



**FLAGSTAFF  
HOUSING  
DIVISION**

# 2026-2027 Implementation Plan

FOR THE 10-YEAR HOUSING PLAN

SCAN ME



# 2026-2027 Implementation Plan

## Introduction

In response to a citizen petition and increasing demand for affordable housing, the Flagstaff City Council declared a Housing Emergency on December 1, 2020. The declaration prioritized providing safe, decent, and affordable housing for all Flagstaff residents within City operations and throughout the community.

Following this declaration, Council adopted the 10-Year Housing Plan on February 15, 2022. The Housing Plan was developed through extensive public engagement and outlines a goal to reduce Flagstaff's affordable housing need by half over ten years.

To achieve the goal, the Plan is guided by two key elements:

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

These elements are supported by 13 policy initiatives and 58 strategies, forming a comprehensive framework to increase housing supply, improve affordability, and expand housing opportunities for Flagstaff residents.

This document outlines the strategies prioritized for implementation during Fiscal Year 2026–2027. Progress will be tracked and reported through a corresponding annual report.

## Strategy Prioritization

The 10-Year Housing Plan is designed to be adaptable. It establishes a defined scope of work while allowing flexibility in how strategies are implemented. Many strategies are conceptual and require ongoing research, coordination, staff capacity, public input, and City Council consideration.

Each fiscal year, the Housing Division and strategy collaborators prioritize strategies based on feasibility, anticipated impact, and alignment with the current political and housing climate.

For fiscal year 2026-2027, the Housing Division will continue advancing strategies carried forward from previous years. No new strategies are being introduced during this period.

Strategies currently in progress were originally selected using the following criteria:

| CRITERIA   | DESCRIPTION  |
|--|--|
| <b>Dependent on Other Strategy Completion</b>                          | Determines if a strategy depends on another strategy's completion before it can be started or completed.     |
| <b>Time Commitment</b>   | Indicates the anticipated time necessary to achieve the strategy.  |
| <b>Public Engagement</b>   | Indicates the extent of public engagement required to achieve the strategy.                                  |
| <b>Requires Council Consideration</b>                                  | Indicates whether this strategy will require Flagstaff City Council approval for implementation.             |
| <b>Funding Required Over Staff Time</b>                                | Indicates if funding is necessary in addition to staff time.   |
| <b>Anticipated Timeline of Strategy Implementation from 02/15/2022</b> | Indicates the targeted timeline for implementing the strategy from February 15, 2022.                        |
| <b>City Division/Section Collaboration</b>                             | Indicates which City of Flagstaff divisions and/or sections are identified as collaborators on the strategy. |






Efforts during this fiscal year focus on advancing existing strategies that support housing production and preservation. Key focus areas include:

- Updating the Incentive Policy for Affordable Housing (IPAH) to implement recommendations from the Land Availability & Suitability Study and Code Analysis Project (LASS+CAP)
- Supporting updates to Resource Protection Overlay (RPO) standards to align environmental protections with achievable residential densities
- Integrating housing priorities into the Flagstaff Regional Plan 2045, pending voter ratification in May 2026
- Advancing the use of City-owned land for affordable and mixed-income housing
- Expanding financial tools, including identifying ongoing revenue sources and using bond funding
- Coordinating engineering, wildfire mitigation, and safety standards to support cost-effective housing development while maintaining safety requirements



## 2026-2027 Strategies

The strategies below are organized by focus area to improve clarity and demonstrate how related efforts work together to achieve broader outcomes. All listed strategies have been carried forward from previous implementation cycles.



