveyance or transfer made by the PHA of any real or personal property which is determined to be excess to the needs of any Project, or (2) upon any instrument of conveyance or dedication of property, or any interest therein, for use as streets, alleys, or other public right-of-way, or for the establishment, operation and maintenance of public utilities, or (3) upon any instrument transferring or conveying a dwelling unit, or an interest therein, to a member of a senior family, or (4) upon any instrument of release made by the PHA of any Project shall be effective to release such property from the trust hereby created.

The individual projects covered by the Modernization Grant Amendment shall be subject to this Declaration of Trust for a period of ninety years beginning on the date of the Modernization Grant Amendment. Each individual project shall also be subject to this Declaration of Trust for a period of ninety years after the date of the most recent Modernization Grant Amendment applicable to that project. Upon expiration of the period during which the PHA is obligated to operate the individual projects in accordance with the Annual Contributions Contract, the trust hereby created shall terminate and no longer be effective.

4



Siler Homes – Context Map



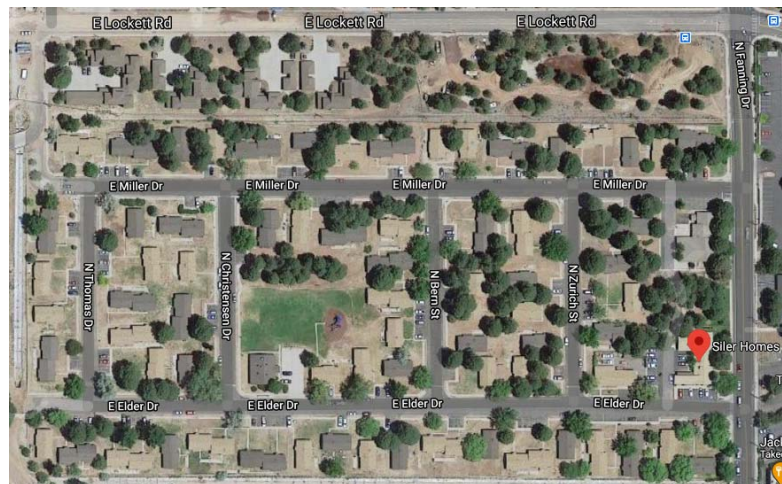
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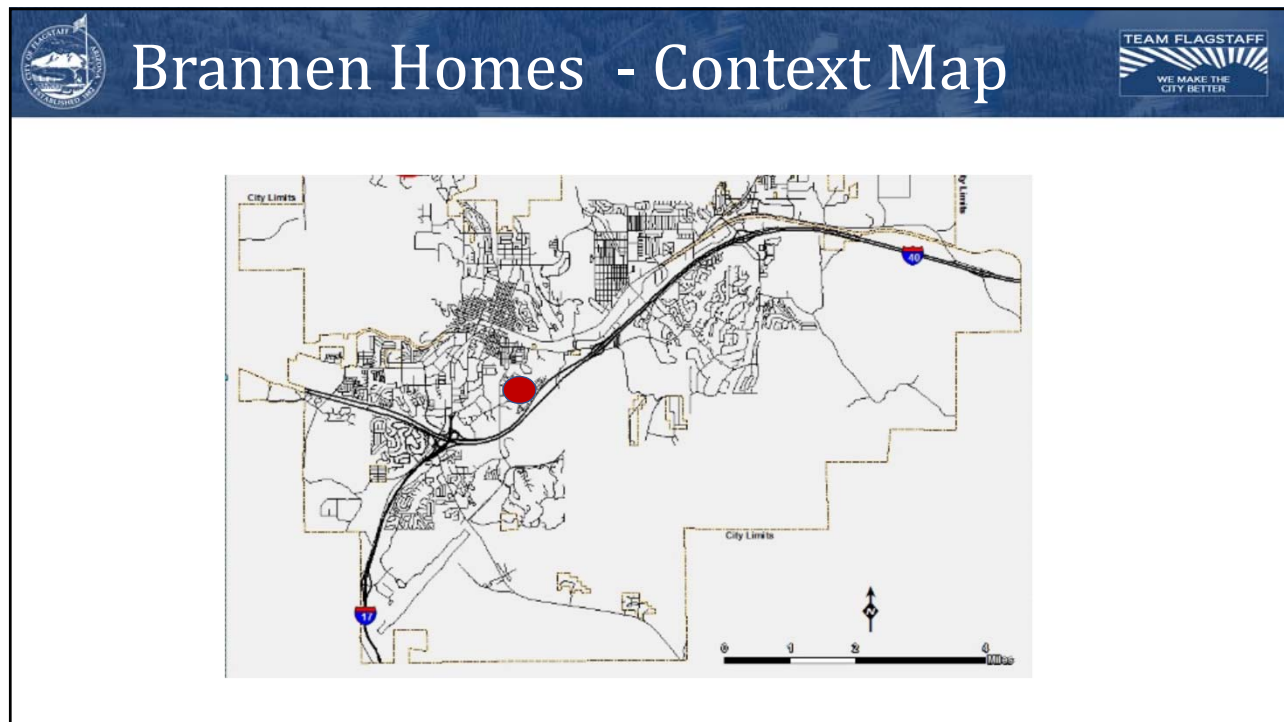
Siler Homes



