

**NOTICE AND AGENDA**

HOUSING COMMISSION  
THURSDAY  
MARCH 27, 2025  
1:00 PM

HYBRID MEETING  
**MICROSOFT TEAMS MEETING**  
CITY OF FLAGSTAFF WATER SERVICES  
BEARJAW TRAINING ROOM  
2323 N WALGREENS ST, STE 1

**ATTENTION**

ATTEND IN-PERSON MEETINGS AT THE CITY OF FLAGSTAFF WATER SERVICES, LOCATED AT 2323 N WALGREENS ST, STE 1 (BEARJAW TRAINING ROOM), OR JOIN VIRTUALLY BY CLICKING ON THE LINK BELOW:

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

The public can submit comments to [AFisher@Flagstaff.gov](mailto: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	Karen Flores	Cory Runge
Eric Brownfield	Sandi Flores, Vice Chair	Ross Schaefer
Tyler Denham	Jacque Kellogg	Glenn Slivers
Kevin Dobbe	Devonna McLaughlin, Chair	Hayley Zoroya
	Moses Milazzo	

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**

6. **ACTION ITEMS**

- A. Community Development Block Grant (CDBG) Program Year 2025 Funding Allocation Recommendations to City Council  
Motion to forward the ranking committee and staff recommendations for Program Year 2025 CDBG funding allocations to City Council, with a recommendation for approval.

7. **PRESENTATION AND DISCUSSION ITEMS**

- A. Overview of Housing Commissioners' Agenda Item/Topic Suggestions from the December 19, 2024 Meeting  
Informational Only
- B. Discussion of draft Adaptive Reuse Bond Program  
Discussion only
- C. **PZ-25-00041 - Single Use Residential & Adaptive Reuse Incentive Zoning Code Amendment**  
Staff is requesting feedback from the Commission on a zoning code text amendment allowing Single-Use Residential development in commercial zones as an affordable housing incentive and providing additional incentives for Adaptive Reuse projects. Both Single Use Residential and Adaptive Reuse become newly defined terms in the Zoning Code.

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](http://www.flagstaff.az.gov).

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Adriana Fisher, Housing Program Manager



**Housing Commission**

6. A.

**From:** Kristine Pavlik, Housing and Grants Administrator

**DATE:** 03/27/2025

**SUBJECT:** Community Development Block Grant (CDBG) Program Year 2025 Funding Allocation  
Recommendations to City Council

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**STAFF RECOMMENDED ACTION:**

Motion to forward the ranking committee and staff recommendations for Program Year 2025 CDBG funding allocations to City Council, with a recommendation for approval.

**Executive Summary:**

Kristine Pavlik, Housing & Grants Administrator, will provide an overview of the proposals received, as well as the ranking committee and staff recommendations for funding allocations for the available Program Year 2025 CDBG funds.

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**Attachments**

CDBG Housing Commission Presentation

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CITY OF FLAGSTAFF



# COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Presentation of Funding Recommendations  
Housing Commission  
March 27, 2025

# Today

- CDBG 101
- Annual Action Plan Process
- Program Year 2025 Funding Allocation Recommendations
- Motion



# What is CDBG?

## Community Development Block Grant

- Federal grant program administered by the U.S. Department of Housing and Urban Development (HUD)
- Created in 1974 to provide funding for housing and community development activities, serving primarily low-and-moderate income individuals



# Why does the City of Flagstaff receive CDBG funding?

- As a metropolitan city with a population over 50,000, Flagstaff is considered an **Entitlement Community**.
- The city receives an **annual allocation** based on a formula taking population, age of housing and other community information into consideration.



# CDBG Requirements

- **Consolidated Plan: "How should we decide what to do with the funds?"**
  - Five-year plan and assessment of housing and community development needs
- **Annual Action Plan: "What will we do with the funds?"**
  - Outlines yearly funding allocations - Due in May
- **Consolidated Annual Performance Evaluation Report (CAPER)**
  - Summary of outcomes for prior year allocations - Due in September
- **Substantial and Minor Amendments**
- **Affirmatively Furthering Fair Housing - City Fair Housing Plan**

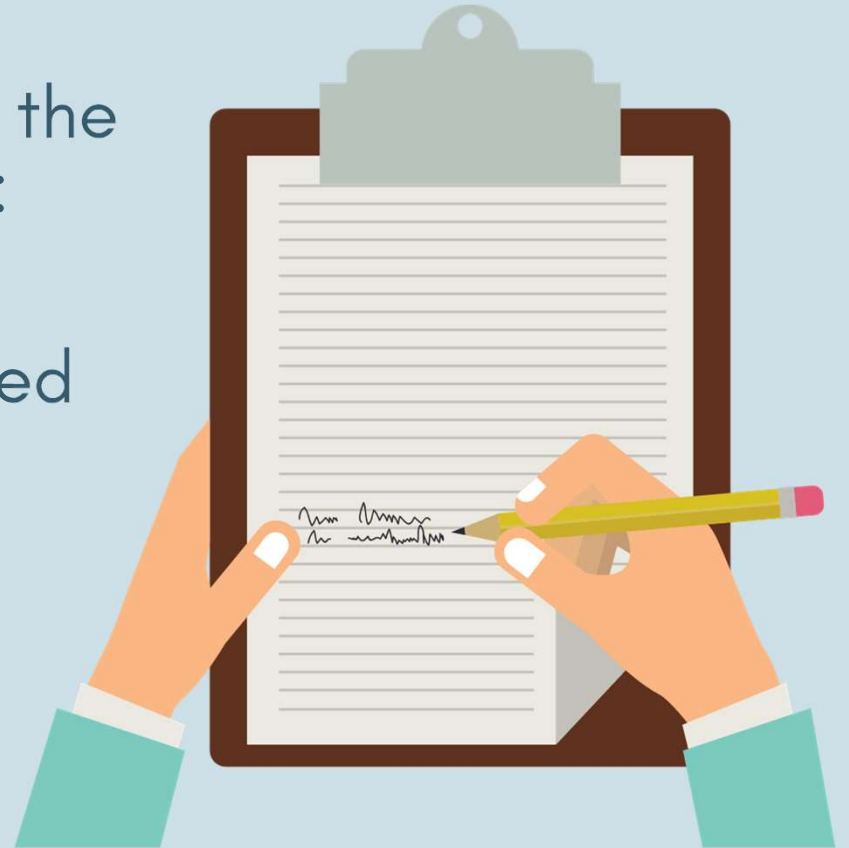


# How can the City spend the money?

## The easy answer...

The City can spend the funding as the City Council determines based on:

- needs identified in the City of Flagstaff Five Year Consolidated Plan,
- CDBG Primary Objective,
- CDBG National Objectives (one or more)



# CDBG Primary Objective

The development of viable urban communities, principally for low-and-moderate income persons, by providing:

- decent, affordable housing
- a suitable living environment
- economic opportunities



**19.8% of Flagstaff residents, 27% of children under 18, live below the poverty line (approx. 50% AMI)**

# CDBG National Objectives

## 2024 Area Median Income Limits

Household size	30% - Extremely Low Income	50% - Very Low Income	60% - LIHTC Max	80% - Low Income
1	\$21,000	\$35,000	\$42,000	\$55,950
2	\$24,000	\$40,000	\$48,000	\$63,950
3	\$27,000	\$45,000	\$54,000	\$71,950
4	\$31,200	\$49,950	\$59,940	\$79,900
5	\$36,580	\$53,950	\$64,740	\$86,300
6	\$41,960	\$57,950	\$69,540	\$92,700
7	\$47,340	\$61,950	\$74,340	\$99,100
8	\$52,720	\$65,950	\$79,140	\$105,500

## Funded activities must:

- Benefit LMI persons, or
- Aid in the prevention/elimination of slums/blight, or
- Meet a need having a particular urgency (i.e. disaster, emergency)



# Limited Clientele

An activity exclusively benefiting persons who are presumed or determined to be low-income. At least 51% of all beneficiaries must be low-to-moderate income.

## Determined means:

- Submission of proof of income and assets and other documents

## Presumed benefit groups include:

(Language from HUD)

- Abused/neglected children, Severely Disabled Adults, Migrant Farm Workers, Persons with HIV/AIDS, Survivors of Domestic Violence, Illiterate Adults, Homeless, Seniors/Elderly



# Area Benefit

Area Benefit activities must benefit all residents in areas where at least 51% are low-to-moderate income. The City may designate target areas for CDBG projects in the Consolidated Plan. In the current Con Plan, target neighborhoods include:



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



# Housing Benefit

An activity undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low-to-moderate Income persons.

