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# Housing Element Background - (Packet 1)

To: CAC Members and Alternates  
From: Staff  
Date: September 7, 2011  
Re: Housing Element

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## **Assignment:**

Please read “Housing Element Background – (Packet 1)”

- Identifying the state statute requirements;
- Background information/trends/data;
- Element relationships;
- Listing existing goals/policies with Staff critique

**State Statutes:** The applicable AZ state statutes frame the requirements the Regional Plan shall address.

## **Housing Element:**

A.R.S. 9-461.05.E.6: A housing element consisting of standards and programs for:

- The elimination of substandard dwelling conditions for the improvement of housing quality, variety and affordability, and for provision of adequate sites for housing.
- This element shall contain an identification and analysis of existing and forecasted housing needs.
- This element shall be designed to make equal provision for the housing needs of all segments of the community regardless of race, color, creed or economic level.

**Background Information and Trends:** *This is an informational presentation to CAC, introducing the element and Regional trends, in the way of numbers, maps, graphs, and/or expert presentations; including community experts’ information, report summaries.*

The text of each element contains background information, current conditions, and trends.

## Glossary of Terms:

**Accessory Dwelling Unit (ADU):** A subordinate living unit added to, created within, or detached from a single-family dwelling that provides basic requirements for independent living, sleeping, eating, cooking, and sanitation.

**Affordability:** The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered 'cost burdened' and may have difficulty affording necessities such as food, clothing, transportation and medical care (Source: HUD).

**AMI (Area Median Income):** Area Median Income is a number set by the United States Department of Housing and Urban Development based on a variety of factors and representing wages and earnings in the community. Area Median Income is relative to family size and community dynamics (Source: Flagstaff Community Housing Policy Taskforce).

**Cost Burden:** Percentage of household income spent for mortgage costs or gross rent. According to HUD programs, households spending more than 30-35 percent of income for these housing costs are considered to be "cost-burdened." Households spending more than 50 percent are considered to be "severely cost-burdened." Housing is generally considered to be affordable if the household pays less than 30-35 percent of income.

**Dilapidated or Substandard Housing:** A housing unit that does not provide safe and adequate shelter, and in its present condition endangers the health, safety or well-being of the occupants. Such a housing unit shall have one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. Such defects may involve original construction, or they may result from continued neglect or lack of repair or from serious damage to the structure.

**Extent of Housing Overcrowding:** A housing unit with 1.01 or more persons per room (Source: huduser.org).

**Fair Housing Act:** Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability) (Source: HUD).

**Fair Market Rent:** Generally, a term in real estate that indicates the amount of money that a given property would command, if it were open for leasing at the moment. Fair market rent is an important concept both in HUD's ability to determine how much of the rent is covered by the government for those tenants who are part of Section 8, as well as by other governmental institutions. A detailed definition, as provided by HUD, may be found at the following link:

<http://www.huduser.org/periodicals/ushmc/winter98/summary-2.html>

**Homeless:** According to HUD,

1. An individual who lacks a fixed, regular, and adequate nighttime residence; and

2. An individual who has a primary nighttime residence that is:
  - a. A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
  - b. An institution that provides a temporary residence for individuals intended to be institutionalized; or
  - c. A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

**Household:** A household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other persons in the structure and there is direct access from the outside or through a common hall.

**HUD:** United States Department of Housing and Urban Development

**Median Income:** Median income is the amount which divides the income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The medians for households, families, and unrelated individuals are based on all households, families, and unrelated individuals, respectively. The medians for people are based on people 15 years old and over with income.

**Not-for-Profit Organization:** An organization that does not distribute its surplus funds to owners or shareholders, but instead uses them to help pursue its goals.

**Protected Classes:** The Fair Housing Act, which is the federal law governing housing discrimination, includes the following seven protected classes: race, color, religion, national origin, sex, disability, and familial status.

**Public/Private Partnership:** Generally, a public/private partnership describes a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies.

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

**Second Home:** A residence that is not one's principal residence.

**Special Populations (non-homeless)** – as defined by HUD and City of Flagstaff (Source: City of Flagstaff HUD Consolidated Plan):

- Persons age 65 and older
- Persons with severe mental illness
- Persons with developmental disabilities
- Persons with physical disabilities
- Persons with alcohol/other drug addictions

- Persons with HIV/AIDS and their families
- Poverty-level households and public housing residents
- Victims of domestic violence

**SRO (Single Room Occupancy):** A structure that provides living units that have separate sleeping areas and some combination of shared bath or toilet facilities. The structure may or may not have separate or shared cooking facilities for the residents. Single room occupancy includes structures sometimes called residential hotels and rooming houses.

**Supportive Housing Program:** The Supportive Housing Program is designed to develop supportive housing and services that will allow homeless persons to live as independently as possible.

**Transitional Housing:** A project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children.

**Workforce Housing:** Workforce housing, as targeted by the policy recommendations being advocated by the Community Housing Policy Task Force, is housing that is affordable to residents, or potential residents, who earn up to 150% of the Area Median Income for their family size, when they are spending no more than 35% of their gross income on housing (Flagstaff Community Housing Policy Taskforce).

**Introduction**

The following information provides an overview of housing trends and conditions in the Flagstaff region, in addition to the various factors which influence housing characteristics in the area. Factors affecting the affordability of housing that are unique to the Flagstaff region include the NAU student population and a high second homeownership rate. These influences, along with population increase, economic conditions and other variables, will continue to impact housing affordability in the region. A summary of public comments from the Regional Plan “Housing” Open House, a SWOT analysis summarizing comments from the Housing Focus Group and a list of existing, local housing programs is also provided. Following this information is an analysis of existing goals and policies from the current Regional Plan, including recommendations as to how these goals and policies might be revised to more effectively address our housing needs now, and into the future.

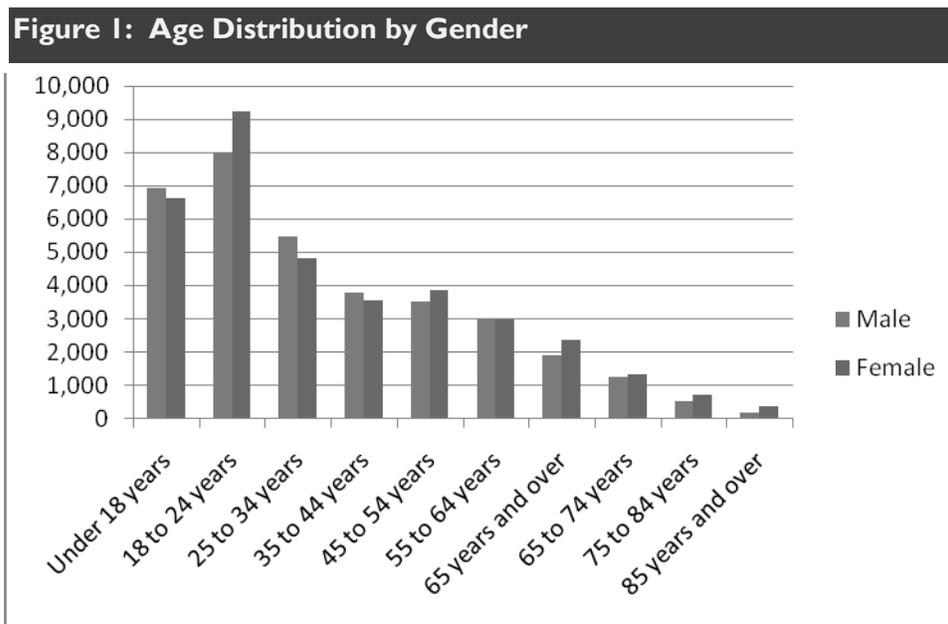
**A. Population Trends**

1. The following table provides population change data for Flagstaff, Coconino County, the State of Arizona and the United States between 2000 and 2010:

| <b>Table I: Population Projection by Area</b> |                          |                |                                |                |                   |                |                         |                |             |                |
|---|--------------------------|----------------|--------------------------------|----------------|-------------------|----------------|-------------------------|----------------|-------------|----------------|
| <b>Year</b>                                   | <b>City of Flagstaff</b> | <b>% Chng.</b> | <b>Coconino Cnty w/in FMPO</b> | <b>% Chng.</b> | <b>FMPO Total</b> | <b>% Chng.</b> | <b>State of Arizona</b> | <b>% Chng.</b> | <b>U.S.</b> | <b>% Chng.</b> |
| <b>2000</b>                                   | 52,894                   |                | 14,709                         |                | 67,603            |                | 5,130,607               |                | 281,424,602 |                |
| <b>2010</b>                                   | 65,870                   | 24.5%          | 22,528                         | 53.2%          | 88,398            | 23.52%         | 6,392,017               | 24.6%          | 308,745,538 | 9.7%           |
| <b>2020</b>                                   | 77,500                   | 17.7%          | 26,350                         | 17.0%          | 103,850           | 14.88%         | NA                      | NA             | NA          | NA             |
| <b>2030</b>                                   | 87,000                   | 12.3%          | 29,600                         | 12.3%          | 116,600           | 10.93%         | NA                      | NA             | NA          | NA             |
| <b>2050</b>                                   | 106,000                  | 21.8%          | 36,000                         | 21.6%          | 142,000           | 17.89%         | NA                      | NA             | NA          | NA             |

