

2025-2026 Annual Report for the 10-Year Housing Plan

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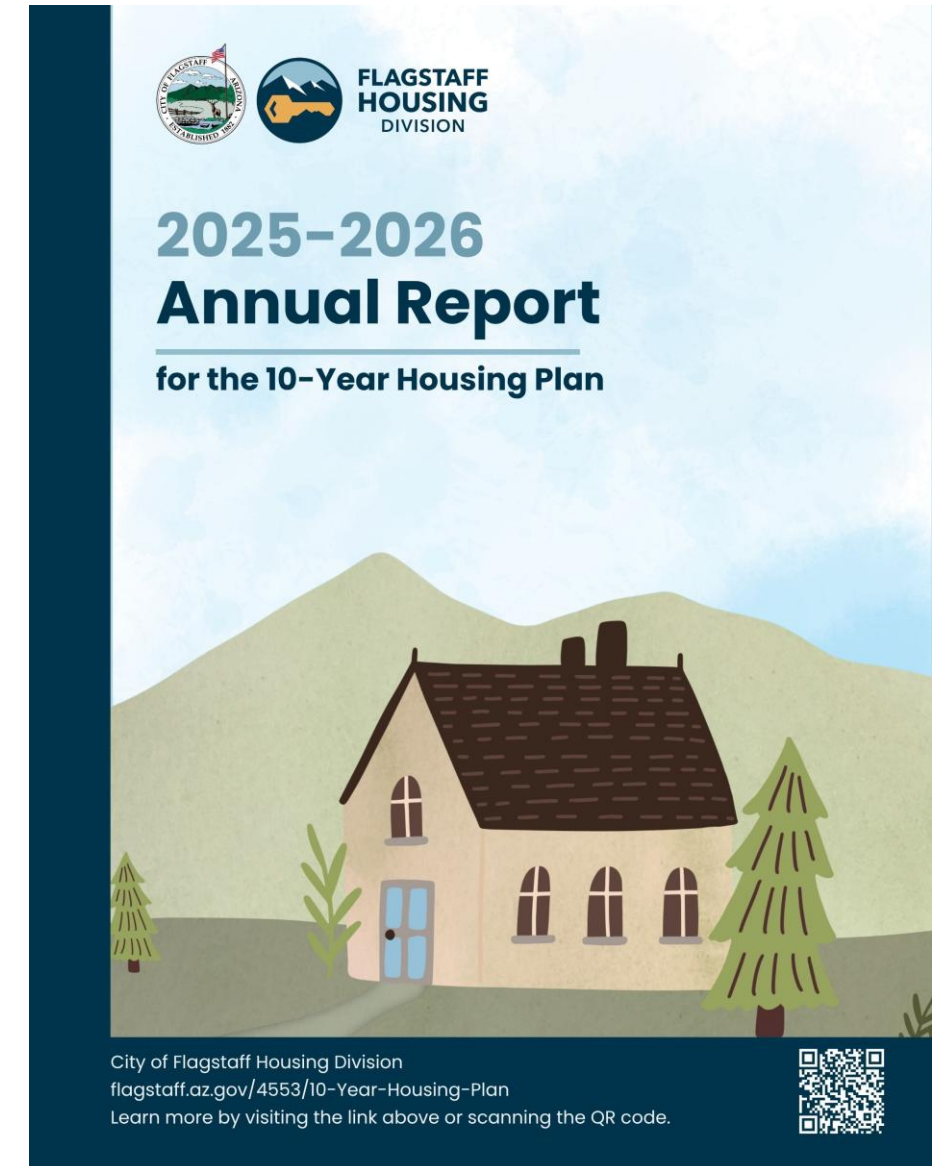