- Located off Fanning Drive
- Serves low-income families up to 80% AMI
- 100 units:
 - 10 two bedrooms
 - 50 three bedrooms
 - 30 four bedrooms
 - 10 five bedrooms
- Developed in 1970
- Main Housing Authority program office located onsite



6




7

Brannen Homes


- Located off Lone Tree Road
- Serves low-income families up to 80% AMI
- 127 units:
 - 20 one bedrooms
 - 55 two bedrooms
 - 41 three bedrooms
 - 11 five bedrooms
- Developed in stages: 47 units built in 1952; 40 units in 1956; and 40 units in 1962

An aerial photograph of the Brannen Homes development. The map shows the layout of the housing complex, including streets such as Arizona Trail, S Brannen Ctr, E Paseo del Rio, S Calle Reposa, S Paseo Del Flag, Ponderosa Pl, E Woodland Dr, and Wavertree Apartments. A red pin marks the location of Brannen Homes, and a blue pin marks the Boys & Girls Club of Flagstaff.

8




Priorities




Current and future residents are the #1 focus

- Increase number of rental units while maintaining the neighborhood feel
- Retain ownership of land
- Retain property management

9




The Future of Public Housing



Capital needs of public housing inventory have outpaced Federal funding for more than the past decade

New term: *Repositioning Public Housing*



2010 conservative estimate of capital backlog of almost \$26 billion with annual growth of about \$3.5 billion nationwide

10



The Future of Public Housing



Public housing program is limited by congressional appropriations and statutory restrictions

- Faircloth Amendment – October 1, 1999
- City of Flagstaff can never have more than 265 units of Public Housing

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Rental Assistance Demonstration



“RAD” was established by HUD in 2011 to:

- Give public housing authorities more flexibility to access private and public funding sources
- Reduce reliance on unpredictable and unreliable appropriations from Washington



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More RAD Info



- RAD allows public housing agencies to **leverage public and private debt and equity in order to reinvest in the public housing stock.**
- In RAD, public housing units move to a different federal financial platform with a long-term contract with HUD that, by law, **must be renewed.**
- This ensures that the units remain **permanently affordable to low-income households.**

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More RAD Info



- **Residents continue to pay 30% of their income towards the rent and they maintain the same basic rights** as they possess in the public housing program.
- RAD **maintains the public stewardship** of the converted property through clear rules on ongoing ownership and use.
- The RAD program **is cost-neutral and does not increase HUD's budget.**

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Ok.....but HOW?



- Other rental assistance programs are more flexible
- Transition to an existing program financially designed to work alongside other public and private financing tools

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Other Funding Sources



HUD repositioning tools are intended to be used with private ones



- Low Income Housing Tax Credit
- Federal Home Loan Bank
- Other federal funding sources (HOME)
- Traditional lending
- Accessing the equity existing in the land/units

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Ok, so what does all that mean?



- Repositioning is a way to address the backlogged capital needs by utilizing existing equity and the option to partner with the private market
- Can result in redevelopment or rehabilitation
- This is an opportunity for local priorities to be addressed with public and private partnerships

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...what does all this NOT mean?




- Housing units are **NOT** going away
- Public Housing residents are **NOT** losing their homes
- This is a **FINANCIAL** conversion that can **also result in redevelopment / rehab**
- There is **NOT** more money from HUD

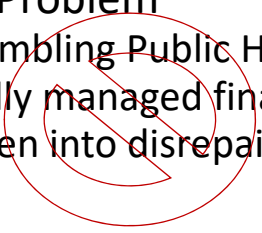
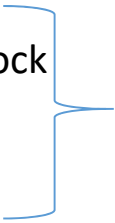
18



Why would anyone “go RAD” or “reposition”?



- “The Problem”
 - Crumbling Public Housing stock
 - Badly managed financially
 - Fallen into disrepair





Do not apply to Public Housing in Flagstaff


Why would we do it?

Opportunity to stabilize under a different federal funding source, **increase the number of affordable rentals**, leverage private investment and tailor development to **meet local needs**

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What’s working in our favor?



- Financial and program stability
- All programs are rated as “High Performer” by HUD
- Professional and experienced staff
- Units are in decent condition
- We don’t need to be “saved”
- Siler and Brannen Homes are in desirable locations
- Community need
- Advanced planning
 - Purchase of site appropriate for construction of relocation housing

20



How do we get from here to there?

