

HOUSING COMMISSION
THURSDAY
MARCH 28, 2024

NOTICE AND AGENDA

HYBRID MEETING
MICROSOFT TEAMS MEETING
FLAGSTAFF AQUAPLEX
1702 N. FOURTH ST.
1:00 P.M.

ATTENTION
ATTEND IN-PERSON MEETINGS AT THE AQUAPLEX, LOCATED AT 1702 N FOURTH ST, OR JOIN VIRTUALLY BY CLICKING ON THE LINK BELOW .

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

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

1. **Call to Order**

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the Commission and to the general public that, at this regular meeting, the Commission may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. **Roll Call**

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

Kevin Bond
Eric Brownfield
Tyler Denham
Kevin Dobbe

Karen Flores
Sandi Flores
Jacquie Kellogg
Devonna McLaughlin
Moses Milazzo

Cory Runge
Ross Schaefer
Glenn Slivers
Hayley Zoroya

3. **LAND ACKNOWLEDGMENT**

The Housing Commission humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. **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.

5. **APPROVAL OF MINUTES**

- A. Consideration and Approval of Minutes: Housing Commission Meeting, February 22, 2024.
Approve the minutes from the February 22, 2024 Housing Commission meeting.

6. **GENERAL BUSINESS**

- A. Introduce and Welcome Commissioner Kevin Bond.
- B. LASS+CAP Update - DRAFT Land Inventory and Code Diagnosis Reports
Information item only with an opportunity to provide comments.

7. **ACTION AND DISCUSSION ITEMS**

- A. Community Development Block Grant (CDBG) Program Year 2024 Funding Allocation
Recommendations to Council
Motion to forward the ranking committee and staff recommendations of Program Year 2024 CDBG
funding allocations to City Council with a recommendation for approval.

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

- A. Update from Housing Authority Liaison
- B. Update from Housing Commissioners and Other Informational Items
- C. Update from Housing Staff

9. **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 _____, 2024.

Adriana Fisher, Housing Program Manager



Housing Commission

5. A.

From: Adriana Fisher, Housing Program Manager

DATE: 03/28/2024

SUBJECT: Consideration and Approval of Minutes: Housing Commission Meeting, February 22, 2024.

STAFF RECOMMENDED ACTION:

Approve the minutes from the February 22, 2024 Housing Commission meeting.

Executive Summary:

Minutes of Commission meetings 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

Draft February 22, 2024 HC Meeting Minutes

DRAFT MEETING MINUTES

**HOUSING COMMISSION
THURSDAY
FEBRUARY 22, 2024**

**HYBRID MEETING
MICROSOFT TEAMS MEETING
FLAGSTAFF AQUAPLEX
1702 N. FOURTH ST.
1:00 P.M.**

1. Call to Order

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Chair Devonna McLaughlin 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 BROWNFIELD - Present in person
TYLER DENHAM - Present virtually, joined at 1:20pm
KEVIN DOBBE - Present in person, joined at 1:04pm
KAREN FLORES - Present in person

SANDI FLORES - Present virtually
JACQUIE KELLOGG - Present virtually
DEVONNA MCLAUGHLIN - Present in person
MOSES MILAZZO - Absent
CORY RUNGE - Present in person

ROSS SCHAEFER - Present virtually
SEAN SLAWSON - Present virtually
GLENN SLIVERS - Absent
HAYLEY ZOROYA - Present virtually

OTHERS PRESENT:

Adriana Fisher, Housing Program Manager
Kristine Pavlik, Housing & Grants Administrator
Jennifer Mikelson, Housing Planning Manager
Marissa Molloy, Housing Specialist
Jessica Watson, Housing Planner
Khara House, Council Liaison
Christina Rubalcava, Senior Assistant City Attorney
Stacy Fobar, Deputy City Clerk
Gary Nelson, Delegated Broker with Realty Executives of Flagstaff

Chair McLaughlin and Commission Liaison Ms. Adriana Fisher, Housing Program Manager, bid farewell to Commissioner Sean Slawson as this was his last meeting. Commissioner Slawson expressed his gratitude for the opportunity to serve on the Commission, wished everyone good luck, and apologized for having to resign due to his upcoming move out of city limits.

3.

LAND ACKNOWLEDGMENT

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Read by Commissioner Cory Runge.

4. Public Comment

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None.

5. APPROVAL OF MINUTES

- A. Consideration and Approval of Minutes: Housing Commission Meeting, January 25, 2024
Approve the minutes from the January 25, 2024 Housing Commission meeting.

Moved by Ross Schaefer, **seconded by** Karen Flores to approve the minutes from the January 25, 2024 regular Housing Commission meeting.

Commissioner Tyler Denham was absent for vote.

Vote: 10 - 0 - Unanimously

6. ACTION AND DISCUSSION ITEMS

- A. Vote for two (2) Housing Commission representatives to attend Regional Plan draft chapter review meetings.

Ms. Fisher indicated that Comprehensive & Neighborhood Planning Manager, Sara Dechter, who is leading the Regional Plan update, recommended that each board and commission send one or two commissioners to the upcoming Regional Plan draft chapter review meetings. Chair McLaughlin noted Commissioner Tyler Denham had expressed interest in attending and asked for one more volunteer. Commissioner Runge volunteered. Ms. Fisher provided clarification on the responsibilities.

Chair McLaughlin obtained a vote to approve the attendance of Commissioners Denham and Runge to the Regional Plan draft chapter review meetings as individuals with expertise from the Housing Commission.

Commissioner Denham was absent for this vote.

Vote: 10 - 0 - Unanimously

- B.** Overview and Discussion: Flagstaff Home Buying Market and Bond-Funded Homebuyer Assistance Program
Receive an overview of the Flagstaff home buying market and discuss possible options for the Bond-Funded Homebuyer Assistance Program.

Ms. Fisher gave an overview of the brainstorming session in the previous meeting, the amount of funding available for the program, and introduced three presenters to discuss the Flagstaff housing market. Commissioner Karen Flores presented as a local lender on the mortgage process, interest rates and their impact on buyer's qualification, and what challenges they see now and in the future. Gary Nelson, Delegated Broker with Realty Executives of Flagstaff, presented national, state, and local statistics. Chair McLaughlin presented as the Chief Executive Officer of Housing Solutions of Northern Arizona on client information for down payment and closing cost assistance programs they administer. Ms. Fisher said questions from the Commissioners could be emailed to her.

7. GENERAL BUSINESS
None

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

- A.** Update from Housing Authority Liaison

Item not addressed due to time constraints.

- B.** Update from Housing Commissioners and Other Informational Items

Item not addressed due to time constraints and due to no Housing Authority representation present.

- C.** Update from Housing Staff

Item not addressed due to time constraints, but Ms. Fisher indicated any updates from staff would be emailed to the Commission.

9. ADJOURNMENT

Chair Devonna McLaughlin adjourned the meeting at 3:01 pm.



Housing Commission

6. B.

Co-Submitter: Michelle McNulty, Planning Director

From: Adriana Fisher, Housing Program Manager

DATE: 03/28/2024

SUBJECT: LASS+CAP Update - DRAFT Land Inventory and Code Diagnosis Reports

STAFF RECOMMENDED ACTION:

Information item only with an opportunity to provide comments.

Executive Summary:

The purpose of the LASS+CAP project is to understand what land is available within the Flagstaff city limits for development and redevelopment/infill and the existing barriers. It also serves to analyze City development codes and processes to identify what works well and where the barriers are to meeting the City's housing and sustainability goals and policies. The outcome of the analysis is to identify priority sites for residential development and to list prioritized, recommended code changes.

In this update, presenters will go over the DRAFT Land Inventory and Code Diagnosis Reports.

Attachments

LASS+CAP Update Presentation

Boards, Commissions and Council Update

March and April 2024



LASS +CAP

LAND AVAILABILITY AND
SUITABILITY STUDY +
CODE ANALYSIS PROJECT

Consultant Team





Project Introduction

Multi-pronged initiative to address critical long-term planning and resilience needs:

- Partnership between Planning, Housing, Sustainability, Mountain Line
- Provides much-needed base for high-level coordination between numerous City Divisions
- Highly coordinated with Engineering (Development Engineering and Transportation), Fire, Building Safety, Economic Vitality, Water Services, and others

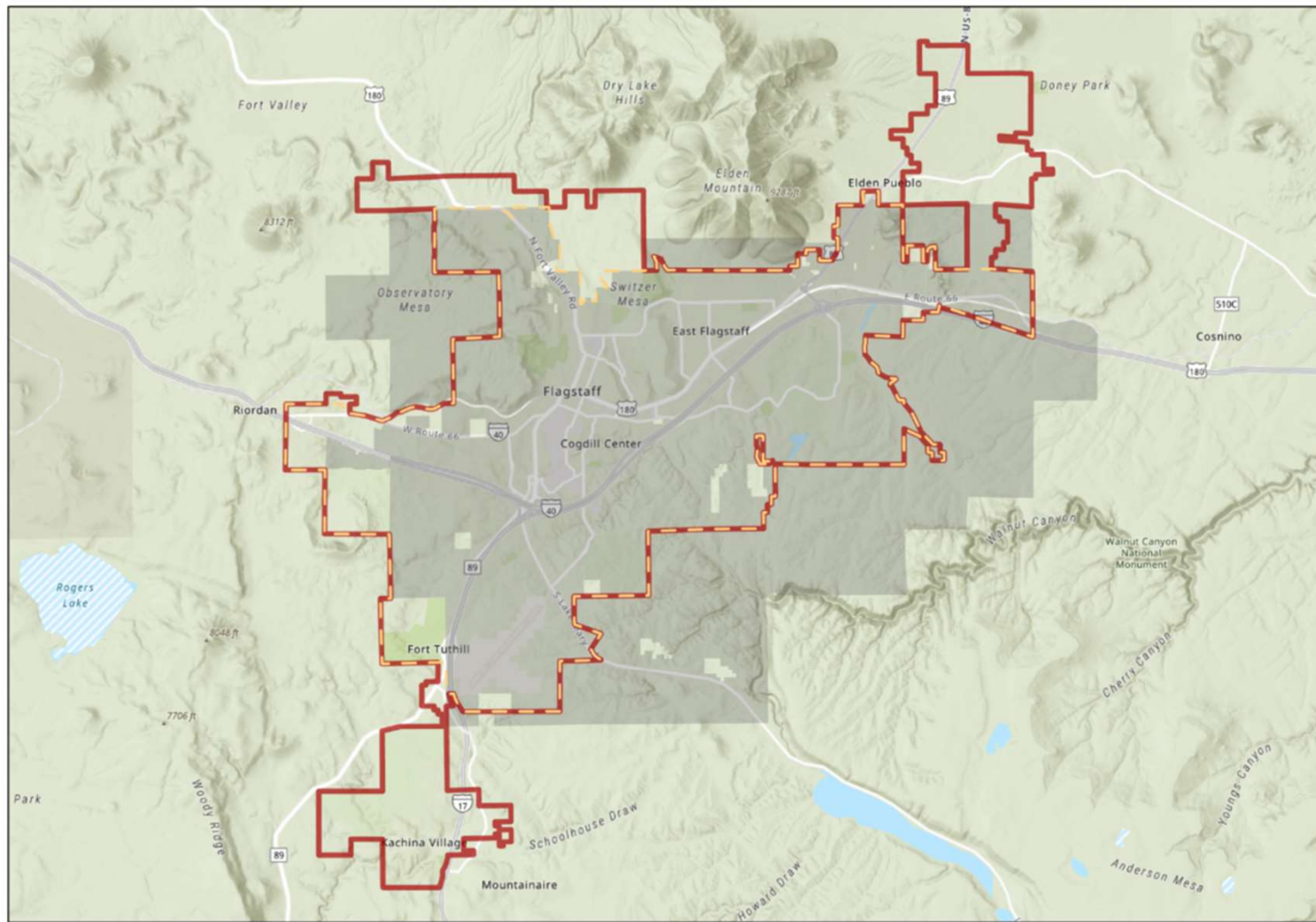


Project Scope

The project will conduct an in-depth analysis of:

1. What land is available in Flagstaff and what is development potential and barriers (LASS)
2. In-depth development code and process analysis through the lens of City Council commitments to address Housing and Climate (CAP)
3. Analysis what's working and what is not (CAP)

**This analysis will test theory against approved projects.*



- Legend**
- Project Boundary
 - Flagstaff City Boundary
 - Urban Growth Boundary



Study Area

City of Flagstaff Buildable Lands Inventory

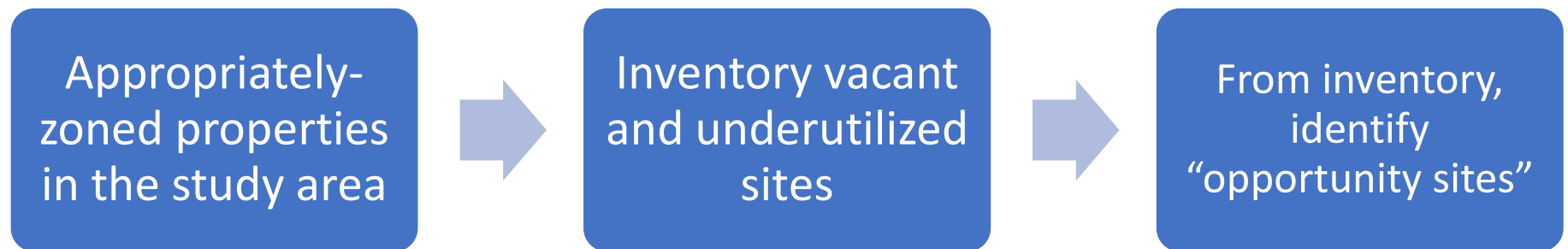
Flagstaff, AZ



LASS Methodology



High-Level Process





LASS Methodology



Land Use Categories

RESIDENTIAL



- All residential zones
- Transect zones

COMMERCIAL*

- All commercial zones



INDUSTRIAL*

- All industrial zones



PUBLIC

- Public Facility zone
- Publicly-owned properties, regardless of zoning
- Excludes Forest and Public Open Space, Schools, and select other uses & public owners based on COF input

