

NOTICE AND AGENDA

**HOUSING COMMISSION
THURSDAY
SEPTEMBER 23, 2021**

**VIRTUAL MEETING
MICROSOFT TEAMS MEETING
1:00 P.M.**

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.

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	KHARA HOUSE	ROSS SCHAEFER ALTENBAUGH
TYLER DENHAM	DEVONNA MCLAUGHLIN	
NICOLE ELLMAN	MOSES MILAZZO	
KAREN FLORES	ERIN O'LOUGHLIN	
SANDI FLORES	ADRAH PARAFINIUK	

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 August 26, 2021.
Approve the minutes of the August 26, 2021 Housing Commission Meeting.

5. GENERAL BUSINESS

- A.** Housing Commission Appointment and Resignation Updates
- B.** Housing Commission Virtual Meeting Updates
- Monday, November 29 - 1:00PM - 3:00PM
 - Thursday, December 16 - 1:00PM - 3:00PM

6. DISCUSSION ITEMS

- A. Establish Overarching Goal Numbers and Consideration of Approval of Draft 10 Year Housing Plan
 - 1. Establish and approval the Draft 10 Year Housing Plan's goal numbers.
 - 2. Approve the Draft 10 Year Housing Plan and begin 30 day public comment period.

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

- A. Update from Housing Authority Commission Member
- B. Update from Housing Commissioners and other informational items
- c. Update from Housing Staff

8. **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 _____, 2021.

Leah Bloom, Housing Section



Housing Commission

4. A.

From: Leah Bloom, Housing Project Manager

DATE: 09/23/2021

SUBJECT: Consideration and Approval of Minutes: Housing Commission Meeting August 26, 2021.

STAFF RECOMMENDED ACTION:

Approve the minutes of the August 26, 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.

Attachments

Housing Commission Draft Minutes - August 26 Meeting

DRAFT MEETING MINUTES

HOUSING COMMISSION
THURSDAY
AUGUST 26, 2021

VIRTUAL MEETING
MICROSOFT TEAMS MEETING
1:00 P.M.

1. Call to Order

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

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 - Present, arrived at 1:11 pm
KHARA HOUSE - Present

DEVONNA MCLAUGHLIN - Present
MOSES MILAZZO - Present
ERIN O'LOUGHLIN - Present
ADRAH PARAFINIUK - Present

TAD RIGGS - Present
ROSS SCHAEFER ALTENBAUGH - Present

COUNCIL LIAISON PRESENT: Vice Mayor Becky Daggett

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

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 June 24, 2021.
Approve the minutes of the June 24, 2021 Housing Commission Meeting.

Moved by Khara House, **seconded by** Karen Flores to approve the minutes from the June 24, 2021 meeting.

Vote: 11 - 0 - Unanimously

5. GENERAL BUSINESS

- A. Housing Commission Application Update

Ms. Leah Bloom, Affordable Housing Advancement Project Manager, provided a brief update on the applications for the open Housing Commission seats and stated City Council will be making appointments on September 7 at the regular Council Meeting.

Chair Ellman thanked Commissioners who re-applied for their seats.

B. Housing Commission Meeting Update, including rescheduling November and December

Ms. Bloom provided a brief update about in-person meetings and stated that November and December meetings will fall on a holiday so they will be rescheduled.

Vice-Chair Khara House asked a question about retrieving Commissioner binders, to which Ms. Bloom responded.

6. DISCUSSION ITEMS

A. 10 Year Housing Plan Update - Consideration and Approval of Draft Policy Initiatives and Strategies

1.) Approve the 10 Year Housing Plan's Draft Policy Initiatives and Strategies

Ms. Bloom provided a verbal presentation and update on the 10 Year Housing Plan draft Policy Initiatives and Strategies and requested approval.

Commissioners asked questions regarding:

- whether college students were taken into consideration in the data presented;
- what locations were utilized in the data presented;
- the importance of using City-owned land for affordable housing development;
- where they can get a copy of the information presented; and
- what the City's stance is on expanding lobbying for second homes and short-term rentals.

Ms. Bloom and Ms. Sarah Darr, Housing Director, answered all questions. Mr. Tyler Denham, who was one of the leads in the informal data working group, provided supporting information to help answer questions.

Commissioners thanked Ms. Bloom and the Housing Section for all the hard work on this endeavor.

Moved by Khara House, **seconded by** Moses Milazzo to approve the 10 Year Plan Policy Initiatives and Strategies initial draft, with the suggested revisions, and with the understanding that there may be edits and changes that may come between now and the final draft that will be presented to the Housing Commission.

Vote: 11 - 0 - Unanimously

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

A. Update from Housing Authority Commission Member

Commissioner Moses Milazzo indicated there are no updates as the Housing Authority canceled their July meeting.

B. Update from Housing Commissioners and other informational items

Commissioners provided updates provided about:

- the sale of the Flagstaff Village Community and the impacts on the community;
- Commissioner Tad Riggs' last meeting;
- the Arizona Department of Housing Low Income Housing Tax Credits awarded; and
- American Rescue Plan Act (ARPA) funds received by the City of Flagstaff and Coconino County.

Commissioners asked questions about:

- obtaining more information regarding how implementing environmental features on homes will impact housing affordability;
- how Council is considering bonds and if there is a bond committee/commission advisory group established to offer recommendations to Council; and
- how, as a Commission, to request Council's consideration and support for a Housing bond in 2022.

Questions were answered by Ms. Bloom and Ms. Darr.

Commissioner Erin O'Loughlin and Vice Mayor Becky Daggett thanked the Commission for their hard work. Vice Mayor Daggett stated the Housing Commission is very action-focused and she's thrilled to see the public see the work they're doing.

c. Update from Housing Staff

Ms. Adriana Fisher, Housing Specialist, provided an update about the draft Consolidated Annual Performance Evaluation Report (CAPER) and offered to cross-check housing resources with Commissioner O'Loughlin. Commissioner O'Loughlin indicated any leads or resources are welcomed on the Flagstaff Village Mass Eviction Facebook group.

Ms. Jennifer Mikelson, Housing Analyst, provided an update about the Affordable Housing Incentive Policy re-write and requested three working group volunteers from the Housing Commission. Commissioner Davis volunteered and Commissioner McLaughlin stated she'd like to remain a volunteer of the working group.

8. ADJOURNMENT

Meeting was adjourned at 2:28 pm by Chair Ellman.



Housing Commission

6. A.

From: Leah Bloom, Housing Project Manager

DATE: 09/23/2021

SUBJECT: Establish Overarching Goal Numbers and Consideration of Approval of Draft 10 Year Housing Plan

STAFF RECOMMENDED ACTION:

1. Establish and approval the Draft 10 Year Housing Plan's goal numbers.
2. Approve the Draft 10 Year Housing Plan and begin 30 day public comment period.

Executive Summary:

Presentation by Leah Bloom, Housing Project Manager. Please read the Draft 10 Year Housing Plan and refer to the attached presentation.

Attachments

Draft 10 Year Housing Plan

Draft Plan Goal Number Presentation

HOMES FOR ALL FLAGSTAFF RESIDENTS



10-YEAR HOUSING PLAN

CREATE. CONNECT. PRESERVE. PROTECT.



City of Flagstaff | Housing Section | flagstaff.az.gov

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Note from the Housing Commission

To the Flagstaff community,

Coming soon

DRAFT

HOUSING IS A COLLECTIVE BENEFIT

There is a strong and growing movement among Flagstaff community members, housing advocates and City Council to ensure all Flagstaff residents have access to affordable housing. On December 1, 2020, City Council declared a Housing Emergency in Flagstaff, committing to prioritizing affordable housing within City operations to create safe, decent and affordable housing opportunities for all community members.

The current Housing Emergency has deep roots and the situation is desperate for relief. This Plan will begin with the basics, defining what affordable housing means and how affordable, accessible and decent housing is of critical importance to our community's overall health and viability.

The United States Department of Housing and Urban Development (HUD) defines affordable housing as spending no more than 30% of monthly gross income towards housing costs. Households that spend more than 30% on rent or mortgage costs are considered "housing cost burdened;" households spending more than 50% are "severely housing cost burdened." Throughout this Plan, "affordable housing" will be defined as households paying 30% or less of monthly gross income towards the home in which they reside, using HUD's definition.

In an expensive housing market like Flagstaff's, some form of subsidy is necessary in order for housing to be affordable for many lower income households. Housing subsidies come in many forms. Forms of housing subsidies include rental assistance, eviction prevention and down payment assistance. Other forms include non-profit affordable housing, public housing, voucher programs and some forms of co-operative and private sector housing. Throughout this Plan the term "housing subsidy" is defined as any form of financial assistance aimed towards decreasing housing costs.

The stories we hear from residents and local reports verify that a lack of affordable housing is not just an individual problem, but rather a community problem that has collective consequences that negatively impact Flagstaff. This Plan will demonstrate how the consequences of failing to create, preserve and provide access to affordable housing in Flagstaff is linked to lasting negative effects on our



neighborhoods^{1,2,3}, health, children^{4,5}, environment⁶ and jobs⁷. This Plan provides a path forward for the next ten years and solutions to reducing Flagstaff's Housing Emergency.

Addressing Flagstaff's Housing Emergency

Although the City has a number of Housing planning documents, when declaring the Housing Emergency, Flagstaff City Council directed staff to create a single, comprehensive community-facing document to summarize the City's immediate and long-term needs and strategies to improving housing affordability. This Plan defines the Housing Emergency in Flagstaff and provides policy initiatives and strategies to address it over the next 10 years. As the City implements the 10 Year Housing Plan, the goal is to substantially increase the number of available and affordable housing options for Flagstaff residents at all income levels and to increase housing subsidies for our neighbors that are unable to afford housing in Flagstaff.

The City of Flagstaff's Carbon Neutrality Plan notes that Flagstaff faces a multitude of community challenges and competing priorities which must be met with open dialogue, innovative thinking, and good faith that we can find creative solutions that move us forward towards a healthier, more inclusive community. Partnerships across the City organization and the community at large are vital for addressing the Housing Emergency and creating a healthier, more resilient Flagstaff.

¹ [La Plaza Vieja Neighborhood Specific Plan](#), City of Flagstaff, November 2015

² [Southside Community Specific Plan](#), City of Flagstaff, September 2020

³ [Flagstaff's Lived Black Experience Strategic Plan: A Forgotten People Forging a Path Forward](#), The Lived Black Experience Community Coalition, 2020

⁴ [Community Needs Assessment](#), Coconino County Arizona – January 2021

⁵ [City of Flagstaff Five-Year Consolidate Plan](#), May 2021

⁶ [The Flagstaff Carbon Neutrality Plan](#), City of Flagstaff, June 2021

⁷ [Housing Attainability for the Flagstaff Workforce](#), Economic Collaborative of Northern Arizona, November 2017

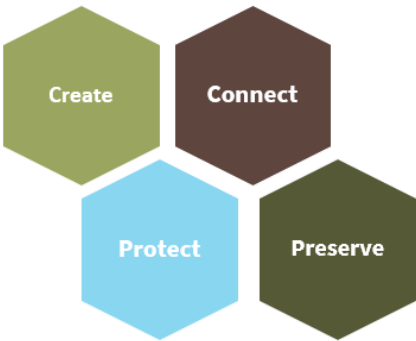
Flagstaff's Vision

Flagstaff's 10 Year Housing Plan's vision is to create a vibrant and more livable community through increased housing options for residents at all income levels and family sizes.

This document is a framework for action: it outlines a single overarching goal with thirteen (13) robust policy initiatives and fifty-eight (58) comprehensive strategies. The policy initiatives and strategies provide a foundational framework for establishing housing programs, prioritizing staff work and allocating necessary funding for implementation.

The four policy initiatives are:

- ▲ Create
- ▲ Connect
- ▲ Preserve
- ▲ Protect



OVERARCHING GOAL

This Plan establishes one overarching goal, supported by two fundamental elements that together will significantly impact housing attainability. The goal will be achieved through the implementation of the policy initiatives and strategies in this document. Implementation of the policy initiatives and strategies will be accomplished by the City of Flagstaff through the budget process, collaboration with City staff and private, public and nonprofit partnerships.

Reduce the current affordable housing need in our community by half over the next ten years.

- ▲ Element one: Create or preserve 7,976 units by 2031 with a minimum of 10% affordable to increase the overall supply of market rate, workforce and affordable housing occupied by local residents.
- ▲ Element two: Impact 6000 low to moderate Flagstaff residents through a combination of unit creation or subsidy provision

POLICY INITIATIVES

Create housing options for households at all income levels and family sizes occupied by local residents.

- Create 1:** Create a dedicated funding source for affordable housing in Flagstaff.
- Create 2:** Explore building innovation and cost-saving practices.
- Create 3:** Ensure that the Flagstaff Regional Plan includes robust affordable housing goals and policies.
- Create 4:** Amend the Flagstaff Zoning Code to facilitate the development of all housing types.
- Create 5:** Incentivize the creation of affordable units through various programs and mechanisms.

Connect people to equitable housing solutions.

- Connect 1:** Implement a framework for centering equity in proposed and existing housing practices, policies and programs.
- Connect 2:** Reduce homelessness in the Flagstaff community and seek creative solutions to foster housing permanency for all.
- Connect 3:** Integrate healthcare into housing programs, and housing into healthcare programs, as appropriate.

Preserve affordable housing

- Preserve 1:** Expand efforts to preserve existing housing stock.
- Preserve 2:** Encourage the adaptive reuse of buildings.

Protect people from housing discrimination and remove housing barriers.

- Protect 1:** Continue Flagstaff's commitment to further Federal and Arizona Fair Housing laws in all housing-related services and programs, valuing the efforts of those who seek to reduce barriers to equitable housing opportunities, and providing Fair Housing education and resources to the community.
- Protect 2:** Ensure affordable housing is a part of every Flagstaff neighborhood and work to address disparate impact as part of any development or redevelopment.
- Protect 3:** Continue to lobby and support federal and state legislation to encourage changes to federal and state laws, and to increase the amount of funding available for the preservation and construction of affordable housing.

For a detailed list all policy initiatives and strategies, refer to the Detailed List of Policy Initiatives and Strategies on page 44.

FORGING AHEAD FOR HOUSING ADVANCEMENT

Action Needed

FLAGSTAFF CITY COUNCIL & HOUSING COMMISSION

The success of this Plan is contingent on the Flagstaff City Council continuing its leadership and support for advancing housing affordability. Implementation of the Plan relies on funding, the creation and preservation of affordable housing, increasing housing subsidies, continued public support for affordable housing and advocacy by City Council and the community.

The Flagstaff City Council will have oversight responsibility for this Plan and will make policy decisions, budgetary appropriations and workplan approvals that will facilitate implementation. The Housing Commission will provide recommendations to City Council on the implementation of this Plan. Council and the community will receive an annual update on the progress of Plan implementation.

The Flagstaff City Council will:

- ▲ Prioritize policy initiatives and strategies for the upcoming City Council term that will support Plan implementation.
- ▲ Identify City Council budget priorities and funding to support Plan implementation.
- ▲ Identify state and federal legislative priorities that support the policy initiatives and strategies of the Plan and enable implementation of Plan actions.
- ▲ Provide leadership in community conversations around housing and the tensions surrounding competing priorities.

Actions specific to the Flagstaff Housing Commission:

These actions are detailed in Resolution 2020-66, which created the Housing Commission.

- ▲ Examine funding sources available for housing in Flagstaff, make recommendations to the City Council on potential funding sources, including bond measures, and provide oversight of any funds approved by the electorate for housing purposes.
- ▲ Make recommendations on the creation and implementation of housing and housing policies and programs for the benefit of Flagstaff and its citizens.
- ▲ Make recommendations regarding the prioritization of the community's housing needs.
- ▲ Make recommendations regarding how affordable market rate housing can be responsibly stimulated through changes in the City Code as well as other potential solutions.
- ▲ Examine and make recommendations regarding increasing the affordability of housing in Flagstaff.
- ▲ Explore alternative models of housing and make recommendations to Council.

