

MINUTES

1. Call to Order

Mayor Evans called the Work Session of March 12, 2019, to order at 6:02 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this work session, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. Pledge of Allegiance and Mission Statement

The Council and audience recited the Pledge of Allegiance and Councilmember Salas read the Mission Statement of the City of Flagstaff.

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life for all.

3. Roll Call

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

PRESENT:

ABSENT:

MAYOR EVANS
VICE MAYOR SHIMONI (via phone)
COUNCILMEMBER ASLAN
COUNCILMEMBER MCCARTHY
COUNCILMEMBER ODEGAARD
COUNCILMEMBER SALAS
COUNCILMEMBER WHELAN

4. Public Participation

Public Participation enables the public to address the council about items that are not on the prepared agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment at the meeting is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the

Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone to have an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

The following individuals addressed the Council regarding the appeal of the proposed cell phone tower near Fourth Street:

- Juliana Suby
- Ginger Van Divier
- Brooks Hart

All speakers were against the development of a cell phone tower in the area and comments included that the application for the development of the tower was incorrectly done and weak, that there was no need for a cell phone tower in that area, that the tower would be unsightly and lower property values, that the project puts the surrounding neighborhoods at risk due to three high-pressured gas pipelines, that areas where cell phone usage is higher were being ignored, and that the City should use a third party vendor to evaluate telecommunication needs.

5. Review of Draft Agenda for the March 19, 2019 City Council Meeting

Citizens wishing to speak on agenda items not specifically called out by the City Council may submit a speaker card for their items of interest to the recording clerk.

Councilmember Odegaard requested that a representative from Beta Public Relations be at the March 19, 2019 Regular Council meeting for questions.

6. Public Participation

Item taken out of order.

Ericka Mazza, CEO of NAIPTA, thanked the Council and the City for their participation in the cleanup of the epic snow storm and stated that she appreciates the partnership between NAITPA and the City of Flagstaff.

Steve Finch, representing Flagstaff Lodging, Restaurant & Tourism Association, mentioned that there will be a Flagstaff Business Workshop at the Museum of Northern Arizona. The workshop is open to non-profits, businesses, and CEOs on how to stay successful. He invited Council to the event.

7. Affordable housing overview selected current project updates and presentation on public housing development/redevelopment tools. Additionally, an overview of city-owned property with development potential was included.

Housing Director Sarah Darr and Real Estate Manager Charity Lee presented to Council a presentation on housing. Council asked for clarification on affordable housing in a budget retreat. The three items covered were Affordable Housing, updates on on-going issues, and next steps.

During the presentation, Ms. Darr discussed what affordable housing is, covered housing related expenses which include utilities, HOA fees, insurance, and more, defined that annual income is based on gross income rather than net income, and stated that there is not a

community in our country that has solved their affordable housing issue. She also informed Council that formally designated affordable housing is subject to a two-prong test where a subsidy or investment of some type exists. Informal subsidies, such as getting help with a down payment from parents or a "personal" break on rent, exist as well.

Ms. Darr also gave an overview of the Basic Housing Continuum. Ms. Darr presented a graph that shows how people can move up or down in the continuum and people do not necessarily go through every step. In the Flagstaff area, all the steps in the continuum do not necessarily connect. HUD uses Area Median Income (AMI) as their eligibility limit. The limit is generally 80% AMI. In the Flagstaff community, if a family of four makes less than \$56,000 they are considered low-income as Flagstaff is considered a high cost exception area.

Ms. Darr discussed why efforts are focused on low-income households and how funding is more often targeted for low-income housing. Rental programs are even more often focused on lower-income households and households are eligible for assistance with a 60% AMI, which is \$42,000 for a four-person household. College students are not typically eligible because they are usually dependents of their parents. If they are not a dependent, they may be eligible for rental assistance. The largest demand of rentals is for one and two bedroom units, and the need is increasing with the aging population.