- Purchase assistance
- Acquisition
- Rehab
- New Construction\*
  - \*CDBO/CHDO Only

Acquisition of Permanently Affordable Rental Units

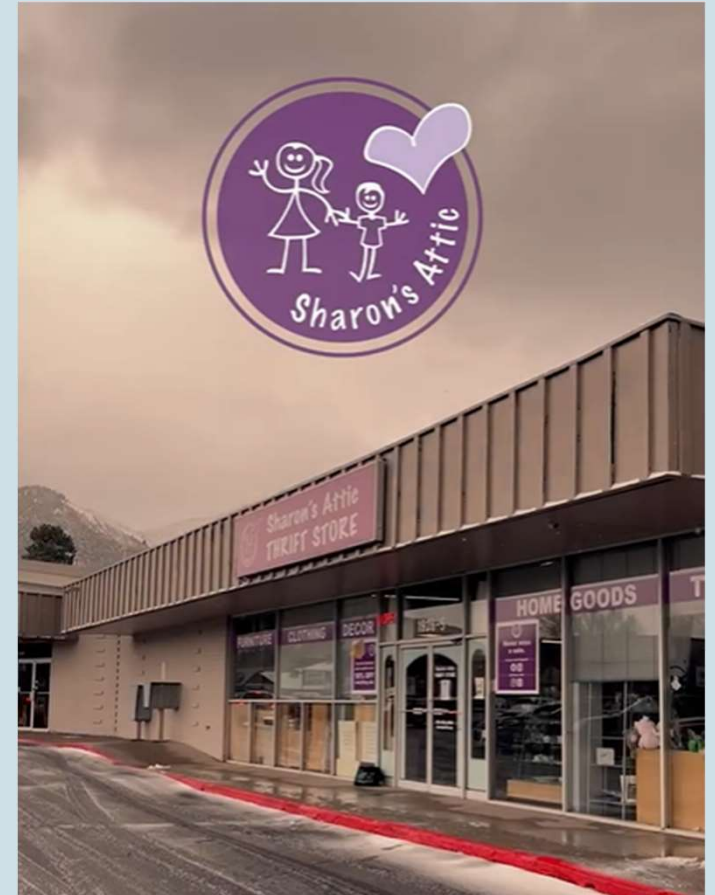
Housing Solutions of Northern Arizona



# Job Creation / Retention

An activity designed to create or retain permanent jobs or provide financial assistance to microenterprises.

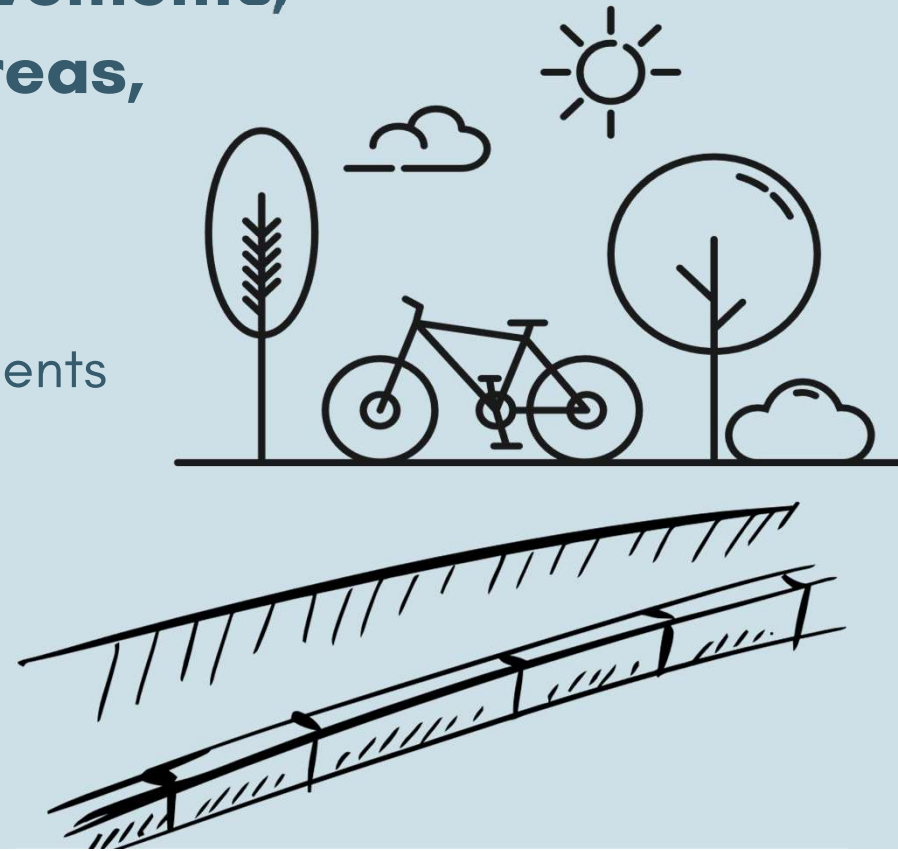
A minimum of 51% of jobs created or retained, computed on a full-time basis, must involve the employment of low-to-moderate income persons.



# Consolidated Plan Goals

**Support neighborhood revitalization and public facilities and infrastructure improvements, especially in established target areas, including:**

- Neighborhood revitalization including Public Facility and Infrastructure Improvements
- Public Facilities Improvements
- Acquisition of Affordable Housing



# Consolidated Plan Goals

**Support public services and economic opportunities for low-and moderate-income persons, including:**

- Services to Meet Basic Needs
- Workforce Development
- Housing Stabilization Services

**Support services and projects addressing homelessness, including:**

- Service and Facility Operating Support
- Increase Shelter Beds/Units



# Consolidated Plan Goals

**Support the development, accessibility, and preservation of decent, affordable housing, including:**

- Rehabilitation of owner and/or renter households/units
- Development of owner and/or renter affordable housing units
- Housing Assistance for owner and/or renter households



# HUD Annual Funding Caps

## Administration

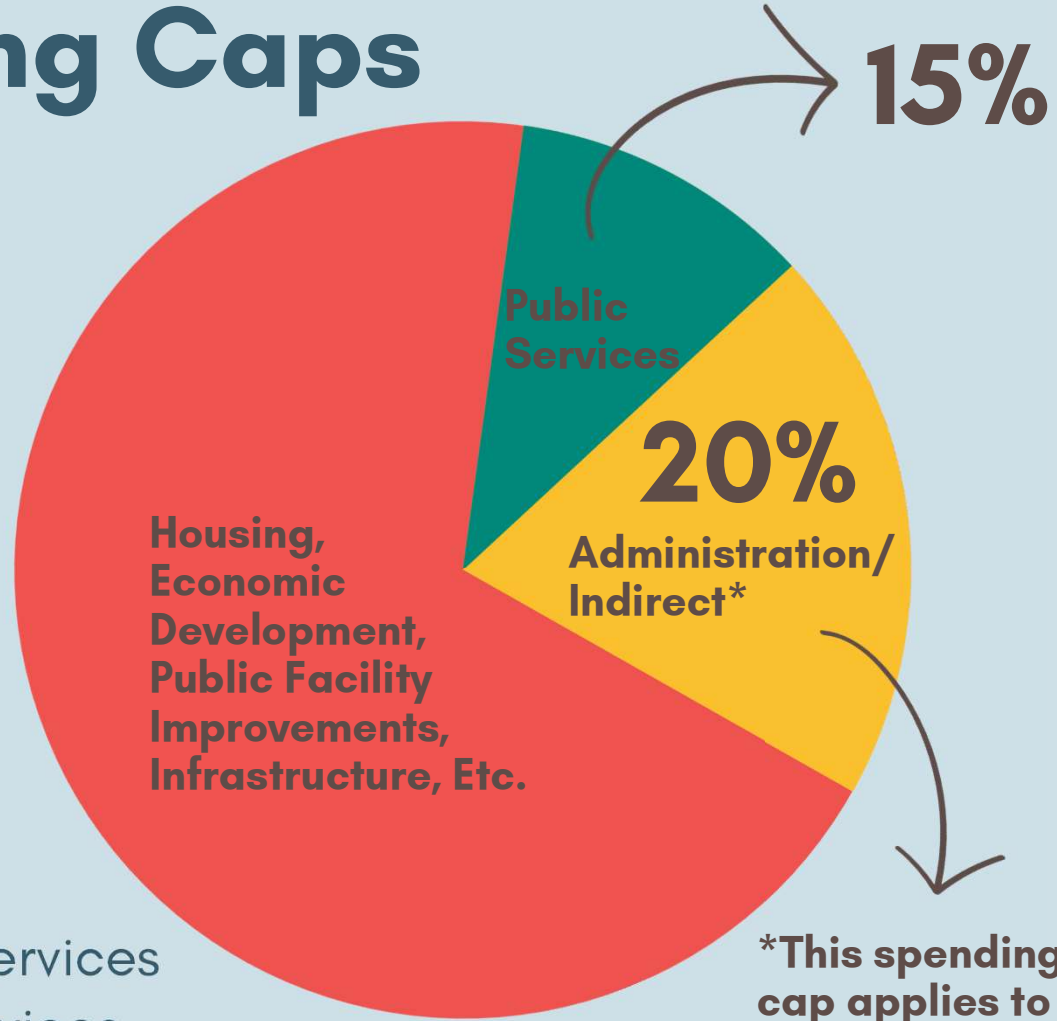
### 20% Max

- Management and oversight
- Program Coordination including staff salaries/indirect costs