Source: Rural Policy Institute

2. The following graph (Figure 1) shows age distribution by male/female in Flagstaff as of the 2010 Census.



Data Source: U.S. Census Bureau, American FactFinder 2010

- a. The 65 and over age group may indicate a need for assisted living options, additional age-related services (including maintenance, repair, and home services) and need for additional first-floor design options.
- b. The population of the 18 to 24 year age group may indicate a need for college student rental housing.
- c. Northern Arizona University's spring (2011) enrollment continued its steady climb, setting a new record in spring enrollment with a 4.4 percent increase over last year. Last fall, NAU reached an all-time high enrollment of 25,204 students university-wide, with a record 17,529 students attending the Flagstaff campus (nau.edu). As indicated in Tables 2 and 3 below, the projection for increased/continued growth of the NAU Flagstaff student population will add increasing demand for housing units and student housing in Flagstaff. This may further impact cost of housing, congestion, roads and other infrastructure.

**Table 2: Northern Arizona University Population Projection**

| Year | Total Enrollment | % Change | Flagstaff NAU Campus | % Change | Campus Pop. as % of City Pop. |
|------|------------------|----------|----------------------|----------|-------------------------------|
| 2000 | 19,964           |          | 14,495               |          |                               |
| 2010 | 25,204           | 20.79%   | 17,529               | 17.31%   | 26.6%                         |
| 2020 | 34,000           | 25.87%   | 25,000               | 29.88%   | 32.3%                         |
| 2030 | 36,000           | 5.56%    | 25,000               | 0.00%    | 28.7%                         |
| 2050 | 41,000           | 12.20%   | 25,000               | 0.00%    | 23.6%                         |

Source: (<http://jackcentral.com/news/2010/11/nau-enrollment-campus-plans-for-rapid-growth>) The Board of Regents has indicated the Flagstaff campus enrollment to be 25,000 in the year 2020. Due to development constraints, the Flagstaff NAU population projections do not rise above this amount. Total enrollment includes satellite campus growth, which is projected at the same rate as the Flagstaff campus, 2010-2020 (1.92%).

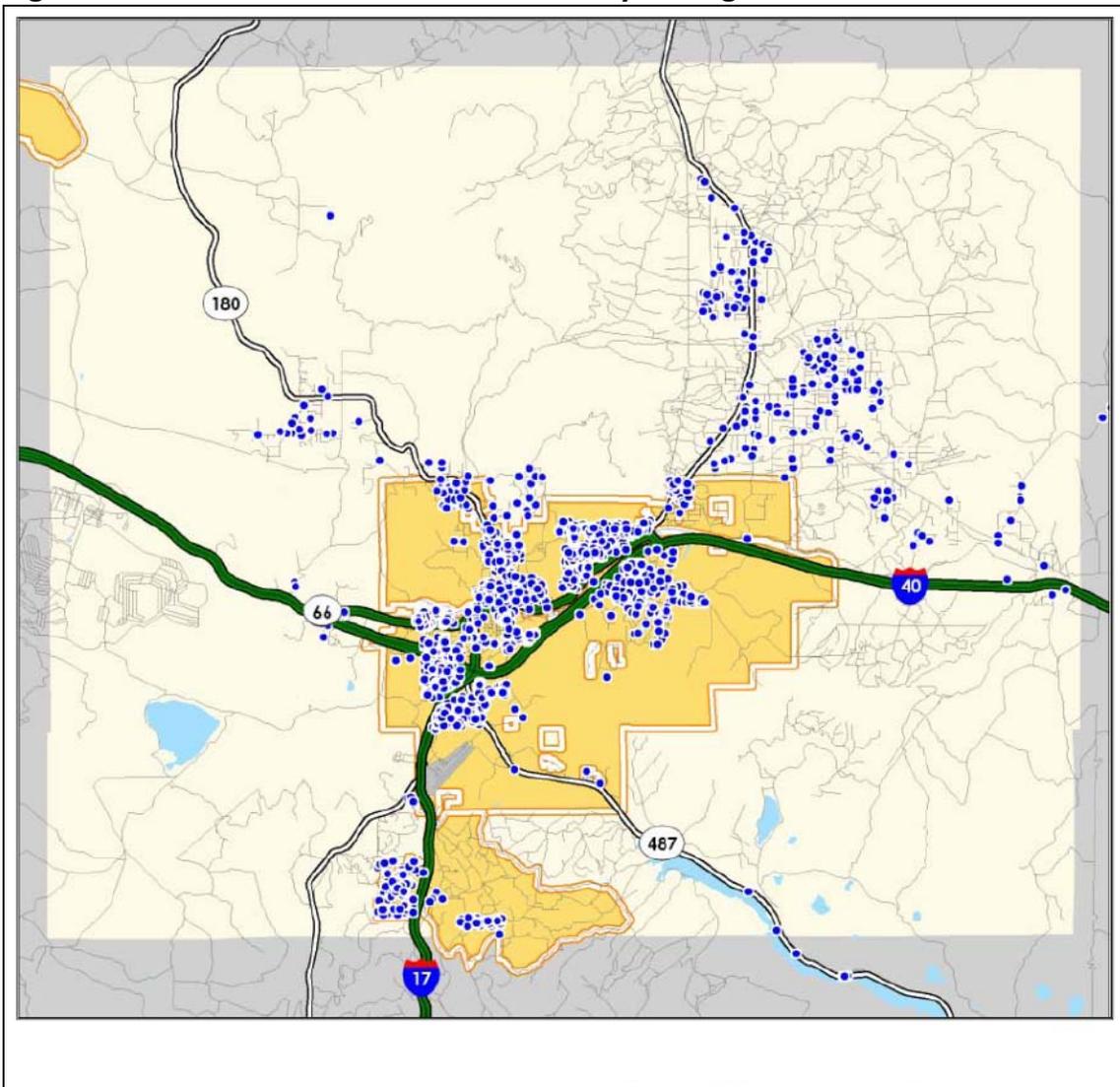
**Table 3: Residential Units & NAU Beds**

| Residential Units |                                |          |                         |          |            |          | NAU Housing Units (# of beds) |           |          |
|-------------------|--------------------------------|----------|-------------------------|----------|------------|----------|-------------------------------|-----------|----------|
| YEAR              | City of Flagstaff <sup>1</sup> | % Change | Coconino Cnty w/in FMPO | % Change | FMPO Total | % Change | YEAR                          | Bed Count | % Change |
| 2000              | 18,136                         |          | 13,064                  |          | 34,460     |          | 2000                          |           |          |
| 2010              | 26,162                         | 44.3%    | 14,475                  | 10.8%    | 36,875     | 6.5%     | 2010                          | 7,250     |          |
| 2020              | 27,336                         | 4.5%     | 15,779                  | 9.0%     | 38,615     | 4.5%     | 2020                          | 8,350     | 13.2%    |
| 2030              | 31,836                         | 16.5%    | 18,494                  | 17.2%    | 45,830     | 15.7%    | 2030                          | 9,105     | 8.3%     |
| 2050              | 40,836                         | 28.3%    | 21,209                  | 14.7%    | 53,043     | 13.6%    | 2050                          |           |          |

<sup>1</sup> Residential housing units do not include NAU campus housing units, such as dorm/campus housing.  
Source: NAU Planning & Institutional Research

- 3. The following map (Figure 2) shows a wide distribution of college students throughout the region. Although the distribution of students is broad and varied, it is assumed that the majority of college students will prefer to select housing within close proximity to the NAU campus.