- ▲ Advise and assist the City Council on ways to educate the community on housing, including the role housing plays as infrastructure in Flagstaff.
- ▲ Upon request, serve as a resource on implementation of housing policy and programs.

FLAGSTAFF CITY LEADERSHIP

To address the Housing Emergency, it is critical that every part of the municipal organization is involved in the implementation of this Plan. From the City Manager's Office and the Leadership Team to individual Sections, Team Flagstaff must proactively consider housing affordability when conducting City operations. Refer to the [Detailed List of Policy Initiatives and Strategies](#) on page 44 for division involvement for each strategy.

The City Manager's Office will actively support the Council's commitment to advance housing affordability by requiring the involvement of all appropriate City divisions in implementation of this Plan. Opportunities to incorporate affordable housing policy initiatives and strategies into internal decision-making processes include:

- ▲ The budget process
- ▲ Procurement decisions
- ▲ Division strategic planning
- ▲ Facility management
- ▲ State and Federal Policy Priorities
- ▲ Community engagement and education

Accountability

The City will ensure accountability through consistent and transparent annual reporting to the community and the Housing Commission, which will monitor and report on the Plan's implementation progress.

A LIVING DOCUMENT

This Plan is a living document that will evolve with market conditions, community housing needs and budgetary status. This section presents a structure for ongoing monitoring, evaluation and reporting on Plan progress. Investing in data collection and consistent reporting increases transparency and is a key aspect of implementation.

EVALUATION & REPORTING

Regular reporting will ensure transparency and continued progress. Updates will be provided by city staff at Housing Commission meetings. City staff will measure progress on key performance indicators and will report to the City Council, Housing Commission and community annually regarding policy initiatives and strategy development. Refer to the [Detailed List of Policy Initiatives and Strategies](#) on page 42 for the

anticipated term lengths for each strategy. On an annual basis, city staff will provide a Plan update that includes:

- ▲ Progress towards achieving the Plan's goal and implementation status of policy initiatives and strategies.
- ▲ Relevant developments in market conditions, resources and community efforts.

FUNDING

Funding is imperative for the implementation of the 10 Year Housing Plan's goal, policy initiatives and strategies. Funding sources include the City budget, agency grants, private, public and nonprofit community partners and new sources such as general obligation bonds.

LOCAL HOUSING DATA & NEEDS ASSESSMENT

Flagstaff's Housing Emergency is a result of multiple factors and has been a documented need for more than 50 years. In order to effectively address the Housing Emergency in Flagstaff, we must first understand local housing data. In partnership with Housing Solutions of Northern Arizona, the City of Flagstaff's Housing Section co-created an infographic titled "Affordable Housing Needs Assessment for the Flagstaff Community". Infographics from the needs assessment are shared throughout the Plan. Refer to [Appendix 3](#) for the Affordable Housing Needs Assessment.

Flagstaff's Area Median Income Levels

The Department of Housing and Urban Development (HUD) publishes Area Median Income (AMI) data for Flagstaff Metropolitan Statistical Area on an annual basis. The calculation takes into consideration a family's income level based on their household size. The Area Median Income is the midpoint of an area's income distribution, meaning that half of households in an area earn more than the median and half earn less than the median. A household's income is calculated by its gross income, which is the total income received before taxes and other payroll deductions. For a three-person household (the average household size in Flagstaff), their 100% Area Median Income is \$69,200 annual gross income.

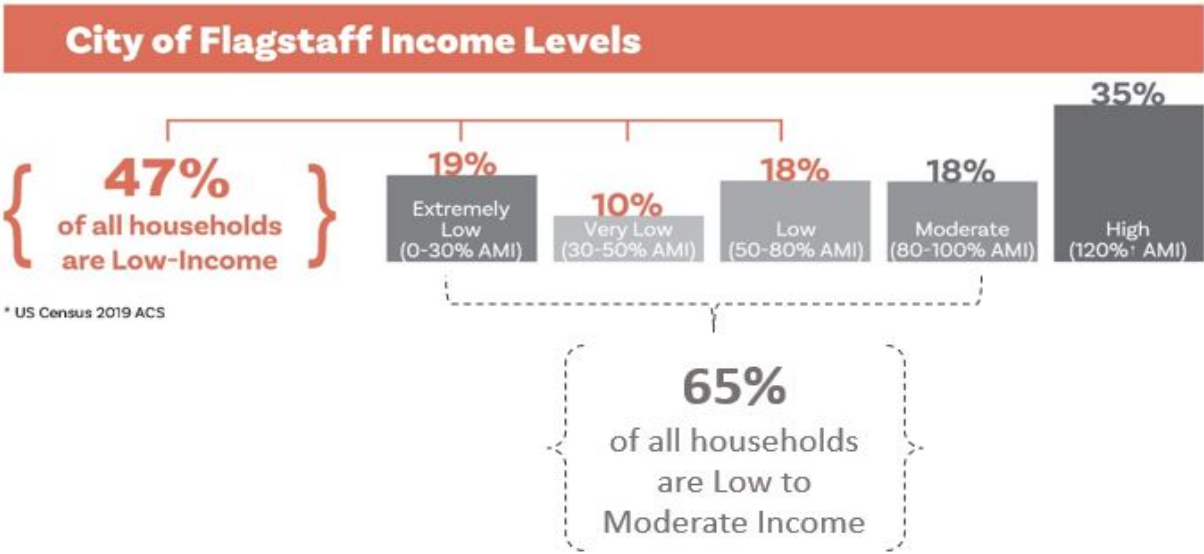
Area Median Income (AMI) limits are another key factor to understanding the funding availability for affordable housing programs because it determines eligibility for many housing subsidies. Federal, State and local housing subsidy programs such as the Community Development Block Grant (CDBG), Low-Income Tax Credit Housing (LIHTC), Public Housing and Section 8 Housing Choice Vouchers have different income eligibility requirements that restricts eligibility to 60% - 80% AMI for a household depending on the program. These programs are available citywide and have limited funding.

HUD Flagstaff Area Median Income (AMI) Limits | 2021

Income Category	AMI %	AMI Income Ranges*
Extremely Low	0 - 30%	\$0 - \$21,960
Very Low	30 - 50%	\$21,961 - \$34,600
Low	50 - 80%	\$34,601 - \$55,350
Low to Moderate	80 - 120%	\$55,351 - \$83,040
Moderate to High	120% >	\$83,041 >

** Income ranges based on three person household*

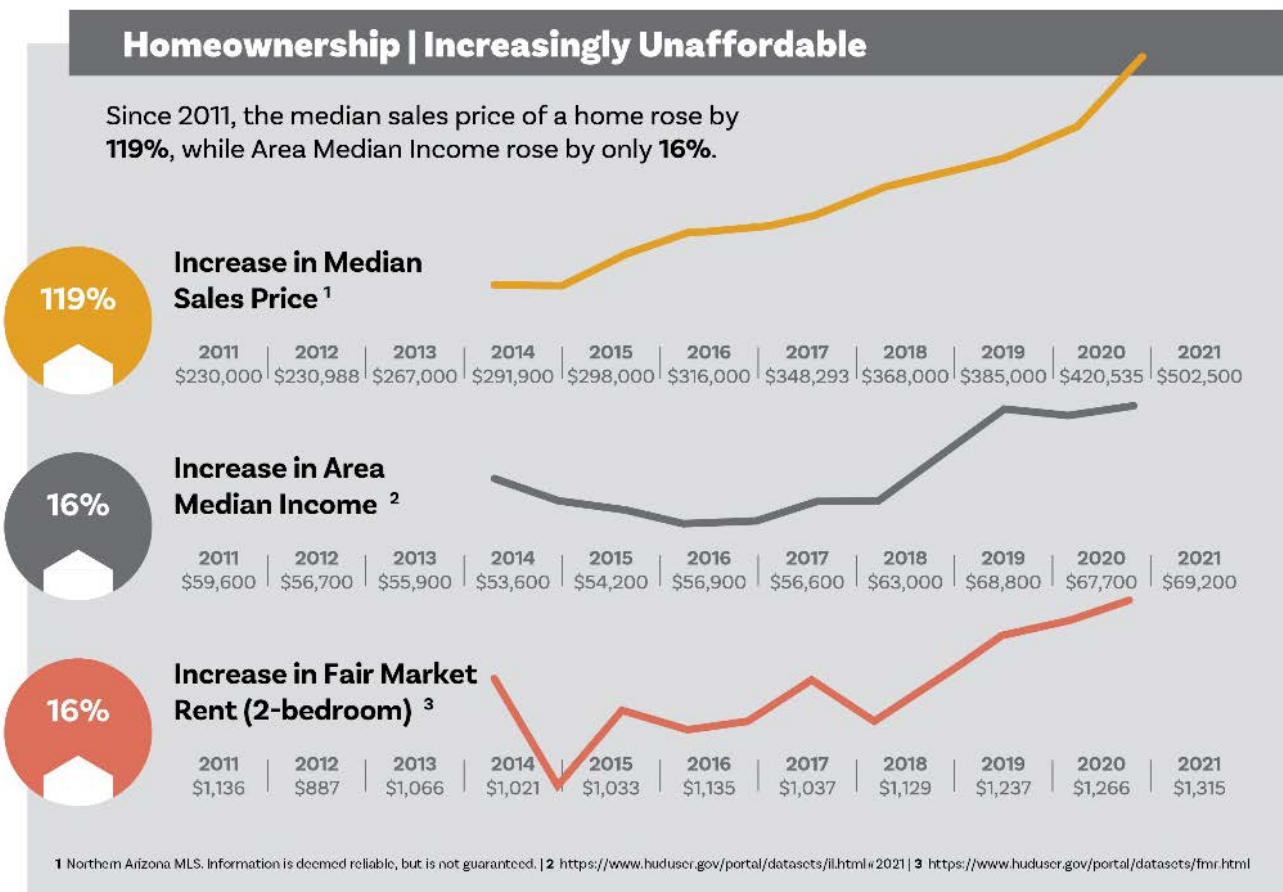
Nearly half (47%) of Flagstaff residents are low-income, earning no more than \$55,350 annually. In Flagstaff's current housing market, 65% of households that fall within or below the moderate-income level would require some form of subsidy to achieve housing that is considered affordable.



Flagstaff Is Increasingly Unaffordable

Over the past half-century, Flagstaff's households have seen a dramatic shift in their budgets. Rents have risen, home prices have increased, and incomes have not kept pace. As a result, households are spending a growing portion of their income on housing. The costs to rent or own a home continue to rise and are outpacing local incomes.

Since 2011, the median sales price of a home rose by 119%, while the Area Median Income rose by only 16%. In Flagstaff's current housing market, the median sales price of a home is \$502,500 and the median annual gross income is \$69,200. Consequently, many local residents need some form of a housing subsidy to achieve affordable homeownership.



Flagstaff's Housing Cost Burden

According to HUD, cost burdened households pay more than 30% of their monthly income towards housing.

Currently, 27% of homeowners and 57% of renters are housing cost burdened, meaning that 22,073 Flagstaff community members are living with a housing cost burden.

Cost burden helps us understand how much strain housing costs can place on a household's overall financial position. The lower your income, the more likely you are to be cost burdened. Households that are housing cost burdened have little money to cover other basic necessities, such as food, childcare, transportation, clothing and health care, leaving the households in a precarious financial situation and making it harder to achieve economic mobility and housing advancement⁸. Renters that are housing cost burdened are less likely to be able to save up for a down payment required for accomplishing homeownership.

Flagstaff is a community where 45% of all households living in a housing cost burdened situation, the cost of living is 13% higher and housing is 29% higher than the national averages. It is therefore imperative to create and preserve more housing options and to establish more funding for programs that help residents attain affordable housing.

Housing Cost Burden Analysis

22,073

Flagstaff Community Members are housing cost burdened. *



All Households

Total Households with Payments | 19,531
Households Cost Burdened | 8,829

45% Cost Burdened



Homeowners

Total Households with mortgages | 7,542
Cost Burdened Homeowners | 2,005

27% Cost Burdened



Renters

Total Renter Households | 11,989
Cost Burdened Renters | 6,824

57% Cost Burdened

** Cost burdened households pay more than 30% of their monthly income towards housing.*

* US Census 2019 ACS

Cost of Living & Housing | National Comparison

Flagstaff Cost of Living



13.1% higher than the national average

Flagstaff Cost of Housing



29% higher than the national average

Data is from the Council for Community Economic Research 2020 Annual Average Data Report

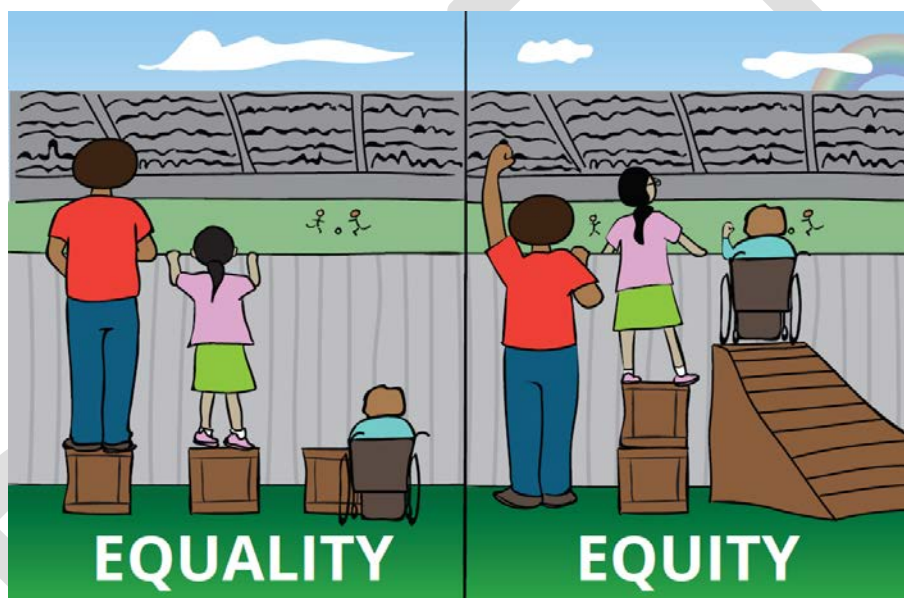
⁸ [Homeownership Is Affordable Housing](#), Housing Finance Policy Center, Urban Institute, Mike Loftin, May 2021

Important Topics in Housing

HOUSING EQUITY

Housing equity is central to this Plan. Equity is a different from the concept of equality. Equality is defined as treating everyone the same and giving everyone access to the same opportunities, under the assumption that everyone will benefit from the same support and services. Some groups are situated differently because of historical and current discrimination against them. Equity addresses those differences. Equality is about sameness, focusing on making sure everyone gets the same thing, while equity is about fairness, ensuring that each person gets what the person or population needs. Policies that aim to achieve equity may result in an unequal distribution of resources but will lead to more equitable outcomes for everyone.⁹

