

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Flagstaff Annual Action Plan is submitted annually to the U.S. Department of Housing and Urban Development (HUD) and serves as the City's formal application for Community Development Block Grant (CDBG) entitlement funding. This document outlines how the City will allocate its CDBG funds during Program Year 2025 (July 1, 2025 – June 30, 2026) to address local housing and community development needs, particularly for low- and moderate-income residents.

Program Year 2025 represents the fifth and final year of implementation under the 2021–2025 Consolidated Plan, a five-year strategic planning document that guides the City's use of federal resources to meet community-identified priorities. The Consolidated Plan's goals are based on extensive public input, data analysis, and consultation with local stakeholders and service providers.

This Annual Action Plan describes the projects, activities, and expected outcomes for the year ahead. It identifies how funding will support the Consolidated Plan goals of affordable housing, homelessness prevention, public services, and neighborhood revitalization. Proposed activities were selected through a competitive Notice of Funding Availability (NOFA) and application process, and final allocations were approved by the Flagstaff City Council following a public comment period and public hearing.

The CDBG program provides flexible funding for a wide range of eligible activities, all of which must primarily benefit low- and moderate-income residents of the City of Flagstaff. The sections that follow detail the funding sources, community engagement efforts, project descriptions, and performance goals for the 2025 Program Year.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The Community Development Block Grant (CDBG) program is administered by the U.S. Department of Housing and Urban Development (HUD) through its Office of Community Planning and Development. Based on its size and population characteristics, the City of Flagstaff is classified as an "entitlement community," meaning it receives an annual CDBG allocation directly from HUD rather than through a competitive application process. Funding levels are determined using a formula that considers population size, poverty levels, housing conditions, and other demographic factors.

To receive CDBG funds, the City must prepare a Five-Year Consolidated Plan and submit an Annual Action Plan each year that outlines how CDBG resources will be used in alignment with the long-term goals of the Consolidated Plan. The Consolidated Plan for Program Years 2021–2025,

submitted to HUD on May 15, 2021, serves as the strategic framework for Flagstaff's use of federal funds.

The CDBG program was established by the Housing and Community Development Act of 1974 and is guided by three primary national objectives set by Congress:

- Providing decent housing
- Creating a suitable living environment
- Expanding economic opportunities

These objectives must principally benefit low- and moderate-income individuals and households.

The Annual Action Plan serves as the implementation roadmap for each program year, defining specific projects and activities that support the broader goals identified in the Consolidated Plan. This Plan outlines activities for Program Year 2025 (July 1, 2025 – June 30, 2026), the third year of the current five-year planning period. It includes funding allocations, project descriptions, and performance goals, as well as a summary of how activities were selected through a public and competitive process.

As part of the 2021–2025 Consolidated Plan process, the City conducted a comprehensive Needs Assessment and Market Analysis to evaluate housing conditions, demographic trends, and barriers to community development. Through extensive stakeholder engagement and public input, Flagstaff identified four priority needs and established 11 strategic goals to guide the use of CDBG funds over the five-year period. These priorities serve as the foundation for selecting projects in each Annual Action Plan.

Identified High Priority Needs and Activity Goals Established

- Support neighborhood revitalization and public facilities and infrastructure improvements especially in established target areas including:
 1. Neighborhood revitalization including Neighborhood Facility and Infrastructure Improvements (3,000 people)
 2. Public Facilities Improvements (100 people)
 3. Acquisition for Affordable Housing (100 people)
- Support public services and economic opportunities for low-and moderate income persons including:
 1. Services to Meet Basic Needs (300 people)
 2. Workforce Development (15 people)
 3. Housing Stabilization Services (50 households)
- Support services and projects addressing homelessness including:
 1. Service and Facility Operating Support (1,500 people)

2. Increase Shelter Beds/Units (15 beds/units)
 - Support the development, accessibility, and preservation of decent affordable housing including:
 1. Rehabilitation of owner and/or renter households/units (20 units)
 2. Development of owner and/or renter affordable housing units (3 units)
 3. Housing Assistance for owner and/or renter households (50 households)

Building on the foundation of the 2021–2025 Consolidated Plan, the City of Flagstaff has identified targeted goals and projects for Program Year 2025 that address urgent housing needs, support vulnerable youth, and enhance community infrastructure in underserved neighborhoods. Each funded activity advances one or more of the CDBG program’s national objectives: providing decent housing, creating a suitable living environment, and expanding economic opportunities—principally for low- and moderate-income residents.

Program Year 2025 CDBG-funded projects include:

- Public services for homeless youth, including case management and a dedicated youth coach, to improve stability, engagement, and access to resources for one of the City’s most vulnerable populations.
- Aligned Consolidated Plan Goals:
- Services to Meet Basic Needs
 - Housing Stabilization Services
 - Service and Facility Operating Support
- Acquisition of two rental units to expand Flagstaff’s affordable housing inventory for low- and moderate-income residents.
- Aligned Consolidated Plan Goals:
- Acquisition for Affordable Housing
 - Development of Owner and/or Renter Affordable Housing Units
- Playground and park infrastructure improvements in a designated target neighborhood, supporting safe and accessible public spaces.
- Aligned Consolidated Plan Goals:
- Neighborhood Revitalization, including Facility and Infrastructure Improvements
 - Public Facilities Improvements

These investments were selected through a competitive Notice of Funding Availability (NOFA) process and approved by the Flagstaff City Council following a public comment period and public hearing. The selected projects reflect the City's ongoing commitment to increasing housing access,

supporting at-risk populations, and strengthening neighborhoods through strategic, data-informed use of CDBG resources.

Together, the funded projects for Program Year 2025 contribute to the City's progress on its 11 Consolidated Plan goals and advance the high-priority needs identified through the Needs Assessment and public engagement process.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

In Program Year (PY) 2025, the City of Flagstaff advanced key strategies outlined in its 2021–2025 Consolidated Plan by investing in housing, public services, economic opportunities, and community infrastructure that responded to urgent and ongoing local needs. The City received \$740,779.50 in CDBG funding, composed of a \$541,191 entitlement and \$199,588.50 in reallocated and prior year program income. Additionally, the City successfully fully expended its remaining \$1,126,155 in CDBG-CV funds, which were dedicated to preventing, preparing for, and responding to the impacts of the COVID-19 pandemic.

CDBG investments in PY 2025 supported a combination of housing, economic, public service, and infrastructure priorities through a competitive sub-recipient process. The City also focused on project planning for future program years to ensure continuity in meeting critical community needs.

Completed activities in PY 2025 include:

- Acquisition of affordable rental units to expand access to stable, income-restricted housing;
- Workforce development and job training programs for low-income individuals;
- Childcare scholarships to support working families;
- Emergency shelter operations for households experiencing homelessness;
- Operational support for transitional housing, providing stability and wraparound services.

The City also made progress on multi-year capital investments funded in previous Annual Action Plans, with construction expected to conclude in PY 2025. Ongoing projects include:

- Neighborhood infrastructure improvements;
- Hotel rehabilitation for use as transitional housing;
- Shelter facility upgrades;
- Owner-occupied housing rehabilitation;
- Continued support for transitional housing operations.

Key accomplishments from PY 2025 included:

- Affordable Housing: Acquisition of two permanently affordable rental units by a local nonprofit;
- Workforce Development: Paid apprenticeships through Threaded Together provided skill-building and job-readiness training for low-income individuals in textile production;
- Childcare Support: Scholarships for 12 children from six low-income households, enabling parents to maintain or seek employment;
- Transitional Housing: Operational support for JoJo's Place, a transitional housing development that served 27 households with housing and case management services.

In total, 955 individuals benefited from CDBG-funded projects and services during the 2025 Program Year. All households assisted met low- and moderate-income requirements, with many earning below 30% of the Area Median Income (AMI).

The City of Flagstaff is proud of the progress achieved in PY 2025 and remains committed to maximizing the impact of available resources through targeted, community-informed investments. The accomplishments of this past year directly informed the project selection and goal setting for Program Year 2025, ensuring that CDBG activities continue to align with the City's strategic priorities and address evolving community needs.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The development of the Program Year 2025 Annual Action Plan included a robust public participation process designed to engage community stakeholders, residents of CDBG target neighborhoods, and service providers. This process consisted of five public meetings, a formal Notice of Funding Availability (NOFA), a 30-day public comment period, and individualized technical assistance for interested applicants.

A draft of the Annual Action Plan was made available online at the City of Flagstaff Housing Section's website for a 30-day public comment period beginning March 15, 2025, and ending April 15, 2025. A public hearing was held during the April 22, 2025, City Council Work Session, where recommended activity allocations were presented and public comments invited. Final funding decisions were made during the May 6, 2025, City Council Meeting, at which time Council approved submission of the Annual Action Plan.

Notices of public meetings were published at least one week in advance in the Arizona Daily Sun and shared with the Coconino County Continuum of Care, which maintains a mailing list of over 300 individuals representing organizations that serve homeless and at-risk households, mainstream housing and service providers, civic leaders, and other community stakeholders. Notices were also distributed via the City of Flagstaff Housing Section website, social media platforms, and mailing list.

All notices included the meeting topic, location, and how to submit comments for those unable to attend. Meetings were held in accessible locations, and several were offered in a hybrid format,

allowing both in-person and virtual attendance. Language or accessibility accommodations were made when requested at least 24 hours in advance.

