

FY2016-2020 HUD Consolidated Plan Executive Summary

Introduction. The Five-Year Consolidated Plan provides the framework for the use of Community Development Block Grant (CDBG) funding received by the City of Flagstaff from the US Department of Housing and Urban Development (HUD) for the five-year period beginning July 1, 2016 and ending June 30, 2021. The FY 2016-17 CDBG allocation is \$599,050. CDBG funds must be used to benefit low and moderate income households and neighborhoods. Eligible CDBG activities fall into three broad categories:

1. Decent Affordable Housing.
2. Human Services and Economic Opportunities, including services for people experiencing homelessness.
3. Neighborhood Revitalization, Public Services and Facilities, including facilities serving people experiencing homelessness.

Community Consultation Process. The Housing Section met with the Coconino County Continuum of Care, which leads efforts to address homelessness for the Rural Continuum of Care managed by the Arizona Department of Housing. Two public consultation meetings took place to seek input into 1) community needs and 2) proposed goals, activities and objectives.

An online survey was conducted to secure input into community needs and priorities; 63 responses were received. Survey respondents identified the following priority needs:

- Public Services
 - Mental Health
 - Housing
 - Child Care
- Housing
 - Construction of Rental Housing
 - Eviction Prevention
 - Rental Assistance
- Facilities/Services for People with Special Needs
 - DV Victims
 - People with Substance Abuse Disorders
- Community Facilities
 - Child Care Centers
 - Health Facilities
 - Senior Centers
 - Disability Accessibility Improvements
- Economic / Community Development
 - Job Creation
 - Employment Training
 - Employment Search Services
- Services/Facilities for People Experiencing Homelessness
 - Emergency Shelter and Transitional Housing for Families
 - Unaccompanied youth (undercounted)

Consolidated Plan Analyses. A housing market analysis and assessments of homelessness, non-housing community development, and special needs populations are conducted for the Consolidated Plan. The housing market analysis and needs assessments identify trends and conditions in a socio-economic and community context. These trends and conditions are then reviewed in the context of stakeholder and citizen input and the priorities of the City's General and Capital Improvements Plans to establish priorities, goals and objectives for the next five years. The following information summarizes the results of the analysis and assessments.

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Housing Market Analysis

Housing Variety.

- There is a general oversupply of units with 3 or more bedrooms and insufficient units with 1 or 2 bedrooms. People have choice of where to live – including units that are too large for their household – and many small owner households choose to occupy housing units with 3 or more bedrooms.
- With students rooming together off-campus, large families may be challenged to find rental units with adequate bedrooms to comfortably accommodate all members of the family.
- VASH Voucher holders seeking 1-bedroom units that meet Housing Quality Standards have been challenged to find quality affordable units.

Housing Quality.

- There are 8,106 units that were built before 1980; this represents 36% of housing the housing stock. Renters and owners are equally likely to occupy pre-1980 housing units, with renters slightly more likely to occupy units built before 1950.
- HUD data indicates that 2,290 pre-1980 housing units are occupied by households with children – 60% by renters and 40% by owners. These housing units may contain lead based paint, which can lead to serious pediatric health problems.
- US Census data indicates there are 37 units in Flagstaff that lack complete plumbing facilities and 192 that lack complete kitchen facilities; these units may be illegal accessory dwelling units.
- The City's experience with owner-occupied housing rehabilitation indicates that most units are in need of roofing, electrical and plumbing upgrades, hot water heaters and heating units. Public input from the City's survey indicates that deferred maintenance is occurring in the City's older neighborhoods where rental housing predominates.

Housing Affordability.

- Housing cost burden is the most significant housing problem in Flagstaff.
- 2011 CHAS data when compared with 2011 household income and tenure data suggests:
 - Insufficient rental units affordable to households with income less than 30% AMI, and
 - Insufficient owner units affordable to households with income 50% to 80% AMI.
- College students living off-campus often appear to be very low income and their presence tends to inflate the number of households with income less than 30% AMI who are cost burdened. However, it is important to ensure adequate rental housing for non-student households with income less than 30% AMI.
- While the long-term (2000 to 2011) median home value increased 98% increase and the median rent increase was 44%, shorter-term (2011 to 2013) data indicate a 9.6% decrease in home values and a 6% increase in rents. The long-term expectation is that both home values and rents will increase as the housing market continues to recover. Rents are expected to increase more significantly as demand for home purchases is expected to remain relatively low. Rent increases may be somewhat lower than expected as site plans have been approved for 696 additional rental units that will primarily serve college students; the actual impact of new housing intended for student occupancy will depend on NAU student enrollment, which has been increasing steadily over the past five years.