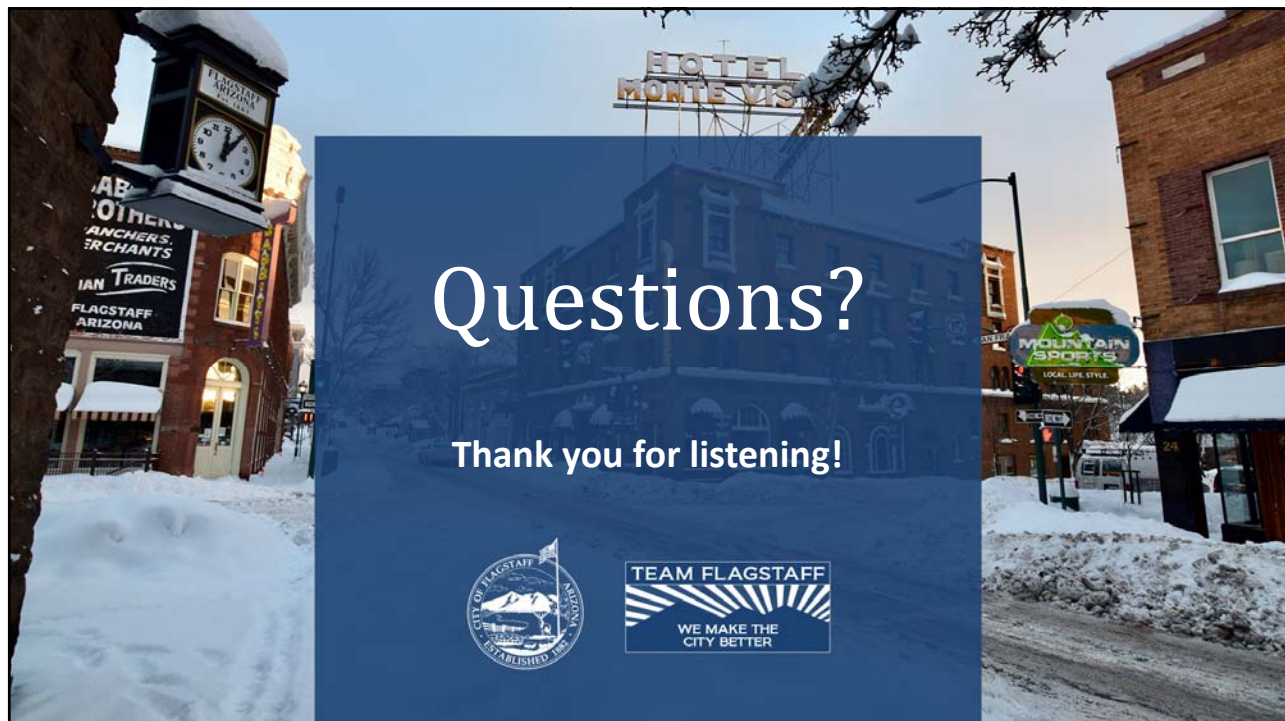


Identify a “co-developer” partner

- Temporary expertise and capacity building
- Necessary expertise and capacity
- Competitive Request for Statement of Qualifications
- Anticipated to be paid through any developer fees associated with future development/redevelopment
 - Contract can provide an “out” for the CoF at any point

RSOQ to be published in coming weeks

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Housing Commission

5. B.

Co-Submitter: Dan Symer, Zoning Code Manager

From: Leah Bloom, Affordable Housing Advancement Project Manager

DATE: 02/25/2021

SUBJECT: Case No. PZ-21-00019 Zoning Code Text Amendment - 2021: Affordable Housing Modified Development Standards. A request by the City to amend the Zoning Code to amend the Zoning Code to incorporate provisions into the Affordable Housing Incentives and the Parking Adjustments.

STAFF RECOMMENDED ACTION:

Staff is requesting the Housing Commission provide a recommendation to the City Council for approval of the City's request for a Zoning Code Text Amendment to incorporate provisions into the Zoning Code's Affordable Housing Incentives and the Parking Adjustments.

Executive Summary:

The proposed Zoning Code Text Amendment (Case No. PZ-21-00019) incorporates change to the Zoning Code that would allow the City Council to approve modifications to the Property Development Standards for permanently affordable housing developments that provide 100% of the dwelling units to persons or families with a household income equal to 80% or less of the area median income for the City of Flagstaff.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Reference Priorities and Objective documents at: S:\- City of Flagstaff\COUNCIL - AGENDAQUICK & PRESENTATIONS

Regional Plan

Reference Regional Plan Desk Guide at: S:\- City of Flagstaff\COUNCIL - AGENDAQUICK & PRESENTATIONS