The City of Flagstaff Housing Commission, an advisory body to City Council, plays an integral role in the CDBG process. Two Housing Commission members served on the formal application ranking committee for PY 2025. Staff presented funding recommendations to the full Housing Commission on March 27, 2025, where the Commission unanimously voted to recommend approval of the proposed allocations to City Council.

As part of the City's updated Citizen Participation Plan (adopted with the 2021 Consolidated Plan), enhanced community engagement was achieved by partnering with A League of Neighborhoods (ALN)—which includes the Southside Community Association, La Plaza Vieja Neighborhood Association, and Sunnyside Neighborhood Association—to host neighborhood-specific meetings in CDBG target areas.

In January 2025, City staff and ALN hosted a public meeting at the Market of Dreams to gather feedback on community priorities and CDBG-eligible activities. Staff from Housing, Capital Improvements, Planning, and PROSE also attended to discuss upcoming City projects in target neighborhoods. A second public meeting was held on February 6, 2025, at City Hall to present the CDBG proposal process and eligible project types.

In March 2025, City staff hosted a final meeting to review submitted applications and gather public input in preparation for drafting the Annual Action Plan and making funding recommendations.

This multi-faceted public participation process reflects the City's commitment to transparency, equity, and inclusive decision-making in the allocation of federal resources.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

No comments were received.

6. Summary of comments or views not accepted and the reasons for not accepting them

No comments were received.

7. Summary

The City of Flagstaff conducted public outreach and accepted applications and public comment related to funding recommendations/allocations that meet the priority needs and established 5-year goals and objectives in following priority areas:

- neighborhood revitalization, public facilities, and infrastructure,
- public services and economic opportunities,
- addressing homelessness, and
- decent affordable housing.

The table below summarizes planned CDBG activities and the priority level and 5-year numeric goal for each. Activities that might be targeted to special populations are indicated. The table is designed to meet HUD requirements.

Activity	Special Population	Priority Level	1-year Goal	5-year Goal
Priority Need: Neighborhood Revitalization, Public Facilities & Infrastructure				
Neighborhood Facility and Infrastructure Improvements		High	1,257 people	3,000 people
Public Facilities	X	High	380 people	100 people
Acquisition for Affordable Housing Development		Low		3 units

Table 1 - 5-year Consolidated Plan Goals

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
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Table 1 – Responsible Agencies

Narrative (optional)

The City’s Housing Section is the HUD “lead agency” for the CDBG Consolidated Plan and Annual Action Plan. The Housing Section is part of the City’s Community Development Division. In addition to Housing, the Community Development Division includes the Planning and Development services sections.

The Housing Section works to address the shortage of affordable housing with a number of programs and tools. In addition to administration of the CDBG program, the Housing Section performs four primary functions.

- 1) Research and Planning. Key to this focus area is the identification and maintenance of data pertinent to housing in Flagstaff and nationally, the creation and implementation of plans, the location and review of best practices and additional tools being used in other communities, and project specific planning.

2) Policy. The development and subsequent implementation of policy initiatives is critical to the success of the City of Flagstaff's overall housing and economic development goals. In general, policy development and implementation are designed to enhance City program effectiveness, identify gaps or underserved groups, and enhance the private sector's ability to provide market based solutions.

3) Housing Programs and Development. This focus area encompasses programmatic areas, as well as the implementation of previous planning efforts, resulting in the creation of housing opportunities.

4) The Flagstaff Housing Authority owns and manages 265 units of low-income public housing, administers 342 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for Veterans, 40 Mainstream vouchers for households with a disabled adult, 29 Emergency Housing Vouchers and 3 Foster Youth Initiative (FYI) Vouchers for youth aging out of the State foster care system. The Housing Authority also manages Clark Homes, a Section 8 new construction development with 80 units of low-income housing and provides twelve Section 8 Certificates for the seriously mentally ill, in partnership with the Guidance Center. There are currently more than 150 landlords participating in the City's Rental Voucher Programs.

Consolidated Plan Public Contact Information

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The City of Flagstaff DUNS Number is 08-830-2625

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

In developing the 2025 Annual Action Plan, the City of Flagstaff engaged in extensive consultation with a broad range of agencies and organizations that provide essential services related to housing, social services, support for elderly and disabled individuals, care for persons with HIV/AIDS, services for children experiencing neglect, and assistance for individuals and families impacted by homelessness.

A draft of the Consolidated Plan was made publicly available on the City's website beginning on March 3, 2025, allowing the public to review and provide feedback. A public hearing was held on April 11, 2025, during the City Council work session, where both stakeholders and community members were encouraged to attend and submit comments, either in person or in writing.

Additional consultation efforts were conducted with the Coconino County Continuum of Care, a coalition of organizations dedicated to supporting homeless individuals and families. Outreach also extended to residents of neighborhoods identified in the CDBG plan, with two targeted meetings held in September 2024 and March 2025 to gather input on community needs and priorities.

As part of the 2021 update to Flagstaff's Consolidated Plan, the City also enhanced its Citizen Participation Plan to include two annual public meetings specifically focused on outreach in designated target neighborhoods. The first meeting, held in late summer or early fall, gathers broad community feedback on citywide concerns and provides information on available City funding and project selection processes. The second meeting, held during the Annual Action Plan process, focuses on CDBG-eligible projects in the target neighborhoods, providing residents with information on upcoming City-led initiatives that may seek funding.

Flagstaff residents have consistently expressed concerns about wildfire risks and flooding. In response, the City continues to collaborate with organizations like the United Way of Northern Arizona to offer resources to residents affected by flooding and fire damage. City staff also actively participates in VOAD (Volunteers and Organizations Active during Disasters) meetings and has secured funding to support ongoing flood mitigation efforts.

Broadband Infrastructure:

In alignment with Flagstaff's commitment to expanding digital access, the City has developed a Broadband Infrastructure Master Plan, in collaboration with key community partners, including Coconino County, Northern Arizona University, and the Flagstaff Unified School District. This initiative includes a significant investment of approximately \$3 million to support fiber-optic broadband expansion throughout the city.

Wecom Fiber, an Arizona-based internet service provider, has partnered with the City to deliver high-speed, fiber-optic broadband to homes, businesses, and public facilities across Flagstaff. This project is designed to close the digital divide and provide reliable internet access to over 72,000 residents.

Key Project Details:

- **City Facilities Coverage:** The project will bring multi-gigabit broadband to 34 critical City-owned facilities, including City Hall, public libraries, fire stations, and the Flagstaff Aquaplex.
- **Private Network Expansion:** Wecom is constructing a 1.1 million-foot fiber network that will span nearly all of Flagstaff, covering approximately 95% of the city.
- **Financial Investment:** The total investment in this project is approximately \$40 million, with Wecom contributing \$3 million and the City of Flagstaff providing a \$2 million grant to support the expansion.
- **Project Timeline:** Construction began on April 16, 2025, with the first customers expected to come online by summer 2025. The entire project is expected to be completed within three years.

- **Community Impact:** This expanded broadband network will enhance connectivity for residents, support local businesses, and improve access to critical services such as education, healthcare, and government resources.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

The City of Flagstaff has established a robust coordination framework to enhance collaboration between public and assisted housing providers, as well as private and governmental health, mental health, and social service agencies. Central to this effort is an extensive mailing and email distribution list that includes over 150 representatives from organizations serving homeless and at-risk populations, mainstream service providers, housing agencies, community development organizations, and civic leaders. This network ensures regular communication about planning initiatives, funding opportunities, policy changes, and other relevant information.

Flagstaff is an active member of the local Continuum of Care (CoC), where it also holds a position on the Executive Committee. The CoC has developed its own extensive communication list, which includes over 300 stakeholders who represent organizations working with homeless individuals and families, social service agencies, and community groups. This list is a vital tool for informing agencies about planning efforts, funding opportunities, and any changes in policy or practice. In addition, the City of Flagstaff encourages engagement through its Housing Facebook page, further expanding outreach to local communities.

In the development of the 2025 Annual Action Plan, the City engaged with a wide array of agencies providing critical services to vulnerable populations, including housing, social services, and support for elderly and disabled persons, people living with HIV/AIDS, children in neglect, and families impacted by homelessness. The following agencies participated in the public meeting for the Annual Action Plan:

1. Catholic Charities of Northern Arizona
2. Coconino County Health and Human Services
3. City of Flagstaff Housing Section
4. City of Flagstaff Water Services
5. Flagstaff Shelter Services
6. City of Flagstaff Capital Improvement and Engineering
7. Housing Solutions of Northern Arizona
8. Salvation Army
9. Threaded Together
10. Boys and Girls Club of Flagstaff
11. Community Assistance Teams of Flagstaff

12. DNA People's Legal

13. Habitat for Humanity

The City Housing Section actively collaborates with various agencies, committees, and both City and County departments to coordinate the delivery of resources to eligible households. When appropriate, the City supports developers applying for Low-Income Housing Tax Credits (LIHTC) and helps facilitate other projects aimed at serving Flagstaff's low- and moderate-income residents.

Projects targeting special populations, such as the homeless, and those located in identified target neighborhoods receive priority points during the project ranking process. Additionally, the City awards points to projects that demonstrate strong community collaboration, including leveraging resources, staffing partnerships, formal agreements, and letters of support from community stakeholders.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City of Flagstaff is an active participant in the Coconino County Continuum of Care (CoC), which is managed by the Arizona Department of Housing. The City engages in various working groups, sub-committees, and advisory groups that focus on specific homeless and at-risk populations, including chronically homeless individuals and families, families with children, veterans, and unaccompanied youth. These collaborative meetings bring together a diverse range of stakeholders, including shelter providers, housing providers, prevention organizations, and agencies delivering emergency and transitional shelter services, rapid re-housing, and permanent supportive housing solutions.