Ownership programs are often focused on first-time homeowners. Demand tools, like down payment assistance and mortgage assistance, are typically less expensive than addressing supply issues. Down payment assistance is less expensive to the organization because the money is a loan and is more cost effective than developing properties. That makes helping on the demand side more affordable than helping on the supply side.

Ms. Darr added that the Low Income Housing Tax Credit (LIHTC) is the largest affordable rental housing funding source and that it was started in the 1980s during the Reagan administration. It is an IRS program, not a HUD program, and the City of Flagstaff has partnered in multiple complexes using LIHTC. There are about 800 units currently. The minimum affordability time period is fifteen years, but the City typically requests that developers provide thirty years of affordability because of the community needs. All of the properties in Flagstaff are under thirty year periods.

Vice Mayor Shimoni inquired about the thirty-year requirement for affordable housing. He asked how the City is able to request that extended time period from developers rather than fifteen years. Ms. Darr stated that they are agreed upon in Development Agreements or additional restrictive covenants. Often developers are seeking re-zoning or financial benefits from the City, so there is leverage for the ask. Also, the state has started giving tax credits for thirty-year affordability time periods as well.

Councilmember Whelan asked how much money is in the down payment assistance fund. Ms. Darr stated it is about \$160,000.

Ms. Darr continued the presentation and gave an update on projects. The first project covered was a request to assist residents displaced by mobile home park closures. The funding amount is \$84,562. They received one response which is scheduled for review on May 7, 2019 by Council.

Ms. Darr also covered the public housing natural gas systems. The City owns and operates the natural gas systems in Siler and Brannen Homes. There were installation issues when the homes were built in the 1970s which caused the recent Siler Homes issue. When the Siler Homes issue arose, City staff were able to house the residents in hotels for five nights and the residents were happy with the City response. Currently, testing the gas lines at Brannen homes is delayed due to weather; it is not possible to test for natural gas leaks

when the ground is frozen or saturated. There have been no issues identified thus far. Housing staff will follow up with the Council on pricing for replacement and electric conversion. There is a large difference between fixing the gas lines and converting to electric. If the lines are replaced, UniSource will take over the utility. The electric conversion would cost at least \$8,000 or \$9,000 a unit.

Councilmember Aslan added that he found the Brannen Homes response a heart-warming story and that he is happy to see the prevention the staff is performing at the properties.

Councilmember McCarthy asked why gas is being phased out and replaced with electric. Ms. Darr stated that the conversion is a recommended element in the Citizen's Climate Action and Adaptation Plan. Councilmember McCarthy also stated that the Arizona Corporation Commission could require the use of thread protectors rather than thread seals to prevent leaks and encouraged someone to ask the Arizona Corporation Commission to regulate thread seals.

Councilmember Odegaard inquired about the City owning and operating the natural gas system and he asked if there was one master meter. Ms. Darr replied that there is one master meter at Siler Homes and two at Brannen Homes. There are individual meters at each unit, but it is not cost effective to measure them, so gas is included in rent for each of the units.

Ms. Darr continued the presentation by addressing that affordable housing developments are in progress on the scattered sites. Brinshore Development is the development partner and site plans will be brought to Council in the spring. Due to funding constraints, all units must be completed by December 2020. The units will be distributed as 19 units on West Street, 11 units on Isabel St., and 50 units on the Butler/Lone Tree site. The developer does not see an issue with achieving the given timeframe.