Source: Equity Tool



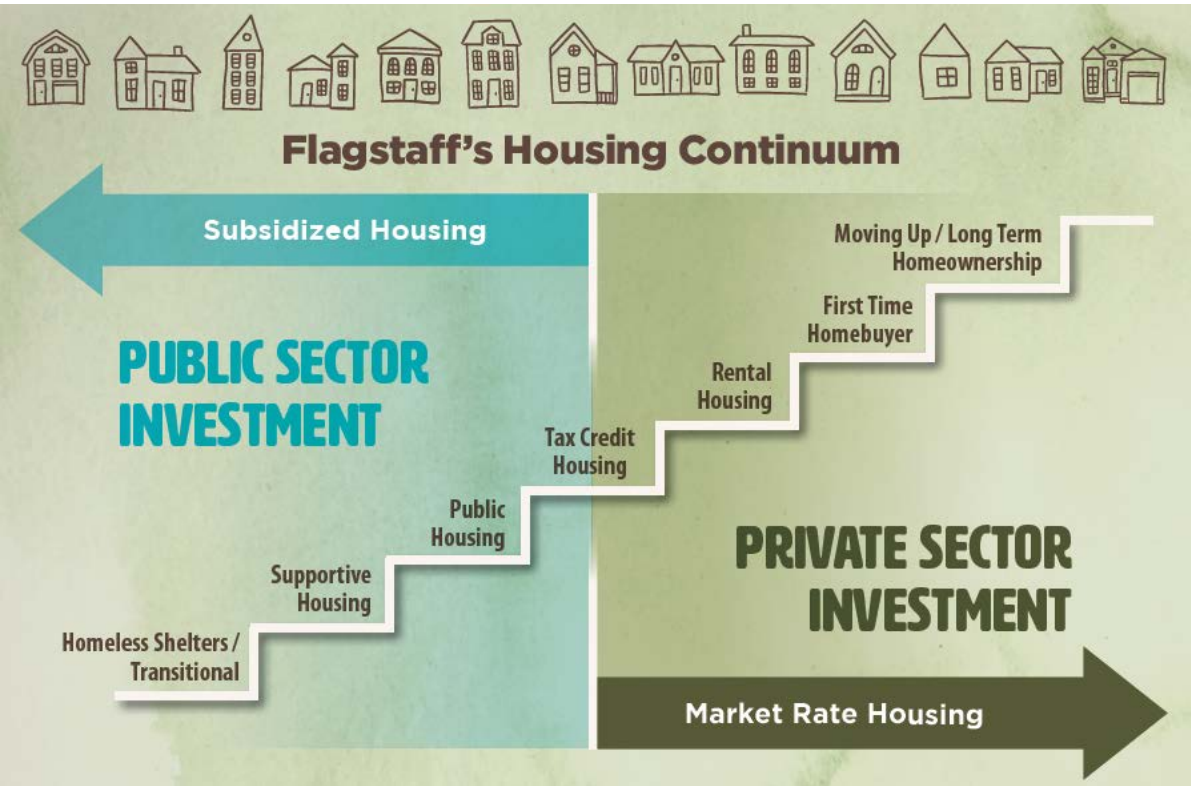
⁹ [Homeless System Response: Part1: Equity as the Foundation](#), Department of Housing and Urban Development

HOUSING CONTINUUM






The housing continuum is a strategy that represents a variety of housing types available for households at all income levels. It indicates that households with different levels of income require different levels of subsidy to move up or advance through the housing continuum. For the purpose of this Plan, we will use the housing continuum as a method to communicate possible housing solutions for households at all income levels.

For example, an extremely low-income, three-person household earning less than \$21,960 (30% AMI) annually requires greater levels of housing subsidies (such as move-in assistance and public housing). This household would fall on a different place on the housing continuum compared to a low-income, three-person household earning less than \$55,350 (80% AMI), who may need a smaller housing subsidy (such as assistance paying for their rental deposit).

Addressing the Housing Emergency will require adequate funding for programs such as eviction prevention, down payment assistance and employer assisted housing programs. It will also require the creation and preservation of affordable rental and ownership opportunities. These bold steps must be accomplished in partnership across the housing sector, including all levels of government, non-profit housing providers, private industry and housing advocacy from our community at large.



WHAT CAN FLAGSTAFF FAMILIES AFFORD?

What Can Flagstaff Families Afford?					
Household Type	Retiree on Fixed Income	Service Industry Worker @ \$15/hr.	Single Parent with 2 children	Family of 4 people	Young married couple
					
Number in Household	1	1	3	4	2
Estimated Household Income	\$16,140	\$31,200	\$55,350	\$76,800	\$73,800
% of Area Median Income	30%	58%	80%	100%	120%
Max Rent They Can Afford	\$404	\$780	\$1,384	\$1,920	\$1,845
Max Home Purchase Price They Can Afford *	\$49,000	\$125,000	\$248,000	\$359,000	\$343,000
\$ Needed for Downpayment & Closing Costs *	\$3,185	\$8,125	\$16,120	\$23,335	\$22,295

* 4.0% interest rate; 30-year term with 3.5% down payment. Assumes 30% housing ratio and that household debt does not impact affordability. Insurance = \$50/mo. Taxes = \$120/mo. No HOA payment. Monthly MI @0.28%.

Image & below text provided by Housing Solutions of Northern Arizona

The image above, created by Housing Solutions of Northern Arizona and the City's Housing Section, provides a visual of households that fall within extremely low income, very low income, low income, median income and moderate- income categories. This image presents these household situations and the maximum rent and maximum mortgage that each household can tolerate in order to obtain an affordable housing situation. For details on the methodology used, please refer to the Survey and Methodology Document.

Summary for What Families in Our Community Can Afford:

- ▲ Very low-income households, including those on fixed incomes, cannot afford to purchase a home in our community. They struggle to find a rental they can afford, as extremely few studios or 1-bedroom units are available for \$404 per month.
- ▲ In general, minimum-wage workers cannot afford to purchase a home in our community. These families also struggle to find decent rentals even with a higher monthly budget for rent. While a few units with rent below \$780 per month may be found, a household is hard pressed to find a rental that is not a studio or a single room at that price.
- ▲ 80% AMI households can likely rent a market rate unit, although they possibly may pay more than an "affordable" portion of their monthly income. They struggle to find a house to purchase, with buying power around \$250,000. In September of 2021, Flagstaff's Multiple Listing Service (MLS) had three homes in that price range on the market. Of those homes, all three are two bedrooms or less. Homes in this price range are often condos with Home Owner Association (HOA) fees, increasing the monthly cost of housing.

- ▲ Households in the 100% to 120% AMI range can likely find a rental for their families and can potentially afford a mortgage that allows them to purchase a home in the Flagstaff market. Down payment and up-front loan costs are often barriers to homeownership for these families because it is very difficult to save the necessary amount when households are rental-cost-burdened and home prices in Flagstaff continue to rapidly increase. If we assume a family is using FHA financing (which has one of the lowest down payment requirements a minimum of 3.5%), this family would need to have a minimum of \$20,000 in cash available for their home purchase.

Homeownership in Flagstaff

The American Dream of homeownership is slipping away for families in Flagstaff. Our community continues to see home price appreciation exceed wage increases, creating a larger and larger gap between home sales prices and what Flagstaff residents can afford. In the first half of 2021, Multiple Listing Services (MLS) data showed that the median home sales price in Flagstaff exceeded \$500,000 for the first time. Homeownership is now attainable for wealthy families in Flagstaff, but a distant dream for our workforce. The consequences of home price increases are dire, as more and more members of our workforce look to leave Flagstaff's high-cost housing market and relocate to other communities where housing is within reach. Over one in four survey respondents (26.7%) indicated that they were either very likely or nearly certain to leave Flagstaff due to housing costs. Right now, homeownership barriers include the lack of lower-priced inventory and the need to have more money for down payment and closing costs. In 2021, we are fortunate to have continued low interest rates, but if and when mortgage interest rates increase, buying power will be reduced and the challenge will be even greater.

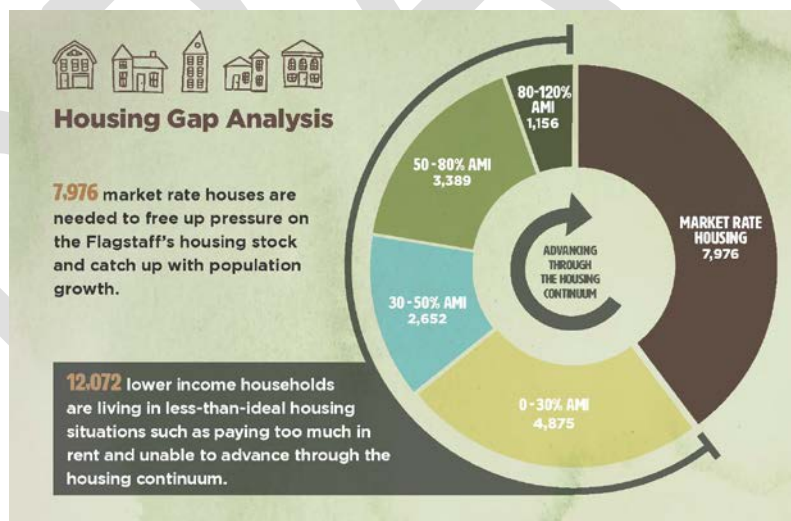
FLAGSTAFF'S HOUSING GAP ANALYSIS -

QUANTITATIVE RESULTS

This Plan seeks to understand the gap between available housing and Flagstaff's housing needs. City staff, Housing Commission members and community experts created an Informal Working Group that performed a housing gap analysis to determine both Flagstaff's current housing needs and its available housing stock. To determine the affordable housing need a methodology from the Joint Center for Housing Studies of Harvard University¹⁰, Montgomery County Interagency Commission on Homelessness¹¹, and Freddie Mac Housing and Economic Research¹² division was applied. The housing gap analysis reveals the estimated number of affordable housing units needed based on local income levels and bedroom sizes.

To define the City's need for market rate housing, the team used a proxy figure: the gap in housing supply from declines in housing construction and conversion from long-term housing to short-term rentals (STRs) since 2000. Other influential elements that also impact Flagstaff's overall housing supply include the decrease in average household size, an increase in second homes in Flagstaff, an increase in university student population and limited developable land in Flagstaff.

The housing gap analysis found that Flagstaff currently has an undersupply of 7,976 housing units and 12,072 households with an affordable housing need.



¹⁰ Joint Center for Housing Studies of Harvard University, [Estimating the Gap in Affordable and Available Rental Units For Families](#), Witney Airgood-Obrycki, Jennifer Molinsky, April 2, 2019

¹¹ Montgomery County Interagency Commission on Homelessness, Appendix Four: [Housing Demand and Supply](#)

¹² Freddie Mac, [Insight Report](#), The Housing Supply Shortage: State of the States, February 27, 2020

Importantly, Flagstaff's undersupply of housing does not alone mean that our community has 20,048 households living without a place to call home. It means, that 12,072 lower income households are living in less-than-ideal housing situations such as paying too much in rent and unable to advance through the housing continuum, while the remaining 7,976 market rate houses are needed to free up pressure on the Flagstaff's housing stock and catch up with population growth.

This Plan establishes one overarching goal, supported by two fundamental elements that together will significantly impact housing attainability. The goal will be achieved through the implementation of the policy initiatives and strategies in this document. Implementation of the policy initiatives and strategies will be accomplished by the City of Flagstaff through the budget process, collaboration with City staff and private, public and nonprofit partnerships.

Goal: Reduce the current affordable housing need in Flagstaff by half.

- ▲ Element one: Create or preserve 7,976 units by 2031 with a minimum of 10% affordable to increase the overall supply of market rate, workforce and affordable housing occupied by local residents.
- ▲ Element two: Impact 6000 low to moderate Flagstaff residents through a combination of unit creation or subsidy provision

In a market without enough homes and without adequate subsidies, the people who lose out are Flagstaff's low- to moderate-income residents: 47% of our population. This Plan's policy initiatives and strategies include increasing both the number of housing units and subsidies that provide targeted assistance to households in need. Both elements above are mutually interchangeable and will require bold action to address the Housing Emergency.

Affordable and Subsidized Housing Gap Analysis

Flagstaff is faced with demand for housing that far exceeds supply. To capture the demand and supply imbalance, the City analyzed the distribution of household size and income ranges from the 2019 American Community Survey, Census Data and the Coconino County Assessor's office. These figures identify and highlight the types of housing units that are under- or over-supplied in the Flagstaff city limits, including communities in the 86004 and 86005 zip codes like Doney Park, Kachina Village and Mountainaire.

12,072 lower income households are living in less-than-ideal housing situations such as paying too much in rent and unable to advance through the housing.

This housing gap analysis found there is not enough affordable-priced housing or subsidies available for households earning less than \$66,400 (0-80% AMI) per year.

- ▲ For extremely low- to low-income households, Flagstaff currently has 10,916 households living in less than ideal housing situations. Of those households, 7,335 are living in one- and two-bedroom homes. These low income (0-80% AMI) households make up 47% of Flagstaff's

population and require substantial subsidies to achieve housing that is defined as affordable at their income level.

For low- to moderate-income households earning between \$66,400 and \$101,520 (80- 120%), the affordable housing gap analysis found that while these households have a slightly higher advantage in finding affordable housing, 1,156 households are living in less than ideal housing situations.

- ▲ Of those 1,156 households, 1,037 are living in four-and five-bedroom units. These low- to moderate-income households make up 18% of Flagstaff's population and require some amount of subsidy to achieve housing that is defined as affordable at their income level, especially for larger households.

12,072 Households in Need of an Affordable Housing Subsidy or Unit

	AMI Range	Income & Household Size					
		1 Person	2 Person	3 Person	4 Person	5+ Person	
Extremely low to low Income	0 - 30%	-2,236	-1,582	-486	-298	-273	10,916 Households
	30 - 50%	-1,072	-819	-359	-247	-155	
	50 - 80%	-487	-1,139	-491	-772	-500	
Low to Moderate Income	80 - 100%	212	248	114	-366	-311	1,156 Households
	100 - 120%	-119	1,206	2,708	247	-360	
	> 120%	-1,261	-4,514	6,366	4,562	392	

The results above indicate that a large portion of Flagstaff's households are paying more than 30% of their household income on housing; are "doubling up" or living in smaller than ideal units (defined as greater than two persons per bedroom). For 2021 Area Median Income Limits for Flagstaff refer to [Appendix 2](#).

Market Rate Housing Gap Analysis

The Gap Analysis Informal Working Group worked to perform a gap analysis for market rate housing. This group estimated the market rate housing needs through the use of US Census data for the Western Region and short term rental (STR) data from LodgingRevs, a STR compliance database. Other measurements used for the market rate housing gap analysis were population growth, changes to the average household size, second home numbers and Northern Arizona's university student population.

RAPID POPULATION GROWTH

Flagstaff is a fast-growing city, drawing in new residents year after year with our strong economy, high quality of life, and cultural attractions.

Since 2000, Flagstaff's population has grown by 47% to 29,060 households and 77,590 people.

Growing population sectors include the elderly, university students, single-parent households, and non-family households. These community members need diverse housing options within proximity to jobs, schools, and services.

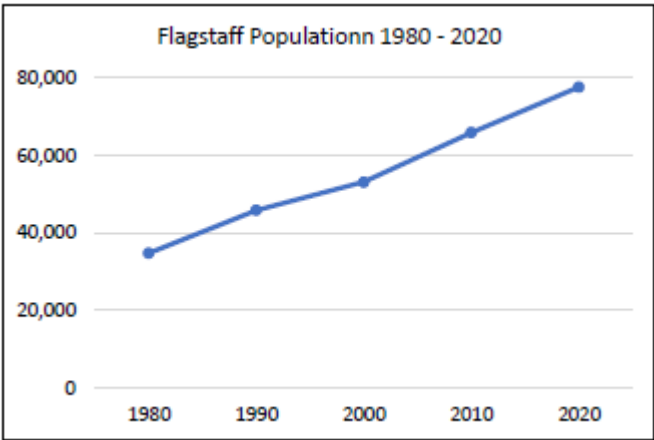
As our population grows, more of our residents experience challenges finding housing within an affordable price range. Flagstaff's household demographics are changing in multiple ways: while more people are moving here, household sizes are decreasing. Both of these factors impact market demands.