City staff are actively involved in the CoC's Executive Committee and play a key role in shaping policy and program decisions. Through their participation, the City helps ensure that the unique needs of vulnerable populations are addressed and that service coordination is optimized.

For the past seven years, the City has been an active participant in the Point-In-Time (PIT) steering committee, collaborating with various partners to conduct this critical annual survey that provides a snapshot of homelessness in the community. Additionally, City staff have worked closely with Northern Arizona University to assist in developing the survey instrument for the Balance of State Continuum of Care, which allows for more consistent and accurate data collection across the region.

City staff also lead and participate in key initiatives that further support homeless persons and at-risk individuals, including:

- **Flagstaff Project Homeless Connect Steering Committee:** This annual event brings together service providers, volunteers, and community members to connect individuals experiencing homelessness with a wide range of essential services, from healthcare to legal assistance.
- **System Design Steering Committee:** This committee focuses on improving the overall structure of homelessness services in Flagstaff and the surrounding areas. One of its major

accomplishments is the creation of Front Door Coordinated Entry, a single point of access for individuals in housing crisis.

Since its inception in January 2017, Front Door has simplified the process of accessing housing and services for individuals in crisis. By entering the program, community members facing homelessness are connected to a comprehensive network of services designed to meet their immediate needs and offer pathways to long-term housing stability. The Front Door Program serves as a critical entry point for those seeking support, making the process of accessing emergency shelter, rapid re-housing, and other resources much more streamlined and efficient.

Through these ongoing efforts and collaborations, the City of Flagstaff continues to address the pressing needs of homeless individuals and families, with a particular focus on chronically homeless individuals, families with children, veterans, and unaccompanied youth. The City remains committed to ensuring that all residents have access to safe, stable housing and the services necessary to overcome homelessness.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City of Flagstaff is not an ESG grantee.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Flagstaff Shelter Services, Inc
	Agency/Group/Organization Type	Housing

Services - Housing

Services-Children

Services-Elderly Persons

Services-Persons with Disabilities

Services-Persons with HIV/AIDS

Services-Victims of Domestic Violence

Services-homeless

What section of the Plan was addressed by Consultation? Housing Need Assessment

Public Housing Needs

Homeless Needs - Chronically homeless

Homeless Needs - Families with children

Homelessness Needs - Veterans

Homelessness Needs - Unaccompanied youth

Homelessness Strategy

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? Flagstaff Shelter Services offers homeless individuals shelter and supportive services and is focused on chronically homeless individuals, many of whom have serious psychiatric or substance abuse issues. Flagstaff Shelter Services provides all individuals experiencing homelessness with coordinated entry know as Flagstaff's Front Door. The agency was consulted through public meetings, the public comment period and one on one technical assistance.

2 Agency/Group/Organization Z - DO NOT USE - CATHOLIC CHARITIES OF NORTHERN ARIZONA

Agency/Group/Organization Type Housing

Services - Housing

Services-Children

Services-Elderly Persons

Services-Persons with Disabilities

Services-Persons with HIV/AIDS

Services-Victims of Domestic Violence

Services-homeless

What section of the Plan was addressed by Consultation? Housing Need Assessment

Public Housing Needs

Homeless Needs - Chronically homeless

Homeless Needs - Families with children

Homelessness Needs - Veterans

Homelessness Needs - Unaccompanied youth

Homelessness Strategy

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? Catholic Charities of Northern Arizona continued to monitor the needs of Northern Arizona communities and responded by providing life-changing services that protect and nurture children, help strengthen families and assist individuals in crisis. Catholic Charities delivers services in foster care, adoption

and pregnancy counseling, North Star youth development and Westside Head Start early education. Over the years in response to community needs, Catholic Charities has grown to serve veterans and their families, sex-trafficked survivors, victims of domestic abuse, refugees and those experiencing homelessness. Catholic Charities of Northern Arizona is also a key partner of the Front Door of Coconino County.

3 Agency/Group/Organization Coconino County Health and Human Services

Agency/Group/Organization Type Services - Housing

Services-Children

Services-Elderly Persons

Services-Persons with Disabilities

Services-Persons with HIV/AIDS

Services-Victims of Domestic Violence

Services-homeless

Services-Health

Services-Education

Services-Employment

Health Agency

Other government - County

What section of the Plan was addressed by Consultation? Housing Need Assessment

Public Housing Needs

Homeless Needs - Chronically homeless

Homeless Needs - Families with children

Homelessness Needs - Veterans

Homelessness Needs - Unaccompanied youth

Homelessness Strategy

Non-Homeless Special Needs

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? Coconino County Health and Human Services Department (CCHHS) is the largest provider of emergency services in the community, specifically eviction/foreclosure prevention and move in assistance; it is the number one referral agency in both the County and the City of Flagstaff. Coconino County Health and Human Services is the recognized Community Action Agency for the County and covers

a service area of 18,000 square miles. CCHHS has successfully administered an eviction and foreclosure prevention program for the last thirty-six (36) years. The agency was consulted through public meetings, the public comment period and one on one technical assistance.

4 Agency/Group/Organization City of Flagstaff

Agency/Group/Organization Type Housing

PHA

Other government - Local

Major Employer

What section of the Plan was addressed by Consultation? Housing Need Assessment

Public Housing Needs

Economic Development

Anti-poverty Strategy

Lead-based Paint Strategy

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? The City will continue to utilize CDBG funds in target neighborhoods. These programs serve low to moderate income residents of target neighborhoods. The programs improve infrastructure and revitalize low income neighborhoods

5 Agency/Group/Organization Housing Solutions of Northern Arizona

Agency/Group/Organization Type Housing

Services - Housing

Services-Victims of Domestic Violence

Services - Victims

What section of the Plan was addressed by Consultation? Housing Need Assessment

Homeless Needs - Families with children

Homelessness Strategy

Non-Homeless Special Needs

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? Housing Solutions of Northern Arizona (HSNA) is a nonprofit housing organization, founded as the Affordable Housing Coalition in 1990 through the grassroots efforts of local citizens concerned about the lack of affordable housing in the Flagstaff community. HSNA expanded from an advocacy organization to one that focuses on programs designed to help residents identify and maintain safe, decent, and

affordable housing. The agency's mission is "building opportunities for sustainable, affordable housing in northern Arizona." The agency was consulted through public meetings, the public comment period and one on one technical assistance.

6 Agency/Group/Organization Threaded Together

Agency/Group/Organization Type Services-Victims of Domestic Violence

Services-Education

Services-Employment

What section of the Plan was addressed by Consultation? Non-Homeless Special Needs

Economic Development

Anti-poverty Strategy

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? Threaded Together is a nonprofit organization devoted to inspiring creativity and connection through textile arts programs that empower participants, enrich community, and offer employment pathways for women and vulnerable populations. The agency was consulted through public meetings, the public comment period and one on one technical assistance.

7 Agency/Group/Organization Habitat for Humanity of Flagstaff

Agency/Group/Organization Type Housing

What section of the Plan was addressed by Consultation? Housing Need Assessment

Non-Homeless Special Needs

Anti-poverty Strategy

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? Habitat for Humanity believes that every man, woman, and child should have a decent, safe, and affordable place to live. The organization builds and repairs houses all over the world using volunteers and donations. Partner families purchase these houses through no-profit, no-interest mortgage loans and other innovative financing methods. The agency was consulted through public meetings, the public comment period and one on one technical assistance.

8 Agency/Group/Organization A League of Neighborhoods

Agency/Group/Organization Type Coalition of Neighborhood Associations

Neighborhood Organization

What section of the Plan was addressed by Consultation? Housing Need Assessment

Non-Homeless Special Needs

Market Analysis

Economic Development

Anti-poverty Strategy

Lead-based Paint Strategy

Target Neighborhood Outreach

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? A League of Neighborhoods (ALN) began in the winter of 2005 when three neighborhood associations (the Plaza Vieja Neighborhood Association, Inc. (LPVNA), the Southside Community Association, Inc. (SSCA) and Sunnyside Neighborhood Association of Flagstaff, Inc. (SNA) partnered to prevent the sale and possible demolition of the historic Murdoch Community Center (located in the Southside neighborhood). Since 2005 the organizations represented within the ALN continued to work together on other such projects and neighborhood initiatives (e.g. voter registration and food drives, neighborhood clean-ups and beautification projects, etc.) and in co-authoring letters to the City of Flagstaff regarding funding processes (CDBG funds, etc.), the lack of a City-wide PMO and the need for enhanced Community Policing Activities within the neighborhoods. It is important to note that the neighborhoods served by the organizations represented within the ALN are the three poorest neighborhoods in the City of Flagstaff. These neighborhoods and their constituents represent the most economically challenged and diverse citizens of the City of Flagstaff; the average income level for the residents of these three neighborhoods is \$20,000 to \$35,000 - lower than the average median income of the City overall.

Identify any Agency Types not consulted and provide rationale for not consulting

All major agencies, including social service, housing, and health agencies; other government agencies; planning organizations; and business and civic leaders, providing a full range of public services in and around the City of Flagstaff were contacted to request comments. No specific agency or agency type was excluded. All agencies are offered the opportunity to have input into the Consolidated Plan and Action Plan through stakeholder meetings, public meetings, e-mail, and written input. No specific agency types were identified as not consulted.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan Lead Organization How do the goals of your Strategic Plan overlap with the goals of each plan?

