

Flagstaff 2026 CDBG Annual Action Plan

Working Draft

Title Page

DRAFT

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The Strategic Plan outlines the City of Flagstaff's housing and community development strategy for the 2026-2030 Consolidated Plan. The plan describes how CDBG funds will be used to achieve HUD's goals of providing a suitable living environment and safe, decent, and affordable housing for low- to moderate-income (LMI) households and special need groups in the City. The City identified priority needs through data analysis and citizen participation involving local nonprofit stakeholder organizations. Addressing these priority needs forms the basis of the five-year Strategic Plan.

Flagstaff has four target areas that historically have disproportionate needs and experience higher levels of poverty, cost burden and aging housing. These target areas are La Plaza Vieja, Pine Knoll, Southside and Sunnyside.

Certain activities in the CDBG program will also target low/mod areas (LMA) in its five-year plan. Low/mod areas are defined by HUD as block group tracts where at least 51% of persons are low- to moderate-income. The City also provides assistance to low- and moderate-income clientele (individuals) and households (LMC/LMH) who earn 80% of the Area Median Income (AMI) or less. This assistance is provided citywide and is based on eligibility. These benefits are associated with direct services to individuals and families that are not targeted to areas; however, must meet income qualifications in order to be eligible.

The following are the four (4) priority needs and associated goals identified in the Strategic Plan. More details of the priority needs are given in the SP-25 and the goals are detailed in the SP-45.

Priority Need: Preserve & Develop Affordable Housing

1A Preserve & Develop Affordable Housing

Priority Need: Improve Public Facilities & Infrastructure

2A Improve Public Facilities & Infrastructure

Priority Need: Public Services for LMI & Special Need

3A Public Services for LMI & Special Need

Priority Need: Effective Program Administration

4A Effective Program Administration

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

1	Area Name:	Citywide Low/Mod Eligible
	Area Type:	Local Target area
	Other Target Area Description:	N/A
	HUD Approval Date:	N/A
	% of Low/ Mod:	N/A
	Revital Type:	Comprehensive
	Other Revital Description:	N/A
	Identify the neighborhood boundaries for this target area.	<p>The Citywide Low/Mod Areas in Flagstaff are block group tracts where at least 51 percent of the residents are low- and moderate-income persons. HUD designates this objective as a low/mod area benefit (LMA). Several areas of focus in the past were La Plaza Vieja, Pine Knoll, Southside and Sunnyside. These neighborhoods have long experienced disproportionate need and are covered in this target area.</p> <p>The City also provides assistance to low- and moderate-income clientele (individuals) and households (LMC/LMH) who earn 80% of the Area Median Income (AMI) or less. This assistance is provided citywide and is based on eligibility. These benefits are associated with direct services to individuals and families that are not targeted to areas; however, must meet income qualifications in order to be eligible.</p>
	Include specific housing and commercial characteristics of this target area.	<p>The population of Flagstaff has been growing steadily in the past decade (14.7%), and to meet this need the number of housing units have also increased. An estimated 32% of owner-occupied units and 33% of renter-occupied units were built after 2000. While there has been steady development, there are still a large number of older units in need of repair or improvement. An estimated 32% of all owner-occupied units and 27% of renter-occupied were built before 1980 (Source: 2019-2023 ACS). Naturally, older housing units may have higher maintenance needs, and a greater risk of lead-based paint hazards.</p>

<p>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</p>	<p>As part of the plan development process, the City of Flagstaff held a public hearing and provided a public comment period to give citizens the chance to review and comment on the plan. Additionally, the City consulted with local community stakeholders to identify housing and community development needs. These needs were determined through meetings with nonprofits, local government offices, and citizens throughout the City. Finally, a community survey was also made available online for public input. The results of the citizen participation process have been summarized in the PR-15.</p>
<p>Identify the needs in this target area.</p>	<p>Affordable housing development and preservation is a priority for Flagstaff and its residents. As with many cities across the country, cost burden is one of the biggest housing issues in the City. The most recent ACS data also shows that over a quarter of the housing in the City were built before 1980. As reported in the MA-50, low/mod areas have seen less housing development than other parts of Flagstaff, contributing to a shortage of updated housing options for low- to moderate-income households.</p> <p>As reported in the NA-50, the City prioritizes supportive services addressing homelessness. A complementary need is youth- and family-serving clinical/program space and multi-tenant hubs that co-locate behavioral health, family supports, and employment navigation.</p> <p>Also identified in the NA-50, the most acute facilities gap remains purpose-built shelter and service space for people experiencing homelessness. Provider reporting indicates sustained demand for beds and navigation/day-services, reinforcing the need for flexible non-congregate space and on-site case management.</p> <p>Flood-risk reduction and stormwater conveyance remain top priorities. A second major class of need is complete streets and ADA access. The Regional Land Use Plan 2045 emphasizes centering capital projects in and around activity centers and along primary corridors (e.g., Milton, Route 66, 4th Street) to deliver the most access to residents in the area.</p>

	<p>What are the opportunities for improvement in this target area?</p>	<p>Affordable housing rehabilitation activities will increase and maintain the affordable housing stock for LMI households in the City.</p> <p>Public services will help improve the quality of life for residents, address housing instability and homelessness. Continued investment in public services enhances community resilience, promotes self-sufficiency, and ensures residents have access to critical resources.</p> <p>Public facilities and infrastructure improvement activities will improve and revitalize neighborhoods and increase other public and private investments into these areas. Continued investments demonstrated the positive impact of infrastructure improvements on mobility, safety, and environmental challenges. These include investments at homeless shelters, which will help increase the number of available beds for those in crisis.</p>
	<p>Are there barriers to improvement in this target area?</p>	<p>Access to funding is a barrier to improvements in the City of Flagstaff.</p>
<p>2</p>	<p>Area Name:</p>	<p>La Plaza Vieja</p>
<p>Area Type:</p>	<p>Local Target area</p>	
<p>Other Target Area Description:</p>		
<p>HUD Approval Date:</p>		
<p>% of Low/ Mod:</p>		
<p>Revital Type:</p>	<p>Comprehensive</p>	
<p>Other Revital Description:</p>		
<p>Identify the neighborhood boundaries for this target area.</p>	<p>La Plaza Vieja is located in central Flagstaff, west of historic downtown, northwest of Northern Arizona University, and bound by the original Route 66. The Burlington Northern Santa Fe Railway (BNSF) bisects the neighborhood. (Census Tract 11.03, BG 1,2 & 3, formerly 11.02, BG 1& 3)</p>	

<p>Include specific housing and commercial characteristics of this target area.</p>	<p>La Plaza Vieja (11.03, BG 1,2 & 3) consists of approximately 2,084 housing units, which are characterized by a high ratio of renter-occupied housing to owner-occupied housing (5 to 1). The low median household income (\$41,125) within the neighborhood could be attributed to a combination of retired older generation residents (most likely owner-occupied) and a high percentage of Northern Arizona University students.</p> <p>La Plaza Vieja has some of the oldest housing units in Flagstaff in varying conditions. The owner-occupancy rate is 36% (752 households) while the rental-occupancy rate is 57% (1,194 households). Current conditions indicate very few homes and lots for sale in La Plaza Vieja (138 units or 7%) at this time and very few or no vacant homes in BG 3. Vacancy rates are low for La Plaza Vieja given its proximity to the university.</p>
<p>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</p>	<p>As part of the plan development process, the City of Flagstaff held a public hearing and provided a public comment period to give citizens the chance to review and comment on the plan. Additionally, the City consulted with local community stakeholders to identify housing and community development needs. These needs were determined through meetings with nonprofits, local government offices, and citizens throughout the City. Finally, a community survey was also made available online for public input. The results of the citizen participation process have been summarized in the PR-15.</p> <p>Housing staff also held a meeting with the League of Neighborhoods (Sunnyside Neighborhood Association, Southside Community Association, and La Plaza Vieja Neighborhood Association).</p>
<p>Identify the needs in this target area.</p>	<p>La Plaza Vieja has a need for housing preservation and restoration of historic buildings. The 10-Year Housing Plan indicates that there is a need for quality and well-designed affordable housing that is well integrated into the community.</p> <p>Enhanced connections between the corridors, activity centers, and the neighborhood is a need in La Plaza Vieja.</p> <p>There is also a need for improved access to services and jobs.</p>

<p>What are the opportunities for improvement in this target area?</p>	<p>Affordable housing rehabilitation activities will increase and maintain the affordable housing stock for LMI households in La Plaza Vieja.</p> <p>Public services will help improve the quality of life for residents, address housing instability and homelessness. Economic development services will also improve access to jobs.</p> <p>Public infrastructure improvements that includes planning from the City 10-Year Housing Plan, such as an updated urban design, will enhance connections between the corridors, activity centers, and the overall neighborhood.</p> <p>Current projects that will aid in the revitalization of this neighborhood include infrastructure improvements at Clay Ave and Blackbird Roost. Improvements to public facilities at Guadalupe Park will help improve the quality of life for residents living in this low/mod area.</p>												
<p>Are there barriers to improvement in this target area?</p>	<p>La Plaza Vieja faces unique housing challenges primarily due to its location and historic significance to Flagstaff. Much of the existing housing stock has been passed down through generations and is considered historic, as many buildings are over 50 years old. However, their condition is sometimes poor. Another challenge for La Plaza Vieja is its proximity to the extensive rental market surrounding the Northern Arizona University campus. Most newly constructed housing in the area is not available for sale; instead, it is converted into rental units to accommodate the increasing number of students in Flagstaff.</p> <p>The proximity to Northern Arizona University’s campus has made La Plaza Vieja appealing to developers for future student-housing development. Although this type of development is enticing to developers, residents of La Plaza Vieja have voiced concerns about its negative potential impact on the preservation of this historic area and influence on the current community character.</p>												
<p>3</p>	<table border="1"> <tr> <td data-bbox="235 1539 634 1598">Area Name:</td> <td data-bbox="634 1539 1455 1598">Pine Knoll</td> </tr> <tr> <td data-bbox="235 1598 634 1656">Area Type:</td> <td data-bbox="634 1598 1455 1656">Local Target area</td> </tr> <tr> <td data-bbox="235 1656 634 1715">Other Target Area Description:</td> <td data-bbox="634 1656 1455 1715"></td> </tr> <tr> <td data-bbox="235 1715 634 1774">HUD Approval Date:</td> <td data-bbox="634 1715 1455 1774"></td> </tr> <tr> <td data-bbox="235 1774 634 1833">% of Low/ Mod:</td> <td data-bbox="634 1774 1455 1833"></td> </tr> <tr> <td data-bbox="235 1833 634 1875">Revital Type:</td> <td data-bbox="634 1833 1455 1875">Comprehensive</td> </tr> </table>	Area Name:	Pine Knoll	Area Type:	Local Target area	Other Target Area Description:		HUD Approval Date:		% of Low/ Mod:		Revital Type:	Comprehensive
Area Name:	Pine Knoll												
Area Type:	Local Target area												
Other Target Area Description:													
HUD Approval Date:													
% of Low/ Mod:													
Revital Type:	Comprehensive												

Other Revital Description:	
Identify the neighborhood boundaries for this target area.	Historically, many residents consider the Pine Knoll neighborhood to be a part of the Southside. That neighborhood has strong cultural and familial ties to the planning boundary area. (Census Tract 8, BG 2)
Include specific housing and commercial characteristics of this target area.	<p>The central areas of the City in close proximity to the university have a high ratio of renter-occupied housing to owner-occupied housing (5 to 1), and Pine Knoll is no different. Pine Knoll consists of approximately 708 housing units, with an owner-occupancy rate of 7% (47 households) while the rental-occupancy rate is 80% (567 households). There are 94 vacancies which make up 13% of the units in Pine Knoll.</p> <p>The median household income is \$35,526, and likely attributed to the high percentage of Northern Arizona University students.</p>
How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	<p>As part of the plan development process, the City of Flagstaff held a public hearing and provided a public comment period to give citizens the chance to review and comment on the plan. Additionally, the City consulted with local community stakeholders to identify housing and community development needs. These needs were determined through meetings with nonprofits, local government offices, and citizens throughout the City. Finally, a community survey was also made available online for public input. The results of the citizen participation process have been summarized in the PR-15.</p> <p>Housing staff also held a meeting with the League of Neighborhoods (Sunnyside Neighborhood Association, Southside Community Association, and La Plaza Vieja Neighborhood Association).</p>
Identify the needs in this target area.	<p>Pine Knoll has a need for housing preservation and restoration of historic buildings. The 10-Year Housing Plan indicates that there is a need for quality and well-designed affordable housing that is well integrated into the community.</p> <p>Enhanced connections between the corridors, activity centers, and the neighborhood is a need in the target area.</p> <p>There is also a need for improved access to services and jobs.</p>

	<p>What are the opportunities for improvement in this target area?</p>	<p>Affordable housing rehabilitation activities will increase and maintain the affordable housing stock for LMI households in Pine Knoll.</p> <p>Public services will help improve the quality of life for residents, address housing instability and homelessness. Economic development services will also improve access to jobs.</p> <p>Public infrastructure improvements that includes planning from the City 10-Year Housing Plan, such as an updated urban design, will enhance connections between the corridors, activity centers, and the overall neighborhood.</p> <p>Current projects include public facility improvements at Arroyo Park that will help revitalize this low/mod area. These include general infrastructure repairs and new playground equipment.</p>
	<p>Are there barriers to improvement in this target area?</p>	<p>Access to funding is a barrier to improvements in the Pine Knoll target area.</p>
<p>4</p>	<p>Area Name:</p>	<p>Southside</p>
<p>Area Type:</p>	<p>Local Target area</p>	
<p>Other Target Area Description:</p>		
<p>HUD Approval Date:</p>		
<p>% of Low/ Mod:</p>		
<p>Revital Type:</p>	<p>Comprehensive</p>	
<p>Other Revital Description:</p>		
<p>Identify the neighborhood boundaries for this target area.</p>	<p>The planning boundary of the Southside Community Plan is approximately defined as follows: to the north, it is bordered by the Burlington Northern Santa Fe (BNSF) railroad, and to the west, by South Milton Road. From South Milton Road, the southern boundary extends along West Dupont Avenue until it reaches South Beaver Road, then continues south to Franklin Avenue. It follows the rear property lines of the homes on the west side of Fountaine Street, going south to South Lone Tree Road, and then north along South Lone Tree Road to Butler Avenue. At this point, the boundary turns west and then north between Sawmill Road and South River Run Road, reconnecting with the railroad. The historic subdivisions included within this boundary are the Normal School Addition, Brannen Addition, the Washington Subdivision, and the Stone Forest Subdivision. (Census Tract 8, BG 1)</p>	

<p>Include specific housing and commercial characteristics of this target area.</p>	<p>According to the 2019-2023 ACS, the Southside had approximately 574 housing units of which the vast majority were for renter households. The owner-occupancy rate is 11% (61 households) while the rental-occupancy rate is 81% (464 households). There are 49 vacancies which make up 8% of the units in the Southside. The median year built for homes in the Southside was 1980.</p> <p>The Southside is home to over 60 unique businesses that span various commercial sectors. The two main sectors in Southside are accommodation and food services, as well as retail trade. Other types of businesses and subsectors include arts, entertainment, and recreation; automotive services; construction; finance and insurance; manufacturing; personal care services (such as beauty salons and parlors); real estate; and transportation and warehousing.</p>
<p>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</p>	<p>As part of the plan development process, the City of Flagstaff held a public hearing and provided a public comment period to give citizens the chance to review and comment on the plan. Additionally, the City consulted with local community stakeholders to identify housing and community development needs. These needs were determined through meetings with nonprofits, local government offices, and citizens throughout the City. Finally, a community survey was also made available online for public input. The results of the citizen participation process have been summarized in the PR-15.</p> <p>Housing staff also held a meeting with the League of Neighborhoods (Sunnyside Neighborhood Association, Southside Community Association, and La Plaza Vieja Neighborhood Association).</p>