Figure 2: Where NAU Students Reside Locally During the School Year

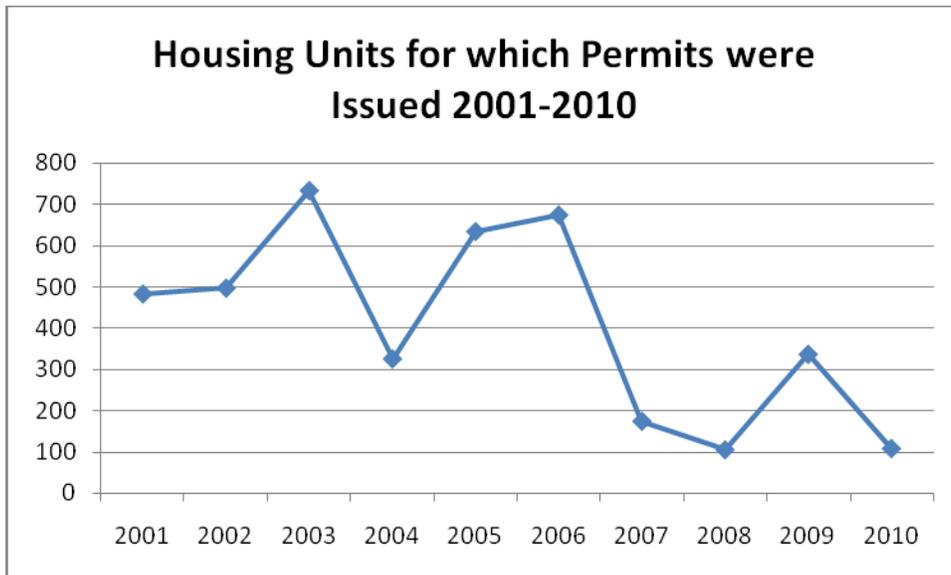


Source: Buxton, "Strategic Household Assessment, Flagstaff, AZ, FMPO Boundary 2010"

**B. Permit Trends**

1. The following graph (Figure 3) shows the total number of housing units for which permits were issued in Flagstaff between 2001 and 2010.

**Figure 3: Housing Units for which Permits were Issued (2001-2010)**



Source: City of Flagstaff

2. In general, the housing market moves roughly in line with the rest of the economy over the long term. During the economic and housing boom from 2001 to 2006, the City issued an average of 558 residential permits annually. With the economic downturn, residential permitting declined to an average of 182 units per year from 2007 through 2010. Multi-family permitting bolstered development in 2009 and 2010, with 306 units permitted in 2009 and 56 units in 2010. Permits have been issued for 29 housing units between January 2011 and July 2011.

**3. Second Homes**

- a. The following excerpts are from the article “*Flagstaff Second Homes Nearly Double*”: *Arizona Daily Sun, May 12, 2011*, and provide a snapshot of new housing and the second home market in Flagstaff based upon 2010 Census data.

“Flagstaff wasn’t lacking for new housing in the past decade -- new units were up 23 percent. But it was the second-home market that saw the greatest growth, surging 93 percent. New census data shows that as Flagstaff grew over the last decade, developers tried to keep up with housing demand on both fronts. More than 4,800 homes and apartments were built in the last decade according to the latest count, bringing the total number of homes inside the Flagstaff city limits to 26,254 - up nearly 23 percent. Flagstaff saw a population surge during the same period, growing by 12,976 people, or roughly 25 percent, to 65,870. The number of second homes identified in the census data nearly doubled during the same period to nearly 1,900. The percentage of occupied units fell over the last decade by 3 percent.”

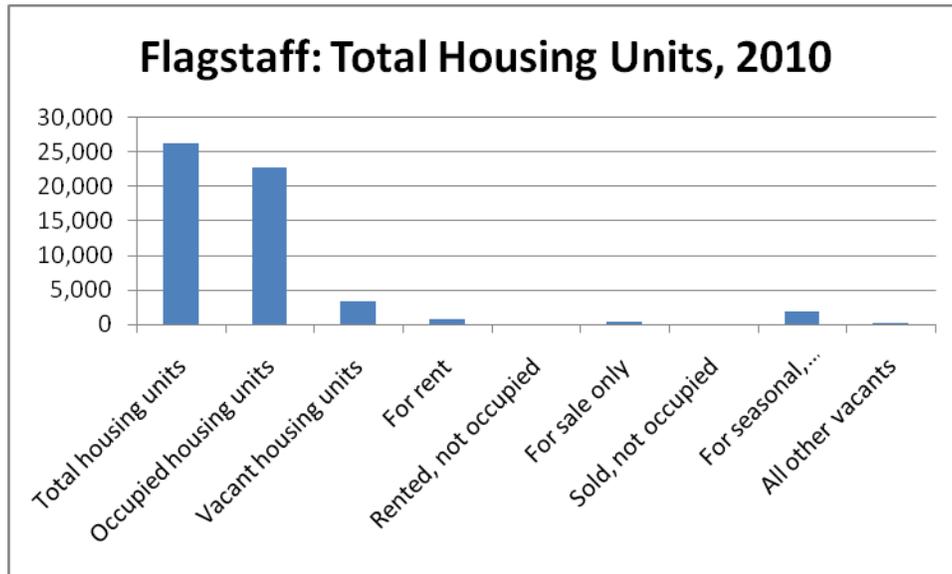
Table 4 provides housing data from 2000 to 2010 that was included with this article.

|                         | <b>2000</b> | <b>2010</b>  | <b>% Change</b> |
|-------------------------|-------------|--------------|-----------------|
| Total housing units     | 21,396      | 26,254       | +22.7%          |
| Occupied housing        | 19,306      | 22,836       | +18.3%          |
| Vacant housing          | 2,090       | 3,418        | +63.5%          |
| <b>Second homes</b>     | <b>977</b>  | <b>1,892</b> | <b>+93.7%</b>   |
| Owner-occupied housing  | 9,304       | 10,842       | +16.5%          |
| Renter-occupied housing | 10,002      | 11,994       | +16.5%          |

Source: "Flagstaff Second Homes Nearly Double": Arizona Daily Sun, May 12, 2011

- b. According to the *Housing and Community Sustainability Nexus Study* (February 14, 2008), it was estimated that second homes make up approximately 16 percent of the total housing stock in Flagstaff. The graph shown in Figure 4 depicts the total number and type of housing units in Flagstaff according to 2010 Census data.

**Figure 4: Total Housing Units by Type**



Data Source: U.S. Census Bureau, American FactFinder 2010

- c. The impacts of seasonal and recreational units are significant. The average household income of second homeowners in the City of Flagstaff is \$280,000 per year compared to an average of \$59,350 for the year-round population. Given the higher income of seasonal occupants, it follows that demand from second home owners has played a significant role in housing market. (City of Flagstaff 2011 Analysis of Impediments to Fair Housing Choice)
4. Population per Dwelling Unit Trend:  
As shown in Table 5, the number of people per household appears to be decreasing or has stabilized over the time period shown.

