

ATTENTION

IN-PERSON AUDIENCES AT CITY COUNCIL MEETINGS HAVE BEEN SUSPENDED UNTIL FURTHER NOTICE

The meetings will continue to be live streamed on the city's website (<https://www.flagstaff.az.gov/1461/Streaming-City-Council-Meetings>)

The public can submit comments that will be read at the dais by a staff member to publiccomment@flagstaffaz.gov.

SPECIAL COUNCIL MEETING
FRIDAY
APRIL 10, 2020

STAFF CONFERENCE ROOM
SECOND FLOOR - CITY HALL
211 WEST ASPEN AVENUE
9:00 A.M.

1. CALL TO ORDER

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 regular meeting, 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. ROLL CALL

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

MAYOR EVANS
VICE MAYOR SHIMONI
COUNCILMEMBER ASLAN
COUNCILMEMBER MCCARTHY

COUNCILMEMBER ODEGAARD
COUNCILMEMBER SALAS
COUNCILMEMBER WHELAN

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

MISSION STATEMENT

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

4. Consideration and Adoption of Resolution No. 2020-18: A Resolution amending the 2016-2020 Consolidated Plan to modify timeframes associated with the Citizen Participation Plan and allow for virtual meetings.

Consideration and Adoption of Resolution No. 2020-19: A Resolution amending the 2019-2020 Annual Action Plan to permit Flagstaff Shelter Services to provide infectious disease

services in place of employment services.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2020-18 by title only
- 2) City Clerk reads Resolution No. 2020-18 by title only (if approved above)
- 3) Adopt Resolution No. 2020-18

- 1) Read Resolution No. 2020-19 by title only
- 2) City Clerk reads Resolution No. 2020-19 by title only (if approved above)
- 3) Adopt Resolution No. 2020-19

5. Consideration and Approval of Franchise Agreement and Adoption of Resolution No.

2020-16: A resolution of the City Council of the City of Flagstaff, Arizona, calling a Special Election to be held on August 4, 2020, in conjunction with the City's Primary Election, declaring a proposed gas franchise beneficial to the City of Flagstaff; designating the text of a question authorizing the City of Flagstaff to enter into a franchise agreement and setting forth the proposed franchise agreement in full, to be voted on by the qualified electors of the City of Flagstaff, pursuant to the Constitution and laws of the State of Arizona and the Charter of the City of Flagstaff

STAFF RECOMMENDED ACTION:

- 1) Approve Franchise Agreement
- 2) Read Resolution No. 2020-16 by title only
- 3) City Clerk reads Resolution No. 2020-16 by title only (if approved above)
- 4) Adopt Resolution No. 2020-16

6. ADJOURNMENT

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this _____ day of _____, 2020.

Stacy Saltzburg, MMC, City Clerk

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Sarah Darr, Housing Director
Co-Submitter: Kristine Pavlik
Date: 04/07/2020
Meeting Date: 04/10/2020



TITLE:

Consideration and Adoption of Resolution No. 2020-18: A Resolution amending the 2016-2020 Consolidated Plan to modify timeframes associated with the Citizen Participation Plan and allow for virtual meetings.

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-
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 - 2) City Clerk reads Resolution No. 2020-19 by title only (if approved above)
 - 3) Adopt Resolution No. 2020-19

Executive Summary:

Due to the current State of Emergency, the US Department of Housing and Urban Development (HUD) has issued waivers to certain regulations that allow entitlement communities to respond to the COVID-19 pandemic in an expedited manner.

Resolution No. 2020-18 amends the 2016-2020 Consolidated Plan to modify timeframes associated with the Citizen Participation Plan from a minimum 30-day notice period to a minimum 5-day notice period, and allow for virtual meetings. These changes take advantage of recently released regulation waivers from the US Department of Housing and Urban Development (HUD) related to expediting public processes related to the allocation of Community Development Block Grant (CDBG) funds and allowing for virtual meetings.

Resolution No. 2020-19 amends the 2019-2020 Annual Action Plan to permit Flagstaff Shelter Services (FSS) to provide infectious disease services in place of employment services. FSS will provide expanded shelter and services in response to the COVID-19 infectious disease pandemic. FSS COVID-19 Infectious Disease Response Program will provide alternative temporary shelter to a minimum of 100 medically vulnerable individuals at increased risk of severe infection and exposure to COVID-19. CDBG funds will be used to provide temporary off-site shelter, purchase crucial biohazard supplies to protect

clients and staff and to hire additional support for the supervision of clients during the daytime hours.