## Public Service Activities

### 15% Max

- Health and Safety Services
- Housing and Welfare Programs
- Community and Recreational Services
- Employment and Education Services (e.g., job training/childcare)



\*This spending cap applies to subrecipients as well.

# Timely Expenditure

1.5 Rule: Grantees must have a balance of no greater than one and one-half (1.5) times its annual grant remaining in the Line of Credit, 60 days prior to the end of the Program Year.



# Proposal Process

## Staff Responsibility

- Determine activity eligibility
- Assess viability
- Conduct risk assessment
- Proposal ranking process
- Public participation
- Weighted scoring criteria



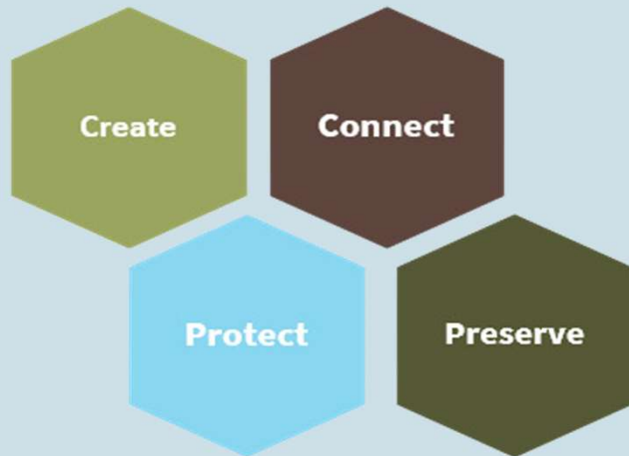
## Public Participation

- City Council Priority Setting
- Public Meetings/Hearings  
*Neighborhood and Community Meetings*
- Ranking Committee  
*Staff, Commission & Community Members*
- Public Comment Period  
*30-day period and before Council Resolution*
- Housing Commission Recommendation
- Final Council Approval  
*Resolution Approving Submission*

# Additional Considerations and Criteria

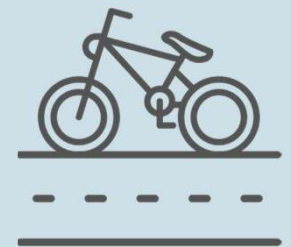
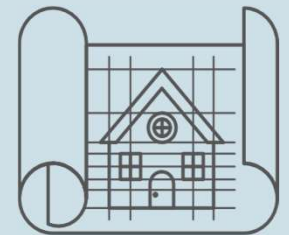
## 10-Year Housing Plan

- Impact 6,000 residents with unit creation or subsidy provisions
- Create or preserve 7,976 housing units (10% affordable)



## Council Priorities

- Housing - Rental and Ownership
- Addressing Homelessness
- Neighborhood Revitalization
- Workforce/Job Training



# Risk Assessments

## Housing Staff Considers:

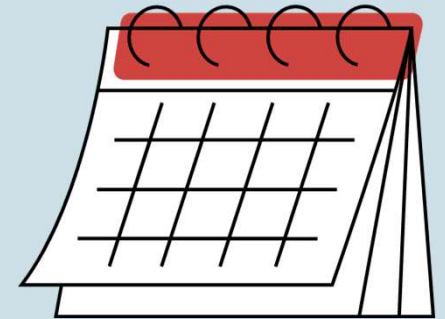
- Consolidated Plan Objectives
- Council Priorities
- Beneficiaries Served / Units Created
- 10 Year Housing Plan
- Community Needs and Collaboration
- Budget, Leverage, Cost Effectiveness
- Organizational/Federal Grant Experience
- Rate of Expenditure/Schedule
- Ability to abide by City Contract Requirements and Federal Overlay Statutes

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



# Public Participation Opportunities

- Public Meeting with A League of Neighborhoods (ALN) ✓  
January 30th, 2025 – 3:30pm at the Market of Dreams
- Public Meeting – Notice of Funding Available (NoFA) Release ✓  
February 6th, 2025 – 1:00pm at City Hall – Proposals due March 3rd, 2025
- Public Hearing – Review of Submitted Proposals ✓  
March 6th, 2025 – 3:00pm at City Hall
- Annual Action Plan Public Comment Period  
March 15th – April 15th
- Housing Commission – March 27<sup>th</sup>, 2025
- Council Presentations of Recommendations – April 22<sup>nd</sup>, 2025
- Resolution Approving Submission of AAP to HUD – May 6<sup>th</sup>, 2025



# Program Year 2026 Funding Allocation Recommendations

**C D B G**

# Housing Solutions of Northern Arizona

**Project:** Affordable Rental Acquisition (Housing Activity)

**Beneficiaries:** Two new units of permanently affordable rental housing, one studio and one one-bedroom, initially benefitting two households

**Amount Requested:** \$280,000.00

**Project Description:** CDBG funds will be used to help off-set purchase costs for two condo units that, once acquired, will be leased to two low-and-moderate income households (80% AMI and below)



# Community Assistance Teams of Flagstaff

**Project:** C.A.T.S on Wheels (Public Service)

**Beneficiaries:** 200 individuals

**Amount Requested:** \$30,000.00



**Project Description:** The C.A.T.S on Wheels program includes reconditioning used bicycles for distribution to individuals in need, hosting community bicycle maintenance clinics, and providing no-cost bike repair services for persons experiencing homelessness and disadvantaged youth.

# Homeless Youth Connection

**Project:** Empowering Youth for the Future  
(Public Service)

**Beneficiaries:** 30 youth

**Amount Requested:** \$40,000.00



**Project Description:** The Empowering Youth for the Future program supports youth experiencing homelessness who are enrolled in school by connecting them with a dedicated coach. Youth Coaches help with educational and employment goals while also providing essential support for basic needs, including food, clothing, transportation, hygiene supplies, and assistance in securing transitional or permanent housing.

# Northland Family Help Center

**Project:** Youth Shelter Case Management  
(Public Service)

**Beneficiaries:** 50 youth

**Amount Requested:** \$55,000.00

**Project Description:** Northland Family Help Center will use CDBG funds to provide case management services to residents of the youth shelter including assistance and resources for addressing educational and employment needs and transitioning out of shelter and into permanent housing.



# Tynkertopia

**Project:** TynkerSpace Initiative  
(Public Service)

**Beneficiaries:** 150 Youth +  
Area Benefit for Sunnyside

**Amount Requested:** \$120,000.00

**Project Description:** The TynkerSpace Initiative (TSI) is a creative hub designed for youth ages 14 and up, providing mentorship and programs for career readiness and real-world STEAM (Science, Technology, Engineering, Arts, and Mathematics) experiences that will prepare the students for high-demand, technical careers.