Ms. Darr gave an update on upcoming programs and addressed rental properties. She stated a Council goal is to support development and increase the inventory of public and private affordable housing for renters and homeowners throughout the community. Ms. Darr stated that staff recommends a long-term plan to achieve Council's goal in a more meaningful way and that prior planning and positioning is lining up with external funding opportunities. She added that the residents in the homes will be foremost in everyone's minds and that no one will lose their homes. Last November, Housing Staff received a letter from HUD that encouraged a different direction for some historical programs. Ms. Darr pointed out some highlights from the letter including that the capital needs of public housing inventory have outpaced Federal funding, and that a 2010 conservative estimate of capital backlog shows an almost \$26 billion with annual growth of about \$3.5 billion. In response, HUD has introduced the term "repositioning public housing." The letter also discussed providing public housing authorities, like the City of Flagstaff, with additional flexibilities, allowing communities to develop locally appropriate strategies to preserve affordable housing and the HUD goal of repositioning 105,000 public housing units by the end of September 2019.

All public housing in Flagstaff and associated property is owned by the City of Flagstaff. These properties are restricted by Declarations of Trust that limit their use to affordable housing. They were built by HUD funding and are limited in use by HUD. Ms. Darr stated that part of the letter's goal is "to make sure you and your staff are aware of the repositioning strategies available and to provide technical assistance where needed... [HUD is looking forward] to helping facilitate locally-driven solutions to your unique set of challenges and opportunities."

Repositioning is a way to address the backlogged capital needs by utilizing existing equity

and the option to partner with the private market. Privatization is only one piece and can result in redevelopment or rehabilitation of the units or can be a financial conversion. Staff believes that there is an opportunity to address local priorities, Council goals, and to create more units through public and private partnerships. HUD has recognized that the financial structure of public housing nationwide is unsustainable in the long-term. HUD did a financial analysis of the City's program and it is financially stable for now. HUD is encouraging the City to transition public housing to a different financial platform. Industry belief is that at some point options will become requirements, so staff recommends implementing now while there is some flexibility.

This does not mean that housing units will go away, and public housing residents are not losing their homes. This is a financial conversation, but there is no additional money from HUD.

The Rental Assistance Demonstration (RAD) program was established in 2011 to help convert at-risk public housing properties to project-based vouchers or rental assistance contracts under the financial format of the Section 8 program where the subsidy stays with the unit. This would be a voluntary conversion and would allow more flexibility for the City to plan better and ease reliance on HUD funding. It would allow for a 10-year stability period since the amount of money from RAD rents could be more accurately projected. This would allow the City the opportunity to stabilize under a different federal funding source, increase the number of affordable rentals, leverage private investment, and tailor development to meet local needs. In the past, Housing Authorities have not been able to access the equity in their land. With this, the housing units move to a different federal financial platform which is more flexible and permanently affordable. RAD is cost-neutral and does not increase HUD's budget. The public housing program is limited by congressional appropriations and statutory restrictions. Other rental programs like Section 8 are more flexible. The Section 8 program is financially designed to work alongside other public and private financing tools. This change would convert the City, under regulation, from public housing to Section 8 project based. HUD repositioning tools are intended to be used with private ones.

To convert, the City needs to identify a "co-developer" partner through a competitive request for statement of qualifications and anticipate payment through any developer fees associated with the developments. The City can structure the contract in a way to withdraw from it easily. This model with a co-developer has been successfully utilized in Arizona and nationwide. The City of Maricopa no longer has public housing developments with this model, yet they still have a successful low-income housing program. Housing staff has attended multiple conferences to discuss and learn about this process. They learned that the City of Flagstaff has a lot of opportunity in this way. Yuma, however, decided that they did not want to do this process after starting it and were able to stop their progress. Ms. Darr also shared a slide on RAD Public Housing Conversions nationwide to demonstrate the number of public housing units that have been touched by the conversion.

The conversion would take four to eight years because it involves local, state, and federal administrative processes and development process. Things should be done in this time; it will not take that long to start. It is also a long timeframe because this process involves people and their homes.

Ms. Darr spoke to an engineer on what he wishes housing authorities did at the beginning of the process. She was told that they wish that residents were involved earlier for resident education and that it would help to see what residents want to see from their community and what is important to them. Not having the involvement early slowed the process down.