Financial Impact:

Resolution No. 2020-18 has no financial impact.

Resolution No. 2020-19 reallocates \$59,597.45 of previously allocated CDBG funds.

FSS received an allocation of 2019-2020 CDBG funding in the amount of \$59,597.45 in order to provide employment navigation services. This program has not yet started and due to the current pandemic, FSS requested these funds be reallocated to the COVID-19 Infectious Disease Response Program; as of this time, no funds have been expended from the 2019 CDBG Allocation.

***These resolutions and actions are unrelated to the anticipated CARES Act CDBG funding. Staff will bring forward information and recommendations on the use of the new funding, coupled with the 2020/2021 CDBG funding, as soon as HUD releases the necessary guidance and notices and input can be gathered from the community.

Policy Impact:

Resolution No. 2020-18: In order to work within regulatory and statutory guidelines related to Resolution No. 2020-19, amending the City of Flagstaff's Citizen Participation Plan, a section of the City's 2016-2020 Consolidated Plan, adopted in April of 2016, is necessary in order to implement the HUD Waivers.

Resolution No. 2020-19: This action is consistent with The City of Flagstaff Council's 2018-2020 CDBG Priorities:

- Provide affordable housing (rental and ownership)
- Address homelessness
- Improve neighborhood revitalization
- Promote workforce job training
- Support education/ early childhood development

Connection to Council Goal, Regional Plan, CAAP, and/or Strategic Plan:

Regional Plan:

Goal NH.1. Foster and maintain healthy and diverse urban, suburban, and rural neighborhoods in the Flagstaff region.

- Policy NH.1.1. Preserve and enhance existing neighborhoods.

Goal NH.4. All housing is safe and sanitary.

- Policy NH.4.1. Expand the availability of affordable housing throughout the region by preserving existing housing, including housing for very low-income persons.
- Policy NH.4.3. Address accessibility issues and other housing barriers to persons with disabilities or special needs.
- Policy NH.4.4. Encourage green practices in housing construction and rehabilitation that support durable, healthy, and energy efficient homes.
- Policy NH.4.5. Renovate the existing housing stock to conserve energy and reduce utility and maintenance costs for owners and occupants.
- Policy NH.4.7. Enforce compliance with fair housing laws.

Goal NH.5. Eliminate homelessness.

- Policy NH.5.1. Provide adequate resources for families with children experiencing homelessness.
- Policy NH.5.2. Provide adequate resources for individuals experiencing homelessness.
- Policy NH.5.3. Support and expand programs that prevent homelessness.
- Policy NH.5.4. Make transitional housing resources available to populations experiencing

homelessness.

Has There Been Previous Council Decision on This:

Resolution No. 2020-18: Council adopted Resolution No. 2016-15 on April 19, 2016 approving and authorizing submission of the 2016-2020 Consolidated Plan.

Resolution No. 2020-19: Council adopted Resolution No. 2019-14 on April 16, 2019 approving and authorizing submission of the 2019-2020 Annual Action Plan.

Options and Alternatives:

1. Approve Resolution No. 2020-18 and Resolution No. 2020-19 and authorize the submission to HUD.
2. Modify Resolution No.2020-18 and/or 2020-19 and authorize the submission to HUD.
3. Not approve Resolution No. 2020-18 and/or 2020-19.

Community Benefits and Considerations:

HUD has urged entitlement communities to consider the use of allocated CDBG funds for the prevention and response to community spread of COVID-19. Flagstaff Shelter Services will serve one hundred (100) medically vulnerable/high-risk individuals experiencing homelessness with temporary, off-site shelter during the COVID-19 pandemic. Flagstaff Shelter Services will provide an additional one hundred (100) individuals experiencing homelessness with crucial day services allowing for necessary social distancing and prevention of community spread of the COVID-19 Infectious Disease.

Community Involvement:

Utilizing a recently published waiver of regulations, there was a five-day (instead of a 30 day) Public Comment Period from April 5th – 9th, 2020. An advertisement for Public Notice was published in the Arizona Daily Sun on April 5th, and the proposed DRAFT Resolutions, 2019/2020 Annual Action Plan, the Citizen Participation Plan (a section of the 2016-2020 Consolidated Plan) were made available on the City of Flagstaff website starting April 3, 2020.