# Program Year 2025 Funding Available

<u>Estimated Entitlement</u>	\$535,000.00
Program Income	\$130,000.00
Re-allocated Funds	\$30,000.00
<b><u>Estimated Total Available</u></b>	<b>\$695,000.00</b>
20% Administration and Indirect	\$139,000.00
15% Public Services	\$95,250.00
Housing/Public Improvements	\$462,000.00

# Program Year 2025 Proposals Received

## Organization

## Project Program

## Request

### Housing/ Public Improvements

Housing Solutions of  
Northern Arizona

Acquisition of Two Affordable Rental Units

**\$280,000.00**

### Public Services

Community Assistance  
Teams of Flagstaff

C.A.T.S on Wheels - Bike Repair and Distribution

**\$30,000.00**

Homeless Youth  
Connection

EYFTF - Youth Coach for Homeless Youth

**\$40,000.00**

Northland Family Help  
Center

Youth Case Management for Youth Shelter  
Residents

**\$55,000.00**

Tynkertopia

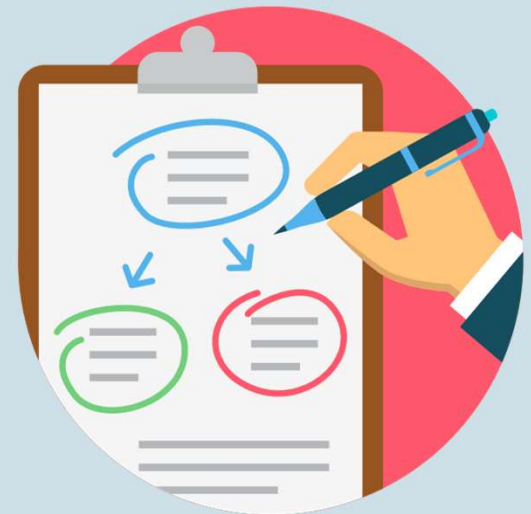
TynkerSpace Initiative Community Makerspace

**\$120,000.00**

<b>Funding Recommendations</b>				
<u>Organization</u>	<u>Project Program</u>	<u>Average Score</u>	<u>Request</u>	<u>Recommended Allocation</u>
<b>Housing/ Public Improvements</b>				
Housing Solutions	Acquisition - Rental Units	137.5	\$280,000.00	\$280,000.00
City of Flagstaff	Community Benefit Project - TBD	N/A	N/A	\$182,000.00
			<b>Total</b>	<b>\$462,000.00</b>
<b>Public Services (15% Maximum)</b>				
Northland Family Help Center	Youth Case Management	140.1	\$55,000.00	\$55,000.00
Homeless Youth Connection	EYFTF	127.6	\$40,000.00	\$40,000.00
Community Assistance Teams	C.A.T.S on Wheels	125.5	\$30,000.00	\$0
Tynkertopia	TynkerSpace Initiative	121.9	\$120,000.00	\$0
			<b>Total</b>	<b>\$95,000.00</b>
<b>Administration and Indirect (20% Maximum)</b>				
City of Flagstaff	Admin/Indirect	N/A	\$139,000.00	<b>\$138,000.00</b>
			<b>Total</b>	<b>\$695,000.00</b>

# Questions, Suggestions & Next Steps

- **Commission Discussion and Motion**
  - Forward Funding Allocation Recommendations with Recommendation for Approval by City Council
  - Forward Funding Allocation Recommendations with Comments or Recommended Changes
  - Not Approve Funding Recommendations
- **Presentation of Recommendations to City Council**  
April 22, 2025
- **Council Resolution Approving Submission of the Program Year 2025 Annual Action Plan to HUD**  
May 6, 2025



# Contact Information

**Kristine Pavlik**

Housing and Grants Administrator

[kristine.pavlik@flagstaffaz.gov](mailto:kristine.pavlik@flagstaffaz.gov)

928-213-2749



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list!**





**Housing Commission**

7. A.

**From:** Adriana Fisher, Housing Program Manager

**DATE:** 03/27/2025

**SUBJECT:** Overview of Housing Commissioners' Agenda Item/Topic Suggestions from the December 19, 2024 Meeting

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**STAFF RECOMMENDED ACTION:**

Informational Only

**Executive Summary:**

Housing staff will review the list of agenda items and topics suggested by Housing Commissioners during the December 19, 2024 Housing Commission meeting, as identified through the dot-voting exercise.

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**Attachments**

Agenda Items from Commissioners for 2025

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**AGENDA ITEMS ALREADY BEING ADDRESSED:**

Agenda Item	Description	Comments
Builders/Developer Discussion	Bring in builders/developers to hear what their frustrations and concerns are with developing in Flagstaff. What things impact them that then are costs passed to housing costs which ultimately increase housing costs? How can we attract more builders/developers? We have only one now - all others left. How do we encourage developers to build higher density/starter homes?	This will be addressed through the LASS+CAP Key Code Barriers, which were informed by builders and developers, who will also be invited to participate in the upcoming Town Hall meeting at the request of the Housing Commission. The rest of it can take place through the incentives and the upcoming rewrite of the Incentive Policy, which is a strategy in the 10-Year Housing Plan.
City code study - overview of results		Completed at the February's Regular Housing Commission meeting.
Educational presentations on policies in the Code Analysis Project (CAP). I have contacts with Parking Reform Network, Strong Towns, Welcoming Neighbors Network, Center for Building in North America, etc. I can arrange for them to present to the housing commission, as a way of educating the public. Even if the HC meetings aren't well attended, sharing clips from the recordings could go a long way towards resident buy-in.	Discussions with the option to give recommendations on policies in the CAP.	This will be addressed by the LASS+CAP project. Public outreach is underway.
Housing Commission Function	How can the commission better execute our duties to the community by being able to be in front of things that will go to City Council vs. being informed what has basically already been decided. We need time to be able to ask for more information or do more research on items.	Staff is working to ensure the commission is better informed of relevant topics and has ample discussion time.

**AGENDA ITEMS WILL BE ADDRESSED IN A FUTURE MEETING:**

Agenda Item	Description	Comments
Identify sales tax funding to City of Flagstaff from vacation rentals. Advocate for % of VR sales tax/fees to support housing efforts.		Staff research is underway as part of the 10-Year Housing Plan. The item will come to the Commission once staff work has been completed.
State and federal outlooks - what legislation will impact/has impacted Flagstaff. Can Housing Commission impact City lobbying priorities?		Staff will coordinate with the City Manager's office to bring a presentation to the Commission.
Next steps on LASS - look at land and start to prioritize development on government owned parcels.		Fall of 2025, Housing will bring forward a discussion item for City-owned affordable housing parcels.

Incentive Policy for Affordable Housing	How can developer fees be waved, not paid for out of other funds?	Planned for after the LASS+CAP project is complete.
LIHTC Projects - inventory with dates - education	We have a considerable number of LIHTC units in Flagstaff. It would be helpful to have an inventory of those along with the expiration date of the project. This would enable us to be more proactive in preserving these units rather than risking them converting to market rate. A key piece is an informational session to better understand LIHTC properties as a whole.	Staff will create a list and will schedule a LIHTC 101 meeting for the Housing Commission.
Continue periodic presentations from other commissioners on their areas of expertise when the agenda is "light" so to speak.		A Commissioner spotlight will be included on meeting days when time allows.
Regular development updates as info for Commission as progress toward Housing Plan goals		Staff already maintains a list and will share development progress with the Commission during the Staff Updates portion of the agenda.
Potentially have the various housing organizations around the city come give presentations about their purposes/missions/resources, etc. so we can be better educated on these organizations and appropriately direct people to these resources.		Staff will coordinate with community partners to present on light agenda item days for 30-minute education slots, starting with housing topics.

**AGENDA ITEMS OUTSIDE THE HOUSING COMMISSION'S PURVIEW:**

Agenda Item	Description	Comments
Conflict between Council's Housing Emergency and P&Z Commission	The P&Z Commission often makes recommendations that are at odds with the Housing Emergency declaration. P&Z should have a liaison between the Housing Commission and P&Z.	This is outside of the Housing Commission's purview.
Housing to be raised as division within City organization to elevate priority to match Housing Emergency declaration.		This is outside of the Housing Commission's purview.



**Housing Commission**

7. B.

**From:** Jennifer Mikelson, Housing Planning Manager

**DATE:** 03/27/2025

**SUBJECT:** Discussion of draft Adaptive Reuse Bond Program

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**STAFF RECOMMENDED ACTION:**

Discussion only

**Executive Summary:**

Jennifer Mikelson, Housing Planning Manager, will introduce the proposed Adaptive Reuse Bond Program. Commissioners will have the opportunity to ask questions, discuss Program details, and make recommendations.

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**Attachments**

Draft Adaptive Reuse Bond Program

Draft Program Presentation 3.27.25

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# DRAFT - Adaptive Reuse Bond Program

## Program Description

The language below is from the City of Flagstaff Voter Information Pamphlet (2022) and explains the intent behind the bond funding for this activity.