<p>Identify the needs in this target area.</p>	<p>The Southside has a need for housing preservation and restoration of historic buildings. The 10-Year Housing Plan indicates that there is a need for quality and well-designed affordable housing that is well integrated into the community.</p> <p>There is a need for affordable housing and balanced growth in the target area. The housing stock of the Southside has also been experiencing redevelopment that has priced out longtime residents in favor of luxury and student housing. The scales between neighborhood revitalization, job creation, equity in properties and displacement, rising costs, and loss of community culture are difficult to balance. For residents who are not displaced while an area is gentrifying, the economic benefits of renewed investment can be beneficial; for those displaced in the process who are unable to find affordable housing the costs are great.</p> <p>The Southside target area is particularly susceptible to various hazards, with flooding being the most common. This underscores the importance of preparedness and response within the community, despite the low public awareness of other hazards. Most of the Southside neighborhood lies within the 100-year floodplain of the Rio de Flag and Clay Avenue Wash. The 100-year floodplain refers to the area that is projected to be underwater during a storm event that has a one percent chance of occurring in any given year.</p>
<p>What are the opportunities for improvement in this target area?</p>	<p>Affordable housing rehabilitation activities will increase and maintain the affordable housing stock for LMI households in the Southside target area.</p> <p>Public services will help improve the quality of life for residents, address housing instability and homelessness. Economic development services will also improve access to jobs.</p> <p>Public infrastructure improvements that includes planning from the City 10-Year Housing Plan, such as an updated urban design, will enhance connections between the corridors, activity centers, and the overall neighborhood.</p> <p>Current projects include infrastructure improvements at O’Leary, Verde and Ellery Ave will help to revitalize the Sunnyside target area. Public facility improvements at Cleo Murdoch Park will help improve the lives of residents living in this low/mod target area.</p>

	<p>Are there barriers to improvement in this target area?</p>	<p>Gentrification has been a consistent concern raised during the public process of the Southside Community Plan. Generally, it refers to the trend of upper and middle-class individuals and families buying and renovating homes in central and lower-income neighborhoods. This demographic shift can lead to the displacement of residents, changes in local businesses, and a loss of cultural identity, particularly in areas that historically faced housing discrimination in the 20th century. The Southside business district has experienced gentrification, as many neighborhood-serving businesses and churches have been replaced by upscale restaurants, coffee shops, and college student ministries.</p> <p>There is no universally accepted solution or prevention strategy for gentrification; however, policies that promote community character and culture, affordable housing, and the support and expansion of small businesses can help neighborhoods adapt to these changes and support long-time residents. This effort is especially critical, as the Southside is expected to undergo another phase of reinvestment and potential gentrification once the floodplain is remapped, allowing for more properties to be financed and relieved of the floodplain regulations that currently affect redevelopment and renovation.</p>
5	<p>Area Name:</p>	Sunnyside
	<p>Area Type:</p>	Local Target area
	<p>Other Target Area Description:</p>	
	<p>HUD Approval Date:</p>	
	<p>% of Low/ Mod:</p>	
	<p>Revital Type:</p>	Comprehensive
	<p>Other Revital Description:</p>	
	<p>Identify the neighborhood boundaries for this target area.</p>	<p>Sunnyside is bordered by McMillan Mesa to the west, Cedar Avenue to the north, Fourth Street to the east, and Route 66 and Mountain View to the south. The total area of the neighborhood is approximately one square mile and it is one of the more densely populated sections in Flagstaff. (Census Tract 3, BG 12, 13, 21 & 22; formerly CT 3, BG 2, 3 & 4)</p>

<p>Include specific housing and commercial characteristics of this target area.</p>	<p>The Sunnyside Neighborhood is one of Flagstaff's older neighborhoods. According to the 2019-2023 ACS, the Sunnyside contains four BG tracts, with approximately 2,314 housing units of which the vast majority were for renter households. The owner-occupancy rate is 17% (390 households) while the rental-occupancy rate is 73% (1,693 households). There are 231 vacancies which make up 10% of the units in Sunnyside.</p> <p>The City of Flagstaff has invested millions of dollars in infrastructure, including curbs, gutters, sewers, sidewalks, and stormwater detention systems, in areas of Sunnyside that lacked these basic amenities. Despite this investment, the Sunnyside community is characterized by lower household incomes and a high percentage of existing housing that needs rehabilitation. Sunnyside is primarily a residential neighborhood, with businesses scattered throughout. It is culturally diverse, featuring a larger proportion of minorities than any other neighborhood in Flagstaff. Before annexation, zoning districts and building codes were largely undefined, leading to mixed land use patterns—such as businesses located next to residences—and the construction of substandard buildings and homes.</p>
<p>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</p>	<p>As part of the plan development process, the City of Flagstaff held a public hearing and provided a public comment period to give citizens the chance to review and comment on the plan. Additionally, the City consulted with local community stakeholders to identify housing and community development needs. These needs were determined through meetings with nonprofits, local government offices, and citizens throughout the City. Finally, a community survey was also made available online for public input. The results of the citizen participation process have been summarized in the PR-15.</p> <p>Housing staff also held a meeting with the League of Neighborhoods (Sunnyside Neighborhood Association, Southside Community Association, and La Plaza Vieja Neighborhood Association).</p>

<p>Identify the needs in this target area.</p>	<p>Affordable housing development and preservation is a priority in the target area. Two BG tracts have a median year built for homes older than 1980 (BG 12 & BG 21).</p> <p>As reported in the NA-50, the City prioritizes supportive services addressing homelessness. In particular for Sunnyside, there are high crime rates leading to need for crime prevention services and diversion programs such as youth services and employment services.</p> <p>Also identified in the NA-50, the most acute facilities gap remains purpose-built shelter and service space for people experiencing homelessness. Provider reporting indicates sustained demand for beds and navigation/day-services, reinforcing the need for flexible non-congregate space and on-site case management.</p> <p>There is also a need for public infrastructure improvements such as those to curbs, gutters and sidewalks, street paving and drainage improvements. These also include street and sidewalk signage and lighting improvements.</p>
<p>What are the opportunities for improvement in this target area?</p>	<p>Enforcement of zoning ordinances, property maintenance ordinance will help revitalize residential neighborhoods. These can be achieved through the City housing rehab program.</p> <p>Public services such as crime prevention, youth programming, child care, elderly services and programs for homeless prevention will help improve the lives of residents in the Sunnyside target area. Funding crime prevention activities will help limit crime in the area.</p> <p>Current projects include public facility improvements at Izabel Homes and the Flagstaff Family Food Center that will focus on accessibility upgrades and bring these facilities up to ADA standards. The Hal Jensen Recreational Center will also have new turf installed which will make it more attractive for residents in this low/mod target area.</p>
<p>Are there barriers to improvement in this target area?</p>	<p>Access to funding is a barrier to improvements in the Sunnyside target area.</p>

Table 1 - Geographic Priority Areas

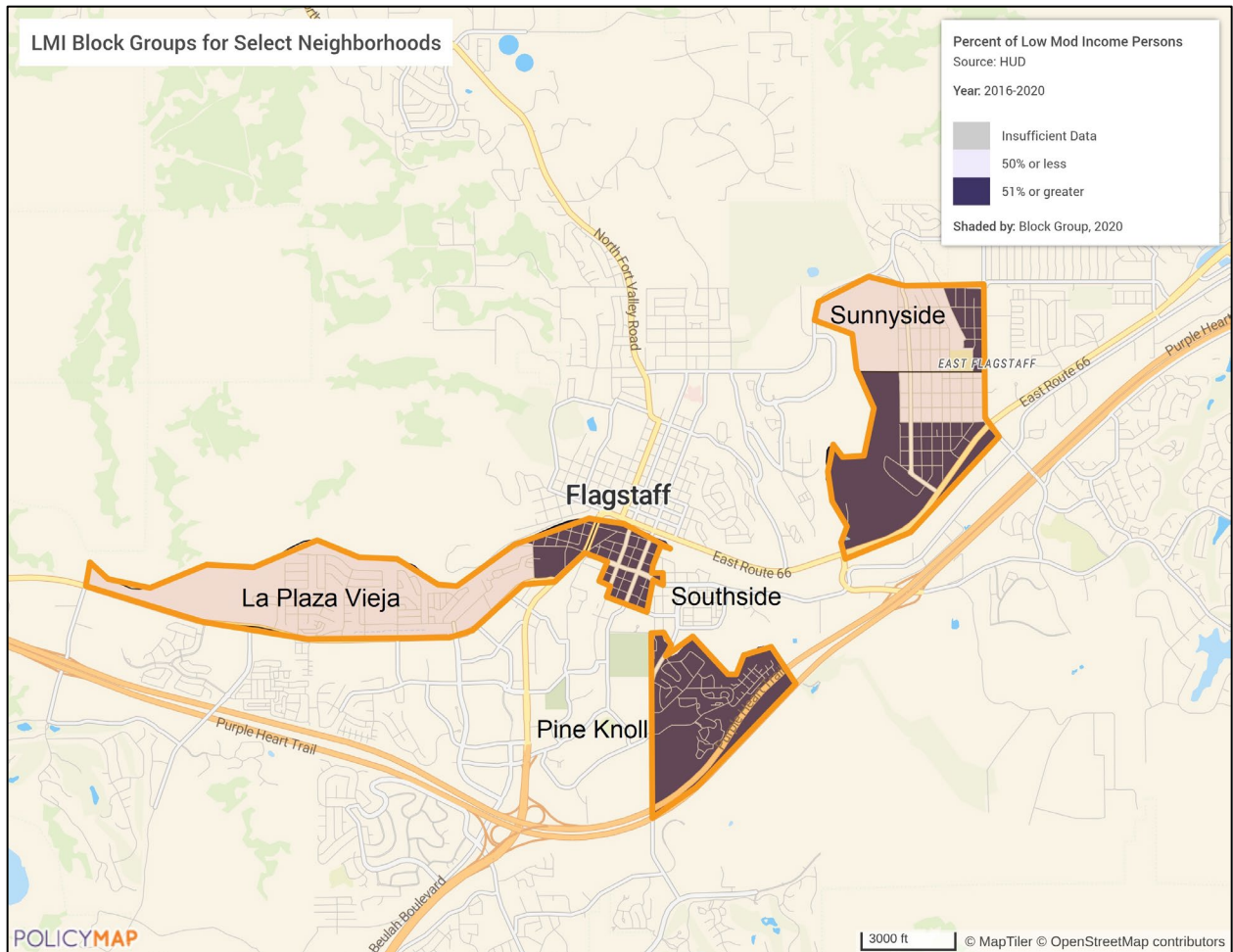
General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction

Flagstaff has four target areas that historically have disproportionate needs and experience higher levels of poverty, cost burden and aging housing. These target areas are La Plaza Vieja, Pine Knoll, Southside and Sunnyside.

Certain activities in the CDBG program will also target low/mod areas (LMA) in its five-year plan. In which case, the planned activities will serve a low/mod community or neighborhood (LMA). These activities are said to have an “area-wide” benefit. Per HUD requirements, these areas must be within an eligible Low/Mod Block Group Tract, as defined by HUD-CDBG regulations, whereby the majority of the residents are low- to moderate-income (or 51%). Public facility improvement activities may also be targeted specifically to special need groups such as the elderly, persons with a disability and the homeless, in which case these accomplishments will be reported by persons served (LMC).

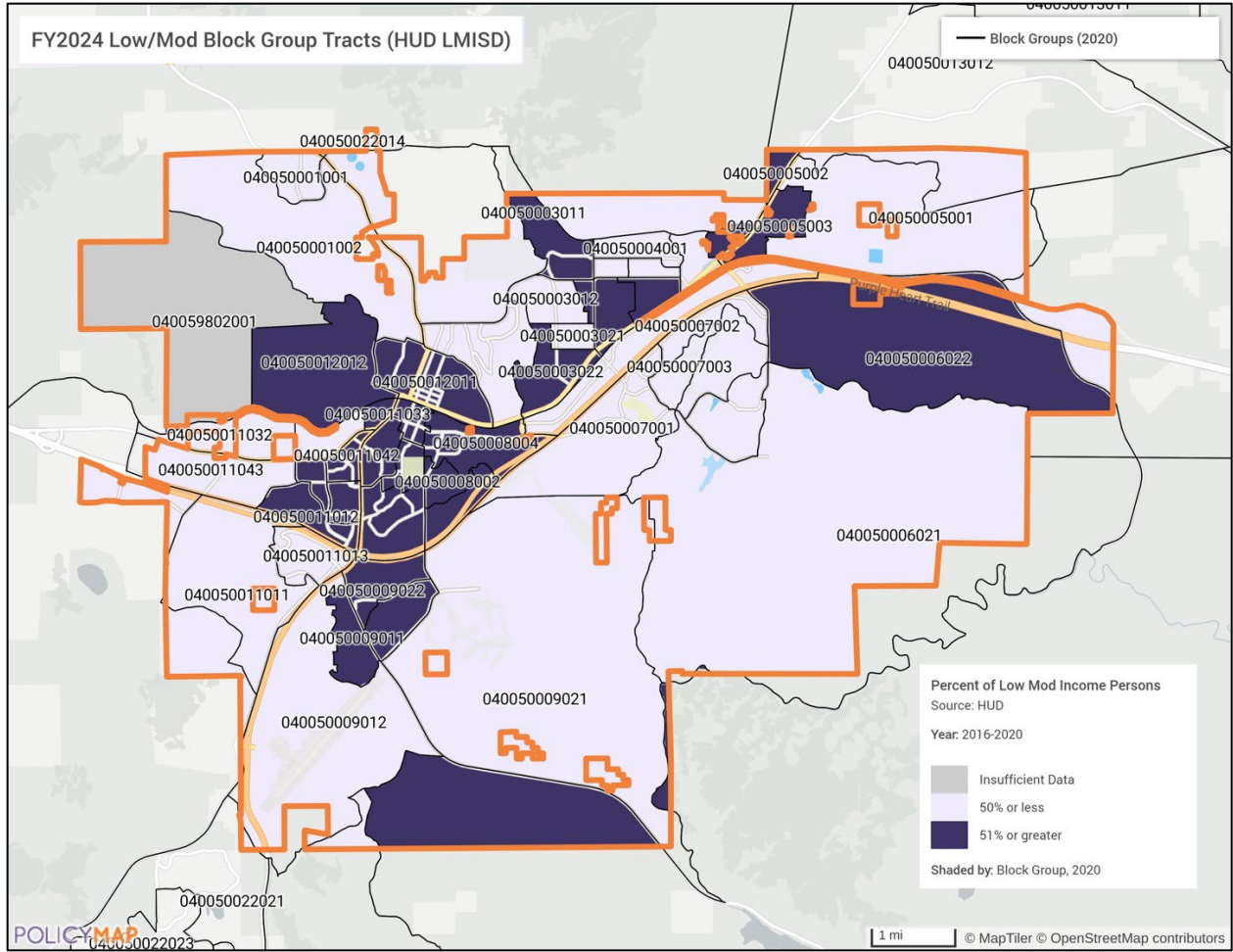
To determine LMI tracts the City utilizes HUD’s CDBG Low Mod Income Summary Data (LMISD) from the HUD Exchange website, which has defined the eligible block group tracts within the jurisdiction. The tracts can be at: <https://www.hudexchange.info/programs/acs-low-mod-summary-data/>.



