

NOTICE AND AGENDA

HOUSING COMMISSION
THURSDAY
APRIL 24, 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. 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

- A. Consideration and Approval of Minutes: Housing Commission Meeting - February 27, 2025
Approve the minutes from the February 27, 2025 Housing Commission meeting.
- B. Consideration and Approval of Minutes: Housing Commission Meeting - March 27, 2025
Approve the minutes from the March 27, 2025 Housing Commission meeting.

6. **PRESENTATION AND DISCUSSION ITEMS**

- A. **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.

7. **ACTION ITEMS**

- A. Technical Amendment to the Incentive Policy for Affordable Housing (IPAH)
Review and recommend approval for the May 20, 2025, Council meeting.

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

5. A.

From: Adriana Fisher, Housing Program Manager

DATE: 04/24/2025

SUBJECT: Consideration and Approval of Minutes: Housing Commission Meeting - February 27, 2025

STAFF RECOMMENDED ACTION:

Approve the minutes from the February 27, 2025 Housing Commission meeting.

Executive Summary:

Minutes of Commission meetings are the requirement of Arizona Revised Statutes and, additionally, provide a method of informing the public of discussions and actions taken by the Housing Commission.

Attachments

HC Draft Minutes - 02.27.2025

DRAFT MEETING MINUTES

HOUSING COMMISSION
THURSDAY
FEBRUARY 27, 2025
12:00 P.M.

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

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).

Chair Devonna McLaughlin called the meeting to order at 12:07 pm.

2. **Roll Call**

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

Kevin Bond - Present, virtually	Karen Flores - Present, in person	Cory Runge - Present, virtually
Eric Brownfield - Present, in person	Sandi Flores, Vice Chair - Absent	Ross Schaefer - Absent
Tyler Denham - Present, in person	Jacque Kellogg - Present, in person	Glenn Slivers - Present, virtually, left at 1:32 pm
Kevin Dobbe - Present, in person	Devonna McLaughlin, Chair - Present, in person	Hayley Zoroya - Present, virtually
	Moses Milazzo - Absent	

OTHERS PRESENT:

Adriana Fisher, Housing Program Manager
Jennifer Mikelson, Housing Planning Manager
Marissa Molloy, Housing Specialist
Jessica Donohoe, Housing Planner
Kristine Pavlik, Housing and Grants Administrator
Justyna Costa, Assistant Housing Director
Dan Folke, Community Development Director
Khara House, Council Liaison
Christina Rubalcava, Senior Assistant City Attorney
Tiffany Antol, Zoning Code Manager
Michelle McNulty, Planning Director
Jenny Niemann, Climate Section Director
Genevieve Pearthree, Sustainability Analyst
David Spence, Councilmember
Anthony Garcia, Councilmember

3. **LAND ACKNOWLEDGMENT**

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Read by Commissioner Jacquie Kellogg.

4. **Public Comment**

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Taylor Cerchie asked about the potential of a municipal building supply resource department to make housing supplies for building locally available more affordable. Ms. Adriana Fisher, Housing Program Manager, said that staff would contact him after the meeting to answer the question.

5. **APPROVAL OF MINUTES**

- A. Consideration and Approval of Minutes: Housing Commission Meeting - January 23, 2025
Approve the minutes from the January 23, 2025 Housing Commission meeting.

Moved by Karen Flores, seconded by Tyler Denham to approve the minutes from the January 23, 2025 regular Housing Commission meeting.

Vote: 10 - 0 - Unanimously

- B. Consideration and Approval of Minutes: Housing Commission Meeting - February 10, 2025
Approve the minutes from the February 10, 2025 Housing Commission meeting.

Moved by Eric Brownfield, seconded by Jacquie Kellogg to approve the minutes from the February 10, 2025 regular Housing Commission meeting.

Vote: 10 - 0 - Unanimously

6. **ACTION ITEMS**

- A. Approval of Rental Incentive Bond Program Awards
Staff requests the Housing Commission's recommendation of approval for two Rental Incentive Bond Program Awards totaling \$1,670,000 resulting in a total of 62 affordable rental units, as recommended by the Ranking Committee.

Ms. Jennifer Mikelson, Housing Planning Manager, gave a presentation on the Ranking Committee-recommended Rental Incentive Bond Program awards.

Commissioners asked questions about unit obligations under development agreements and about the first round of funds.

Moved by Hayley Zoroya, seconded by Karen Flores to forward the Rental Incentive Bond Program Awards recommendations from the Ranking Committee to Council as presented with a recommendation for approval.

Vote: 10 - 0 - Unanimously

7. PRESENTATION AND DISCUSSION ITEMS

- A. Discussion: Staff is requesting feedback from the Commission prior to drafting Zoning Code Text Amendments for Missing Middle housing types (duplex, triplex, fourplex, and townhomes) as required by HB 2721.

For discussion only.

Ms. Tiffany Antol, Zoning Code Manager, gave a presentation on the Middle Housing Zoning Code Amendment. ([Updated PowerPoint Presentation](#))

Commissioners asked questions and provided comments about the following:

- Modifications
- Transect zoning code
- Parking and development standards
- Support for the ordinance to be applied citywide
- Extending the ordinance to the development of cottage courts in courtyard buildings
- Legalizing missing middle housing through changes to the transect and non-transect zones instead of through the creation of a new overlay

Ms. Antol answered their questions.

Taylor Cerchie, Robert Breunig, and Anne Wittke provided public comment expressing support for the zoning code amendments to be applied citywide. Anne Wittke asked if there were height limits to multifamily housing, expressing concern about solar panels being blocked. Ms. Antol answered.

- B. LASS + CAP Code Concepts Report Follow-Up
Discussion and recommendations

Ms. Michelle McNulty, Planning Director, Ms. Genevieve Pearthree, Sustainability Analyst, and Ms. Mikelson presented on the Land Availability Suitability Study and Code Analysis Project (LASS + CAP) Code Concepts Report.

Commissioners asked questions and provided comments about the following:

- If this item went to City Council
- Developer and builder feedback
- Floor Area Ratio (FAR)
- Prop 207
- Preferred scenario to address both housing and climate outcomes
- Density and who will benefit from built units
- Incentives and types of homes to build
- Whether there are zoning districts that should be excluded or treated differently
- Where and how to increase density
- Intensity, parking, street parking regulations, and street widths
- Building standards
- Menu of sustainability options
- Transportation Demand Management strategies
- Town Hall conversations and the inclusion of builders
- Resource Protection Overlay

Ms. McNulty, Ms. Pearthree, Ms. Mikelson, and Ms. Jenny Niemann, Climate Section Director, answered their questions.