*“This funding...will allow the City of Flagstaff to partner with private developers, non-profits included, to repurpose existing and available buildings and spaces into rental opportunities for the residents of Flagstaff. Housing units are not the only community benefit this activity will provide. In addition to the creation of an estimated 75 rental units, currently vacant space in Flagstaff will transition to occupied homes.”*

This Program will offer approximately \$3M in general obligation bond funds through an open call for applications. Funding will be provided as forgivable 30-year loans to assist non-profit or for-profit developers in repurposing and rehabilitating existing buildings into affordable rental units. The goal is to create 75 new affordable rental units through the adaptive reuse of the city’s existing building stock.

## Funding Availability

The City of Flagstaff will make approximately \$3M in program funds available through an open call for applications. Applications for funding will be considered on a first come, first served basis until all program funds have been allocated. Program funds will remain available until all funds have been allocated. Applications will be evaluated on a pass/fail basis.

## Applicability

For the purposes of this program, ‘Adaptive Reuse’ is defined as repurposing and/or rehabilitating any existing building for the creation of a 100% affordable project with two or more residential units.

Please ensure the proposed project is permitted by-right and does not require zoning approvals. Refer to [Section 10-40.30](#) of the Flagstaff Zoning Code for permitted residential uses in all zoning districts, and [Section 10-30.20](#) for Affordable Housing Incentives for Adaptive Reuse Projects. To be eligible for incentives, the following Adaptive Reuse Project criteria must be met:

- (i) The building shall be a minimum of fifteen years of age; and
- (ii) The project may not include additions that exceed 25% of the existing building.

## Project Requirements & Award Determination

To be eligible to apply for funding, projects must meet **all** requirements across three categories: Project Details, Cost Per Unit, and Leveraged Funding. Applications will be reviewed on a first come, first served basis. Applications must pass **all** of the below requirements to be eligible for an award of funding. If the project fails to meet any of the below criteria it will not be eligible for funding. City staff will notify applicants of their eligibility for an award of funding within 30 calendar days of the submission date.

- Project Details (Pass/Fail): Describe how the project meets all of the criteria listed below:

# DRAFT - Adaptive Reuse Bond Program

- **Property Eligibility:** Property must be located within city limits and show proof of ownership, a contingent purchase contract, or possess a lease agreement providing the applicant with the right to operate the proposed residential use onsite for the minimum affordability period. Applicant must also provide documentation that the proposed residential use is permitted within the underlying zoning district, per the Flagstaff Zoning Code.
- **Eligible Uses:** Program funds may be used for costs relating to the acquisition and rehabilitation of existing buildings for 100% affordable new rental housing including: purchase, renovation, preservation, rehabilitation, and infrastructure upgrades.
- **Ineligible Uses:** Program funds may not be used to pay for any costs related to the construction of new freestanding buildings, complete demolition of buildings, renovation of existing residential units, or the improvement of undeveloped land.
- **Affordability Period:** The minimum required affordability period is 30 years and shall be sustained regardless of any transfer of ownership.
- **Area Median Income Limit (AMI):** Project must provide units at an average of 80% AMI or less, with a maximum household income of 100% AMI. If any of the units are leased to households exceeding 100% AMI, the loan will be due and payable in full.
- **Affordable Rent Methodology:** Unless other funding sources require differently, the City of Flagstaff Affordable Rent & Income Limits shall be used.
- **Cost Per Unit (Pass/Fail):** Applications requesting \$40,000 or less per unit will be eligible for funding. Applications requesting more than \$40,000 per unit in funding will not be eligible for funding. Award amounts are dependent on availability of funds.
- **Leveraged Funding (Pass/Fail):** Additional funding sources beyond the City of Flagstaff bond funds are required and will be evaluated for project viability. All funding sources must be listed with letters of commitment from all secured and pending funding provided.

## Loan Terms

Funding will be provided as a loan between eligible applicants and the City of Flagstaff. Contract/loan documents will be approved separately by City Council. Funding will be available after City Council approval of contract/loan documents and the recording of associated loan documents.

- Loan will be secured against the property with a promissory note and recorded deed of trust and will be subordinate to first mortgage financing with further subordination considered on a case-by-case basis.
- No interest and no payments are required during the 30-year term if affordable units continue to meet the affordability terms identified in the contract/loan documents.
- 30-year compliance period will commence at issuance certificate of occupancy. After the required 30-year term, the loan will be forgiven.
- Loan may be assumed if property is sold; the new owner must agree to honor the terms of the original contract and execute new documents.
- Units must be available for lease within 24 months of contract approval. Extensions to this timeframe will be considered on a case-by-case basis with documented justification.

## DRAFT - Adaptive Reuse Bond Program

- If the developer fails to honor the contract and units are not delivered and maintained in accordance with the terms of the contract/loan documents, the loan will be called due and payable immediately.

DRAFT


# Adaptive Reuse Bond Program

March 27, 2025

Jennifer Mikelson  
Housing Planning Manager



**The purpose of today's presentation is to get feedback from the Housing Commission on the draft Adaptive Reuse Bond Program.**

The background features a light beige gradient. In the lower half, there are several stylized house silhouettes in various colors: light blue, pink, yellow, light purple, and light red. The text is centered over the upper portion of these silhouettes.

# Prop 442 – approved Nov. 2022

*“Creating rental and  
homeownership  
opportunities for  
residents of Flagstaff”*



- Redevelop City-owned housing to create additional rental units - \$5M
- **Repurpose existing buildings into rental units -\$3M**
- Incentivize private sector to incorporate affordable rental units - \$5M
- Expand the Homebuyer Assistance Program -\$7M



# Role of the Housing Commission

## Ordinance 2019-25

*“The Housing Commission shall:*

*Examine funding sources available for housing in Flagstaff, make recommendations to City Council on potential funding sources, including bond measures, and **provide oversight of any funds approved by the electorate for housing purposes.**”*

- City Council has ultimate authority regarding bond funds
- Housing Commission’s role is to review and make recommendations



# Purpose of Funding

## Repurposing Existing Available Buildings into Rental Units (~\$3M)

*“Funding in this area will allow the City of Flagstaff to partner with private developers, non-profits included, to repurpose existing and available buildings and spaces into rental opportunities for the residents of Flagstaff. Housing units are not the only community benefit this activity will provide. In addition to the creation of an estimated 75 rental units, currently vacant space in Flagstaff will transition to occupied homes.”*



# Program Development



- ✓ AZ examples of motel conversions
- ✓ Adaptive Reuse best practices
- ✓ Sustainability & Economic Vitality incentive/grant programs

- ✓ Flagstaff Shelter Services
- ✓ Housing Solutions
- ✓ Catholic Charities

- ✓ Drafted Program in November
- ✓ Coordinated on the need for code amendments

- Single-use residential in commercial zones
- Adaptive reuse provisions

- Incorporate feedback on both the Program and the code
- Final Program should reflect final code amendments
- Different approval process for code and bond program



# Priorities for this Funding

- Allow for a variety of projects to meet different housing needs
- Allow funds to be used for acquisition and renovation
- Simple and fast non-competitive application process
- Award funds on a per-unit cost basis to meet 75-unit goal
- Remove zoning uncertainties; ensure the proposed residential uses are permitted by-right

# Project Requirements

1. Project Details
2. Cost Per Unit
3. Leveraged Funding



## Project Details

**Property Eligibility:** Property must be located within city limits and provide:

- Proof of ownership, a contingent purchase contract, or a lease agreement for the proposed use for a minimum 30-years
- Documentation that the proposed residential use is permitted within the underlying zoning district, per the Flagstaff Zoning Code



# Project Details – continued

- **Eligible Uses:** Costs related to acquisition and rehabilitation of existing buildings for 100% affordable new rental housing including purchase, renovation, preservation, rehabilitation, and infrastructure upgrades
- **Ineligible Uses:** Program funds may not be used to pay for any costs related to the construction of new freestanding buildings, complete demolition of buildings, renovation of existing housing units, or the improvement of undeveloped land



# Project Details - continued

- **Affordability Period:** The minimum required affordability period is 30 years and shall be sustained regardless of any transfer of ownership.
- **Area Median Income (AMI):** Units must serve households at an average of 80% AMI or less, max household income 100% AMI
- **Rent Methodology:** Unless other funding sources require differently, the City of Flagstaff Affordable Rent & Income Limits shall be used



# Project Requirements

## Cost Per Unit

- Applications requesting \$40,000 or less per unit will be eligible for funding
- Applications requesting more than \$40,000 per unit will be ineligible for funding

## Other Funding Sources

- Evidence of additional funding sources to complete purchase or rehabilitation is required and will be evaluated for project viability.
- All funding sources must be listed with letters of commitment from all secured and pending funding provided.