Map: Flagstaff Four Target Areas

Census Tract	Block Group	Population	Percent Low/Mod
000301	3	345	73.90%
000301	1	1,565	53.40%
000302	2	995	57.30%
000400	4	1,295	63.70%
000400	3	1,260	52.40%
000500	4	465	72.00%
000500	3	1,370	58.80%
000500	2	1,215	53.10%
000602	2	1,110	73.40%
000800	2	1,885	82.20%
000800	1	1,130	73.50%
000800	4	1,175	58.70%
000901	1	1,265	55.30%
000902	2	960	68.80%
000902	3	890	68.50%
001000	2	870	95.40%
001101	2	1,605	67.00%
001103	3	1,415	87.60%
001104	2	375	85.30%
001104	4	1,115	83.90%
001104	1	805	66.50%
001201	1	2,430	56.00%
001201	2	405	51.90%
001500	3	315	60.30%

Source: FY 2024 HUD LMISD



All Eligible Block Group Tracts (HUD FY 2024 LMISD)

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

Table 2 – Priority Needs Summary

1	Priority Need Name	Preserve & Develop Affordable Housing
	Priority Level	High
	Population	Extremely Low Low Moderate
	Geographic Areas Affected	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside
	Associated Goals	1A Preserve & Develop Affordable Housing
	Description	A large number of housing units in Flagstaff are very old with an estimated 32% of homeowner housing units with a mortgage and 27% of renter-occupied units built before 1980. Preserving and expanding the existing housing stock with housing rehabilitation programs remains one of the highest priorities in the City.
	Basis for Relative Priority	Through community participation and consultation of local stakeholder organizations the need to preserve the existing housing stock was identified. Housing rehab helps LMI households maintain conditions to keep their home affordable, and alleviate housing instability in Flagstaff. The basis for this priority is safe, decent and affordable housing for all residents.
2	Priority Need Name	Improve Public Facilities & Infrastructure
	Priority Level	High
	Population	Extremely Low Low Moderate Non-housing Community Development
	Geographic Areas Affected	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside

	Associated Goals	2A Improve Public Facilities & Infrastructure
	Description	<p>Expand and improve public infrastructure through activities for LMI persons and households. Improve access to public facilities that will benefit LMI persons and households. Funds will be used to improve public facilities such as recreational parks and community centers. Funds will also be used to improve and expand the capacity of homeless shelters to serve more homeless individuals and families.</p> <p>In the Land Availability and Suitability Study, the City identified that several sites offer relatively high opportunities if developed. The larger sized sites generally lack infrastructure access, and the City could play a facilitation role in the development of these sites by advancing master planning, infrastructure planning, and potentially rezoning, when possible, to create a clearer path to implementing residential development, which would in turn create greater density and incentivize the infrastructure investments.</p>
	Basis for Relative Priority	<p>Through community participation and consultation of local stakeholder organizations the need to improve public facilities and infrastructure was identified. Adequate public facilities and infrastructure improvements are essential to addressing the needs of the LMI population, including special needs groups such as the elderly and persons with a disability. Public improvements include neighborhood facilities, improved road infrastructure and the installation of ADA curb cuts and sidewalks for safety in LMI areas.</p> <p>One of the priorities identified in the Flagstaff Regional Land Use Plan 2045 is to design streets to accommodate people safely and to include art; contextual landscaping; attractive pedestrian, bicycle and transit facilities; and appropriate architectural features.</p> <p>There is also a need to add more beds to shelter facilities. The basis is to improve accessibility for all residents and create a suitable living environment.</p>
3	Priority Need Name	Public Services for LMI & Special Need
	Priority Level	High

Population	<p>Extremely Low Low Moderate Families with Children Public Housing Residents Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development</p>
Geographic Areas Affected	<p>Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside</p>
Associated Goals	<p>3A Public Services for LMI & Special Need</p>
Description	<p>Provide supportive services for LMI households and also the special needs populations in the City. Public services will target LMI citizens and may include services to address homelessness, crime prevention, persons with physical and mental health, seniors, and youth.</p>
Basis for Relative Priority	<p>Through community participation and consultation of local stakeholders, the need for public services for LMI and special need persons was identified. Public services offered by the city and partner non-profit organizations provide vital and essential services for LMI households and families throughout the City. Public services also help to enhance education and improve living situations of LMI individuals and households. The basis for this need is to provide all citizens with access to services and create a suitable living environment.</p>

4	Priority Need Name	Effective Program Administration
	Priority Level	High
	Population	Extremely Low Low Moderate Non-housing Community Development
	Geographic Areas Affected	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside
	Associated Goals	4A Effective Program Administration
	Description	The City will support HUD funded programs with administration of the programs, monitoring subrecipients, and keeping strict grant-based accounting, improved housing access activities, and other eligible activities. Comprehensive planning requirements will include the development of AAPs, an evaluation of the performance of the programs through annual reports, and meeting citizen participation requirements.
	Basis for Relative Priority	Planning and administration of HUD funded programs is vital to having a successful program and meeting the goals and objectives identified in the plan. Planning and administration will also ensure compliance and keeping with the regulations of the grant.

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	N/A. The City only receives CDBG funds, and does not fund a TBRA program.
TBRA for Non-Homeless Special Needs	N/A. The City only receives CDBG funds, and does not fund a TBRA program.
New Unit Production	<p>New Unit Production will be provided in response to the needs identified below:</p> <ul style="list-style-type: none"> • There is a limited supply of affordable housing for LMI households as housing cost burden is the biggest housing problem in the City. See the NA-10 for more details. • High development costs limit the construction of affordable housing. • While housing values have risen by 89% from 2013-2023, the median income has increased only 37% in that same time period (Source: 2019-2023 ACS). • Similarly, the median contract rent has also increased 53% from \$925 to \$1,415 (Source: 2019-2023 ACS). • As reported in the MA-15, there is a shortage of affordable homeowner and rental units for lower income households.
Rehabilitation	<p>Housing Rehabilitation activities will be provided in response to the needs identified below:</p> <ul style="list-style-type: none"> • A significant portion of the housing stock is aging and a growing number of units may be in need of repairs (MA-20). • Also reported in the MA-20, approximately 32% of owner-occupied housing and 27% of renter-occupied housing units were built before 1980 (Source: 2019-2023 ACS). • LMI households may lack the finances to maintain their homes. • The cost of new construction and/or housing replacement is prohibitive for lower income households. • The condition of older housing units are also likely to require higher maintenance costs. • There is a higher risk of lead-based paint hazards for older housing built before 1978.

Acquisition, including preservation	Due to high costs of acquisition, this has not been a priority for the City of Flagstaff. The majority of housing units in the target areas are multi-family units and therefore the City anticipates the bulk of funds will be directed to support renter-occupied housing units.
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Table 3 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

The City of Flagstaff's Program Year (PY) 2026 Annual Action Plan (AAP) details how Community Development Block Grant (CDBG) funds will be allocated. This plan marks the first year of implementation for the 2026-2030 Consolidated Plan. The allocations aim to support the priority focus areas outlined in the Consolidated Plan, which include the development of affordable housing, neighborhood revitalization through improvements to facilities and public infrastructure, and the provision of public services for low- to moderate-income individuals and those at risk of homelessness.

Federal CDBG entitlement funding is determined annually through a formula grant budget process by the U.S. Department of Housing and Urban Development (HUD). For PY 2026, the City of Flagstaff will receive an entitlement allocation of \$681,196. The City also anticipates generating \$46,000 from program income and reprogramming \$154,000 of prior year funds towards housing and public improvement activities.

To maximize impact, the City continues to utilize a variety of supplemental resources. This includes local general funds, resources from public housing authorities, state grants, and private or philanthropic funds obtained through nonprofit partners. These additional investments help increase access to housing, support individuals and families experiencing homelessness, and enhance infrastructure in low- and moderate-income neighborhoods.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	681,196.00	46,000.00	154,000.00	881,196.00	2,866,552.00	PY 2026 is the first year of the 2026-2030 ConPlan period, and the expected remainder of the ConPlan is four (4x) more years of the annual allocation and program income.

Table 4 - Anticipated Resources

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

Federal funds from the Community Development Block Grant (CDBG) program will be used to attract additional resources for the rehabilitation and development of affordable housing for both renters and homeowners. These funds will also support services for vulnerable populations, including individuals experiencing homelessness, those living in poverty, and people with special needs. When necessary, matching funds may come from nonprofit fundraising, State Housing Trust Fund allocations, or contributions from the City’s General Fund.

The City and its partners consistently leverage federal, state, local, and private resources to enhance the impact of CDBG-funded programs and better serve low- and moderate-income residents. Local investments also play a crucial role. For instance, the voter-approved City of Flagstaff Affordable Housing Bond provides essential funding for the construction of affordable housing, land acquisition, and infrastructure development.

Additionally, the City supports the Flagstaff Community Land Trust, which aims to increase access to homeownership while maintaining long-term affordability. In this model, the land remains in trust, and homes are sold at affordable prices to income-qualified buyers. This approach ensures

ongoing access to housing and provides a stable pathway to ownership for low- and moderate-income residents. Together, these federal and local investments create a coordinated strategy to address housing and community development needs, maximize available resources, and promote long-term affordability and livability throughout the City of Flagstaff.

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

The City of Flagstaff is actively involved in promoting the development of affordable housing on publicly owned land by forming strategic partnerships with local housing organizations. This is typically structured through ground lease agreements or supported by deed restrictions. In 2025, Habitat for Humanity of Northern Arizona will construct ten tiny home units in the Timber Sky neighborhood. This initiative is part of a larger commitment to affordable housing that was negotiated as part of the Timber Sky development agreement. In return for incentives from the City, the developer has agreed to include affordable housing in the project and has partnered with Habitat for Humanity to create a 40-unit tiny home community. These homes will be sold to households earning at or below 80% of the Area Median Income (AMI) through Habitat's Starter Home program. Once completed, the City will take ownership of the land and incorporate it into the Community Land Trust to ensure long-term affordability.

Additionally, the City has finalized a ground lease with Housing Solutions of Northern Arizona for a parcel located in the Sunnyside neighborhood. Housing Solutions plans to develop eleven three-bedroom apartments that will provide permanent, affordable rental housing for low-income households. The City owns multiple other parcels that may be suitable for future affordable housing or public facility development, and City Council reviews and approves use of these parcels on a case-by-case basis as opportunities arise.

CDBG funds are also utilized to improve public facilities and infrastructure in low- and moderate-income neighborhoods, with a particular focus on the designated target areas of Sunnyside, Pine Knoll, La Plaza Vieja, and Southside. The City uses the voter-adopted Flagstaff Regional Plan 2030 and neighborhood-specific plans for La Plaza Vieja and Southside to guide these investments. Developed through extensive community engagement and in partnership with neighborhood associations, these plans prioritize infrastructure improvements such as sidewalks, recreation amenities, and other enhancements that improve neighborhood quality of life.

The City of Flagstaff is also committed to repositioning and redeveloping its public housing portfolio to expand access to affordable housing. This vision includes the creation of vibrant, mixed-income communities with rental units serving families, seniors, and individuals with special needs. The City plans to pursue repositioning strategies through the HUD Rental Assistance Demonstration (RAD) program or other federally approved pathways to stabilize long-term funding, modernize properties, and increase the number of affordable housing units. Through these efforts, the

City will retain ownership, control, and management of public housing assets, in full compliance with HUD regulations and subject to federal review and approval.

Discussion

The City of Flagstaff is designated as an “Entitlement Community” by HUD, meaning it receives an annual allocation of CDBG funds based on a HUD formula that considers population size, poverty rates, and other demographic characteristics. These funds are awarded directly to the City without the need for a competitive application process.

To receive CDBG funds, the City must submit a five-year Consolidated Plan that identifies community needs and establishes long-term goals. Each subsequent year, the City also prepares an AAP to detail how CDBG funds will be used to meet those goals. All activities must align with the three national objectives of the CDBG program:

- Provide decent housing
- Create a suitable living environment
- Expand economic opportunities

Funding levels vary annually depending on the federal budget. The City of Flagstaff anticipates receiving between \$600,000 and \$650,000 each year during the 2026-2030 ConPlan period. Each year, the AAP guides the allocation of these funds toward priority focus areas, including affordable housing, public facility and infrastructure improvements and public services for LMI and special need groups such as the homeless.

In addition to the annual entitlement award, the City receives Program Income—primarily from repayments of past homebuyer assistance and housing rehabilitation loans. These funds are allocated through the AAP. If significant additional Program Income is received during the program year, and it could affect HUD’s timeliness standards, the City may conduct a mid-year reallocation and amend the Plan as needed.

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
CITY OF FLAGSTAFF	Government	Economic Development Homelessness Non-homeless special needs Planning neighborhood improvements public facilities public services	Jurisdiction
FLAGSTAFF HOUSING AUTHORITY	Government	Planning Public Housing Rental	Jurisdiction
COCONINO COUNTY CONTINUUM OF CARE	Continuum of Care	Homelessness Planning public services	Region

Table 5 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The City of Flagstaff has a well-established and experienced infrastructure for delivering housing and community development programs. The Housing Section collaborates closely with nonprofit organizations to ensure that CDBG funds are allocated to the residents and neighborhoods in most need. Organizations must apply annually for CDBG funds for eligible activities.

Additionally, the City is a member of the Coconino County Continuum of Care, working together to address housing issues in the region. The Flagstaff Housing Authority also plays a key role, with a mission to provide low-income families with safe, decent, and affordable housing opportunities as they strive for financial self-sufficiency.

While there are currently few gaps in the institutional delivery system, the City is committed to strengthening all aspects as housing and community development needs continue to grow.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance	X	X	
Rental Assistance	X	X	
Utilities Assistance	X	X	
Street Outreach Services			
Law Enforcement	X		
Mobile Clinics	X		
Other Street Outreach Services	X		
Supportive Services			
Alcohol & Drug Abuse	X	X	
Child Care	X	X	
Education	X	X	X
Employment and Employment Training	X	X	X
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X
Other			
Other			

Table 6 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

The City of Flagstaff actively participates in the local Coconino County Continuum of Care (CoC), which is part of the statewide Arizona Balance of State Continuum of Care. The mission of both the Arizona Balance of State and the local CoC is to end homelessness within their respective communities. To achieve this goal, the CoC serves as a collaborative network that helps eligible entities secure the funding necessary to assist individuals and families experiencing homelessness in attaining and maintaining economic self-sufficiency.

The CoC is responsible for overseeing the implementation strategies related to housing and services that aim to reduce homelessness overall. It meets quarterly to review progress and discuss strategies, bringing together nonprofit organizations, businesses, faith groups, and community members to address housing, treatment, and shelter needs. Agencies work to tackle housing issues alongside substance abuse, mental health, and healthcare needs.

The CoC is responsible for the coordination of the regional Coordinated Entry effort. Coordinated Entry is a major contributor in reaching out and assessing homeless or at-risk of homeless individuals and families and their housing needs. Coordinated Entry's goal is to ensure that homeless persons' crisis situations are rare, brief, one-time and not re-occurring. The phases of assessment include an initial assessment to identify immediate housing crisis; examine current resources that might be used to avoid the participant entering the homeless system of care (diversion/prevention); crisis services intake to access immediate services and emergency shelter if needed; housing and service assessment using VI-SPDAT; further refine the housing and service needs of the individual and family; and provide a next step/move-on assessment.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The delivery system provides a wide range of services for special needs populations and individuals experiencing homelessness. While the City does not directly manage the Continuum of Care or special needs services, it actively collaborates with organizations providing these services and contributes funding where eligible, such as through CDBG funds for public services. A complete list of resources and services is maintained by the Northland Family Help Center and distributed by the City as needed.

Street outreach services are limited in Flagstaff, including mobile clinics and Law Enforcement outreach. Public transportation is widely available and many health care services are available within walking distance of shelters. Respondents to the City's Consolidated Plan survey identified several gaps in the service delivery system for people experiencing homelessness including: inability to keep up with the growing demand for services; difficulty obtaining the documentation necessary to provide services; short-term services for transient populations; lack of a one-stop center to address all issues; absence of a well-established process for transitioning to permanent housing due to lack of permanent affordable housing; service follow-up; lack of cross-agency cooperation and understanding of services; and absence of a well-established coordinated assessment and rapid re-housing process.

The City also provides CDBG funding support to public service organizations that in-turn will provide elderly services, youth programs, mental health services, substance abuse counseling and treatment as well as employment and housing services for persons experiencing homelessness or at risk of becoming homeless.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

Improved coordination is essential between public and private resources to address the challenges and issues encountered in the administration and implementation of the Consolidated Plan. Regular evaluations of the current service delivery system will identify areas that need improvement. Increased technical assistance will be offered to social service and housing providers to help them achieve their objectives, especially when these objectives directly align with those of the City. Additionally, workshops

or training sessions will be organized to enhance the capacity of local agencies at times where grant applications are accepted.

The City will also continue its membership in the Continuum of Care to ensure that priority needs of special populations and people experiencing homelessness are addressed. The Coconino County Continuum of Care will continue to work with the Arizona Department of Housing to address shelter and service-delivery gaps.