Anne Witteke made a public comment to ask about cathedral ceilings and HOA regulation of short-term rentals. Chair Devonna McLaughlin and Ms. McNulty answered.

Councilmember Khara House expressed appreciation for the thoughtfulness the Commissioners provided in this conversation and noted the importance and community impact of these policies.

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

A. Update from Housing Authority Liaison

This item was skipped due to time constraints.

B. Update from Housing Commissioners and Other Informational Items

This item was skipped due to time constraints. Ms. Fisher reminded Commissioners that they can always email her directly to ask for agenda topic items.

C. Update from Housing Staff

Staff agreed to email commissioners updates as this item was skipped due to time constraints.

9. ADJOURNMENT

Chair McLaughlin adjourned the meeting at 3:00 pm



Housing Commission

5. B.

From: Adriana Fisher, Housing Program Manager

DATE: 04/24/2025

SUBJECT: Consideration and Approval of Minutes: Housing Commission Meeting - March 27, 2025

STAFF RECOMMENDED ACTION:

Approve the minutes from the March 27, 2025 Housing Commission meeting.

Executive Summary:

Minutes of Commission meetings are the requirement of Arizona Revised Statutes and, additionally, provide a method of informing the public of discussions and actions taken by the Housing Commission.

Attachments

HC Draft Minutes - 03.27.2025

DRAFT MEETING MINUTES

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

1. **Call to Order**

Chair Devonna McLaughlin called the meeting to order at 1:03 pm

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 - Absent	Karen Flores - Present, in person	Cory Runge - Present, virtually
Eric Brownfield - Present, virtually	Sandi Flores, Vice Chair - Absent	Ross Schaefer - Present, virtually,
Tyler Denham - Present, in person	Jacquie Kellogg - Present, in person	left at 3:00 pm
Kevin Dobbe - Absent	Devonna McLaughlin, Chair - Present, in person	Glenn Slivers - Absent
	Moses Milazzo - Present, virtually	Hayley Zoroya - Present, virtually

OTHERS PRESENT:

Adriana Fisher, Housing Program Manager
Jennifer Mikelson, Housing Planning Manager
Marissa Molloy, Housing Specialist
Jessica Donohoe, Housing Planner
Kristine Pavlik, Housing and Grants Administrator
Sarah Darr, Housing Director
Tiffany Antol, Zoning Code Manager
Khara House, Council Liaison
Christina Rubalcava, Senior Assistant City Attorney

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.

Read by Commissioner Tyler Denham

4. Public Comment

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No Public Comment

5. APPROVAL OF MINUTES

None

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.

Chair McLaughlin recused herself due to a conflict of interest. Commissioner Tyler Denham performed chair responsibilities for this item.

Ms. Kristine Pavlik, Housing & Grants Administrator, presented on the Community Development Block Grant (CDBG) and the ranking committee and staff's recommendations for Program Year 2025 CDBG funding allocations.

Commissioners asked clarifying questions about recommended funding allocations. Ms. Pavlik and Ms. Sarah Darr, Housing Director, answered.

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

Vote: 8 - 0

7. PRESENTATION AND DISCUSSION ITEMS

- A. Overview of Housing Commissioners' Agenda Item/Topic Suggestions from the December 19, 2024 Meeting**
Informational Only

Chair McLaughlin returned for this item.

Ms. Adriana Fisher, Housing Program Manager, presented on the agenda item suggestions discussed on the December 19, 2024 meeting.

Commissioners asked questions about builder and developer feedback and discussions and the Housing Commission's purview. Ms. Darr answered.

- B. Discussion of draft Adaptive Reuse Bond Program**
Discussion only

Ms. Jennifer Mikelson, Housing Planning Manager, presented on the draft Adaptive Reuse Bond Program.

Commissioners asked questions and provided comments about community Area Median Income (AMI) needs and requirements, affordable unit requirements, eligibility at recertification, loan forgiveness, a non-competitive application, the funding threshold for project eligibility, and the timeline of the draft program. Ms. Mikelson and Ms. Darr answered.

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.

Due to time, this item was rescheduled for the April Housing Commission meeting.

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

A. Update from Housing Authority Liaison

Ms. Darr gave an update on the City of Flagstaff's adoption of the Williams Housing Choice Voucher program.

B. Update from Housing Commissioners and Other Informational Items

Commissioners asked for an update the Bond-funded down payment assistance program.

C. Update from Housing Staff

This item was skipped due to time.

9. ADJOURNMENT

Chair Devonna McLaughlin adjourned the meeting at 3:05 pm.



Housing Commission

6. A.

From: Tiffany Antol, Zoning Code Manager

DATE: 04/24/2025

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

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.

Attachments

Draft Zoning Code Amendment
Presentation

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:

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 ¹ (Permanent Affordability)		Category 2 ¹ (Permanent Affordability)		Category 3 ¹ (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 percent of all housing units within the development at an average of 80 percent AMI with a maximum household income of 100 percent AMI for a period of 30 years for rental or a minimum of 15 percent of all housing units at a maximum of 150 percent AMI for a period of 99 years for ownership are not required to obtain a Conditional Use Permit as designated in Table 10-40.30.040.B.

8. Adaptive Reuse Projects. Projects providing a minimum of 20 percent of all housing units within the development at an average of 80 percent Area Median Income with a maximum household income of 100 percent AMI for a period of 30 years for rental or a minimum of 15

percent of all housing units at a maximum of 150 percent 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 15 years of age; and

(ii) The project may not include additions that exceed 25 percent of the floor area 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 ¹	Specific Use Regulations	Commercial Zones					
		SC	CC	NCC	HC	CS	CB
Residential ⁵							
Co-Housing	10-40.60.120	UP ⁹	UP ⁹	UP ⁹	UP ⁹	UP ⁹	UP ⁹
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 ^{5,9}	UP ^{5,9}	UP ^{5,9}	UP ^{5,9}	UP ^{5,9}	UP ^{5,9}
Dwelling, Duplex as Part of a Mixed-Use Development		P	P	P	P	P	P
Dwelling, Multiple-Family		UP ^{5,9}	UP ^{5,9}	UP ^{5,9}	UP ^{5,9}	UP ^{5,9}	UP ^{5,9}
Dwelling, Multiple-Family as Part of a Mixed-Use Development		P	P	P	P	P	P
Dwelling, Single-Family Attached			p ^{5,7}	p ^{5,7}			
Dwelling, Single-Family Detached		--	p ^{5,7}	p ^{5,7}	--	--	--
Dwelling, Single-Family as Part of a Mixed-Use Development		P	P	P	P	P	P
Dormitories		UP	UP	UP	UP	UP	UP
Fraternities and Sororities		UP	UP	UP	UP	UP	UP