Agenda

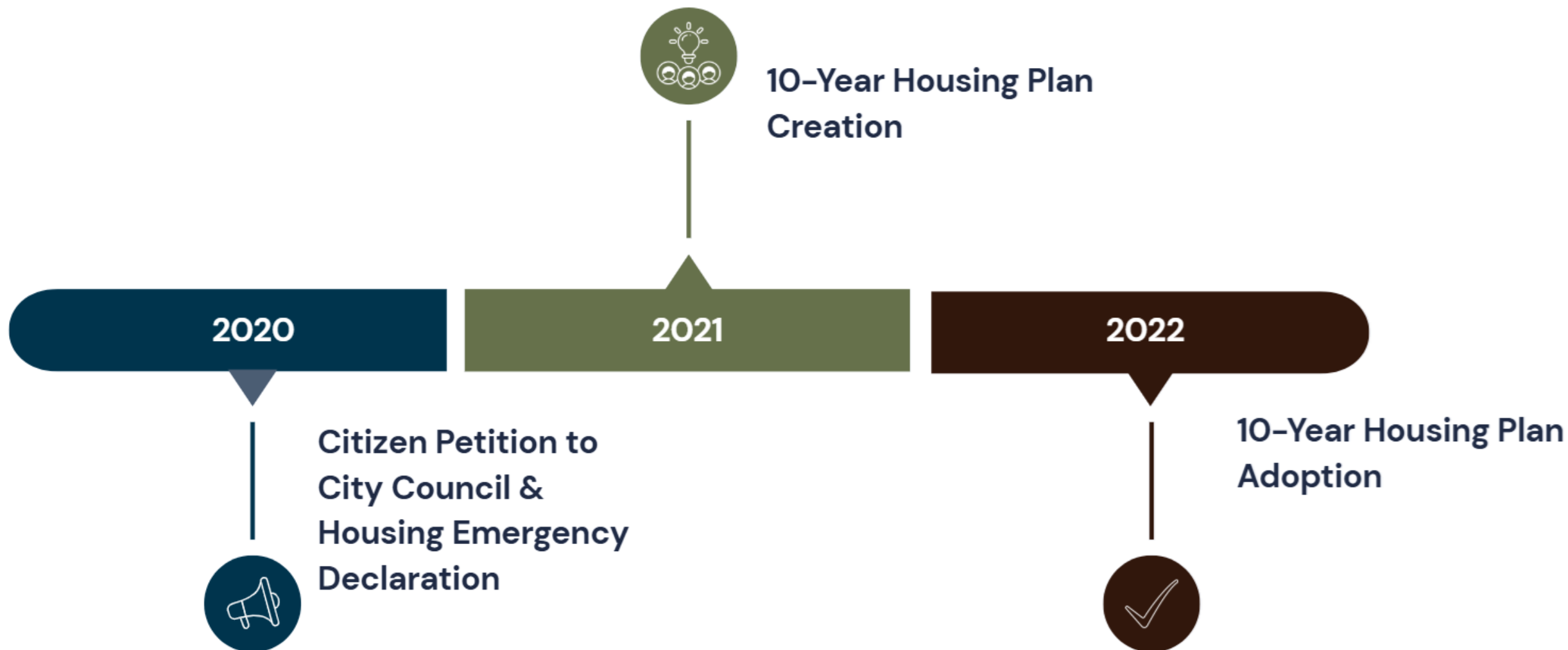


- 10-Year Housing Plan Timeline
- Flagstaff Housing Market Snapshot
- 2025-2026 Highlights
- Overarching Goal Progress
- Progress on Strategies
- Housing Resources, Community Efforts, and Collaboration
- Legislative & Regional Advocacy





10-Year Housing Plan Timeline





Flagstaff Housing Market Snapshot



Cost of Living

18.1%

above national avg

▼ down 3%

Average Time on Market

29 days

▼ down from
37 days

Housing Costs

50.4%

above national avg

▼ down 1%

Median Income

\$71,512

▲ up \$1,812

Homes Under \$500K

27.1%

▲ up 3%

Average Rent

\$2,300

▲ up \$131

Median Home Sale

\$701,000

▼ down 4%

2-BR Unit Rent

\$1,999

▼ down \$60



2025-2026 Highlights



1,255

residents
assisted



384

market rate units
created or preserved



408

affordable units
created or preserved



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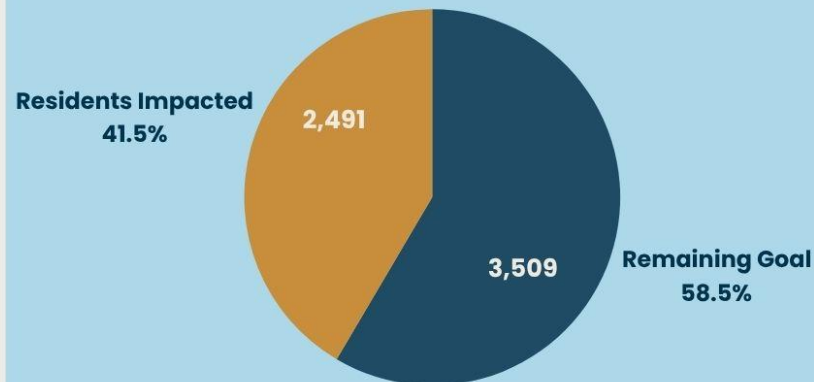
10-Year Housing Plan Progress