Decrease in Average Households Size

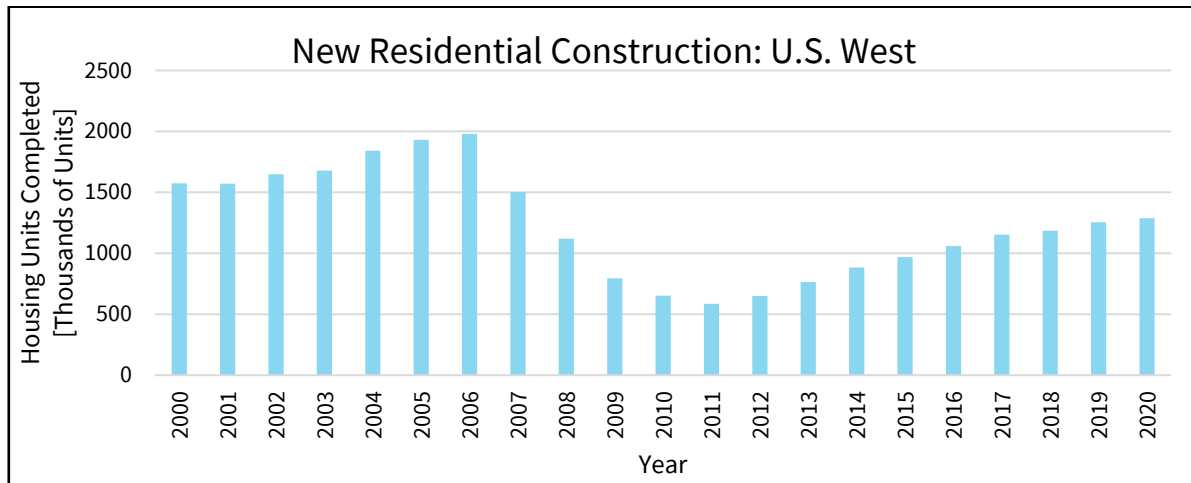
Housing demand is closely related to population and household size. Flagstaff's demographics have seen significant shifts: our population is aging, and household sizes are shrinking.

- ▲ Growth in the 65-year-old and over population has created new demands for affordable, accessible housing. As this older population is aging in place and needs smaller homes, we want to help our older residents stay in Flagstaff.
- ▲ Flagstaff's families are having fewer children and single parent households are rising. These changes increase the need for housing types that fit smaller families.

In conclusion, Flagstaff's average household size has declined from 2.80 in 1990 to 2.67 in 2019. This shift means that more homes are needed for the same population of people, exacerbating Flagstaff's housing gaps.



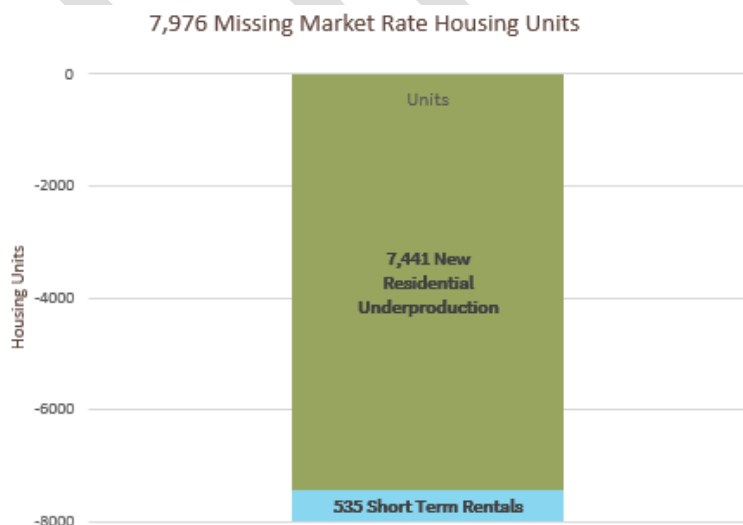
HOUSING PRODUCTION



US Census New Residential Construction, Western Geographic

While Flagstaff has experienced consistent population growth over the last 20 years, the regional housing supply has not grown at the same rate. For example, new residential housing construction in the Western United States was strong in 2006, and then declined in 2007-2011. Housing construction slowly increased after the Great Recession, but still has not returned to 2006 production levels. This regional trend has been replicated in Flagstaff with the decline in homebuilding, all while Flagstaff's population grew by 25,046 people since 2000.

Based on Flagstaff's share of population in the region the market underproduced housing by approximately 7,936 units.



This housing underproduction is complemented by other local household demographics and limited developable land. Housing trends such as second homes and the university student population also exacerbate market rate housing supply.

City Land Designated to Affordable Housing

There are a total of 41.3 acres of city owned land dedicated to affordable housing. This acreage is spread across nine different properties of varying sizes and land use designations. Six of the properties are already zoned for multi-family use, the other three are not and would require rezoning. Over the years several plans for affordable housing on City of Flagstaff's properties were created, but for several reasons – Not In My Backyard (NIMBY) sentiments, financing issues, and changing market conditions – the units were not constructed. If the units from each of those prior plans and additional affordable units from the remaining properties were totaled, an estimated 254 affordable units could be built on City of Flagstaff property designated for housing. It's important to note that actual unit counts will vary depending on development partners, the site planning processes in which all other city requirements are applied, and perhaps most significantly, neighborhood input.

Additional information about the location and number of future affordable housing units will be available as the City of Flagstaff pursues its Rental Assistance Demonstration (RAD) partnership with an experienced affordable housing developer.

In the next 10 years, the City of Flagstaff will endeavor to construct 254 affordable housing units on City property. The responsibility of delivering on our community goal of 7,976 units must be shared among private and public landholders, developers, non-profits and public agencies.

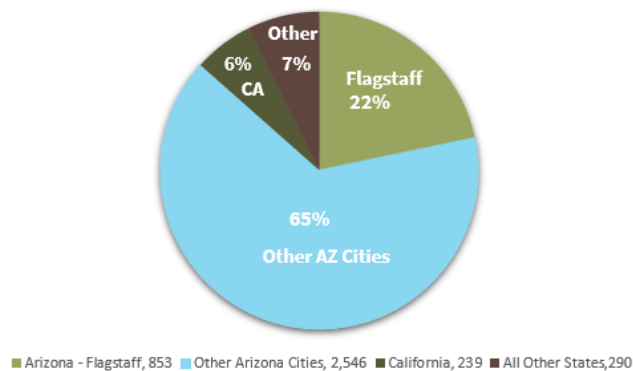
Second Homes in Flagstaff

Another community characteristic impacting market rate housing supply is the large number of second homes in Flagstaff. Second homes are defined as properties that are not used as a primary residence and Flagstaff is a popular choice for second homeowners. Highly impacted by seasonal migration, second homeowners look to Flagstaff to escape the desert heat of lower-lying regions in the summer in Arizona and beyond, visit Arizona's prime mountain town in the winter, and have a home for year-round recreational amenities.

One of climate change's most significant impacts in Flagstaff will be an increase in visitation, migration, and population, resulting in an increase in demand for housing. The Phoenix area – one of the country's fastest growing and largest metro areas, now exceeding five million people – will begin to see hotter and hotter summers, with 24 more days of dangerous heat and temperatures regularly exceeding 120 degrees Fahrenheit¹³ Due to these changes, we can expect visitation and migration to Flagstaff to increase, as many Phoenix-area residents look to escape hotter and hotter temperatures during the summer through weekend visitation, season-long visits, or second homes.

¹³ [Understanding climate change from a global analysis of city analogues](#), July 2019

Where do people who own second homes in Flagstaff live?



In addition, with its temperate climate, Flagstaff is likely to become a climate refuge destination that attracts people from beyond Arizona, as dramatic migration shifts occur across the country.¹⁴ These downstream effects of climate change result in more people in Flagstaff competing for a limited supply of housing, with domino effects on Flagstaff's housing market and land use. We can expect that climate change will dramatically exacerbate Flagstaff's housing problems, making the current crisis worse by increasing the demand for more full-time housing units as well as second homes.

Flagstaff has 3,928 second homes within city limits. This number amounts to 22% of all Flagstaff parcels, significantly affecting the overall housing supply and primary residents' ability to attain housing¹⁵.

Many of second homes in Flagstaff are larger luxury homes, with an average assessed value that is \$30,000 higher than owner-occupied homes. Approximately 853 of those second homes are owned by full-time Flagstaff residents. 2,546 are owned by residents of other cities in Arizona and 529 are owned by residents of other states.

The prevalence of second homes, which are often vacant, eliminates housing options for local residents - especially the highly-demanded four- to five-bedroom homes. On the other hand, even though these larger homes are not occupied year-round, their homeowners are part-time residents contributing to the local economy and taxes.

University Student Population and On Campus Housing Production

Founded in Flagstaff in 1899, Northern Arizona University (NAU) is a growing university with its main campus is located in the heart of Flagstaff. NAU students currently make up approximately twenty six percent (26%) of Flagstaff's population. University students are a valued part of our community, yet their continued demand for housing impacts cost and availability of housing for permanent residents. This results in a higher demand and less supply, mostly for multi-family housing.

NAU's Flagstaff-based undergraduate enrollment increased 51% from 2000 to 2020, rising from an enrollment of 13,546 students to 20,433 students. Over the same period, NAU increased its on-campus housing capacity by 38%, from a capacity of 6,283 students to 10,144 students. NAU takes pride in ranking

¹⁴ [The Flagstaff Carbon Neutrality Plan](#), City of Flagstaff, June 2021

¹⁵ [Coconino County Assessor Office](#), 2021 data

in the top 1% nationally for on- campus housing capacity per student. For the 2020 academic year, student enrollment at NAU's Flagstaff campus f was 20,433. NAU has an on-campus housing capacity of 10,144 units and of those units, 8,951 were occupied, meaning that NAU housed 44% of its Flagstaff-based students in 2020.¹⁶

While NAU has aggressively built on- campus student housing, approximately 11,480 university students still lived off campus in 2020, significantly impacting housing supply and affordability. Many university students find housing in nearby apartment complexes that specifically cater to students through dormitory-style living arrangements. The remaining NAU students compete with other Flagstaff residents for housing, either renting apartments or rooms in single family homes. It is likely that students' access to federally insured student loans and financial support from family members causes them to be less cost-sensitive than other residents. This leads to increases in the average rent the housing market offers.

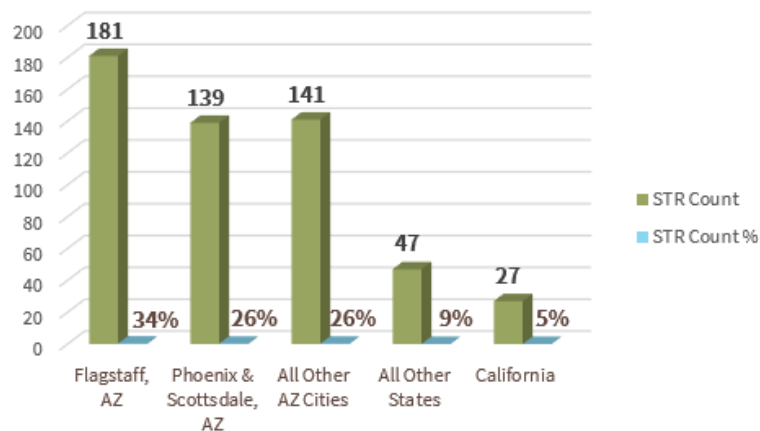
¹⁶ Northern Arizona University, Intuitional Research and Analysis, [Fall 2020 Fast Facts](#) and Data provided by NAU

Short-term rentals and Vacation Rentals

Short-term rentals (STRs) have become very popular in Flagstaff. STRs increase pressure on the local housing market by removing approximately 535 housing units from residential use¹⁷. According to Harvard Law and Policy Review¹⁸, short term rentals likely reduce the affordable housing supply by distorting the housing market in two interconnected mechanisms. The first such mechanism is one of simple conversion: any housing unit that was previously occupied by a Flagstaff resident, but is now listed as a short term rental year-round, is a unit that has been removed from the rental market and has essentially been added to [the community's] supply of hotel rooms. This leads to a real, but likely mild, increase in citywide rents, an effect that is concentrated in affluent or gentrifying neighborhoods. Today Flagstaff is short 535 housing units due to short-term rental conversion. Of these 535 non-owner-occupied short-term rentals, the majority are owned by residents from Flagstaff or other major cities in Arizona; 74 (9.3%) owners are from out-of-state.

"Hotelization" is the second mechanism of housing market distortion, according to the Harvard Law and Policy Review study. So long as a property owner or leaseholder can rent out a room on Airbnb [or another short term rental service] for cheaper than the price of a hotel room, while earning a substantial premium over the residential market, there is an overpowering incentive to list each unit in a building on Airbnb rather than rent to [Flagstaff] residents, thereby creating "cottage hotels." This decreases the supply of housing and spurs displacement, gentrification, and segregation.

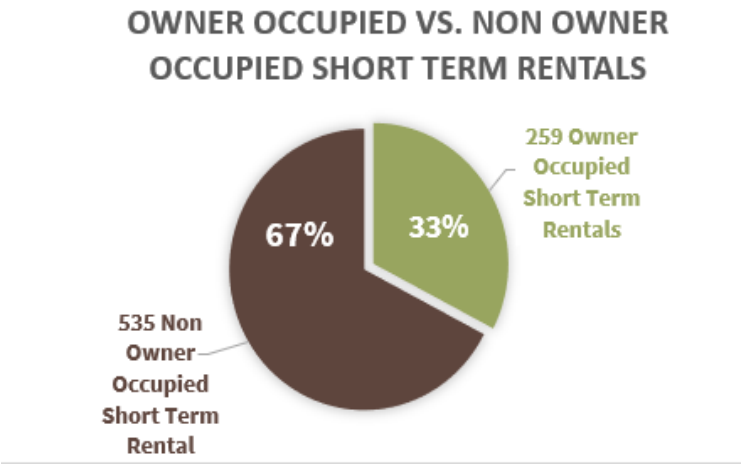
Where do people who own STR in Flagstaff live?



¹⁷ [LODGINGRevs](#), City of Flagstaff Data

¹⁸ [How Airbnb Short Term Rentals Exacerbate Los Angeles's Affordable Housing Crisis: Analysis and Policy Recommendations](#), Dayne Lee

While approximately 259 owner-occupied short-term rentals exist within Flagstaff city limits, the Informal Working Group did not count these owner-occupied, single bedroom short term rentals in the gap analysis. This active income from owner-occupied STRs assists with reducing homeowners' mortgages and possibly removes their household from living housing cost burdened. Perhaps more importantly, because the owner still occupies the home while renting out a room, the home is still housing a full-time resident of Flagstaff and so is not completely taken out of the housing market.



FLAGSTAFF HOUSING SURVEY – QUALITATIVE RESULTS

The 10 Year Housing Plan Survey collected data from Flagstaff residents on local living conditions, the cost of housing, and household goals. This survey builds on ECoNA's Housing Attainability for the Flagstaff Workforce¹⁹. Survey questions were reviewed by working group participants. The resulting data reinforced housing burden tensions for both homeowners and renters, while also generating a wealth of personal comments about Flagstaff's residents housing situations.

The survey was shared with Flagstaff businesses, multifamily developments, community members and the service provider network known as the Continuum of Care. The City shared the survey via social media, Housing Authority program participant newsletters, Flagstaff's Community Forum and clients of emergency shelters and transitional housing. The survey was available online via Survey Monkey and in print at local libraries and with various service providers. Both English and Spanish surveys were available. Refer to [Appendix 4](#) to view the full survey and analysis.