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

Primary Land Use ¹	Specific Use Regulations	Commercial Zones					
		SC	CC	NCC	HC	CS	CB
Group Homes		p ^{5,8}	p ⁵	p ⁵	p ^{5,8}	p ^{5,8}	p ^{5,8}
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 ⁶	p ⁶	p ⁶	p ⁶	p ⁶	p ⁶
Homeless Shelters							
Emergency Shelters	10-40.60.190	p ⁶	p ⁶	p ⁶	p ⁶	p ⁶	p ⁶
Short Term Housing		p ⁶	p ⁶	p ⁶	p ⁶	p ⁶	p ⁶
Transitional Housing		P	P	P	P	P	P
Sheltered Care Homes		P	P	P	P	P	P
Nursing Homes		UP	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
Retail Trade							

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

Primary Land Use ¹	Specific Use Regulations	Commercial Zones					
		SC	CC	NCC	HC	CS	CB
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
End Notes							
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 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.							

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

Primary Land Use ¹	Specific Use Regulations	Commercial Zones					
		SC	CC	NCC	HC	CS	CB
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.	Permitted without a Conditional Use Permit as a Single-Use Residential development per the provisions of Division 10-30.20: Affordable Housing Incentives.						
Key							
P = Permitted Use							
UP = Conditional Use Permit Required							
-- = Use Not Allowed							

Section 3. Amend Title 10 Flagstaff Zoning Code, Chapter 10-50: Supplemental to Zones, Division 10-50.80: Parking Standards, as follows:

Division 10-50.80:

Parking Standards

Sections:

- 10-50.80.010 Purpose
- 10-50.80.020 Applicability
- 10-50.80.030 General Parking Standards
- 10-50.80.040 Number of Motor Vehicle Parking Spaces Required
- 10-50.80.050 Bicycle Parking
- 10-50.80.060 Parking ~~Adjustments~~ **Reductions**
- 10-50.80.061 Transit Pass Parking Reduction Pilot Program
- 10-50.80.070 Parking Alternatives
- 10-50.80.080 Parking Spaces, Parking Lot Design and Layout
- 10-50.80.090 Development and Maintenance

Section 4. Amend Title 10 Flagstaff Zoning Code, Chapter 10-50: Supplemental to Zones, Division 10-50.80: Parking Standards, Section 10-50.80.060: Parking Adjustments, as follows:

10-50.80.060 Parking ~~Adjustments~~ **Reductions**

The purpose of these reductions is to allow applicable developments to reduce the required off-street parking to encourage more pedestrian activity, less vehicle trips between land uses, promote re-investment, preservation, and revitalization of existing neighborhoods as well as promote sustainability. The amount of parking required for a specific land use may be reduced from what is otherwise required when one of the following provisions is applicable to the development site. In the case that more than one parking ~~adjustment~~ **reduction** may apply, ~~for example as a result of allowed reductions for affordable housing (see Division 10-30.20, Affordable Housing Incentives), reductions for bike racks, or any other reduction authorized by this code,~~ the cumulative parking adjustment shall

not exceed 20 percent **except as otherwise noted**. However, in multifamily residential developments no less than one parking space per residential unit shall be required, unless **otherwise** approved by **the** City Council. ~~as part of an affordable housing development meeting the criteria set forth in Section 10-30.20.040.B.4.c.~~ **All Zoning Ordinance requirements for accessible parking shall apply regardless of the reduction employed.**

A. Transit. In all zones, a parking reduction of up to 10 percent may be approved by the Director for any use within 1,320 feet of a permanent transit stop, except for a High Occupancy Housing Development (HOHD) or a Mixed-Use High Occupancy Housing Development (MHOHD). The distance between the permanent transit stop to the Development Site shall be measured following a continuously improved sidewalk and/or public paved trail.

B. Forest Resources Reduction. The number of parking spaces required for a new development may be reduced by no more than five percent if existing native trees such as ponderosa pine trees are located within parking areas (but not circulation areas) and these trees are required to be preserved to satisfy the requirements for forest resource protection as defined in Division 10-50.90, Resource Protection Standards, except for an HOHD or MHOHD. An applicant shall demonstrate to the satisfaction of the Director that by incorporating these existing native trees within the parking area.

C. Bicycle Parking Reduction. The Director may allow a reduction of one required motor vehicle parking space for each four bicycle parking spaces provided to a maximum of five percent of the required motor vehicle parking spaces, except for an HOHD or MHOHD.

D. Motorcycle Parking Reduction. A reduction of one parking space for multifamily residential and nonresidential uses may be allowed by the Director if one motorcycle parking space for every 25 required motor vehicle spaces is provided, subject to the following standards:

- 1. Each motorcycle space shall be easily accessible and have adequate space for a standard-size motorcycle, i.e., a minimum dimension of four feet by nine feet.**
- 2. Motorcycle parking areas shall be clearly identified with appropriate striping.**

E. Adaptive Reuse Reduction. No additional off-street parking shall be required for the adaptive reuse of a building that meets the following requirements:

- 1. The building shall be a minimum of 15 years of age; and**

2. The development shall be a non-residential use; and
3. The size of the building shall not exceed 5,000 gross square feet including any proposed additions. No proposed additions may exceed fifty percent of the existing building; and
4. On-street public parking is available within 1,320 feet from the Development Site.

FB. Shared On-Site Parking Reduction. Where two or more uses on the same site or adjacent parcels have distinct and differing peak parking usage periods (e.g., a theater and a bank), a reduction in the required number of parking spaces as determined by the Director may be allowed in the following manner:

1. The reduction in number of required parking spaces shall be based on a parking demand study. The parking demand study shall be in accordance with established professional practices.
2. Approval shall also require a recorded covenant running with the land, recorded by the owner of the parking lot, guaranteeing that the required parking will be maintained exclusively for the uses served and remain for the duration of the use.

GC. Parking Demand Study – Reduced Parking.