RAD's process is for the Public Housing Agency (PHA) to submit a letter of interest and then to be placed on a waiting list. It could take a year for HUD to review the City's application if

submitted because HUD is currently reviewing letters of interest from 2017. HUD notifies the PHA when they have been selected for review and the PHA then has 60 days to submit a full application. They would then issue initial approval, known as a "Commitment to enter into a Housing Assistance Plan" and would be about two years out. The RAD rents are determined

and locked in at this time since the PHA finalizes the details of financing and unit conversion. HUD then issues the RAD conversion commitment and closing/conversion takes place.

The Letter of Interest would be written by the City and would reserve a spot on HUD's waiting list. It identifies projects and units for which there is interest in applying and it is non-binding with few details. Again, HUD is currently reviewing Letters of Interest submitted in 2017. The City's program is rated as a High Performer by HUD, the City ranks high, and the PHA does not "need to be saved" so there is a strong negotiating point to finding a co-developer. The priorities of the PHA are: current and future residents, to increase the number of rental units to reach Council's goal, retain ownership of land and to keep the reversionary clause at a minimum, and retain the property management team. Ms. Darr stated that the unknowns at this time are the specific dates, the specific unit numbers, the specific locations, the AMI served, the funding sources, and the potential leverage. All of these would be figured out as part of the process since this would be only the beginning of the process.

Ms. Darr displayed a map of City-owned parcels starting with Brannen Homes. She stated that the property could be expanded with more homes and the current units at the site were built in the 50s and 60s in multiple phases. She spoke about Siler Homes where there are 100 units in 74 buildings with a recreation center. The site covers 20 acres. The Lockett and Fanning parcel is contiguous to Siler Homes and it makes sense to utilize that parcel for relocation or to develop it in another way.

There are 38 scattered units throughout the community that Ms. Darr shared. Some are single family homes, some are townhomes, some are duplexes, and some are triplexes that are used for transitional housing and each were reviewed to categorize them in different ways, as open space, parks, public housing, etc.

Real Estate Manager Charity Lee took over the presentation and gave an overview of sites with potential for development. Ms. Lee discussed the history of the properties. The City owns over 600 parcels.

The parcels were reviewed to see how they were purchased and evaluated to see if they could be used for housing. Many of the properties were purchased for specific use with restricted funds. The first parcel discussed was the Schultz Pass Meadow parcel. The land was purchased in 2006 and it is a 3-acre, medium density-zoned parcel that was bought with housing funds for \$140,000 with additional money used for infrastructure for a total of \$400,000 spent on the parcel. A concept plan was provided.

The next area discussed was two parcels acquired for the Cheshire Park and FUTS expansion purchased with over \$800,000 of BBB funds. Ms. Lee shared the park plan and stated that the property is identified in the Parks Master Plan. Ms. Lee stated that if the City wants to do something different with the parcels purchased with restricted funds, those funds would need to be repaid.

Ms. Lee covered the parcel at 1000 N. Thorpe Road. It is zoned for public facility and is over nine acres. The property was acquired in 1917 from the Clark family. The southern portion of the site is used as a multi-use field and the west is adjacent to Clark Homes. This site is restricted for park use. In 2014 the northern portion of the site was identified to be available for affordable housing by resolution. The parcel is impacted by a grant fund from 1988 for development of Thorpe which affects the eastern portion of the property.

The parcels at 215 S. O'Leary St. and 217 S. O'Leary St. were acquired with HURF funds when the City did a Butler and Lone Tree improvement project. The zoning is High Density Residential. and combined they would make a 6500 sq. ft. parcel.

The 1.2 acre parcel at 900 S. O'Leary was reviewed. There is no deed restriction, but HURF funds were used for the purchase. A concept plan was displayed for a garden and housing.

A parcel off JW Powell Boulevard, nicknamed the shark bite, was reviewed. The City received this property in a development agreement and the 26 acre parcel is zoned manufactured housing. It would require substantial infrastructure development.