**Considered due to mixed use capability.*



LASS Methodology



Vacant and Underutilized Sites



VACANT

- Improvement Full Cash Value (FCV) equals zero



UNDERUTILIZED

- In each category, parcels with lowest 10% of Improvement FCV to Parcel Area ratio are included in the inventory



LASS Methodology

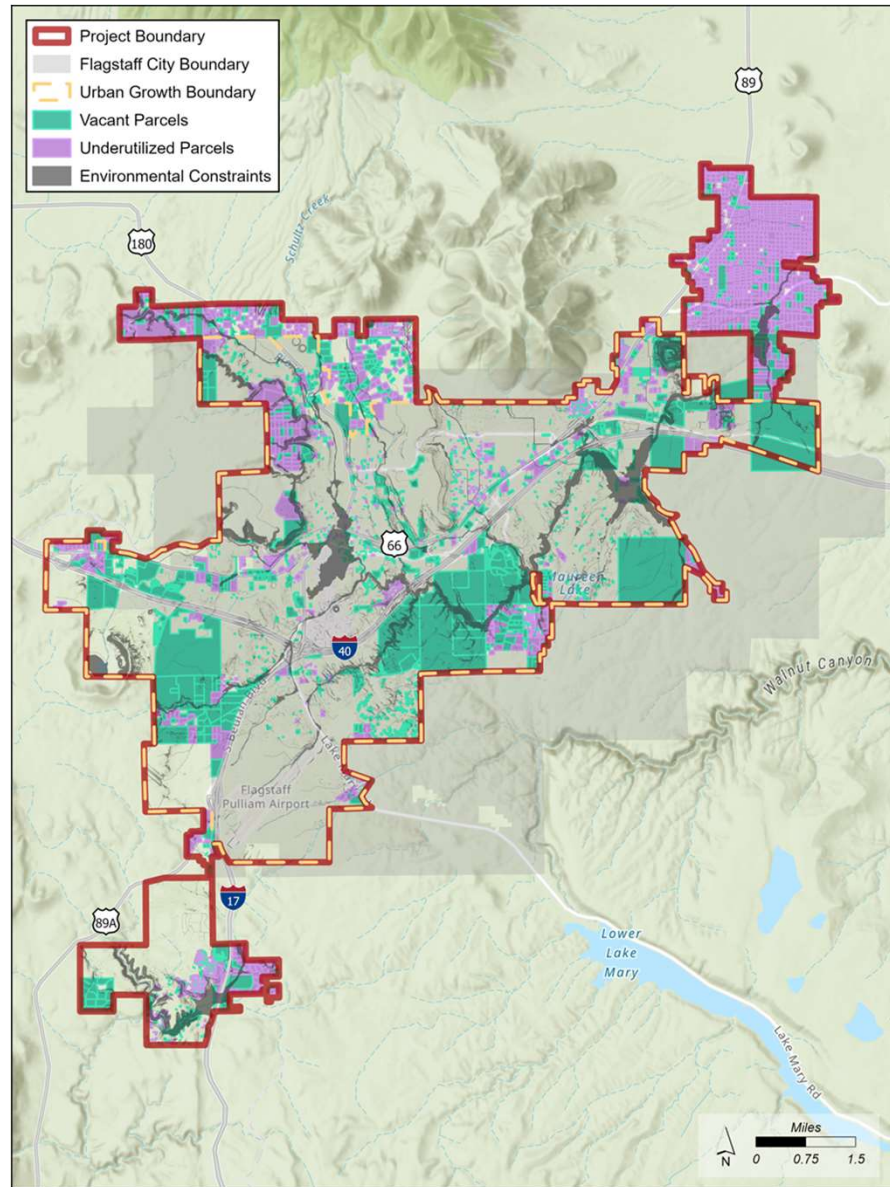


Secondary Screening

- Removed parcels such as:
 - Narrow strips along ROWs
 - Obvious “mistakes,” like condo building parcels or private roads that didn’t get picked up
- Environmental screening
 - Applied constraints approved by COF team:
 - NWI wetlands
 - 20’ stream buffer
 - Slopes over 25%
 - 100-year floodplain
 - Calculated constrained acreage, unconstrained acreage, and unconstrained percentage for each parcel

Vacant and Underutilized Lands

Buildable / Available Land:
areas of unconstrained land on
vacant or underutilized parcels,
which could theoretically redevelop





General Conclusions

Across the study area:

- Vacant Land: approximately 8,125 acres, spread across 2,242 parcels.
 - 6,735 acres of which are residentially zoned.
- Underutilized Land: approximately 5,399 acres, spread across 1,822 parcels.
 - These lands contain minimal structures that have a low enough improvement FCV value to suggest that economic forces could encourage their redevelopment for a greater or higher value use, such as housing.

Factoring in environmental constraints:

- Approximately 13% of the vacant land within the study area is environmentally constrained by stream corridors, wetlands, steep slopes, and floodplain or floodways.
 - These lands may not be conducive to development or redevelopment, including for housing.
- **Buildable Land:**
 - approximately **7,062 acres of vacant buildable** land
 - approximately **4,865 acres of underutilized buildable** land
- These lands represent the lands most likely to develop or redevelop in the future.



General Conclusions

- **The most common environmental constraints in Flagstaff are steep slopes and floodplains and floodways.**
- This analysis considered steep slopes as any slope 25% or greater, which impacted nearly 7% of the study area's land.
 - Flagstaff zoning code currently regulates development on slopes 17% or steeper through the Resource Protection Overlay, which represents a significant barrier to housing development on sites that may be able to support development.
 - As the LASS+CAP project team continues to evaluate potential code changes that could result in greater residential yield, the steep slope provisions of the Resource Protection Overlay may offer such an opportunity.
- Floodplain and floodway areas impact over 4% of the study area's land.
 - It is likely this number will be reduced through the eventual construction of the Rio de Flag Flood Control Project.
 - Nonetheless, floodplain and floodway within Flagstaff currently presents a significant challenge to the development of housing in the study area's vacant parcels.



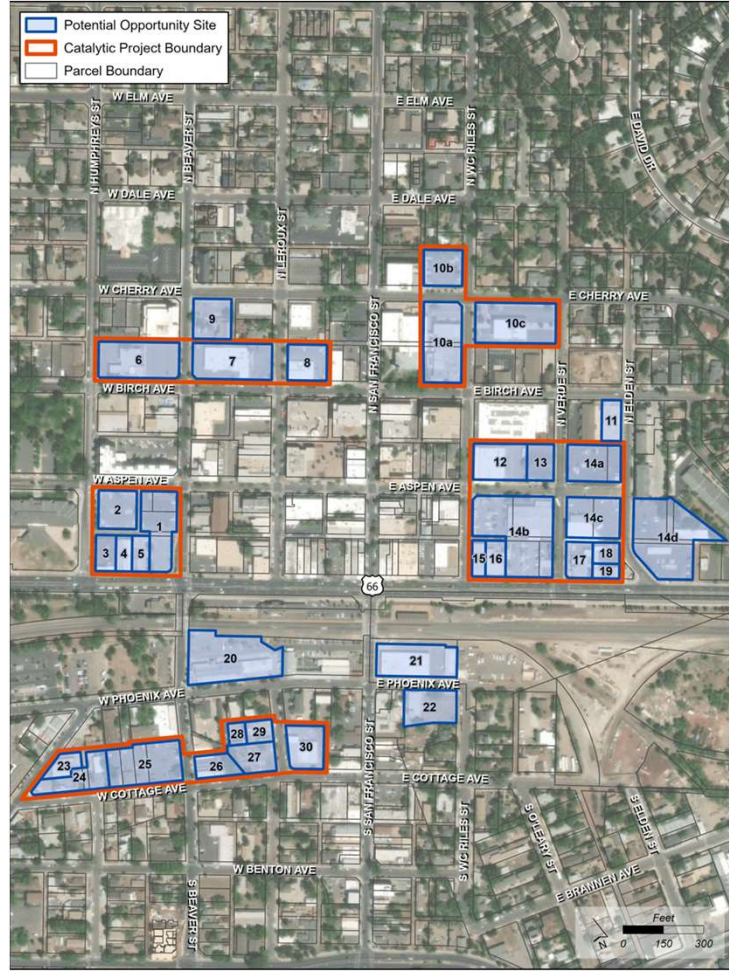
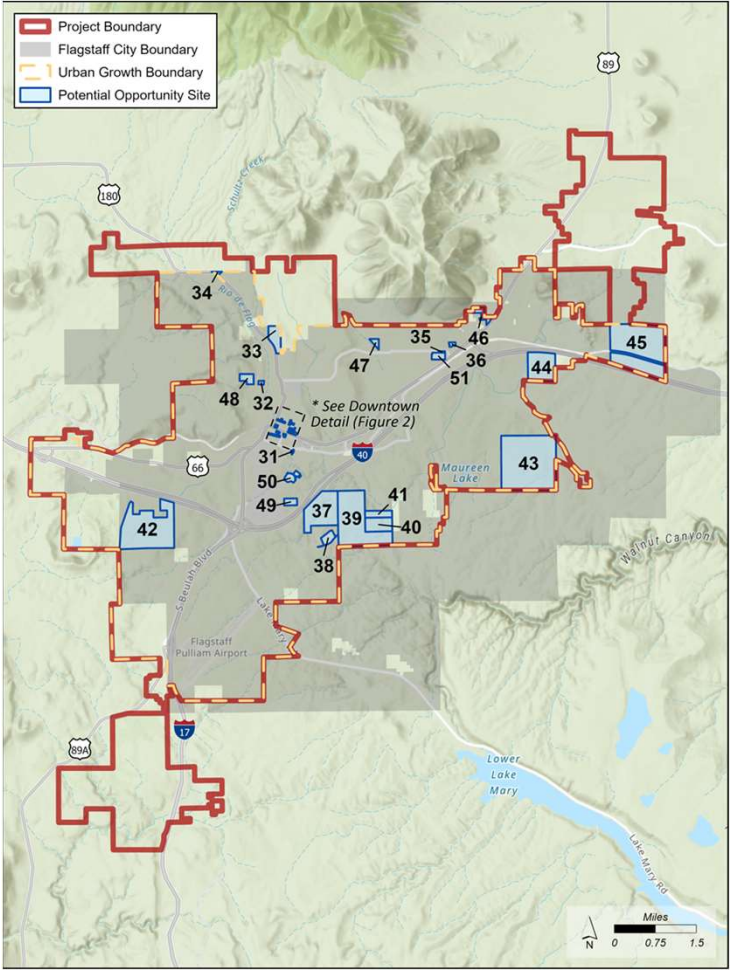
Opportunity Sites Review



- Worked with City team to identify around 50 “opportunity sites” for closer study
- Goal was to select sites of a variety of locations, sizes, owners, and states of development that could be candidates for infill or new residential development areas
 - Interactive comment map
 - Discussions with multiple City divisions
 - Site visits
- City also recommended inclusion of sites from the following special categories:
 - Catalytic Project areas from the 2023 Draft Downtown Flagstaff Vision & Action Plan
 - Arizona State Trust lands
 - U.S. Forest Service administrative sites with potential for residential land leases
 - Redevelopment of existing public housing sites



Opportunity Sites





Opportunity Site Readiness

Opportunity Level	
High	Significant potential residential yield (based on qualitative assessment of current zoning and site size). <i>AND/OR</i> Development that is likely to occur under current zoning would be consistent with City affordability and climate goals.
Medium	Moderate potential residential yield (based on qualitative assessment of current zoning and site size). <i>AND/OR</i> Development that is likely to occur under current zoning would be somewhat consistent with City affordability and climate goals.
Low	Limited potential residential yield (based on qualitative assessment of current zoning and site size). <i>AND/OR</i> Development under current zoning would likely not be consistent with City affordability and climate goals.



Opportunity Site Readiness

Infrastructure Readiness Level	
High	Water and sewer utilities are directly accessible to the site, minimizing the potential need for offsite improvements (such as upsizing mains or pipe relocations). AND Site is well-connected to all modes of transportation, or planned system improvements will connect the site in the future. Supports transit and active modes of transportation.
Medium	Water and/or sewer utilities are partially accessible to the site, and some off-site utility improvements (such as new extensions, upsizing mains, or pipe relocations) will be required. AND/OR Site is at least partially connected to an existing primary transportation route, or planned system improvements will connect the site in the future. May have moderate access to transit and active modes of transportation.
Low	Water and/or sewer utilities are not available to the site, and significant offsite improvements (such as new extensions, upsizing mains, or pipe relocations) will be required. These may be extensive and costly. AND/OR Site has a major lack of convenient and sustainable access.