02/15/2022 to 06/30/2026

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

Element 1

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



Element 2

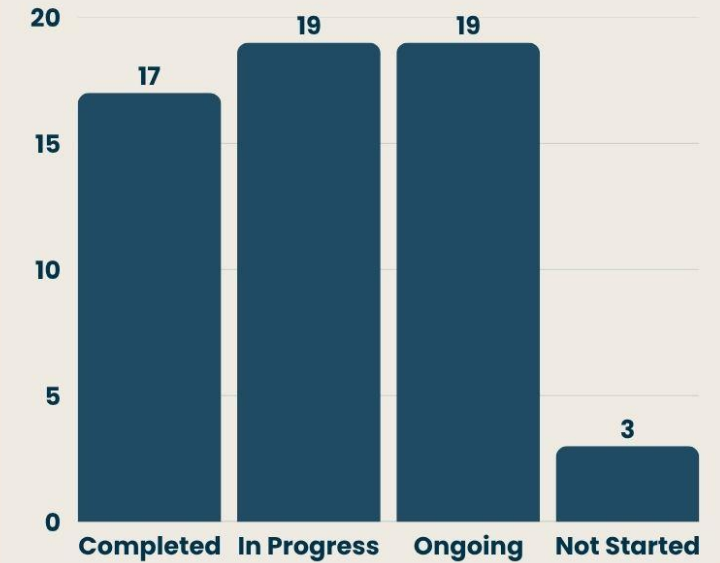
Create or preserve 7,976 housing units by 2031 with a minimum of 10% of them being affordable. This will increase the overall supply of market rate, workforce, and affordable housing occupied by local residents.



*284 additional affordable units are committed by a developer, but will not be counted until they're delivered

Strategy Progress

of 58 Comprehensive Strategies



Read the Housing Plan!



flagstaff.az.gov/4553/10-Year-Housing-Plan



Strategies Completed in FY25-26



Update Regional Plan policies to support higher-density affordable housing (Create 2.1)



Identify areas appropriate for increased residential density (Create 2.2)



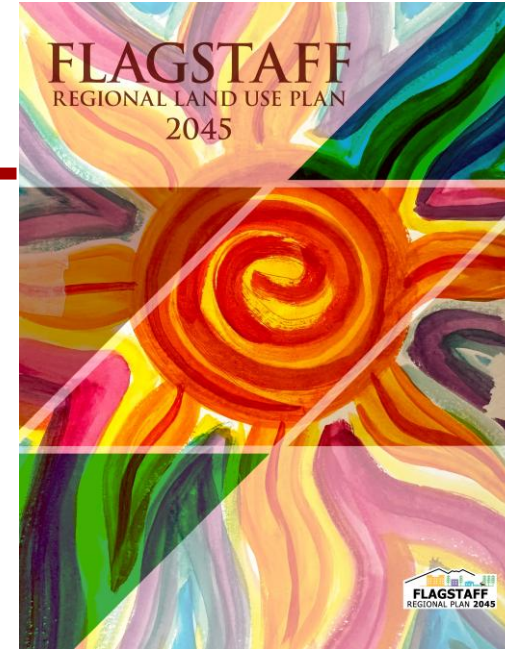
Revise Community Character policies to better support affordable housing, historic preservation, and urban design (Create 2.3)



Remove barriers to adaptive reuse for affordable housing (Preserve 1.2)



Continue refining ADU standards to increase housing supply (Create 4.7)