Continuum of Care Arizona Department of Housing The City's Consolidated Plan identifies addressing homelessness as a priority need.

10 Year Housing Plan City of Flagstaff The City's Consolidated Plan and the 10 Year Housing Plan define the City's housing related needs and policy goals for overcoming barriers to affordable housing.

Coconino County Action Alliance Coconino County Health and Human Services The City's Consolidated Plan priority needs all overlap with the goals of the County Action Alliance

Housing Attainability Study Housing Solutions of Northern Arizona The City's Consolidated Plan and this study provide a thorough assessment of housing needs in Flagstaff

Coconino County Needs Assessment 2020 Coconino County Health and Human Services The City's Consolidated Plan and this assessment both work to identify community needs.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

The City Housing Section works with Coconino County and various City and County departments to coordinate resource delivery to eligible households. The City works closely with the State's Homeless and Special Needs staff and the local Continuum of Care to support as many targeted activities as CDBG funding will allow. The City also supports developers, when appropriate, that are seeking funding for Low-Income Housing Tax Credits (LIHTC) and other affordable housing projects that serve Flagstaff's low- and moderate-income households.

City staff actively participate in the Coconino County Continuum of Care (managed by the Arizona Department of Housing), engaging in working groups, sub-committees, and advisory bodies focused on homeless and at-risk populations. These collaborative forums bring together shelter and housing providers, as well as agencies delivering prevention services, rapid re-housing, emergency and transitional shelter, and permanent supportive housing. City staff serve on the Continuum's Executive Committee, and annually participate in the Point-in-Time (PIT) Count.

Additionally, City staff serve on the Coconino County Community Action Advisory Board (CAAB), which advises on local strategies to reduce poverty and support low-income residents. This involvement strengthens coordination and policy alignment across regional housing, health, and human service programs.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

The City of Flagstaff allocates Community Development Block Grant (CDBG) funds based on community priorities identified by City Council and informed by extensive public input during both

the planning and application processes. Funding decisions are guided by the City’s 5-Year Consolidated Plan, Annual Action Plan priorities, and federal CDBG objectives.

Each year, the City issues a formal Notice of Funding Availability (NOFA) to solicit proposals for eligible CDBG-funded activities. This process is open to qualified external organizations as well as internal City-sponsored projects. Submitted proposals are evaluated and scored by a review committee composed of City staff and external stakeholders. The committee’s recommendations are based on criteria such as alignment with City Council CDBG priorities, demonstrated community need and demand, location within designated target neighborhoods (which have a disproportionate concentration of low-income and minority residents), and the capacity of the applicant to deliver timely, compliant, and sustainable outcomes.

Activities that serve special populations—including individuals experiencing homelessness—and those located in target neighborhoods receive additional consideration during the scoring process. Proposals that demonstrate strong community collaboration, leverage additional resources, and include formal partnerships or letters of support also receive additional points.

For the development of the current Annual Action Plan, the City conducted a comprehensive public engagement process consisting of five public meetings, the NOFA process, and an open invitation for written comments. Forums were held to gather feedback on housing and community development needs and to encourage community input on proposed activities. The draft Annual Action Plan was made available for public review and comment from March 3, 2025, to April 4, 2025.

City received applications from the following organizations: Housing Solutions of Northern Arizona, Community Assistance Teams of Flagstaff, Tynkertopia, Homeless Youth Connection, and Northland Family Help Center.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
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1	Public Meeting	Minorities				
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Persons with disabilities

Non-targeted/broad community

Residents of Public and Assisted Housing

Residents of Target Neighborhoods Held in-person - September 12, 2024 - 40+ Residents, Mayor, Councilmembers and City Staff Public Notice provided through City of Flagstaff Housing Section E-mail List and Newsletter, City of Flagstaff Website, Facebook, and Flyer Distribution by "A League of Neighborhoods". Comments and feedback received from neighborhoods residents centered around crime, code enforcement, housing, parks, public facilities, and neighborhood revitalization. City Staff answered questions about programs and funding availability from not just CDBG but other sources as well. All comments were accepted.

2 Public Hearing Persons with disabilities

Non-targeted/broad community Held virtually - September 22, 2024 - Review of the Consolidated Annual Performance Evaluation Report Public Notice provided through Newspaper Advertisements on August 26th and September 2nd, 2024, City of Flagstaff Housing Section E-mail List and Newsletter, City of Flagstaff Website, and Facebook. General questions about the use of CDBG funds in past program years, no specific comments. All comments were accepted.

3 Public Meeting Persons with disabilities

Non-targeted/broad community Held in-person and virtually - January 17th, 2025 City Council Meeting - Presentation on the CDBG program, public comment opportunity and Council CDBG funding priority setting for Programs Years 2025 and 2026 Public Notice provided through City of Flagstaff Housing Section E-mail List and Newsletter, City of Flagstaff Website, Council Meeting Agenda Postings, and Facebook. Council priorities determined to be Housing (Rental and Ownership), Addressing Homelessness, Workforce Development and Neighborhood Revitalization. Comments from Council included the suggestion that subrecipients partner with A League of Neighborhoods to provide outreach and that the City continue building the relationship with target neighborhoods when assessing needs and determining recommendations. All comments were accepted.

4 Public Hearing Persons with disabilities

Non-targeted/broad community Held virtually - February 1, 2025 - Public hearing to start the CDBG grant cycle and public participation process. The overview of the City's CDBG program assisted the public in understanding the possible funding available, eligible activities under the grant, City Council CDBG priorities, and the format of this year's CDBG process. 13 representatives from agencies attended. Public Notice provided through Newspaper Advertisements on January 17th, 18th and 25th, 2025, City of Flagstaff Housing Section E-mail List and Newsletter, City of Flagstaff Website, and Facebook. No comments received. All comments were accepted.

5 Public Hearing Persons with disabilities

Non-targeted/broad community Held in-Person and virtually - March 2, 2025 - Public Hearing to discuss available CDBG funds for the 2025 Program Year and eligible activities and to review received proposals and receive comments on the use of the City of Flagstaff CDBG funds. Public Notice provided through Newspaper Advertisements on February 9th and 16th, 2025, City of Flagstaff Housing Section E-mail List and Newsletter, City of Flagstaff Website, and Facebook.

No Comments Received. All comments were accepted.

6 Public Meeting Persons with disabilities

Non-targeted/broad community

Residents of Public and Assisted Housing Held virtually - March 23, 2025 City of Flagstaff Housing Commission Meeting - Presentation of Staff and Ranking Committee recommendations for CDBG 2025 Program Year Entitlement funds with public comment opportunity and unanimous vote from the Commission to move forward the recommendations with a recommendation to Council for approval. Public Notice provided through City of Flagstaff Housing Section E-mail List and Newsletter, City of Flagstaff Website, City Commission Agenda Postings, and Facebook.

Questions from Commissioners focused primarily on CDBG activity eligibility. All comments were accepted.

7 Public Hearing Persons with disabilities

Non-targeted/broad community Held in-person and virtually - April 11, 2025 City Council Work Session - Public Hearing to discuss available CDBG funds for the 2025 Program Year and to review received proposals as well as Staff and Ranking Committee recommendations for allocations, and provide an opportunity for public comment. Public Notice provided through Newspaper Advertisements on February 9th and 16th, 2025, City of Flagstaff Housing Section E-mail List and Newsletter, City of Flagstaff Website, City Council Meeting Agenda postings, and Facebook Council members provided feedback on Staff recommendations for funding allocations with questions about project eligibility. All comments were accepted.

8 Public Meeting Persons with disabilities

Non-targeted/broad community Held in-person and virtually - May 2, 2025 City Council Meeting - Presentation on the CDBG program, public comment opportunity and Council resolution approving the submission of the CDBG 2025 Program Year Annual Action Plan. Public Notice provided through City of Flagstaff Housing Section E-mail List and Newsletter, City of Flagstaff Website, Council Meeting Agenda Postings, and Facebook No Comments Received. N/A

9 Internet Outreach Non-targeted/broad community Emails were sent to over 300 members of the Coconino County Continuum of Care, informing agencies and nonprofit organizations of important dates for the PY 2022 Community Development Block Grant public

participation schedule, public comment periods, the Notice of Fund Availability process, as well as deadlines for proposals. N/A N/A

10 Newspaper Ad Persons with disabilities

Non-targeted/broad community Arizona Daily Sun AD published January 17, 18 and 25, 2025 - Invited the public to the first Public Hearing to start the CDBG grant cycle and public participation process and provide Notice of Funding Available. N/A N/A

11 Newspaper Ad Persons with disabilities

Non-targeted/broad community Arizona Daily Sun AD published February 9 & 16, 2025 - Invited the public to the second Public Hearing to discuss the use of CDBG funding on March 2, 2025. Also provided notice of the 30 day public comment period for the draft Annual Action Plan and notice of the April 11, 2025 City Council Meeting serving as an additional Public Hearing. N/A N/A

12 Internet Outreach Persons with disabilities

Non-targeted/broad community Public Notice for all Public Meetings, Public Hearings and public comment periods was provided through the City of Flagstaff Housing Section E-mail List and Newsletter, City of Flagstaff Website, Facebook, and City Council Agenda Meeting postings. N/A N/A

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The City of Flagstaff's Program Year 2025 Annual Action Plan outlines funding allocations for the Community Development Block Grant (CDBG) program, marking the third year of implementation under the 2021–2025 Consolidated Plan. These allocations are targeted toward achieving goals identified in the Consolidated Plan's core focus areas: Affordable Housing, Homelessness, Community Development, Neighborhood Revitalization, Economic Opportunities, Public Services, Fair Housing, and Citizen Participation.