Attachments: [Res. 2020-18](#)
 [Exhibit A to Res. 2020-18](#)
 [Res. 2020-19](#)
 [Exhibit A to Res. 2020-19](#)

RESOLUTION NO. 2020-18

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL AMENDING THE CITY OF FLAGSTAFF FY 2016-2020 CONSOLIDATED PLAN AND AUTHORIZING ITS SUBMISSION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RECITALS:

WHEREAS, the Flagstaff City Council is committed to the welfare of its low and moderate income residents; and

WHEREAS, the Flagstaff City Council is committed to meeting the national objective of the United States Department of Housing and Urban Development (HUD) to: 1) benefit low and moderate income persons; 2) address slum and blight; and 3) meet an urgent community need; and

WHEREAS, the City of Flagstaff has been designated as a Community Development Block Grant (CDBG) Entitlement Community by HUD; and

WHEREAS, preparation of the Consolidated Plan is a federal requirement in order for local Entitlement jurisdictions to continue to receive CDBG and other HUD grant funding; and

WHEREAS, the City of Flagstaff prepared, and Council approved, the five-year 2016-2020 Consolidated Plan in order to meet the federal requirement; and

WHEREAS, the City of Flagstaff's 2016-2020 Consolidated Plan contains certain minimum time frames for public participation processes; and

WHEREAS, the Department of Housing and Urban Development has implemented waivers of Community Planning and Development Grant Program and Consolidated Plan Requirements to prevent the spread of COVID-19 and mitigate economic impacts; and

WHEREAS, the amendments to the Citizen Participation Plan component of the 2016-2020 Consolidated Plan set forth in **Exhibit A** to this resolution provide additional flexibility to the City of Flagstaff to prevent the spread of COVID-19 and better assist low to moderate income individuals and families, including those experiencing homelessness, infected with the virus or economically impacted; and

WHEREAS, it is in the community's best interest to modify the 2016-2020 Consolidated Plan as set forth in Exhibit A and in compliance with the Department of Housing and Urban Development guidance.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the FY 2016-2020 Consolidated Plan is hereby amended as set forth in Exhibit

A and authorized for submission to the U.S. Department of Housing and Urban Development.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 10th day of April, 2020.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:

Exhibit A – Amended Citizen Participation Plan from the 2016-2020 Consolidated Plan

EXHIBIT A

CITY OF FLAGSTAFF

CITIZEN PARTICIPATION PLAN

PURPOSE

This document has been prepared concerning the citizen participation planning regulations applicable under Consolidated Plan submittal requirements at 24CFR 91.105. This Citizen Participation Plan applies to the City of Flagstaff HUD 5-year Consolidated Plan, Annual Action Plans, and Annual Reports.

The City receives a direct allocation of Community Development Block Grant (CDBG) funds from the US Department of Housing and Urban Development.

PUBLIC OUTREACH

In preparing the 5-year Consolidated Plan or Annual Action Plan, the City will encourage public input through contacting public and private agencies that provide housing or human services, neighborhood organizations and citizens. The City will hold at least two meetings and/or workshops to solicit public input on the past year's project performance and recommendations for new project allocations for the upcoming program year. Public meetings will include:

1. Discussion of the amount of CDBG funds expected to be available including program income and prior year's funds not yet allocated to project use;
2. The full range of HUD activities that may be undertaken with the funding being discussed;
3. The amount of resources that will be directed to low- and moderate-income households; and
4. The uses of funds in the prior year.

The meetings will be advertised through public notices and published in the non-legal section of the local newspaper at least five days before the scheduled meeting. Public notices indicate the date, time and location of the scheduled meetings and list the topics to be considered. Notices are also mailed directly to City residents when feasible. These announcements provided information about the topic of the forum, location, and how comments could be submitted if the person(s) was unable to attend. The forums are held in handicap accessible locations convenient to actual and potential beneficiaries.

Upon receiving notice of special accommodations or requirements 24 hours in advance of any meeting, the City will make translators and special disability access available. In addition, minutes and other materials from the meeting will be translated into Spanish, Braille (#2) or enlarged print to further communications and community outreach. The City will also make meeting materials available for download and will take questions and suggestions through e-mail.

As applicable, the City will also hold public meetings in identified CDBG target areas to discuss target area needs and eligible uses of CDBG funds relative to the identified needs. The City will provide technical assistance to non-profits interested in applying for CDBG funds.