1. The property owner shall submit a study/plan prepared in accordance with the established professional traffic and parking practices by a registrant licensed to practice in the State of Arizona. The study/plan shall document how any reductions are calculated and the assumptions utilized in the calculations.
2. The Director may approve a reduction equal to, or less than, 30 percent of the total parking spaces required by this Division, except as required in subsection C.3. of this section. Any request greater than 30 percent requires the approval of the City Council.
3. Any request to use a Parking Demand Study to reduce the required parking for an HOHD or MHOHD shall be approved by the City Council.

HD. Traffic Management Plan Parking Reduction. The Director shall have the ability to reduce the parking requirements for office and other uses in Section 10-50.80.040, Number of Motor Vehicle Parking Spaces Required, except for an HOHD or MHOHD. A traffic management plan shall be submitted with an application for site plan review. A reduction may be granted if the following standards are met:

1. The amount of the reduction shall be no more than 90 percent of the proposed reduction in employee motor vehicle trips.
2. The buildings shall have a single user/owner who can effectively exercise control over compliance with the plan.
3. The traffic management plan shall be submitted by a registered traffic engineer and shall include data on the effectiveness of similar plans elsewhere.
4. The traffic management plan shall contain information on the strategies, designated parking, incentives, company vehicles, staggered work hours, and information indicating the owner's ability to provide and enforce these elements over time.
5. The Director may impose conditions that are needed to ensure the long-term compliance to the plan, including but not limited to a reserve parking area, phasing, or contributions to transit or other alternative means of transportation.

~~**E.—Parking Reduction for Forest Resources. The number of parking spaces required for a new development may be reduced by no more than five percent if existing native trees such as ponderosa pine trees are located within parking areas (but not circulation areas) and these trees are required to be preserved to satisfy the requirements for forest resource protection as defined in Division 10-50.90, Resource Protection Standards, except for an HOHD or MHOHD. An applicant shall demonstrate to the satisfaction of the Director that by incorporating these existing native trees within the parking area, adequate measures are taken during construction to ensure that the trees are protected from construction activity.**~~

~~**F.—Bicycle Parking Reduction. The Director may allow a reduction of one required motor vehicle parking space for each four bicycle parking spaces provided to a maximum of five percent of the required motor vehicle parking spaces, except for an HOHD or MHOHD.**~~

~~**G.—Motorcycle Parking Reduction. A reduction of one parking space for multifamily residential and nonresidential uses may be allowed by the Director if one motorcycle parking space for every 25 required motor vehicle spaces is provided, subject to the following standards:**~~

- ~~**1.— Each motorcycle space shall be easily accessible and have adequate space for a standard size motorcycle, i.e., a minimum dimension of four feet by nine feet.**~~

~~2. Motorcycle parking areas shall be clearly identified with appropriate striping.~~

Section 5. 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:

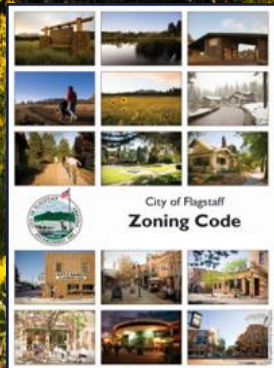
Adaptive Reuse: The repurposing of an existing building from the use for which it was constructed to a new use by preserving the elements of the existing building rather than demolition.

Section 6. 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.

Single Use Residential & Adaptive Reuse Incentive Zoning Code Text Amendment

Tiffany Antol, AICP
Zoning Code Manager





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.



Single Use Residential & Adaptive Reuse Incentives



New Affordable Housing Incentive

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.



Single Use Residential & Adaptive Reuse Incentives



New Affordable Housing Incentive

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.



Adaptive Reuse Applicability

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.**



Single Use Residential & Adaptive Reuse Incentives



Adaptive Reuse Incentives

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



Adaptive Reuse Incentives

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

(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.

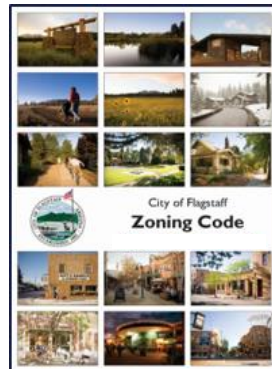
(iii) Provide Common Space as required by the zoning district, and

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



Middle Housing Zoning Code Text Amendment

Questions?





Housing Commission

7. A.

From: Jessica Donohoe, Housing Planner

DATE: 04/24/2025

SUBJECT: Technical Amendment to the Incentive Policy for Affordable Housing (IPAH)

STAFF RECOMMENDED ACTION:

Review and recommend approval for the May 20, 2025, Council meeting.

Executive Summary:

The Incentive Policy for Affordable Housing was adopted by the Council in October 2009. This amendment is a minor technical change to the terminology utilizing impact fees. Its purpose is to include Water and Sewer System Fees as acceptable fees eligible for reimbursement.

Attachments

DRAFT Incentive Policy for Affordable Housing 2025 Amendment

INCENTIVE POLICY FOR AFFORDABLE HOUSING



PREPARED BY:
CITY OF FLAGSTAFF'S HOUSING SECTION
COMMUNITY DEVELOPMENT DIVISION
AMENDED MAY 2025~~OCTOBER 2009~~

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1. OVERVIEW

Decent, safe and affordable housing has been established by the City Council at one of its top priorities. The City Council has adopted policies that aim to further the goal of housing that is affordable within Flagstaff. The Incentive Policy for Affordable Housing (IPAH) incentivizes developments that commit to permanently affordable housing units. If a developer desires to take advantage of the incentives offered under the IPAH document, they would need to provide rental and/or ownership opportunities that have resale and rent restrictions placed on the units for the intended affordable housing population. This document provides a detailed description of the incentives offered to developers wishing to assist the community in addressing the need for affordable housing in Flagstaff.

In addition, the 2001 Regional Land Use and Transportation Plan established a series of goals and strategies to guide the development of decent and affordable housing. Further emphasizing the need for decent housing for the community, the 2005 Community Housing Policy Task Force, the 2006 Comprehensive Plan, and the 2008 Community Housing and Sustainability NEXUS Study (NEXUS Study) all put forth strategies to aid in the preservation and development of attainable housing. Specifically, it was recommended that the 2001 Affordable Housing Set-Aside Policy be updated to reflect the market changes and to further incentivize the development and preservation of housing that is attainable to citizens of Flagstaff.