CDBG entitlement funding varies annually and is determined by the federal budget. For Program Year 2025, the City of Flagstaff received a CDBG entitlement allocation of \$541,191.00. In addition to the entitlement funds, the City is utilizing \$145,251.00 in program income and \$54,337.50 in de-

obligated funds from a prior program year, resulting in a total of \$740,779.50 available for allocation in 2025.

The City also continues to leverage additional federal, state, and local resources, including general funds, public housing allocations, and private funding secured by the City or its nonprofit partners to advance community development goals and address the needs of individuals and families experiencing homelessness.

While some CDBG funds from previous years remain unspent, these funds have already been committed to specific projects identified in the relevant Annual Action Plans and will not be reallocated to other activities. This includes \$54,337.50 in de-obligated funds from Program Year 2021, now incorporated into the 2025 funding plan.

In response to the COVID-19 pandemic, the City of Flagstaff received CDBG-CV (CARES Act) funds during Program Years 2019 and 2020. These funds were allocated through two substantial amendments to the 2019 Annual Action Plan. As of the submission of this 2025 Plan, all CDBG-CV funds have been fully expended to support projects that prepared for, prevented, and responded to the impacts of coronavirus in the Flagstaff community.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available	Year 1
	Expected Amount Available	Remainder of ConPlan		
\$	Narrative Description			
	Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	
	Total:			
\$				
CDBG	public - federal Acquisition			
	Admin and Planning			
	Economic Development			
	Housing			
	Public Improvements			
Public Services	541,191.00	145,251.00	54,337.50	740,779.50 979,688.50

The 2025 Program Year CDBG Entitlement for the City of Flagstaff is \$541,191. In addition, the City is utilizing \$145,251 in CDBG Program Income and \$54,337.50 in de-obligated past years funds in combination with the 2025 Entitlement for a total of \$740,779.50 available to allocate.

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Federal funds awarded through the Community Development Block Grant (CDBG) program will be strategically leveraged to maximize community impact. These funds will support a range of eligible activities, including the rehabilitation and development of affordable housing for both renters and homeowners, and the provision of essential services to vulnerable populations—such as individuals experiencing homelessness, households living in poverty, seniors, individuals with disabilities, and others with special needs.

When required, matching contributions for federally funded projects may be met through a combination of local nonprofit fundraising efforts, State Housing Trust Funds, private donations, and the City of Flagstaff's General Fund. The City actively works with developers and nonprofit agencies to ensure projects have the financial support needed to move forward.

In addition to federal funding sources, the City of Flagstaff voters approved a \$25 million Affordable Housing Bond in 2022. The bond was designed to accelerate the production, preservation, and protection of affordable housing within the city over a 10-year period. Projects funded by the bond include land acquisition for housing development, home repair and rehabilitation programs, infrastructure improvements to support new housing, and partnerships with local nonprofit housing providers. Bond funds may be used to complement federal investments, providing critical gap financing for affordable housing projects and ensuring long-term affordability for low- and moderate-income residents.

The integration of federal, state, local, and private funding streams reflects the City's comprehensive approach to addressing housing insecurity and increasing the availability of affordable housing across Flagstaff. This layered funding strategy allows the City to make the most of limited resources and to support a variety of housing initiatives that are financially sustainable, aligned with community priorities, and responsive to urgent local needs.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City of Flagstaff utilizes Community Development Block Grant (CDBG) funds to improve public facilities and infrastructure in low- and moderate-income neighborhoods, with a particular focus on the designated target areas of Sunnyside, Pine Knoll, La Plaza Vieja, and Southside. Investments in these neighborhoods aim to enhance quality of life, support community safety, and promote equitable access to essential services. Eligible CDBG-funded improvements include sidewalk and accessibility enhancements, lighting, traffic calming measures, recreation upgrades, and other infrastructure priorities identified by residents.

Project selection is guided by the Flagstaff Regional Plan 2030, which was adopted by City Council and ratified by voters, as well as by Neighborhood Specific Plans for La Plaza Vieja and Southside. These plans were developed in close collaboration with neighborhood associations and residents through robust public engagement processes. As a result, the City's infrastructure projects reflect community-identified needs and priorities and promote inclusive, place-based development.

In addition to infrastructure and facilities improvements, the City leverages other tools to support long-term affordable housing and neighborhood stability. One such tool is the City of Flagstaff's Community Land Trust (CLT). The CLT is a nonprofit entity that works in partnership with the City to acquire and maintain ownership of land for the purpose of preserving permanent affordability. Homes developed on CLT land are sold to income-eligible households at prices below market rate, while the land remains in trust to ensure that future resales also serve low- to moderate-income buyers. This model not only addresses the city's affordability crisis but also promotes long-term community investment and stewardship.

Together, the CDBG program, neighborhood-specific planning efforts, and the Community Land Trust model reflect the City's commitment to equitable development, community engagement, and housing affordability.

Discussion

The City of Flagstaff utilizes federal, state, and local resources to support affordable housing, public infrastructure, and services for low- and moderate-income households, including people experiencing homelessness, poverty, and other vulnerabilities. Primary funding sources include the Community Development Block Grant (CDBG) program, Program Income, City General Funds, and other leveraged resources such as State Housing Trust Funds and nonprofit fundraising.

For Program Year 2025, the City of Flagstaff received a CDBG entitlement allocation of \$541,191.00. This is supplemented by \$145,251.00 in Program Income and \$54,337.50 in de-obligated funds from Program Year 2021, bringing the total allocation to \$740,779.50. In addition to the annual entitlement, the City continues to receive periodic Program Income from previous homebuyer assistance and housing rehabilitation programs. During Program Years 2020 and 2021, the City received an unprecedented amount of Program Income due to favorable market conditions and interest rates. Those funds were allocated in Program Year 2022. If future Program Income exceeds current projections and may affect the City's timeliness threshold, a mid-year allocation and amendment to this Annual Action Plan will be considered.

Local investments further support these efforts. The City of Flagstaff's voter-approved bond for affordable housing provides critical local funding for new construction, land acquisition, and housing-related infrastructure. This resource helps address the region's affordability crisis and ensures that Flagstaff remains livable for residents across income levels.

The City also supports and partners with the Flagstaff Community Land Trust, which preserves long-term affordability through the development of permanently affordable homes for income-eligible households. Land remains in trust, while homes are sold at below-market rates to qualified buyers, ensuring lasting affordability and generational access to housing.

Together, these resources form a coordinated strategy that combines federal and local funding to maximize impact, ensure sustainability, and meet Flagstaff's most pressing housing and community development needs.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name Needs Addressed	Start Year Funding	End Year Goal Outcome Indicator	Category	Geographic Area
2	Planning and Administration	2021	2025	Affordable Housing	

Public Housing

Homeless

Non-Homeless Special Needs

Non-Housing Community Development

Administration and Planning Citywide Revitalization, Public Facilities & Infrastructure

Public Services and Economic Opportunities

Addressing Homelessness

Decent Affordable Housing CDBG: \$ Other: 1 Other

7

10

12

Table 2 – Goals Summary

Goal Descriptions

2 Goal Name
Goal Description

7 Goal Name
Goal Description

10 Goal Name
Goal Description

12 Goal Name
Goal Description

Projects

AP-35 Projects – 91.220(d)

Introduction

The strategies outlined in this Annual Action Plan represent the third-year implementation of the City of Flagstaff’s 2021–2025 Consolidated Plan, addressing high-priority community needs including neighborhood revitalization, public facilities and infrastructure, public services and economic opportunity, homelessness response, and the development and preservation of affordable housing.

For Program Year 2025, the City of Flagstaff received six external Community Development Block Grant (CDBG) proposals and one internal project request in response to a Notice of Funding Availability (NOFA) issued by the Housing Section. Each application was reviewed for eligibility, alignment with HUD and local priorities, and financial and programmatic capacity.

The City received its official Program Year 2025 CDBG entitlement allocation of \$565,000 from the U.S. Department of Housing and Urban Development (HUD) in March 2025. In addition, the City is allocating \$107,893.51 in Program Income and \$15,277.75 in prior-year de-obligated funds, bringing the total available funding for Program Year 2025 to \$688,171.26.

The proposed allocation includes planning and administrative costs and applies a 10% indirect rate to reflect City financial impacts. Recommendations were presented to the Housing Commission on March 27, 2025, and discussed at a City Council Work Session on April 22, 2025. The Final Annual Action Plan and funding allocations were approved by City Council on May 6, 2025, via Resolution No. 2025-XX.

The following table identifies the approved projects for the 2025 Program Year and their associated funding amounts, as outlined in this Annual Action Plan.

Projects

#	Project Name
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Table 3 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

For Program Year 2025, the City issued a Notice of Funding Available (NOFA) and request for proposals for CDBG eligible activities. Proposals are evaluated based on CDBG eligibility and funding criteria (for example: benefit of ratio of dollars per person, percent of leverage funding, past successful CDBG contract administration, location of the project in a target area, and evidence of community collaborations. At least 70% of CDBG funds must serve low and moderate-income people and not more than 15% may be used for public services. Up to 20% may be used to cover administrative costs, including indirect costs. The largest obstacle to addressing underserved needs is insufficient funding, particularly for public services projects. This City of Flagstaff evaluates past and present projects for efficient and effective use of funds in addressing the high priority needs identified in the Consolidated Plan as well as for the impact on low-and-moderate income City residents.