Responses were collected between April 22, 2021 and June 15, 2021. With 2,949 responses, the results were compared with previously available data from the US Census and the Department of Housing and Urban Development data. Data included responses from:

- ▲ 1,833 owners (62.2% of respondents),
- ▲ 943 renters (32.0% of respondents), and
- ▲ 81 people experiencing homelessness (2.7% of respondents).
- ▲ 78 of 85 Flagstaff neighborhoods or 91.8% of neighborhoods with at least one response,
- ▲ 896 (30.4%) provided some additional comment out of 2,949 responses.
- ▲ More than one in four respondents (28.3%) reported having lived in Flagstaff for ten years or more.

Survey responses highlight a wealth of strong opinions related to the housing market. The results reinforce the need to address housing attainability by illuminating the diverse, personal narratives of Flagstaff residents and bring the housing crisis to life. To reiterate from the previous chapter: In a market without subsidies, the people who lose out are Flagstaff's low- to moderate-income residents, which comprise 47% of our community.

¹⁹ [Housing Attainability for the Flagstaff Workforce](#), Economic Collaborative of Northern Arizona, November 2017

HOUSING BURDENED SURVEY RESULTS

Housing burden is defined as households paying more than 30% of their monthly income towards housing. Housing burden calculations were derived from survey respondents that provided income, utility, and monthly housing payment information. Burden calculations assumed a median value when provided a range, such as for income and utilities.

The results show many households are housing cost burdened.

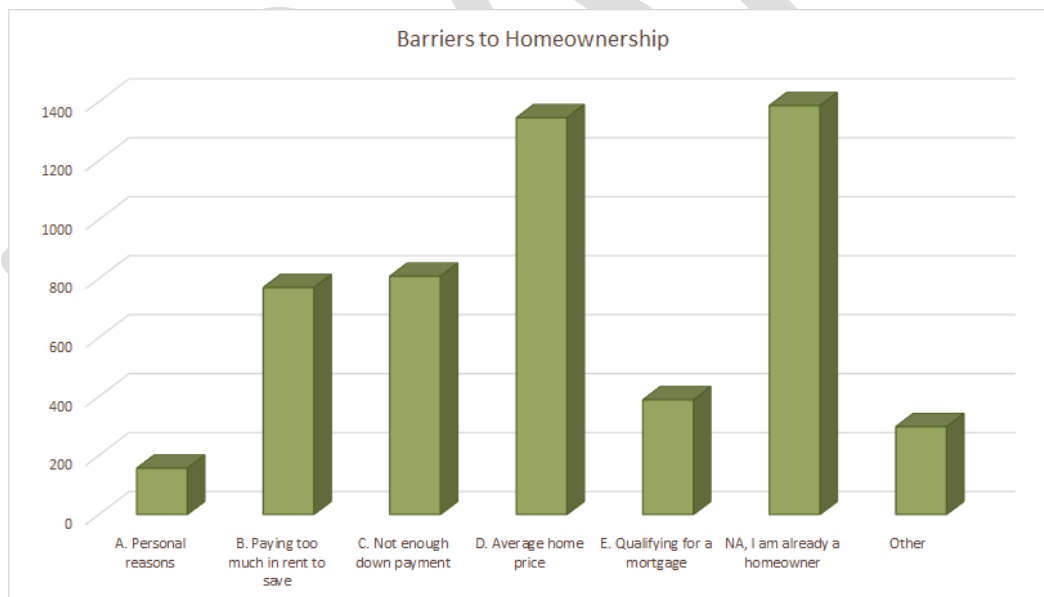
- ▲ More than one in three survey respondents (35.4%) reported being housing burdened.
- ▲ Of renter respondents, one out of two (50.3%) reported being housing burdened.
- ▲ Of homeowner respondents, over one in four (27.2%) homeowner respondents reported being housing burdened.
- ▲ Over one in five renters (22.8%) reported being severely housing burdened, paying 50% or more of their income toward housing costs.

Overall Housing Burden			
Respondents that provided income, utility, and housing payment information			2,041
Respondents housing burdened	868	Respondents severely burdened	315
Percentage housing burdened	35.4%	Percentage severely burdened	12.8%
Owner Housing Burden		Renter Housing Burden	
Owners burdened	396	Renters burdened	454
Owners severely burdened	94	Renters severely burdened	206
Percentage of owners burdened	27.2%	Percentage of renters burdened	50.3%
% of owners severely burdened	8.2%	% of renters severely burdened	22.8%

BARRIERS TO HOMEOWNERSHIP

Almost all respondent answered the question “What, if any, do you see as barriers to homeownership in the future?” Respondents could select more than one barrier, resulting in 5,269 responses from 2,915 respondents. Nearly half of all respondents (46.17%) identified as homeowners. Among respondents that were not already homeowners, almost eight out of nine (88%) cited average home price as a barrier. Over half of the non-homeowners cited paying too much in rent to [be able to] save (50%) or not [having] enough [for] down payment (53%).

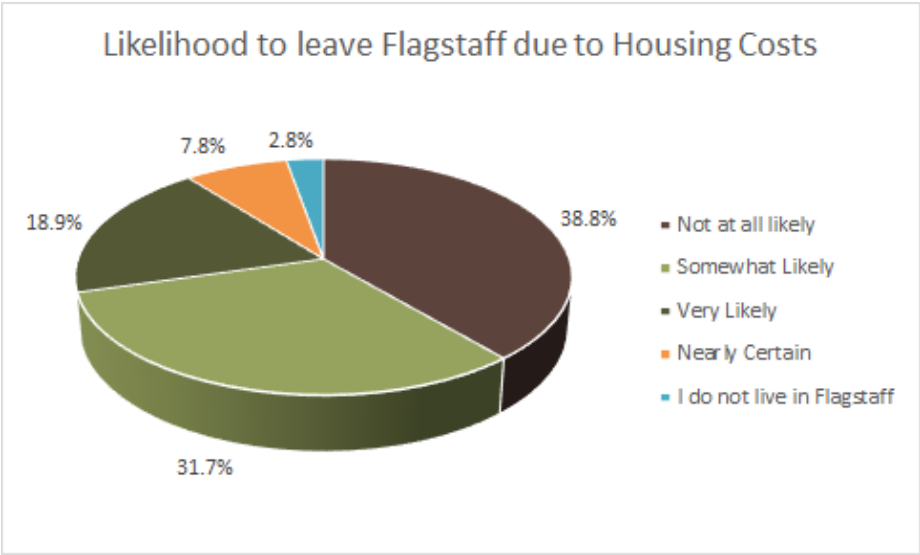
One in four non-homeowner respondents cited qualifying for a mortgage as a barrier (25%) and one in ten cited personal reasons (10%). One in ten of all respondents (10) included a qualitative response comment. These responses are summarized in the word bubble.



RESPONDENTS CONSIDERING LEAVING

Flagstaff residents’ responses to the Housing survey illustrated that the Housing Emergency is causing residents to leave Flagstaff. While nearly two in five respondents (39%) reported that they are “not at all likely” to move from Flagstaff, more than one in four stated they were either “nearly certain” or very likely” to relocate due to housing costs. These responses are contextualized with later comments citing increasing cost of living, increasing rent, rising home prices, student housing, second homes, investment properties, and complaints about the styles of new construction. One respondent added:

“I’m a 4th generation Flagstaff resident but the only people who seem to be able to afford to live here anymore are rich people [...]. The rest of us are hardworking poor who are being driven out.”



HOUSING IS FLAGSTAFF'S INFRASTRUCTURE

Safe, decent, and affordable housing is a vital part of Flagstaff's infrastructure. Because housing is a basic human need that must come first, every unit counts. Affordable housing improves health and the environment, connects people to neighbors, bolsters housing productivity and economic growth, and supports local job creation.

Flagstaff's Interconnected Challenges and Shared Solutions

Informal working groups convened on the topics of housing and health, neighborhood and equity, housing and sustainability, and zoning and land use. Informal working groups were composed of City staff, Housing Commissioners and community experts. City Housing Section staff and the Economic Vitality Section worked together to discuss the connection between housing and economic growth. The working groups discussed how mutually connected housing is to all of the above topics. The groups defined housing barriers and challenges for residents and created policies initiatives and strategies to address the Housing Emergency and advance housing opportunity for all. Below you will read about Flagstaff's interconnected housing challenges and shared solutions.



Source: Live Well Arizona – Elements of a healthy community

Housing is interconnected to:

- ▲ Healthcare
- ▲ Neighborhoods and equity
- ▲ Sustainability
- ▲ Zoning and land use
- ▲ Economic opportunity

Housing and Healthcare

According to Enterprise Community Partners Inc., national survey regarding the link between homes and health, more than half of renters surveyed have delayed healthcare because they couldn't afford it. Furthermore, the survey reveals renters who are paying a high percentage of their income for housing are regularly making difficult tradeoffs between rent and health care.²⁰



A 2020 University of California- Los Angeles study shows that people experiencing homelessness are two to four times more likely to require critical care and two to three times more likely to die than the general population. Stable housing is a basic, cost-efficient form of healthcare that has the potential to improve physical and behavioral health outcomes among vulnerable individuals and families significantly.

Housing with integrated services can take on a number of forms, but the basic idea is connecting homes, where people live, with health care services, either onsite or in the community. More and more research demonstrating that preventive care couples

with stable housing improves people's health, reduces urgent care visits and saves people, taxpayer and health care organizations money.²¹

COVID-19 PANDEMIC

The inextricable link between health and housing, as amplified by the COVID-19 pandemic, has spurred partnerships between healthcare and housing providers in an effort to address housing as a social determinant of health. Such partnerships can leverage additional funding plus the expertise to guide housing experts in addressing the multiple social dimensions of health and social outcomes that contribute to successful affordable housing development.²²

²⁰ [The Link Between Affordable Housing and Healthcare](#), Tanya Sterling, April 5, 2019

²¹ [Health in Housing: Exploring the Intersection Between Housing and Health Care](#), Center for Outcome Research and Education (CORE) in partnership with Enterprise Community Partner, February 2016

²² Arizona Housing Coalition, [Best Practices Toolkit for Municipalities, for Increasing the Supply of Affordable Housing in Arizona](#)

Housing, Neighborhoods & Equity

A child's future should not be determined by the zip code they live in. Unfortunately, educational attainment, employment, upward mobility, and even healthcare can be affected by one's street address and neighborhood. Residing in a home in close proximity to community assets, such as schools, open or green space and healthy foods, encourages interaction with these healthy resources. Likewise, the social environment of a neighborhood impacts health and well-being. Neighborhood context and social dynamics can either reinforce health or determine it.²³

As noted in Flagstaff's Lived Black Experience Strategic Plan, adopted by City Council on December 1, 2020, Dr. Ricardo Guthrie points out that, Flagstaff has documented history of redlining and other socioeconomic practices and policies which have created a pattern of segregation and discrimination against Blacks and communities of color within the City. He further states that when talking about the exclusion of a particular culture or race in a geographic area, it is important to understand that there are multifaceted aspects to such exclusion. For example, segregation can be at once physical (redlining, blockbusting, etc.), systemic (based in social practices, policies, and processes), and ideological (the idea that certain people do not belong in certain spaces, i. e.



NIMBYism). Spatial racial exclusion consists of historic, institutionalized policies and practices which privilege private interests over the public good; this is the social landscape in which the idea that providing equal and equitable access to the public space of community (housing, parks, education, transportation, etc.) is viewed as threatening to privatized interests. The basic problem facing much of the economic and social development of communities of color throughout the country has been a long-held link between race, place, and power.²⁴

For decades, starting at least in the 1930's, low-income and minority communities were intentionally cut off from lending and investment through a system known as redlining. Today, those same neighborhoods

²³ [Housing Phoenix Plan](#), City of Phoenix, 2020

²⁴ [Flagstaff's Lived Black Experience Strategic Plan: A Forgotten People Forging a Path Forward](#), The Lived Black Experience CommUnity Coalition, 2020

suffer not only from reduced wealth and greater poverty, but from lower life expectancy and higher incidence of chronic diseases that are risk factors for poor outcomes from COVID-19. Housing, economic and social policies should aim to eliminate those risks and undo the unfair burdens of structural racism, both past and present.²⁵

Research has shown that neighborhoods can be a good predictor of health. Therefore, it is imperative to place housing in areas of opportunity such as, community spaces, open space, quality schools, food and transportation.

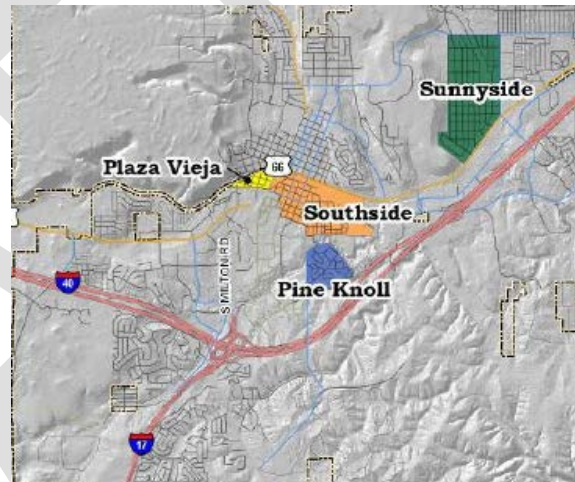
Flagstaff's Four Target Neighborhoods

The City of Flagstaff has identified four target neighborhoods. Target neighborhoods are defined by HUD as those where more than 50% of households have low- to moderate-incomes (80% or less of Flagstaff's Area Median Income).

- ▲ Sunnyside - Census Tract 3, Block Group 2, 3, & 4
- ▲ Southside - Census Tract 8, Block Group 1 & 2
- ▲ Pine Knoll - Census Tract 8, Block Group 3
- ▲ La Plaza Vieja - Census Tract 11.02, Block Group 3.

Together the 8,565 people who live in the target neighborhoods have the following characteristics:

- ▲ 6,210 are considered low- and moderate-income.
- ▲ 33% are Hispanic or Latino.
- ▲ 27% are people of color.
- ▲ 50% live in family households.
- ▲ 21% have a head of household that is 24 years old or younger.
- ▲ 24% own the home they occupy.



Three of these neighborhoods have formed a coalition referred to as the “League of Neighbors”. The coalition includes the Sunnyside Neighborhood Association, La Plaza Vieja Neighborhood Association and the Southside Community Association. Associations work hard to improve neighborhoods with grass-roots efforts in safety improvements, beautification, job development, and community spirit. These resident-driven 501(c)3 organizations work collectively and advocate for continual and necessary infrastructure improvements in historic neighborhoods, more local jobs, increasing voter registration, and unity among neighbors.²⁶

²⁵ [National Community Reinvestment Coalition website](#)

²⁶ [2021 Flagstaff Analysis of Impediments to Fair Housing](#)

Housing and Sustainability

Sustainability Section, City of Flagstaff Carbon Neutrality Plan

The Flagstaff community faces urgent challenges from housing and climate change. The City recognizes that the Housing Emergency and the climate emergency share many common solutions and that advancing housing and advancing climate action are not in conflict with each other. Indeed, implementing shared solutions to both challenges can lead to a stronger, healthier, and more connected Flagstaff.



To reduce emissions and build a stronger community, Flagstaff needs to rethink its housing and transportation systems – what we refer to as 'the Big Shift'. This shift entails building our neighborhoods, so they are more dense, connected and complete, so that residents don't have to travel across town as often. These neighborhoods welcome more neighbors of varying income levels, are stronger because neighbors know and help out one another, and contribute to health, as residents can take active and healthy modes of transportation to get most of what they need nearby. These neighborhoods resemble Flagstaff's oldest, strongest and most lively neighborhoods like Southside and Townsite, which were built before people were dependent on cars. Climate action that

creates these lively and strong neighborhoods can increase housing and help solve the Housing Emergency, too.