# Application Process



- Funding will be available on a first come, first served basis until all program funds have been awarded
- Applications will be reviewed for eligibility by staff
  - Applications must pass **all** program requirements to receive an award of funding
  - Applicants will be notified of eligibility for funding within 30 calendar days of application date



# Loan Terms



- Loan secured against property with promissory note and recorded deed of trust and will be subordinate to first mortgage financing with further subordination considered on a case-by-case basis
- No interest and no payments are required during 30-year term
- Loan term begins with Council approval and executed documents; units must be available within 24 months of award
- 30-year compliance period begins at issuance of Certificate of Occupancy; forgiveness after required 30-year term
- If units are not delivered in accordance with loan terms, loan is due and payable immediately



# Loan Terms - continued

- Loan may be assumed if property is sold; the new owner must agree to honor the terms of the original contract.
- Units must be available for lease within 24 months of contract approval. Extensions will be considered on a case-by-case basis
- If units are not delivered and maintained in accordance with the terms of the contract/loan documents, the loan will be called due and payable immediately.



# Key Questions for the Commission

1. Are the AMI requirements (average 80% AMI, max 100% AMI) meeting community needs?
2. Should the loan be forgiven or repaid after 30 years? Or should this program align with the RIBP which allows forgiveness after 50 years?
3. Is the Commission supportive of a non-competitive, first come-first served application?
4. What threshold is the Commission comfortable with for project eligibility in regard to committed vs pending funding?



# What Happens Next?

## Zoning Code Text Amendment Process

- Feedback from the Housing Commission
  - Work session for feedback
- Planning & Zoning Commission
  - Work Session for feedback
  - Regular meeting for Council recommendation
- City Council
  - Work Session may result in further changes
  - Regular meeting to adopt final amendment by Ordinance



# Next Steps for this Program

Staff will...

- draft revisions to reflect today's feedback.
- wait for adaptive reuse code amendment approval process and ensure the draft Program aligns with final adaptive reuse code.
- come back to the Commission with the revised Program.

# Thank You

Jennifer Mikelson,  
Housing Planning Manager  
[jmikelson@flagstaffaz.gov](mailto:jmikelson@flagstaffaz.gov)





**Housing Commission**

7. C.

**From:** Tiffany Antol, Zoning Code Manager

**DATE:** 03/27/2025

**SUBJECT:** PZ-25-00041 - Single Use Residential & Adaptive Reuse Incentive Zoning Code Amendment

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**STAFF RECOMMENDED ACTION:**

Staff is requesting feedback from the Commission on a zoning code text amendment allowing Single-Use Residential development in commercial zones as an affordable housing incentive and providing additional incentives for Adaptive Reuse projects. Both Single Use Residential and Adaptive Reuse become newly defined terms in the Zoning Code.

**Executive Summary:**

The Housing Section is currently preparing a policy/program for the provision of housing bond funds for eligible adaptive reuse projects. After consultation with the Housing Section about their proposal to create a program to encourage adaptive reuse, staff identified a potential zoning code amendment to make these projects easier to accomplish as an incentive for providing affordable housing resources in alignment with the new policy/program.

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**Attachments**

Staff Memo

Draft Amendment

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**Date:** March 27, 2025  
**TO:** Planning and Zoning Commission  
**FROM:** Tiffany Antol, AICP, Zoning Code Manager  
**Through:** Michelle McNulty, AICP, Planning Director  
**RE:** **Single Use Residential & Adaptive Reuse Incentives Zoning Code Text Amendment**

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**I. Purpose of the Work Session:**

Staff is requesting feedback from the Commission on a zoning code text amendment allowing Single-Use Residential development in commercial zones as an affordable housing incentive and providing additional incentives for Adaptive Reuse projects. Both Single Use Residential and Adaptive Reuse become new defined terms in the Zoning Code.

**II. Overview of Proposed Amendments:**

**A. PZ-25-00041 – Single Use Residential & Adaptive Reuse Incentive Zoning Code Text Amendment**

The Housing Section is currently preparing a policy/program for the provision of housing bond funds for eligible adaptive reuse projects. After consultation with the Housing Section about their proposal to create a program to encourage adaptive reuse, staff identified a potential zoning code amendment to make these projects easier to accomplish as an incentive for providing affordable housing resources in alignment with the new policy/program.

The Zoning Code currently requires that most single-use residential (100% residential) developments in commercial zoning districts obtain a Conditional Use Permit (CUP) prior to issuance of construction permits. As an incentive to bypass the conditional use permit process for both adaptive reuse and single-use residential projects, the developer must provide a minimum of 20% of all housing units within the development at an average of 80% Area Median Income (AMI), (with a maximum household income of 100% AMI) for a period of 30 years for rental projects. For ownership projects, the developer must provide 15% of all housing units at an average of 150% AMI for a period of 99 years. To incentivize developers to provide more than the usual 10% affordable housing contribution, the incentive of not having to obtain a conditional use permit requires a minimum affordable housing contribution of 20%. Increasing the affordable housing contribution from 10% to 20% will more swiftly address the declared affordable housing shortage in Flagstaff's 10-Year Housing Plan.

Staff is looking for feedback from the Commission on the following incentives:

- New Definitions
  - **Single-Use Residential: A development containing only residential uses.**
  - **Adaptive Reuse: The repurposing of an existing building from the use for which it was constructed to a new use by preserving the elements of the existing building rather than demolition.**

- **New Affordable Housing Incentives**
  - **Single Use Residential in Commercial Zones.** Projects providing a minimum of 20% of all housing units within the development at an average of 80% AMI (with a maximum household income of 100% AMI) for a period of 30 years for rental or a minimum of 15% of all housing units at a maximum of 150% AMI for a period of 99 years for ownership are not required to obtain a Conditional Use Permit.
  - **Adaptive Reuse Projects.** Projects providing a minimum of 20% of all housing units within the development at an average of 80% AMI (with a maximum household income of 100% AMI) for a period of 30 years for rental or a minimum of 15% of all housing units at a maximum of 150% AMI for a period of 99 years for ownership.
    - a. **Applicability.** To be eligible for the Adaptive Reuse Project incentives, the following criteria must be met:
      - (i) The building shall be a minimum of fifteen years of age; and
      - (ii) The project may not include additions that exceed 25% of the existing building.
    - b. **Adaptive Reuse Project Incentives.** Applicable projects are not required to do the following:
      - (i) Provide additional parking spaces or update the existing parking spaces in accordance with Division 10-50.80: Parking Standards or Division 10-30.60: Site Planning Design Standards. All Zoning Ordinance requirements for accessible parking shall apply. If the total parking required is less than the number of spaces that exist, then the number of parking spaces may be reduced to that number of required parking spaces, and
      - (ii) Provide additional or update the existing on-site landscaping in accordance with Division 10-50.60: Landscaping Standards, and
      - (iii) Provide Common Space as required by the zoning district, and
      - (iv) Comply with the provisions of Division 10-50.020: Architectural Design Standards.

### **III. Community Involvement:**

Staff will pursue community involvement in the review of these amendments after staff has completed the draft text amendments. A formal work session with the Planning & Zoning Commission will be noticed to the public after the text amendments have been fully drafted based on feedback.

**IV. Conclusion:**

As indicated above, the purpose of the work session is for staff to present an overview of the Zoning Code's proposed amendments and allow interested individuals, residents, and business owners to provide comments. The work session also allows the Commission to ask questions, seek clarification, have discussions, and offer comments on the proposed amendments. No formal recommendation or action by the Commission to the City Council is to occur at the work session. Additional opportunities for discussion, public comment, and action by the Commission will occur at a future public hearing.

**Attachments:**

- PZ-25-00041 Draft Zoning Code Text Amendment

**Case No. PZ-25-00041 – Single Use Residential in Commercial Zones and Adaptive Reuse Incentives**

Provisions that are being deleted are shown in bold ~~strikethrough~~ text.

Provisions that are being added are shown in bold red text.

Section 1. Amend Title 10 Flagstaff Zoning Code, Chapter 10-30: General to All, Division 10-30.20: Affordable Housing Incentives, Section 10-30.20.040: Affordable Housing Incentives, as follows:

10-30.20.040 Affordable Housing Incentives

An applicant that meets the terms of this division may be eligible for certain incentives. Incentives can include reductions in resources protections, density bonuses, reduced parking and other modified Zoning Code requirements, including, but not limited to, a reduction in setback, square footage or landscaping requirements that result in identifiable, financially sufficient and actual cost reductions. Specific incentives can be found in subsection (B) of this section. Additional incentives, such as fee reductions, fee waivers, and expedited processing can also be found in the IPAH.