AP-38 Project Summary

Project Summary Information

Project Name	Target Area	Goals Supported	Needs Addressed	Funding
Description	Target Date	Estimate the number and type of families that will benefit from the proposed activities	Location Description	Planned Activities

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of Flagstaff has identified four HUD-defined target neighborhoods, where more than 50% of households have low- to moderate-incomes (earning 80% or less of the Area Median Income):

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

These neighborhoods are home to approximately 8,565 residents. Of these:

- 6,210 (approximately 73%) are considered low- and moderate-income

- 33% identify as Hispanic or Latino
- 27% identify as people of color
- 50% live in family households
- 21% have a head of household aged 24 or younger
- 24% of households are owner-occupied

Three of these neighborhoods—Sunnyside, Southside, and La Plaza Vieja—have formed a coalition known as "A League of Neighbors." This alliance includes the Sunnyside Neighborhood Association, La Plaza Vieja Neighborhood Association, and the Southside Community Association. These resident-led 501(c)(3) organizations collaborate to advocate for neighborhood investment, infrastructure improvements, and community development. Their grassroots efforts focus on improving safety, enhancing beautification, increasing local employment opportunities, promoting civic engagement, and strengthening neighborhood unity in Flagstaff's historic core.

(add map)

Geographic Distribution

Target Area	Percentage of Funds
Sunnyside	0
La Plaza Vieja	0
Southside	0
Pine Knoll	35
Citywide	100

Table 4 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City of Flagstaff allocates investments geographically to address the needs of its target neighborhoods, ensuring that limited resources are directed to areas with the highest concentration of low- and moderate-income households. The City's four identified target neighborhoods—Sunnyside, Southside, Pine Knoll, and La Plaza Vieja—are selected based on HUD's definition, where more than 50% of households have low- to moderate-incomes (80% or less of Flagstaff's Area Median Income).

These neighborhoods have been identified as high-priority areas because of their socio-economic characteristics, including significant populations of families, individuals of color, and households with limited access to resources. By targeting these areas, the City aims to improve neighborhood conditions and provide equitable opportunities for all residents. Investments in these

neighborhoods are aligned with the City’s goals of fostering neighborhood revitalization, improving public infrastructure, and promoting economic opportunities.

Research consistently demonstrates that neighborhood conditions, including access to quality community spaces, healthcare, education, transportation, and employment, significantly impact residents' well-being. As such, geographic allocation of CDBG funds focuses on enhancing community spaces, recreational facilities, and local infrastructure in these neighborhoods to reduce disparities and create safer, healthier environments.

For example, in Pine Knoll, a key initiative includes the installation of new playground equipment to promote active recreation and improve safety for children and families. These investments contribute not only to physical health but also to community cohesion and the overall quality of life.

By prioritizing investments in target neighborhoods, the City of Flagstaff ensures that resources are used effectively to address the unique needs of residents in areas of high need and maximize the community impact of CDBG funds.

Discussion

The City strives to utilize CDBG funds in target areas; however, the actual distribution of funds to target areas depends on the number and type of proposals that are received. The City of Flagstaff partners with A League of Neighborhoods to identify potential projects and resident-identified needs in target neighborhoods.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

One Annual Action Plan requirement is to provide information on the number of households that will benefit from affordable housing and the types of housing these households will be supported through. The following HUD tables define the City’s goals for the number of households that will be provided housing by housing activity.

Beyond the goals listed below, the City of Flagstaff has created it's 10 year Housing Plan, adopted by Council in February 2022. A robust amount of data and public participation went into its formation, including a community housing survey that reached 3,000 respondents, a community forum survey that garnered 327 respondents, and roughly 16.4 hours of public comment, 600 written comments and more than 1,000 volunteer hours from the combined efforts of 80 volunteers in informal working groups.

One Year Goals for the Number of Households to be Supported

Homeless 446

Non-Homeless 2

Special-Needs 0

Total 448

Table 6 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through

Rental Assistance 0

The Production of New Units 66

Rehab of Existing Units 380

Acquisition of Existing Units 2

Total 448

Table 7 - One Year Goals for Affordable Housing by Support Type

Discussion

Over the coming year a total of 448 households will benefit from PY 2025 CDBG funded projects included in the Annual Action Plan. Public facility improvements include rehabilitation of a domestic violence and youth shelter, supporting 180 individuals experiencing homeless in the first year as well as to improve 30 units of non-congregate, emergency shelter, serving 200 individuals per year. Acquisition of affordable housing units will create 2 new affordable rentals for LMI households and operational support will support 66 homeless individuals living in transitional housing.

In addition to goals related to CDBG funding, the City of Flagstaff has identified Affordable Housing goals in its 10 year Housing Plan, adopted by Council in February 2022. A robust amount of data and public participation went into its formation, including a community housing survey that reached 3,000 respondents, a community forum survey that garnered 327 respondents, and roughly 16.4 hours of public comment, 600 written comments and more than 1,000 volunteer hours from the combined efforts of 80 volunteers in informal working groups.

The plan is broken into categories of action focused on creating housing options, connecting people to equitable housing solutions, preserving affordable housing, and protecting people from housing discrimination and barriers. Subsidies such as rental assistance and down-payment assistance are included in the plan, but so too are a variety of actionable policy initiative and strategies to be utilized over the next 10 years.

Among the strategies are motives such as “Incentivize the creation of new affordable units,” “Implement a framework for centering equity in proposed and existing housing practices,” “Encourage the adaptive reuse of buildings,” and “Integrate housing into healthcare programs.”

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: Impact at least 6,000 low-to-moderate income Flagstaff residents through a combination of unit creation or subsidy provision.

• Element two: 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.

The final 10 year Housing Plan can be found at <https://www.flagstaff.az.gov/DocumentCenter/View/72509/Flagstaff-10-Year-Housing-Plan---FINAL-6152022>

AP-60 Public Housing – 91.220(h)

Introduction

The Flagstaff Housing Authority owns and manages 265 units of low-income public housing, administers 342 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for Veterans, 40 Mainstream vouchers for households with a disabled adult, 29 Emergency Housing Vouchers and 3 Foster Youth Initiative (FYI) Vouchers for youth aging out of the State foster care system. We partner with the Veterans Administration (VA) on the VASH program and with the State Department of Child Safety on the FYI program. The Housing Authority also manages Clark Homes, a Section 8 new construction development with 80 units of low-income housing and provides twelve Section 8 Certificates for the seriously mentally ill, in partnership with the Guidance Center. Currently over 150 landlords participate in the City's Rental Voucher Programs.

While chronically underfunded by HUD for capital needs, the public housing units are in good repair. The Housing Authority follows a system of ensuring that all major systems are well maintained. The Housing Authority develops a 5-year Plan, updated, and submitted to HUD on an annual basis, to identify the capital needs of public housing developments and the methods by which living conditions will be improved for public housing residents.

The City intends to reposition and redevelop its public housing in order to increase the inventory of public and private affordable housing for renters and, potentially, homeowners throughout the City. The City's goals are to reposition its public housing portfolio, through RAD and other options allowed by HUD in order to stabilize funding, modernize properties, and increase the number of affordable housing units to create vibrant, attractive, and diverse mixed-income communities that

include a mix of rental units to house families, as well as units specifically designed for the elderly and other groups with special needs.

Actions planned during the next year to address the needs to public housing

The City intends to reposition and redevelop its public housing in order to increase the inventory of public and private affordable housing for renters and, potentially, homeowners throughout the City. The City's goals are to reposition its public housing portfolio, through RAD and other options allowed by HUD in order to stabilize funding, modernize properties, and increase the number of affordable housing units to create vibrant, attractive, and diverse mixed-income communities that include a mix of rental units to house families, as well as units specifically designed for the elderly and other groups with special needs.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The Housing Authority has multiple goals and objectives created to increase resident involvement including providing maintenance and repair training prior to occupancy; continuing resident education; partnering with the Boys and Girls Club, Tynkertopia and the City Recreation Department to provide free on-site programs; resident meetings, barbeques, and newsletters to help residents with education, employment, job training and youth services.

The City Housing Authority produces a monthly newsletter for public housing residents. Newsletter content includes food and utility assistance, library programming, free tax assistance information, healthcare marketplace information, regular deadlines for rent and recertification submission, public notice regarding policy changes, and countless other resources.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Flagstaff's Housing Authority is a high performing PHA.

Discussion

The Flagstaff Housing Authority owns and manages 265 units of low-income public housing, administers 342 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for Veterans, 40 Mainstream vouchers for households with a disabled adult, 29 Emergency Housing Vouchers and 3 Foster Youth Initiative (FYI) Vouchers for youth aging out of the State foster care system. We partner with the Veterans Administration (VA) on the VASH program and with the State Department of Child Safety on the FYI program. The Housing Authority also manages Clark Homes, a Section 8 new construction development with 80 units of low-income housing and provides twelve Section 8 Certificates for the seriously mentally ill, in partnership with the Guidance Center. Currently over 150 landlords participate in the City's Rental Voucher Programs.

While chronically underfunded by HUD for capital needs, the public housing units are in good repair. The Housing Authority follows a system of ensuring that all major systems are well maintained. The Housing Authority develops a 5-year Plan, updated, and submitted to HUD on an annual basis, to identify the capital needs of public housing developments and the methods by which living conditions will be improved for public housing residents.