The following strategies will be addressed through updates to the **Incentive Policy for Affordable Housing (IPAH)**:



| Strategy   | Dependent On Other Strategy | Completion | Time Commitment | Public Engagement | Requires Council Consideration | Funding Required Over Staff Time | Anticipated Timeline of Implementation from 2/15/2022 | City Division/Section Collaboration   | Status  | Status Comments   |
|--|-----------------------------|------------|-----------------|-------------------|--------------------------------|----------------------------------|---|---|---|---|
| Create 1.2: Update the City's affordable housing incentive policy to implement the goals and policies of the 10-Year Housing Plan.                                       | Yes - Create 5.1            |            | High            | High              | Yes                            | No                               | Short-Term (1-4 years)                                | Planning, Housing Section   |  In Progress   | A minor amendment to the policy was approved by City Council on May 20, 2025 to allow water and sewer fee reimbursements. A full update will follow completion of the LASS+CAP project. |
| Create 1.3: Amend the City code to implement the revised affordable housing incentive policy.  | Yes - Create 5.1            |            | High            | High              | Yes                            | No                               | Short-Term (1-4 years)                                | Zoning Code, Planning, Management Services, Housing Section                 |  In Progress   | The City code will be updated in conjunction with IPAH following the completion of the LASS+CAP.  |
| Create 1.4: Explore implementing reduced fees and waivers to incentivize the development of affordable housing.  | Yes - Create 5.1            |            | High            | High              | Yes                            | No                               | Short-Term (1-4 years)                                | Zoning Code, Planning, Management Services, Water Services, Housing Section |  In Progress   | This strategy will be explored with the IPAH rewrite.   |
| Create 1.5: Explore in-lieu alternatives to providing affordable housing units (i.e. down payment assistance program, donation of finished lots, in-lieu payment, etc.). | Yes - Create 5.1            |            | High            | High              | Yes                            | No                               | Short-Term (1-4 years)                                | Zoning Code, Management Services, Housing Section, Planning                 |  In Progress | This strategy will be explored with the IPAH rewrite.   |
| Create 1.6: Explore expedited review as an incentive to developments that provide affordable housing units.  | Yes - Create 5.1            |            | High            | Low               | Yes                            | No                               | Short-Term (1-4 years)                                | Zoning Code, Planning, Housing Section                                      |  In Progress | This strategy will be explored with the IPAH rewrite.   |

The following strategies will be implemented through updates to the **Resource Protection Overlay (RPO)** standards:



| Strategy  | Dependent On Other Strategy Completion | Time Commitment | Public Engagement | Requires Council Consideration | Funding Required Over Staff Time | Anticipated Timeline of Implementation from 2/15/2022 | City Division/Section Collaboration    | Status  | Status Comments   |
|---|--|-----------------|-------------------|--------------------------------|----------------------------------|---|--|---|---|
| Create 4.5: Evaluate and amend the Resource Protection Overlay standards to ensure that the minimum densities can be met on most sites, including making the requirements for residential sites to be similar to those for a commercial site. | Yes - Create 5.1                       | Medium          | Medium            | Yes                            | No                               | Long-Term (5-10 years)                                | Zoning Code, Planning, Housing Section |  In Progress | This strategy is currently in progress and will be fully implemented over time through several amendments.  |
| Create 4.6: Evaluate Resource Protection Overlay standards in terms of consistent application across each zone and allow for greater maximum densities.   | Yes - Create 5.1                       | Medium          | Medium            | Yes                            | No                               | Long-Term (5-10 years)                                | Zoning Code, Planning, Housing Section |  In Progress | A pilot program has been implemented. The first project added 120 units to a site previously limited to 192 (vs. 327 permitted), while preserving key resources and maintaining adequate fire separation. |

The following strategies are being addressed through the **Regional Plan** update:


| Strategy  | Dependent On Other Strategy Completion | Time Commitment | Public Engagement | Requires Council Consideration | Funding Required Over Staff Time | Anticipated Timeline of Implementation from 2/15/2022 | City Division/Section Collaboration | Status  | Status Comments   |
|---|--|-----------------|-------------------|--------------------------------|----------------------------------|---|-------------------------------------|---|---|
| Create 2.1: Update the Regional Plan policies to support increased density related to affordable housing. | Partially - Create 5.1                 | High            | High              | Yes                            | Yes                              | Short-Term  | Planning, Housing Section           |  In Progress | A Regional Plan update has been completed and adopted by City Council on October 9, 2025. A mail-in-only ballot has been scheduled for May 19, 2026, allowing voters to decide whether to ratify it. The proposed plan incorporates increased density and includes a wider variety of zoning categories to be in conformance with the Neighborhood land use categories. |
| Create 2.2: Identify suburban areas to support greater density and intensity of development.              | Partially - Create 5.1                 | High            | High              | Yes                            | Yes                              | Short-Term  | Planning, Housing Section           |  In Progress | A Regional Plan update has been completed and adopted by City Council on October 9, 2025. A mail-in-only ballot has been scheduled for May 19, 2026, allowing voters to decide whether to ratify it. The Plan supports increased density in most Suburban Neighborhoods.  |


| Strategy   | Dependent On Other Strategy Completion | Time Commitment | Public Engagement | Requires Council Consideration | Funding Required Over Staff Time | Anticipated Timeline of Implementation from 2/15/2022 | City Division/Section Collaboration | Status  | Status Comments  |
|--|--|-----------------|-------------------|--------------------------------|----------------------------------|---|-------------------------------------|---|--|
| Create 2.3: During the update of the Flagstaff Regional Plan, revise the Community Character chapter for goals and policies to include cost-saving methods that reduce the conflict between affordable housing, historic preservation, and urban design. | Partially – Create 5.1                 | High            | High              | Yes                            | Yes                              | Short-Term  | Planning, Housing Section           |  In Progress | A Regional Plan update has been completed and adopted by City Council on October 9, 2025. A mail-in-only ballot has been scheduled for May 19, 2026, allowing voters to decide whether to ratify it. The Community Character chapter was eliminated and incorporated as a set of Best Practices for Creating a Sense of Place. |
| Preserve 1.2: Review the Land Use Goals and Policies in the Regional Plan, Specific Plans, and City code to remove barriers to adaptive reuse for the creation of affordable housing.  | Partially - Create 5.1                 | High            | High              | Yes                            | Yes                              | Short-Term  | Planning, Housing Section           |  In Progress | A Regional Plan update has been completed and adopted by City Council on October 9, 2025. A mail-in-only ballot has been scheduled for May 19, 2026, allowing voters to decide whether to ratify it. “Attainable Housing and Equity” is a core priority of the proposed plan.  |

The following strategies will be implemented through the establishment of an **ongoing housing fund**:

| Strategy   | Dependent On Other Strategy Completion | Time Commitment | Public Engagement | Requires Council Consideration | Funding Required Over Staff Time | Anticipated Timeline of Implementation from 2/15/2022 | City Division/Section Collaboration   | Status  | Status Comments   |
|--|--|-----------------|-------------------|--------------------------------|----------------------------------|---|---------------------------------------|---|---|
| Create 3.2: Create a fund for the purpose of acquiring land/units for affordable housing in order to be able to respond to opportunities as they arise.  | Yes – Create 3.3                       | Low             | Low               | Yes                            | Yes                              | Short-Term (1-4 years)                                | Management Services, Housing Division |  In Progress | The Housing Division was awarded \$500,000 through the City’s FY 2024–2025 budget, which will be used as opportunities arise. The division is also exploring feasible, recurring revenue streams to establish an ongoing housing fund to support this strategy.   |
| Create 3.3: Identify ongoing resource opportunities for the purpose of assisting households experiencing homelessness, households at risk of becoming homeless, first-time homebuyers, and affordable housing targeted to these populations. | Partially - Create 3.1                 | Low             | Low               | Yes                            | Yes                              | Short-Term (1-4 years)                                | Management Services, Housing Division |  In Progress | Voters approved Proposition 442, a general obligation bond authorizing \$20 million to create rental and homeownership opportunities for Flagstaff residents. Of this, two programs totaling \$12 million were designed to act as revolving loan funds over time. Housing staff have explored additional pathways to achieve this strategy and are prepared to share findings with Council. |