Citizens are encouraged to submit their questions, comments and criticisms regarding the City CDBG process or program. These comments may be presented at public meetings, through the mail, in person at the City of Flagstaff Housing Division, or via e-mail through the City's website.

Where any public meeting is held as part of preparation of the Consolidated Plan or Annual Action Plan, the City will consider any comments and views expressed as information that may modify or adjust the proposed documents as considered necessary. This information does not have to be submitted in writing. Public input is used to draft a list of projects to be recommended for funding for the upcoming program year.

Technical Assistance

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The City of Flagstaff conducts an open request for proposals process, allowing the community to formally submit projects for funding consideration. The proposal format is designed to relay basic Federal, State and local eligibility criteria pertaining to various funding sources. Technical assistance is provided by City staff to any person or entity that requests assistance in submitting a proposal, learning more about the program or local needs and understanding the strategies listed in the Consolidated Plan.

PUBLIC HEARINGS

In preparing the 5-year Consolidated Plan or Annual Action Plan, the City will hold at least two public hearings. The hearings will review the past year's performance of HUD funded activities and a draft statement that provides information on the amount of funds that will be used in the coming year for low- and moderate-income benefit. At a minimum, the hearings will be announced in a format that includes posting of the meeting in public locations, **VIRTUAL WEB MEETING, OR TELECONFERENCE MEETING** as defined by the City Clerk and advertisement in the local newspaper. The City Council will hold at least one public hearing in the City Hall Council Chambers, **VIRTUAL WEB MEETING, OR TELECONFERENCE MEETING**.

In preparing the Consolidated Annual Performance Evaluation Report (CAPER), the City will hold at least one public hearing. The hearing will review the past year's performance of HUD funded activities. At a minimum, the hearing will be announced in a format that includes posting of the meeting in public locations as defined by the City Clerk and advertisement in the local newspaper. The City Council will hold at least one public hearing in the City Hall Council Chambers, **VIRTUAL WEB MEETING, OR TELECONFERENCE MEETING**.

Prior to transmitting any Consolidated Plan, Annual Action Plan, any substantial amendment, Performance Report or other activity mandating a public hearing, **VIRTUAL WEB MEETING, OR TELECONFERENCE MEETING**, the City shall convey any comments or views of citizens received in writing or orally at public hearings, **VIRTUAL WEB MEETING, OR TELECONFERENCE MEETING**. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, shall be attached to final submissions conveyed to HUD.

A summary of comments received during the public comment period and at any public hearing for the 5-year Consolidated Plan, Annual Action Plan, any substantial amendment, Performance Report or other activity mandating a public hearing shall be recorded, considered and summarized in an appendix with the final Council-approved documents submitted to HUD. The City's response to public comments and an explanation of where the comments are addressed in the document or if not, the reasons why they were not, shall also be summarized in the attachment.

ACCESS TO RECORDS AND INFORMATION AVAILABILITY

The City of Flagstaff will provide citizens, public agencies and other interested parties with reasonable access to records relating to the City's Consolidated Plan and the City's use of all Federal, State and local funds in the conduct of strategies outlined in the Consolidated Plan during the previous five years. Access to these records can be obtained by contacting the Housing & Grants Administrator.

The Consolidated Plan, amendments to the Consolidated Plan, the Annual Action Plan and the CAPER are available at the following locations:

Local Government Documents Section
300 W. Aspen Avenue
Flagstaff, Arizona 86001
(928) 779-7674
TDD or TTY Qwest Relay Service at 1-800-223-3131

EXHIBIT A

CITY OF FLAGSTAFF

CITIZEN PARTICIPATION PLAN

City of Flagstaff

Community Development Department
211 W. Aspen Avenue
Flagstaff, Arizona 86001
(928) 779-7632
TDD or TTY QWest Relay Service 1-800-223-3131

In addition, these documents are made available on the City of Flagstaff's website: www.flagstaff.az.gov. All notifications of publications and public forums are published in the local newspaper, The Arizona Daily Sun and, at a minimum, on the Resource Action Network of Northern Arizona (RANNA) listserv.

ADOPTION OF CITIZEN PARTICIPATION PLAN

Prior to the adoption of the Citizen Participation Plan notices will be placed in local newspapers stating that the Plan is available for public review and comment.

