

Board of Directors

Susie Garretson President

Marcus Ford Vice President

Eric Nolan Secretary

Mary Poore Treasurer

Marcus Ford Anthony Garcia Marie Jones Sandra Lubarsky Marilyn Weissman

Executive Director

Michele James

Advisory Board

Ethan Aumack Jim Babbitt Becky Daggett Rachel Ellis Bill Towler Nat White

Office Staff

Kati Pantsosnik

PO Box 23462 Flagstaff, AZ 86002 www.friendsofflagstaff.org info@friendsofflagstaff.org November 9, 2021

To: Leah Bloom, Housing Project Manager

Re: Comments on the Draft 10-year Housing Plan

The creation of a comprehensive draft 10-year housing plan in nine months has been a massive effort of city staff and the larger Flagstaff community. We believe this plan outlines and sets in motion many valuable strategies to address our housing crisis and we very much appreciate the City's commitment to addressing the need for affordable housing in Flagstaff.

Our comments fall into three categories: request for clarification on details and strategies related to the proposed plan; recommendations of additional strategies; and a request for transparent and up-to-date information on progress made in achieving the city's affordable housing goals.

- I. Clarification of plan specifics and city strategies:
- 1.a. We seek clarification on why the first strategy for achieving the "overarching goal" is to "create or preserve 7,976 units by 2031 with a minimum of 10% affordable," a goal that only adds approximately 800 affordable units to the city's inventory. Why is this the primary strategy for addressing the housing need when its impact is exceedingly modest in relation to the need to "impact at least 6,000 low to moderate Flagstaff residents." F3 urges the city to consider more direct routes for addressing an increase in affordable housing units. (See our recommendations below.)
- 1.b. We would like to see the final plan include more specific information about the number of units needed, the kinds of units needed, and where the capacity for building these units exists. This is information that will help the public understand how the various strategies work together and which strategies make sense in which locations.

For instance, the draft plan identifies a total of 41.3 acres of city-owned land dedicated to affordable housing on which an estimated 254 affordable units could be built in the next 10 years. In the final plan, provide this level of detail for other sources of affordable and attainable housing and relate these directly to the goal to "create or preserve" 7,976 market rate houses over 10 years.

It is also the case that smaller, two-bedroom units are very much needed as Flagstaff's average household size has decreased to 2.67 in 2019 and these needs could be met in a variety of ways including small single-family homes, duplexes, tiny homes, etc. The final plan should clearly identify how many units of two-bedroom, three-bedroom, etc. are needed in each of the AMI categories over the next 10 years. Include specific numbers such as "secure funding for 800 new affordable rental housing units for households earning 80% AMI or less through 2031, etc. Outlining these specifics will allow the city, the Planning and Zoning Commission, and others to track the progress on fulfilling these goals. It will also allow private developers to know what type of housing the city is seeking.

What is the goal for the number of affordable units that the city believes can be built via HUD funding sources in the next 10 years? How many new units are estimated to be built by nonprofits such as Habitat for Humanity? How many units can be gained via rehabilitation/preservation of existing units as an alternative to tearing down?

- 1.c. The public also needs to understand that some development will not meet the city's affordable and attainable housing goals. For instance, the building of new large, single family homes that are not affordable for those making 80% or less AMI should not be included in the calculation of the goal to meet the needs of those 12,072 households with an affordable housing need. These larger homes are also likely not affordable for most of our workforce earning between 80%-120% AMI. New luxury condominium units are likely only attainable to a very small portion of our population, while being very attractive to outside investors or those purchasing second homes. The final plan should make it clear that this kind of development does not contribute to the City's ability to address affordability and workforce housing goals and is not included in the City's calculations.
- 1.d. F3 finds the use of the term "NIMBY" problematic. While the opposition to affordable housing in some places is an issue, there are other ways to talk about this without using the term. F3 would like to see the opinions of all community members respected. The way to address opposition to affordable housing in all neighborhoods is education and good design, rather than name calling.

II. Additional Strategies to be Considered:

F3 is very concerned that the draft plan outlines a strategy for obtaining affordable and attainable housing that is primarily reliant upon the private market. Simply increasing the supply of homes alone, in the same manner in which we have over the last 20-plus years, will not solve Flagstaff's home affordability crisis. There is no evidence that building more housing units automatically means more affordable housing.