The 2989 E. Butler Ave. parcel was purchased in the 1970s for a Butler Avenue extension. Real Estate proceeds money was used so there are restrictions. There is a roundabout planned for this parcel.

Ms. Lee also reviewed the triangle parcel at Cedar Avenue and West Street which is two parcels that adds up to about 4.5 acres. This area was not set aside for open space, even though there is a monument there, and is not formally designated as open space. The small parcel next to it was also acquired with HURF funds and it would be a recommendation to combine the two lots.

Councilmember Whelan inquired about the triangle parcel. She asked about the property across the street near Linda Vista Drive and if it is open space or a part of Buffalo Park. Ms. Lee stated that the land there is not reserved for open space and was acquired from Federal land.

The parcel at Fanning and Lockett was purchased in 2018 year with Affordable Housing funds and is a little over 2 acres.

The Christiansen parcel off East El Paso Drive is about 10 acres and was part of the Coconino National Forest that the City received in the 70s. Part of the challenges surrounding this area is access and it is identified in the Park's Master Plan. The property would need to be accessed through National Park Service property.

Mayor Evans asked about a piece of property between the shopping center and the Museum Club east of Lower Greenlaw that she believes is a remnant. Ms. Darr stated that the piece of property is privately owned by the shopping center or the Museum Club and it has some informal trails that go to Bushmaster Park. Mayor Evans would like to see that property incorporated into Siler Homes or Lower Greenlaw. Ms. Darr stated that there is a storm water conveyance on the parcel and the connection would need to be through Bushmaster Park. The City has never been in the position to discuss the parcel. Mayor Evans would like that to be a conversation the City has in the future.

Ms. Darr continued the presentation and thanked GIS for their assistance. She requested direction from Council, but not on properties at this time. There are several projects that will be applying for tax credits and, keeping that in mind, staff would like to do a multi-year plan to realize Council goals in a bigger way. They would like direction to submit a letter of intent and issue a request for statement of qualifications to identify a co-developer.

Mayor Evans asked to address public comment before Council gave direction.

Public Speakers:

Devonna McLaughlin, the CEO of Housing Solutions of Northern Arizona, encouraged the

Council's support of a concrete plan. She encouraged Council to direct staff to put out a RSOQ immediately and to move forward with the creation of a housing commission to create a housing plan. She requested that the City and Council focus on housing and prioritize it.

Councilmember Odegaard asked if Ms. McLaughlin would recommend the letter of intent to HUD. She would.

John Viktora stated that the presentation that there is a 15 acre piece of land off Woody Mountain Road that is designated for resource preservation, which is non-buildable. He asked how many acres of non-buildable land is around town. He asked what that does to the price of land and stated that he is concerned about that designation. He stated he is troubled by the need for housing that Flagstaff has had for decades.

Ross Altenbaugh, the Executive Director of Flagstaff Shelter Services, stated that they support the direction Housing staff has put forward.

Deborah Harris added that people are struggling to get into homes in the community and spoke about the types of people who need housing. She discussed the decisions that were made while she was the Board President of FUSD and asked Council to consider the people in the whole community. She stated that affordable housing should be spread out throughout the whole community rather than one place. Transportation can be developed that will allow for affordable housing anyplace in the community.

Mayor Evans called for a five-minute break and called the meeting back to order at 8:23 pm.

Rick Lopez added a public comment as well in support of the housing direction. He stated that the community needs to move forward with something. He added that it has been policy to not cluster affordable housing in one location. He addressed the Public Works yard parcel. The public voted to sell the parcel to a developer to offset the cost of the new Public Works yard. He stated that the decision to not sell the property as requested by the neighborhood does not benefit the rest of the community. He asked for Council to be transparent on how they will pay for the new Public Works yard.