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	1A Preserve & Develop Affordable Housing	2026	2030	Affordable Housing	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside	Preserve & Develop Affordable Housing	CDBG: \$375,000	Homeowner Housing Rehabilitated: 25 Household Housing Unit Direct Financial Assistance to Homebuyers: 8 Households Assisted
2	2A Improve Public Facilities & Infrastructure	2026	2030	Non-Housing Community Development	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside	Improve Public Facilities & Infrastructure	CDBG: \$2,134,080	Public Facility or Infrastructure Activities other than Low/Mod Income Housing Benefit: 5,000 Persons
3	3A Public Services for LMI & Special Need	2026	2030	Non-Housing Community Development	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside	Public Services for LMI & Special Need	CDBG: \$537,475	Public service activities other than Low/Mod Income Housing Benefit: 2500 Persons Assisted Homeless Person Overnight Shelter: 100 Persons Assisted
4	4A Effective Program Administration	2026	2030	Non-Housing Community Development	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside	Effective Program Administration	CDBG: \$716,635	Other: 5

Table 7 – Goals Summary

Goal Descriptions

1	Goal Name	1A Preserve & Develop Affordable Housing
	Goal Description	Develop and preserve affordable housing including acquisition of units for the purpose of affordable housing (14G), homeowner housing rehabilitation (14A), renter housing rehabilitation (14B) and direct financial assistance for eligible homebuyers (13B).
2	Goal Name	2A Improve Public Facilities & Infrastructure
	Goal Description	Public facility and infrastructure improvements to neighborhood facilities (03E), streets (03K) and sidewalks (03L). Funds will also be used to improve homeless shelters and increase the number of available beds (03C)
3	Goal Name	3A Public Services for LMI & Special Need
	Goal Description	Public services to LMI individuals and those with special needs, including persons experiencing homelessness (03T), seniors (05A), persons with disabilities (05B), youth (05D), domestic violence survivors (05G), people with serious mental illness (05O), people with alcohol/substance use disorders (05F), and abused/neglected children (05N).
4	Goal Name	4A Effective Program Administration
	Goal Description	Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category (20 & 21A).

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

The City of Flagstaff estimates the number of extremely low-, low- and moderate-income households to be assisted with affordable housing activities during the next five years of the 2026-2030 ConPlan will be:

Rental units rehabilitated: 10 Household Housing Units

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

The mission of the Flagstaff Housing Authority is to assist low-income families in finding safe, decent, and affordable housing opportunities as they work to improve their quality of life. The Housing Authority is dedicated to operating in an efficient, ethical, and professional manner. It has a track record of forming and maintaining partnerships with clients and relevant community organizations to fulfill this mission. The Flagstaff Housing Authority owns and manages 265 units of low-income public housing. It administers 342 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for veterans, 40 Mainstream Vouchers for households with a disabled adult, 29 Emergency Housing Vouchers, and 3 Foster Youth Initiative (FYI) Vouchers for youth aging out of the state foster care system. Additionally, the Housing Authority partners with the Veterans Administration (VA) on the VASH program and with the State Department of Child Safety on the FYI program.

The Housing Authority also manages Clark Homes, a new construction development offering 80 units of low-income housing under the Section 8 program. Furthermore, it provides twelve Section 8 Certificates for individuals with serious mental illnesses in collaboration with the Guidance Center. Currently, more than 150 landlords participate in the City's Rental Voucher Programs.

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

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

Activities to Increase Resident Involvements

The Flagstaff Housing Authority is governed by a board of commissioners. Meetings are typically held on the third Thursday of every month and are open to the public, both in person and virtually. The board consists of the Mayor and six citizens, who oversee the functions of the Housing Authority. One seat is reserved for a participant in the Section 8 or Low-Income Public Housing program.

The Housing Authority has multiple goals and objectives aimed at increasing resident involvement. These include providing maintenance and repair training before occupancy, continuing resident education, and partnering with the Boys and Girls Club, Tynkertopia, and the City Recreation Department to offer free on-site programs. The Authority also organizes resident meetings, barbecues, and newsletters to assist residents with education, employment, job training, and youth services.

Additionally, the City Housing Authority produces a monthly newsletter for public housing residents. The newsletter contains information on food and utility assistance, library programming, free tax assistance, healthcare marketplace resources, regular deadlines for rent and recertification submissions, public notices regarding policy changes, and many other resources.

Is the public housing agency designated as troubled under 24 CFR part 902?

No. Flagstaff's Housing Authority is a high performing PHA.

Plan to remove the 'troubled' designation

N/A. Flagstaff's Housing Authority is a high performing PHA.

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

Public policies at the local, regional, and state levels significantly influence the cost, pace, and location of residential investment in Flagstaff. Several state preemptions (e.g., rent control, inclusionary zoning, short-term rentals), paired with local development standards, fees, and high-hazard building requirements, shape both the supply of new housing and the preservation of affordable units. While the City uses incentives and code tools to encourage affordability, existing policies still create headwinds for producing and retaining lower-cost housing.

Zoning and Land Use Restrictions

Flagstaff's zoning code allows multifamily and provides affordable housing density bonuses citywide, but baseline site standards can still constrain lower-cost formats on smaller or irregular infill lots. Minimum parking/access requirements (Chapter 10-07) consume land area and add hard costs for projects not within easy walking distance of frequent transit, although tailored relief mechanisms exist (e.g., in-lieu options and project-specific reductions). Accessory Dwelling Units (ADUs) are permitted under §10-40.60 and are the subject of active code updates; even so, design and development standards (setbacks, separations, utilities) can be binding on small lots unless simplified.

Regulatory and Process Barriers

Development impact fees and related charges (water/sewer, transportation, parks, public safety) increase upfront costs—especially for small or deeply affordable projects unless offset. The City's Incentive Policy for Affordable Housing (IPAH) provides fee reductions/reimbursements and regulatory incentives, but availability depends on funding and eligibility; without those offsets, baseline fees and submittal requirements remain material cost drivers. City webpages centralize development-fee reports and audits to improve transparency.

Tax Policy Challenges

Beginning January 1, 2025, Arizona eliminated city Transaction Privilege Tax (TPT) on long-term residential rentals. This change can marginally lower rent bills where pass-through existed, but it also reduces a municipal revenue source that jurisdictions often use to staff permitting, code enforcement, and housing programs—cost centers that support residential investment. Any resulting budget gaps must be backfilled by other revenues or service reductions, which can indirectly slow approvals or local gap-financing efforts that benefit affordable projects.

State-Level Policy Limitations

Arizona preempts several tools commonly used to expand affordability. Cities may not enact rent control on private residential property; this removes a stabilization option in rapidly appreciating markets. Arizona also preempts inclusionary zoning, barring local mandates that require a percentage of below-market units as a condition of approval (cities may still offer voluntary incentives). Short-term rentals are likewise state-preempted: cities cannot prohibit or cap STRs and may regulate them only within narrow health/safety and licensing parameters (e.g., SB 1168's enforcement enhancements), limiting local ability

to redirect units back to the long-term market. Finally, Proposition 207 (the state’s regulatory-takings law) exposes new land-use restrictions that reduce property value to compensation claims, which can chill certain down-zonings or affordability mandates.

Recent City analysis indicates Flagstaff has meaningful capacity for additional housing on both vacant and underutilized sites, but a portion of this land is constrained by steep slopes, floodplains/floodways, and other environmental factors that complicate delivery timelines and costs. The 2024 Land Availability & Suitability Study (LASS) identifies ~8,125 acres of vacant land (~6,735 acres zoned residential) and ~5,399 acres of underutilized land in the LASS area; after environmental screening, the study estimates ~7,062 acres of vacant buildable land and ~4,865 acres of underutilized buildable land most likely to develop or redevelop, while noting that ~13% of vacant land is environmentally constrained. The most common constraints are steep slopes (the City’s Resource Protection Overlay regulates slopes $\geq 17\%$) and floodplain/floodway areas along corridors slated for mitigation by the Rio de Flag Flood Control Project. These factors, plus infrastructure readiness at specific sites, shape feasibility and staging for mixed-income and affordable projects.

Regional Safety/Environmental Codes and Labor Costs

Given Flagstaff’s Wildland-Urban Interface (WUI), ignition-resistant construction, defensible-space, and access/water-supply standards are prudent life-safety requirements but can add design and materials costs for small infill and edge-area projects. The City has long maintained WUI provisions and continues to update them. Separately, Dark-Sky lighting rules (administered through the zoning code) protect community character with approved-fixture lists, but they can modestly increase design/photometric work for multifamily sites. Labor costs are also influenced by Flagstaff’s local minimum wage, which is higher than the state floor; while beneficial for workers, it can raise certain operating and construction inputs unless offset by productivity or incentives.

Implications for Practice

Because rent control and inclusionary mandates are preempted, Flagstaff must rely on incentive-based strategies (density bonuses, IPAH fee relief, parking flexibility, expedited review) and external gap funding to deliver affordability at scale. Given these site-specific constraints, policies that lean into infill near services and transit (while advancing code refinements under the City’s code analysis work) can improve yield and lower per-unit costs. LASS findings also highlight that “grow up and in” strategies—adding gentle and moderate density in existing neighborhoods—perform better against the City’s housing and climate metrics than a primarily greenfield pattern, and that relying solely on developer-paid, project-by-project infrastructure tends to reproduce lower-density outcomes; sequencing targeted, upfront public infrastructure (e.g., through bonds or similar tools) can unlock higher-density, attainable housing in preferred locations. The Regional Plan 2045 indicates that prioritizing centers/corridors reduces transportation costs, shortens infrastructure extensions, and improves the return on public improvements—practical considerations that complement code refinements and targeted affordability incentives.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Limited land availability and a shortage of housing supply—compared to the growing demand—are the main reasons behind high housing costs in Flagstaff. To tackle these challenges, a comprehensive approach is necessary. This approach should not only increase the overall housing supply but also focus on greater density, innovative construction practices, preserving existing affordable units, and updating local codes, fees, and procedures that may unintentionally hinder housing development.

To minimize regulatory and procedural obstacles, the City of Flagstaff is currently reviewing its zoning code and land use policies through the Lived Affordability Strategies and Solutions for Communities and Policy (LASS CAP) initiative. Funded by the City of Flagstaff in partnership with the Northern Arizona Intergovernmental Transit Authority, this project provides technical assistance and fosters public engagement to identify and address local regulatory challenges. The initiative aligns closely with the City's 10-Year Housing Plan, which aims to create or preserve nearly 8,000 housing units by 2031, with at least 10% designated as affordable for low- or moderate-income households. Additionally, it supports the City's Carbon Neutrality Plan.

Zoning remains a key factor in shaping housing availability and affordability. Currently, about 58% of land in Flagstaff is zoned for single-family residential use, with limited areas designated for medium- and high-density development. The City is evaluating zoning standards—such as lot size, setback requirements, parking minimums, and density restrictions—to identify reforms that could support a wider range of housing types and reduce development costs. Increasing access to land zoned for multifamily or mixed-use development, especially in areas near jobs and transit, is also a priority.

At the state level, Arizona law prohibits mandatory inclusionary zoning, which limits the City's ability to require affordable units in new developments. In response, the City has adopted a voluntary incentive-based program that encourages affordability through tools such as density bonuses, expedited permitting, parking reductions, and access to publicly owned land.

The General Obligation bond approved by voters in 2022 created three new local funding programs: the Rental Incentive Bond Program (RIBP), the Adaptive Reuse Program and a Down Payment Assistance Program. RIBP provides financial support to developers who include affordable units in mixed-income projects. Recent awards have helped fund affordable units at the Elkwood, Atlantic (Lake Mary Housing), and Sierra on 66 developments.

The City's update to the Flagstaff Regional Plan presents another opportunity to align land use decisions with long-term housing goals. The updated plan will guide future zoning, infrastructure investments, and growth management policies with the intent of supporting compact neighborhoods and increasing the availability of housing at various price points.

Through coordinated efforts—spanning regulatory reform, strategic funding, planning, and partnerships—the City is working to remove barriers to housing development and increase the supply of homes accessible to local residents across a range of incomes.

SP-60 Homelessness Strategy – 91.215(d)

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

The City of Flagstaff is an active participant in the local Coconino County Continuum of Care (CoC), which itself is part of the statewide Arizona Balance of State Continuum of Care. The mission of the Arizona Balance of State and local CoC is to end homelessness within the communities included in its geographic area. To achieve the end of homelessness, the CoC is a collaborative network that assists eligible entities in obtaining the necessary funding needed to help individuals and families who are experiencing homelessness attain and maintain economic self-sufficiency. The CoC utilizes the following strategies to end homelessness in Coconino County:

- Outreach, engagement, diversion, and assessment;
- Coordinated Entry;
- Shelter, housing, and supportive services; and
- Prevention strategies.

City staff and CoC members participate in multiple committees and lead the annual point-in-time count (conducted for the Arizona Balance of State Continuum of Care.) Coordinated Entry is a major contributor in reaching out and assessing homeless or at-risk of homeless individuals and families and their housing needs. Coordinated Entry's goal is to ensure that homeless persons' crisis situations are rare, brief, one-time and not re-occurring. The phases of assessment include an initial assessment to identify immediate housing crisis; examine current resources that might be used to avoid the participant entering the homeless system of care (diversion/prevention); crisis services intake to access immediate services and emergency shelter if needed; housing and service assessment using VI-SPDAT; further refine the housing and service needs of the individual and family; and provide a next step/move-on assessment.

Addressing the emergency and transitional housing needs of homeless persons

Currently, there are three nonprofit organizations offering outreach services, two of which exclusively serve veterans. Programs that receive funding are strongly encouraged to participate in coordinated entry through the Front Door and to utilize the Continuum of Care's individual assessment plan (VI-SPDAT), if they are not already involved.

Members of the Continuum of Care and participants in the Front Door coordinated entry program may apply for Community Development Block Grant (CDBG) funds to support street outreach efforts. However, due to limited public service funding, local agencies often opt to seek support for prevention and diversion programs instead.

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

and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The City will continue to support agencies that provide emergency and transitional housing, as permitted under the CDBG program. In Program Year (PY) 2026, these agencies will receive funding to improve and renovate existing emergency and transitional shelters, as well as to offer housing case management and services for homeless individuals. The City and Continuum of Care (CoC) members acknowledge the essential role of the Housing First approach and permanent supportive housing. However, the significant number of homeless individuals and families, paired with the high cost of housing and a 20% employment rate among this population, suggests that they may need a longer stay in transitional housing. Additionally, the City will maintain its active involvement in the Coconino County Continuum of Care.

The City will continue to implement VASH Vouchers for Veterans experiencing homelessness as well as Foster Youth Initiative Vouchers.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

Annual CDBG entitlement allocations include funding for the improvement and rehabilitation of emergency shelters and transitional housing, as well as for homeless outreach services for individuals experiencing homelessness.

Community leadership is dedicated to enhancing the coordination of services for those facing homelessness in our community. The Front Door is a collaborative project that serves as the initial point of access for individuals experiencing homelessness. As a diversion program, Front Door provides a single entry point into the shelter and housing system, aiming to streamline services, reduce the length of shelter stays, and decrease the time that individuals and families experience homelessness. This initiative also seeks to increase program utilization and eliminate the need for households in crisis to "service hop."

The City will continue to support agencies that provide emergency and transitional housing as permitted under the CDBG program. Additionally, the City will maintain its active participation in the Coconino County Continuum of Care.

The Coconino County Health and Human Services department also offers a one-time grant to low-income households that are at-risk of homelessness known as the Preventing Housing Insecurity Flexible Funds (PHIFF) grant. The PHIFF grant helps qualified households and can aid in up to \$3,000 in one time assistance. Aid money can pay almost any expense if it helps to eliminate housing instability, including one month of past or future rent/mortgage payment. The goal is to help individuals maintain housing after one-time assistance. Grant ends by June 30, 2026, or until funds have been expended.