Attachments

Housing Commission Zoning Text Amendment PowerPoint

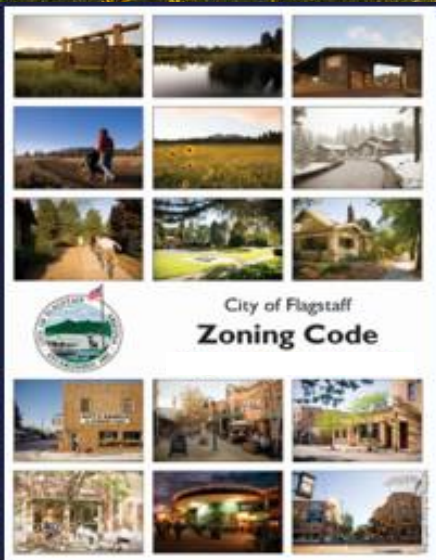
Staff Report

1. Application Narrative and Regional Plan Analysis

2. Draft of Case No. PZ-21-00019 Zoning Code Text Amendment – 2021: Affordable Housing Modified Development Standards
 3. Public Comments
-

Case No. PZ-21-00019 Zoning Code Text Amendment - 2021: Affordable Housing Modified Development Standards

Zoning Code Text Amendment



Dan Symer, AICP
Zoning Code Manager

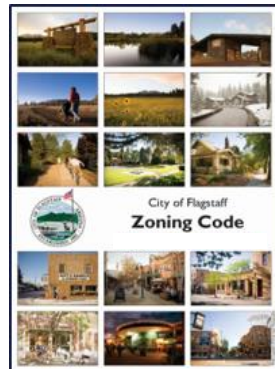


Affordable Housing Modified Development Standards

Reason for the Proposed Zoning Code Text Amendment

Purpose:

- Amend the Zoning Code to allow:
 - The City Council to approve modifications to the Property Development Standards (except for building height, density, outdoor lighting, signs, and the standards or guidelines applicable to a property with a historic, landmark or airport overlay zone), and
 - Modifications to the parking requirements to be less than one space per dwelling.
- The provisions would be applicable to permanently affordable housing developments that provide 100% of the dwelling units to persons or families with a household income equal to 80% or less of the area median income for the City of Flagstaff.

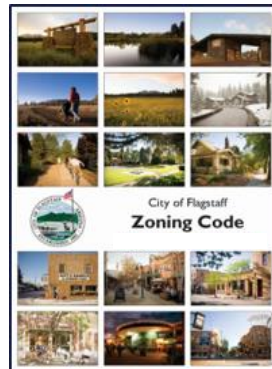




Affordable Housing Modified Development Standards

Proposed Zoning Code Amendment

- **Required findings:**
 - **The modifications are consistent with and conform to the goals of the General Plan and any applicable specific plans;**
 - **The modifications will not be detrimental to the public interest, health, safety, convenience, or welfare of the City and will add to the public good as described in the General Plan;**
 - **The requested modifications will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property are located;**

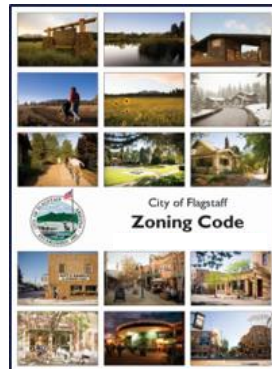




Affordable Housing Modified Development Standards

Proposed Zoning Code Amendment

- **Required findings:**
 - **The proposed development is consistent with the character of the area; and**
 - **The type, quality, and amenities of the development is consistent with the character of similar developments that are available to the public at market rate.**
- **Additional finding (summary):**
 - **When a parking modification is proposed, provisions have been incorporated that require the Development Site to be within 1,320 feet or a greater distance approved by the City Council**

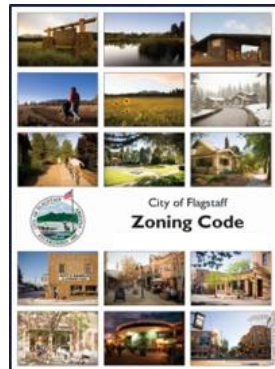




Affordable Housing Modified Development Standards



Questions and Comments!





**Community Development Department
Planning and Development Services**

Date: February 25, 2021
To: Housing Commission
From: Dan Symer, AICP, Zoning Code Manager
Through: Leah Bloom, Affordable Housing Advancement Project Manager
RE: Housing Commission Recommendation

I. Request:

Staff is requesting the Housing Commission provide a recommendation to the City Council for approval of the City's request for a Zoning Code Text Amendment to incorporate provisions into the Zoning Code's Affordable Housing Incentives and the Parking Adjustments.

II. Executive Summary:

The proposed Zoning Code Text Amendment (Case No. PZ-21-00019) incorporates changes to the Zoning Code that would allow the City Council to approve modifications to the Property Development Standards for permanently affordable housing developments that provide 100% of the dwelling units to persons or families with a household income equal to 80% or less of the area median income for the City of Flagstaff.