**Development and acquisition strategies:**

| Strategy   | Dependent On Other Strategy Completion | Time Commitment | Public Engagement | Requires Council Consideration | Funding Required Over Staff Time | Anticipated Timeline of Implementation from 2/15/2022 | City Division/Section Collaboration  | Status  | Status Comments  |
|--|--|-----------------|-------------------|--------------------------------|----------------------------------|---|--------------------------------------|---|--|
| Create 1.8: Explore the use of the community land trust model and public/private partnerships to incentivize the development of ownership units that are priced significantly below market rate. | No                                     | Medium          | Low               | Yes                            | No                               | Short-Term (1-4 years)                                | Real Estate Section, Housing Section |  In Progress | In fall 2025, the Housing Division presented an analysis of City-owned parcels suitable for housing and received direction from City Council to begin soliciting development proposals for those sites through a competitive procurement process. Staff may consider using the community land trust model in future solicitations. |

| Strategy   | Dependent On Other Strategy Completion | Time Commitment | Public Engagement | Requires Council Consideration | Funding Required Over Staff Time | Anticipated Timeline of Implementation from 2/15/2022 | City Division/Section Collaboration  | Status  | Status Comments   |
|--|--|-----------------|-------------------|--------------------------------|----------------------------------|---|--|---|---|
| Create 5.5: Explore alternative Engineering and Fire requirements to minimize the cost of development without compromising Fire and Life Safety. | Partially - Create 5.1                 | High            | Low               | Yes                            | No                               | Long-Term (5-10 years)                                | Building Safety, Engineering & Capital Improvements, Planning, Flagstaff Police Department, Flagstaff Fire Department, Water Services, Housing Section |  In Progress | Staff is developing recommendations for City code and standards updates based on the best available wildfire risk-reduction science. Wildland Fire Management staff is focused on updating the International Wildland Urban Interface Code, as well as resource protection and landscaping standards. In 2025, a Resource Protection Pilot Project was approved by City Council, allowing staff and developers to better align tree retention with the development planning process and the use of LiDAR imagery. Flagstaff continues to work with the Headwaters Economics Community Planning Assistance for Wildfire team to receive technical assistance on land-use planning. Wildfire-adapted building codes and construction practices are well aligned with energy-efficiency and insurance-cost mitigation. |

| Strategy  | Dependent On Other Strategy Completion | Time Commitment | Public Engagement | Requires Council Consideration | Funding Required Over Staff Time | Anticipated Timeline of Implementation from 2/15/2022 | City Division/Section Collaboration                        | Status  | Status Comments   |
|---|--|-----------------|-------------------|--------------------------------|----------------------------------|---|--|---|---|
| Create 5.9: Prioritize the development of City of Flagstaff owned land designated for affordable housing and evaluate other City-owned parcels for affordable and mixed-income housing. | Yes - Create 5.1                       | High            | High              | Yes                            | Yes                              | Long-Term (5-10 years)                                | Housing Division, Real Estate                              |  In Progress | An inventory of City-owned land was completed as part of the LASS within the LASS+CAP. Staff presented the findings to City Council in the fall 2025, and Council directed staff to solicit development proposals for these sites through a competitive process. Competitive procurements for three sites are currently underway. |
| Preserve 2.2: Acquire and rehabilitate already built properties for affordable housing projects when financially feasible.  | Yes - Create 3.1                       | High            | Low               | Yes                            | Yes                              | Long-Term (5-10 years)                                | Real Estate Section, Management Services, Housing Division |  In Progress | This strategy depends on collaboration with private development partners as opportunities arise.  |