Councilmember McCarthy asked Ms. Darr about the new paradigm on how HUD wants affordable housing defined. He asked if Council could approach the decision once the program is more fleshed out. Ms. Darr stated that Council could and that the decisions to convert to the new tool can always be changed. Councilmember McCarthy is supportive of moving forward with the exploration.

Vice Mayor Shimoni asked if the City maintains ownership of the property in this program. Ms. Darr stated that it is one of the options. The property could also be transferred to the developer on a temporary basis with a revisionary clause. The recommendation of staff at this point is to maintain ownership and local control, but that could change. The RAD program ensures that the public asset remains a public asset long-term.

Vice Mayor Shimoni also asked if the City would lose control of the 30%-of-income cap for rent control. Ms. Darr explained that rent control is not a term used with Public Housing and households would pay an income range for affordability. The rents are determined affordable by HUD for a 60% AMI. In all the cases she knows of, the rents remained affordable under one mechanism or another. The City is in a position to leverage items like that.

Vice Mayor Shimoni asked about the period of time for relocation of residents and that HUD employees he has spoken to are concerned about the communication regarding relocation. He is in support of moving forward with the initial stages of the RAD. Ms. Darr gave an example of relocation for reassurance. Residents that are relocated have a right to return to

the units or elect to receive a tenant protect voucher to move to a different spot in assisted housing. Unit protections are required.

Councilmember Odegaard stated he is glad to see this presentation and he is supportive of moving forward.

Councilmember Salas stated that she is happy to see a leveraging of the properties the City has and is supportive of moving forward with the letter and the RSOQ.

Councilmember Whelan stated that she is supportive as well, but that the timeframe is concerning, and a plan needs to be established. She understands that the City has added more open space in the last four to six years than it has in decades. She stated that affordable housing is a matter of the community's wellbeing.

Councilmember Aslan offered his support to move forward as well.

Councilmember Whelan shared that Mayor Evans had brought up placing signs on parcels bought for affordable housing previously. She would like to see this done.

Mayor Evans stated that she is also supportive of moving forward. She asked what a multi-year plan means and stated that the old plans did not take into account the community changes and pushback. She stated that she is interested in how the housing plan is executed. Desirable locations for affordable housing keep changing and that worries her. She also asked what the new model looks like. She shared that having a yard in Siler Homes helped give her family some "normalcy." She would like to see a diversity of housing developed.

Ms. Darr addressed her concerns stating that here is a housing plan, but there has never been an opportunity to attach concrete funding to the plan in a meaningful way. However, this is different with the RAD program and the co-developer. As far as gentrification, it may happen around the area, but that there is affordable housing in desirable locations and there always will be. There is a need to involve residents and the Housing Department will work with residents to help figure out if there will be multiple housing types on one site. This is the opportunity to access housing types that were not accessible by law in the past. She stated that the Housing Department will be back in front of council multiple times. The four to eight year time frame is for completion of the whole process, not for the planning process. Mayor Evans also asked about the AMI served and stated that it needs to cover, at the bare minimum, the current AMI served. Ms. Darr stated that covering the minimum AMI currently served is guaranteed and that she would like to see a mixed-rate community.

Ms. Darr shared the final slide of the presentation which was an update of upcoming issues that the Housing Staff is working on currently.

Mayor Evans asked when the conversation with the individuals who live in public housing will start. Ms. Darr stated that they have started planting the seeds of the discussions. At a public meeting in April, staff will meet with residents and talk to them about it. There is also a rumor that NAU is buying Brannen Homes that is not true. There is a newsletter that goes out to every household that will be utilized as well.

8. FUTURE AGENDA ITEM REQUESTS

After discussion and upon agreement by three members of the Council, an item will be moved to a regularly-scheduled Council meeting.

- A. Future Agenda Item Request (F.A.I.R.):** A request by Mayor Evans to place on a future agenda a discussion about a plan on how to move forward with the development of affordable housing on the Shultz Pass Parcel (the triangle at Shultz Pass Road at Hwy 180) including the discussion of a \$500K general obligation bond ballot question or something similar for repayment of affordable housing monies allocated/spent on Shultz Pass Property in a future election.