CRITERIA AND PROCESS FOR AMENDMENTS TO THE CONSOLIDATED PLAN

Should the City cause one of the following to occur, it would be construed as an amendment to the Consolidated Plan:

To make a substantial change in the allocation priorities or methods of distribution delineated in the plans. "Substantial" in this context is defined as:

1. Changes in the funding process, when not undertaken as part of the Annual Action Plan, that will alter the manner in which funds are allocated to individual projects or entities identified in the Annual Plan by at least 20% of any annual allocation, subject to other program requirements in the CFR as applicable.
2. Changes that are made to funding priorities in the Consolidated Plan when not undertaken through annual submission requirements stipulated by HUD.
3. Project deletions or changes made in allocation priorities or methods of distribution that have the effect of changing the funding level of individual CDBG projects identified in its Annual Plan by more than 10% of the annual funding level, subject to other program requirements in CFR as applicable. Any new project funded with CDBG resources must be noticed to the public prior to funding, as well as significant changes in the use of CDBG funds from one eligible activity to another.
4. To carry out an activity using funds from any program covered by the Consolidated Plan (including program income) not previously described in the action plan.
5. To substantially change the purpose, scope, location, or beneficiaries of an activity. This refers to changes that are made to projects to be funded in the Consolidated Plan when not undertaken through annual submission requirements stipulated by HUD.

Should "substantial" amendments be made to any aspect of the Consolidated Plan, after its formal adoption, the City will undertake the following:

1. Provide reasonable notice of the proposed amendment/s in the local newspaper to enable review and comment by the public for at least 30 days.
2. Submit the amendment(s) to the City Council for approval.
3. Upon termination of the 30-day comment period, notify HUD of any amendments executed, citizen comments received, and the response(s) by the City.
4. **AVAILABILITY OF WAIVERS OF COMMUNITY PLANNING AND DEVELOPMENT (CPD) GRANT PROGRAM AND CONSOLIDATED PLAN REQUIREMENTS TO PREVENT THE SPREAD OF COVID-19 AND MITIGATE ECONOMIC IMPACTS CAUSED BY COVID -19". THIS 30-DAY MINIMUM FOR THE REQUIRED PUBLIC COMMENT PERIOD IS WAIVED FOR**

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SUBSTANTIAL AMENDMENTS, PROVIDED THAT NO FEWER THAN 5 DAYS ARE PROVIDED FOR PUBLIC COMMENTS ON EACH SUBSTANTIAL AMENDMENT. THE WAIVER IS AVAILABLE THROUGH THE END OF THE RECIPIENT'S 2020 PROGRAM YEAR AND IS AMENDED THROUGHOUT THE CITIZEN PARTICIPATION PLAN, A SECTION OF THE 2016 CONSOLIDATED PLAN.

Complaint Procedures

Any person or entity wishing to express dissatisfaction, make suggestions or otherwise comment on the public participation process, the Consolidated Plan or amendments to the Consolidated Plan may use the following complaint procedures:

1. Submit dissatisfaction, suggestion or comment in writing to the following entity. A written response will be returned within 15 calendar days. These comments shall be made available in the Appendix section of the Consolidated Plan and/or the Annual Action Plan.
Community Development Department
Housing and Grants Administrator
211 W. Aspen Avenue
Flagstaff, Arizona 86001
2. If not satisfied with the response from the entity listed above, submit dissatisfaction, suggestion or comment in writing along with the initial response received to the following entity. A written response will be returned within 15 calendar days.
City of Flagstaff
City Manager
211 W. Aspen Avenue
Flagstaff, Arizona 86001

CITY OF FLAGSTAFF ANTI-DISPLACEMENT PLAN

The City will minimize the displacement of persons assisted through the use of CDBG resources. Public Hearings will specifically discuss activities likely to result in displacement and the methods being used by the City to minimize displacement of persons because of activities. The City will utilize the following displacement policies for the CDBG program.

The City of Flagstaff, in accordance with Federal Regulations for Displacement, 24 C.F.R. 570.606(b), hereby issues this Statement of Policy regarding the displacement of persons by CDBG funded activities. Any entity receiving City of Flagstaff CDBG funds will replace all occupied and vacant occupiable low- and moderate-income dwelling units demolished or converted to a use other than as low- and moderate-income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended, described in 24 C.F.R 570.606(b)(1). All replacement housing will be provided within three years of commencement of the demolition or rehabilitation relating to conversion.