F3 encourages the city to include the following strategies for addressing affordable housing:

- 1. Expand the City's effort and budget to purchase land for the explicit purpose of building city-owned affordable housing. F3 would like to see significant funding earmarked in a housing bond for purchase of available property by the city specifically for affordable housing. The city can then work with a builder of their choice to build affordable housing. The draft plan makes a clear case that Flagstaff needs to move away from relying so heavily on the private market to address the bulk of our housing needs.
- 2. Expand the city-owned and operated community land trust. F3 would like to see specific funding for the expansion of the City's community land trust devoted to alternative housing models included in the bond.
- 3. Give serious consideration to city-sponsored cohousing projects. Cohousing can address many of the health needs of individuals, families, and the elderly.
- 4. Identify start-up funding that would be made available for new community land trust(s) to be formed by community members, individual neighborhood associations and/or the League of Neighbors coalition. The zoning code would be reviewed and changed if necessary to ensure it's compatibility with these types of housing.
- 5. Policy Initiative Protect 3 states "Continue to lobby and support federal and state legislation to encourage changes to federal and state laws, and to increase the amount of funding available for the preservation and construction of affordable housing." However, we do not see the second half of this Initiative followed up by a specific Strategy. Please address this need with a specific Strategy that addresses the need for additional funding.
- 6. Include the commitment of the City in Strategy Protect 3.1 to lobby the State of Arizona legislature to overturn their onerous laws that prevent us from making headway on our housing problems. While Protect 3.1 currently addresses the need to lobby in relation to short-term rentals and second

homes, the city also needs to be lobbying against the prohibition of mandatory inclusionary zoning. This would allow Flagstaff to take direct control of our housing shortage.

- 7. Strategy 3.2 should also include the need to pursue Federal changes that increase the preservation, creation, and protection of affordable housing. Add an additional "Create" initiative encouraging the development of a variety of alternative housing plans. The inclusion of a discussion of the advantages and types of alternative housing plans in the main section of the housing plan will make it visible to potential developers and private landowners and highlight that the city is looking at all options to address the housing needs of our community. Strategies will then need to be included to encourage development of non-traditional housing such as:
 - Accessory Dwelling Units: ADUs allow seniors to age in place while remaining near family or caretakers for support. They can work well for the smaller household sizes that Flagstaff needs. ADUs can be used as infill and can help limit sprawl. These units provide housing that is affordable for a wider range of households than larger homes, and they can fit well with Flagstaff's goal of reducing carbon emissions.
 - 2. Tiny Houses: These single-family homes (often stand-alone) can vary in size but are usually 500 square feet or less. Tiny houses can be used as "starter homes" or by the elderly who are downsizing. Tiny houses can often be built together and create "pocket neighborhoods" which have the added benefit of creating community and increasing resiliency. Zoning guidelines should enable these smaller homes and encourage the building of these units.
 - 3. What is often termed "Missing Middle housing:" Smaller attached units such as duplex and fourplex designs, as well as detached bungalows often grouped together around a shared green space. Often this type of housing may be considered too high density for single-family residential zoning, and they may not meet the requirements of multifamily residential zoning. Parking and open space zoning requirements may need to be modified to allow these smaller units. Interestingly, cities in California and Texas are addressing their housing crisis by starting to build 3D-printed, smaller, eco-friendly homes that are built using 95% fewer labor hours, producing 10 times less waste than conventional construction and thus drastically reducing housing costs.
 - 4. Co-housing: Co-housing intentionally clusters private homes around a shared space and can take many forms including clustered small single-family homes (such as Townsite Community Land Trust's "Foursquare" or a condominium building. Usually, co-housing includes extensive shared spaces, and many are intentionally intergenerational.
- 8. Include a discussion of the importance of aesthetics in the final plan. Affordable housing is not an isolated value but works in companionship with health, sustainability, and aesthetics. Housing that meets the needs of our residents should be beautifully designed and constructed. As affordable design professionals have made clear, good design "can be the critical difference between an affordable development that succeeds—one that satisfies its residents and neighbors, enhances the community where it is built, and continues as a stable part of that community for decades—and one that does not. In fact, good design may be the most viable strategy currently available to improve the quality, asset value, and acceptance of affordable housing." The need for good design is necessary for every project regardless of its use. One means of addressing aesthetics and also streamlining construction of new non-traditional housing units is the implementation of housing design plans that are pre-approved by the city.

III. Transparent and Timely Documentation of Progress Toward Goals:

Include the development of a Housing Impact Statement as a required element of staff reports. Such a report would be prepared for all building permits that add, subtract, or modify housing units and would also be used for projects that tear down or remove existing housing. The Impact Statement could also be used when considering proposed developments that could increase demand for housing such as

commercial or industrial developments. Additionally, the Impact Statement can include a policy that outlines defined significant impacts that would kick a project up to approval by the City Manager or Council if it is determined to have a negative impact on affordable housing.

Thank you for considering F3's comments. If you have any questions or would like to discuss our comments further, please contact Michele James (mjames@friendsofflagstaff.org).