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

Lead-based paint remains a significant health and housing-quality concern in pre-1978 housing, particularly for households with young children and pregnant persons. Over a quarter of housing units in Flagstaff were built before 1980, making this an issue when attempting to repair or rehabilitate older units. As the housing rehabilitation program targets some of the oldest housing stock in the City, which are typically in the worst condition and have a higher risk of lead-based paint hazards; the City requires that project owners and subrecipients comply with HUD requirements. These may include lead hazard evaluation (as applicable), lead hazard reduction, lead-safe work practices, clearance, and required notifications under 24 CFR Part 35, based on the applicable project and assistance characteristics.

Any CDBG funded projects (residential) in pre-1978 structures are tested for lead-based paint hazards. If lead is present, the sub-recipient must ensure that lead is abated in accordance with the regulations of the Environmental Protection Agency (EPA) and in compliance with the Residential Lead Based Paint Hazard Reduction Act of 1992 (Title X) and subsequent changes.

The EPA's Lead Renovation, Repair, and Painting Rule requires that firms engaged in renovation, repair, and painting projects that disturb lead-based paint in homes, child care facilities, and pre-schools built before 1978 obtain certification from the EPA (or an EPA-authorized state). These firms must employ certified renovators who have been trained by EPA-approved training providers and must adhere to lead-safe work practices.

How are the actions listed above related to the extent of lead poisoning and hazards?

The actions above are tied to the size of the City's older housing stock, where lead-based paint is more likely to be present. The 2019-2023 ACS estimates that 32% of homeowner housing and 27% of renter housing in the City were built before 1980. That amounts to over 3,700 homeowner housing units and 4,300 renter housing units. The ACS does not break out units built specifically prior to 1978; therefore, housing built before 1980 is used as a reasonable proxy for estimating the prevalence of older housing that may include pre-1978 units. Homes built before 1978 pose a high risk of lead based paint hazards. Low-income households with young children are at high risk of lead-based paint hazards and many reside in these older units.

According to the Centers for Disease Control and Prevention, children under the age of 6 are at greatest risk for health problems caused by lead exposure. Exposure to lead can seriously harm a child's health and cause well-documented health effects, including damage to the brain and nervous system, slowed growth and development, learning and behavior problems, and hearing and speech problems. If any child under the age of 6 tests for lead poisoning, the City will refer the family immediately to the local health department.

See MA-20 Housing Market Analysis: Condition of Housing for more information.

How are the actions listed above integrated into housing policies and procedures?

Lead hazard reduction is an eligible activity under the CDBG program when projects involve the repair or rehabilitation of housing. The City's housing policies and procedures incorporate HUD requirements for assisted pre-1978 housing by requiring the appropriate steps to evaluate and address lead-based paint hazards, use lead-safe work practices, obtain clearance when required, and complete required notifications and recordkeeping in accordance with HUD rules.

The City follows a multi-pronged approach to reduce lead hazards, integrating the following actions into housing policies and procedures. These efforts support the City's goal of maintaining a safe and healthy housing stock while reducing the long-term health impacts of lead exposure.

- Rehabilitation Projects. The City follows strict HUD guidelines for testing and abatement of lead-based paint and other hazardous substances and requires compliance from its contractors and subcontractors. Any structure built before 1978 that is proposed for rehabilitation under federal programs, is tested for lead-based paint. Environmental testing is conducted before rehabilitation begins. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors and project sponsors. The City has licensed contractors who are available to perform limited abatement and/or removal procedures if lead-based paint is present. Full abatement services are contracted with licensed and certified contractors located outside of the City. The City ensures compliance with HUD's Lead Safe Housing Rule in all applicable projects.
- Section 8 Housing Choice Vouchers. The PHA inspects prospective dwellings constructed prior to 1978 that will have a child under the age of six residing therein, for compliance with EPA and HUD Lead Based Paint rules and regulations. The inspection includes visual inspections for chipped, peeling, chalking and deteriorated interior and exterior paint. Property owners must address deteriorated paint conditions. Clearance testing may be required following remediation to verify lead safety. Ongoing compliance with HUD and EPA LBP regulations is enforced to protect vulnerable tenants.
- Public Education. The City distributes lead hazard information to all participants in federally funded housing programs and makes educational materials available to the public. This includes information on the risks of lead-based paint and safe remediation practices.

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

This plan outlines activities aimed at reducing poverty and alleviating homelessness in the City of Flagstaff. The Community Development Block Grant (CDBG) public service programs, along with affordable housing activities and homeless prevention programs focus on enhancing accessibility and overall quality of life for residents, particularly those living in low- to moderate-income areas and for special needs groups such as the elderly and individuals with disabilities.

CDBG funding will also support the development and preservation of affordable housing, helping low- to moderate-income (LMI) households maintain safe living conditions and avoid homelessness. These activities may include the development housing opportunities and rehabilitation of existing housing to ensure they remain safe and livable for LMI households.

The City's approach emphasizes job creation and retention through small business support, workforce development, and implementation of Section 3 policies that create economic opportunities for residents in target communities. Activities funded through CDBG—including housing rehabilitation, job incentive programs, and public improvements—are designed to not only meet infrastructure needs but also economically empower the populations they serve.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

The City works closely with various nonprofit service providers and other City departments that provide assistance for LMI households with the purpose of providing for basic needs and assisting them in improving their quality of life. With that purpose, in the five-year Consolidated Plan period, the City will select activities for funding that are designed to reduce the number of persons in poverty. The City will also collaborate with other City departments, nonprofit service providers and local organizations that operate programs that similarly have a goal of reducing the poverty level in Flagstaff. Actions that the City may implement include:

- Targeting federal resources to public facilities and infrastructure improvements in low/mod block group tracts with high poverty rates;
- Funding public service programs that promote housing stability and financial self-sufficiency;
- Supporting special needs populations including persons with disabilities, the elderly, homeless individuals, and victims of domestic violence;
- Fund housing rehab activities for LMI households to maintain housing quality and prevent homelessness;
- Fund improvements and expansion to homeless shelters;
- Provide homeless services for individuals and families at risk of homelessness.

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The purpose of monitoring is to ensure all projects remain compliant with the regulations set forth by HUD, including timely expenditure of funds. The City of Flagstaff accomplishes the majority of its goals through collaboration with community organizations identified by a public Request for Proposals process. These collaborations are monitored for progress through monthly/ quarterly reports, receipt of payment requests that are compared to monthly/ quarterly reports for consistency, and ongoing communication. Regular communication ensures that sub-recipients facing challenges are provided the necessary support. If payment requests are not received regularly, the City contacts sub-recipients to encourage payment request submittal and therefore timely expenditure of funds. Along with monthly/quarterly reports, payment requests are examined to quantify progress.

Each sub-recipient also receives on-site monitoring to identify areas for improvement, assist in overcoming challenges impeding accomplishments, and ensure compliance with regulations and policies. The City monitors each subrecipient to ensure that minority and women owned business enterprise marketing and procurement policies are followed. Agencies that received a positive monitoring in the past for the same contract may be offered the option of an in-depth desk monitoring performed by the Housing and Grants Administrator.

Timely expenditure of funds is also ensured through the Request for Proposals process. This process places value on the sub-recipients ability to execute the program and utilize the CDBG funds in an efficient and expedient manner.

The City addresses ConPlan goals and objectives through internally-performed activities and programs. These activities and programs are managed by the Housing Section and are tracked for performance and compliance through institutional processes including accounting, performance and time tracking, grant management, and legal review. Measured accomplishments are provided through the Integrated Disbursement and Information System (IDIS), in the Consolidated Annual Performance Evaluation Report, and in regular updates on Housing Section accomplishments provided to the City Council in public and televised meetings.

Comprehensive Planning Requirements

The comprehensive planning requirements involve the development and consolidation process for the 5-Year Consolidated Plan (ConPlan), the Annual Action Plan (AAP), and the Consolidated Annual Performance and Evaluation Report (CAPER). Citizen participation is crucial to the Consolidated Plan process. The City will adhere to its HUD-approved Citizen Participation Plan (CPP), which guides the gathering of information essential for identifying the priority housing and community development needs

in Flagstaff. The ConPlan is developed every five years, highlighting the priority needs and goals to address them. Each year during this five-year plan, the City creates an AAP that specifies the projects and activities designed to further the goals of the ConPlan. At the conclusion of each AAP program year, the City reports on the accomplishments and performance of the program through the CAPER. Citizen participation is required at each of these stages, as mandated by 24 CFR 91.105.

Executive Order Compliance

The City of Flagstaff agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the U.S. Government payment decisions for purposes of section 3729(b)(4) of title 31, United States Code. The City will not operate any programs that violate any applicable Federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964.

Expected Resources

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

Introduction

The City of Flagstaff's Program Year (PY) 2026 Annual Action Plan (AAP) details how Community Development Block Grant (CDBG) funds will be allocated. This plan marks the first year of implementation for the 2026-2030 Consolidated Plan. The allocations aim to support the priority focus areas outlined in the Consolidated Plan, which include the development of affordable housing, neighborhood revitalization through improvements to facilities and public infrastructure, and the provision of public services for low- to moderate-income individuals and those at risk of homelessness.

Federal CDBG entitlement funding is determined annually through a formula grant budget process by the U.S. Department of Housing and Urban Development (HUD). For PY 2026, the City of Flagstaff will receive an entitlement allocation of \$681,196. The City also anticipates generating \$46,000 from program income and reprogramming \$154,000 of prior year funds towards housing and public improvement activities.

To maximize impact, the City continues to utilize a variety of supplemental resources. This includes local general funds, resources from public housing authorities, state grants, and private or philanthropic funds obtained through nonprofit partners. These additional investments help increase access to housing, support individuals and families experiencing homelessness, and enhance infrastructure in low- and moderate-income neighborhoods.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	681,196.00	46,000.00	154,000.00	881,196	2,866,552.00	PY 2026 is the first year of the 2026-2030 ConPlan period, and the expected remainder of the ConPlan is four (4x) more years of the annual allocation and program income.

Table 8 - Expected Resources – Priority Table

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

Federal funds from the Community Development Block Grant (CDBG) program will be used to attract additional resources for the rehabilitation and development of affordable housing for both renters and homeowners. These funds will also support services for vulnerable populations, including individuals experiencing homelessness, those living in poverty, and people with special needs. When necessary, matching funds may come from nonprofit fundraising, State Housing Trust Fund allocations, or contributions from the City’s General Fund.

The City and its partners consistently leverage federal, state, local, and private resources to enhance the impact of CDBG-funded programs and better serve low- and moderate-income residents. Local investments also play a crucial role. For instance, the voter-approved City of Flagstaff Affordable Housing Bond provides essential funding for the construction of affordable housing, land acquisition, and infrastructure development.

Additionally, the City supports the Flagstaff Community Land Trust, which aims to increase access to homeownership while maintaining long-term affordability. In this model, the land remains in trust, and homes are sold at affordable prices to income-qualified buyers. This approach ensures

ongoing access to housing and provides a stable pathway to ownership for low- and moderate-income residents. Together, these federal and local investments create a coordinated strategy to address housing and community development needs, maximize available resources, and promote long-term affordability and livability throughout the City of Flagstaff.

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

The City of Flagstaff is actively involved in promoting the development of affordable housing on publicly owned land by forming strategic partnerships with local housing organizations. This is typically structured through ground lease agreements or supported by deed restrictions. In 2025, Habitat for Humanity of Northern Arizona will construct ten tiny home units in the Timber Sky neighborhood. This initiative is part of a larger commitment to affordable housing that was negotiated as part of the Timber Sky development agreement. In return for incentives from the City, the developer has agreed to include affordable housing in the project and has partnered with Habitat for Humanity to create a 40-unit tiny home community. These homes will be sold to households earning at or below 80% of the Area Median Income (AMI) through Habitat’s Starter Home program. Once completed, the City will take ownership of the land and incorporate it into the Community Land Trust to ensure long-term affordability.

Additionally, the City has finalized a ground lease with Housing Solutions of Northern Arizona for a parcel located in the Sunnyside neighborhood. Housing Solutions plans to develop eleven three-bedroom apartments that will provide permanent, affordable rental housing for low-income households. The City owns multiple other parcels that may be suitable for future affordable housing or public facility development, and City Council reviews and approves use of these parcels on a case-by-case basis as opportunities arise.

CDBG funds are also utilized to improve public facilities and infrastructure in low- and moderate-income neighborhoods, with a particular focus on the designated target areas of Sunnyside, Pine Knoll, La Plaza Vieja, and Southside. The City uses the voter-adopted Flagstaff Regional Plan 2030 and neighborhood-specific plans for La Plaza Vieja and Southside to guide these investments. Developed through extensive community engagement and in partnership with neighborhood associations, these plans prioritize infrastructure improvements such as sidewalks, recreation amenities, and other enhancements that improve neighborhood quality of life.

The City of Flagstaff is also committed to repositioning and redeveloping its public housing portfolio to expand access to affordable housing. This vision includes the creation of vibrant, mixed-income communities with rental units serving families, seniors, and individuals with special needs. The City plans to pursue repositioning strategies through the HUD Rental Assistance Demonstration (RAD) program or other federally approved pathways to stabilize long-term funding, modernize properties, and increase the number of affordable housing units. Through these efforts, the

City will retain ownership, control, and management of public housing assets, in full compliance with HUD regulations and subject to federal review and approval.

Discussion

The City of Flagstaff is designated as an “Entitlement Community” by HUD, meaning it receives an annual allocation of CDBG funds based on a HUD formula that considers population size, poverty rates, and other demographic characteristics. These funds are awarded directly to the City without the need for a competitive application process.

To receive CDBG funds, the City must submit a five-year Consolidated Plan that identifies community needs and establishes long-term goals. Each subsequent year, the City also prepares an AAP to detail how CDBG funds will be used to meet those goals. All activities must align with the three national objectives of the CDBG program:

- Provide decent housing
- Create a suitable living environment
- Expand economic opportunities

Funding levels vary annually depending on the federal budget. The City of Flagstaff anticipates receiving between \$600,000 and \$650,000 each year during the 2026-2030 ConPlan period. Each year, the AAP guides the allocation of these funds toward priority focus areas, including affordable housing, public facility and infrastructure improvements and public services for LMI and special need groups such as the homeless.

In addition to the annual entitlement award, the City receives Program Income—primarily from repayments of past homebuyer assistance and housing rehabilitation loans. These funds are allocated through the AAP. If significant additional Program Income is received during the program year, and it could affect HUD’s timeliness standards, the City may conduct a mid-year reallocation and amend the Plan as needed.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	2A Improve Public Facilities & Infrastructure	2026	2030	Non-Housing Community Development	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside	Improve Public Facilities & Infrastructure	CDBG: \$626,196	Public Facility or Infrastructure Activities other than Low/Mod Income Housing Benefit: 1,000 Persons
2	3A Public Services for LMI & Special Need	2026	2030	Non-Housing Community Development	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside	Public Services for LMI & Special Need	CDBG: \$109,000	Public service activities other than Low/Mod Income Housing Benefit: 500 Persons Assisted Homeless Person Overnight Shelter: 20 Persons Assisted
3	4A Effective Program Administration	2026	2030	Non-Housing Community Development	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside	Effective Program Administration	CDBG: \$146,000	Other: 1

Table 9 – Goals Summary

Goal Descriptions

1	Goal Name	2A Improve Public Facilities & Infrastructure
	Goal Description	Public facility and infrastructure improvements to neighborhood facilities (03E), streets (03K) and sidewalks (03L). Funds will also be used to improve homeless shelters and increase the number of available beds (03C)
2	Goal Name	3A Public Services for LMI & Special Need
	Goal Description	Public services to LMI individuals and those with special needs, including persons experiencing homelessness (03T), seniors (05A), persons with disabilities (05B), youth (05D), domestic violence survivors (05G), people with serious mental illness (05O), people with alcohol/substance use disorders (05F), and abused/neglected children (05N).
3	Goal Name	4A Effective Program Administration
	Goal Description	Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category (20 & 21A).