Before obligating or expending funds that will directly result in such demolition or conversion, the entity will make public, and submit to the HUD Field Office, the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than for low- and moderate-income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement dwelling units; and

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6. The basis for concluding that each replacement dwelling unit will remain a low- and moderate-income dwelling unit for at least 10 years from the date of initial occupancy.

The entity will provide relocation assistance, as described in C.F.R. 570.606(b)(2), to each low- and moderate-income household displaced by the demolition of housing or by the conversion of a low- and moderate-income dwelling to another use as a direct result of assisted activities.

Permanent Displacement is defined as follows: "involuntary permanent movement of person(s) or other entities from a dwelling unit or business location resulting from CDBG funded code inspection, rehabilitation, demolition or acquisition". In order to minimize displacement and mitigate adverse effects, the policy shall consist of the following steps, in the event displacement is caused by current or future CDBG funded projects:

1. The City of Flagstaff will avoid or minimize permanent displacement whenever possible and only take such action when no other viable alternative exists.
1. The impact on existing persons and properties will be considered in the development of CDBG-funded projects.
2. Citizens shall be informed of CDBG project area(s) through information made available as part of the annual proposed and final statements on use of CDBG funds.
3. Current regulations, HUD notices and policies will be followed when preparing informational statements and notices.
4. Written notification of intent will be given to eligible property owners who may be displaced and/or relocated due to an approved project activity.
5. The City of Flagstaff will assist displaced persons in locating affordable, safe, decent and comparable replacement housing.
6. The City of Flagstaff will ensure that "just compensation" for CDBG acquired property (as determined by appraised fair market value) is paid with relocation benefits, if applicable.
7. The City of Flagstaff will provide for reasonable benefits to any person who is involuntarily and permanently displaced as a result of the use of CDBG funds to acquire or substantially rehabilitate property.
8. Reasonable benefits will follow established policies set forth in applicable Federal, State and local regulations.
9. Provision of information about equal opportunity and fair housing laws in order to ensure that the relocation process does not result in different or separate treatment due to race, color, religion, national origin, sex, or source of income.

Temporary Displacement

The above activities relate to permanent displacement of persons or entities; yet, certain CDBG funded activities may involve only temporary displacement. While strict adherence to provisions of the Uniform Relocation Act is not specified, it is the policy of the City of Flagstaff that all sub-recipients shall take steps to mitigate the impact of CDBG funded code inspections, rehabilitation, demolition or acquisition that results only in temporary movement of person(s) from a dwelling unit. Such temporary displacement primarily involves demolition and reconstruction of a single-family owner-occupied home. Accordingly, the citizens involved in a temporary movement shall be fully informed of the below matters and appropriate steps shall be taken to ensure that fair and equitable provisions are made to:

1. Ensure that owners receive compensation for the value of their existing house structure prior to demolition.
1. Receive temporary living accommodations while their current home is being demolished and reconstructed.
2. Move and temporarily store household goods and effects during the demolition and reconstruction evolution.
3. Reimburse all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including moving costs and any increased rent and utility costs.

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CONTACT INFORMATION

Public hearing information and materials may be received by contacting the City CDBG Program at:
Community Development Department
211 W. Aspen Avenue
Flagstaff, Arizona 86001
(928) 779-7632
TDD or TTY QWest Relay Service 1-800-223-3131

The Consolidated Plan and Annual Action Plan program year begins July 1 and ends June 30th of the following year. This coincides with the City of Flagstaff fiscal year. The planning cycle begins each October with the start of regularly scheduled planning forums and ends May 14 when the draft of either the Consolidated Plan or Annual Action Plan is submitted to HUD for approval.

At least one forum shall be conducted at the beginning of the planning process to introduce the process to the public, and another to solicit comments prior to the public hearing with City Council. The April public hearing shall serve as a presentation of the recommendations for funding within the Annual Action Plan to the City Council for review and approval.

Public Hearings

The following describes the five (5) public hearings that serve to satisfy statutory requirements for the Consolidated/Annual Action Plan. The hearings are advertised in 12-point font display advertisement in the Arizona Daily Sun, Northern Arizona's daily newspaper, at least 14 days prior to the hearings. The hearings are held in public locations **AND OR VIRTUAL WEB MEETING, OR TELECONFERENCE MEETING, ALL OF** which can be accessible to large groups and physical accessibility needs. Accommodations for those with hearing and special language needs are provided, if 24-hour notice is given to the City. Staff takes notes of the public comments received and incorporates the comments into the Consolidated Plan.

