

HOUSING COMMISSION
THURSDAY
FEBRUARY 10, 2025

NOTICE AND AGENDA

VIRTUAL MEETING ONLY
MICROSOFT TEAMS MEETING
1:00 PM

ATTENTION
JOIN VIRTUALLY BY CLICKING ON THE LINK BELOW.

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

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

1. **Call to Order**

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. **Roll Call**

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

Kevin Bond
Eric Brownfield
Tyler Denham
Kevin Dobbe

Karen Flores
Sandi Flores, Vice Chair
Jacquie Kellogg
Devonna McLaughlin, Chair
Moses Milazzo

Cory Runge
Ross Schaefer
Glenn Slivers
Hayley Zoroya

3. **LAND ACKNOWLEDGMENT**

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

4. **Public Comment**

At this time, any member of the public may address the Commission on any subject within their jurisdiction that is not scheduled before the Commission on that day. Due to Open Meeting Laws, the Commission cannot discuss or act on items presented during this portion of the agenda. To address the Commission on an item that is on the agenda, please wait for the Chair to call for Public Comment at the time the item is heard.

5. **APPROVAL OF MINUTES**

None.

6. **ACTION ITEMS**

- A. Discussion and consideration of recommendation to City Council for approval of A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL RECOGNIZING THE HOUSING EMERGENCY DECLARED BY RESOLUTION NO. 2020-66 IS EXACERBATED BY THE PROLIFERATION OF SHORT-TERM RENTALS LIMITING HOUSING STOCK AVAILABLE TO FLAGSTAFF RESIDENTS; AND URGING THE STATE LEGISLATURE OF THE STATE OF ARIZONA TO ADDRESS THE IMPACTS OF SHORT-TERM RENTALS ON THE SUPPLY OF HOUSING FOR ARIZONA RESIDENTS
Discuss the proposed resolution and recommend approval for City Council meeting on March 4, 2025.

7. **PRESENTATION AND DISCUSSION ITEMS**

None.

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

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

9. **ADJOURNMENT**

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. This notice has been posted on the City's website and can be downloaded at www.flagstaff.az.gov.

Dated this _____ day of _____, 2025.

Adriana Fisher, Housing Program Manager



Housing Commission

6. A.

From: Jessica Donohoe, Housing Planner

DATE: 02/10/2025

SUBJECT: Discussion and consideration of recommendation to City Council for approval of A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL RECOGNIZING THE HOUSING EMERGENCY DECLARED BY RESOLUTION NO. 2020-66 IS EXACERBATED BY THE PROLIFERATION OF SHORT-TERM RENTALS LIMITING HOUSING STOCK AVAILABLE TO FLAGSTAFF RESIDENTS; AND URGING THE STATE LEGISLATURE OF THE STATE OF ARIZONA TO ADDRESS THE IMPACTS OF SHORT-TERM RENTALS ON THE SUPPLY OF HOUSING FOR ARIZONA RESIDENTS

STAFF RECOMMENDED ACTION:

Discuss the proposed resolution and recommend approval for City Council meeting on March 4, 2025.

Executive Summary:

The proposed resolution seeks to highlight the possible negative impacts of short-term rentals on the local housing market, such as driving up housing prices and limiting residents' long-term housing options. The resolution aims to encourage the State Legislature to provide cities with more flexibility and authority in managing short-term rental regulations, allowing for more localized approaches to address housing concerns.

Attachments

DRAFT Housing Shortage Resolution

RESOLUTION NO. 2024-__

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL RECOGNIZING THE HOUSING EMERGENCY DECLARED BY RESOLUTION NO. 2020-66 IS EXACERBATED BY THE PROLIFERATION OF SHORT-TERM RENTALS LIMITING HOUSING STOCK AVAILABLE TO FLAGSTAFF RESIDENTS; AND URGING THE STATE LEGISLATURE OF THE STATE OF ARIZONA TO ADDRESS THE IMPACTS OF SHORT-TERM RENTALS ON THE SUPPLY OF HOUSING FOR ARIZONA RESIDENTS.

WHEREAS, zoning power is a fundamental authority used by cities to structure their development and is considered a legitimate exercise of the police power;

WHEREAS, the power to zone is the power to divide up the locality's geographic area into different categories of land use that are inconsistent with each other;

WHEREAS, areas zoned residential are commonly separated from areas zoned commercial and industrial, and residential areas are often further zoned into single-family and multi-family areas;

WHEREAS, courts have long upheld the distinction between residential and commercial uses because the police power allows for the creation of zones;

WHEREAS, the City of Flagstaff ("City" or "Flagstaff") has a legitimate governmental interest in preserving the residential character of neighborhoods that enhance the quality of life for its residents and visitors by minimizing the adverse impacts of short-term rentals ("STR" or "STRs") through regulation;

WHEREAS, local regulations are necessary to ensure that such STR activities do not become a nuisance to residents, threaten the public health, safety or welfare of neighboring properties;

WHEREAS, reasonable local regulations to limit the number and location of STRs will provide a balance between STRs and available housing stock;

WHEREAS, local governments apply design standards tailored for residential neighborhoods;

WHEREAS, STR owners may live elsewhere and not experience the quality of life problems and negative impacts associated with STRs in residential neighborhoods;

WHEREAS, a home is typically the largest investment a household will make in their lifetime;

WHEREAS, permanent residents deserve the right to tranquility and peaceful enjoyment of their home without over intrusion STR occupants in their neighborhood;

WHEREAS, the U.S. Census Bureau data indicates the average household size in Flagstaff is 2.32 persons and average family size is 2.83 persons;