III. Proposed Amendment:

The proposed amendment (Attachment 2) incorporates into the Affordable Housing Incentives certain provisions that would allow the City Council to approve modifications to the Property Development Standards (e.g., area, width, lot size, setbacks, open space, etc.), excluding building height, density, outdoor lighting, signs, and the standards or guidelines applicable to a property with a historic, landmark, or airport overlay zone. The provisions would be valid for permanently affordable housing developments that provide 100% of the dwelling units to persons or families with a household income equal to 80% or less of the area median income for the City of Flagstaff. The Zoning Code defines permanent affordability for affordable housing as a minimum of 30 years for developments with rental units and 99 years on for-sale units.

The intent of the proposed provisions is to implement the Regional Plan and Incentive Policy for Affordable Housing (IPAH) policies to provide flexibility and allow property owners of affordable housing developments to request modifications to the Property Development Standards that may not be easily addressed as part of the design. Additionally, it allows for alternative design solutions. Another example of a modification could be a change in the parking requirements to a rate that is less than one space per dwelling unit and is more appropriate for the development, such as the parking requirements for an affordable housing senior living development. It should be noted that this

amendment is also being proposed to assist in addressing Flagstaff's housing crisis that was declared by the previous City Council (Resolution No. 2020-66).

In order to approve any request to modify the Property Development Standards, the City Council will be required to ascertain that the incorporated findings have been met. In summary, these findings are to ensure that the modification to the Property Development Standards maintain consistency with the Regional Plan (General Plan), will not cause health, safety, convenience, or welfare hazards, maintain consistency with other existing developments in the area, and the proposed development is similar in quality to other developments that are available to the public at the market rate. Moreover, an additional finding has been incorporated pertaining to the location of the Development Site to a transit stop. This finding is only applicable when a modification to the number of motor vehicle parking spaces required is proposed to be modified.

IV. Public Comments

At the City Council meeting on February 9, 2021, one public comment was provided in support of the amendment. As of the date of this report, staff has received two sets of comments (Attachment 3) pertaining to the amendment from the public. In addition, two people responded to the Flagstaff Community Forum survey regarding this amendment. One indicated that he/she does not support the amendment, and the other respondent maintained a neutral position.

V. Planning and Zoning Commission Work Session

At the Planning and Zoning Commission Work Session of October 10, 2021, staff reviewed the text amendment application with the Commission. The Commission had a series of questions to clarify their understanding of the proposed Zoning Code Text Amendment. In summary, the Commission unanimously recommended that a maximum distance from a transit location be incorporated for any parking modification. The Commission also recommended, as part of the processing of a modification request for a property in a historic district, that staff obtain a recommendation from the Heritage Preservation Commission before presenting the request to the City Council. In addition, the Commission recommended that the following considerations be addressed as part of a future amendment: 1) a public notification requirement; and 2) incorporate a requirement for the Heritage Preservation Commission to make a recommendation to the City Council for any modification to the Property Development Standards of a zone for a property in a historic district. In order to address these concerns, the proposed Zoning Code Text Amendment has been modified to include notification and transit location requirements. Also, the standards and guidelines of the historic and landmark overlay zones have been exempted from the allowable modifications.

VI. City Council Work Session

At the City Council Work Session on October 9, 2021, staff reviewed the text amendment application with the City Council. The City Council had a series of questions to clarify their understanding of the proposed Zoning Code Text Amendment. In summary, the City Council was supportive of the amendment, although it was opined that when parking modifications are proposed, the Development Site should be near a transit stop and in an activity center. Additionally, it was stated that a menu of considerations should be incorporated for different quantities of affordable units and income ranges. In order to address these concerns, the proposed Zoning Code Text Amendment has been modified to include transit location requirements, and staff recommends incorporating the menu of

considerations as part of the larger update to the Zoning Code's Affordable Housing Incentives later this year as a separate amendment.

Attachments:

1. Application Narrative and Regional Plan Analysis
2. Draft of Case No. PZ-21-00019 Zoning Code Text Amendment – 2021: Affordable Housing Modified Development Standards
3. Public Comments

Affordable Housing Modified Development Standards Zoning Code Text Amendment

Narrative and Regional Conformance Analysis

Narrative

The purpose of Division 10-30.20: Affordable Housing Incentives of the Zoning Code is to implement the Regional Plan and Incentive Policy for Affordable Housing (IPAH) policies in order to encourage the preservation and production of affordable dwelling units and to assist in addressing Flagstaff's housing crisis that was declared by the previous City Council (Resolution No. 2020-66). The Zoning Code currently incorporates density bonuses, reductions in forest resources, landscape requirements and parking requirements, and a 15% modification to Property Development Standards.