The City intends to reposition and redevelop its public housing in order to increase the inventory of public and private affordable housing for renters and, potentially, homeowners throughout the City. The City's goals are to reposition its public housing portfolio, through RAD and other options allowed by HUD in order to stabilize funding, modernize properties, and increase the number of affordable housing units to create vibrant, attractive, and diverse mixed-income communities that include a mix of rental units to house families, as well as units specifically designed for the elderly and other groups with special needs.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City is not a direct recipient of Emergency Solutions Grant funds from HUD yet invests a significant amount of financial and staff resources in addressing the needs of people experiencing homelessness and people with special needs in the City of Flagstaff. This section describes the City's one-year goals and actions for reducing and ending homelessness.

Describe the jurisdiction's one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Continuum of Care (C of C) members and participants in the Front Door coordinated entry program may apply for CDBG funds to assist street outreach, but with limited public service dollars, local agencies choose to apply for support in prevention and diversion programs. There are currently three nonprofit organizations that conduct outreach services, two of which only serve veterans. Funded programs are highly encouraged to participate in coordinated entry through the Front Door and the C of C's individual assessment plan (VI-SPDAT) if not already involved.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City and Coconino County's Continuum of Care members recognize the critical nature of Housing First and permanent supportive housing. In the 2022 Point in Time Count 1,862 individuals, including children, were experiencing homelessness in Coconino County. The high cost of housing throughout the county and state, combined with a 20% employment rate among individuals experiencing homelessness means that these individuals and families may require a longer stay in shelter or transitional housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City will continue to support agencies that provide emergency and transitional housing to the extent allowable under the CDBG program. In the 2025 Program Year, agencies will receive funds to improve and rehab existing emergency and transitional shelters as well as provide housing case management and services for homeless individuals. The City and Continuum of Care members recognize the critical nature of Housing First and permanent supportive housing, yet the large number of homeless individuals and families, the high cost of housing, and a 20% employment rate among homeless individuals means that homeless individuals and families may require a longer stay in transitional housing. The City will also continue its active participation in the Coconino County Continuum of Care.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The 2025 Program Year CDBG entitlement allocations include funds for the improvement and rehabilitation emergency shelters and transitional housing as well as housing case management services for individuals living in transitional housing.

Community leadership is committed to bringing a higher level of coordination of services to those experiencing homelessness in our community. The Front Door is a collaborative project serving as a “front door” to those experiencing homelessness. Front Door is a diversion program and provides a single point of entry into the shelter and housing system to streamline services, reduce shelter stay and length of time that individuals and families are homeless, increase program utilization and eliminate the need for households in crisis to “service hop.”

The City will continue to support agencies that provide emergency and transitional housing to the extent allowed under the CDBG program. The City will also continue its active participation in the Coconino County Continuum of Care.

Discussion

The City is an active participant in the local Continuum of Care and staff members participate in multiple committees and lead the annual point-in-time count (conducted for the Arizona Rural Continuum of Care.) The City will continue to implement VASH Vouchers for Veterans experiencing homelessness as well as Foster Youth Initiative Vouchers.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Affordable housing barriers are regulatory, process, or financial systems that make it harder for developers to create affordable housing. Barriers to affordable housing development can occur at many levels – local, state, and federal government, as well as related industries, such as the real estate, insurance, and finance industries.

HUD defines a regulatory barrier as "a public regulatory requirement, payment, or process that significantly impedes the development or availability of affordable housing without providing a commensurate health and/or safety benefit." To identify potential local public barriers to affordable housing development, the City completed HUD's Regulatory Barriers checklist.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Limited land and the current shortage in housing supply, relative to demand, are the primary reasons housing costs are high in Flagstaff. 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 the Flagstaff community and reviewing City codes, processes, and fees to determine whether modification, reductions, or elimination would facilitate cost saving housing development strategies.

Zoning has a profound impact on housing location and type, but it can also impact cost and affordability. In addition to regulating where housing can be built, the Flagstaff zoning codes regulate other elements such as lot sizes, number of bedrooms, lot coverage, parking, and setbacks, all of which can impact the cost of development and overall housing supply. Currently, 58% of land in Flagstaff is zoned for Single-family residential, which allows for single-family homes and accessory dwelling units on each property. R1N also allows duplexes. These are low-density zones generally capped between 1 and 7 dwelling units per acre. In addition, 5.6% of land is zoned industrial, 12% is Public Open Space and 10% is Public Facilities. Approximately 14% of the land within the city allows for medium or high-density housing to be constructed, either through the commercial zoning categories as mixed-use or as apartments, condos, etc.

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. State law determines whether municipal inclusionary housing measures are mandatory or voluntary. In Arizona, as well as Colorado, Idaho, Indiana, Kansas, Texas, Tennessee, and Wisconsin—local governments are prohibited from adopting at least some form of mandatory inclusionary housing (for ownership housing, rental housing, or both). In some cases, courts have determined that statutes limiting rent control also preempt mandatory inclusionary measures for rental housing. Inclusionary housing is a complicated national issue that varies greatly by state, with litigation and new legislation continually shaping the issue. The City of

Flagstaff has worked within the confines of state statutes to develop a voluntary program to incentivize the creation of both rental and ownership housing, yet, 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. 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.

Discussion:

Since the Great Recession, the City has steadily made efforts to increase its capacity for affordable housing development and programs. The development of an Incentive Policy for Affordable Housing (IPAH) in 2009 and the 2011 overhaul of the Flagstaff Zoning Code were two of the biggest efforts to remove barriers to the creation of affordable housing. The IPAH is designed to foster the production of affordable housing units and is intended to reduce the deficit of all types of housing for households earning under 150% of the Area Median Income (AMI). The document incentivizes developers that commit to permanently affordable housing units through the reimbursement of development-related fees. The Flagstaff Zoning Code also implements affordable housing incentives through various development standards like density bonuses and reductions to parking and natural resource protection.

Another zoning code amendment was approved in 2021 that allows for increased regulatory incentives for developers who deliver 100% affordable projects. This amendment was processed to accommodate the tight external timeline requirements of any current and future Low-Income Housing Tax Credit projects in the City.

In recent years, several zoning code amendments have implemented policies and recommendations from the High Occupancy Housing Specific Plan, which was adopted in 2018. The intent of that Plan was to identify areas of the city where high density residential projects are encouraged, and what development standards, features, and amenities are desired in those projects. An example of a recent code amendment included an exemption from a use permit requirement for projects that meet certain affordable housing requirements.

Throughout 2021 City staff led an extensive public outreach effort to create a community-focused housing plan, one that offers goals and implementation strategies to improve access to housing and to increase the supply of housing across the entire housing continuum. This effort originated as a response to the City's declared Housing Emergency in December 2020. City Council approved the Plan in February 2022 and over the next ten years, staff will work to advance housing opportunities for all Flagstaff residents. The Plan is a foundational framework for establishing work programs, prioritizing staff work and allocating the necessary funding for its implementation. The Plan establishes policy initiatives and strategies that will be accomplished through the budget process, collaboration with City staff, and private, public, and nonprofit partnerships.

A major policy initiative identified in the 10-Year Housing Plan was to explore regulatory efficiency and cost-saving practices by hiring an independent consultant to review City codes, processes, and fees to determine whether modifications, reductions, or eliminations would facilitate cost-saving housing development strategies. In Fall 2022 Housing staff started working to implement this

strategy alongside Sustainability and Planning & Development Services staff. In March 2025, the City put out a Request for Statement of Qualifications for a consultant to conduct a thorough analysis of the City's codes and development processes for compatibility with the City's recently adopted 10-Year Housing and Carbon Neutrality Plans. Once selected, the consultant will work with staff to identify code and policy changes that will lead to more affordable development overall. One of the outcomes of this analysis will include a revised Incentive Policy for Affordable Housing.

Going forward, the City's Incentive Policy for Affordable Housing, Flagstaff Zoning Code, Regional Plan, and other planning documents will need to consider how to incorporate the policy initiatives and strategies identified in the 10 Year Housing Plan.

AP-85 Other Actions – 91.220(k)

Introduction:

On December 1, 2020, the Flagstaff City Council declared a Housing Emergency, resolving to prioritize affordable housing across all City operations with the goal of creating safe, decent, and affordable housing for all residents. In response, City Council directed staff to develop a comprehensive, community-facing plan to identify Flagstaff's immediate and long-term housing needs and propose actionable strategies to improve affordability.

The result was Flagstaff's 10-Year Housing Plan, which was unanimously recommended for approval by the Housing Commission on January 27, 2022, and formally adopted by the City Council on February 15, 2022. The Plan outlines policy initiatives and implementation strategies to address the local housing emergency, with a focus on expanding affordable housing opportunities for residents at all income levels and increasing housing subsidies for households that are unable to access or maintain stable housing.

As the City implements the 10-Year Housing Plan, Community Development Block Grant (CDBG) funds continue to play a vital role. The City establishes goals each program year to ensure that CDBG-funded activities align with both HUD national objectives and local housing priorities. These include strategies to improve the local service delivery system, reduce poverty, address barriers to affordable housing development, and mitigate lead-based paint hazards. The City also continues to meet all HUD program monitoring requirements for its CDBG subrecipients to ensure accountability, compliance, and program effectiveness.