Opportunity Site Characteristics

Ownership

- **City:** 11 sites, approximately 79.7 total acres or 73.3 environmentally unconstrained acres.
- **County:** 4 sites, approximately 59.3 acres or 54.1 environmentally unconstrained acres.
- **National Forest:** 4 sites, approximately 81.3 acres or 72.8 environmentally unconstrained acres.
- **State Trust:** 5 sites, approximately 2,187 acres or 2,066 environmentally unconstrained acres.
- **Private or other:** 32 sites, approximately 365 acres or 282 environmentally unconstrained acres.

Current Development / Land Use

- **Developed (Built Out):** 4 sites, approximately 38.2 acres.
- **Developed (Including Surface Parking):** 26 sites, approximately 15.8 acres.
- **Surface Parking:** 6 sites are entirely surface parking lots, approximately 2.7 acres.
- **Undeveloped:** 20 sites are either almost or completely undeveloped, approximately 2,715 acres.



Opportunity Site Characteristics

Zoning

- **Commercial** (Central Business, Commercial Service, Community Commercial, and/or Highway Commercial) – 36 sites, approximately 21 acres.
- **Public Facility / Public Lands Forest** – 2 sites, approximately 30 acres.
- **High Density Residential** – 3 sites, approximately 22 acres.
- **Medium Density Residential** – 2 sites, approximately 26 acres.
- **Manufactured Housing** – 1 site, approximately 27 acres.
- **Single Family Residential** – 3 sites, approximately 93 acres.
- **Rural or Estate Residential** – 9 sites, approximately 2552 acres.



Opportunity Site Challenges



Overall

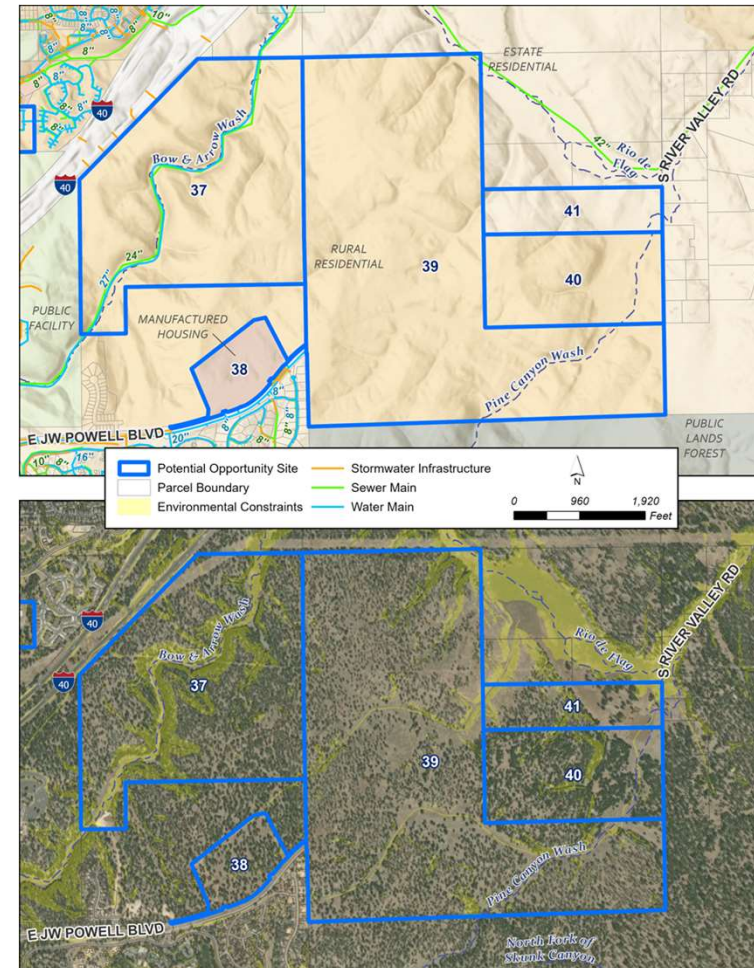
- Majority of the land would need to be rezoned
- Missing infrastructure

Downtown Specific

- Aging infrastructure
- Floodplain and drainage
- Proximity to railroad noise
- Access and parking



- Drainage
- Topography
- Zoning for low-density





Opportunity Sites Conclusions

- **High Opportunity & Infrastructure Level:** 7 sites, ranging from 0.5 to 3.1 acres in size (average 1.5 acres).
- **High Opportunity but Medium or Low Infrastructure Level:** 12 sites, ranging from 0.4 to 431.2 acres in size (average 49.1 acres).
- Within the sites that present relatively high “opportunity level”, **larger sized sites generally lack infrastructure access.**
 - The City could play a facilitation role in the development of these sites by advancing master planning and infrastructure planning to create a clearer path to implementing residential development on these sites and creating opportunities for greater density and greater development yield to ensure that financial returns on these sites incentivize the infrastructure investments.
- **Medium Opportunity but High or Medium Infrastructure Level:** 12 sites, all under 10.5 acres in size (average 1.5 acres).
 - While not High opportunity level, these sites do have relatively high levels of infrastructure readiness and are not very large in area, so they may still represent relatively “low-hanging fruit” types of projects to add residential development to the community.
 - For these sites, the City could help facilitate development through public-private partnerships, and code and/or procedural improvements that could improve development yield and/or the timeline required to execute a development project.



Opportunity Sites Conclusions

- **Medium Opportunity but Low Infrastructure Level:** 5 sites, mostly large sites ranging from 33.33 to 604.2 acres (average 248.7 acres).
 - The sites were assigned Medium due to their current zoning, which is all low-density residential, and the fact that they are not owned by the City.
 - Their Low infrastructure readiness level reflects that they are not yet served by transportation and/or utility infrastructure, so their conversion to residential development may be farther out in the future.
 - The City could facilitate efforts for greater residential yield from these sites through potential rezoning and associated infrastructure planning to ensure infrastructure networks are planned and calibrated to meet the expected additional demand.
- **Low Opportunity but High Infrastructure Level:** 10 sites, all approximately 0.3 acres or less in size. With one exception, the 8 sites identified to have Low opportunity, but Medium infrastructure readiness level are also 0.6 acres or smaller.
 - These sites located in downtown or Southside, and none are owned by the City.
 - These sites have the potential to catalyze other development downtown but are unlikely to make a significant impact to the bringing the City closer to its goal of 7,976 housing units by 2031.



Further Analysis



- **LASS will inform the Regional Plan update** by identifying the areas that could most benefit from additional density and infill
 - Inform scenario choosing
 - Inform land use designations
 - Other changes that could positively impact housing yield while moving closer to sustainability goals
- **Lass will inform the CAP** by informing recommended zoning code or development review process changes that impact the density allowed in different zoning districts, or when WSIsAs or TIAs are required.
- Some observations of note include:
 - Smaller sites may not trigger WSIsAs, and even then, may not apply if existing infrastructure appears to be sufficient to meet new development needs. Any larger developments will all require WSIsAs.
 - Most of the higher opportunity level sites will require TIAs. Developers in the community have noted that this can be a lengthy and expensive process with difficult-to-predict mitigation. Changes to how the City manages traffic information and TIA processes could improve the likelihood and affordability of more significant housing development projects.
 - Some of the largest sites that may become entirely new development areas tend to be zoned Rural or Estate Residential, which lead to very spread-out development that only serves high income groups. Need to look for ways to encourage higher density development on at least a portion of these sites.



Further Analysis



- This document helps provide specific locations and examples of where significant housing opportunities exist and therefore serves as a resource for considering when, where and how future code amendments, zone changes, collaborative development planning and master planning efforts will make the most impact in the City.
- Underscores importance of looking at parking strategies such as a Traffic Demand Management to promote residential density.
- LASS limited review of environmental constraints to what is currently regulated. Further analysis through the CAP of emerging issues such as the 500-year flood plan and wildfire threat may be necessary.
- Could inform Capital Improvement Plan (CIP) and underscores importance of Regional Plan and Capital Improvement Plan working together.



Code Analysis Project

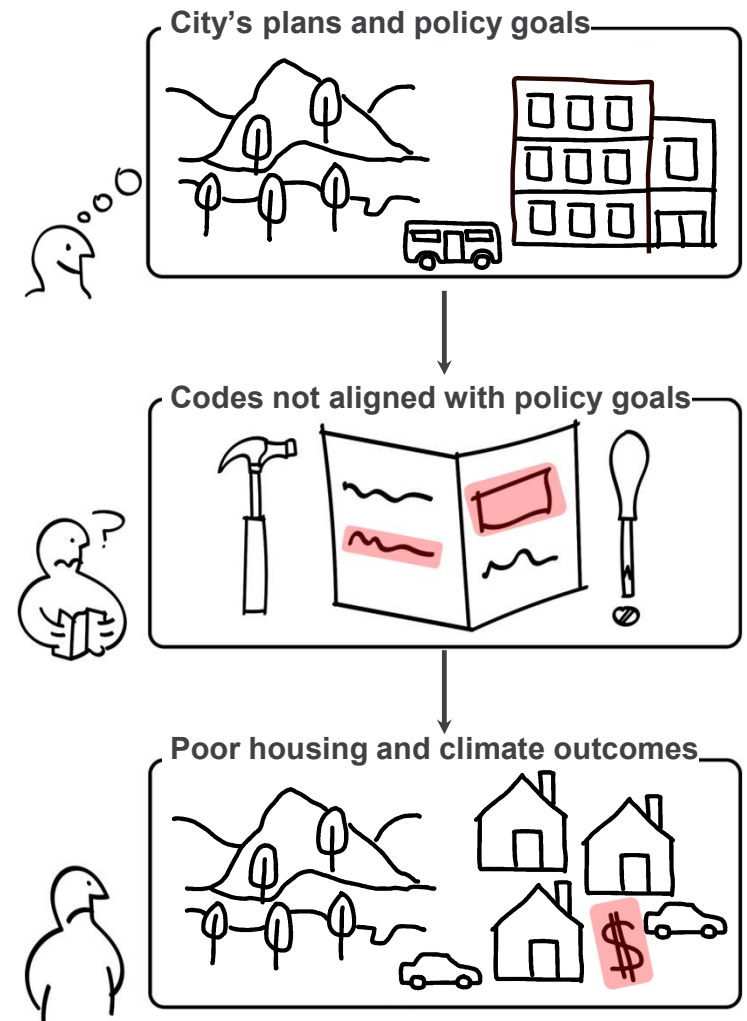
Code Diagnosis Overview and Key Findings



PURPOSE AND GOALS

Development codes are a key tool for achieving housing and climate goals.

- Plans and policies call for bold, urgent action.
- Codes are not functioning as an effective tool to implement plans and policies.
- Codes may prioritize other goals above housing and climate.
- Codes may have been written in a different context and are now out of sync with today's economic and climate realities.



THREE PHASES OF THE CODE ANALYSIS

DIAGNOSTIC

CONCEPTS

RECOMMENDATIONS AND TESTING



Identify and evaluate barriers, opportunities, conflicts.

Develop concepts and approaches for code updates.

Recommend specific code updates and test the impact of implementing the changes.

Deliverable:

Code Diagnostic Report

Deliverable:

Code Concepts Report

Deliverable:

Code Recommendations and Impacts Report

Timing:

February/March 2024

Timing:

Summer 2024

Timing:

Late Fall/Winter 2024



Council Meeting
APRIL



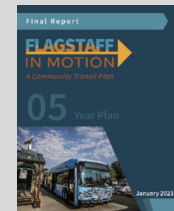
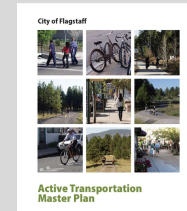
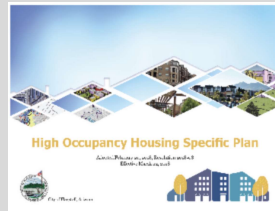
Council Meeting



Council Meeting(s)

DISTILLING POLICIES AND GOALS INTO CLEAR OUTCOMES

PLANS



KEY OUTCOMES IMPACTED BY CODES

Housing

- Abundant Housing Supply
- Diversity of Housing Types
- Lower Cost Market Rate Housing Production
- Income-Restricted Affordable Housing Production
- Mixed Use Development and Neighborhoods
- Infill Development and Compact Land Use Patterns
- Equity and Fair Housing

Climate

- Community Resilience, Health and Safety
- Walkable Neighborhoods
- Safe and Inclusive Networks for Walking and Biking
- Transit Oriented Development and Transit Ridership
- Clean Air Status
- Adaptive Reuse and Preservation of Existing Housing Stock
- Inclusive Recreation
- Electric Mobility
- Clean Electricity
- Building Fuel Switching
- Reduced Building Energy Use
- Sustainable Consumption
- Water Security
- Healthy Forests and Open Spaces
- Carbon Dioxide Removal

SCOPE OF THE CODE ANALYSIS

Municipal Code

- Title 4: Building Regulations
- Title 5: Fire Code
- Title 8: Public Ways and Property
- Title 10: Zoning Code
 - Affordable Housing Incentives
 - Residential Sustainable Building Incentives
- Title 11: General Plans and Subdivisions
- Title 13: Engineering Design Standards
- Development Review Processes

Technical Manuals

- Transportation Impact Analysis Manual
- Incentive Policy for Affordable Housing
- Mountain Line Design Guidelines for Transit Facilities

