

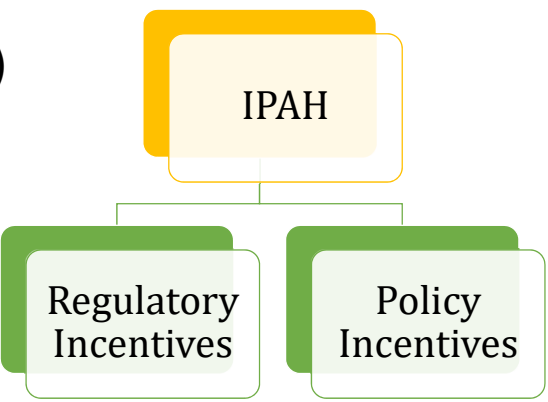


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 Purpose 

Overview of Incentive Policy for Affordable Housing (IPAH)

- Regulatory Incentives
- Policy Incentives



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graph TD; IPAH[IPAH] --> RI[Regulatory Incentives]; IPAH --> PI[Policy Incentives];
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Terms Defined



AMI = Area Median Income

*100% AMI for a family of 4
=\$75,200*

CLTP = Community Land Trust Program

IH = Inclusionary Housing

IPAH = Incentive Policy for Affordable Housing

LIHTC = Low Income Housing Tax Credit

'Affordable Housing', as defined in IPAH:

Housing or shelter that is developed or re-developed for households earning no more than 150% of the AMI for ownership and no more than 100% AMI for rentals. In order to avoid being cost burdened, households should not spend more than 30% of their gross income on housing.

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What does AZ state law allow?




"This section does not limit the authority of a city or town to adopt or enforce a land use regulation, general or specific plan provision or condition of approval creating or implementing an incentive, density bonus or other voluntary provision or condition designed to increase the supply of moderate or lower cost housing"


ARS § 9-461.16, 2016

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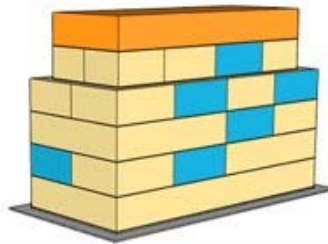
What is Inclusionary Housing?





5 Stories - 58,000 square feet

58 Market-Rate Units
No Affordable Units

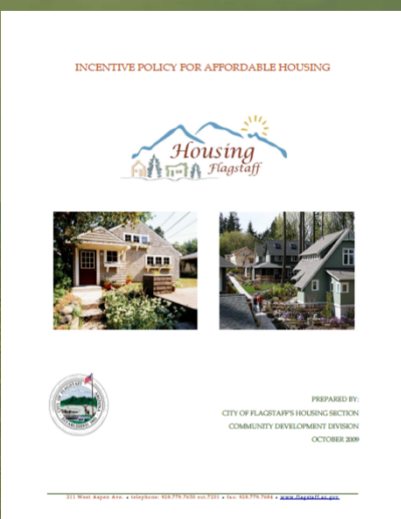


6 Stories - 66,000 square feet

10% Inclusionary Requirement
14% Density Bonus
60 Market-Rate Units
6 Affordable Units

Inclusionary Housing Explained: <https://inclusionaryhousing.org/>

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INCENTIVE POLICY FOR AFFORDABLE HOUSING

PREPARED BY:
CITY OF FLAGSTAFF'S HOUSING SECTION
COMMUNITY DEVELOPMENT DIVISION
OCTOBER 2009

IPAH History

- Original Set-Aside Policy (2001)
- Council-directed replacement of the original Set-Aside Policy
- Adopted 2009
- Informed by:
 - 2005 Community Housing Policy Task Force
 - 2006 Comprehensive Plan
 - 2008 NEXUS Study
- Predated 2 important rewrites:
 - 2011 Flagstaff Zoning Code
 - 2014 Flagstaff Regional Plan 2030

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Affordability Standards

IPAH offers a menu of incentives depending on what income is served



10% Minimum Contribution

Income Limits

- 150% AMI for ownership
- 100% AMI for rentals

Period of Affordability

- 99 yr. restrictions on ownership
- 30 yr. restrictions on rental

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Zoning Code (Regulatory) Incentives



- Flagstaff Zoning Code adopted in 2011
- Appendix 6 incorporates the IPAH
- Section 10-20.30 Affordable Housing Incentives
 - Density Bonus
 - Resource Protection Reduction
 - Landscaping Reduction
 - Parking Reduction
 - Building Standards Adjustment

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Regulatory Incentives Menu





Table 10-30.20.040.A: Number of Incentives

Number of Incentives	Category 1 ¹ Permanent Affordability (% of Affordable Units)	Category 2 ¹ Permanent Affordability (% of Affordable Units)	Category 3 ¹ Permanent Affordability a and Sustainable Building – Division 10- 30.70 (% of Affordable Units)	Category 4 ¹ One-time Affordability (% of Affordable Units)
1	10%	10%	10%	10%
2	11%	12%	12%	
3	12%	14%	14%	
4	13%	16%	16%	
5 or more	14% or more	20% or more	20% or more	


End Notes

¹ The income ranges associated with Categories 1 through 4 shall be determined by the Council in the most recently adopted IPAH document (see Appendix 7 (Additional Information on Affordable

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Policy Incentives



IPAH incentivizes developments that commit to permanently affordable housing units.

Incentives:

1. Deferral of development fee payments
2. Fee and permit payment
3. Expedited Review
4. Zoning code incentives
5. In-lieu contributions

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 **Funding** 



Current balance = \$229,901
Reserved funds = \$53,260

Approximate balance =
\$176,641

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Accomplishments

Ownership = 64
Rental = 213
Total Units = 277





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What does the IPAH do well?



- Having an affordable housing incentive policy at all
- Legally binding documents
- CLTP in place to accept permanent ownership units
- Wide range of incomes allowed, beyond 80% AMI
- Less prescriptive

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What has changed?



- Funding
- Emphasis on permanent affordability
- Expedited review
- Regional Plan & Zoning Code



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What are our opportunities?




- Clear statement that all rezoning cases are encouraged to contribute a minimum of 10% affordable units
- Broader focus on all types of affordability
- Align the IPAH with current Zoning Code and Regional Plan

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Opportunities – cont'd




- Align incentives with available resources
- Standardize affordable rents
- Collective knowledge base

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Next Steps




Fall/Winter 2020


- Working Groups
- Developer/Builder Interviews
- Feasibility with Planning & Engineering



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Timeline



<div style="background-color: #4F7942; color: white; padding: 5px; margin-bottom: 5px;">Fall/Winter 2020</div> <div style="border: 1px solid #4F7942; padding: 5px;"> Working Group Developer Interviews Feasibility Discussions with staff </div>	<div style="background-color: #4F7942; color: white; padding: 5px; margin-bottom: 5px;">Spring 2021</div> <div style="border: 1px solid #4F7942; padding: 5px;"> Drafting IPAH Drafting Code Amendments Public Outreach </div>	<div style="background-color: #4F7942; color: white; padding: 5px; margin-bottom: 5px;">Summer 2021</div> <div style="border: 1px solid #4F7942; padding: 5px;"> Housing Commission Recommendation Planning & Zoning Commission Recommendation Council Adoption </div>
<div style="background-color: #E6C9A0; padding: 10px; display: inline-block; border: 1px solid #E6C9A0;"> ← Ongoing interdepartmental communication → </div>		

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Thank You

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