Mayor Evans stated that this is a FAIR request and that she brought forward and stated that the discussion regarding this parcel was not finalized in previous meetings.

The public speakers against development of the Schultz Pass parcel were Sallie Page, Joe Shannon, Mary Williams, and Joan Martini.

Comments against the development of the parcel included:

- o Traffic is an issue on the 180 corridor.
- o Development of the Schultz parcel should be put on the back burner until the traffic is mitigated.
- o The old City Yard should be kept as a park.
- o The timeliness of the issue since the parcel has sat since 2007.
- o There are questions regarding the utilities.
- o Double taxation regarding the payback for the parcel.
- o Open space is always up for grabs.
- o That this is a no-win situation.
- o The PAC, Save Schultz Meadow, has been established and a petition has started circulating to put an initiative on the ballot to make this parcel open space.
- o The love of the view of the field.
- o There are better choices.
- o Let the citizens make the decision.
- o Worth every penny to preserve the view.

Emily Melhorn spoke in support of the development of the Schultz Pass parcel and her comments included:

- o People who support the creation of open space waited 12 years after the purchase of the parcel to start an initiative to make the parcel open space.
- o The parcel is a good location for affordable housing.
- o Designating the land as open space is costly to the City .
- o The property behind the parcel is privately owned and will one day be developed.

It was also noted that the GIS public portal does not designate the City owned land well.

Mayor Evans pointed out that many established neighborhoods did not exist when she was a child and that they were open space. She would like Council to be mindful that as the City grows, there needs to be more growth. She reminded Council that the other parcels that staff presented will also pose a fight.

Mayor Evans reviewed the minutes of July 7, 2017. There was a conversation of why the City of Flagstaff could not designate the parcel as open space, how many houses could be developed on the property, and how the money spent on the parcel could be repaid. Mayor Evans changed her vote at that time to not hold up the RFP for the four remaining parcels with the understanding that the piece of property would be discussed in the future. At the following meeting, August 15, 2017, a citizen's petition was presented to preserve the parcel as open space. It was stated that there would be a citizen's initiative to designate the parcel as open space and that there would be a fundraising element to pay back the affordable

housing fund. It was a consensus of Council to not move forward with the parcel at that time.

Councilmember Odegaard stated that he wanted to give the Citizen's Initiative at least six months. The citizens have just now compiled the paperwork rather than in 2017. Mayor Evans stated that she hopes that the citizens get the signatures and that this is not a delay. She also stated that she wants to address the \$500,000 spent on the parcel and stated that if a general bond is put forward, the City then spends \$1,000,000 on the land. She stated that she wants to have a conversation on if the City should try to recoup the cost.

Councilmember Whelan stated that if the initiative does not get enough signatures, the parcel needs to be made into affordable housing. The citizens have already paid for it once.

Mayor Evans clarified that if the initiative does not receive enough signatures by the deadline, she would like to move forward with affordable housing on the parcel. If there are enough signatures, she would like to discuss how to recoup the cost.

Councilmember McCarthy asked if the GIS map could be made more user friendly for the public. Ms. Darr replied that the intent of the map is to be posted on the City's website. It is not quite completed yet and it is a work in progress. Councilmember McCarthy asked if the properties discussed tonight could be added.

Vice Mayor Shimoni agreed and stated that he is in support of waiting to see if the initiative collects enough signatures before moving forward.

Mayor Evans stated that she would like to have Council move forward with affordable housing if the initiative does not collect enough signatures. She would also like for staff to look at options to recoup the cost of the parcel.

Councilmember McCarthy is not in favor of the FAIR item moving forward.

Councilmember Aslan is in support of Mayor Evans' request and wants to move forward and continue the conversation.