**Table 5: Population and Household Trends and Projections**

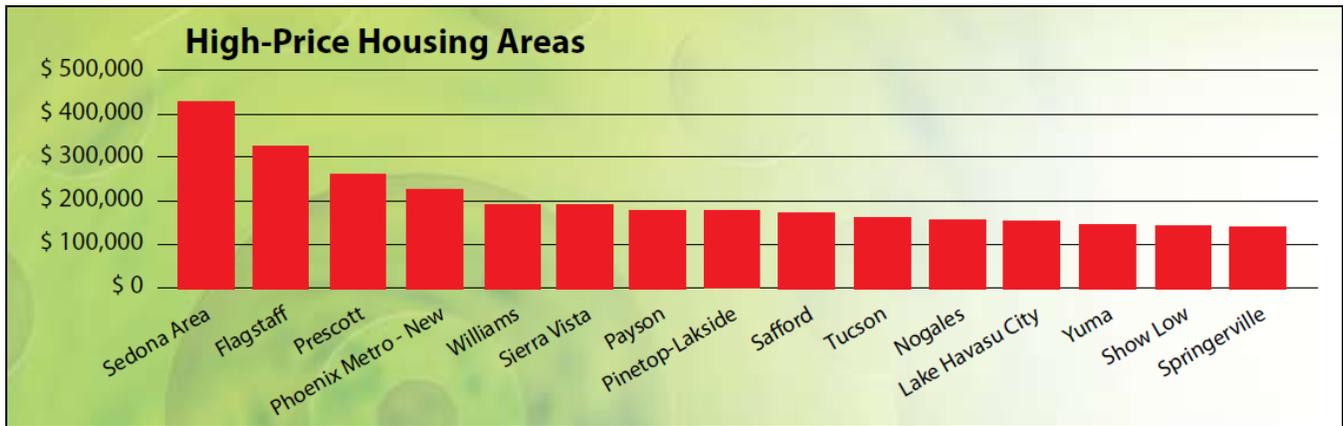
| 1990 <sup>1</sup> |            |                   | 2000 <sup>2</sup> |            |                   | 2010 <sup>3</sup> |            |                   | 2020 Projected <sup>4</sup> |            |                   |
|-------------------|------------|-------------------|-------------------|------------|-------------------|-------------------|------------|-------------------|-----------------------------|------------|-------------------|
| Pop.              | Households | People/ Household | Pop.              | Households | People/ Household | Pop.              | Households | People/ Household | Pop.                        | Households | People/ Household |
| 45,857            | 14,394     | 3.18              | 53,137            | 19,355     | 2.74              | 65,870            | 22,836     | 2.88              | 76,500                      | 27,336     | 2.79              |

<sup>1</sup>1990 US Census; <sup>2</sup> Census 2000; <sup>3</sup> Census 2010; <sup>4</sup> Rural Planning Institute

**C. Housing Costs**

1. The cost of housing in Flagstaff is approximately 49 percent higher than the national average (source: Flagstaff Chamber of Commerce; newsletter December 2010). Cost of housing is also a consideration for economic development and attracting qualified labor. Figure 5, below, shows a housing cost comparison between Arizona cities. Note that Flagstaff is only second to the Sedona area in terms of housing price.

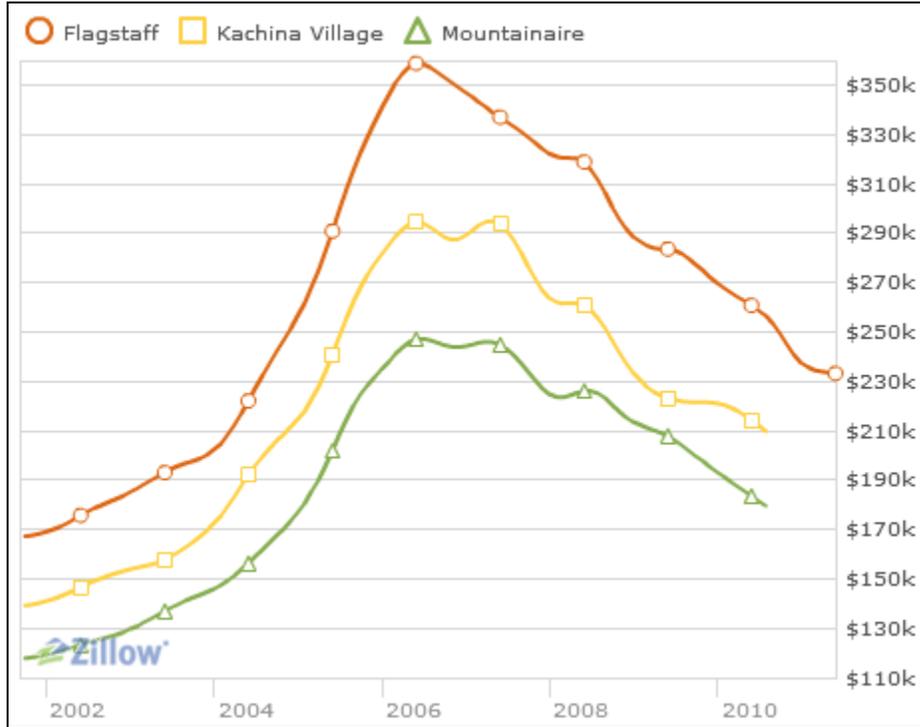
**Figure 5: Housing Cost Comparison among Arizona Cities**



Source: Arizona Department of Housing, "2009: Arizona's Housing Market ...a glance."

2. Figure 6, below, provides home price trends in the Flagstaff region over the past 10 years. As shown, the median home price in Flagstaff peaked at approximately \$359,000 in June, 2006, and has since declined to approximately \$233,200 as of June, 2011. This represents a 35% decline in median home value since 2006.

**Figure 6: Flagstaff Home Prices**



Source: Zillow Home Value Index, www.zillow.com

- The Flagstaff Chamber of Commerce gathers pricing information for a cost-of-living report which is then compiled by the Council for Community and Economic Research (C2ER). According to the latest version of the report, the 2010 Annual Average Data, the Flagstaff composite cost of living index was 114.8, or 14.8% higher than the national average. The composite index reflects pricing in six categories: housing, groceries, utilities, transportation, health care and miscellaneous goods and services. As shown in Table 6, below, housing is the main factor influencing the higher cost of living in Flagstaff, and further demonstrates the need for affordable housing policies and programs. Each category is weighed differently:

| <b>Composite Index</b> | <b>Housing<br/>29.27% of<br/>Composite</b> | <b>Groceries<br/>13.31% of<br/>Composite</b> | <b>Utilities<br/>10.22% of<br/>Composite</b> | <b>Transportation<br/>9.86% of<br/>Composite</b> | <b>Health<br/>Care<br/>4.23% of<br/>Composite</b> | <b>Misc.<br/>33.11% of<br/>Composite</b> |
|------------------------|--|--|--|--|---|--|
| 114.8                  | 148.9                                      | 106.6  | 92.7   | 109.0  | 105.6   | 99.8                                     |

Source: Flagstaff Chamber of Commerce

- Home Price to Income Trend:  
An interesting trend over the past decade is the growing disparity of income to housing price. Note in Figure 7 the increasing trend then big jump in 2005, the beginning of the housing bubble and relaxed lending.

