

Title of Issue:

Flagstaff's response to our local long-term Housing Crisis

Action Requested:

We request that Flagstaff City Council declare a Housing Crisis in the City of Flagstaff through Emergency Resolution. This action should be followed by the prioritization of housing as a focus of investment, action and support by the City.

Why Should Council Declare a Housing Crisis NOW?

- The lack of affordable and workforce housing in our community has been a crisis for 50+ years. Data shows housing costs have exceeded the buying/renting power of our workforce for decades, pushed up by limited supply and external demand. In 2010, nearly 25% of the housing market was second homeowners.
- Over the past 10 years, the median sales price increase has far exceeded the increase in household median income. Home sales prices have increased 53% over that time period, while median income has increased 23%.
- In 2019, the median sales price of a home in Flagstaff (considering all housing types: single family, manufactured, condo and town home) was \$385,000. A family would need to earn approximately \$81,600 annually to afford the monthly housing payment and have about \$25,000 in funds to contribute toward the down payment and closing costs.
- In 2020, HUD's Fair Market Rent determination for a 2-bedroom apartment in Flagstaff was \$1,266/mo. A family would need to earn \$4,220/mo. or \$50,640/yr. to afford that monthly rent.
- 54.6% of respondents to the ECoNA Housing Attainability survey stated they are considering leaving Flagstaff because of housing costs. 43.6% plan to leave in the "next few years." – ECoNA Housing Attainability for the Flagstaff Workforce, Nov. 2017.
- Flagstaff's Cost of Living is 15% higher than the national average, driven by housing costs that are 42.5% higher than the national average, according to the Flagstaff Chamber of Commerce.
- 43% of households in Flagstaff are cost burdened, paying more than 30% of their incomes for housing. 60% of renter households in Flagstaff are cost burdened, according to the ECoNA Housing Attainability for the Flagstaff Workforce report, Nov. 2017.
- Solving the City of Flagstaff's Affordable Housing Crisis furthers the Council's Climate Action and Adaptation Plan. (1) When households have decent, safe and affordable housing close to their employment and amenities, pollution due to transportation is reduced. (2) When housing is compact and energy efficient, it is more affordable long-term for the owner/renter and the amount of utilities used per household is decreased. (3) When we look to increase density, we reduce housing costs and reduce sprawl, as well as our impact on green fields.
- Housing is healthcare. The Covid Pandemic is a stark wake-up call to decision-makers, illustrating that individuals without stable housing are more vulnerable to poor health and communicable diseases, including COVID-19. Unhoused people have limited options for safe, sanitary shelter, making an effective response to the deadly virus extremely difficult. The economic crisis, which resulted from COVID-19 closures disproportionately impacts lower-income households, which are often one life-event away from eviction and/or foreclosure, causing housing insecurity.

Specific Outcomes:

Specific outcomes of the Housing Crisis declaration may include:

- The City of Flagstaff, with input from its Housing Commission will set a goal for affordable housing development and preservation within the City over the next 10 years. This goal and

progress toward achieving the goal will be assessed annually by the City Council in a report to the Council and community.

- Affordable and Workforce Housing (serving households at or below 125% area median income - AMI) will be a priority for ALL City of Flagstaff departments.
- City of Flagstaff will review city-owned land for viability/feasibility of development for affordable housing. Any proposed future development or preservation of City-owned land will consider affordable housing as a priority use for the site.
- Expedite the development of affordable housing on City-owned land, including the issuance of the City's RSOQ to identify a development partner for the redevelopment of public housing units and the expansion of affordable housing on city-owned land.
- Create a process for expedited development review of proposed affordable housing developments that guarantee to serve/benefit households below 100% AMI.
- Prioritize affordable housing within City staff's work plans.
- Review and revise the Incentive Policy for Affordable Housing to create meaningful incentive for the private sector to create affordable and workforce housing.
- Support changes to the zoning code that would increase the supply of housing, including changes to mixed-use development zoning that would allow for Affordable Housing in lieu of commercial use.
- Create and implement a public education and outreach campaign to educate the community about the need for affordable housing investment.