METHODOLOGY

- Close review of code, process, and plan documents
- Discussions with City staff
- Development stakeholder meetings – soliciting feedback from local developers, engineers, and architects regarding potential barriers to affordable and sustainable residential development in the City
- A review of development case studies in the City
- Residential development site, building, and unit modeling

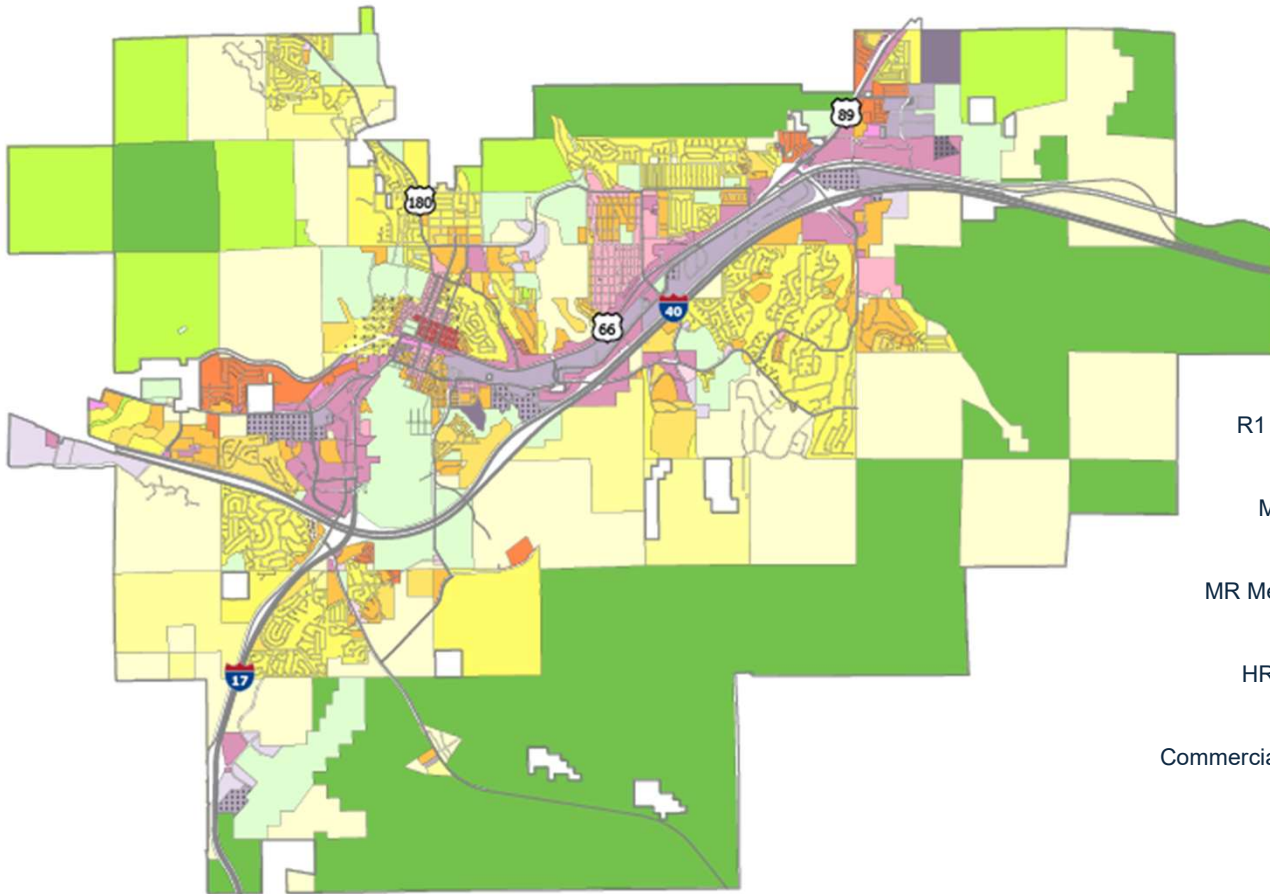
Code Diagnosis Key Findings

Zoning and Subdivision Codes



CONTEXT

Where is the buildable land? What zones have the most capacity for new housing?

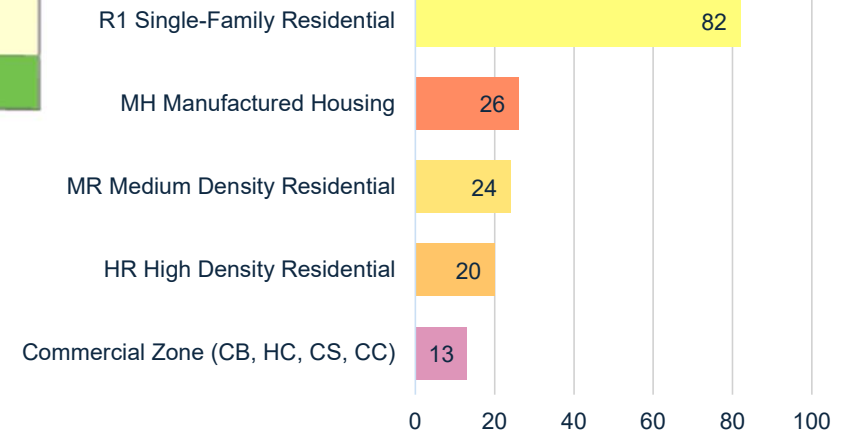


Acreage of Buildable Land on LASS Opportunity Sites

RR

ER

2,352
acres



CONTEXT

Where does the Regional Plan call for new housing to be prioritized to meet climate and housing goals?

Regional Plan calls for infill development in existing neighborhoods

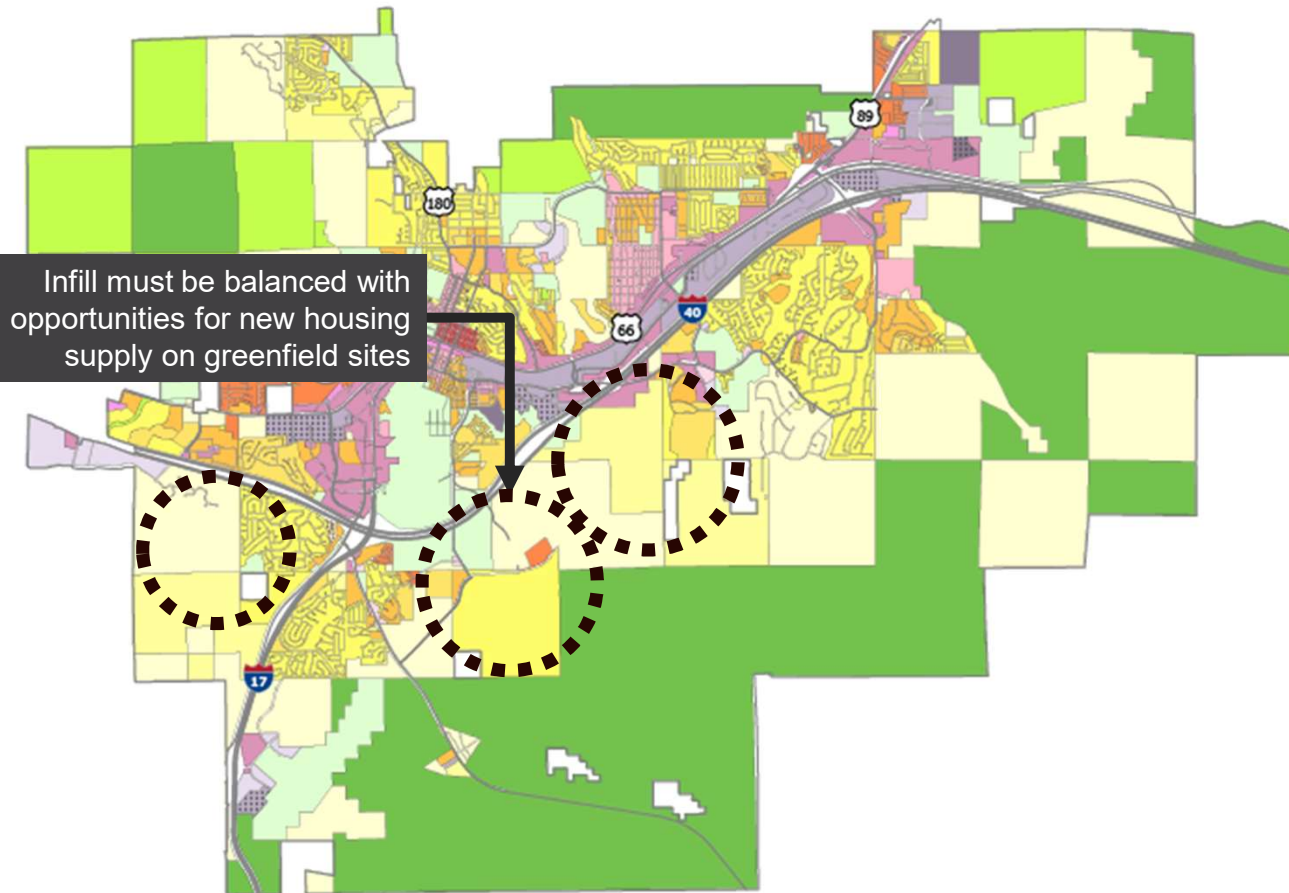


- Commercial zones are most prominent in existing neighborhoods.
- Medium and high-density zones (MR, HR) are also important existing neighborhoods.



CONTEXT

Where does the Regional Plan call for new housing to be prioritized to meet climate and housing goals?

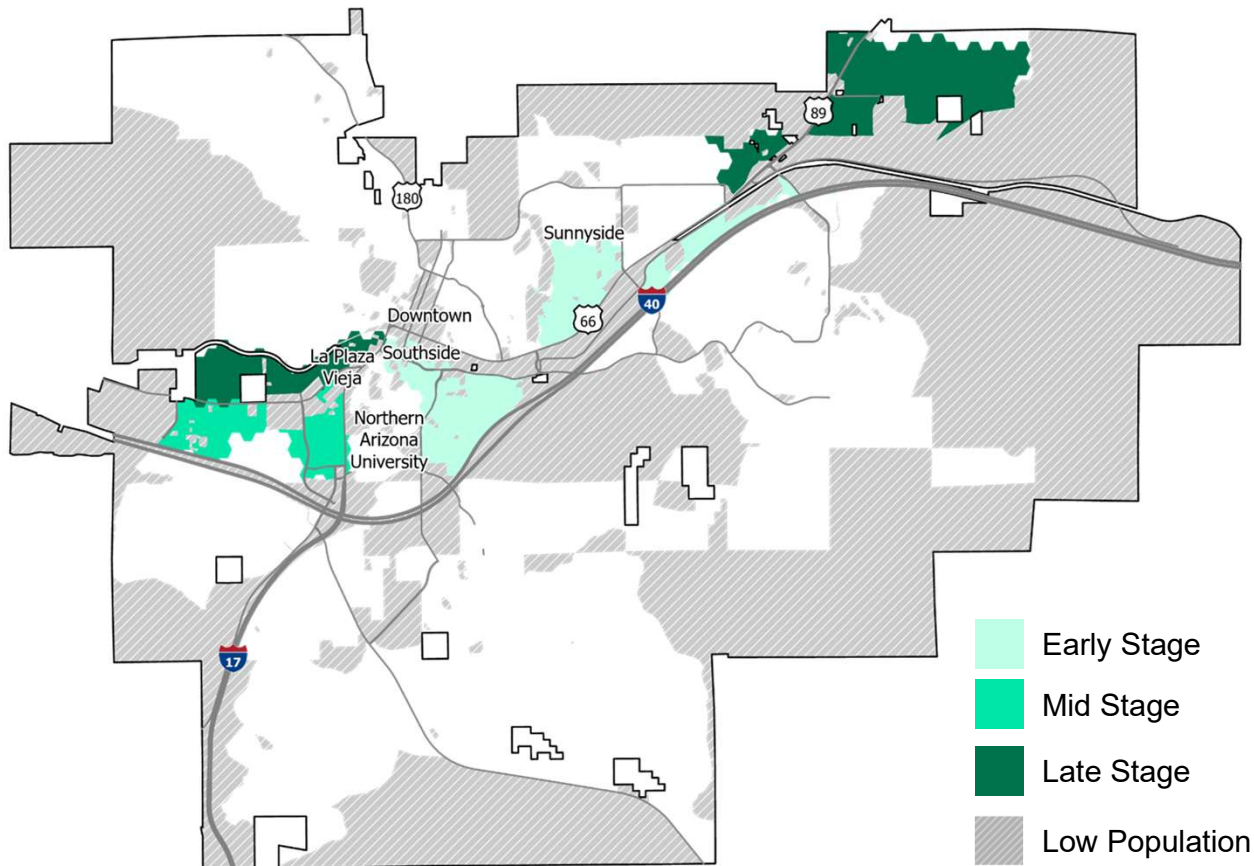


- Land zoned RR and ER may be rezoned to another residential zone
- How can the city ensure that rezoning and subdivision processes keep pace with housing needs?
- When rezoning occurs, will new development meet housing and climate goals?