The City of Flagstaff Incentive Policy for Affordable Housing (IPAH), formerly known as the Affordable Housing Set-Aside Policy is designed to foster the preservation and production of affordable housing units designed for those who live in Flagstaff. Encouraging the preservation and production of permanently affordable units and facilities intended for the Flagstaff community will assist in narrowing the deficit of all types of housing for households earning up to 150% of the Area Median Income (AMI). Affordable housing in Flagstaff must meet the needs and applicable regulations of the federal government, Arizona Revised Statutes, the City of Flagstaff, and all other appropriate regulating entities.

The City of Flagstaff will continue to work with developers and builders of single-family, multi-family, and mixed-use developments that voluntarily choose to meet the IPAH criteria. As this is a defined need within the community, as delineated in the 2008 NEXUS Study, City staff encourages developers to review the incentives presented within this document, which support the creation of affordable housing within residential and mixed-use developments.

IPAH designates the Housing Section as the lead agency on housing policy issues and to foster partnerships with neighborhoods, non-profit housing providers, and the home-building industry to develop, finance, rehabilitate, relocate, and implement IPAH in the City of Flagstaff.

IPAH allows for incentives to be provided to the developer to create permanently affordable units within a development that meet the definition of Affordable Housing; thus requiring the Housing Section to catalogue additional incentives that may be advantageous to all parties identified during the review, construction, and inspection of housing developments and it requires collaborations among City divisions in implementing these suggested improvements.

The City of Flagstaff's Incentive Policy for Affordable Housing seeks to:

- Provide viable incentives to stimulate the development of permanently affordable housing.
- Provide viable incentives to stimulate the rehabilitation and redevelopment of permanently affordable housing.
- Provide viable incentives to stimulate the development of permanently affordable housing on vacant and redeveloped lots in new and existing neighborhoods.

2. DEFINITIONS

Affordability Controls: Affordability controls are mechanisms used to ensure that the sale or rental prices of the set-aside units stay attainable to households making a certain percentage of Area Median Income (AMI). These controls remain in effect for a specified period of time.

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

Affordable Residential Uses: "Affordable Residential Uses" in the City of Flagstaff's Zoning Code (LDC) should be replaced by the term Affordable Housing.

Area Median Income (AMI): Area Median Income is an income level determined by the United States Department of Housing and Urban Development based on a variety of factors and representing wages and earnings in the community. Area Median Income is relative to family size and community dynamics. The ~~links chart~~, as referenced in Exhibit APPENDIX A, will be updated by the Housing Section Staff on an annual basis, as published by HUD.

Covenant: A covenant is a type of contract in which the covenantor makes a promise to a covenantee to do or not do some action. In real property law, the term real covenant is used for conditions tied to the use of land. A "covenant running with the land" imposes duties or restrictions upon the use of that land regardless of the owner.

Deed: A deed is a legal document signed by the seller of the property that transfers the title of the property from the seller to the buyer.

Deed Restriction: A deed restriction is a restriction or requirement that must be met by both the buyer and the seller before the property can be transferred to the buyer. Affordability controls provide that the property can only be rented or sold to households that meet the income eligibility criteria identified. Many municipalities use deed restrictions to enforce affordability controls.

Density Bonus: A density bonus is a developer incentive. It is a percentage of units that the municipality permits the developer to construct above and beyond what the zoning designation for that piece of property would otherwise allow.

Developer Incentives: Developer incentives, such as density bonuses, expedited permit processes, fee waivers, and resource reductions are given to developers to either encourage them to build affordable units within a development, or to compensate them for selling/renting the units below market to designated income populations.

Development Fee: A Development Fee is broadly defined as any fee paid to the municipally associated with the development of a project within Flagstaff, including [Water and Sewer System Fees and](#) Impact Fees.

Expedited Permit Process: An expedited permit process allows a municipality to review and process a developer's application for building permits, zoning permits, and other permits, on a faster time schedule than usual. Expedited permit process is offered to a developer, if that developer includes affordable units within a development.

Fee Waiver: The City may waive certain municipal fees for developers, such as building permits, and entitlement fees, in exchange for the construction of a certain number of affordable units as part of the proposed development.

Housing Set-Aside: A housing set-aside in a development agreement provides for a developer to receive incentives for development in exchange for the “set aside” of a percentage of the total units to be affordable to designated income populations. For example, a 10% set-aside means a developer would provide one affordable unit for every ten market-rate units within a proposed development in exchange for density bonuses, expedited permitting, fee waivers or reimbursement, flexible design standards, or financial offsets. The affordable units shall be distributed proportionally throughout the development and phases (where applicable) and appropriately designed and integrated with market-rate units throughout the development. Thirty percent (30%) of affordable units must be delivered in the first phase and the remainder of the units must be delivered proportionally based on years of build-out and phasing.

Income-Targeting: The income target is the household income level targeted to benefit from the pricing of the affordable units. Income level targeting is determined by looking at the needs and demands within the community. For example, a municipality may determine there is a need for housing for moderate-income level households, such as public safety employees, and thus income targeting would produce affordable units to the designated income populations.

Income-Tiering: Income-tiering is when categories of income levels are produced for which affordable units must be appropriately priced. For example, a municipality may decide that the affordable units in a development must be attainable for households that earn between 50% and 80% of AMI.

In-lieu of Attainable Housing Contribution: The City may permit a developer to make a fee in-lieu or cash payment, instead of constructing affordable units within the proposed development. Usually these payments are deposited in a housing trust fund or a similar restricted fund for the construction of other affordable units elsewhere within the City.

Market Rate: The market rate is the price that a residential unit would sell or rent for on the open real estate market without any subsidies or price restrictions.

Period of Affordability: The period of affordability is the length of time a unit is required to be sold or rented at a price affordable to the income level determined by the municipality. Periods of affordability are usually outlined and enforced through affordability controls, such as deed restrictions or covenants.

Permanent Affordability: Permanent Affordability is divided into two categories: rental and ownership. If a development participates in the voluntary Incentive Policy for Affordable Housing (IPAH) options for rental units, the period of affordability requirement is enforced for no less than 30 years and is subject to renewal. If a development participates in IPAH options for ownership units, the permanent affordability requirement for ownership is enforced at 99-years and is renewable.

Price Point: The price point is the price, or range of prices, a developer determines a unit would sell or rent for on the open market, based on design, location and size.

Rental Unit: A rental unit is a unit owned by one party and then leased to another.

Resale Restriction: A resale restriction is a requirement on the title of the property that must be met before the property is sold to another owner. Resale restrictions are used as an affordability control tool; for example, the sale of a unit might be restricted unless the new owner meets certain requirements outlined in associated documents.