A. Number of Incentives. Based on the percentage of affordable units and the level of affordability (e.g., category 1 to 4), the City may grant the applicant incentives listed in subsection (B) of this section. The number of incentives increases as the percentage of affordable units increases as outlined in Table 10-30.20.040.A, Number of Incentives.

Table 10-30.20.040.A: Number of Incentives

Number of Incentives	Category 1 <sup>1</sup> Permanent Affordability (% of Affordable Units)	Category 2 <sup>1</sup> Permanent Affordability (% of Affordable Units)	Category 3 <sup>1</sup> Permanent Affordability and Sustainable Building – Division 10-30.70 (% of Affordable Units)	Category 4 <sup>1</sup> One-time Affordability (% of Affordable Units)
1	10%	10%	10%	10%
2	11%	12%	12%	
3	12%	14%	14%	
4	13%	16%	16%	

Table 10-30.20.040.A: Number of Incentives

Number of Incentives	Category 1 <sup>1</sup> Permanent Affordability (% of Affordable Units)	Category 2 <sup>1</sup> Permanent Affordability (% of Affordable Units)	Category 3 <sup>1</sup> Permanent Affordability and Sustainable Building – Division 10-30.70 (% of Affordable Units)	Category 4 <sup>1</sup> One-time Affordability (% of Affordable Units)
5 or more	14% or more	20% or more	20% or more	

End Notes

<sup>1</sup>The income ranges associated with Categories 1 through 4 shall be determined by the Council in the most recently adopted IPAH document (see Appendix 6 (Additional Information on Affordable Housing)).

B. Incentives Defined. For the purposes of this division, developer incentives for affordable housing development are defined below.

1. Resource Protection Standards.

a. Where forest resources on a site overlap with steep slope resources, the forest resources in the steep slope area may be counted toward the required amount of forest resources for the whole site. (See Division 10-50.90, Resource Protection Standards.)

b. In addition, the forest resources that must be retained on-site in the Resource Protection Overlay (RPO) zone may be reduced for affordable housing developments based on the percentage of affordable units provided and the category of affordability. (Forest resource protection requirements are provided in Table 10-50.90.060.A, Forest Resource Protection Thresholds as a Percentage of Site Area, in Division 10-50.90, Resource Protection Standards.

(1) The potential forest resource reductions for affordable housing are shown in Table 10-30.20.030.B, Reduction in Forest Resource Protection Thresholds for Affordable Housing Developments.

(2) For example, an affordable housing development in category 2 that provides 10 percent of the units as affordable could reduce the forest resource protection by 20 percent, so that 40 percent of the forest must be retained instead of 50 percent (i.e., the 50 percent requirement for forest resource protection [Table 10-50.90.060.A, Forest Resource Protection Thresholds as a Percentage of Site Area] is reduced by 20 percent).

(3) For categories 1 and 2, the forest resource reduction could be additive for a development, if the percentage of affordable units is met. Category 3 stands alone and cannot be combined with forest resource reductions in other categories. However, the maximum amount that forest resources may be reduced for an affordable housing development is 50 percent.

Table 10-30.20.040.B: Reduction in Forest Resource Protection Thresholds for Affordable Housing Developments

Category 1 <sup>1</sup> (Permanent Affordability)		Category 2 <sup>1</sup> (Permanent Affordability)		Category 3 <sup>1</sup> (Permanent Affordability and Sustainable Building – Division 10-30.70)	
Percentage of Affordable Units	Resource Reductions	Percentage of Affordable Units	Resource Reductions	Percentage of Affordable Units	Resource Reductions
10%	25%	10%	20%	10%	25%
11%	30%	12%	25%	12%	30%
12%	35%	14%	30%	14%	35%
13%	40%	16%	35%	16%	40%
14%	45%	18%	40%	18%	45%
15%	50%	20%	45%	20%	50%

End Notes

1. The income ranges associated with Categories 1 through 3 shall be determined by the Council in the most recently adopted IPAH document (see Appendix 6 (Additional Information on Affordable Housing)).

2. Density Bonus. Affordable housing developments may be eligible for a density bonus if at least 10 percent of the proposed units are affordable in compliance with Section 10-30.20.050, Density Bonus.

3. Parking Incentives.

a. The number of required parking spaces for affordable housing is reduced as specified in Table 10-50.80.040.A, Number of Motor Vehicle Parking Spaces Required; and

b. Modifications to parking requirements for affordable housing developments within one-quarter mile of a transit stop may be reduced up to 15 percent.

4. Adjustment of Property Development Standards.

a. Affordable housing can utilize Planned Residential Development (Section 10-40.60.280) in any zone to provide flexibility in the application of building form requirements and to increase the potential building types.

b. Minor modifications to property development standards for affordable housing developments may be modified up to 15 percent.

c. Additional modifications to the property development standards may be approved by the City Council for a Category 1 affordable housing development that provides 100 percent of the dwelling units to persons or families with a household income equal to 80 percent or less of the area median income as published annually by the U.S. Department of Housing and Urban Development for the City of Flagstaff.

(i) To approve a request to modify the property development standards, the City Council shall find that the following criteria have been met:

(a) The modifications are consistent with and conform to the goals of the General Plan and any applicable specific plans;

(b) The modifications will not be detrimental to the public interest, health, safety, convenience, or welfare of the City and will add to the public good as described in the General Plan;

(c) The requested modifications will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located;

(d) The proposed development is consistent with the character of the area; and

(e) The type, quality, and amenities of the development are consistent with those found in similar developments that are available to the public at market rate.

(ii) Additional findings to approve a request to modify the number of motor vehicle parking spaces required (Section 10-50.80.040). To approve a request to modify the motor vehicle parking requirements, the City Council shall also find that:

(a) Adequate transit service is available to the development site. Adequate transit service from a development site to a permanent transit stop is:

(1) Less than or equal to 1,320 feet; or

(2) A distance greater than 1,320 feet when the City Council finds that the route to the permanent transit stop has adequate nighttime lighting and does not have a significant grade change, and the distance does not impede reasonable access to transit.

The distance between the permanent transit stop to the development site shall be measured following a continuously improved sidewalk and/or public paved trail.

(iii) Notice of the City Council Meeting. A minimum of 15 days prior to the City Council meeting, the applicant shall:

(a) Notify by first-class mail all property owners of record within 300 feet of the subject property of the purpose of the request, and the time, date, and place of the City Council meeting;

(b) Notify by first-class mail all homeowners' associations (HOAs) that govern land within 1,000 feet of the subject property as well as all persons or groups whose names are on the registry of persons and groups described in Section 10-20.30.080.C who are interested in receiving such notice, of the purpose of the request, and the time, date, and place of the City Council meeting;

(c) Notify by first-class mail all affordable housing advocacy agencies on file with the City of Flagstaff's Housing Section of the purpose of the request, and the time, date, and place of the City Council meeting; and

(d) Install a minimum of one sign that is at least four feet by four feet on the development site in a location clearly visible from a public right-of-way and adjacent residents setting forth the purpose, time, date, and place of the City Council meeting, with an attached information tube containing copies of the meeting notice. All print on the sign shall be visible from a distance of 100 feet.

d. For the purposes of this section, the "property development standards" means building form, building placement, building types, encroachments and frontage types, fences and screening, landscape standards, lot requirements, common space, parking standards and required parking, private frontage types, and any other amount, area, dimension, quantity, size, or design requirement of the Zoning Code as determined by the Zoning Administrator. Property development standards that may be modified pursuant to this section do not include building height, density, the number of units per building type, outdoor lighting standards, signs, and the standards or guidelines of the overlay zones specified in Section 10-40.50.030.A.1. (Airport Overlay (AO)), A.2. (Downtown Overlay (DO)), A.3. (Landmarks Overlay (LO)) and A.5 (Townsite Overlay (TO)), and any historic overlay zone adopted after April 22, 2021.

5. Landscaping Standards Reductions. Minor modifications to landscaping standards for affordable housing developments may be reduced by no more than 10 percent.

**6. High Occupancy Housing. Housing developments, either for rental or purchase, in which all dwelling units are permanently affordable and offered at 60 percent or less of the Area Median Income (AMI) in compliance with the Department of Housing and Urban Development**

regulations shall not be categorized as High Occupancy Housing Development, regardless of the number units, bedrooms, or zoning.