CONTEXT

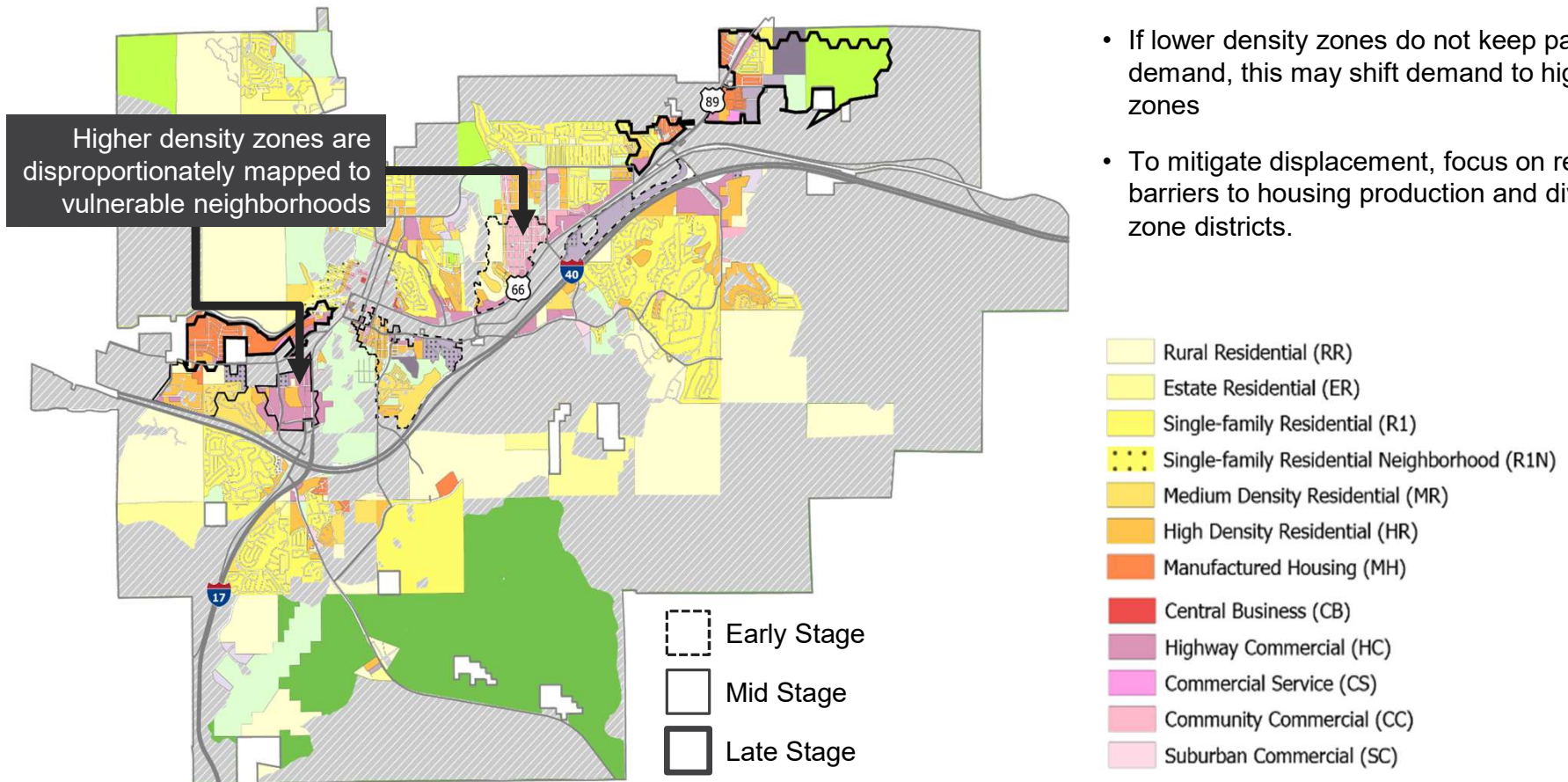
Where are the households that are vulnerable to displacement if housing production does not keep pace?



- Displacement was evaluated by combining indicators of vulnerability with indicators of demographic and housing market change.
- Housing production has been found to prevent displacement
- Displacement occurs in the context of housing scarcity
- New housing supply is needed both inside and outside vulnerable neighborhoods
- Other anti-displacement strategies could be targeted to these neighborhoods, such as siting affordable housing.

CONTEXT

Where are the households that are vulnerable to displacement if housing production does not keep pace?



- If lower density zones do not keep pace with demand, this may shift demand to higher density zones
- To mitigate displacement, focus on reducing barriers to housing production and diversity in all zone districts.

CONTEXT

Overview of Major Barriers and Issues

CITYWIDE ISSUES

- **Review Procedures.** Zoning map amendment and subdivision review process are deterring development and slowing the pace of housing production.
- **Affordable Housing and Sustainable Building Incentives.** Incentive programs are not economically compelling and undercut by other provisions.
- **Resource Protection.** The RPO is not optimized to balance housing production goals with environmental goals.
- **Minimum Parking Requirements.** Critical barrier to housing affordability, development feasibility, and climate goals for higher density housing in transit-served areas.
- **High Occupancy Housing.** Requiring a conditional use permit and other specific development standards are a critical barrier to high density housing.

ZONE-SPECIFIC ISSUES

R1/R1N

Low density and restrictions on housing type are inconsistent with housing and climate goals.

MR

Higher density allowance needed to encourage smaller, more affordable units.

COMM. ZONES

Could provide for the higher densities that support goals, but parking requirements and HOH regulations severely limit this potential.

Zoning Map Amendment and Subdivision Review Processes

Both the zoning map amendment process and subdivision review process are deterring development and slowing the pace of housing production.

- Requiring a Development Agreement is unnecessarily complex, limits flexibility, and deters rezoning.
- The rezoning process encourages negotiations to address citywide needs that cannot be effectively addressed on a site-by-site basis.
- The Concept Plat phase of subdivision process adds unnecessary cost and delay at the beginning of the process.
- City Council approval of all subdivisions adds unnecessary uncertainty, cost, and delay.



CLOSER LOOK

Why does a Development Agreement complicate the zoning map amendment?

- Requires greater upfront investment in project design, complicates process of securing development partners
- Limits flexibility to respond to unforeseen challenges by requiring detailed commitments.
- Nullifies the flexibility that is offered by some of the City's code standards by replacing the standards with DA commitments.

R1/R1N

Single-Family Residential Zone

- Minimum lot size and minimum street width standards limit achievable density.
- R1 density levels are inconsistent with the City's climate goals.
- Restrictive use regulations and low density discourage “missing middle” housing.
- The R1 zone may be constraining overall housing supply, worsening affordability.

max density

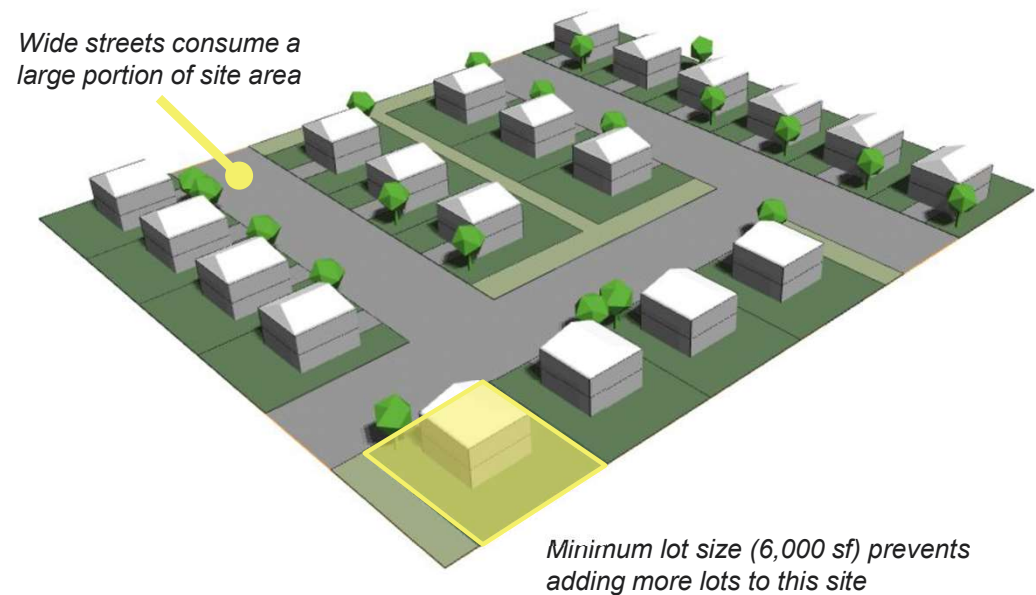
6.0

units per acre

achievable density

4.7

units per acre



R1/R1N

Single-Family Residential Zone

- Minimum lot size and minimum street width standards limit achievable density.
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- Restrictive use regulations and low density discourage "missing middle" housing.
- The R1 zone may be constraining overall housing supply, worsening affordability.

max density

6.0

units per acre

transit-supportive density

8-15

units per acre



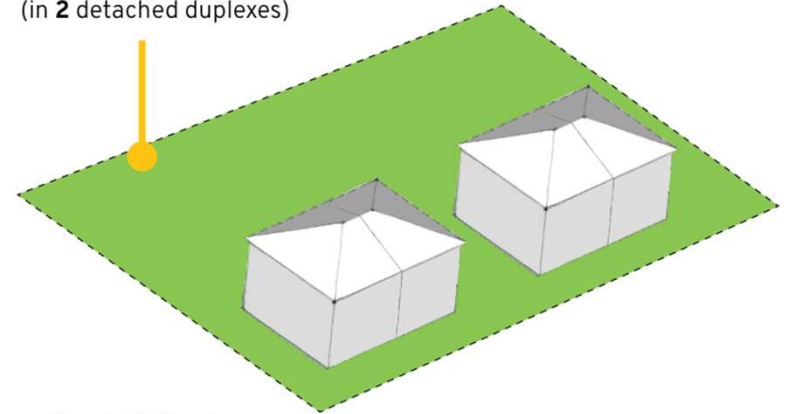
R1/R1N

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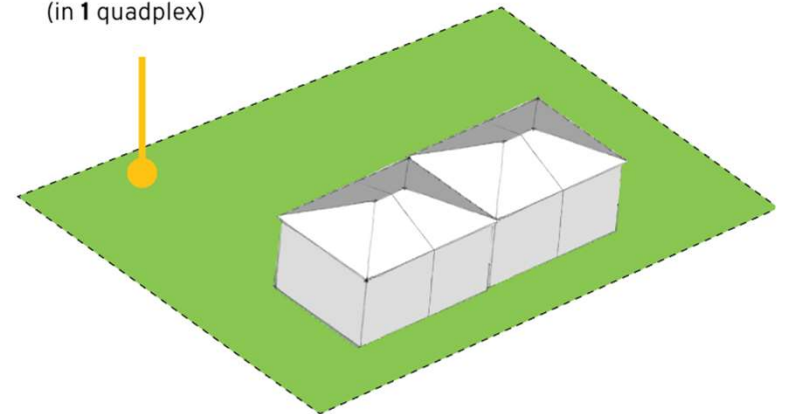
Allowed

4 Units
(in 2 detached duplexes)



Prohibited

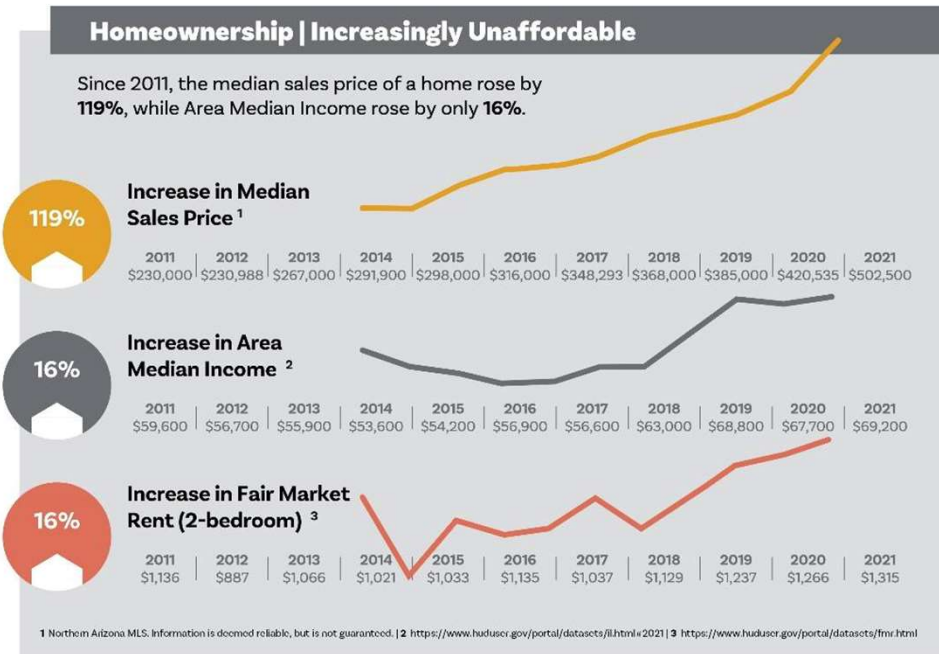
4 Units
(in 1 quadplex)



R1/R1N

Single-Family Residential Zone

- Minimum lot size and minimum street width standards limit achievable density.
- R1 density levels are inconsistent with the City's climate goals.
- Restrictive use regulations and low density discourage “missing middle” housing.
- The R1 zone may be constraining overall housing supply, worsening affordability.