The proposed amendment will incorporate additional provisions into the Affordable Housing Incentives, which will allow the City Council to approve modifications to the Property Development Standards (e.g., area, width, lot size, setbacks, open space, etc.) that are greater than 15%, excluding building height, density, outdoor lighting, signs, and the standards or guidelines applicable to a property with a historic, landmark or airport overlay zone. The provisions would be valid for permanently affordable housing developments, as defined in the Zoning Code, which provide 100% of the dwelling units to persons or families with a household income equal to 80% or less of the area median income for the City of Flagstaff.

The proposed provisions are intended to allow property owners of affordable housing developments to request modifications to the Property Development Standards that may not be easily addressed as part of the design. Modifications greater than 15% will require City Council approval, and modifications 15% or less that are currently allowed will still be approved by the Planning Director. Additionally, it allows for the presentation of alternative design solutions. Another example of a modification could be a change in the parking requirements to a rate that is less than one space per dwelling unit and is more appropriate for the development, such as the parking requirements for an affordable housing senior living development. When a parking modification is proposed, provisions have been incorporated that require the Development Site to be within 1,320 feet or a greater distance approved by the City Council.

Regional Plan Conformance

The Regional Plan analysis supports the required finding of conformance for the proposed Zoning Code Text Amendment and demonstrates the manner in which it implements the related City policies. The Regional Plan has 97 goals and over 300 policies, which sometimes conflict or are given different weight in decision making. The applicable policies are analyzed by chapter below. No conflicting policies were identified with the proposed amendment.

Chapter VIII - Community Character

- Policy CC.2.7. Protect existing historic districts from encroachment by land uses that compromise the historic characteristics of the district.
- Policy CC.3.1. Encourage neighborhood design to be respectful of traditional development patterns and enhance the overall community image.
- Policy CC.3.2. Maintain and enhance existing buildings and blend well-designed new buildings into existing neighborhoods.
- Goal CC.4. Design and develop all projects to be contextually sensitive, to enhance a positive image and identity for the region.

In order to achieve the implementation of the above-referenced policies, modifications to the standards and guidelines of historic and landmark overlay zones have been excluded from the allowed adjustments proposed in the amendment. The purpose of the exclusion is to ensure that developments

in these overlays maintain the character that the overlays are intended to protect. For properties that are not in a historic and landmark overlay, findings have been incorporated to require the City Council to ascertain that the proposed development maintains consistency with the character of other existing developments in the area and is similar in quality of market-rate developments. The City Council will also be able to reference an area's specific plans as a source for defining a neighborhood's character in relation to a requested modification.

Chapter IX – Growth Areas & Land Use

- Policy LU.1.6. Establish greater flexibility in development standards and processes to assist developers in overcoming challenges posed by redevelopment and infill sites.
- Policy LU.10.3. Value the Historic Neighborhoods established around downtown by maintaining and improving their highly walkable character, transit accessibility, diverse mix of land uses, and historic building form.
- Policy LU.16.1. Encourage the continued intensification, expansion, and protection of existing industrial, warehousing, and distribution uses from encroachment where appropriate.

The primary purpose of the proposed amendment is to encourage affordable housing through flexible Property Development Standards that permit the incorporation of alternative design solutions and resolve challenges that potentially increase the cost of housing or minimize the number of units provided. In addition, the proposed amendment excludes the ability to modify the standards and guidelines of the historic and landmark overlays, thereby assisting in maintaining the historic building forms and patterns that these overlays are intended to protect. The provisions of the Airport Overlay (AO) zone have also been exempted from the allowable modifications. This exemption is meant to assist in ensuring that uses are precluded from areas that may otherwise encroach on the current and future airport expansion and operations in accordance with FAA policies.

Chapter XIV - Economic Development

- Policy ED.3.8. Protect existing business and industrial land uses from encroachment and allow for their expansion.
- Policy ED.7.1. Support planning, design, and development that positively, creatively, and flexibly contribute to the community image.

In order to effectuate the above-referenced policies, the Airport Overlay (AO) zone has been exempted from the allowable modifications under the proposed amendment. This exclusion assists in maintaining the flexibility of airport operations, business, and industrial uses within the overlay which may otherwise be hindered by residential encroachments. In addition, the proposed amendment allows for the use of the flexible Property Development Standards to achieve creative design solutions that contribute to the contextual area. To ensure that the proposed design solution contributes to the community image, the City Council is required to ascertain that the development is consistent with the contextual area. It should be noted that this amendment will not eliminate the need to rezone a property if it is currently zoned Research and Development (RD), Light Industrial (LI), Light Industrial-Open (LI-O), Heavy Industrial (HI), or Heavy Industrial-Open (HI-O). Therefore, the proposed amendment will not impact the supply of land available for employment uses.

Chapter XIII – Neighborhoods, Housing, & Urban Conservation

- Policy NH.1.1. Preserve and enhance existing neighborhoods.
- Goal NH.3. Make available a variety of housing types at different price points, to provide housing opportunity for all economic sectors.
- Policy NH.3.5. Encourage and incentivize affordable housing.