Right of First Refusal: The right of first refusal prevents the sale of a residential property until a designated party has been offered the opportunity to purchase the property first. For example, if a municipality has the right of first refusal, then an affordable unit cannot be sold unless the municipality has been offered the opportunity to purchase the property first.

Second Mortgage Lien: A second mortgage lien is a claim or charge on a property for payment on a debt that is second in priority to the first mortgage. Some municipalities use second mortgages to enforce affordability controls, so if the owner attempts to sell the affordable unit to ineligible households, the municipality can enforce the lien and recapture the property.

Water and Sewer System Fees: [Water and Sewer System Fees include any fee paid to the municipality for the connection to the municipal water and/or sewer system, and include the customer meter fees, capacity fee, service fee, connection fees, and any associated taxes. These fees can be found or referenced within the City of Flagstaff Health and Sanitation Code.](#)

Workforce Housing: “Workforce Housing” in the City of Flagstaff’s Zoning Code (LDC) should be replaced by the term Affordable Housing.

Workforce Housing Project: “Workforce Housing Project” in the City of Flagstaff’s Zoning Code (LDC) should be replaced by the term Affordable Housing.

Zoning Code: The City of Flagstaff currently operates under a zoning ordinance known as the Land Development Code (LDC). References in this document are made to the Zoning Code, as the LDC is undergoing a substantial re-write and will most likely be renamed. A zoning code divides a municipality into districts and outlines a set of enforceable regulations regarding the structure, design, and use of buildings within each district.

3. IPAHA STANDARDS

3.1 As part of Council's housing policy goals, the Housing Section will be provided the opportunity to propose development and/or redevelopment as Affordable Housing for City-owned surplus property, where Council deems appropriate, except for land with a current, adopted Master Plan.

3.2 Incentive Policy for Affordable Housing initiatives involves an application and certification process. IPAHA is available for rental and owner-occupied new construction and rehabilitated housing or shelter that meets the IPAHA standards.

3.3 The proposed development or redevelopment will comply with the City of Flagstaff Zoning Code, the Regional Transportation and Land Use Plan, adopted Building Codes for the City of Flagstaff, Engineering Standards, and all mandatory sustainability measures adopted by City Council.

3.4 Developers of residential or mixed use developments that voluntarily provide a minimum of ten percent (10%) affordable housing units seeking rezoning of any kind or other discretionary land use approval will be able to benefit from the incentives offered by IPAHA. Additionally, if the developer provides affordable housing in a district that permits residential uses then all regulatory, procedural, and program incentives in this Policy are applicable, provided that the developer complies with all other regulations of the districts. This Policy also allows utilization of all applicable procedural and program measures for residential development and redevelopment that is within the Established districts, provided that ten percent (10%) or more of units are affordable. In any event, utilization of any of the incentives is optional.

3.5 A variety of housing types, mixed income and affordable housing developments are encouraged throughout the City and within each neighborhood. Mixed-income means that the development includes at least 10% affordable housing units that are preserved as permanently affordable. Affordable housing that must comply with other federal, state, or local preservation time periods shall also be considered to meet the permanent affordability standards.

3.6 The housing units created for sale under IPAHA must be owner-occupied. The eligible household must occupy the housing unit until the time of re-sale. Housing units created for rent under IPAHA must have households be income certified on an annual basis.

3.7 The City, or an agency designated by the City, will certify Eligible Buyers and Eligible Renters in accordance with the income qualification rules of the Federal HOME program or other reasonable standards, which take into account income, family size, assets and other economic circumstances. Certification of Eligible Households shall apply to all subsequent households for the permanent affordability period. Failure to meet this requirement will be considered a breach of contract. Contract terms are outlined within individual development agreements.

3.8 The affordable units shall be distributed proportionally throughout the development and phases (where applicable) and appropriately designed and integrated with market-rate units throughout the development. Thirty percent (30 %) of affordable units must be delivered in the first phase and the remainder of the units must be delivered proportionally based on years of build-out and phasing.

3.9 Grandfather Clause: Opportunities to utilize IPAH may be available for projects that have not received final platting or site plan approval and ~~that~~ offer a minimum of ten percent (10%) affordable housing. The owner/developer/applicant is responsible for all modifications to plans and initiating the benefits of the incentives.

3.10 If a developer is considering permanently preserving housing stock that had an expiring period of affordability, they may take advantage of any incentives that are applicable to their application. The developer must also meet all other applicable requirements in order to receive IPAH incentives.

3.11 The owner/developer/applicant or others acting on behalf of the development entity may be required to execute an agreement, restrictive covenants, or other binding restrictions that run with the land in order to insure Permanent Affordability, in accordance with IPAH standards.

3.12 Developments providing permanent affordable housing located within the City of Flagstaff Urban Growth Boundary 1 and 2 (as defined in the 2001 Land Use and Transportation Plan or its successor) will be eligible for IPAH, as long as the development contains one of the following:

3.12.1 Transit Access - The proposed project must have a bus route located within 1/2 mile of the development by the time of eighty percent (80%) of completion; OR

3.12.2 The development must secure acceptance from Staff for a strategy to provide access to alternative transit. This strategy could include vanpool, park-n-ride, FUTS trail access, or service plans for seniors and persons with disabilities. It could also include direct access to several land uses that service residential customers, such as food sales, banking, general retail and other key services (Activity Centers); OR

3.12.3 The development must present documentation from NAIPTA that future service plans will establish a bus route located within previously defined distances to the site and funding must be identified for this route.

3.13 Design Standards apply to multi-family and mixed-use developments. These standards may be found or referenced within the City of Flagstaff Zoning Code.

3.14 Because the number of fee waivers and reimbursement opportunities are limited on an annual basis, as are the resources for expedited review, there is a first-come, first-served policy. Once a project receives Inter-Division Staff Development Review Board (“IDSDRB”) approval, resources may be set-aside for the applicable incentives at this time. If a project does not receive Final Plat or Site Plan approval within twelve (12) months of IDSDRB approval, the funds will be allocated to the next available project.

3.15 Other Requirements:

3.15.1 Developers wishing to exercise the incentives within IPAH must have site control of the land/lots located within the city limits of Flagstaff. If the desired zoning is not in place, the applicant must also provide and meet all other applicable requirements in order to receive IPAH incentives.