Projects

AP-35 Projects – 91.220(d)

Introduction

The strategies outlined in this PY 2026 AAP address the priorities and goals identified in the City’s 2026-2030 Consolidated Plan. The City will allocate Community Development Block Grant (CDBG) funds to local agencies and subrecipients to implement eligible projects under City oversight. Funded activities align with the community’s identified priority needs: Affordable Housing Development; Improve Public Facilities & Infrastructure; Public Services for LMI & Special Need; and Effective Program Administration.

Projects

#	Project Name
1	CDBG: Planning & Administration
2	CDBG: Public Facilities & Infrastructure
3	CDBG: Public Services

Table 10 – Project Information

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

For PY 2026, the City of Flagstaff released a Notice of Funding Availability (NOFA) to solicit proposals for CDBG-eligible activities. All proposals were evaluated based on several criteria, including CDBG eligibility, cost effectiveness (such as the cost per person served), amount of leveraged funding, applicant performance on past CDBG contracts, project location within designated CDBG target areas, and evidence of meaningful community collaboration. Funding priorities reflect the high-priority needs identified in the 2026-2030 Consolidated Plan:

Affordable housing preservation activities are targeted towards eligible LMI households, and will help maintain housing units in decent and safe conditions, which may otherwise lead to housing instability. Activities may consist of acquisition of housing for the purpose of affordable housing, and housing rehabilitation activities.

Public facilities and infrastructure improvement must target low/mod tracts as described in detail in the AP-50 or target an LMI group with a presumed benefit such as the elderly or persons with a disability, etc. Eligible activities that may be funded are improvements to neighborhood facilities, parks and recreation centers, homeless shelters, and streets.

Public services that address homelessness is a priority for Flagstaff and its residents. Activities include homeless prevention activities, street outreach, case management, and emergency shelter programs. Subpopulations that may be targeted are unaccompanied youth, families with children, those with mental

health issues, victims of domestic abuse, and veterans.

The primary obstacle to addressing underserved needs remains the limited availability of funding relative to the scale and complexity of local challenges. Critical areas such as affordable housing, homelessness, and supportive services continue to face growing demand that far exceeds the resources available through the CDBG program. These constraints are especially difficult for public service providers, given the federal cap on funding despite the rising cost of delivering essential programs. To ensure that limited funds are used effectively, the City prioritizes projects with the greatest potential for impact, strong program design, alignment with long-term strategic goals, and the ability to leverage additional resources. Ongoing evaluation of past performance informs future funding decisions and helps ensure that investments are responsive to community needs and CDBG program objectives. Other considerations include a 20% CDBG grant cap for administration and an allocation cap of 15% for public services.

AP-38 Project Summary

Project Summary Information

1	Project Name	CDBG: Planning & Administration
	Target Area	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside
	Goals Supported	4A Effective Program Administration
	Needs Addressed	Effective Program Administration
	Funding	CDBG: \$146,600
	Description	Citywide administration of the CDBG program in PY 2026 involving expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	N/A. Other: 1
	Location Description	Citywide, eligible.
	Planned Activities	Planned Activities Staff salaries, planning, general admin of the CDBG program in PY 2026. 21A General Program Administration 24 CFR 570.206 or 24 CFR 570.489(a)(3)
2	Project Name	CDBG: Public Facilities & Infrastructure
	Target Area	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside
	Goals Supported	2A Improve Public Facilities & Infrastructure
	Needs Addressed	Improve Public Facilities & Infrastructure
	Funding	CDBG: \$626,196.00

	Description	The City will provide neighborhood revitalization and public facility improvements in target neighborhoods with a majority of low-and moderate-income households.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Public Facility or Infrastructure Activities other than Low/Mod Income Housing Benefit: 2,750 Persons
	Location Description	Citywide, eligible. Target neighborhoods including Sunnyside, Pine Knoll, Southside and/or La Plaza Vieja.
	Planned Activities	<p>The City will provide public infrastructure improvements in target neighborhoods with a majority of low-and moderate-income households.</p> <p>The City will also provide improvements to public facilities located in low- to moderate-income areas. These include improvements and rehabilitation of neighborhood facilities; and Improvements to parks and recreational centers.</p> <p>03C Homeless Facilities (not operating costs) 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>03E Neighborhood Facilities 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>03F Parks, Recreational Facilities 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p> <p>Development of open space areas or facilities intended primarily for recreational use.</p> <p>03K Street Improvements 24 CFR 570.201(c) or 42 USC 5305(a)(2)</p>
4	Project Name	CDBG: Public Services
	Target Area	Citywide Low/Mod Eligible La Plaza Vieja Pine Knoll Southside Sunnyside
	Goals Supported	3A Public Services for LMI & Special Needs
	Needs Addressed	Public Services for LMI & Special Needs
	Funding	CDBG: \$109,000

Description	Through subrecipients, the City will provide public services that address homelessness including outreach, case management, and emergency shelter programs. These activities encompass those targeted to unaccompanied minors, youth and unsheltered individuals experiencing homelessness.
Target Date	6/30/2027
Estimate the number and type of families that will benefit from the proposed activities	Public service activities other than Low/Mod Income Housing Benefit: 390 Persons Assisted Homeless Person Overnight Shelter: 20 Persons Assisted
Location Description	Citywide, eligible.
Planned Activities	Through subrecipients, the City will provide public services that address homelessness including outreach, case management, and emergency shelter programs, including those targeted to unaccompanied minors, youth and unsheltered individuals experiencing homelessness. Funding will be used to provide assistance for costs associated with the operation of programs for the homeless or for AIDS patients, such as administration, salaries, utilities, maintenance, and insurance. 03T Homeless/AIDS Patients Programs 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) Costs associated with the operation of programs for the homeless or for AIDS patients

AP-50 Geographic Distribution – 91.220(f)

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

The City of Flagstaff has identified four HUD-designated CDBG target neighborhoods where more than 50 percent of households earn 80 percent or less of the Area Median Income (AMI):

- La Plaza Vieja – Census Tract 11.03, BG 1,2 & 3; formerly 11.02, BG 1& 3
- Pine Knoll – Census Tract 8, BG 2
- Southside – Census Tract 8, BG 1
- Sunnyside – Census Tract 3, BG 12, 13, 21 & 22; formerly CT 3, BG 2, 3 & 4

Please note that the Census updated the Block Groups (BG) in 2022.

Three neighborhoods—Sunnyside, Southside, and La Plaza Vieja—have come together to form a collaborative alliance called A League of Neighbors. This coalition includes the Sunnyside Neighborhood Association, La Plaza Vieja Neighborhood Association, and the Southside Community Association, each of which operates as a 501(c)(3) nonprofit organization. These resident-led groups work collaboratively to promote neighborhood investment, enhance infrastructure, and support community-driven development. Their initiatives focus on public safety, beautification, job opportunities, civic engagement, and fostering neighborhood unity, particularly in Flagstaff’s historic core.

Through public meetings, target outreach efforts within neighborhoods, and coordinated planning, the City engages in continuous dialogue with community stakeholders about infrastructure needs, public safety issues, housing conditions, and opportunities for improvement.

This collaborative, place-based approach ensures that projects proposed and selected for funding align with community priorities and meet CDBG-eligible criteria. It also supports Flagstaff’s broader commitment to equitable resource distribution and inclusive community decision-making, while recognizing that the availability of eligible, shovel-ready projects is a crucial factor in the final allocation of funds for each neighborhood.

See the Discussion for more details on the “Concentration of Low- to Moderate-Income Households and Minority Concentrations.”

Geographic Distribution

Target Area	Percentage of Funds
Citywide Low/Mod Eligible	100
La Plaza Vieja	0
Pine Knoll	0
Southside	0
Sunnyside	0

Table 11 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City of Flagstaff has four target areas that historically have disproportionate needs and experience higher levels of poverty, cost burden and aging housing. These target areas are La Plaza Vieja, Pine Knoll, Southside and Sunnyside. The City strives to direct CDBG investments toward HUD-defined target neighborhoods—Sunnyside, Southside, Pine Knoll, and La Plaza Vieja—to support necessary development and address concentrated needs. However, the actual distribution of funds in any given program year depends on the number, type, and eligibility of proposals received through the City’s competitive Notice of Funding Availability (NOFA) process.

Certain activities in the CDBG program will also target low/mod areas (LMA) in its five-year plan. In which case, the planned activities will serve a low/mod community or neighborhood (LMA). These activities are said to have an “area-wide” benefit. Per HUD requirements, these areas must be within an eligible Low/Mod Block Group Tract, as defined by HUD-CDBG regulations, whereby the majority of the residents are low- to moderate-income (or 51%). Public facility improvement activities may also be targeted specifically to special need groups such as the elderly, persons with a disability and the homeless, in which case these accomplishments will be reported by persons served (LMC).

To determine LMI tracts the City utilizes HUD’s CDBG Low Mod Income Summary Data (LMISD) from the HUD Exchange website, which has defined the eligible block group tracts within the jurisdiction. The tracts can be at: <https://www.hudexchange.info/programs/acs-low-mod-summary-data/>.

Discussion

Low-Income Households Concentration

A “low-income concentration” is any census tract where the median household income (MHI) is 80% or less than the MHI for the City of Flagstaff. According to the 2019-2023 ACS 5-Year Estimates, the MHI in Flagstaff is \$68,041. A tract is considered to have a low-income concentration if the MHI is \$54,432 or

less. Two tracts in the center of the City have a concentration: 10.00 & 08.00.

Race/Ethnic Minority Concentration

A “racial or ethnic concentration” is any census tract where a racial or ethnic minority group makes up 10% or more of that group’s citywide percentage. Data was taken from the 2019-2023 ACS 5-Year estimates. Due to the small sample size, only racial or ethnic groups making up at least 1% of the City’s population were analyzed.

Black or African American, non-Hispanic: This group makes up 1.9% of the citywide population, and a census tract is considered a concentration if 11.9% of the population is part of this racial group. There are no census tracts with a concentration.

Asian, non-Hispanic: Approximately 2.5% of the City population identifies as Asian. A census tract is considered a concentration if 12.5% of the population is part of this racial group. There are no census tracts with a concentration.

American Indian and Alaska Native, non-Hispanic: Approximately 11.9% of the City population identifies as American Indian and Alaska Native alone. A census tract is considered a concentration if 21.9% of the population is part of this racial group. There are two census tracts in the north central part of the City with a concentration: 03.01 & 08.00.

Hispanic: Hispanic persons comprise 19.7% of the City's population, and a census tract is considered a concentration if 29.7% of the population is part of this ethnic group. There are three census tracts in the northern areas of Flagstaff with a concentration: 03.01, 03.02 & 05.00.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

As required by HUD, this section identifies the number of households that will benefit from affordable housing activities funded through the CDBG program in PY 2026, as well as the types of housing to be supported. The table below reflects only those activities funded through the CDBG program.

One Year Goals for the Number of Households to be Supported	
Homeless	390
Non-Homeless	0
Special-Needs	0
Total	390

Table 12 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	0

Table 13 - One Year Goals for Affordable Housing by Support Type

Discussion

The City of Flagstaff will continue to advance a wide range of housing initiatives guided by the 10-Year Housing Plan and 2026-2030 Consolidated Plan. Key strategies include zoning reform, fee waivers, adaptive reuse, and leveraging public-private partnerships to increase supply, preserve affordability, and support stability across the housing continuum.

Beyond federally required metrics, the City continues to implement its 10-Year Housing Plan, unanimously adopted by City Council in February 2022 in response to the declaration of a local Housing Emergency. The plan was informed by extensive community engagement and research, including:

- A community housing survey completed by over 3,000 residents
- A community forum survey with 327 responses
- More than 16.4 hours of public comment
- Over 600 written comments
- An estimated 1,000+ volunteer hours contributed by 80 community members across informal working groups

This public input directly shaped the plan’s long-term goals—to reduce Flagstaff’s affordable housing need by half and to increase the availability of affordable, and workforce housing options for local residents.

CDBG-funded activities are one tool among several the City uses to achieve these goals. Other key resources include Proposition 442 bond funds, Low-Income Housing Tax Credit (LIHTC) developments, and a range of regulatory and financial incentives that support affordable housing production and preservation.

AP-60 Public Housing – 91.220(h)

Introduction

The mission of the Flagstaff Housing Authority is to assist low-income families in finding safe, decent, and affordable housing opportunities as they work to improve their quality of life. The Housing Authority is dedicated to operating in an efficient, ethical, and professional manner. It has a track record of forming and maintaining partnerships with clients and relevant community organizations to fulfill this mission. The Flagstaff Housing Authority owns and manages 265 units of low-income public housing. It administers 342 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for veterans, 40 Mainstream Vouchers for households with a disabled adult, 29 Emergency Housing Vouchers, and 3 Foster Youth Initiative (FYI) Vouchers for youth aging out of the state foster care system. Additionally, the Housing Authority partners with the Veterans Administration (VA) on the VASH program and with the State Department of Child Safety on the FYI program.

The Housing Authority also manages Clark Homes, a new construction development offering 80 units of low-income housing under the Section 8 program. Furthermore, it provides twelve Section 8 Certificates for individuals with serious mental illnesses in collaboration with the Guidance Center. Currently, more than 150 landlords participate in the City's Rental Voucher Programs.

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

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

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

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

The Flagstaff Housing Authority is governed by a board of commissioners. Meetings are typically held on the third Thursday of every month and are open to the public, both in person and virtually. The board consists of the Mayor and six citizens, who oversee the functions of the Housing Authority. One seat is reserved for a participant in the Section 8 or Low-Income Public Housing program.

The Housing Authority has multiple goals and objectives aimed at increasing resident involvement. These include providing maintenance and repair training before occupancy, continuing resident education, and partnering with the Boys and Girls Club, Tynkertopia, and the City Recreation Department to offer free on-site programs. The Authority also organizes resident meetings, barbecues, and newsletters to assist residents with education, employment, job training, and youth services.

Additionally, the City Housing Authority produces a monthly newsletter for public housing residents. The newsletter contains information on food and utility assistance, library programming, free tax assistance, healthcare marketplace resources, regular deadlines for rent and recertification submissions, public notices regarding policy changes, and many other resources.

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

No. Flagstaff's Housing Authority is a high performing PHA.

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

Introduction

The City of Flagstaff is an active participant in the local Coconino County Continuum of Care (CoC), which itself is part of the statewide Arizona Balance of State Continuum of Care. The mission of the Arizona Balance of State and local CoC is to end homelessness within the communities included in its geographic area. To achieve the end of homelessness, the CoC is a collaborative network that assists eligible entities in obtaining the necessary funding needed to help individuals and families who are experiencing homelessness attain and maintain economic self-sufficiency. The CoC utilizes the following strategies to end homelessness in Coconino County:

- Outreach, engagement, diversion, and assessment;
- Coordinated Entry;
- Shelter, housing, and supportive services; and
- Prevention strategies.

City staff and CoC members participate in multiple committees and lead the annual point-in-time count (conducted for the Arizona Balance of State Continuum of Care.)

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

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

Coordinated Entry is a major contributor in reaching out and assessing homeless or at-risk of homeless individuals and families and their housing needs. Coordinated Entry's goal is to ensure that homeless persons' crisis situations are rare, brief, one-time and not re-occurring. The phases of assessment include an initial assessment to identify immediate housing crisis; examine current resources that might be used to avoid the participant entering the homeless system of care (diversion/prevention); crisis services intake to access immediate services and emergency shelter if needed; housing and service assessment using VI-SPDAT; further refine the housing and service needs of the individual and family; and provide a next step/move-on assessment.

The City also participates in the Front Door Coordinated Entry System and weekly case conferencing to ensure efficient, needs-based access to housing for individuals experiencing homelessness. These efforts are rooted in housing-first practices and ongoing community engagement as the City continues refining policies and expanding partnerships to meet a continuum of housing needs.

Addressing the emergency shelter and transitional housing needs of homeless persons

Currently, there are three nonprofit organizations offering outreach services, two of which exclusively serve veterans. Programs that receive funding are strongly encouraged to participate in coordinated entry

through the Front Door and to utilize the Continuum of Care's individual assessment plan (VI-SPDAT), if they are not already involved.

Members of the Continuum of Care and participants in the Front Door coordinated entry program may apply for Community Development Block Grant (CDBG) funds to support street outreach efforts. However, due to limited public service funding, local agencies often opt to seek support for prevention and diversion programs instead.