Councilmember Salas stated that there needs to be a balance between affordable housing and open space. She also wanted to ensure that the City recoups the \$500,000 so that all taxpayer money is spent wisely.

City Manager Goodrich stated that there were three Councilmembers supportive of moving the conversation forward and information can be provided at the next vote on when the signatures for the initiative need to be collected by.

9. Discussion/Direction: Current Issues Before Arizona Legislature and Federal Issues.

Assistant to the City Manager, Cliff Bryson, addressed the Council to give an update on the legislature and federal issues. He highlighted:

- HB2109 County Transportation Excise Tax
- HB2536 Fuel; Electric Cars; Hybrids; Taxes

Councilmember Whelan stated that the nation is moving towards hybrid vehicles and that it is disappointing that the legislature in Arizona is not helping to motivate citizens to get into a hybrid or electric vehicle. She added that NACOG also approved the tax.

Mr. Bryson stated that he drafted a letter from Council to meet with the state delegates and that it was approved by the Councilmembers. The letter will be reviewed by the City Manager

and sent after her approval.

Mr. Bryson introduced Water Services Director Brad Hill who gave a presentation on the findings from the American Water Works Association. He asked Council if they were interested in the recommendation to meet with delegates and have Mr. Bryson and Mr. Hill join City Council in meetings where it makes sense.

Councilmember Whelan stated that she is interested in that proposal.

Councilmember Odegaard asked how many issues will be discussed. Mr. Hill replied that he has two issues to discuss and one that he can leave information about.

City Manager Goodrich recommended that Council continues to work with the City's Federal Lobbyist Bob Holmes since getting in five topics can be difficult. She asked for the latitude for staff to work with Mr. Holmes.

Mayor Evans replied that some meetings would make sense to bring up water topics while others would not. Councilmember McCarthy agreed with Mayor Evans.

Mr. Bryson stated that there is a new state lobbyist, Tom Madeska, for a four-month term.

Councilmember Salas offered a correction regarding the Tiger Grant and stated that it is now known as BUILT: Better Utilizing Investments to Leverage Development.

10. Informational Items To/From Mayor, Council, and City Manager; future agenda item requests

Councilmember Salas attended the FMPO meeting as an alternate. She shared that FMPO should contact the City Manager regarding transportation to coordinate the legislative efforts.

Councilmember Odegaard shared that he had the pleasure of attending a dinner with the Israeli diplomat. He also thanked KAFF Country Radio Station for their broadcast of the Lady Lumberjack's basketball team in the playoffs and congratulated the team.

Councilmember Aslan shared that he attended a presentation of the sea aquifer last night and he would like to see more events like that. He stated that he will not be at next week's meeting.

Councilmember McCarthy stated that he was also at the FMPO meeting and that they will be rebranding the name of the organization. He added that NAIPTA is calling itself Mountain Line.

Vice Mayor Shimoni shared an idea he had regarding local DPS operators with communication with the State and how Council may help them get heard. He requested that this be a FAIR item. Councilmember Whelan asked if Council could have the City's state lobbyist Todd Madeksza investigate it and see if there is a better way than having it go through the FAIR process. Perhaps he could explain the issue better.

Councilmember Whelan stated that she had a tour with Streets Director Scott Overton and that she appreciates all they do.

Mayor Evans stated that there is a community meet and greet tomorrow for candidates for the City Manager's position. She added that she met with the consulate from Israel as well and spoke to him about Israel's water use. They reuse 98% of their water. She asked him to consider having some of Israel's water people speak to some of Flagstaff's water staff. She

also met with the Scottsdale and Fountain Hill's Mayors today regarding AirBnBs.

Councilmember Odegaard asked if there will be a second round of Councilmembers going to Phoenix soon. City Manager Goodrich stated that it is in the works and will be less of a legislative trip.

11. Adjournment

The Flagstaff City Council Work Session of March 12, 2019, adjourned at 9:54 p.m.

MAYOR

ATTEST:

CITY CLERK