**Figure 7: Home Price to Income Trend**

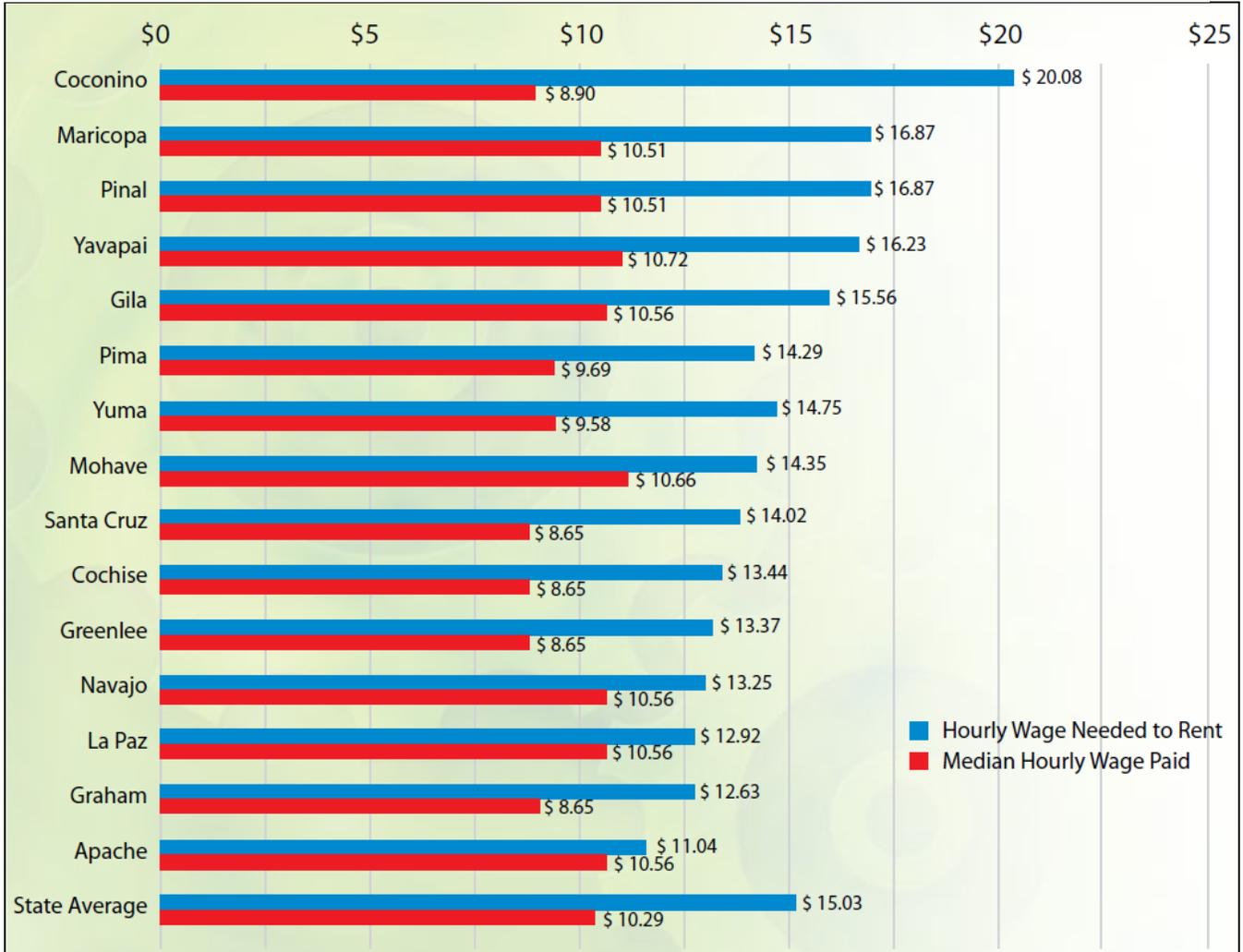


(Arizona Department of Housing, "2009: Arizona's Housing Market ...a glance.")

**D. Rental Affordability**

- a. Despite the emphasis on homeownership, renter households comprise almost one-third of the total occupied homes in Arizona according to Census 2000 (32 percent) and American Community Survey 2005-2007 (31.4 percent), compared with 49 percent in Flagstaff (Housing and Community Sustainability Nexus Study, February 14, 2008). The graph shown in Figure 8 depicts the amount a household must earn to afford a two bedroom rental unit at the area's Fair Market Rent, based on the generally accepted affordability standard of paying no more than 30 percent of one's income for housing costs. The median hourly wage used in this analysis is that of Retail Sales Workers in the corresponding county.
- b. Note that Coconino County is shown as being the least affordable in terms of affordability of rental units when reviewing hourly incomes for retail workers (13% of Flagstaff's Area Employment), a difference of \$11.18.

**Figure 8: Hourly Income Necessary to Afford a 2-Bedroom Rental Unit**



(Arizona Department of Housing, “2009: Arizona’s Housing Market ...a glance.”)

- c. Approximately half of the households in Flagstaff rent their home, and the proportions of renters and owners has not changed significantly since 1990. As shown in Table 7, Flagstaff has a higher proportion of renters and a lower homeownership rate than the State of Arizona and the U.S. average; however, this is common in cities with a major university.

**Table 7: Ownership/Rental Comparison**

| <b>Tenure, 1990-2007</b>                                |             |             |                          |
|---|-------------|-------------|--------------------------|
| <b>Housing and Community Sustainability Nexus Study</b> |             |             |                          |
| <b>% of Households</b>                                  | <b>1990</b> | <b>2000</b> | <b>2007 <sup>1</sup></b> |
| <b>Flagstaff</b>  |             |             |                          |
| Owners  | 50%         | 48%         | 51%                      |
| Renters   | 50%         | 52%         | 49%                      |
| <b>Total</b>  | <b>100%</b> | <b>100%</b> | <b>100%</b>              |
| <b>Arizona</b>  |             |             |                          |
| Owners  | 64%         | 68%         | ---                      |
| Renters   | 36%         | 32%         | ---                      |
| <b>USA</b>  |             |             |                          |
| Owners  | 64%         | 66%         | ---                      |
| Renters   | 36%         | 34%         | ---                      |

<sup>1</sup> 2007 Flagstaff Household Survey  
Source: U.S. Census, Economic & Planning Systems  
H:\16891-Flagstaff Housing Nexus Study\Models\16891-Demog.xls\Tenure

Source: Housing and Community Sustainability Nexus Study, February 14, 2008

- d. Renting is most common among lower income households, whose housing choices are limited. In 2008, there were an estimated 10,908 renter households in Flagstaff. According to HUD data, 82% of extremely low income households rent and 72% are cost burdened (pay more than 30% of household income for housing costs), with the majority experiencing severe cost burden (paying more than 50% of household income for housing costs). Among very-low income households 78% rent and 73% are cost burdened. As income increases, both the proportion of those renting and those who are cost burdened decreases. Still, 62% of low and moderate income renters experience cost burden as do 49% middle and higher income renters (HUD FY 2011-2015 Consolidated Plan).

**E. Public Open House Comments**

1. These public responses to questions were collected at the Regional Plan ‘Housing’ Open Houses which occurred on the following dates:
  - a. Monday, Nov. 1, 2010, 3:30 - 6 p.m.: St. Pius on Cedar - Housing Open House
  - b. Friday, Nov. 19, 2010, 7:30 - 10 a.m.: City Hall Lobby - Housing Open House
  - c. Friday, Dec. 3, 2010, 12:00 - 3 p.m.: Aquaplex - Housing Focus Group

Additional responses were collected through email and feedback to the Regional Plan 2012 blog. Table 8, below, shows the questions that were asked and the responses received:

| <b>Table 8: Public Responses to Housing Questions</b>  |
|--|
| <p><b>Question #1: Is there an adequate supply of housing from homeless shelters to housing for the workforce? If not, why and what may be one of the solutions?</b></p> <p><b>Yes: 5</b></p> <p><b>Comments:</b></p> <ul style="list-style-type: none"> <li>• Need more incentives to attract companies and market would work things out.</li> <li>• Enough units, but accessing is hard - lack of money, difficulty using loans, etc.</li> <li>• Yes, but student housing dictates pricing. (2 comments)</li> <li>• Supply may be adequate, but may need maintenance or improvement. Need more subsidized housing, transitional housing and public/private partnerships.</li> <li>• Yes, but we need a property maintenance ordinance. More and better variety of rentals.</li> </ul>  |
| <p><b>No: 3</b></p> <p><b>Comments:</b></p> <ul style="list-style-type: none"> <li>• Our lowest income households are cost-burdened. One solution would be to increase supply of affordable rentals, LIHTC and grant funded developments.</li> <li>• Focus on workforce housing. Disparity between pay and housing prices. Absentee landlord problem.</li> <li>• Create more “family-friendly” supportive housing for the low-income workforce people/families.</li> </ul>   |
| <p><b>General Comments:</b></p> <ul style="list-style-type: none"> <li>• Boarding houses, SRO (Single-room occupancy) would help out transition time.</li> <li>• Ensure variety in housing.</li> <li>• Takes up too much of our single-family lots.</li> <li>• Homeless need life skills learning in addition to shelter.</li> <li>• Homeless shelters should be considered temporary lodging, not “housing”. How could region encourage more organizations to undertake this important work? Providing homeless shelters is not the job of the government, though an organization like Flagstaff Partners could be developed to funnel money to worthy organizations.</li> </ul>  |
| <p><b>Question #2: How can our community as a whole pro-actively provide housing for all residents?</b></p> <ul style="list-style-type: none"> <li>• Use existing programs as models and increase participation.</li> <li>• Not possible. Need more and better jobs. Economy (jobs and wages) make it difficult if not impossible. (4 comments)</li> <li>• Let the market run its course.</li> <li>• Owners must have involvement.</li> <li>• Master planned residential communities.</li> <li>• NAU may need to provide more housing for their students.</li> <li>• More coordination between City, NAU, business and nonprofits to collaborate on solutions to pressure points: annual student influx of future growth of employment at NAU, lack of pleasant homes for low income families and individuals, squandering of land for part time vacation houses.</li> <li>• City needs to review its resources. To contribute to smaller more affordable housing. Use gov’t influence with sub-dividing that is in bankruptcy (presidio) to establish opportunities for affordable housing. This is important as City is best, largest, most powerful resource “as community as a whole”.</li> <li>• Provide more organizational coaching and financial strategies to people in construction trades to facilitate small rehab projects and infill homes. Employment for locals to benefit locals.</li> <li>• Allowing a variety of ways that people can meet their housing needs is best (including the “El Pueblo” strategy for those forced to live day-to-day).</li> <li>• Rental housing needs to be valued as highly as home ownership.</li> <li>• Develop some guidelines and tax breaks for community living where people have some space of their own and share others (kitchens and bathrooms, for example, maybe office and internet?). Something like co-housing without the hype that can surround some of those visions.</li> <li>• Landlords need to be able to make a profit on units after property taxes, and still keep rents within reason. How can this be structured?</li> </ul> |