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

The City will continue to support agencies that provide emergency and transitional housing, as permitted under the CDBG program. In Program Year (PY) 2026, these agencies will receive funding to improve and renovate existing emergency and transitional shelters, as well as to offer housing case management and services for homeless individuals. The City and Continuum of Care (CoC) members acknowledge the essential role of the Housing First approach and permanent supportive housing. However, the significant number of homeless individuals and families, paired with the high cost of housing and a 20% employment rate among this population, suggests that they may need a longer stay in transitional housing. Additionally, the City will maintain its active involvement in the Coconino County Continuum of Care.

The City will continue to implement VASH Vouchers for Veterans experiencing homelessness as well as Foster Youth Initiative Vouchers.

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

Annual CDBG entitlement allocations include funding for the improvement and rehabilitation of emergency shelters and transitional housing, as well as for homeless outreach services for individuals experiencing homelessness.

Community leadership is dedicated to enhancing the coordination of services for those facing homelessness in our community. The Front Door is a collaborative project that serves as the initial point of access for individuals experiencing homelessness. As a diversion program, Front Door provides a single entry point into the shelter and housing system, aiming to streamline services, reduce the length of shelter

stays, and decrease the time that individuals and families experience homelessness. This initiative also seeks to increase program utilization and eliminate the need for households in crisis to "service hop."

The City will continue to support agencies that provide emergency and transitional housing as permitted under the CDBG program. Additionally, the City will maintain its active participation in the Coconino County Continuum of Care.

The Coconino County Health and Human Services department also offers the Preventing Housing Insecurity Flexible Funds (PHIFF) grant, a one-time grant to low-income households that are at-risk of homelessness. The PHIFF grant helps qualified households and can aid in up to \$3,000 in one time assistance. Aid money can pay almost any expense if it helps to eliminate housing instability, including one month of past or future rent/mortgage payment. The goal is to help individuals maintain housing after one-time assistance. Grant ends by June 30, 2026, or until funds have been expended.

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

Introduction:

Public policies at the local, regional, and state levels significantly influence the cost, pace, and location of residential investment in Flagstaff. Several state preemptions (e.g., rent control, inclusionary zoning, short-term rentals), paired with local development standards, fees, and high-hazard building requirements, shape both the supply of new housing and the preservation of affordable units. While the City uses incentives and code tools to encourage affordability, existing policies still create headwinds for producing and retaining lower-cost housing.

Zoning and Land Use Restrictions

Flagstaff's zoning code allows multifamily and provides affordable housing density bonuses citywide, but baseline site standards can still constrain lower-cost formats on smaller or irregular infill lots. Minimum parking/access requirements (Chapter 10-07) consume land area and add hard costs for projects not within easy walking distance of frequent transit, although tailored relief mechanisms exist (e.g., in-lieu options and project-specific reductions). Accessory Dwelling Units (ADUs) are permitted under §10-40.60 and are the subject of active code updates; even so, design and development standards (setbacks, separations, utilities) can be binding on small lots unless simplified.

Regulatory and Process Barriers

Development impact fees and related charges (water/sewer, transportation, parks, public safety) increase upfront costs—especially for small or deeply affordable projects unless offset. The City's Incentive Policy for Affordable Housing (IPAH) provides fee reductions/reimbursements and regulatory incentives, but availability depends on funding and eligibility; without those offsets, baseline fees and submittal requirements remain material cost drivers. City webpages centralize development-fee reports and audits to improve transparency.

Tax Policy Challenges

Beginning January 1, 2025, Arizona eliminated city Transaction Privilege Tax (TPT) on long-term residential rentals. This change can marginally lower rent bills where pass-through existed, but it also reduces a municipal revenue source that jurisdictions often use to staff permitting, code enforcement, and housing programs—cost centers that support residential investment. Any resulting budget gaps must be backfilled by other revenues or service reductions, which can indirectly slow approvals or local gap-financing efforts that benefit affordable projects.

Regional Safety/Environmental Codes and Labor Costs

Given Flagstaff's Wildland-Urban Interface (WUI), ignition-resistant construction, defensible-space, and access/water-supply standards are prudent life-safety requirements but can add design and materials costs for small infill and edge-area projects. The City has long maintained WUI provisions and continues to update them. Separately, Dark-Sky lighting rules (administered through the zoning code) protect community character with approved-fixture lists, but they can modestly increase design/photometric work for multifamily sites. Labor costs are also influenced by Flagstaff's local minimum wage, which is

higher than the state floor; while beneficial for workers, it can raise certain operating and construction inputs unless offset by productivity or incentives.

Continued in the Discussion

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

Limited land availability and a shortage of housing supply—compared to the growing demand—are the main reasons behind high housing costs in Flagstaff. To tackle these challenges, a comprehensive approach is necessary. This approach should not only increase the overall housing supply but also focus on greater density, innovative construction practices, preserving existing affordable units, and updating local codes, fees, and procedures that may unintentionally hinder housing development.

To minimize regulatory and procedural obstacles, the City of Flagstaff is currently reviewing its zoning code and land use policies through the Lived Affordability Strategies and Solutions for Communities and Policy (LASS CAP) initiative. Funded by the City of Flagstaff in partnership with the Northern Arizona Intergovernmental Transit Authority, this project provides technical assistance and fosters public engagement to identify and address local regulatory challenges. The initiative aligns closely with the City's 10-Year Housing Plan, which aims to create or preserve nearly 8,000 housing units by 2031, with at least 10% designated as affordable for low- or moderate-income households. Additionally, it supports the City's Carbon Neutrality Plan.

Zoning remains a key factor in shaping housing availability and affordability. Currently, about 58% of land in Flagstaff is zoned for single-family residential use, with limited areas designated for medium- and high-density development. The City is evaluating zoning standards—such as lot size, setback requirements, parking minimums, and density restrictions—to identify reforms that could support a wider range of housing types and reduce development costs. Increasing access to land zoned for multifamily or mixed-use development, especially in areas near jobs and transit, is also a priority.

At the state level, Arizona law prohibits mandatory inclusionary zoning, which limits the City's ability to require affordable units in new developments. In response, the City has adopted a voluntary incentive-based program that encourages affordability through tools such as density bonuses, expedited permitting, parking reductions, and access to publicly owned land.

The General Obligation bond approved by voters in 2022 created three new local funding programs: the Rental Incentive Bond Program (RIBP), the Adaptive Reuse Program and a Down Payment Assistance Program. RIBP provides financial support to developers who include affordable units in mixed-income projects. Recent awards have helped fund affordable units at the Elkwood, Atlantic (Lake Mary Housing),

and Sierra on 66 developments.

The City's update to the Flagstaff Regional Plan presents another opportunity to align land use decisions with long-term housing goals. The updated plan will guide future zoning, infrastructure investments, and growth management policies with the intent of supporting compact neighborhoods and increasing the availability of housing at various price points.

Through coordinated efforts spanning regulatory reform, strategic funding, planning, and partnerships, the City is working to remove barriers to housing development and increase the supply of homes accessible to local residents across a range of incomes.

Discussion:

State-Level Policy Limitations

Arizona preempts several tools commonly used to expand affordability. Cities may not enact rent control on private residential property; this removes a stabilization option in rapidly appreciating markets. Arizona also preempts inclusionary zoning, barring local mandates that require a percentage of below-market units as a condition of approval (cities may still offer voluntary incentives). Short-term rentals are likewise state-preempted: cities cannot prohibit or cap STRs and may regulate them only within narrow health/safety and licensing parameters (e.g., SB 1168's enforcement enhancements), limiting local ability to redirect units back to the long-term market. Finally, Proposition 207 (the state's regulatory-takings law) exposes new land-use restrictions that reduce property value to compensation claims, which can chill certain down-zonings or affordability mandates.

Recent City analysis indicates Flagstaff has meaningful capacity for additional housing on both vacant and underutilized sites, but a portion of this land is constrained by steep slopes, floodplains/floodways, and other environmental factors that complicate delivery timelines and costs. The 2024 Land Availability & Suitability Study (LASS) identifies ~8,125 acres of vacant land (~6,735 acres zoned residential) and ~5,399 acres of underutilized land in the LASS area; after environmental screening, the study estimates ~7,062 acres of vacant buildable land and ~4,865 acres of underutilized buildable land most likely to develop or redevelop, while noting that ~13% of vacant land is environmentally constrained. The most common constraints are steep slopes (the City's Resource Protection Overlay regulates slopes $\geq 17\%$) and floodplain/floodway areas along corridors slated for mitigation by the Rio de Flag Flood Control Project. These factors, plus infrastructure readiness at specific sites, shape feasibility and staging for mixed-income and affordable projects.

Implications for Practice

Because rent control and inclusionary mandates are preempted, Flagstaff must rely on incentive-based strategies (density bonuses, IPAH fee relief, parking flexibility, expedited review) and external gap funding to deliver affordability at scale. Given these site-specific constraints, policies that lean into infill near services and transit (while advancing code refinements under the City's code analysis work) can improve yield and lower per-unit costs. LASS findings also highlight that "grow up and in" strategies—adding gentle

and moderate density in existing neighborhoods—perform better against the City’s housing and climate metrics than a primarily greenfield pattern, and that relying solely on developer-paid, project-by-project infrastructure tends to reproduce lower-density outcomes; sequencing targeted, upfront public infrastructure (e.g., through bonds or similar tools) can unlock higher-density, attainable housing in preferred locations. The Regional Plan 2045 indicates that prioritizing centers/corridors reduces transportation costs, shortens infrastructure extensions, and improves the return on public improvements—practical considerations that complement code refinements and targeted affordability incentives.

AP-85 Other Actions – 91.220(k)

Introduction:

Flagstaff faces ongoing challenges in meeting the housing and service needs of low- and moderate-income (LMI) residents due to high housing costs, limited housing availability, and constrained funding. The City continues to tackle these obstacles through the implementation of the 10-Year Housing Plan, alignment with HUD priorities, and collaboration with public, private, and nonprofit partners. In Program Year 2026, the City will leverage local and federal resources—including CDBG, bond funding, and strategic partnerships—to address gaps in affordable housing, reduce homelessness, and enhance access to essential services.

Actions planned to address obstacles to meeting underserved needs

To address the ongoing mismatch between community needs and available resources, the City of Flagstaff will:

Leverage local funding sources such as General Obligation bond programs and ARPA allocations to expand affordable housing options beyond what federal programs can support.

Encourage innovative housing solutions through zoning reform, adaptive reuse initiatives, and incentives that lower barriers to development and promote mixed-income housing.

Strengthen partnerships with service providers to enhance outreach, case management, and access to wraparound supports for vulnerable populations.

Maintain a competitive, transparent CDBG funding process to ensure investments are aligned with community-identified needs and prioritized for greatest impact.

Advance implementation of the 10-Year Housing Plan with regular progress tracking and stakeholder engagement to ensure accountability and responsiveness to evolving needs.

These actions reflect the City's commitment to addressing the root causes of housing instability, maximizing local capacity, and ensuring that resources are directed toward those who need them most.

Actions planned to foster and maintain affordable housing

Flagstaff's 10-Year Housing Plan aims to reduce the affordable housing need by 50% by 2031 by impacting at least 6,000 low- to moderate-income residents and creating or preserving nearly 8,000 housing units, with at least 10% designated as affordable.

To support this goal, the City continues to implement strategies such as:

- Incentivizing affordable housing through local match funding and fee waivers
- Supporting higher-density development through Regional Plan updates

- Maintaining local funding sources, including voter-approved bonds and ARPA allocations
- Streamlining development processes and encouraging innovation through zoning reform

Recently, the City leveraged bond funds through the Rental Incentive Bond Program (RIBP) to promote mixed-income development. Funded by Proposition 442, RIBP provides financial awards to developers including affordable units in otherwise market-rate projects. The following projects were awarded RIBP funding:

1. Elkwood Apartments (Wexford Developments): 224 total units, with 22 affordable up to 70% AMI – \$528,000
2. Lake Mary Housing (Atlantic Development & Investments): 202 total units, with 40 affordable up to 80% AMI – \$1,142,000

These projects will create 62 new affordable units and support the City’s long-term housing goals.

In addition, the City awarded \$397,000 in ARPA funds and provided Incentivized Permanent Affordable Housing (IPAH) incentives to support Habitat for Humanity’s development of starter homes at Timber Sky. These permanently affordable homes are intended for low- and moderate-income working families and reflect an ongoing effort to integrate affordable ownership opportunities into new neighborhoods.

Together, these investments in 2025 illustrated Flagstaff’s continued commitment to fostering and maintaining affordable housing through strategic incentives, partnerships, and local leadership.

Actions planned to reduce lead-based paint hazards

The City implements a multi-pronged approach to reduce lead hazards, integrating the following actions into housing policies and procedures. These efforts support the City’s goal of maintaining a safe and healthy housing stock while reducing the long-term health impacts of lead exposure.

- Rehabilitation Projects. The City follows strict HUD guidelines for testing and abatement of lead-based paint and other hazardous substances and requires compliance from its contractors and subcontractors. Any structure built before 1978 that is proposed for rehabilitation under federal programs, is tested for lead-based paint. Environmental testing is conducted before rehabilitation begins. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors and project sponsors. The City has licensed contractors who are available to perform limited abatement and/or removal procedures if lead-based paint is present. Full abatement services are contracted with licensed and certified contractors located outside of the City. The City ensures compliance with HUD’s Lead Safe Housing Rule in all applicable projects.
- Section 8 Housing Choice Vouchers. The PHA inspects prospective dwellings constructed prior to 1978 that will have a child under the age of six residing therein, for compliance with EPA and HUD Lead Based Paint rules and regulations. The inspection includes visual inspections for chipped,

peeling, chalking and deteriorated interior and exterior paint. Property owners must address deteriorated paint conditions. Clearance testing may be required following remediation to verify lead safety. Ongoing compliance with HUD and EPA LBP regulations is enforced to protect vulnerable tenants.

- Public Education. The City distributes lead hazard information to all participants in federally funded housing programs and makes educational materials available to the public. This includes information on the risks of lead-based paint and safe remediation practices.

Actions planned to reduce the number of poverty-level families

The City of Flagstaff is dedicated to reducing poverty by supporting programs that enhance housing stability, connect residents to essential services, and promote long-term economic mobility. The activities outlined in this plan aim to decrease poverty throughout the City. These activities include housing rehabilitation to maintain affordable housing for LMI residents, public services to help individuals and families avoid homelessness, and improvements to public facilities and infrastructure to revitalize low- and moderate-income areas.

In addition to activities funded by the CDBG program, the City collaborates with local nonprofits to connect families with food assistance, workforce development, childcare, healthcare, and financial counseling. As funding becomes available, the City will support public service programs that provide eviction and foreclosure prevention, housing case management, and wraparound services for low-income households. These services help alleviate hardship and create pathways to financial security.

Together, these strategies reflect the City's holistic approach to poverty reduction; addressing not just housing, but the broader social and economic conditions that impact household stability and opportunity.

Actions planned to develop institutional structure

The City of Flagstaff has a well-established framework for delivering housing and community development programs, with the CDBG program serving as a key tool for investing in low- and moderate-income neighborhoods and populations.

Each year, the City issues a Notice of Funding Availability (NOFA) inviting eligible nonprofit organizations to apply for CDBG funding. Proposals undergo a competitive and transparent review process that includes eligibility screening, a quantitative scoring rubric, and presentations to a five-member Evaluation Committee. Final recommendations are assessed by the Housing Commission before being forwarded to the City Council for approval. This structured process ensures that CDBG funds are allocated to high-impact projects that align with HUD objectives and community needs.

In PY 2026, the City will continue to implement strategies from the 10-Year Housing Plan, which includes annual updates to the Plan's Progress Report and Implementation Plan, both of which are made publicly available. These planning tools, along with guidance from the Housing Commission, support data-

informed decision-making and help ensure that housing programs remain focused, accountable, and responsive to evolving challenges.

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

The City of Flagstaff promotes strong collaboration among housing providers, social service agencies, and mainstream care systems to improve outcomes for residents who are experiencing or at risk of homelessness.