Public Services and Economic Opportunities Analyses Summary

- Records of past funding indicate a need for agency operating support, homeless outreach services, financial education and counseling, housing stabilization assistance, and health services.
- Respondents to the City's Consolidated Plan survey identified mental health, affordable housing, and child care services as priority public services needs in Flagstaff.

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- There is a mismatch between the high education levels of Flagstaff workers and the entry-level employment opportunities that are available. By targeting CDBG investment in public services that improve basic skills, job readiness and employment search skills, the City can supplement existing efforts.

Neighborhood Revitalization and Public Facilities and Infrastructure Analyses Summary

- There are 7 Census Tracts where low-income populations are concentrated – Census Tracts 2, 3, 5, 8, 10, 12 and 15. An area of low-income concentration is defined as an area where at least 51% of the population has income below 80% of the area median income.
- There are 5 Census Tracts where minority populations are concentrated – Census Tracts 3, 4, 5, 8, and 11.02. An area of minority concentration is defined as an area where the proportion of minorities (non-White) is at least 10% higher than the proportion of that minority group citywide.
- The City has designated four target areas. These target areas encompass many of the areas of low-income and minority concentration and include:
 - Sunnyside - Census Tract 3, Block Group 2, 3, & 4.
 - Southside - Census Tract 8, Block Group 1.
 - Pine Knoll - Census Tract 8, Block Group 2.
 - La Plaza Vieja - Census Tract 11.02, Block Group 1 & 3
- Needed public facilities located in LMI neighborhoods and/or serving LMI residents and people with special needs include emergency shelters and transitional housing, and facilities providing services to youth, seniors and people with special needs. The City library foresees a need for expansion to serve individuals experiencing homelessness and youth as school libraries are under-funded. Sustainability and energy efficiency improvements to shelters are also a critical need and several providers have approached the City for assistance.
- Respondents to the City's Consolidated Plan survey identified child care centers, health care facilities, senior centers and disability accessibility improvements as priority public facilities needs in Flagstaff.

Homelessness

- The 2015 sheltered count reported by the AZ Department of Housing identified 771 sheltered individuals in Coconino County, including emergency shelter, transitional housing, and permanent supportive housing. Counts of sheltered families served by victim services agencies are not included in the sheltered count.
- The 2015 point in time count revealed 151 people in 91 households experiencing homelessness in Coconino County. This count was conducted in January when unsheltered homelessness in Coconino County is relatively low due to inclement weather. The July 2014 unsheltered count reported by Coconino County to the AZ Department of Housing identified 388 unsheltered individuals in Coconino County.
- Nearly 1/3 of unsheltered homeless people indicated the primary reason for homelessness was no employment. Other high ranking primary contributors to homelessness were household/ family dispute, insufficient employment, and the high cost of housing.

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Consolidated Plan Goals and Activities

Public and stakeholder input, records of past funding, the needs assessments and housing market analysis are used to determine the relative priority of activities and the populations that will be served. HUD allows two priority designations – high and low. Assignment of priority does not reflect a lack of need for any particular population or activity; it merely identifies those conditions that are most likely to be addressed with limited CDBG funding.

- High priority activities are likely to be funded with CDBG resources during the next five years.
- Low priority activities may be funded as opportunities arise.

The table summarizes planned CDBG activities and the priority level and 5-year numeric goal for each. Activities that will be targeted to special populations are indicated. The table is designed to meet HUD requirements.

5-year Consolidated Plan Goals			
Activity	Special Population	Priority Level	5-year Goal
Priority Need: Revitalization, Public Facilities & Infrastructure			
Facility Improvements	X	H	500 people
ADA Accessibility Improvements	X	L	500 people
Land Acquisition for Affordable Housing Development		L	5 households
Infrastructure for Affordable Housing Development		L	5 households
Priority Need: Public Services & Economic Opportunities			
Service and Facility Operating Support	X	H	2,000 people
Employment & Job Training Support Services		L	5 people
Housing Stabilization Services including Eviction/Foreclosure Prevention and Legal Services		H	500 households
Priority Need: Addressing Homelessness			
Service and Facility Operating Support, including Outreach	X	H	5,000 people
Increase number of emergency /transitional shelter beds for families	X	H	20 beds
Increase supply of permanent supportive housing	X	H	15 beds
Priority Need: Decent Affordable Housing			
Owner-occupied Housing Rehabilitation		H	25 units
Rental Housing Construction		H	5 units
Owner Housing Construction		H	2 units
First-time Homebuyer Assistance		H	25 households
Rental Housing Rehabilitation		L	10 units