Climate action can support lower overall costs of living. When considering the high costs of living in Flagstaff, housing is the greatest concern. But transportation contributes significantly to the cost of living in Flagstaff, and often requires smaller changes to realize cost savings. Many carbon neutrality solutions can decrease transportation costs by reducing dependence on cars. Car ownership can often be a burden for low-income families: AAA calculates that in 2020 new car ownership cost \$9,561 per year for families, not including significant costs to the overall community and the environment²⁷. Transportation costs tend to be lower for those living in neighborhoods where it is safe and accessible to walk, bike, or take transit, and if folks can be car-free, car-lite, or reduce the number of cars in their household, they can significantly reduce their cost of living. Many Flagstaff residents already are car-free or rely very little on personal vehicles, instead using the bus, biking, carpooling, and walking to meet their daily needs. Reducing how much residents must use cars can reduce the cost of living and make it so that more people can afford to live in Flagstaff.

²⁷AAA, [Your Driving Costs](#), 2020

Housing is critical to community health and overall resilience. As we anticipate changes to Flagstaff's climate and social systems, we know that different groups in Flagstaff have different levels of resilience, or ability to withstand challenges like a power outage, school closure, or a medical emergency. Those who are facing housing insecurity are more vulnerable to the impacts of climate change – and so today's current Housing Emergency means Flagstaff is not as strong a community as it could be. One's financial security and housing security can impact their ability to adjust to both short-term shocks like flooding and long-term shifts like increases in housing prices. Low-income residents, communities of color, and Indigenous individuals are more likely to experience disproportionate impacts from climate change. Improving housing in Flagstaff will mean that more residents can live in healthy homes and are better prepared for the changing climate.

An increasing Flagstaff population does not necessarily lead to an increase in overall greenhouse gas emissions. This is because Flagstaff is not a snow globe: our emissions contribute to the world's greenhouse gas emissions, and emissions increases in Flagstaff can be offset by decreases in emissions elsewhere. Indeed, when residents move to Flagstaff there is an opportunity to actually decrease overall emissions. For instance, when a new resident moves to Flagstaff, they might live in Flagstaff in a home that is energy-efficient and that allows them to walk and bike and bus many place in Flagstaff: this lower-impact living is GOOD for climate if it allows the new resident to use less energy in their home and transportation. Yet when people cannot find housing in Flagstaff, they may choose to live in one of Flagstaff's outlying communities, or even commute from further-flung cities like Williams and Winslow. This may contribute to higher overall greenhouse gas emissions, if this new resident of Northern Arizona now has a long commute to a job in Flagstaff, leading to higher emissions overall. Because Flagstaff and northern Arizona cannot avoid growth, ensuring that that growth is done in a sustainable way is critical to reducing overall greenhouse gas emissions.

Addressing these community-wide issues can create significant opportunity. Yet implementing these community solutions will require rethinking our systems and moving away from today's status quo – a status quo that does not work for many people who struggle to live in Flagstaff and is contributing to global climate change. Shaking up our systems will require courage to move out of our comfort zone, to try new things, and change the way we do business. This will be difficult, but these changes can help Flagstaff create more opportunities and become a more welcoming and inclusive community. Most importantly, climate action and increasing housing supply can allow Flagstaff's residents to access a higher quality of life.

Zoning and Land Use

Arizona Housing Coalition, Best Practices Toolkit for Municipalities, for Increasing the Supply of Affordable Housing in Arizona

Limited land and the current shortage in housing supply, relative to demand are the primary reasons housing cost are increasing. A significant increase in housing supply is necessary to keep pace with current and projected housing demands. Strategies around affordable housing are incomplete when the focus is solely on increasing supply without giving attention to increasing density, establishing building innovation and cost saving practices, preserving affordable housing stock that already exists in our community and reviewing city codes, processes and fees to determine whether modification, reductions, or elimination would facilitate cost saving housing development strategies.



According to Arizona Housing Coalition, Best Practices Toolkit for Municipalities, overregulation of land use can create barriers to affordable housing supply. Zoning regulations, parking requirements, height restrictions, lengthy permitting processes, city codes and community opposition can contribute to increased development costs. Overregulation can restrict the ability of the developer to offer affordable rents and mortgages. Addressing overregulation and reform of land use policy is therefore a vital strategy to addressing housing affordability.

A prominent barrier to affordable housing development is the State law prohibition on mandatory inclusionary zoning policy. Inclusionary zoning policies are imposed at the local municipal level to require private developers to set aside a certain percentage of their units within new construction projects at an affordable rent, yet, Arizona is one of only three states in the nation that prohibits mandatory inclusionary zoning through State law. Until such time as our State law is changed, mandatory inclusionary zoning is not a tool available to Arizona's local municipalities for increasing the supply of affordable rental housing.²⁸

While municipalities cannot supersede this State law regulation, they may mitigate its effects through the creation of policies that incentivize the inclusion of affordable units. Land use policy reform can be critical to encouraging equitable development in response to the Flagstaff's affordable Housing Emergency.

²⁸ [Best Practice Toolkit for Municipalities, for Increasing the Supply of Affordable Housing in Arizona](#), Arizona Housing Coalition, Joanna Carr 2020

Housing and Economic Opportunity

Flagstaff Workforce Housing Attainability Report (Economic Collaborative of Northern Arizona - 2017) & Economic Vitality Division, City of Flagstaff

Economic Collaborative of Northern Arizona's Flagstaff Workforce Housing Attainability Report stated in its Executive Summary that there is nearly universal agreement among large employer stakeholders that high housing costs negatively impact employee retention and recruitment. It continues the lack of workforce housing has two primary negative effects on workforce: hindering recruitment...and employee retention issues.²⁹



and difficulties hiring can lead to relocation or reductions. Additionally, new businesses that may have located to Flagstaff can be deterred by difficulty in relocating their current staff or perceived challenges with recruitment. As talent becomes more difficult to recruit and retain the economic diversity and prosperity of the community suffers.

Not only does the higher cost of housing impact recruitment and retention, but when a large percentage of the population spends more than 30% of their income on housing it limits other spending in the economy. As higher proportions of income go to rents and mortgages this leaves less for spending in local stores and restaurants which slows economic growth and restricts sales tax receipts for local governments.

The ability to adequately and affordably house people at all income levels significantly impacts the ability to recruit and retain the workforce needed for a robust and diverse economy. Losing talent and experience to lower priced communities will degrade Flagstaff's ability to compete for businesses and maintain jobs for those able to live here. Additionally, when people are housing cost burdened, they are less able to

²⁹ [Housing Attainability for the Flagstaff Workforce](#), Economic Collaborative of Northern Arizona, November 2017

participate in the economy than they would be otherwise which further limits prosperity. With stories of high paid professionals leaving the community because they could not find acceptable housing more and more common, it is clear that high housing prices are already impacting Flagstaff's economy in a negative way.

CONCLUSION

Flagstaff residents have made our mountain town the resilient community that it is today. As the City of Flagstaff works to provide equitable solutions to address the Housing Emergency for local residents, we will strive to ensure that affordable housing opportunities and subsidies are available for residents at all income levels and all stages of life.

This Plan establishes one overarching goal, supported by two fundamental elements that together will significantly impact housing attainability. The goal will be achieved through the implementation of the policy initiatives and strategies in this document. Implementation of the policy initiatives and strategies will be accomplished by the City of Flagstaff through the budget process, collaboration with City staff and private, public and nonprofit partnerships.

Reduce the current affordable housing need in our community by half over the next ten years.

- ▲ Element one: Create or preserve 7,976 units by 2031 with a minimum of 10% affordable to increase the overall supply of market rate, workforce and affordable housing occupied by local residents.
- ▲ Element two: Impact 6000 low to moderate Flagstaff residents through a combination of unit creation or subsidy provision

The City of Flagstaff's mission – to protect and enhance the quality of life for all - directly aligns with the overarching goal of this Plan. Together with funding, partnerships and the community's support, the City of Flagstaff can provide subsidies and ensure a variety of housing options to the full spectrum of residents who call Flagstaff their home.

This Plan's policy initiatives and strategies will be implemented by the City of Flagstaff through the budget process, collaboration with City staff, and private, public and nonprofit partnerships. For the [Detailed List of Policy Initiatives and Strategies](#) that includes scope, term lengths and City collaboration, please see page 45.

Over the next ten years, the City will continue to advance housing opportunities for all Flagstaff residents. Flagstaff's 10 Year Housing Plan is the City's foundational framework for establishing work programs, prioritizing staff work and allocating the necessary funding for its implementation.

Detailed List of Affordable Housing Policy Initiatives & Strategies

10 Year Housing Plan Policy Initiatives & Strategies Create Connect Preserve Protect		Scope for Strategy								
L - Low time commitment M- Medium time commitment H - High time commitment	Indicator for level of funding required ST - Staff Time \$ - Low \$\$ - Medium	Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short Term (1 - 4 Years)	Long Term (5-10 Years)	Ongoing	Division/Section Involvement
Create housing options for households at all income levels and family sizes occupied by local, residents.										
Create 1: Create a dedicated funding source for affordable housing in Flagstaff.										
Create 1.1	Present 2022 Bond Measure to Council and Community for consideration for additional funding to be leveraged with local, state and federal dollars.	H	H	Yes	\$	x				Management Service, Housing Section
Create 1.2	Create a fund for the purpose of acquiring land/units for affordable housing in order to be able to respond to opportunities as they arise.	L	L	Yes	\$\$\$		x		x	Real Estate Section, Management Services, Housing Section

Create 1.3	Identify ongoing resource opportunities for the purpose of assisting households experiencing homelessness, households at risk of becoming homeless, first time homebuyers, and affordable housing targeted to these populations.	L	L	Yes	\$\$\$		x		Management Service, Housing Section
Create 1.4	Explore other funding mechanisms for affordable housing developments such as Revitalization district and dedicated sales tax.	M	L	Inform	ST			x	Economic Vitality, Management Services, Housing Section
Create 2: Explore building innovations and cost saving practices.									
Create 2.1	Hire an independent consultant to review city codes, processes and fees to determine whether modifications, reductions, or eliminations would facilitate cost saving housing development strategies.	H	L	Yes	\$\$		x		Economic Vitality, Zoning Code, Building Safety, Sustainability, Current Planning, FPD, Management Services, Flagstaff Fire Department, Housing Section
Create 2.2	Explore innovative tools and techniques to limit costs for regional development impacts on individual development projects, such as infrastructure.	H	L	Inform	ST			x	Zoning Code, Current Planning, Housing Section
Create 2.3	Create a dedicated team specifically for affordable housing projects.	L	L	No	ST		x		Current Planning, Housing Section
Create 2.4	Establish a simplified entitlement (i.e. rezoning and conditional use permit) and development review process.	H	L	Yes	ST		x		Zoning Code, Capital Improvements and Engineering, Current Planning
Create 2.5	Explore alternative Engineering and Fire requirements to minimize the cost of development without compromising Fire and Life Safety.	H	L	Yes	ST			x	Building Safety, Capital Improvements and Engineering, Current Planning, FPD, Flagstaff Fire Department, Housing Section

Create 2.6	Make pre-approved standard plans available to property owners to reduce planning and review costs.	M	L	Yes	\$\$			x	Building Safety, Capital Improvements and Engineering, Current Planning, Flagstaff Fire Department, Housing Section
Create 2.7	Construct and promote net zero or Net Zero Ready affordable housing when funding is available and encourage private developers to do the same.	M	L	Yes	\$\$\$			x	Sustainability, Housing Section
Create 2.8	Prioritize Capital Improvement Projects that facilitate affordable housing.	M	L	Yes	ST			x	Capital Improvements and Engineering, Sustainability, Current Planning, Management Services
Create 2.9	Prioritize the development of City of Flagstaff owned land designated for affordable housing and evaluate other city owned parcels for affordable and mixed-income housing.	H	H	Yes	\$\$\$			x	
Create 3: Ensure that the Flagstaff Regional Plan includes robust affordable housing goals and policies.									
Create 3.1	Update the Regional Plan policies to support increased density related to affordable housing.	H	H	Yes	\$\$\$			x	Sustainability, Current Planning, Housing Section
Create 3.2	Identify suburban areas that have the existing infrastructure to support greater density and intensity of development.	H	H	Yes	\$\$\$			x	Capital Improvements and Engineering, Sustainability, Current Planning, Housing Section

Create 3.3	During the update of the Flagstaff Regional Plan, revise the Community Character chapter for goals and policies to include cost saving methods that reduce the conflict between affordable housing, historic preservation and urban design.	H	H	Yes	\$\$\$			x		Sustainability, Current Planning, Housing Section
Create 4: Amend the Flagstaff Zoning Code to facilitate the development of all housing types.										
Create 4.1	Review and amend the Planned Residential Development (PRD) standards and process to address barriers for infill development and allow for more flexibility in development options, building types, and lot configurations.	H	M	Yes	\$\$			x		Zoning Code, Building Safety, Current Planning, Flagstaff Fire Department, Housing Section
Create 4.2	Explore options with appropriate land use and economic studies as necessary that could integrate affordable housing units to be developed in commercial and industrial locations where suitable.	M	L	Yes	\$\$			x		Economic Vitality, Zoning Code, Building Safety, Current Planning, Flagstaff Fire Department, Housing Section
Create 4.3	Explore adding affordable housing as an allowed use in the Public Facilities (PF) Zone.	M	M	Yes	ST	x				Zoning Code, Building Safety, Flagstaff Fire Department, Housing Section
Create 4.4	Review parking standards for all residential development with the goal of reducing the cost of development and increasing the number of dwelling units that may be achieved.	M	M	Yes	ST			x		Zoning Code, Building Safety, Sustainability, Current Planning, Traffic Engineers, Flagstaff Fire Department, Housing Section

Create 4.5	Evaluate and amend the Resource Protection Overlay standards to ensure that the minimum densities can be met on most sites, including making the requirements for residential sites to be similar to those for a commercial site.	M	M	Yes	ST			x		Zoning Code, Current Planning, Housing Section
Create 4.6	Evaluate Resource Protection Overlay standards in terms of consistent application across each zone and allow for greater maximum densities.	M	M	Yes	ST			x		Zoning Code, Current Planning, Housing Section
Create 4.7	Continue to evaluate and amend the current Accessory Dwelling Unit (ADU) zoning code standards with the goal of increasing supply.	L	M	Yes	ST		x			Zoning Code, Housing Section
Create 4.8	Explore allowing additional flexibility for homeowners and landlords to increase density.	M	M	Yes	ST			x		Zoning Code, Building Safety, Current Planning, Flagstaff Fire Department, Housing Section
Create 5: Incentivize the creation of affordable units through various programs and mechanisms.										
Create 5.1	Ensure that modifications to the zoning code improve and maintain the effectiveness of the density incentives for affordable housing.	M	M	Yes	ST				x	Zoning Code, Current Planning, Housing Section
Create 5.2	Update the City's affordable housing incentive policy to implement the goals and policies of the 10 Year Housing Plan.	H	H	Yes	ST		x			Current Planning, Housing Section
Create 5.3	Amend the city code to implement the revised affordable housing incentive policy.	H	H	Yes	ST		x			Zoning Code, Building Safety, Current Planning, Management Services, Flagstaff Fire Department, Housing Section

Create 5.4	Explore implementing reduced fees and waivers to incentivize the development of affordable housing.	H	H	Yes	ST		x			Zoning Code, Building Safety, FPD, Management Services, Flagstaff Fire Department, Housing Section
Create 5.5	Explore in-lieu alternatives to providing affordable housing units (e.g. down payment assistance program, donation of finished lots, in-lieu payment, etc.).	H	H	Yes	ST		x			Real Estate Section, Zoning Code, Building Safety, Flagstaff Fire Department, Management Services
Create 5.6	Explore expedited review as an incentive to developments that provide affordable housing units.	H	L	Yes	ST		x			Zoning Code, Building Safety, Capital Improvements and Engineering, Current Planning, Housing Section
Create 5.7	Explore ways to incentivize employers to offer Employer Assisted Housing (EAH) programs.	M	H	No	ST				x	FPD/HR (for success stories), Housing Section, Economic Vitality
Create 5.8	Explore the use of the community land trust model and public/private partnerships to incentivize the development of ownership units that are priced significantly below market rate.	M	L	Yes	ST		x			Real Estate Section, Housing Section

Connect people to equitable housing solutions.