**7. Single Use Residential in Commercial Zones.** Projects providing a minimum of 20% of all housing units within the development at an average of 80% AMI (with a maximum household income of 100% AMI) for a period of 30 years for rental or a minimum of 15% of all housing units at a maximum of 150% AMI for a period of 99 years for ownership are not required to obtain a Conditional Use Permit.

**8. Adaptive Reuse Projects.** Projects providing a minimum of 20% of all housing units within the development at an average of 80% AMI (with a maximum household income of 100% AMI) for a period of 30 years for rental or a minimum of 15% of all housing units at a maximum of 150% AMI for a period of 99 years for ownership.

**a. Applicability.** To be eligible for the Adaptive Reuse Project incentives, the following criteria must be met:

(i) The building shall be a minimum of fifteen years of age; and

(ii) The project may not include additions that exceed 25% of the existing building.

**b. Adaptive Reuse Project Incentives.** Applicable projects are not required to do the following:

(i) Provide additional parking spaces or update the existing parking spaces in accordance with Division 10-50.80: Parking Standards or Division 10-30.60: Site Planning Design Standards. All Zoning Ordinance requirements for accessible parking shall apply. If the total parking required is less than the number of spaces that exist, then the number of parking spaces may be reduced to that number of required parking spaces, and

(ii) Provide additional or update the existing on-site landscaping in accordance with Division 10-50.60: Landscaping Standards, and

(iii) Provide Common Space as required by the zoning district, and

(iv) Comply with the provisions of Division 10-50.020: Architectural Design Standards.

Section 2. Amend Title 10 Flagstaff Zoning Code, Chapter 10-40: Specific to Zones, Division 10-40.30: Non-Transsect Zones, Section 10-40.30.040: Commercial Zones, Table 10-40.30.030.C.: Residential Zones – Building Form and Property Development Standards, as follows:

Table 10-40.30.040.B. Commercial Zones – Allowed Uses							
Primary Land Use <sup>1</sup>	Specific Use Regulations	Commercial Zones					
		SC	CC	NCC	HC	CS	CB
Residential <sup>5</sup>							
Co-Housing	10-40.60.120	UP <sup>9</sup>	UP <sup>9</sup>	UP <sup>9</sup>	UP <sup>9</sup>	UP <sup>9</sup>	UP <sup>9</sup>
Co-Housing as Part of a Mixed-Use Development	10-40.60.120	P	P	P	P	P	P
Congregate Care Facilities		UP	P	P	P	P	UP
Day Care, Centers	10-40.60.150.B	P	P	P	P	UP	UP
Day Care, Home	10-40.60.150.A	P	P	P	P	P	P
Dwelling, Duplex		UP <sup>5,9</sup>	UP <sup>5,9</sup>	UP <sup>5,9</sup>	UP <sup>5,9</sup>	UP <sup>5,9</sup>	UP <sup>5,9</sup>
Dwelling, Duplex as Part of a Mixed-Use Development		P	P	P	P	P	P
Dwelling, Multiple-Family		UP <sup>5,9</sup>	UP <sup>5,9</sup>	UP <sup>5,9</sup>	UP <sup>5,9</sup>	UP <sup>5,9</sup>	UP <sup>5,9</sup>
Dwelling, Multiple-Family as Part of a Mixed-Use Development		P	P	P	P	P	P
Dwelling, Single-Family Attached			p <sup>5,7</sup>	p <sup>5,7</sup>			
Dwelling, Single-Family Detached		--	p <sup>5,7</sup>	p <sup>5,7</sup>	--	--	--
Dwelling, Single-Family as Part of a Mixed-Use Development		P	P	P	P	P	P
Dormitories		UP	UP	UP	UP	UP	UP

Table 10-40.30.040.B.  
Commercial Zones – Allowed Uses

Primary Land Use <sup>1</sup>	Specific Use Regulations	Commercial Zones					
		SC	CC	NCC	HC	CS	CB
Fraternalities and Sororities		UP	UP	UP	UP	UP	UP
Group Homes		p <sup>5,8</sup>	p <sup>5</sup>	p <sup>5</sup>	p <sup>5,8</sup>	p <sup>5,8</sup>	p <sup>5,8</sup>
High Occupancy Housing Development, Single-Family	10-40.60.170	--	UP	UP	--	--	--
High Occupancy Housing Development, Two Units	10-40.60.170	UP	UP	UP	UP	UP	UP
High Occupancy Housing Development, Three Units	10-40.60.170	UP	UP	UP	UP	UP	UP
High Occupancy Housing Development, Four Units and Greater	10-40.60.170	UP	UP	UP	UP	UP	UP
Home Occupation	10-40.60.180	P	P	P	P	P	P
Institutional Residential							
	Custodial Care Facilities		p <sup>6</sup>	p <sup>6</sup>	p <sup>6</sup>	p <sup>6</sup>	p <sup>6</sup>
	Homeless Shelters						
	Emergency Shelters	10-40.60.190	p <sup>6</sup>	p <sup>6</sup>	p <sup>6</sup>	p <sup>6</sup>	p <sup>6</sup>
	Short Term Housing		p <sup>6</sup>	p <sup>6</sup>	p <sup>6</sup>	p <sup>6</sup>	p <sup>6</sup>
	Transitional Housing		P	P	P	P	P
	Sheltered Care Homes		P	P	P	P	P
	Nursing Homes		UP	UP	UP	UP	UP
Live/Work	10-40.60.200	P	P	P	P	P	P
Residence for Owner, Caretaker or Manager		P	P	P	P	P	P
Single Room Occupancy		UP	--	--	P	--	P

Table 10-40.30.040.B.  
Commercial Zones – Allowed Uses

Primary Land Use <sup>1</sup>	Specific Use Regulations	Commercial Zones					
		SC	CC	NCC	HC	CS	CB
<b>Retail Trade</b>							
Bars/Taverns		P	P	P	P	P	P
Crematorium		P	P	P	P	P	--
Drive-through Retail	10-40.60.160	P	P	P	P	--	--
Drive-through Service		P	P	P	P	--	--
Farmers Markets and Flea Markets		--	P	P	P	P	P
General Retail Business		P	P	P	P	P	P
Mixed Use	10-40.60.260	P	P	P	P	P	P
Mixed-Use High Occupancy Housing Development	10-40.60.170 and 10-40.60.260	UP	UP	UP	UP	UP	UP
Restaurant or Cafe		P	P	P	P	P	P
<b>End Notes</b>							
1. A definition of each listed use type is in Chapter 10-80, Definitions.							
2. Only allowed on lots that do not have highway frontage or behind existing/new commercial uses.							
3. Only permitted when incidental to permitted use.							
4. This use shall be screened. See Division 10-50.50, Fences and Screening, for fencing and screening requirements.							
5. Residential uses in the SC, CC, HC, CS and CB zones existing prior to the effective date of this Zoning Code are considered legal, conforming uses. Residential uses in the HC, CS and CB zones							

Table 10-40.30.040.B. Commercial Zones – Allowed Uses						
Primary Land Use <sup>1</sup>	Specific Use Regulations	Commercial Zones				
		SC	CC	NCC	HC	CS
shall be subject to the development standards established in the HR zone. Residential uses in the SC, CC and NCC zones shall be subject to the development standards established in the MR zone.						
6.	Conditional use permit is required if proximity between shelter facilities is less than one-quarter mile.					
7.	Single-family and duplex dwellings are permitted by right on existing lots 9,000 square feet or less subject to the building placement and building form requirements of the MR zone.					
8.	Only permitted in legal nonconforming single-family dwellings (attached or detached).					
9.	<b>Permitted without a Conditional Use Permit as a Single-Use Residential development per the provisions of Division 10-30.20: Affordable Housing Incentives.</b>					
Key						
P = Permitted Use						
UP = Conditional Use Permit Required						
-- = Use Not Allowed						

Section 3. Amend Title 10 Flagstaff Zoning Code, Chapter 10-80: Definitions, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, Section 10-80.10: Definitions “A”, as follows:

**Adaptive Reuse: The repurposing of an existing building from the use for which it was constructed to a new use by preserving the elements of the existing building rather than demolition.**

Section 4. Amend Title 10 Flagstaff Zoning Code, Chapter 10-80: Definitions, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, Section 10-80.190: Definitions “S”, as follows:

**Single-Use Residential: A development containing only residential uses.**