Browse the designs



The Cozy Cottage

- 620-805 square feet
- 1-2 bedrooms



Three Peaks

- 792 square feet
- 1 bedroom



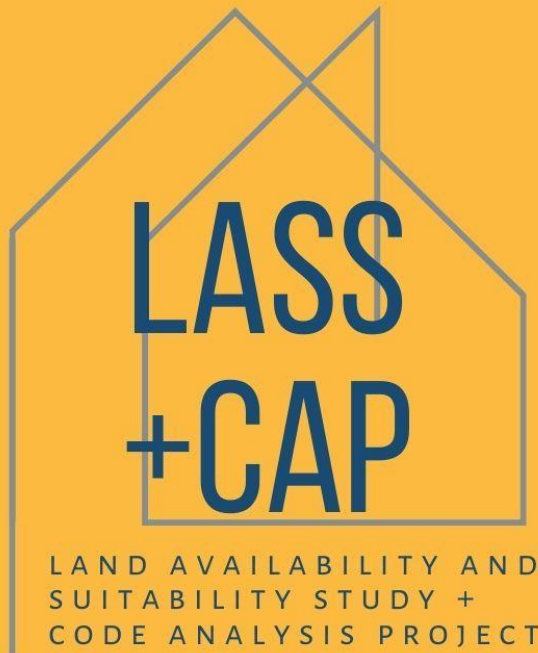
Green Gables

- 524 square feet
- 1 Bedroom



Project-Based Strategies In Progress

Incentive Policy for Affordable Housing (IPAH):



Update IPAH to include 10YHP goals
(Create 1.2)

Amend City code (Create 1.3)

Evaluate fee reductions and waivers
(Create 1.4)

Explore in-lieu options (Create 1.5)

Assess expedited review (Create 1.6)



Project-Based Strategies In Progress

Resource Protection Overlay (RPO) Standards:



Adjust for minimum densities on most sites (Create 4.5)



Ensure consistent standards & increase max densities (Create 4.6)



<https://www.flagstaff.az.gov/5139/Resource-Protection-Overlay-Tour>



Project-Based Strategies In Progress

Funding and Landlord Incentives



Create a land and unit acquisition fund
(Create 3.2)



Identify ongoing resources (Create 3.3)



Research incentives for inclusive landlord
participation (Protect 3.3)

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Project-Based Strategies In Progress

Development & Acquisition



Explore land trusts and partnerships for ownership (Create 1.8)



Explore cutting development costs and maintaining safety (Create 5.5)



Use City land for affordable housing (Create 5.9)



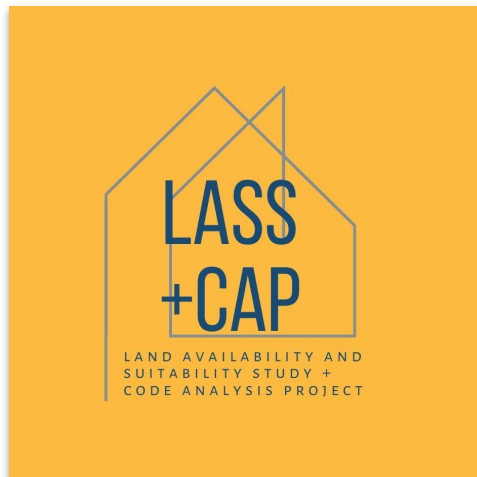
Acquire and rehab existing properties for affordable housing (Preserve 2.2)





Ongoing Strategies

Housing Production, Sustainability & Preservation



Enhance zoning code for density incentives (Create 1.1)



Explore incentives for Employer Assisted Housing (Create 1.7)



Construct and promote net zero (Create 5.7)



Explore tax credits for acquisition & rehab (Preserve 1.1)



Rehab ownership & rental homes (Preserve 2.1)



Ongoing Strategies

Community Connections, Equity, and Housing Stability

Support Coordinated Entry (Connect 1.3)

Evaluate policies & strategies through equity lens (Connect 2.1)

Support equity in community programs (Connect 2.2)

Educate on financing and housing opportunities (Connect 2.4)

Promote housing security as key to health (Connect 3.1)

Encourage healthy housing and neighborhoods (Connect 3.2)





Ongoing Strategies

Housing Preservation, Diversity & Outreach



Advocate for local control of vacation rentals (Protect 1.1)



Pursue policy changes for preservation, creation, and protection (Protect 1.2)



Encourage diverse housing types (Protect 2.2)



Educate and build support for affordable housing (Protect 2.4)





Housing Resources & Community Efforts



PROGRAM AREA	FY 2025–2026 HIGHLIGHTS
Affordable Homeownership Households Assisted	3
Community Homebuyer Assistance Program (CHAP) Families Assisted	20
City Employees Assisted	7
Housing Choice Vouchers Administered	579
Public Housing Units Operated	265
CDBG Funding Awarded	\$881,000
Adaptive Reuse Bond Units Supported	132
Rental Incentive Bond Units Committed	230



Collaboration

Northern Arizona Association of Realtors

- Housing America Month & Fair Housing Month

Northern Arizona University's (NAU) Community and University Public Inquiry (CUPI) Pod

- 10-Year Housing Plan Research x2 semesters

Local Coalition to End Homelessness (LCEH) – formerly CoC

- Preventing and ending homelessness

Coconino County Community Action Advisory Board (CAAB)

- Supports housing stability, poverty reduction, community services

Proposition 442 Partnerships

- Community Homebuyer Assistance Program, Rental Incentive Bond Program, Adaptive Reuse Bond Program, and Rental Assistance Demonstration (RAD) project



Legislative and Regional Advocacy

HB2804

- Introduced Rural Housing Tax Credit legislation; passed House; led statewide advocacy (signed by 32 mayors and county supervisors).