Connect 1: Implement a framework for centering equity in proposed and existing housing practices, policies and programs.

Connect 1.1	Evaluate housing policies and strategies in City of Flagstaff planning documents through an equity lens.	M	M	Yes	ST				x	Housing Section
Connect 1.2	Encourage community organizations such as local Continuum of Care to continue to integrate equity into programs and policies.	M	H	No	ST				x	Housing Section
Connect 1.3	Explore reviewing member composition of the Housing Commission and Housing Authority Board to ensure racial and economic diversity reflective of the Flagstaff community and present to Council for input.	M	M	Yes	ST		x			Housing Section
Connect 1.4	Utilize City of Flagstaff resources to educate the community about financing and housing opportunity with an emphasis on assisting low- to moderate-income households to advance through the housing continuum and to address past racial disparities.	M	M	No	\$				x	Housing Section
Connect 2: Reduce homelessness in the Flagstaff community and seek creative solutions to foster housing permanency for all.										
Connect 2.1	Explore the feasibility of a one-stop shop for a pre-qualification letter or document that avoids application fees for rentals.	M	H	No	ST			x		Housing Section
Connect 2.2	Create housing navigator or advocate positions to assist both landlords and housing challenged populations in securing and maintaining housing.	M	L	Yes	\$\$	x				FPD, Housing Section

Connect 2.3	Continue to support and develop Coordinated Entry as a meaningful process that provides linkages to healthcare, behavioral health and housing.	M	H	Yes	\$				x	Housing Section
Connect 3: Integrate healthcare into housing programs and housing into healthcare programs as appropriate										
Connect 3.1	Raise awareness of housing security as a social determinate of health.	M	M	No	ST				x	
Connect 3.2	Encourage neighborhoods, housing types and building practices that increase health.	M	M	No	ST				x	Current Planning, Housing Section
Connect 3.3	Work in partnership with the community to develop and promote community health measurement data collection into housing services when viable.	H	M	No	ST				x	FPD, Housing Section
<i>Preserve affordable housing.</i>										
Preserve 1: Expand efforts to preserve existing housing stock										
Preserve 1.1	Continue homeownership rehabilitation program and create an affordable rental rehabilitation program with a focus of establishing safe, decent and sustainable housing.	M	M	Yes	\$				x	Housing Section
Preserve 1.2	Acquire and rehabilitate already built properties for affordable housing projects when financially feasible.	H	L	Yes	\$\$\$			x		Real Estate Section, Management Services. Housing Section
Preserve 2: Encourage the adaptive reuse of buildings										
Preserve 2.1	Explore the use of Low-Income Historic Tax Credit in conjunction with Historic Preservation Tax Credit for acquisition and rehabilitation affordable housing where appropriate.	M	L	No	ST				x	Economic Vitality, Housing Section

Preserve 2.2	Review the Land Use Goals and Policies in the Regional Plan, Specific Plans, and City Code to remove barriers to adaptive reuse for the creation of affordable housing.	H	M	Yes	ST			x		Economic Vitality, Housing Section
Preserve 2.3	The City's Housing Section and the Sustainability Section will partner to seek and administer grants for housing programs and developments that invest in environmentally friendly, retrofits and upgrades.	M	L	Yes	\$				x	Sustainability, Management Service, Housing Section
<i>Protect people from housing discrimination and remove housing barriers.</i>										
Protect 1: Continue Flagstaff's commitments to further Federal and Arizona Fair Housing laws in all housing-related services and programs, support those who seek to reduce barriers to equitable housing opportunities and provide Fair Housing education and resources to the community.										
Protect 1.2	Work with community partners to ease reentry, assess the need for alternative housing models and processes, and create necessary programs that address the systemic and structural barriers to justice-impacted citizens.	M	H	No	ST				x	FPD, Housing Section
Protect 1.3	Examine and update if needed the City of Flagstaff's Housing Limited English Proficiency (LEP) Plan.	M	L	No	ST		x			Management Services, Housing Section
Protect 1.4	Research ways to provide incentives to landlords who rent to those with any housing voucher or housing barriers such as poor credit, criminal history etc.	M	M	Yes	ST		x			Management Services, Housing Section
Protect 1.5	Support local social service network in establishing a home share program inclusive of features like peer support and conflict resolution.	L	H	No	ST			x		Housing Section

Protect 2: Ensure affordable housing is a part of every Flagstaff neighborhood and work to address disparate impact as part of any development or redevelopment.

Protect 2.1	Create and maintain an Affordable Housing Impact Statement.	H	M	No	ST		x			
Protect 2.2	Encourage diversity in housing options in all neighborhoods, understanding that exclusive communities are incompatible with the City of Flagstaff's mission to protect and enhance the quality of life for all.	M	L	No	ST				x	Housing Section
Protect 2.3	Evaluate, better understand, and if necessary develop strategies to address the disparate impacts of programs like Crime Free Multi-Housing and other relevant programs and policies.	M	H	Yes	ST	x				FPD, Housing Section
Protect 2.4	Implement a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community, creating a groundswell of support for affordable housing and combat Not in My Backyard (NIMBY) opposition to housing and affordable housing.	M	H	No	\$	x				Sustainability, FPD, Housing Section

Protect 3: Continue to lobby and support federal and state legislation to encourage changes to federal and state laws, and to increase the amount of funding available for the preservation and construction of affordable housing.

Protect 3.1	Advocate to the State of Arizona to allow greater local control of vacation rentals and second homes.	M	L	Yes	ST				x	Economic Vitality, Management Services, Housing Section
Protect 3.2	Pursue local and legislative changes that increase the preservation, creation and protection of affordable housing as necessary.	M	L	Yes	ST				x	Housing Section
Protect 3.3	Explore expanding State and local fair housing protected classes to include items such as age, source of income, sexual orientation and gender identity.	M	L	Yes	ST				x	Housing Section

KEY TERMS

Dehumanizing labels stereotype and marginalize people rather than support them while they rebuild their lives. The words we use to reference people should reflect their full identities and acknowledge their capacity to change and grow.

Affordable Housing: According to HUD, Affordable housing is generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.

Continuum of Care: According to HUD, a CoC is "a community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximize self-sufficiency. It includes action steps to end homelessness and prevent a return to homelessness. " HUD identifies four necessary parts of a continuum:

- Outreach, intake, and assessment in order to identify service and housing needs and provide a link to the appropriate level of both;
- Emergency shelter to provide an immediate and safe alternative to sleeping on the streets, especially for homeless families with children;
- Transitional housing with supportive services to allow for the development of skills that will be needed once permanently housed; and
- Permanent and permanent supportive housing to provide individuals and families with an affordable place to live with services if needed

Equity: According to HUD, Equity refers to proportional representation (by race, class, gender, etc.) of opportunities in housing, healthcare, employment, and all indicators of living a healthy life. When talking about equity, it is helpful to distinguish it from equality. Equality is typically defined as treating everyone the same and giving everyone access to the same opportunities. The assumption is that everyone will benefit from the same support and services. This is not true. Some populations are situated differently because of historical and current discrimination against them. Equity addresses those difference. Equality is about sameness; it focuses on making sure everyone gets the same thing. Equity is about fairness; it ensures that each person gets what the person/population needs. To achieve equity, policies and procedures may result in an unequal distribution of resources but will lead to equitable outcomes for everyone. Source: [HUD Exchange](#)

Experiencing Homelessness: According to Phoenix Community Alliance, an individual or family that lacks a fixed, regular and adequate nighttime residence, such as those living in emergency shelter, transitional housing or places not meant for human habitation.

Housing First: According to the National Alliance to End Homelessness, Housing First is a philosophy that values flexibility, individualized supports, client choice, and autonomy. It never has been housing only, and it never should be. Supportive services are part of the Housing First model. That might include formal support services, like a doctor, therapist, or social worker.

Key Terms, continued

Justice Impacted Citizens: According to the Law School Admission Council, Justice-impacted individuals include those who have been incarcerated or detained in a prison, immigration detention center, local jail, juvenile detention center, or any other carceral setting, those who have been convicted but not incarcerated, those who have been charged but not convicted, and those who have been arrested.

Not In My Backyard (NIMBY): According to Oxford Languages, NIMBY is a person who objects to the siting of something perceived as unpleasant or hazardous in the area where they live, especially while raising no such objections to similar developments elsewhere.

Racial Equity: According to HUD, Racial equity is the condition that would be achieved if one's racial identity no longer predicted, in a statistical sense, one's housing, economic, and health outcomes. With racial equity, race would no longer be used to predict outcomes, and outcomes for all groups are improved. Racial equity includes addressing root causes of inequities, not just their outcomes. This includes elimination of policies, practices, attitudes, and cultural messages that reinforce differential outcomes by race or otherwise fail to address them. Racial equity is also a process. This means that Black people, Indigenous people, and people of color—those most impacted—are part of the decision-making about funding, policies and programs. Sources: [Center for Assessment and Policy Development](#) and [Center for Social Inclusion](#)

Second homes: Properties that are not used as a primary residence.

Subsidies: According to Phoenix Community Alliance, Housing subsidies come in many forms, but the main objective is to supplement or offset monthly housing costs for individuals or families to remain in housing. Forms of subsidies include direct housing subsidies, public housing, rent supplement and some types of cooperative housing.

Target Neighborhoods: A qualified census tract where 51% or more of the households have an income which is 80% or less of Flagstaff's Area Median Income

THANK YOU

Coming soon

City Council

Mayor Paul Deasy
Vice Mayor Becky Daggett
Councilmember Austin Aslan
Councilmember Jim McCarthy

Councilmember Miranda Sweet
Councilmember Regina Salas
Councilmember Adam Shimoni

Housing Commission

Eric Davis
Tyler Denham
Nicole Ellman, Chair
Karen Flores
Sandi Flores

Khara House, Vice Chair
Chris Kemmerly
Devonna McLaughlin
Moses Milazzo
Erin O’Loughlin

Adrah Parafiniuk
Tad Riggs
Ross Schaefer Altenbaugh
Jo Wheaton

Project Management Team

Sarah Darr, Housing Director
Justyna Costa, Assistant Housing Director
Leah Bloom, Housing Project Manager

Informal Working Group Members

Coming Soon

City of Flagstaff Staff

Coming Soon

10 Year Housing Plan Update

Leah Bloom, Housing Section



LOCAL HOUSING GAP ANALYSIS

QUANTITATIVE RESULTS





Affordable/ Subsidized Housing Need

12,072 Households in Need of an Affordable Housing Subsidy or Unit

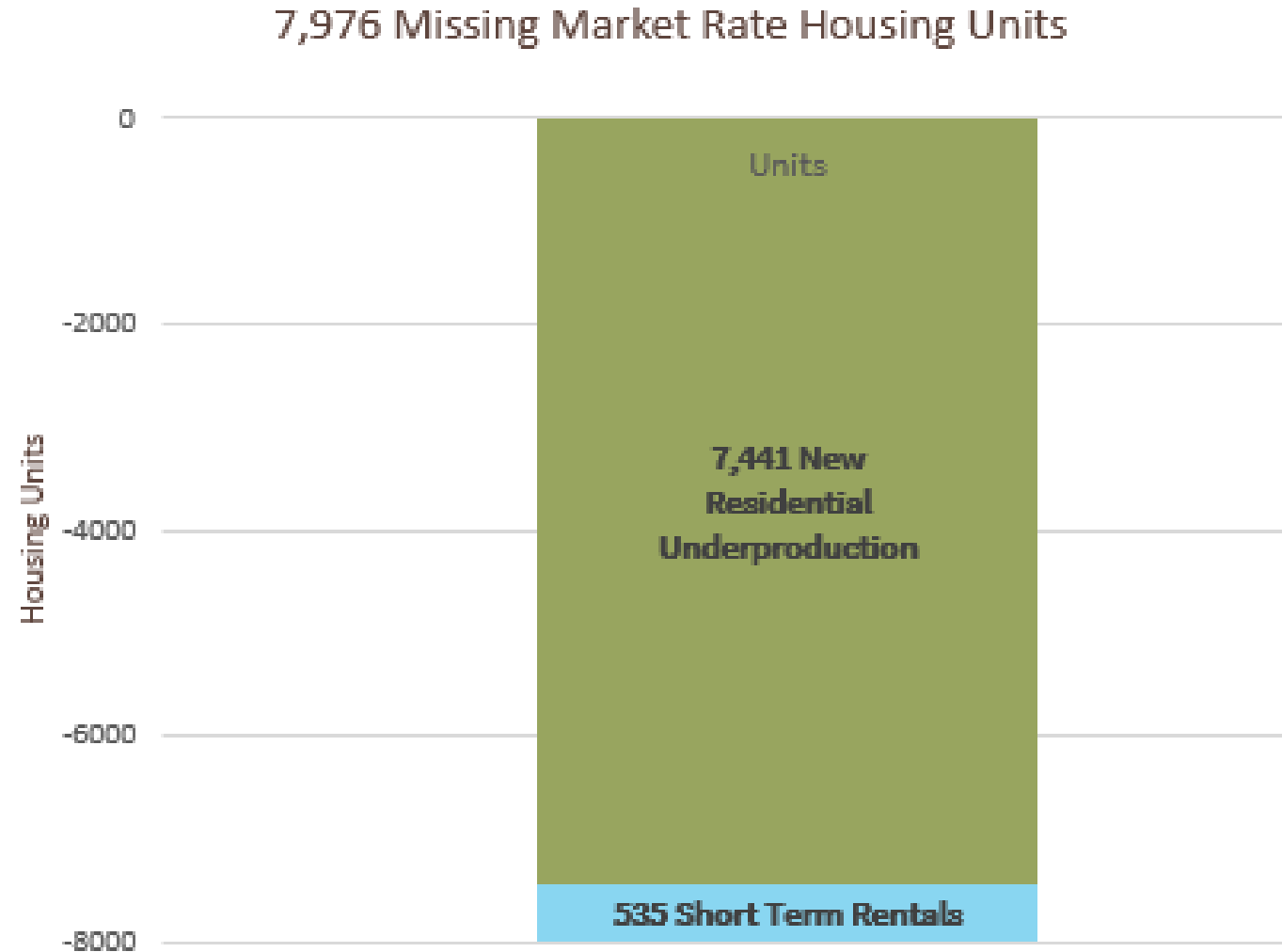
		Income & Household Size					
AMI Range		1 Person	2 Person	3 Person	4 Person	5+ Person	
Extremely low to low Income	0 - 30%	-2,236	-1,582	-486	-298	-273	10,916 Households
	30 - 50%	-1,072	-819	-359	-247	-155	
	50 - 80%	-487	-1,139	-491	-772	-500	
Low to Moderate Income	80 - 100%	212	248	114	-366	-311	1,156 Households
	100 - 120%	-119	1,206	2,708	247	-360	
	> 120%	-1,261	-4,514	6,366	4,562	392	



Market-Rate Housing Need

Estimated a market-rate housing gap of 7,976 units.