3.15.2 Single-family units on infill lots receiving fee waivers must be completed, sold, and occupied within twenty-four (24) months of the execution of a contract, development agreement, or other binding restriction with the City or an approved third party. Multi-family, mixed-use and single-family units within a new subdivision’s defined phase must be completed, sold, and/or occupied within thirty-six (36) months of the execution of a contract, development agreement, or other binding restriction with the City or an approved third party.

3.15.3 If a developer is planning to utilize a third party entity to provide permanent affordability within a given project, the developer and its representative must enter into a development agreement that clarifies the management, use, and oversight of the affordable components. This agreement is in addition to a deed restriction or affordability covenant to be recorded with the Final Plat or Site Plan.

3.16 Covenants must be in place as a written agreement that is recorded with the deed of the property. Covenants will apply to all future owners of the property or for a specified time period. The affordability covenant allows the agency with oversight to enforce the affordability controls. The covenants require that a property only be sold or rented to households that meet the income eligibility criteria. Covenants should run with the land, or bind each successive owner of the land.

3.17 In order to transfer the right of use to another qualified household, a deed restriction is put in place. These deed restrictions provide that the property can only be rented or sold to households that meet the income eligibility criteria identified. Deed restrictions such as these, with regard to affordability, are restrictions or requirements that must be met by both the buyer and the seller before the property can be transferred.

4. IPAH PROCESS

In order to begin the voluntary housing incentive process, an applicant should contact their staff representative to have a preliminary discussion about the project. A City representative will be the single point of contact and will be working in collaboration with a member of the Housing Section on the identified project. Staff will meet with the applicant to discuss potential incentives and benefits of IPAH Housing Incentives. ~~Once there is interest in pursuing incentives, the “Affordable Housing Proposal” application should be returned to the staff representative. This application is available on line at www.flagstaff.az.gov/housing or at the front counter of the Community Development Division.~~

For Multi-Family, Mixed-Use, site plans, and single-family subdivisions, staff and the applicant establish the IPAH review timeline as well as initial incentive opportunities for the project. The applicant has until Preliminary Plat approval to commit to IPAH incentives. There may be exceptions to this timeframe and both the Housing Manager and the Planning Director will evaluate them on a case-by-case basis.

At the time a unit is ready to receive a Certificate of Occupancy (C of O), the IPAH applicant must demonstrate compliance with the approved pricing structure and covenants. Compliance is established through a meeting with a member of the Housing Section who will review the necessary documents. In addition, the party selected to review income verification data throughout the affordability period, including initial occupancy, will be contacted by the Housing Section to determine initial compliance.

The Final Plat or Site Plan shall identify the affordable units/lots and shall contain a notice, approved by the City that the deed to the affordable units/lots is subject to the terms of the development agreement, affordability covenant, and deed restrictions. The development agreement and affordability covenant shall provide that if the developer is not in compliance with the terms and conditions of the development agreement and other application regulations, the City reserves the right to withhold building or occupancy permits until the developer is in full compliance with the terms and conditions of the development agreement and/or other applicable regulations.

5. IPAH INCENTIVES

5.1 Fee Waivers

The City of Flagstaff may waive certain Building Permit and Planning fees for developments that the Community Development Director certifies as an IPAH development. The City may also permit the reimbursement of ~~fees tied to~~ Water and Sewer System Fees ~~Development Fees (and~~ Impact Fees for Police and Fire). Fee waivers and reimbursements are subject to a sliding scale based on the AMI served by the developer. The lower the AMI served, the greater the waiver and reimbursement percentages. All fees are subject to funding availability and funding may not be available when a project is approved.

The following pages provide the list of fees that may be waived or reimbursed for IPAH developments and the sliding scale of waivers and reimbursements based on the AMI served within the project.

Please note that fee waivers are *not* available for owners with outstanding Code violations, City tax or licensing violations, or violations on accessibility issues on units or projects with which the owning entity is affiliated. Fee waivers are also not available for owners with outstanding or overdue debts to the City.

5.2 Defer ~~Development Fees~~ (Impact Fees) for Market Rate Units

~~Development Fees, specific to~~ Impact Fees, may be deferred until the unit is at certificate of occupancy stage. This option is available for all market-rate units that are constructed with twenty percent (20%) or more affordable housing units within the development.

5.3 IPAH Fees Eligibility List

City Department		Fee Type	Reimbursement or Waiver
Community Development			
	Zoning Fees	Rezoning Application Fees	25% Reimbursement
		General Plan Amendment	25% Reimbursement
	Subdivision Fees	Developer Master Plan	50% Reimbursement
		DRB Concept Plan Submittal	Reimbursed
		Preliminary Plat Submittal	Waiver/Reimbursed
		Final Plat Submittal	Waiver
	Site Plan Fees	DRB Site Plan (Formal) Submittal	Waiver
		Concept Plan	Reimburse
		P&Z Review/ Approval	Waiver
	Building Plan Review, Permit, and Inspection Fees	Building Permit Deposit Fees	Excluded
		Building Permit Fees	Waiver
		Plan Check Fees	Waiver
		Public Improvement Permit Fees	Waiver
		Plan Review Engineering	Waiver
		Over-the-Counter Permit Fees (standalone)	Excluded
		Development Fee (Police and Fire-Impact Fees)	Reimburse
Water Services Division Utilities Department	Development Fee-Water and Sewer System Fees (Impact Fees)	Reimburse	

Waiver and Reimbursement Scale (based on AMI served) for project providing **up to 20%** Affordable Housing

AMI Served	Percentage Waived or Reimbursed
60% AMI or Below	100%
61 - 80% AMI	75%
81 - 125% AMI	25%

Waiver and Reimbursement Scale (based on AMI served) for project providing **greater than 20%** Affordable Housing

AMI Served	Percentage Waived or Reimbursed
Below 80% AMI	100%
80 - 125% AMI	75%
126 - 150% AMI	25%

If a developer designs and constructs units that meet all mandatory and voluntary energy code expectations within an IPAH development (minimum of 20% affordable units), the developer may receive a 100% waiver and/or reimbursement for all units.

5.4 Expedited Review

IPAH developments are eligible for expedited review throughout the post-entitlement planning process, which is typically faster than the review time for a conventional development project. City staff will work with applicants to usher projects through review and inspection as quickly and efficiently as possible, on a timeline to be negotiated in a development agreement.