A key strategy in this effort is the permanently funded Housing Navigator position, supported by the City's General Fund. This role offers personalized housing support to clients with significant barriers, assists in recruiting landlords for voucher programs, and connects services across various agencies. This approach enhances flexibility and reduces the reliance on federal funds for staffing.

Flagstaff also maintains an extensive stakeholder list of over 300 community partners, providing updates on funding, planning, and service delivery. The City participates in the Coordinated Entry System (Front Door), where agencies utilize the VI-SPDAT tool to assess and prioritize households for housing assistance. Weekly case conferencing meetings help ensure collaborative housing placements and facilitate real-time coordination among providers.

Together, these initiatives promote more effective, client-centered service delivery and support continuous improvement within the local housing system.

Discussion:

Affordable and accessible housing is crucial for the long-term health and sustainability of Flagstaff. In response to the Housing Emergency declared in 2020, the City adopted a 10-Year Housing Plan in 2022. This plan aims to guide coordinated strategies across various sectors to improve housing access and affordability. It outlines measurable goals, identifies housing needs and gaps, and serves as a roadmap for increasing subsidies and housing unit production.

The implementation of the plan is driven by strong partnerships between the public and private sectors, as well as coordination among different city departments and dedicated city resources. A permanently funded Housing Navigator assists clients facing high barriers to securing housing and helps recruit landlords for voucher programs.

The City also participates in the Coordinated Entry System (Front Door) and weekly case conferencing to ensure efficient, needs-based access to housing for individuals experiencing homelessness. These efforts are rooted in housing-first practices and ongoing community engagement as the City continues refining policies and expanding partnerships to meet a continuum of housing needs.

Program Specific Requirements

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

Introduction:

In the implementation of the PY 2026 AAP, the City of Flagstaff will fully comply with all applicable HUD regulations governing the use of CDBG funds. This commitment includes adhering to requirements related to Program Income, leveraging additional investment sources, and ensuring that funded activities primarily benefit low- and moderate-income individuals. In accordance with federal guidelines, at least 70% of CDBG funds will be allocated to activities that serve low- and moderate-income persons. All administrative and project activities will be conducted in compliance with HUD regulations and statutory requirements.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

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

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$47,000.00
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

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

CITY OF FLAGSTAFF

CITIZEN PARTICIPATION PLAN

PURPOSE

This document has been prepared concerning the citizen participation planning regulations applicable under Consolidated Plan submittal requirements at 24 CFR 91.105. This Citizen Participation Plan applies to the City of Flagstaff HUD 5-year Consolidated Plan, Annual Action Plans, and Annual Reports.

The City receives a direct allocation of Community Development Block Grant (CDBG) funds from the US Department of Housing and Urban Development.

PUBLIC NOTICE

Public hearings are advertised in 12-point font display advertisement in the Arizona Daily Sun, Northern Arizona's daily newspaper, at least 14 days prior to the hearings. The hearings are held in public locations **and or virtual web meeting, or teleconference meeting, all of** which can be accessible to large groups and physical accessibility needs. Accommodations for those with hearing and special language needs are provided, if 24-hour notice is given to the City. Staff takes notes of the public comments received and incorporates the comments into the Consolidated Plan.

PUBLIC HEARINGS

In preparing the 5-year Consolidated Plan or Annual Action Plan, the City will hold at least two public hearings as required by 24 CFR 91.105(e). The hearings will review the past year's performance of HUD funded activities and a draft statement that provides information on the amount of funds that will be used in the coming year for low- and moderate-income benefit. At a minimum, the hearings will be announced in a format that includes posting of the meeting in public locations, **virtual web meeting, or teleconference meeting** as defined by the City Clerk and advertisement in the local newspaper. The City Council will hold at least one public hearing during the development of the plan, and before it is published for public comment as required by as required by 24 CFR 91.105(b)(3).

In preparing the Consolidated Annual Performance Evaluation Report (CAPER), while not required, the City may hold a public hearing. If held, the hearing will review the past year's performance of HUD funded activities. At a minimum, the hearing will be announced in a format that includes posting of the meeting in public locations as defined by the City Clerk and advertisement in the local newspaper.

Prior to transmitting any Consolidated Plan, Annual Action Plan, any substantial amendment, Performance Report or other activity mandating a public hearing, the City shall convey any comments or views of citizens received in writing or orally at public hearings. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, shall be attached to final submissions conveyed to HUD.

A summary of comments received during the public comment period and at any public hearing for the 5-year Consolidated Plan, Annual Action Plan, any substantial amendment, Performance Report or other activity mandating a public hearing shall be recorded, considered and summarized in an appendix with the final Council-approved documents submitted to HUD. The City's response to public comments and an explanation of where the comments are addressed in the document or if not, the reasons why they were not, shall also be summarized in the attachment.

PUBLIC COMMENT PERIOD

The City must provide not less than 30 calendar days, to receive comments from residents of the community on the Consolidated Plan, Annual Action Plan, and any amendment to these plans as required by 24 CFR 91.105(b)(4). The City will consider any comments or views of residents of the community received in writing, or orally in preparing the final plan.

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The City will also provide citizens with reasonable notice and an opportunity to comment on performance reports. For performance reports, the City will provide a period, not less than 15 days, to receive comments on the performance report that is to be submitted to HUD before its submission as required by 24 CFR 91.105(d)(1).

ACCESS TO RECORDS AND INFORMATION AVAILABILITY

The City of Flagstaff will provide citizens, public agencies and other interested parties with reasonable access to records relating to the City's Consolidated Plan and the City's use of all Federal, State and local funds in the conduct of strategies outlined in the Consolidated Plan during the previous five years. Access to these records can be obtained by contacting the Housing & Grants Administrator.

The Consolidated Plan, amendments to the Consolidated Plan, the Annual Action Plan and the CAPER are available at the following locations:

Local Government Documents Section
300 W. Aspen Avenue
Flagstaff, Arizona 86001
(928) 779-7674
TDD or TTY Qwest Relay Service at 1-800-223-3131
City of Flagstaff

Community Development Department
211 W. Aspen Avenue
Flagstaff, Arizona 86001
(928) 779-7632
TDD or TTY QWest Relay Service 1-800-223-3131

In addition, these documents are made available on the City of Flagstaff's website: www.flagstaff.az.gov. All notifications of publications and public forums are published in the local newspaper, The Arizona Daily Sun and, at a minimum, on the Resource Action Network of Northern Arizona (RANNA) listserv.

ADOPTION OF CITIZEN PARTICIPATION PLAN

Prior to the adoption of the Citizen Participation Plan notices will be placed in local newspapers stating that the Plan is available for not less than 30 days for public review and comment.

CRITERIA AND PROCESS FOR AMENDMENTS TO THE CONSOLIDATED PLAN

Should the City cause one of the following to occur, it would be construed as a substantial amendment to the Consolidated Plan:

To make a substantial change in the allocation priorities or methods of distribution delineated in the plans. "Substantial" in this context is defined as:

1. Changes in the funding process, when not undertaken as part of the Annual Action Plan, that will alter the manner in which funds are allocated to individual projects or entities identified in the Annual Action Plan by at least 20% of any annual allocation, subject to other program requirements in the CFR as applicable.
2. Changes that are made to funding priorities in the Consolidated Plan when not undertaken through annual submission requirements stipulated by HUD.
3. Project deletions or changes made in allocation priorities or methods of distribution that have the effect of changing the funding level of individual CDBG projects identified in its Annual Action Plan. Any new project funded with CDBG resources must be noticed to the public prior to funding, as well as significant changes in the use of CDBG funds from one eligible activity to another.

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4. To carry out a project using funds from any program covered by the Consolidated Plan (including program income) not previously described in the action plan.
5. To substantially change the purpose, scope, location, or beneficiaries of a project. This refers to changes that are made to projects to be funded in the Consolidated Plan when not undertaken through annual submission requirements stipulated by HUD.

Should “substantial” amendments be made to any aspect of the Consolidated Plan, after its formal adoption, the City will undertake the following:

1. Provide reasonable notice of the proposed amendment/s in the local newspaper to enable review and comment by the public for at least 30 days.
2. Submit the amendment(s) to the City Council for approval.
3. Upon termination of the 30-day comment period, notify HUD of any amendments executed, citizen comments received, and the response(s) by the City.

OTHER PUBLIC OUTREACH

In preparing the 5-year Consolidated Plan or Annual Action Plan, the City may encourage public input through contacting public and private agencies that provide housing or human services, neighborhood organizations and citizens. Public meetings are held at the discretion of the City. The City may hold public meetings and/or workshops to solicit public input on the past year’s project performance and recommendations for new project allocations for the upcoming program year. Public meetings may include:

1. Discussion of the amount of CDBG funds expected to be available including program income and prior year’s funds not yet allocated to project use;
2. The full range of HUD activities that may be undertaken with the funding being discussed;
3. The amount of resources that will be directed to low- and moderate-income households; and
4. The uses of funds in the prior year.

The meetings may be advertised through public notices and published in the non-legal section of the local newspaper at least five days before the scheduled meeting. Public notices indicate the date, time and location of the scheduled meetings and list the topics to be considered. Notices are also mailed directly to City residents when feasible. These announcements provided information about the topic of the forum, location, and how comments could be submitted if the person(s) was unable to attend. The forums are held in handicap accessible locations convenient to actual and potential beneficiaries.

Upon receiving notice of special accommodations or requirements 24 hours in advance of any meeting, the City will make translators and special disability access available. In addition, minutes and other materials from the meeting will be translated into Spanish, Braille (#2) or enlarged print to further communications and community outreach. The City will also make meeting materials available for download and will take questions and suggestions through e-mail.

As applicable, the City may also hold public meetings in identified CDBG target areas to discuss target area needs and eligible uses of CDBG funds relative to the identified needs. The City will provide technical assistance to non-profits interested in applying for CDBG funds.

Citizens are encouraged to submit their questions, comments and criticisms regarding the City CDBG process or program. These comments may be presented at public meetings, through the mail, in person at the City of Flagstaff Housing Division, or via e-mail through the City’s website.

Where any public meeting is held as part of preparation of the Consolidated Plan or Annual Action Plan, the City will consider any comments and views expressed as information that may modify or adjust the proposed documents as considered necessary. This information does not have to be submitted in writing. Public input is used to draft a list of projects to be recommended for funding for the upcoming program year.

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Technical Assistance

The City of Flagstaff conducts an open request for proposals process, allowing the community to formally submit projects for funding consideration. The proposal format is designed to relay basic Federal, State and local eligibility criteria pertaining to various funding sources. Technical assistance is provided by City staff to any person or entity that requests assistance in submitting a proposal, learning more about the program or local needs and understanding the strategies listed in the Consolidated Plan.

Complaint Procedures

Any person or entity wishing to express dissatisfaction, make suggestions or otherwise comment on the public participation process, the Consolidated Plan or amendments to the Consolidated Plan may use the following complaint procedures:

1. Submit dissatisfaction, suggestion or comment in writing to the following entity. A written response will be returned within 15 calendar days. These comments shall be made available in the Appendix section of the Consolidated Plan and/or the Annual Action Plan.
Community Development Department
Housing and Grants Administrator
211 W. Aspen Avenue
Flagstaff, Arizona 86001
2. If not satisfied with the response from the entity listed above, submit dissatisfaction, suggestion or comment in writing along with the initial response received to the following entity. A written response will be returned within 15 calendar days.
City of Flagstaff
City Manager
211 W. Aspen Avenue
Flagstaff, Arizona 86001

CITY OF FLAGSTAFF ANTI-DISPLACEMENT PLAN

The City will minimize the displacement of persons assisted through the use of CDBG resources. Public Hearings will specifically discuss activities likely to result in displacement and the methods being used by the City to minimize displacement of persons because of activities. The City will utilize the following displacement policies for the CDBG program.

The City of Flagstaff, in accordance with Federal Regulations for Displacement, 24 C.F.R. 570.606(b), hereby issues this Statement of Policy regarding the displacement of persons by CDBG funded activities. Any entity receiving City of Flagstaff CDBG funds will replace all occupied and vacant occupiable low- and moderate-income dwelling units demolished or converted to a use other than as low- and moderate-income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended, described in 24 C.F.R 570.606(b)(1). All replacement housing will be provided within three years of commencement of the demolition or rehabilitation relating to conversion.

Before obligating or expending funds that will directly result in such demolition or conversion, the entity will make public, and submit to the HUD Field Office, the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than for low- and moderate-income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;

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5. The source of funding and a time schedule for the provision of replacement dwelling units; and
6. The basis for concluding that each replacement dwelling unit will remain a low- and moderate-income dwelling unit for at least 10 years from the date of initial occupancy.

The entity will provide relocation assistance, as described in C.F.R. 570.606(b)(2), to each low- and moderate-income household displaced by the demolition of housing or by the conversion of a low- and moderate-income dwelling to another use as a direct result of assisted activities.

Permanent Displacement is defined as follows: "involuntary permanent movement of person(s) or other entities from a dwelling unit or business location resulting from CDBG funded code inspection, rehabilitation, demolition or acquisition". In order to minimize displacement and mitigate adverse effects, the policy shall consist of the following steps, in the event displacement is caused by current or future CDBG funded projects:

1. The City of Flagstaff will avoid or minimize permanent displacement whenever possible and only take such action when no other viable alternative exists.
1. The impact on existing persons and properties will be considered in the development of CDBG-funded projects.
2. Citizens shall be informed of CDBG project area(s) through information made available as part of the annual proposed and final statements on use of CDBG funds.
3. Current regulations, HUD notices and policies will be followed when preparing informational statements and notices.
4. Written notification of intent will be given to eligible property owners who may be displaced and/or relocated due to an approved project activity.
5. The City of Flagstaff will assist displaced persons in locating affordable, safe, decent and comparable replacement housing.
6. The City of Flagstaff will ensure that "just compensation" for CDBG acquired property (as determined by appraised fair market value) is paid with relocation benefits, if applicable.
7. The City of Flagstaff will provide for reasonable benefits to any person who is involuntarily and permanently displaced as a result of the use of CDBG funds to acquire or substantially rehabilitate property.
8. Reasonable benefits will follow established policies set forth in applicable Federal, State and local regulations.
9. Provision of information about fair housing laws in order to ensure that the relocation process does not result in different or separate treatment due to race, color, religion, national origin, sex, or source of income.

Temporary Displacement

The above activities relate to permanent displacement of persons or entities; yet, certain CDBG funded activities may involve only temporary displacement. While strict adherence to provisions of the Uniform Relocation Act is not specified, it is the policy of the City of Flagstaff that all sub-recipients shall take steps to mitigate the impact of CDBG funded code inspections, rehabilitation, demolition or acquisition that results only in temporary movement of person(s) from a dwelling unit. Such temporary displacement primarily involves demolition and reconstruction of a single-family owner-occupied home. Accordingly, the citizens involved in a temporary movement shall be fully informed of the below matters and appropriate steps shall be taken to ensure that fair provisions are made to:

1. Ensure that owners receive compensation for the value of their existing house structure prior to demolition.
1. Receive temporary living accommodations while their current home is being demolished and reconstructed.
2. Move and temporarily store household goods and effects during the demolition and reconstruction evolution.
3. Reimburse all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including moving costs and any increased rent and utility costs.

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CONTACT INFORMATION

Public hearing information and materials may be received by contacting the City CDBG Program at:
Community Development Department
211 W. Aspen Avenue
Flagstaff, Arizona 86001
(928) 779-7632
TDD or TTY QWest Relay Service 1-800-223-3131

The Consolidated Plan and Annual Action Plan program year begins July 1 and ends June 30th of the following year. This coincides with the City of Flagstaff fiscal year. The planning cycle begins each October with the start of regularly scheduled planning forums and ends May 14 when the draft of either the Consolidated Plan or Annual Action Plan is submitted to HUD for approval.

At least one forum shall be conducted at the beginning of the planning process to introduce the process to the public, and another to solicit comments prior to the public hearing with City Council. The April public hearing shall serve as a presentation of the recommendations for funding within the Annual Action Plan to the City Council for review and approval.

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