- Discourage absentee landlords.
- A standard accountability contract could be required for all rentals, with landlords held responsible for timely repairs, and renters held responsible for wear-and-tear and damage in return for reasonable rents.
- Maybe the City could give an annual award to someone voted Best Landlord, with a one-year reduction in taxes?

**Question #3: What do you feel are the largest obstacles to addressing housing affordability and availability in the Flagstaff Region?**

- High land costs/limited land supply. (2 comments)
- Pricing pressures from second home buyers. (2 comments)
- Financing construction and purchase financing.
- Too many government hoops to jump through. Not user friendly.
- City should become more active in creation of housing through incentives for smaller, more affordable houses. Use some City land for small single-family houses or trade land to create more opportunities.
- Increase the quality of existing programs, service provision, strategies, and tactics.
- Case management.
- More help (serious help!) I'm helping long time homeowners (many older folks) maintain their homes. (2 comments)
- Subsidized rental housing.
- Invest in affordable housing and redevelopment now before prices rebound. Invest for the future. (Properties for sale now in infill/ red areas buy and prepare for denser affordable housing and mixed use if appropriate. Can be consortium of non-profit.
- Be proactive with developers who own large parcels of land and negotiate for affordable units.
- Absentee landlords should be addressed.
- NAU should provide more student housing. (2 comments)
- Increase appropriate density at right location.
- Use our existing commercial centers. More usable and walkable while still protecting views.
- Focus on in-fill areas for low income housing. It is too expensive to expect a developer to provide new infrastructure and low-income housing. The numbers do not add up.
- Public/private partnership opportunities to increase housing options. More than just "We'll give you a long term lease and you do everything else."

**Other Comments Received:**

- Need to focus Housing Policy on the whole continuum beginning with Homelessness
- Leverage partnerships and resources
- Permanent supportive housing needed
- Faith-based partnerships (housing in churches) should not be overlooked
- Increase stock of Public Housing
- Allow for greater building height and more flexibility with development
- Provide some focus on Veterans
- Policies to mitigate substandard housing units
  - PMO
  - Addressing relocation issues
- Provide Transitional Housing
  - Evaluate existing structures
    - Policies for adaptive re-use
    - Corridor of motels – restore
- Allow residential uses in retail/industrial zones (esp. on the first floor)
- Transportation/housing costs
  - Housing needed on transit corridors
  - Incentive for density
  - Aging in place and transportation issues
- Disabled clients need services, especially transportation and permanent affordable housing

3. Based upon the comments received, the following items appear to be common areas of concern:

- a. Second homeownership
- b. Market forces (supply/demand)
- c. Absentee landlords and property maintenance, accountability
- d. Property Maintenance Ordinance
- e. Quality of rental units
- f. Student housing
- g. Public/Private collaboration
- h. Creation and implementation of housing programs

3. Focus Group

A Housing Focus Group was conducted on Friday, Dec. 3, from Noon - 3 p.m. at the Aquaplex, and consisted of experts, professionals and interested citizens who broke into groups to have a concerted discussion about certain topics. For details, please see the report at <http://www.flagstaff.az.gov/index.aspx?NID=1551>. This document was previously provided to the CAC and posted upon the Regional Plan website. At the conclusion of the Focus Group meeting, a SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) was performed to summarize their comments in respect to Housing and to identify needs/concerns when developing the revised Regional Plan. The results of the SWOT Analysis are provided in Table 9, below:

| <b>Table 9: SWOT Analysis - Housing</b>  |   |
|--|---|
| <b>Strengths</b>   | <b>Weaknesses</b>   |
| <ul style="list-style-type: none"> <li>Continuum of care. – Community support for housing.</li> <li>Diversity of housing. – Historic to modern and all sizes.</li> <li>Enjoy non-cookie cutter neighborhoods.</li> <li>Mixture of people.</li> <li>Invested resources in housing made a big difference.</li> <li>Surround environmental quality of like.</li> <li>Investment in infrastructure (trails, streets) and private investment (NAU/ Brownfield clean up).</li> </ul>   | <ul style="list-style-type: none"> <li>More accountability in public assistance/ City processes for development is lengthy and confusing.</li> <li>No jobs for students in summer.</li> <li>Wrong definition of “growth”. Growth is not just construction. It’s more jobs too.</li> <li>Availability of land and sites.</li> <li>Community absorbs large # of students as rentals. Competition for ownership housing stock – Students raise rent.</li> <li>Very expensive land and materials.</li> <li>Employment and salary direct gap between homeless and rental.</li> <li>Large low wage economy (service based).</li> <li>Resistance to change/growth.</li> <li>Federal house \$.</li> <li>Regulations are not flexible enough to accommodate affordable options.</li> </ul> |
| <b>Opportunities</b>   | <b>Threats</b>  |
| <ul style="list-style-type: none"> <li>NACET – Start ups to stay in community.</li> <li>FUSD empty schools – co-housing.</li> <li>\$ for transitional housing within apartment communities in summer when students leave.</li> <li>Growth - Link transportation and development nodes to produce a sustainable community.</li> <li>A series of “Villages”.</li> <li>Take advantage of our location. – Longer year plan.</li> <li>Serious forward looking vision.</li> <li>ADOT – PHX to Flag to rural agencies. Use ADOT more resourcefully.</li> <li>Walkable community.</li> <li>Other communities – Live/work, co-housing, telecommuting = Improve data and service.</li> <li>Regional Employment Center – Spread out.</li> <li>Economic climate now – Take advantage to buy and help.</li> <li>6,000 more students in the next 10 years – Dorms take up less space than apts.</li> <li>Employment retainment with housing.</li> <li>Public/private partnerships for peripheral projects.</li> <li>Zoning for sororities and fraternities.</li> </ul> | <ul style="list-style-type: none"> <li>Compete with PHX for housing \$.</li> <li>2<sup>nd</sup> homes – large homes/large lots compete with workforce financing/regulations for density and mixed use.</li> <li>Alienating students – Do not corral on campus.</li> <li>Fair housing laws – Transitional housing groups would not qualify.</li> <li>Transient work force - Grand Canyon, Williams – Look at other best practices.</li> <li>PMO costs.</li> <li>Potable water.</li> <li>Federal relocation requirements.</li> <li>Over regulation.</li> </ul>  |

**F. Existing Programs (Housing Ordinance, Incentive Policy)**

To provide an idea of current housing-related programs in Flagstaff and the FMPO area, Table 10, below, contains a categorized list of programs, services and organizations dedicated to housing and services in the Flagstaff region.