10-Year Housing Plan Goal

7,976

housing units by 2031

MR

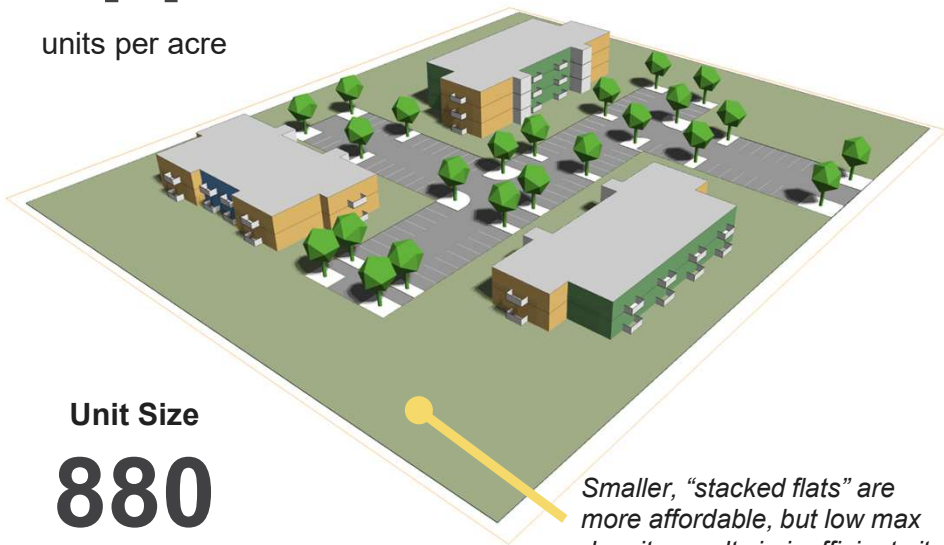
Medium Density Residential Zone

Max density limits missing middle housing types and encourages larger, more expensive units.

Density

14

units per acre



Unit Size

880

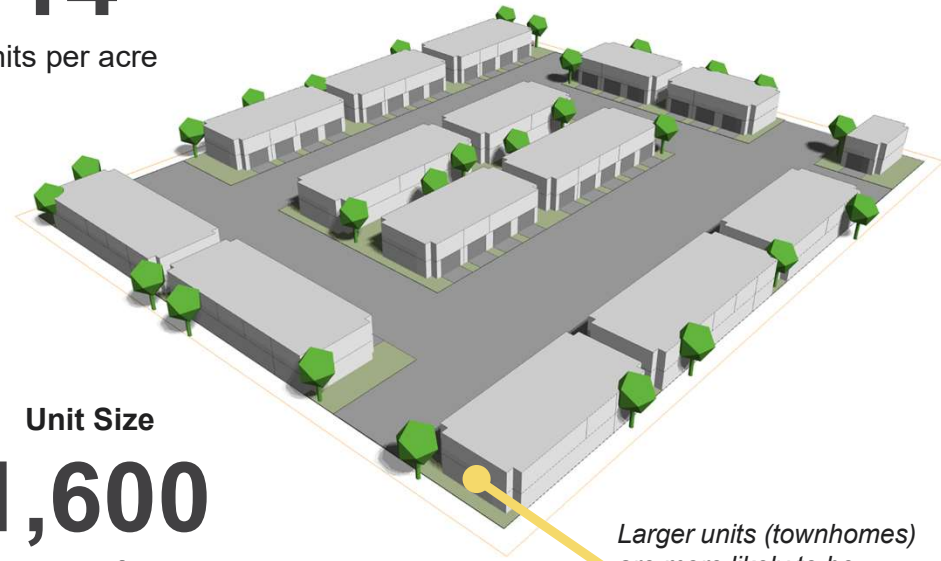
square feet

Smaller, "stacked flats" are more affordable, but low max density results in inefficient site

Density

14

units per acre



Unit Size

1,600

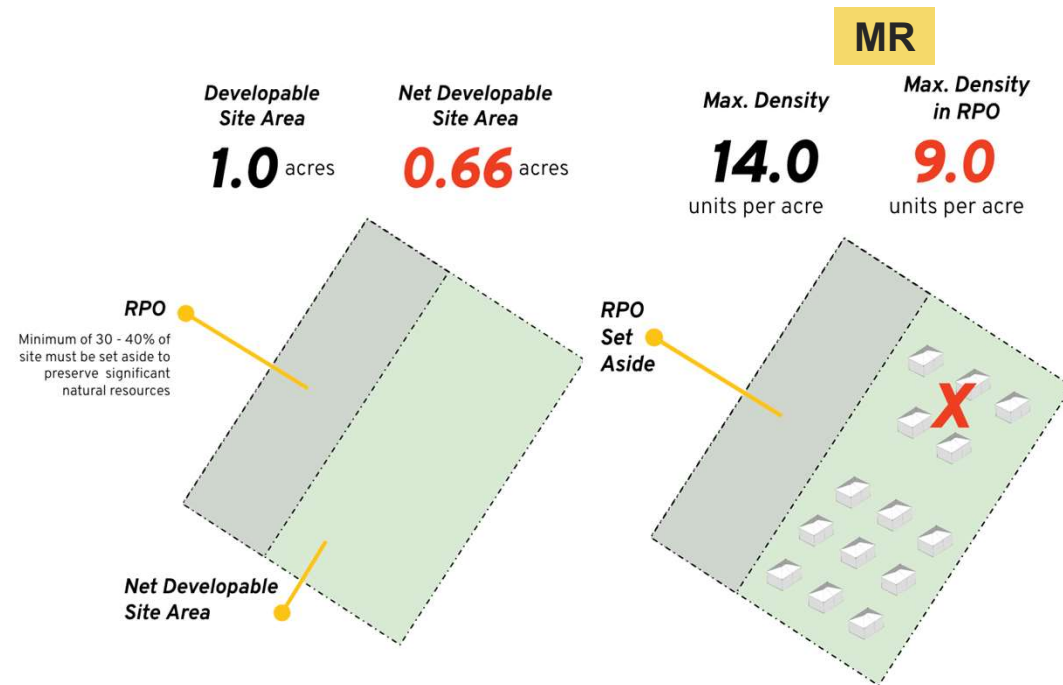
square feet

Larger units (townhomes) are more likely to be developed at this density

Resource Protection Overlay Zone

The RPO is not optimized to balance housing production goals with environmental goals.

- Limits density below the base zone, in addition to prohibiting development in resource areas
- Density caps are an indirect and ineffective way to protect natural resources
- Does not allow forest and slope resource areas to be contiguous
- Requires a large share of resources to be preserved on each site, constraining housing production
- Fire risk associated with the proximity of residential units to forest resources



HC-CB-
CS-CC

Commercial Zones

Commercial zones are often suitable for high density housing, but the code makes it challenging to build housing in these zones.

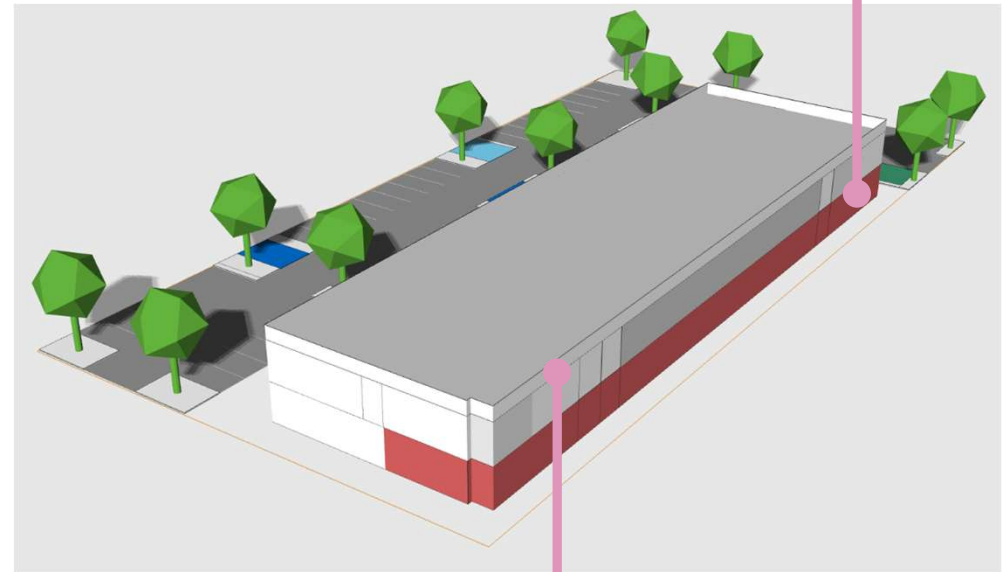
- Low maximum density (29 units per acre) is a critical barrier to lower cost housing and encourages an inefficient use of land.
- Requiring a CUP for a standalone residential development is not the most effective approach for balancing the desire for both residential and commercial uses.

Density

29

units per acre

Large amount of ground floor commercial space required unless applying for a conditional use permit



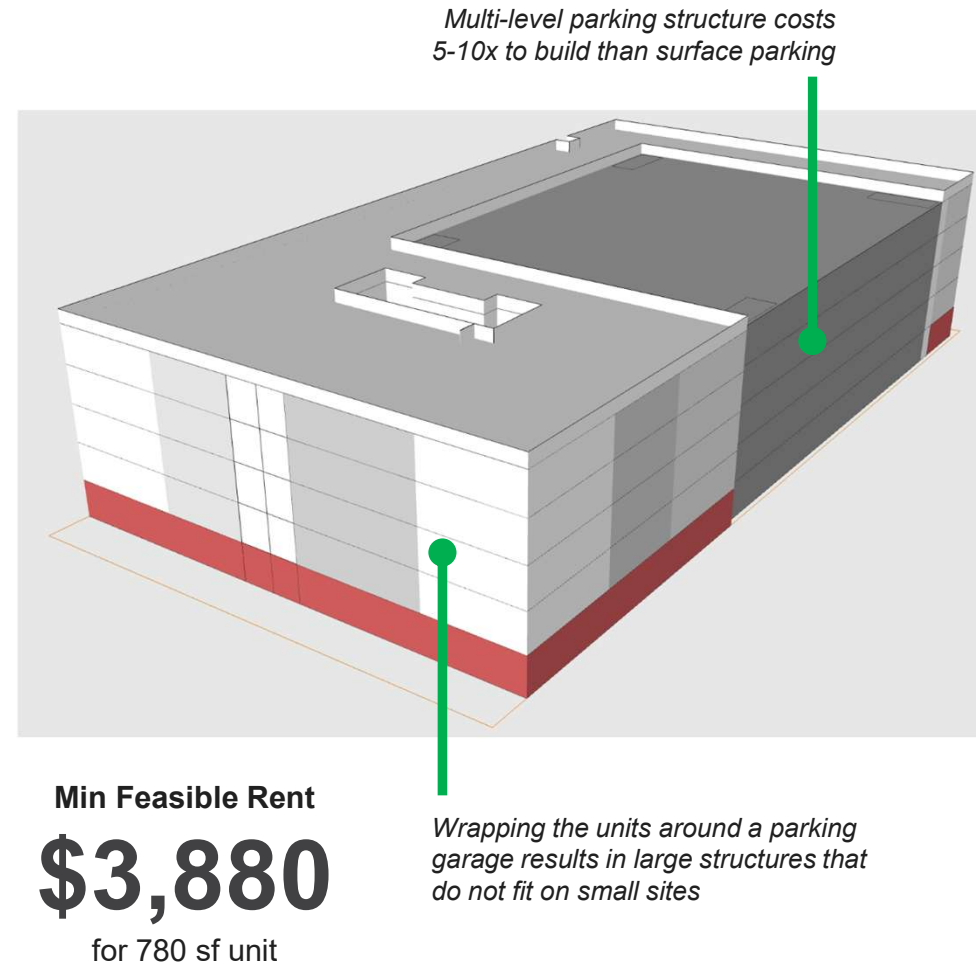
Density is maximized with only a two-story building unless applying for a conditional use permit for HOH.

CITYWIDE
ISSUE

Minimum Parking Requirements

Parking requirements are a critical barrier to housing and climate goals when applied to high density housing in transit-served areas.

- Multi-level parking structures are costly and infeasible on smaller sites. Lower cost methods of providing parking are physically infeasible at higher densities allowed by code.
- Parking for commercial space compounds the challenge of meeting residential requirements.
- Higher greenhouse gas (GHG) emissions due to embodied carbon in concrete parking structures.
- Recent research has found that high parking requirements may directly encourage higher vehicle ownership and driving.