- Policy NH.6.1. Promote quality redevelopment and infill projects that are contextual with surrounding neighborhoods. When planning for redevelopment, the needs of existing residents should be addressed as early as possible in the development process.

The proposed amendment fosters the implementation of the above-mentioned policies by encouraging and incentivizing affordable housing through modifications to a zone's Property Development Standards. One of the purposes of the proposed amendment is to minimize regulatory challenges that may limit the ability to provide housing for persons and families of varying household incomes. The amendment also includes provisions that the City Council shall ascertain consistency of the proposed development with the contextual area and its similarity in quality to market-rate developments.

Case No. PZ-21-00019 Zoning Code Text Amendment - 2021: Affordable Housing Modified Development Standards

HOW TO READ THIS DOCUMENT

Unless otherwise stated, existing provisions that are being deleted are shown in bold red strikethrough text, like this: ~~Provisions that are being deleted are shown with a bold red strikethrough text.~~

Provisions that are being added are shown in bold blue text, like this: **Provisions that are being added are shown in bold blue text.**

Section 1. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.20 Affordable Housing Incentives, Section 10-30.20.020 Applicability, Subsection C. Minimum Percentage., as follows:

10-30.20.020 Applicability

- C. **Minimum Percentage.** A minimum of 10 percent of the total number of proposed units must be affordable housing, as defined in Section 10-30.20.050, Density Bonus, **unless a higher minimum is required by other provisions of this division.**

Section 2. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.20 Affordable Housing Incentives, 10-30.20.040 Affordable Housing Incentives, Subsection B. Incentives Defined., Paragraph 4. Adjustment of Building Form Standards., as follows:

10-30.20.040 Affordable Housing Incentives

- B. **Incentives Defined.** For the purposes of this division, developer incentives for affordable housing development are defined below.
4. **Adjustment of ~~Building Form~~ Property Development Standards.**
- a. Affordable housing can utilize Planned Residential Development (Section 10-40.60.280) in any zone to provide flexibility in the application of building form requirements and to increase the potential building types.
 - b. Minor modifications to ~~building form standards~~ **Property Development Standards** for affordable housing developments ~~(e.g., setbacks, height, coverage, area, lot size, or other lot requirements)~~ may be modified up to 15% ~~percent~~.
 - c. **Additional modifications to the Property Development Standards may be approved by the City Council for a Category 1 affordable housing development that provides 100% of the dwelling units to persons or families with a household income equal to 80% or less of the**

Area Median Income as published annually by the U.S. Department of Housing Development for the City of Flagstaff.

- (i) To approve a request to modify the Property Development Standards, the City Council shall find that the following criteria have been met:
 - (a) The modifications are consistent with and conform to the goals of the General Plan and any applicable specific plans;
 - (b) The modifications will not be detrimental to the public interest, health, safety, convenience, or welfare of the City and will add to the public good as described in the General Plan;
 - (c) The requested modifications will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located;
 - (d) The proposed development is consistent with the character of the area; and
 - (e) The type, quality, and amenities of the development is consistent with the character of similar developments that are available to the public at market rate.
- (ii) Additional findings to approve a request to modify the number of motor vehicle parking spaces required (Section 10-50.80.040).
 - (a) Adequate transit service is available to the Development Site. Adequate transit service from a Development Site to a permanent transit stop is:
 - (a.i.) Less than or equal to 1,320 feet; or
 - (a.ii.) A distance greater than 1,320 feet when the City Council finds that the route to the permanent transit stop has adequate nighttime lighting and does not have a significant grade change, and the distance does not impede reasonable access to transit.

The distance between the permanent transit stop to the Development Site shall be measured following a continuously improved sidewalk and/or public paved trail.
- (iv) Notice of the City Council Meeting. A minimum of 15 day prior to the City Council Meeting, the applicant shall:
 - (a) Notify by first class mail all property owners of record within 300 feet of the subject property of the purpose, time, date, and place of the City Council meeting; and
 - (b) Notify by first class mail all homeowners associations (HOAs) that govern land within 1,000 feet of the subject property as well as all persons or groups whose names are on the registry of persons and groups described in Subsection C of Section 10-20.30.080 who are interested in receiving such notice, of the purpose, time, date, and place of the City Council meeting.
 - (c) Install a minimum of one sign that is at least four feet by four feet on the Development Site in a location clearly visible from a public right-of-way and adjacent residents setting forth the purpose, time, date, and place of the City Council meeting, with an attached information tube containing copies of the meeting notice. All print on the sign shall be visible from a distance of 100 feet.