**Table 10: Existing Housing Programs**

**Elimination of Sub-standard Dwelling Units:**

- City of Flagstaff Housing Rehabilitation Program
- Coconino County Housing Rehabilitation Services and CREC
- Rebuilding Together
- BOTHHANDS Acquisition-Rehabilitation Program
- NACOG Housing Rehabilitation Program
- Churches
- Code Enforcement [*Zoning, Building, Fire, Environmental, Stormwater*]

**Improvement to Housing Quality, Variety and Affordability:**

Quality

- Programs above (for elimination of sub-standard dwelling units)
- Design guidelines
- Market demands

Variety

- Market demand
- Zoning which allows for and encourages mixed-income housing and mixed-use buildings

Affordability (Homeless)

- Flagstaff Shelter Services
- Sunshine Rescue Mission
- Hope Cottage
- Open Inn
- Alternative Center
- Northland Family Help Center and HALO House
- Sharon Manor
- Catholic Charities Family Shelter
- Catholic Charities
- The Guidance Center
- PATH Day Program and Outreach
- Coconino County Community Services
- Faith-based

Affordability (Transitional)

- Catholic Charities – Cedar Rose
- Sharon Manor
- Sunshine Rescue Mission
- The Guidance Center – Intake Triage Unit

Affordability (Homebuyer)

- Market Rate
- Down Payment and Closing Cost Assistance
  - BOTHHANDS
  - NACOG
  - Individual Development Accounts
- BOTHHANDS Inc.
- Habitat for Humanity of Northern Arizona
- Youth-Build
- City of Flagstaff Ownership Programs
- Private Developers
- Foreclosure Assistance
  - BOTHHANDS – Counseling
  - Coconino County Community Services - Prevention

Affordability (Rental)

- Market Rate
- City of Flagstaff Housing Authority
  - Section 8 Vouchers
  - Public Housing
- Flagstaff Housing Corporation
- Low Income Housing Tax Credit Projects (Timber Trails, Pinehurst, Mountain Side Village)
- The Ridge at Clear Creek
- NAU
- Private Developers
- Hozhoni and other Group Home providers
- Eviction Prevention
  - Coconino County Community Services
  - St. Vincent De Paul & Catholic Charities

**Table 10: Existing Housing Programs**

|   |
|---|
| <b>Provision of Adequate Sites for Housing:</b>   |
| <ul style="list-style-type: none"> <li>• Designated Regional Plan Land Use categories for residential, density and intensity</li> <li>• Appropriate and adequate zoning for residential and mixed-use</li> <li>• Function of market</li> </ul>  |
| <b>Improve Appearance of Buildings:</b>   |
| <ul style="list-style-type: none"> <li>• Historic Preservation – guidelines and incentives</li> <li>• City of Flagstaff Façade Improvement Program (<i>historic commercial buildings</i>)</li> <li>• HOA's</li> <li>• Market demands and neighborhood pressure</li> <li>• Code enforcement</li> </ul> |
| <b>Promote Maintenance of Buildings:</b>  |
| <ul style="list-style-type: none"> <li>• HOA's</li> <li>• Code enforcement</li> </ul>   |

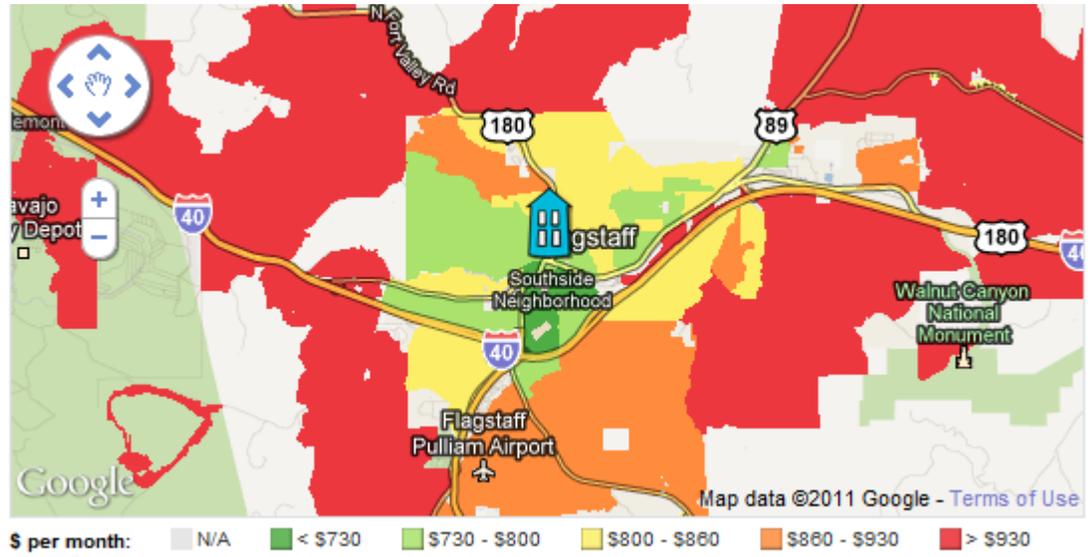
**G. Element Relationship**

The following briefly addresses the relationship of the Housing Element between other regional plan elements under study.

**1. Strong Relationship:**

- a. Land Use: Location and having an adequate land supply for “conventional” and traditional housing to meet the demands and needs of affordability. Proximity of housing to jobs and shopping also affects affordability through transportation costs (RLUTP, 2002).
- b. Circulation & Bicycle: The regional average spent on transportation costs for an average household is \$894 per month, excluding the cost of automobile ownership (Transportation Costs Made Transparent, abogo.cnt.org). As shown in Figure 9, below, there is a direct relationship between transportation costs and distance lived from the City center throughout the region. Transportation costs directly affect affordability, and planning for an efficient network and multimodal opportunities could reduce a household’s expenditure.

**Figure 9: Average Transportation Costs in the Flagstaff Region**



Source: Transportation Costs Made Transparent, abogo.cnt.org

c. Growth Area: Typically are Greenfield areas designated for future development. The Urban Growth Boundaries are to accommodate a 10 year supply of land. Issues related to housing are that Greenfield developments typically do not include “affordable units” unless incentives are provided; and second, the location of growth areas are at the peripheral thereby increasing transportation costs and decreasing affordability.

d. Cost of Development:

- Having adequate and logical extension of infrastructure in place (water, sewer, etc) will affect development costs and influence location of development/infill consideration.
- Building permits and fees.
- Adequate land supply, type and availability

e. Neighborhood Preservation and Redevelopment:

- Address quality of units.
- Programs to assist with upkeep.
- PMO
- Too much investment could lead to gentrification, resulting in inflated housing costs and decreasing affordability.

## 2. **Moderate Relationship:**

- a. Open Space: Preserving quality ecosystems may assist in identifying valuable lands to acquire and preserve. Although preserving lands may appear to limit supply, these lands are typically beyond the city’s urban growth boundary and are high quality for the ecosystem that the community desires protection. Open space also plays a recreational role and a desirable factor for those choosing to live here.
- b. Energy: Percent of cost expended for housing expenditure. (insulation, weatherization)
- c. Recreation: Proximity to recreation opportunities. Healthy lifestyle for all –children and adults. A component to housing demand.

## 3. **Weak Relationship:**

- a. *Conservation*
- b. *Public Facilities and Services/Buildings*
- c. *Safety*

## H. **Additional Resources and Reading**

1. [\*Incentive Policy for Affordable Housing\*](#)
2. [\*Housing Nexus Report\*](#)
3. [\*FY 2011-2015 Consolidated Plan\*](#)
4. [\*Flagstaff Community Housing Policy Task Force\*](#)
5. [\*Housing Task Force Recommendation Criteria Matrix\*](#)
6. [\*Flagstaff 2011 Analysis of Impediments to Fair Housing Choice\*](#)
7. [\*2011/2012 Annual Action Plan\*](#)

I. **Existing Goals And Policies**

Explores whether current plan and goals/policies are working or need ‘tweaking’ by:

- Listing existing Goals and Policies.
- Providing a professional/staff critique and recommendation of the existing goal/policy.
- Implementation – working/not working.
- Identifying potential strategies.

**Element: Housing and Neighborhoods**

1. **Existing GOAL HNI:** *The supply of affordable home ownership, rental, and special needs housing units affordable to low- and moderate-income households will be increased.*

**Professional and Staff Comments:** This goal is still relevant and is on-going.

**Suggested Goal(s):**

- A. Increase the supply of affordable home ownership, rental and special needs housing units, or;
- B. Ensure a variety of housing options for all income levels.