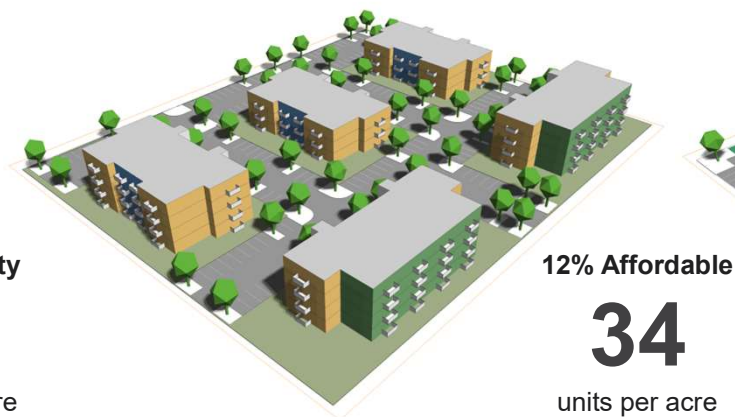
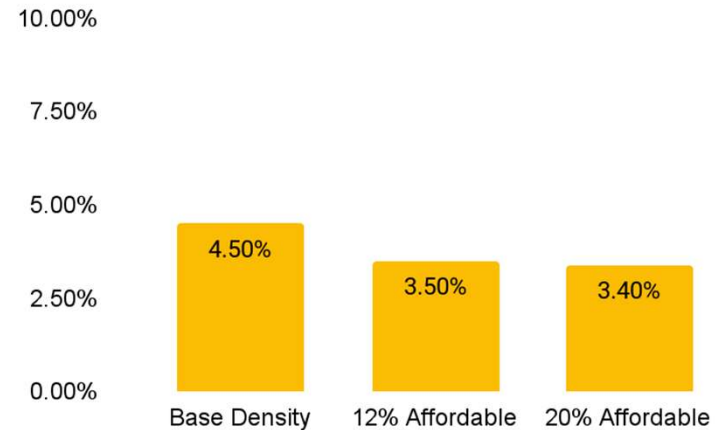


CITYWIDE ISSUE

Affordable Housing Incentives

- The costs of using the incentives outweigh the benefits. Modeled financial returns were lower for projects that used the incentives, despite higher densities.
- There are alternative pathways to achieving similar benefits, including the Planned Residential Development, Sustainable Building Incentives, parking reductions, and HOH conditional use permit.

Internal Rate of Return



Sustainable Building Incentives

Some sustainability features could be required, and others lack compelling incentives.

- Features such as water resource protection and electric vehicle charging may be more appropriate to require for most developments.
- All-electric buildings may be the most challenging to provide but are essential to the City's carbon neutrality goals.
- Density bonus is not a compelling incentive for many projects because it is too low or not achievable while complying with other standards.



CONTEXT

Tensions with Other Policy Goals

Addressing these barriers may require reconciling tensions with the City's other policy goals.

- The report identifies these six policy goals as potentially impacted by addressing these code barriers.
- Strategies for reconciling tensions with these policy goals will be evaluated in the Code Concepts and Code Recommendations reports.



**Community
Character and
Design**



**Infrastructure
Sufficiency/Funding**



**Historic
Preservation**



**Parking
Management**



**Resource
Protection**



Public Involvement

Code Diagnosis Key Findings

**Engineering, Traffic Impact Analysis
and Fire Access Standards**



Stakeholder Comments - Examples

Some elements of current WSIA and TIA processes can be barriers to development.

- The requirement to conduct WSIA and TIA is often premature in the development process, requiring significant at-risk investment.
- There is an over-reliance on individual projects to fund transportation infrastructure versus a more reliable funding mechanism through the use of “impact fees” or SDCs to fund a defined capital facilities program. (Raised concerns about the equity of infrastructure funded on the back of larger projects.)

Desire to allow narrower streets and alternative sidewalk and planter strip designs.

- Noted that it has been difficult to obtain City approvals for modifications to the base road designs.

Water and Sewer

Potential Barriers

WSIA Process:

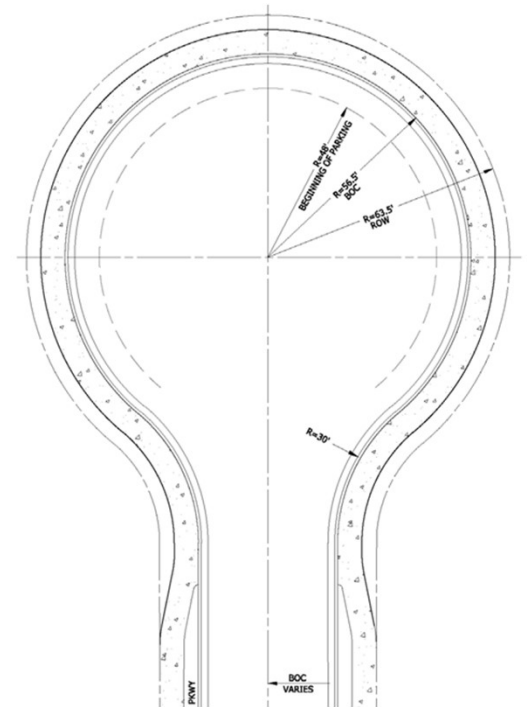
- Required for most developments
- Uncertainty regarding the off-site improvements that might be required.
- In some areas of the City, existing infrastructure may have known issues – old and undersized mains in downtown (and the potential for developers to be required to take on broader improvements) discourages dense infill and redevelopment that might be desired in downtown.

Flow Metrics:

- Metrics for assuming water and sewer demand in Tables 13-09-002-01 and 13-09-003-02 are from 1980 and may be overly conservative to actual use.

Transportation and Access

- **Street Cross-Sections** are wide, complex, and prescriptive
- **Winter Parking Ordinance** leads to off-street parking, even when streets are designed to accommodate parking
- **Cul-de-Sacs** are wide and generally an inefficient development pattern
- **Setbacks on Alleys** conflict with the benefits of alleys promoting building-forward, pedestrian-oriented neighborhoods. The setbacks are wider than needed yet often not wide enough to accommodate parking
- **Driveway Standards** may need more flexibility and options for reduced standards for small multifamily (3-4 units) that may be discouraged by current stricter requirements
- **Parkways** cost developments significant space and expense. Their benefits may need to be better balanced to consider their contribution to higher housing costs, low-density development, and use of scarce water resources



Transportation and Access

Conflicts with Key Outcomes

Current Problematic Outcomes:

- Engineering standards are contributing to low-density development that uses land inefficiently.
- Resulting residential development is typically expensive and misses opportunities for more “economy of scale.”
- Low density development with wider-than-needed streets is inefficient for all modes of transportation, including for cars, transit, and active modes.
- This pattern conflicts with affordability and sustainability goals.



TIA Requirements

Potential Issues

TIA Criteria may be subjective:

- This can have major impacts on development schedule and cost, therefore impacting housing affordability.
- Developers may decrease number of units to avoid more risk, costing the community more housing

Transit and Active Modes requirements and mitigation may also be subjective and difficult to predict:

- This can negatively impact housing production and affordability
- Requirements should be clarified – this is a missed opportunity to better promote and improve transit and active modes networks

Mitigation can be unpredictable and may not always seem proportional to an individual development's impact. This can make projects costly or unfeasible.

- Developers may avoid higher density development or cut back on units
- Standardized impact fees could be explored

Fire Code

Potential Conflicts

Goal of this analysis was not to challenge important life safety requirements but to examine locally-adopted optional requirements and their impacts on desired housing and climate outcomes.

Fire Access Lane Widths

- Current requirements exceed IFC with a somewhat one-size-fits-all approach. This creates challenges for some types of developments, generally decreasing density and increasing housing costs.

Water Supply for Fire Protection

- 8-inch water mains are needed, but many urban fringe areas only have 6-inch mains.
- Upgrades in these urban fringe areas are expensive and add to housing production costs.

Code Diagnosis Key Findings

Building Code



Building Code

Key Findings

- **Affordable Housing and Construction Costs.** Building codes have a minor role in current escalations in construction costs. Research supports current drivers of higher cost are tied to labor, supply chain disruptions, higher financing cost and demand.
- **Adaptive Reuse.** Complex and highly variable issue that will vary project-by-project. A multitude of codes are triggered that typically challenge a project's viability.
- **Sustainability.** Misalignment between stakeholders and city goals. Sustainability is seen by the development community as a nice to have, expensive, non-critical feature.
- **Carbon Neutrality.** Need to elevate building performance beyond code through energy and water efficiency. There is no path to carbon neutrality without renewable energy. Policies needs to align with changes in market such as grid decarbonization.
- **Incentives.** City housing and sustainability incentives are not enticing to overcome financial barriers. Requires a suite of local, state and federal and utility incentives.

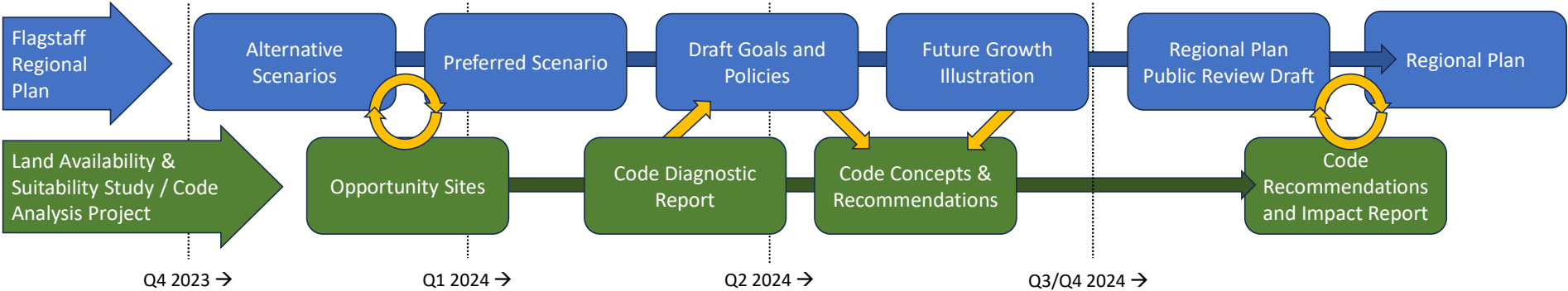


How Will this Information be Used?

- Inform Scenario Planning for the Regional Plan Update
- Inform Code Analysis Project (CAP)
 - 3-part project: code diagnosis, code concepts, and code recommendations
- Staff will work to prioritize recommended code changes
- Staff will conduct community outreach on proposed code changes
- Processes will be vetted and modified as recommended



LASS+CAP Regional Plan Relationship

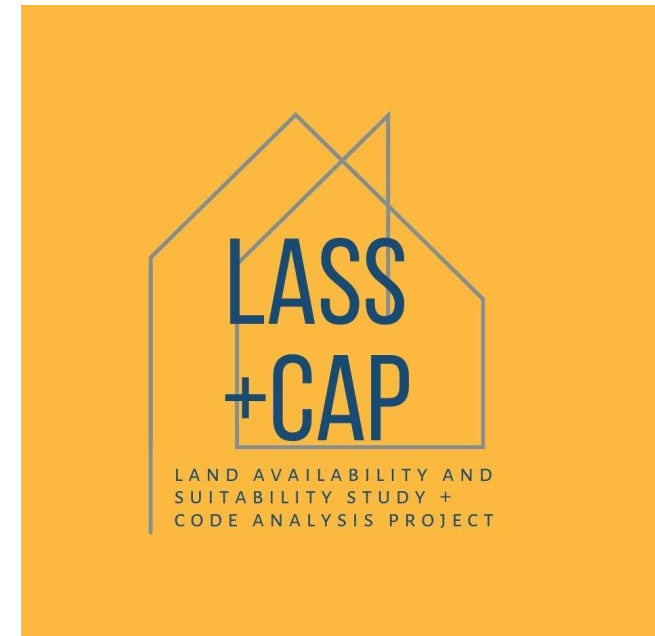




KEY DATES



- **March 2, 2024:** Steering Committee #1 (Part 1) – Land Availability and Suitability Study
- **March 26, 2024:** Steering Committee #1 (Part 2) – Code Analysis Project – Code Diagnosis
- **March 28, 2024:** Sustainability Commission
- **March 28, 2024:** Housing Commission
- **April 3, 2024:** Transportation Commission
- **April 10, 2024:** Planning and Zoning Commission
- **April 16, 2024:** Council Work session





Housing Commission

7. A.

From: Kristine Pavlik, Housing and Grants Administrator

DATE: 03/28/2024

SUBJECT: Community Development Block Grant (CDBG) Program Year 2024 Funding Allocation
Recommendations to Council

STAFF RECOMMENDED ACTION:

Motion to forward the ranking committee and staff recommendations of Program Year 2024 CDBG funding allocations to City Council with a recommendation for approval.

Executive Summary:

Kristine Pavlik, Housing & Grants Administrator, will provide an overview of the proposals received, as well as the ranking committee and staff recommendations for funding allocations, for the available Program Year 2024 CDBG funds.

Attachments

CDBG Housing Commission Presentation

City of Flagstaff Community Development Block Grant Program Year 2024

March 28th, 2024



Kristine Pavlik, Housing & Grants Administrator



Purpose & Agenda

- Brief CDBG Recap
- 2024 Annual Action Plan Process
- Proposals Received
- Allocation Recommendations

C

D

B

G





CDBG Overview

What is the Community Development Block Grant?

- Federal grant program administered by HUD
- Created in 1974 to provide funding for housing & community development activities
- Serves primarily low to moderate income households

Why does the City of Flagstaff receive CDBG \$\$\$?

- Metropolitan city with a population of 50,000+
- Entitlement Community
- Annual Allocation based on a formula set by HUD





CDBG Overview

CDBG Primary Objective

The development of viable urban communities through the provision of the following, principally for low- and moderate-income persons:

- Decent Housing
- A suitable living environment
- Economic opportunity

How can the City spend CDBG dollars?

As the City Council determines based on:

- Priorities and needs identified in the Consolidated Plan
- The Primary Objective
- One or more of the National Objectives



CDBG Overview



National Objectives

To be eligible, an activity must qualify as one of the following:

- Limited Clientele
- Housing Activity
- Area Benefit
- Job Creation or Retention Activities (Economic Development)



CDBG Overview

How does the City access the funds?