For Multi-Family, Mixed-Use, site plans, and single-family subdivisions, the applicant and staff must establish an IPAH review timeline as well as initial incentive opportunities for the project. Review timelines may be reduced by fifty percent (50%) for the affordable housing units within the development. In order to process the expedited review timelines, the applicant must commit a minimum of ten percent (10%) affordable units. If the developer wishes to have market-rate units qualify for expedited review, the developer must provide greater than twenty percent (20%) affordable housing units and will then be encouraged to submit like units under a block submittal.

The applicant has until Preliminary Plat approval to commit to IPAH incentives. There may be exceptions to this timeframe and both the Housing Manager and the Planning Director will evaluate them on a case-by-case basis.

The speed of the review also depends to a significant degree on the quality of the applicant's submittals and performance. Providing corrections, responding to comments, and ultimately securing an approval in a timely manner is a shared responsibility of both staff and the applicant. Expedited review may be discontinued if the applicant's design team fails to respond to comments in a timely manner.

In order for an applicant to obtain an expedited review (barring statutory requirements) through the entitlement process, a copy of the Affordable Housing Proposal signed by the Housing Manager certifying the developer's commitment to affordable housing, must be attached to the submittal.

In order for an applicant to obtain an expedited Engineering and Development Services Review, the permit for each affordable unit must contain a copy of the IPAH Certification Letter from the Housing section that is provided at time of Final Plat or Site Plan approval. All new buildings must comply with all codes in effect on the day the building permit application was filed. Building permit applications and other information can be retrieved at the Community Development front counter or at <http://flagstaff.az.gov/index.aspx?nid=494>.

5.5 Regulatory Incentives – Planned Affordable Option

Regulatory incentives are located within the City of Flagstaff's Zoning Code under the "Planned Affordable Option" and provide a commitment to a minimum of ten percent (10%) affordable housing units.

5.5.1 Density Bonuses and Flexible Design Standards for selected zoning districts have been incorporated into the current Zoning Code, under the "Planned Affordable Option". (See Table 10-04-002-0003 in City of Flagstaff's Zoning Code).

5.5.1.1 If Density Bonuses are used, the applicant may be allowed up to 50% of the bonus density to be market rate and the other 50% to be affordable – making sure that no less than 10% of the overall project is dedicated to affordable housing.

5.5.1.2 Minimum Open Space Ratios (OSR) have been reduced for selected zoning districts in the “Planned Affordable Option” of the current Zoning Code.

5.5.1.3 Minimum site areas have been reduced for selected zoning districts, which are identified in the “Planned Affordable Option” in the current Zoning Code.

5.5.2 Ten to twenty percent (10 – 20%) reduction in slope and forest resources protection levels in the Zoning Code commensurate with the percentage of affordable housing units provided (e.g., 10% affordable = 10% resource reduction in slope and forest protection, 12% = 12%, etc.), to a maximum of twenty percent (20%). A minimum of ten percent (10%) affordable housing units must be provided to be eligible.

5.5.3 In applicable districts, a project may receive a double counting of 50% of the resources that overlap (trees/slopes/floodplain), if the project provides up to 20% affordable housing. If the project provides greater than 20% affordable housing, then all resources that overlap may be double counted.

5.5.4 Parking Incentives:

5.5.4.1 Tandem Parking may be permitted as an incentive to satisfy two (2) parking spaces, so long as the parking does not extend into the Right-of-Way or defined set-backs.

5.5.4.2 Reduction of parking requirements - The incentive, as calculated in the Zoning Code, allows for a reduced count in necessary parking spaces based on the number of affordable housing units provided within a development.

5.5.4.3 Shared Parking - If a project includes affordable housing within mixed-use and infill developments, shared parking with non-competing uses is provided as an incentive (e.g. office space that operates during a typical work day hours and residential development). A Parking Demand Study may be needed to identify shared parking options.

5.6. Land Donation – Tax Deduction

Applicants may receive a tax deduction (IRS Publication 526) if land on which the units are built is dedicated to the City of Flagstaff. This allows long term administration of the permanent affordable units under the City of Flagstaff Community Land Trust Program. Any developer considering this option should consult with a tax professional to determine eligibility for a tax deduction.

If the developer chooses to work with a 3rd party on affordable housing efforts, they will need to review their process and procedures for land donations.

5.7. Public Improvement Districts

Public Improvement Districts are currently permissible in Arizona. Public infrastructure and related items may be available as an incentive to produce affordable housing in Flagstaff.

5.8. In-lieu of Affordable Housing Contribution

In specific circumstances, where the development is unable to provide lots that are financially feasible to construct affordable housing, the City may permit the developer to use incentives within IPAH and provide a comparable land or financial donation in order to provide affordable housing in other locations within Flagstaff. Opting to put forth a financial contribution must not be an incentive unto itself; it should accurately reflect the true cost of land for purchase and ultimate development for affordable housing.

~~2017 Area Median Income Limits for Flagstaff~~

Household size	30%	50%	60%	80%	90%	100%	125%	150%
1	\$13,200	\$22,000	\$26,400	\$35,200	\$39,600	\$44,000	\$55,000	\$66,000
2	\$16,240	\$25,150	\$30,180	\$40,200	\$45,270	\$50,300	\$62,900	\$75,450
3	\$20,420	\$28,300	\$33,960	\$45,250	\$50,940	\$56,600	\$70,750	\$84,900
4	\$24,600	\$31,400	\$37,680	\$50,250	\$56,520	\$62,800	\$78,500	\$94,200
5	\$28,780	\$33,950	\$40,740	\$54,300	\$61,110	\$67,900	\$84,900	\$101,850
6	\$32,960	\$36,450	\$43,740	\$58,300	\$65,610	\$72,900	\$91,150	\$109,350
7	\$37,140	\$38,950	\$46,740	\$62,350	\$70,110	\$77,900	\$97,400	\$116,850
8	\$41,320	\$41,450	\$49,740	\$66,350	\$74,610	\$82,900	\$103,650	\$124,350

Note: The 30%, 50% and 80% income categories are provided by HUD. The 60% income category is provided by ADOH. The 100% to 150% are rounded to the nearest \$50.

Please see the [City of Flagstaff's Housing Section website](https://www.flagstaff.az.gov/5061/Additional-Affordable-Rental-Properties) for current Area Median Income (AMI) tables for the Affordable Rental Program <https://www.flagstaff.az.gov/5061/Additional-Affordable-Rental-Properties> and the Affordable Home Ownership Program <https://www.flagstaff.az.gov/5056/Affordable-Homeownership-Program>.