Actions planned to address obstacles to meeting underserved needs

The development and subsequent implementation of policy initiatives are critical to the success of the City of Flagstaff's overall housing and economic development goals. In general, policy development and implementation are designed to enhance City program effectiveness, identify gaps or underserved groups, and enhance the private sector's ability to provide market-based solutions. At present, the greatest obstacle to meeting underserved needs is insufficient funding. The City addresses this obstacle by prioritizing CDBG projects that provide leverage funding to meet the needs of a larger number of people.

Although the City has several 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 that the City will implement to address the Housing Emergency. As the City implements the 10-Year Housing Plan, the goal is to substantially to increase housing subsidies for residents that are unable to afford housing in Flagstaff and to increase the number of available and affordable housing options for Flagstaff residents at all income levels.

Actions planned to foster and maintain affordable housing

The City of Flagstaff 10 Year Housing 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.

The overarching goal of the 10 Year Housing Plan is to reduce the current affordable housing need in our community by half over the next ten years.

- Element one: Impact at least 6,000 low-to-moderate income Flagstaff residents through a combination of unit creation or subsidy provision.
- Element two: 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.

The following are all policy initiatives and strategies intended to preserve and increase the supply of affordable housing in Flagstaff, as determined through the public engagement process for Flagstaff's 10 Year Housing Plan. This list will be updated annually based on current actions the City is taking to implement the Housing Plan.

- Incentivize the creation of affordable units through various programs and mechanisms.
- Update the Regional Plan policies to support increased density related to affordable housing.
- Create a dedicated funding source for affordable housing in Flagstaff.
- Amend the Flagstaff Zoning Code to facilitate the development of all housing types.

The City of Flagstaff continues to partner with and support developers of affordable housing:

In February 2025 one of the City's non-profit partners, Housing Solutions of Northern Arizona (HSNA), confirmed funding from the Arizona Department of Housing to construct an affordable rental project on City property in Sunnyside. The State grant requires that the rental units serve households experiencing homelessness, victims of domestic violence or households under 30% AMI for a period of 15 years. Last year HSNA and the City signed a 'lease option,' which offered City

land toward the project and enabled HSNA to pursue funding. Staff has begun drafting a ground lease – which will allow HSNA to build on the property and manage the rental units.

In March 2025 City Council approved a resolution granting a standby loan of \$100,000 to Foundation for Senior Living for their 2025 Low Income Housing Tax Credit application. The commitment of local funds earns developers points toward their tax credit applications, which are due to the Arizona Department of Housing in early April. Foundation for Senior Living is proposing a 70-unit affordable rental development for seniors on the site of the old St Mary's Catholic School in downtown Flagstaff.

In April 2025 City Council approved the allocation of \$397,000 in American Rescue Plan Act Local Recovery Funds for gap funding for the construction of Lake Mary Villas, a 76 unit Low Income Housing Tax Credit project.

In April 2025, City Council approved \$1,900,000 in American Rescue Plan Act Local Recovery Funds for projects that provide Housing Assistance in response to the negative economic impacts of the COVID-19 pandemic. All of the projects receiving funding provide housing assistance to low-and-moderate income households in the City of Flagstaff.

Actions planned to reduce lead-based paint hazards

Distribute lead poisoning and lead hazard information to participants in federally funded programs and to any interested resident.

The City follows a multi-pronged approach to reduce lead hazards, integrating the following actions into housing policies and procedures:

1. Rehabilitation Projects. The City follows strict HUD guidelines for testing and abatement of lead-based paint and other hazardous substances and requires compliance from its contractors and subcontractors. Any structure built before 1978 that is proposed for rehabilitation under federal programs, is tested for lead-based paint. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors, and project sponsors. The City has licensed contractors who are available to perform limited abatement and/or removal procedures if lead-based paint is present. Full abatement services are contracted with licensed contractors located outside of the City.
2. Section 8 Housing Choice Vouchers. The PHA inspects prospective dwellings constructed prior to 1978 that will have a child under the age of six residing therein, for compliance with EPA and HUD Lead Based Paint rules and regulations. The inspection includes visual inspections for chipped, peeling, chalking and deteriorated interior and exterior paint. Clearance testing may be performed after remediation by the property owner, to assure a lead-safe environment.

Public Education. Lead hazard information is distributed to participants in homeownership and rental programs.

Actions planned to reduce the number of poverty-level families

The City will reduce the number of poverty level households by providing CDBG public services resources to local agencies that provide social supports, and eviction and foreclosure prevention. The City will also fund programs to rehabilitate housing units owner-occupied by households living at or below the poverty level to support these households in retaining quality, safe housing. Households living below the poverty level will also be made aware of the various local services available that provide an economic safety net and opportunities for increased earnings.

Actions planned to develop institutional structure

The City of Flagstaff has well-developed and experienced institutional infrastructure for the delivery of housing and community development programs. The Housing Section works closely with nonprofit organizations to ensure that CDBG funds reach the neediest Flagstaff residents and neighborhoods. Organizations must annually apply for CDBG funds for eligible activities. The City also works closely with and is a member of the Coconino County Continuum of Care.

In 2019, City Council added a new chapter to the Flagstaff City Code, creating a Housing Commission. The Housing Commission consists of thirteen citizens, with twelve members appointed by the City Council and one representative from the Flagstaff Housing Authority Board of Commissioners. It serves as an advisory board to City Council; makes recommendations with respect to housing policies, needs, and programs in Flagstaff; and furnishes the Council with information through the Housing Director.

The 10-Year Housing Plan was adopted by the Flagstaff City Council on February 15, 2022, after many months of community outreach and involvement. The Plan was created in response to the Council declared Housing Emergency and recognizing the need for a single, comprehensive community-facing document summarizing the City's immediate, short-term, and long-term needs and strategies to improve housing affordability. The Housing Section looks forward to continuing the invaluable work outlined in the 10-Year Housing Plan. A one-time 2022 Progress Report summarizing progress made since February 2022, as well as a one-time 18-Month Implementation Plan outlining strategies in progress from January 2023 through June 2024, were presented to City Council in February 2025. Implementation Plans and Progress Reports will continue to be produced and shared publicly on an annual basis.

Actions planned to enhance coordination between public and private housing and social service agencies

A Housing Navigator is a person who works intensively with high-need clients, often those with high housing barriers including mental health issues, homelessness, past evictions etc. The main responsibility of the position is assisting clients with obtaining and maintaining housing. This includes lots of one-on-one client and landlord interaction and, when necessary, mediation. The Housing Navigator also works on landlord recruitment for all voucher programs, a long-established need.

While one-time funding has been allocated by HUD related to the EHV program, on-going funded has been requested to fund the Housing Navigator position on a permanent basis through the general fund. Funding through the GF will allow the position to not be bound to one program or another, allowing for the work to occur where the greatest need is and facilitate stronger

partnerships with local agencies. This will also allow federal funds to be directed to direct client services were possible.

The City has developed an extensive mailing and email list that includes over 300 people who represent organizations that serve homeless and at-risk households, mainstream service and housing agencies, community development organizations, civic leaders, etc. This list is used to regularly inform these agencies of planning efforts, funding opportunities, changes in policy and practice or any other information that agencies may find useful.

The Flagstaff Community has implemented a Coordinated Entry System for those experiencing homelessness, known as the Front Door. The Front Door Specialist conducts an assessment using The Vulnerability Index – Service Prioritization and Decision Assistance Tool (VI-SPDAT). The Front Door collaboration has united the Flagstaff community and the local Continuum of Care to fast track those in crisis to the best program to end that crisis.

On a weekly basis, a cadre of service providers meet for the Case Conferencing Team Meeting. Each case manager is representing his or her own agency that has signed the Service Provider Memorandum of Understanding (MOU). The purpose of this meeting is to have a real-time discussion of each person or family on the community waitlist and to utilize scores from the VI-SPDAT to ensure fast and appropriate referrals to end homelessness for those on the list.

The Front Door is a cost-effective strategy; that prioritizes a community conversation about how the systems function together, where the gaps in services exist, and how to answer the need. No longer will those in crisis be forced to go from shelter to shelter to access services.

Discussion:

Affordable, accessible, and decent housing is of critical importance to a community's health and viability. The Housing Plan will consolidate existing housing documents and augment with an additional planning effort to create a 10-year plan that seeks to define the housing emergency in Flagstaff and to provide policies and strategies to reduce the emergency. The Housing Plan will help identify needs, create an existing list of affordable housing, identify the affordable housing units underway, engage partners, and compile research on best practices. Altogether, these components will help identify specific policies and educational and advocacy strategies that can be implemented within our community to substantially increase the number of affordable housing units. As the City implements Flagstaff's 2022 Housing Plan, the goal is to substantially increase the number of available and affordable housing options for all Flagstaff residents at all income levels.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction:

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed 107,893.51
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. 0
3. The amount of surplus funds from urban renewal settlements 0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan 0
5. The amount of income from float-funded activities 0

Total Program Income: 107,893.51

Other CDBG Requirements

1. The amount of urgent need activities 0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.
100.00%

The City of Flagstaff has allocated \$107,893.51 in Program Income and \$15,277.75 in de-obligated prior year funds for use during the 2025 Program Year. The City continues to receive periodic Program Income from earlier homebuyer assistance and owner-occupied housing rehabilitation programs. In Program Years 2019, 2020, and 2021, the City received an unprecedented amount of Program Income due to favorable housing market conditions and historically low interest rates. Should the City receive additional Program Income during the 2025 Program Year in an amount that may impact the timeliness of fund expenditure, staff will consider a mid-year allocation and a corresponding amendment to the Annual Action Plan to ensure compliance with HUD requirements.

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