**Rational:** Re-worded for clarification.

**Existing POLICY HN 1.1:** *Evaluate and Adjust Housing Policies and Strategies*

**Professional and Staff Comments:** Implicit with the annual review.

**Suggested Policy:** **Remove. Create new policy supportive of goal.**

**Rational:** An annual review of the Regional Plan’s goals and policies are a state requirement and this is implicit. The strategies listed could be combined to create a more direct policy affecting supply for the entire housing continuum

**Existing STRATEGIES:** *HN 1.1(a): Increase Funding For Affordable Housing*

*HN 1.1(b): Ensure Affordable Housing Supply*

*HN 1.1(c): Special Needs Facilities*

**Professional and Staff Comments:**

**HN1.1(a)** – Especially for special populations (young adults), transition, supportive, permanent housing (everything along the continuum of housing).

**HN1.1(b)** – Increase supply, not ensure and provide regular review of the incentive policy

**HN1.1(c)** – Reword: Specific mention of special needs housing instead of facilities, supportive housing programs

such as housing first – “Street to home” and supportive/subsidized workforce housing

**Suggested Strategies:** TBD.

*Existing POLICY HN 1.2: Support the Creation of Public/Private Partnerships for Housing*

**Professional and Staff Comments:** Policy HN1.2 – No longer focus on creation but on strengthening and expansion. Need more creative, responsive government entity working in partnership with private/public non-profit, county and city. Advocate within government to help further projects. “Pursue creative solutions” for all strategies: Flexible finance approaches for the creation of AH, public land options, fee waivers, Better partnerships and seeing funding from HUD, ADOH, FHLB, HOME. Work together more often, communication tool, regional housing group good, strategic planning, and holistic efforts. Need to include Funding as a policy. Solve gift clause issue – strategy for city and county owned land

**Suggested Policy:** **Support community housing organizations and developers that provide housing services, further the development of housing stock and promote innovative solutions to attainable housing needs.**

**Rational:** Per comments, included “solutions”. Removed “creation”.

**Existing Strategies:** *HN 1.2(a): Public/Private Homebuyer Programs*  
*HN 1.2(b): Mortgage Revenue Bond Issuance*  
*HN 1.2(c): Low-Income Housing Tax Credits*

**Professional and Staff Comments:**  
HN1.2(a) – New money  
HN1.2(b) – Remove

**Suggested Strategies:** TBD.

2. *Existing Goal HN2: New neighborhoods will be built and support will be given to existing neighborhoods that integrate a variety of housing types and densities with amenities, services, and retail to ensure opportunities for a variety of household income levels.*

**Professional and Staff Comments:** No comment on the goal – still relevant especially with a focus on mixed-use, mixed-income and the choice of neighborhoods. Move to Neighborhood Element.

**Suggested Goal(s):**

- A. **Support and assistance will be given to all new and existing neighborhoods that integrate: a variety of housing types and densities; public amenities and services; and, retail and offices uses, or;**

B. Encourage housing development that provides for “live, work and play” relationships as a way to reduce traffic congestion, encourage economic expansion and increase overall quality of life for our residents. **[Move to Neighborhood Element.]**

**Rational:** Re-wording/clarification of goal. (Cross-reference with New Policy under review at September CAC meeting)

*Existing POLICY HN 2.1: Promote Development of Mixed-Use Neighborhoods*

**Professional and Staff Comments:** HN2.1 - completed

**Suggested Policy:** No change required.

**Rational:** No change needed.

*Existing STRATEGIES:*     *HN 2.1(a): Support Mixed-Use Development through Neighborhood Plans and Zoning Revisions*  
                                  *HN 2.1 (b): Implement Regulatory, Programmable, and Procedural Affordable Housing Incentives*

**Professional and Staff Comments:** Completed through LDC update and Affordable Housing Incentive Policy ordinance

**Suggested Strategies:** No additional regulatory. What about strategies concerning infrastructure priority to previously developed areas – Priority)

*Existing POLICY HN 2.2: Establish Interconnected Neighborhood Street and Sidewalk Patterns*

**Professional and Staff Comments:** Is this relevant for a housing element? Yes. Decreases transportation costs. Better placed in Community Character

**Suggested Policy:** Move to Community Character Element.

**Rational:** This is a design element.

*Existing STRATEGY HN 2.2(a): Develop Neighborhood Connectivity Standards*

**Suggested strategy:** Move to Community Character Element.

**Rational:** This is a design element.

*Existing POLICY HN 2.3: Encourage Accessory Dwelling Units*

**Professional and Staff Comments:** Is this not allowed in the County – how do we address issues like this? ADUs in the city have an up-to-date policy.

**Suggested Policy:** Remove, or change to “Encourage Accessory Dwelling Units in the County”

**Rational:** In the new City of Flagstaff Zoning Code, ADUs are allowed in residential and commercial zones.

*Existing STRATEGY HN 2.3(a): Develop Special Procedures, Criteria, and Standards for Accessory Dwelling Units*

**Professional and Staff Comments:** Completed. ADU's have an up-to-date policy. Create new strategy regarding funding/rental assistance?  
**Suggested Strategy – Employ funding and rental assistance for ADU owners.**

*Existing POLICY HN 2.4: Restrict Development of Gated Communities*

**Professional and Staff Comments:** Is this relevant for a Housing Element? Better served in Neighborhood Element or Community Character.  
**Suggested policy:** Move to appropriate element.  
**Rational:** This has design/social implication.

*Existing STRATEGY HN 2.4(a): Adopt Zoning and Subdivision Limits on Gated Communities*

**Professional and Staff Comments: Completed?** (confirm --review ordinance / Pine Canyon example)  
**Suggested strategy: TBD.**

*Existing POLICY HN 2.5: Preserve and Enhance Existing Neighborhoods within Districts*

**Professional and Staff Comments:**

- What about the PMO?
- Concern with second home development?
- Need to enhance policy for Infill Incentives and Redevelopment (here and in other RP elements) – including flexibility for infill development.
- What about the NAU housing impact?
- Green building/life-cycle cost of housing?
- Incentivize or plan for infrastructure upgrades – promote infill.
- Policy to be enhanced by updating strategies.

**Suggested Policy: Preserve, Enhance and Revitalize Existing Housing**

**Rational:** Changed “Neighborhoods” to “Housing”. Should apply to all housing, not just districts.

**Existing STRATEGIES:**

*HN 2.5(a): Dedicate Resources to Conserve and Revitalize Older Neighborhoods*

*HN 2.5(b): Support Housing Rehabilitation Programs*

*HN 2.5(c): Preserve Historically Significant Housing*

*HN 2.5(d): Promote Infill Housing in Targeted Areas*

*HN 2.5(e): Upgrade Infrastructure in Existing Neighborhoods*

**Suggested strategy: Keep and create additional strategies.**

*Existing GOAL HN3: Development patterns designed to maintain the open character of rural areas, protect open lands, and to protect and maintain sensitive environmental areas will be promoted.*

*Existing Policy HN 3.1: Encourage Cluster Development*

**Existing STRATEGIES:**

**Strategy HN 3.1(a):** Develop Criteria for Cluster Development

**Strategy HN 3.1(b):** Consider Density Bonuses for Cluster Subdivisions

**Professional and Staff Comments:** Done in the City – ask Bill T if appropriate for county?

- Consider removing. More appropriate in “Community Character”.

**New Goal: Address homelessness, transitional housing?**

**Suggested Goal(s):** Emphasize collaboration with other agencies and organizations to address homelessness and the need for transitional housing.

**J. Proposed Outline of the Housing Element**

**1. Introduction**

- Purpose of Housing Element (As recommended we have reviewed other community Housing Elements)
- History / Background (See 2011-2015 HUD Consolidated Plan)
- Summary of Housing Characteristics (See 2011-2015 HUD Consolidated Plan & Census)

**2. Relationship to Vision and Guiding Principles**

**3. Housing**

- Demographics
  - Population Trends and Projections
  - NAU
  - Total Household Projections
- Dwelling Units by Type
  - Single-Family, Multiple Family
  - Special Needs Housing
  - Second Homes
  - NAU
- Costs / Affordability
  - Ownership
  - Rental Affordability
- Housing Needs
- Goals and Policies