**Landlord incentives strategy:**

| Strategy  | Dependent On Other Strategy Completion | Time Commitment | Public Engagement | Requires Council Consideration | Funding Required Over Staff Time | Anticipated Timeline of Implementation from 2/15/2022 | City Division/Section Collaboration   | Status  | Status Comments  |
|---|--|-----------------|-------------------|--------------------------------|----------------------------------|---|---------------------------------------|---|--|
| Protect 3.3: Research ways to provide incentives to landlords who rent to those with any housing voucher or housing barriers, such as poor credit, criminal history, etc. | No                                     | Medium          | Medium            | Yes                            | No                               | Short-Term (1-4 years)                                | Management Services, Housing Division |  In Progress | This strategy is in progress through the City of Flagstaff Housing Authority. Staff will lead community education efforts during Housing America Month 2026, focusing on reducing stigma around housing vouchers and engaging landlords. Staff will also explore creating a property management stakeholder group to inform strategies to expand rental opportunities for individuals with poor credit, criminal histories, or other barriers. |

## Ongoing Strategies

In addition to project-based work, the Housing Division continues to advance a set of ongoing strategies that support long-term system change. These efforts do not have fixed timelines but are essential to achieving the Plan's goals.

### *Strategies related to **housing production & incentives:***

- ▶ Create 1.1: Ensure that modifications to the zoning code improve and maintain the effectiveness of the density incentives for affordable housing.
- ▶ Create 1.7: Explore ways to incentivize employers to offer Employer Assisted Housing (EAH) programs.
- ▶ Create 5.7: Construct and promote net zero or Net Zero Ready affordable housing when funding is available and encourage private developers to do the same.

### *Strategies related to **housing access, coordination & equity in systems:***

- ▶ Connect 1.3: Continue to support and develop Coordinated Entry as a meaningful process that provides linkages to healthcare, behavioral health, and housing.
- ▶ Connect 2.1: Evaluate housing policies and strategies in City of Flagstaff planning documents through an equity lens.
- ▶ Connect 2.2: Encourage community organizations such as the local Continuum of Care to continue to integrate equity into programs and policies.
- ▶ Connect 2.4: Utilize City of Flagstaff resources to educate the community about financing and housing opportunities with an emphasis on assisting low- to moderate-income households to advance through the housing continuum and to address past racial disparities.
- ▶ Connect 3.1: Raise awareness of housing security as a social determinant of health.
- ▶ Connect 3.2: Encourage neighborhoods, housing types, and building practices that increase health.

### *Strategies related to **preservation, rehabilitation & housing stability:***

- ▶ Preserve 1.1: Explore the use of Low-Income Housing Tax Credit in conjunction with Historic Preservation Tax Credit for the acquisition and rehabilitation of affordable housing where appropriate.
- ▶ Preserve 2.1: Continue homeownership rehabilitation programs and create an affordable rental rehabilitation program with a focus on establishing safe, decent, and sustainable housing.

### *Strategies related to **policy, advocacy & housing protection:***

- ▶ Protect 1.1: Advocate to the State of Arizona to allow greater local control of vacation rentals and second homes.
- ▶ Protect 1.2: Pursue local and legislative changes that increase the preservation, creation, and protection of affordable housing as necessary.
- ▶ Protect 2.2: Encourage diversity of housing options in all neighborhoods, understanding that exclusive communities are incompatible with the City of Flagstaff's mission to protect and enhance the quality of life for all.

- ▶ **Protect 2.4:** Implement a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community, create a groundswell of support for affordable housing, and combat community opposition to housing and affordable housing.

## Conclusion

The fiscal year 2026–2027 Implementation Plan focuses on advancing existing strategies identified in the 10-Year Housing Plan. Efforts during this period focus on policy updates, regulatory alignment, and the development of tools to support housing production and preservation.

Key activities include updates to the Incentive Policy for Affordable Housing, revisions to Resource Protection Overlay standards, implementation of the Regional Plan update, and continued use of City-owned land for housing development. The Housing Division will also continue to expand financial tools and coordinate across departments.

These efforts aim to reduce regulatory barriers, improve development feasibility, and align City processes with housing goals, supporting ongoing housing production and preservation.

Implementation will require coordination among City staff, City Council, partner agencies, and community stakeholders. The Housing Division will continue to track progress and provide updates through an annual report following the close of the fiscal year to maintain transparency and keep the community informed.