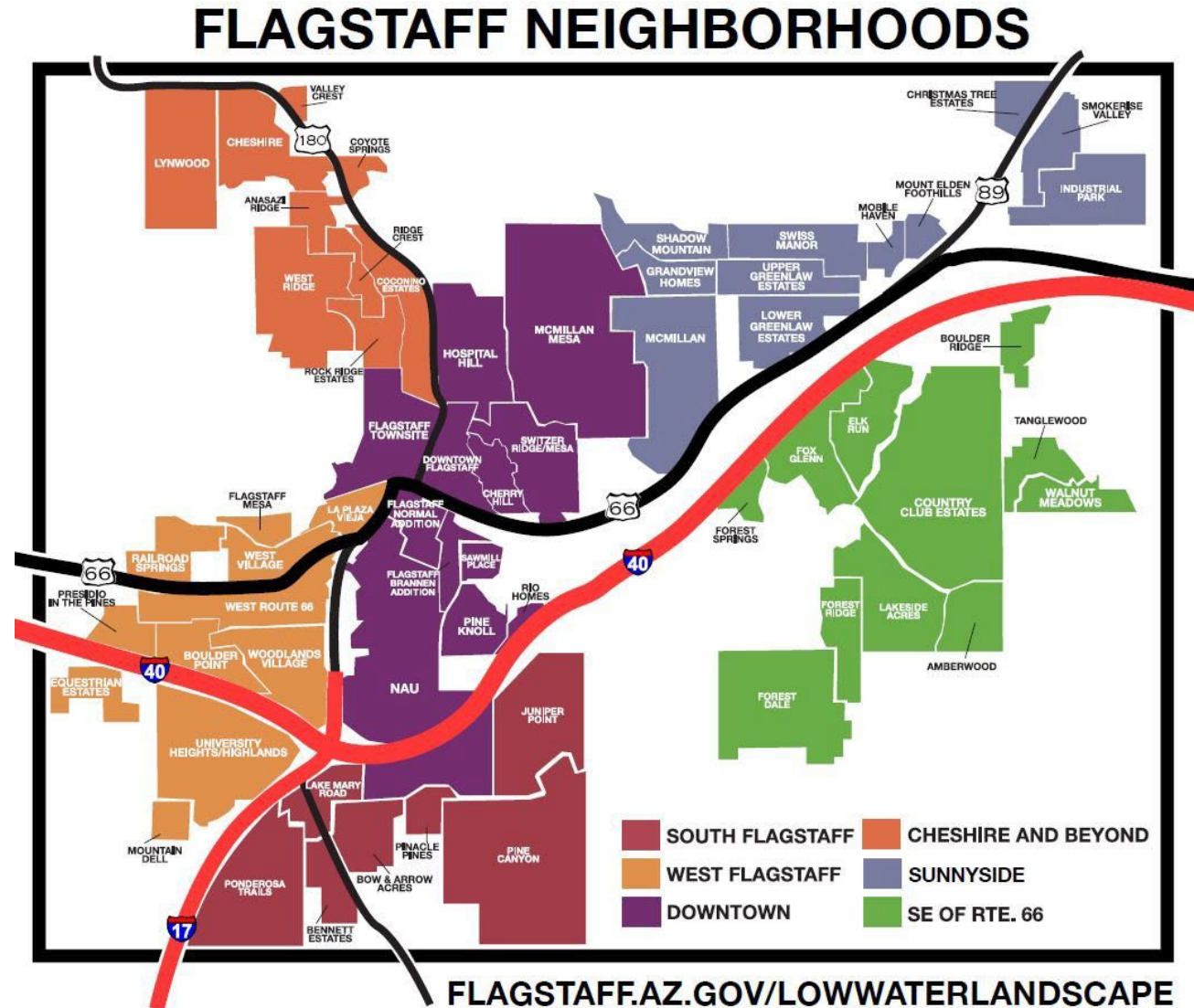
- **Annual Action Plan - “What are we are going to do?”**
Outlines yearly funding allocations – Due every May
- **Consolidated Annual Performance Evaluation Report (CAPER) - “What did we do?”**
Summary of outcomes for prior year allocations - Due every September
- **Consolidated Plan – “How should we choose what to do?”**
Assessment of housing & community development needs – Due every 5 years
- **Analysis of Impediments to Fair Housing choice - “City of Flagstaff Fair Housing Plan”**
Analysis and City goals for Fair Housing – Due every 5 years
- **Substantial Amendments to Annual Action Plan – “What do we need to change?”**
To accommodate changes and additional funding, as needed only



CDBG Overview

In the 2021-2025 Consolidated Plan, the City has designated the following target areas for CDBG projects. These target areas encompass many of the areas of low-income and minority concentration:

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





Council / Staff Responsibilities

Council CDBG Priorities

(established Jan 2023)

- Provide affordable housing (rental and ownership)
- Address Homelessness
- Support Neighborhood Revitalization
- Workforce Development

City Staff Responsibilities

- Conduct proposal process
- Determine activity eligibility
- Assess activity viability
- Conduct agency risk assessment
- Provide recommendations to the City Council



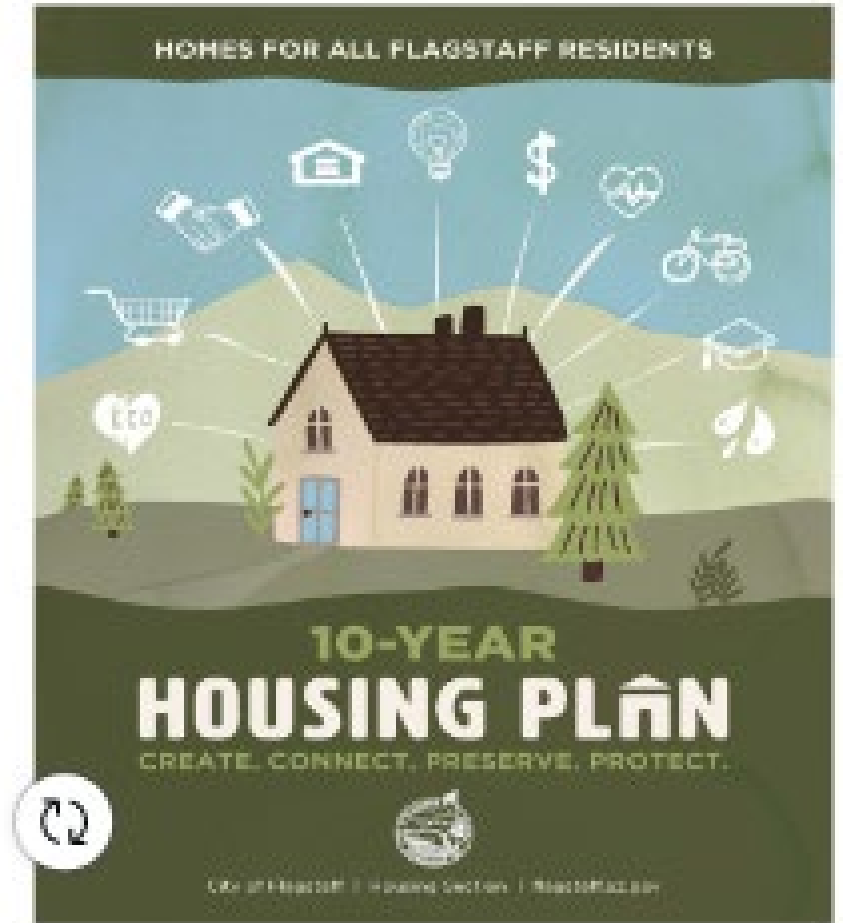
The City of Flagstaff is the Responsible Entity to the HUD!



10-Year Housing Plan



- **Impact at least 6,000 low-to-moderate income Flagstaff residents through a combination of unit creation or subsidy provision.**
- **Create or preserve 7,976 housing units by 2031 with a minimum of 10% of them being affordable. This will increase the overall supply of market rate, workforce and affordable housing occupied by local residents.**





5-year Consolidated Plan Goals

Activity	Special Population	Priority Level	5-year Goal
Priority Need: Revitalization, Public Facilities & Infrastructure			
Facility Improvements	X	H	500 people
ADA Accessibility Improvements	X	L	500 people
Land Acquisition for Affordable Housing Development		L	5 households
Infrastructure for Affordable Housing Development		L	5 households
Priority Need: Public Services & Economic Opportunities			
Service and Facility Operating Support	X	H	2,000 individuals
Employment & Job Training Support Services		L	5 individuals
Housing Stabilization Services including Eviction/Foreclosure Prevention and Legal Services		H	500 households
Priority Need: Addressing Homelessness			
Service and Facility Operating Support, including Outreach	X	H	5,000 people
Increase number of emergency /transitional shelter beds for families	X	H	20 beds
Increase supply of permanent supportive housing	X	H	15 beds
Priority Need: Decent Affordable Housing			
Owner-occupied Housing Rehabilitation		H	25 units
Rental Housing Construction		H	5 units
Owner Housing Construction		H	2 units
First-time Homebuyer Assistance		H	25 households
Rental Housing Rehabilitation		L	10 units



CDBG 2024 Annual Action Plan

- **1st Public Meeting**
January 18, 2024
- **2nd Public Meeting & CDBG NOFA Release**
January 24, 2024
- **3rd Public Meeting (Review of Proposals)**
February 29, 2024
- **Ranking Committee**
March 20, 2024
- **Housing Commission**
March 28, 2024
- **City Council Meetings**
April 9 & April 16, 2024





CDBG Funding Available

Estimated Entitlement Allocation	\$535,000.00
<i>Program Income</i>	<i>\$142,000.00</i>
<i>Reallocated Funds</i>	<i>\$45,313.00</i>
Estimated Total Available PY 2024	\$722,313.00
<i>Administration and Indirect (20%)</i>	<i>\$126,062.00</i>
<i>Public Services (15%)</i>	<i>\$94,546.95</i>





CDBG Proposals Received

Agency	Project/Program	Beneficiaries	Requested Funds
Housing/Public Facility Improvements			
Community Action Teams of Flagstaff	Acquisition of Real Property for a Homeless Resource Center in Sunnyside	500 Individuals Experiencing Homelessness	\$200,000.00
Public Services			
Coconino County Health and Human Services	Senior Nutrition Program Meals on Wheels	25 Elderly Individuals	\$44,200.00
Community Action Teams of Flagstaff	Mobile Resource and Outreach Bus	500 Individuals Experiencing Homelessness	\$50,000.00
Boys and Girls Club of Flagstaff	Childcare and School Break Camps	75 LMI Youth – ages 6-18	\$75,000.00
Pearl Transit Corp.	Oral Health Outreach	2,600 Homeless and LMI Individuals	\$60,000.00

Total Funding Requested \$429,200.00

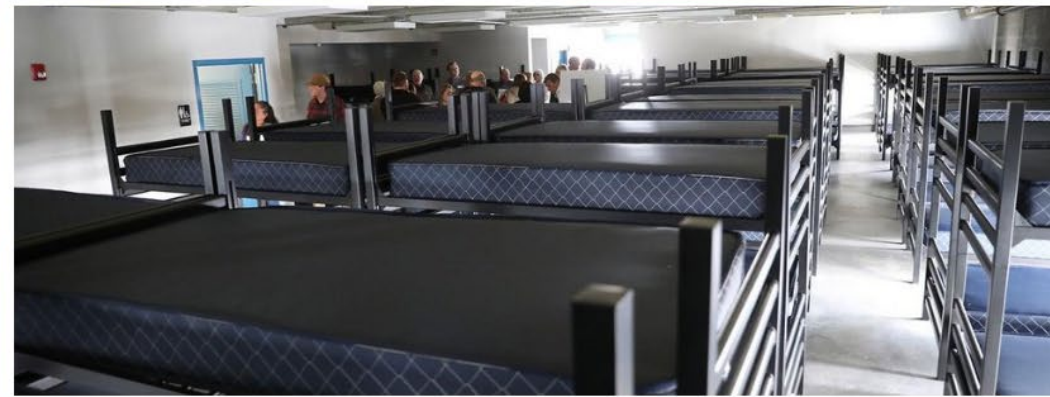


Ranking Committee & Staff Recommendations

Organization	Project/Program	Average Score	Funding Requested	Recommendation
Housing/ Public Facility Improvements				
Community Action Teams of Flagstaff	Acquisition of Real Property for a Homeless Resource Center in Sunnyside	111.6	\$200,000.00	\$200,000.00
Flagstaff Shelter Services	Safety Improvements at The Lantern	N/A	N/A	\$302,113.00
			Total	\$502,050.40
Public Services (15% Maximum)				
Coconino County Health and Human Services	Senior Nutrition Program Meals on Wheels	125.6	\$44,200.00	\$44,200.00
Community Action Teams of Flagstaff	Mobile Resource and Outreach Bus	125.5	\$50,000.00	\$50,000.00
Boys and Girls Club of Flagstaff	Childcare and School Break Camps	107.9	\$75,000.00	\$0.00
			Total	\$94,200.00
Administration and Indirect (20% Maximum)				
City of Flagstaff	Admin/Indirect	N/A	N/A	\$126,000.00
			Total	\$722,313.00



Next Steps & Questions



CITY OF FLAGSTAFF



Kristine Pavlik

Housing &
Grants Administrator

City of Flagstaff

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(928) 213-2749