- d. For the purposes of this section, the Property Development Standards means the Building Form, Building Placement, Building Types, Encroachments and Frontage Types, Fences and Screening, Landscape Standards, Lot Requirements, Open Space, Parking Standards and Required Parking, Private Frontage Types, and any other amount, area, dimensional, quantity, size, or design requirement of the Zoning Code as determined by the Zoning Administrator. Property Development Standards that may be modified pursuant to this section do not include Building Height, Density, the Number of Units per Building Type, Outdoor Lighting Standards, Signs, and the standards or guidelines of the overlay zone specified in subsection A.1. (Airport Overlay (AO)), A.2., (Downtown Overlay (DO)), A.3. (Landmarks Overlay (LO)) and A.5 (Townsite Overlay (TO)) of Section 10-40.50.030., and any history overlay zone adopted after the effect date of this provision (CODIFIER TO ADD EFFECTIVE DATE).

Section 3. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.80: Parking Standards, Section 10-50.80.060 Parking Adjustments, as follows:

10-50.80.060 Parking Adjustments

In the case that more than one parking adjustment may apply, for example as a result of allowed reductions for affordable housing (see Division 10-30.20, Affordable Housing Incentives), reductions for bike racks, or any other reduction authorized by this code, the cumulative parking adjustment shall not exceed 20 percent. However, in multifamily residential developments no less than one parking space per residential unit shall be required; **unless approved by City Council as part of an affordable housing development meeting the criteria set forth in Section 10-30.20.040.B.4.c.**

Daniel Symer

From: tyler denham <tyler.b.denham@gmail.com>
Sent: Monday, February 8, 2021 11:47 AM
To: Daniel Symer
Subject: Comments on February 9th Work Session PZ-21-00019

Tyler Denham
760-449-0512
PZ-21-00019

I am very excited to see the City Council discuss an expansion of the affordable housing incentives, these incentives have the potential to help many of the neediest families in Flagstaff. However, there is a sentence in the proposed amendment that threatens to undermine the City Council's laudable goal of improving housing affordability. Section B.4.D of 10-30.20.040 states:

[Property Development Standards that may be modified pursuant to this section do not include Building Height, Density or the Number of Units per Building Type.](#)

Overall affordability in Flagstaff will never improve until housing supply catches up with demand. This is a hard fact that the City Council has to grapple with eventually. The affordable housing incentives could be a great vehicle to increase overall supply. Also, by limiting the density of affordable housing developments you limit the number of families that can take advantage of them.

I urge the City Council to edit the proposed amendment to allow density increases, so as to improve overall affordability and increase the number of families that can take advantage of the developments.

Best,
Tyler Denham

Daniel Symer

From: Duffie Westheimer <dwestheimer@gmail.com>
Sent: Wednesday, February 10, 2021 11:33 AM
To: Daniel Symer
Subject: Comments re: affordable housing code amendments

Follow Up Flag: Follow up
Flag Status: Flagged

Greetings Dan,

I would like to offer these comments regarding the affordable housing code amendments. They will be brief due to time restraints so if anything is unclear please ask for clarification.

- *There is no end to the need for housing and affordable housing*, especially with so many people relocating these days. Metrics need to be in place to be sure development and building types meet the need rather than opening a free-for-all for developers and investors. This could easily lead to overbuilding and types of housing people don't want located there, or want to live in but work for developers. We cannot build our way to affordability. History shows that prices here have only increased while the size of the city has grown.
- When my City provides incentives that essentially give away value permanently, the benefit to the community needs to also be permanent. For example, 30 year deed restrictions are not commensurate, and neither is increased density if it does not fit with the established area character and makes residents unhappy in their homes.
- The downtown areas should not be the focus of increased density. These areas are the soul of the community and have a character that until recently accommodated growth at a comparable and reasonable scale. *, The historic areas have already absorbed growth.*
- The downtown area already chokes with traffic. People drive and it is legal for people to do so. (I ride a bike and walk for 99.9% of my transportation needs and the roads are already unsafe--we do not need more people who are frustrated by traffic jams, or on their mobile communication devices when at the wheel of a vehicle).
- People have vehicles. It is legal for everyone 16 years old and older to have a vehicle, and to use them (many people have more than one). To think they won't have vehicles and use them is head-in-the sand thinking. This is the type of mistake that has very long term impacts. Require realistic parking.
- Using the bus is not realistic for people who do multi-purpose trips unless they have all day to do so. This is not a criticism of the bus system, just the reality.
- The City should have to get my permission to change the code on my property even if it is to up zone or theoretically increase the value. This is my home, not a revenue source. I live here. I have neighbors very close and so I am considerate of them at all times. The downtown areas are already quite dense.
- It is unlikely people will work near where they live, especially if there are multiple household members who work. This means people move around a lot--vehicles will be used.
- COVID has shown the public health risks of density. There must be open and green areas near dense development. The developers need to provide and pay for it.
- If the zoning code allows and incentivizes increased density that damages neighborhoods and quality of life, people will move out of the homes and into the County, or further.
- Have an "old town" area that has a historic scale and character, and a "new town" area with modern scale and where density, height, etc. are established as the modern character.

That is all for now.
Best regards,
Duffie Westheimer