- 7,441 units from housing underproduction
- 535 from conversion to Short Term Rentals (STR)





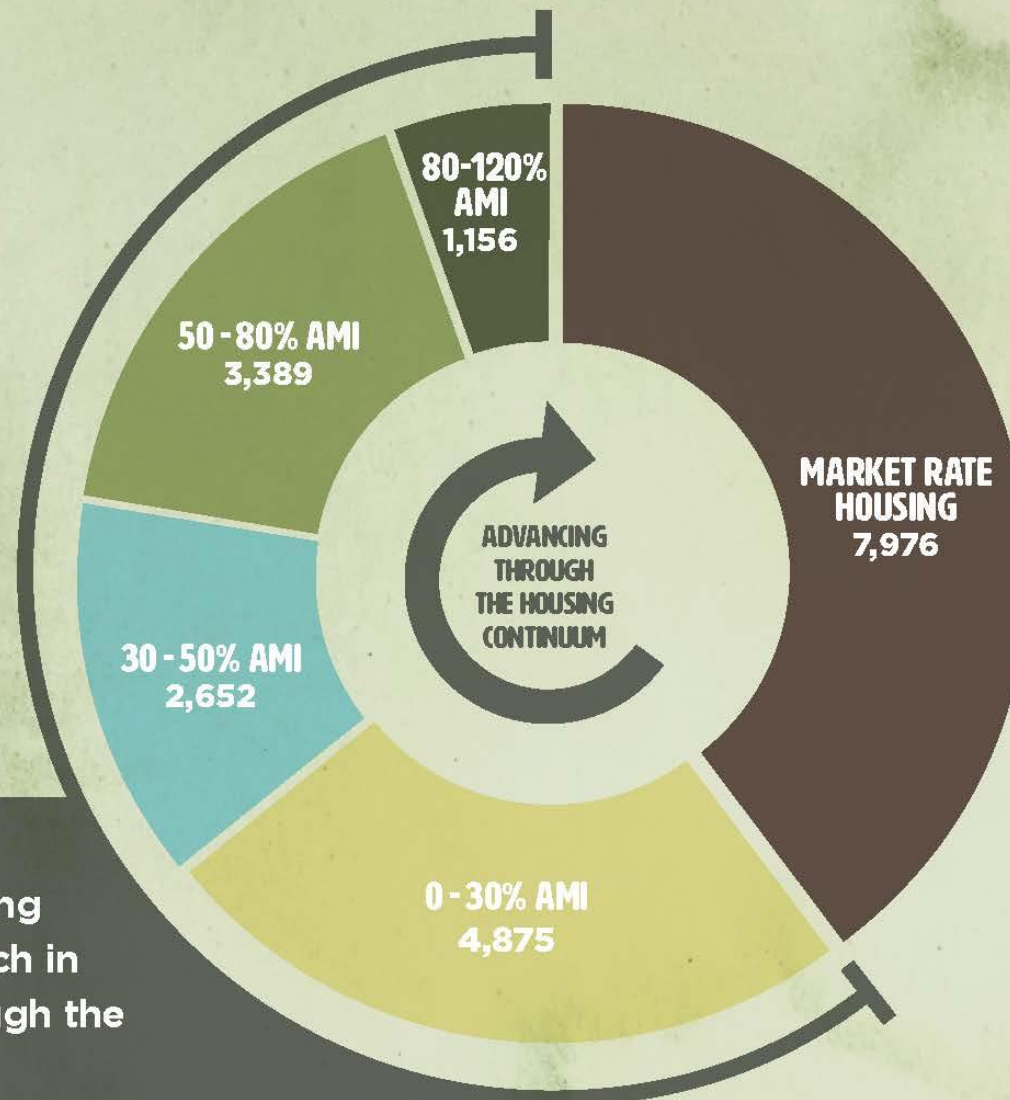
Total Housing Need



Housing Gap Analysis

7,976 market rate houses are needed to free up pressure on the Flagstaff's housing stock and catch up with population growth.

12,072 lower income households are living in less-than-ideal housing situations such as paying too much in rent and unable to advance through the housing continuum.



10 YEAR HOUSING PLAN GOAL





Single Overarching Goal

Reduce the current affordable housing need in Flagstaff by half.



Single Overarching Goal

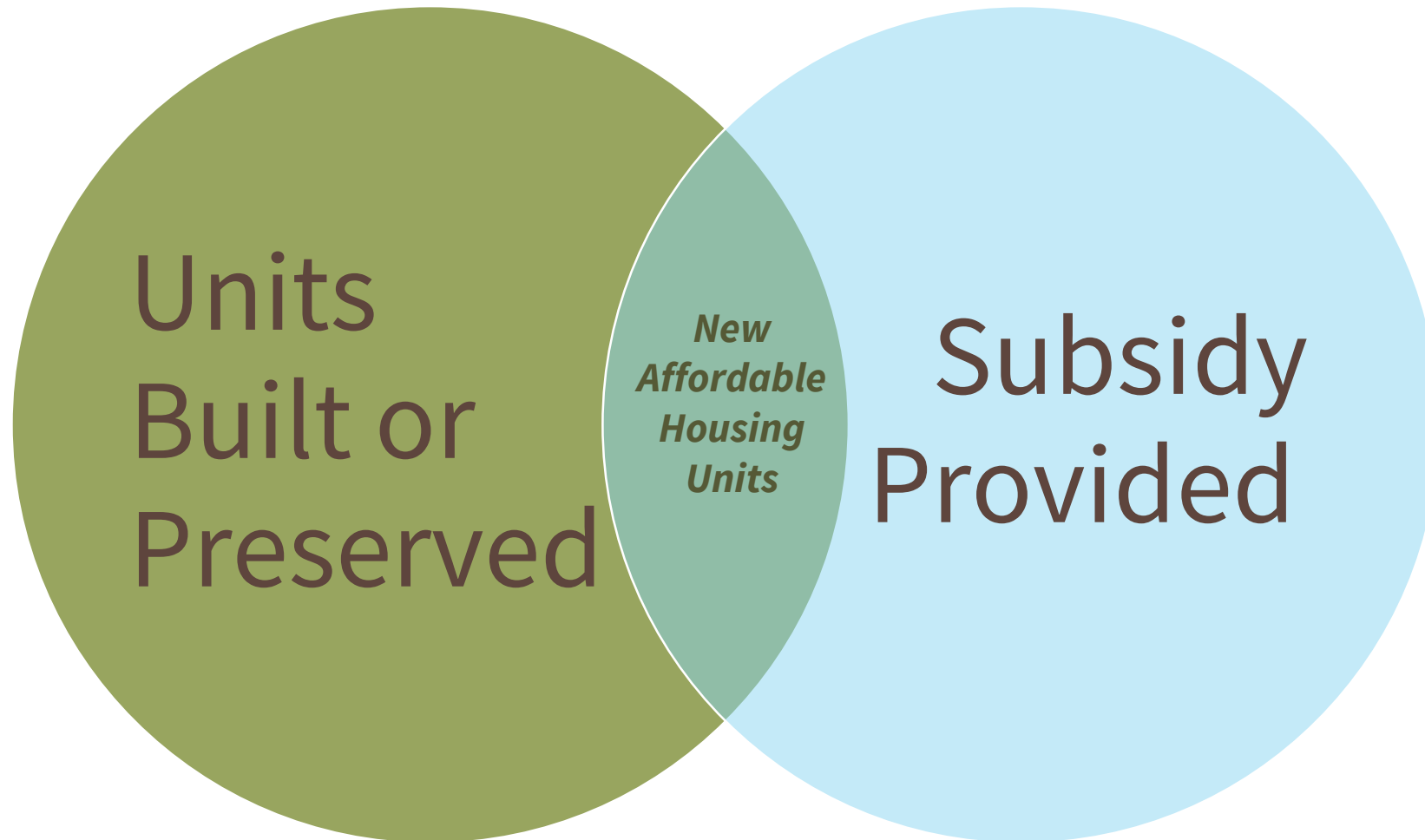
Reduce the current affordable housing need in Flagstaff by half.

Element one: Create or preserve 7,976 units by 2031 with a minimum of 10% affordable to increase the overall supply of market rate, workforce and affordable housing occupied by local residents.

Element two: Impact 6000 low to moderate Flagstaff residents through a combination of unit creation or subsidy provision.



Single Overarching Goal





Housing Goal Number

Element one: Create or preserve **7,976** units by 2031 with a minimum of 10% affordable to increase the overall supply of market rate, workforce and affordable housing occupied by local residents.

- Permits granted - 5 Year Average X Next 10 Years

- Average Single Family = 279
- Average Multifamily = 305

$$584 \times 10 \text{ Years} = 5,840$$

Add

- City Owned Land = 254
- Owner Occupied Rehabilitation Program = 14

$$5,840 + 254 + 14 = \mathbf{6,106}$$

6,106 units
X 25%

7,633



7,976



Housing Subsidies Goal Number

Projecting to serve **474** Flagstaff's low to moderate income residents with current and historical funding.

Programs – 5 Year Average X next 10 Years

- Employer Assisted Housing – 42 Households
 - Community Homebuyers Assistance Program – 48 Households
 - Eviction Prevention Program – 316 Households
 - First Time Homebuyers Down Payment Assistance Program - 68
-

Without an increase in funding, 474 Flagstaff
low to moderate household over 10 years



Housing Subsidies Goal Number

Element two: Impact **6000** low to moderate Flagstaff residents through a combination of unit creation or subsidy provision.

$$12,072 / 2 = 6,036$$

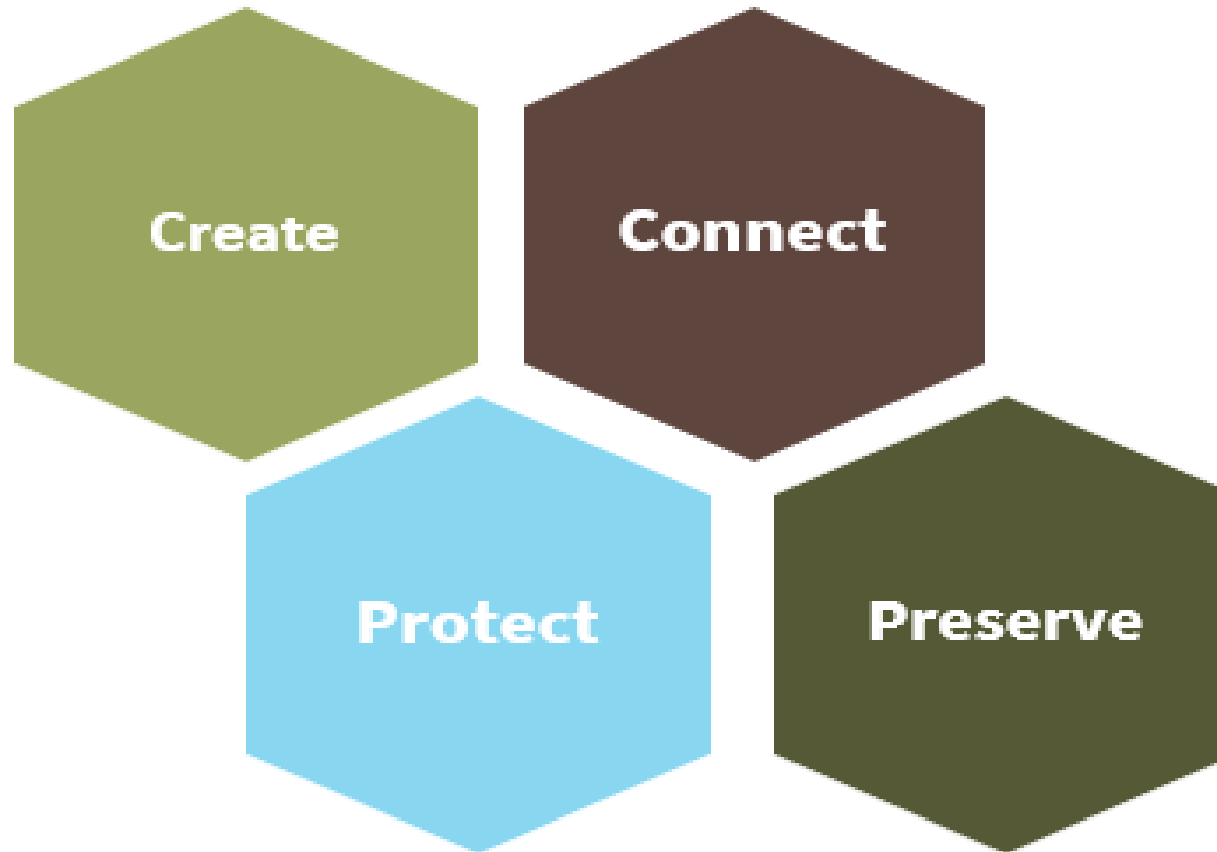
12,072 Households in Need of an Affordable Housing Subsidy or Unit

		Income & Household Size						
		AMI Range	1 Person	2 Person	3 Person	4 Person	5+ Person	
Extremely low to low Income	0 - 30%	-2,236	-1,582	-486	-298	-273		10,916 Households
	30 - 50%	-1,072	-819	-359	-247	-155		
	50 - 80%	-487	-1,139	-491	-772	-500		
Low to Moderate Income	80 - 100%	212	248	114	-366	-311		1,156 Households
	100 - 120%	-119	1,206	2,708	247	-360		
	> 120%	-1,261	-4,514	6,366	4,562	392		



Single Overarching Goal

Accomplished through 4 Policy Initiatives



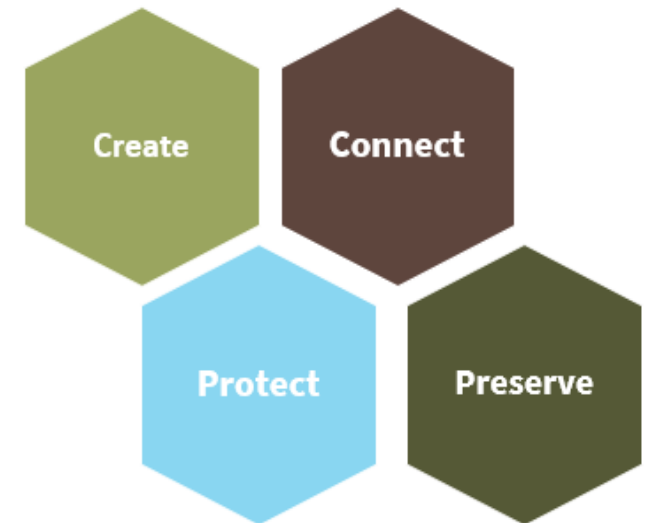


Single Overarching Goal

Reduce the current affordable housing need in Flagstaff by half.

Element one: Create or preserve 7,976 units by 2031 with a minimum of 10% affordable to increase the overall supply of market rate, workforce and affordable housing occupied by local residents.

Element two: Impact 6000 low to moderate Flagstaff residents through a combination of unit creation or subsidy provision.



ACTION



HOMES FOR ALL FLAGSTAFF RESIDENTS



10-YEAR HOUSING PLAN

CREATE. CONNECT. PRESERVE. PROTECT.



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Action Items

Goal Numbers and Draft 10 Year Housing Plan

- Discussion
 - Goal Numbers
- Action Items
 - Consideration of Approval of Draft 10 Year Housing Plan with established goal numbers.

IMPORTANT DATES



HOMES FOR ALL FLAGSTAFF RESIDENTS



10-YEAR HOUSING PLAN

CREATE. CONNECT. PRESERVE. PROTECT.



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Important Dates

- Sept. 29 – Nov. 2 – Public Comment Period & Community Forum Survey
- October 5 – Economic Collaborative of Northern Arizona
- October 7 – Northern Arizona Association of Realtors
- **October 7 – Virtual Public Outreach – *City of Flagstaff Commissioners***
- October 19 – Friend of Flagstaff's Future
- October 21 – Flagstaff Chamber of Commerce
- **October 27 – Virtual Public Outreach**
- November 2 – Coconino County Continuum of Care
- November 29 – Housing Commission, Consideration of approval of Final Plan
- December 7 – City Council, Consideration of adoption of Final 10 Year Housing Plan