2026 State Priorities

- Affordable housing and local short-term rental authority.

2026 Federal Advocacy

- Increase housing funding, community-specific housing solutions, and affordable flood insurance.

Short-Term Rentals

- Updated City Code to align with state law and improve compliance.

CDBG & HOME

- Support for continued federal funding through congressional advocacy.



Want to see more data?



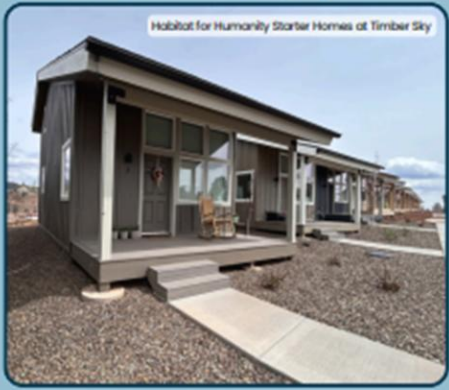
**FLAGSTAFF HOUSING DIVISION**
FY 2025–2026 ANNUAL REPORT



Ponderosa Parkway Condominiums



Housing Staff, City Manager Joane Kewens, and Housing Solutions CEO Devonne McLaughlin



Habitat for Humanity Starter Homes at Timber Sky

City of Flagstaff Housing Division
Reporting Period
July 1, 2025 – June 30, 2026
Released
July 2026



flagstaff.az.gov/DocumentCenter/View/95719



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2026
**FLAGSTAFF HOUSING DIVISION**

City of Flagstaff Housing Division DEVELOPMENT IMPACT REPORT

About

The City of Flagstaff has supported affordable housing development in the community through the Incentive Policy for Affordable Housing (IPAH), the Low Income Housing Tax Credit (LIHTC) program, the Community Development Block Grant (CDBG), and partnerships with nonprofit and private developers. Together, these tools expand housing supply, promote long-term affordability, and reserve a portion of new residential development for lower-income households.

What is LIHTC?

The Low-Income Housing Tax Credit (LIHTC) is the primary federal incentive for building affordable rental housing. It provides developers tax credits in exchange for keeping units affordable to low-income households for at least 15 years.

1,113
LIHTC units supported by City funding or incentives

What is IPAH?

The Incentive Policy for Affordable Housing, or IPAH, is a City of Flagstaff policy that incentivizes affordable housing through financial assistance and zoning flexibility, such as fee reductions, density bonuses, and parking reductions.

\$2M
IPAH funding invested since its adoption in 2009

What is CDBG?

The City of Flagstaff receives annual Community Development Block Grant (CDBG) funding from HUD to support affordable housing programs, public services, neighborhood improvements, and community development projects for low- and moderate-income residents (up to 80% AMI).

\$15.9M
CDBG funding invested since 2003

2026 Flagstaff Area Median Income (AMI) Limits

Household Size	30%	60%	80%	100%	125%
1	\$23,550	\$47,040	\$62,750	\$78,400	\$98,000
2	\$26,900	\$53,760	\$71,700	\$89,600	\$112,000
3	\$30,250	\$60,480	\$80,650	\$100,800	\$126,000
4	\$33,600	\$67,200	\$89,600	\$112,000	\$140,000
5	\$38,680	\$77,360	\$103,100	\$128,000	\$160,000

Impact Summary

Rental & Ownership Units Included

3,572	Housing units developed with an affordable housing requirement 1999–2026
1,722	Affordable units 1999–2026
1,850	Market rate units within affordable development 1999–2026
48.2%	Affordable 1999–2026
489	Units created through IPAH 2009–2026
\$4,145	Average IPAH investment per affordable unit 2009–2026
61.9%	Average Area Median Income (AMI) limit served 1999–2026
310	Affordable units committed or under construction

flagstaff.az.gov/DocumentCenter/View/95953

Thank you!



FLAGSTAFF HOUSING DIVISION

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