WHEREAS, current vacation rental industry practice is to set maximum limits upon the number of transient occupants within an STR, but lacking provisions for verification and enforcement when overcrowding occurs;

WHEREAS, current vacation rental industry practice is to charge a flat rental fee for the term of the STR lease, regardless of the occupant count, which incentivizes the current common practice for lessees of STRs to increase the occupant count so as to spread out the cost burden of the STR among as many people as possible occupying the STR;

WHEREAS, Flagstaff has received complaints related to the operation of STRs in residential neighborhoods, including complaints concerning excessive occupants, lighting, noise, parking, and increased trash;

WHEREAS, permanent residents worry the concentration of STRs in their neighborhood could change the character and transform the quality of life of the area creating an incredibly difficult task for local governments of finding ways to regulate STRs in such a way that they protect neighborhoods while balancing a homeowner's property rights;

WHEREAS, traditional lodging establishments (hotels, motels, and bed & breakfasts) are generally restricted to commercial and other non-residentially zoned areas where intensity of uses is separated from less busy and quieter residential uses;

WHEREAS, traditional lodging establishments have stricter development standards, undergo annual inspections, and have more stringent operational and business requirements;

WHEREAS, STRs are not treated as similar businesses, posing a threat to the hotel industry which claims that the business models of STR platforms offer unfair economic advantages because STRs do not have to pay for staff and are not regulated like hotels which increases hotel costs substantially;

WHEREAS, STRs eliminate critically important housing units from Flagstaff's available housing stock;

WHEREAS, since STRs are mainly located in residential areas, by renting an STR, tourists are using up space that otherwise might be used for housing by permanent residents, resulting in a decrease of long-term housing availability which contributes to increasing housing and rental prices;

WHEREAS, in December 2020, the Flagstaff City Council declared a Housing Emergency prioritizing affordable housing within City operations to create safe, decent, and affordable housing opportunities for all community members;

WHEREAS, in February 2022 Flagstaff City Council adopted The Ten-Year Housing Plan, with overarching goals of impacting at least 6,000 low-to-moderate-income City residents through a combination of unit creation or subsidy provision. Additionally, creating or preserving 7,976 housing units by 2031 with a minimum of ten percent being affordable.

WHEREAS, as of February 2025, STRs comprise 3.6% of Flagstaff's housing stock;

WHEREAS, at the beginning of 2021, Flagstaff had approximately 600 STRs, which has increased to 1,142 as of February 2025.

WHEREAS, as of January 2022, 22% of homes in Flagstaff are classified as second homes, the City must implement policies to address the strain on local housing and ensure access to affordable and stable housing for long-term residents.

WHEREAS, an Urban Institute Study found that cities and counties across the country face significant rental housing affordability challenges as more households with low and moderate incomes compete for a shrinking number of affordable units;

WHEREAS, in 2020, the Arizona Housing Coalition found that the "proliferation of short-term rentals particularly impacts the availability of affordable housing in high-tourism areas such as Flagstaff and Scottsdale."

WHEREAS, growing affordability challenges disproportionately impact lower-income households, contributing to housing instability and homelessness;

WHEREAS, a 2019 Economic Policy Institute cost-benefit analysis concluded that the local economic costs of STRs likely outweigh the benefits. While the introduction and expansion of STRs carries large potential economic benefits and costs, the costs to renters and local jurisdictions likely exceed the benefits to travelers and property owners;

WHEREAS, Arizona preempts local government from regulating short-term rentals to a much higher degree than other states;

WHEREAS, reasonable local regulations on STRs as to numbers and locations can strike a balance between property owners' rights to fair use of their properties and the rights of surrounding property owners to set and maintain community standards;

WHEREAS, returning local control over short-term rentals shares bipartisan support in the Arizona Legislature;

WHEREAS, every community is different when it comes to what works and what doesn't, necessitating a return of local control over the regulation of STRs;

WHEREAS, regulating STRs means looking at the different variables and planning objectives of each community and taking them into consideration, such as housing costs, the general appetite for visitors, availability of traditional lodging, the value of tourism, the percent of existing STRs, and more;

WHEREAS, absent appropriate controls on the number and manner and places of operation of STRs, neighborhoods stand to be harmed by undue commercialization and disruption to the primary and overarching purpose of a neighborhood being first and foremost a residential community, where people reside, not a place of transient occupancy;

WHEREAS, with state preemption, these critical elements are being overlooked;

WHEREAS, reasonable local regulations on the number and location of short-term rentals will balance Flagstaff's desire to promote economic development and tourism with Flagstaff's legitimate need to mitigate the adverse impacts often associated with STRs;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. The City of Flagstaff recognizes that the Housing Emergency declared via Resolution 2020-66 is exacerbated by the proliferation of short-term rentals and requests the State Legislature return local control to cities, towns, and counties to implement reasonable zoning restrictions on STRs, including limitations on the number and location of short-term rentals.

SECTION 2. The City of Flagstaff calls on the Legislature and Governor of the State of Arizona to allow local governments to adopt reasonable regulations on the number and location of STRs as to strike a balance between property owners' rights to fair use of their properties and the rights of surrounding property owners to set and maintain community standards.

SECTION 3. The City of Flagstaff invites similarly situated cities, towns, and counties to pass their own resolution declaring a housing emergency and recognizing the negative impact STRs can have on local housing markets.

APPROVED AND ADOPTED by the Mayor and Council of the City of Flagstaff, Arizona, this 4th day of March, 2025.

Becky Daggett, Mayor

ATTEST:

Stacy Saltzburg, City Clerk

APPROVED AS TO FORM:

Sterling T. Solomon, City Attorney

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