CITIZEN PARTICIPATION REASONABLE NOTICE AND OPPORTUNITY TO COMMENT

1. HUD RECOGNIZES THE EFFORTS TO CONTAIN COVID-19 REQUIRE LIMITING PUBLIC GATHERINGS, SUCH AS THOSE OFTEN USED TO OBTAIN CITIZEN PARTICIPATION, AND THAT THERE IS A NEED TO RESPOND QUICKLY TO THE GROWING SPREAD AND EFFECTS OF COVID-19. THEREFORE, HUD WAIVES 24 CFR 91.105(C)(2) AND (K), 24 CFR 91.115(C)(2) AND (I) AND 24 CFR 91.401 TO ALLOW THESE GRANTEEES TO DETERMINE WHAT CONSTITUTES REASONABLE NOTICE AND OPPORTUNITY TO COMMENT GIVEN THEIR CIRCUMSTANCES. THE CITY OF FLAGSTAFF CONSTITUTES A PUBLIC MEETING AS A PUBLIC HEARING THAT MAY TAKE PLACE IN A PHYSICAL LOCATION, VIRTUAL WEB MEETING OR TELECONFERENCE. THIS AUTHORITY IS IN EFFECT THROUGH THE END OF THE 2020 PROGRAM YEAR.

November Public Hearings: Consolidated or Annual Action Plan Agenda

1. Purpose and content of Consolidated/Annual Action Plan
2. Receive public comment regarding community needs and priorities
3. Discussion of the type and amount of Federal funds available and eligible activities
4. Discussion of the City's CDBG open proposal process (proposals are due in February) and dissemination of proposal packets

March Public Hearing: Public Comment of Consolidated Plan Agenda

1. Presentation by City staff of activities proposed to be undertaken and funded
2. Open discussion of the proposed activities
3. Discussion of estimate of the low income benefit related to proposed activities
4. Discussion of displacement issues and City anti-displacement policy
5. Presentation by staff of draft Consolidated Plan and/or Annual Action Plan

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April City Council Public Hearing-30 days after draft publication date Agenda

1. Presentation by City staff of Consolidated Plan or Annual Action Plan and recommendations for funding
2. Open public hearing regarding activities proposed to be undertaken
3. Approval by City Council

September Public Hearing: Consolidated Annual Performance Evaluation (Report public input and comment meeting)

1. Presentation by City staff of accomplishments and progress towards goals of the Consolidated Plan over the previous program year
2. Open discussion of City's performance and the use of CDBG funds

RESOLUTION NO. 2020-19

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL AMENDING THE CITY OF FLAGSTAFF 2019/2020 ANNUAL ACTION PLAN AND AUTHORIZING ITS SUBMISSION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RECITALS:

WHEREAS, the Flagstaff City Council is committed to the welfare of its low and moderate income residents; and

WHEREAS, the Flagstaff City Council is committed to meeting the national objectives of the United States Department of Housing and Urban Development (“HUD”) to: (1) benefit low and moderate income persons, (2) address slum and blight conditions, and (3) meet an urgent community need; and

WHEREAS, the City of Flagstaff has been designated as a Community Development Block Grant (“CDBG”) Entitlement Community by HUD; and

WHEREAS, preparation of the Annual Action Plan is a federal requirement in order for local entitlement jurisdictions to continue to receive CDBG and other HUD grant funding, and the Flagstaff City Council previously authorized the submission of the 2019/2020 Annual Action Plan; and

WHEREAS, Flagstaff Shelter Services received funding for an employment navigation program as part of the 2019/2020 Annual Action Plan, however, given the current COVID-19 pandemic, Flagstaff Shelter Services has an immediate and critical need for health-related services in the shelter; and

WHEREAS, Flagstaff Shelter Services has requested that the City of Flagstaff modify the 2019/2020 award to provide funding for a COVID-19 infectious disease response program in place of the employment navigation program; and

WHEREAS, Flagstaff Shelter Services’ COVID-19 infectious disease response program complies with HUD requirements for allocation of CDBG monies.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the submission of the 2019/2020 Annual Action Plan be hereby amended to reflect that the funds awarded to Flagstaff Shelter Services may be used for a COVID-19 infectious disease response program, as set forth in **Exhibit A**, attached hereto and incorporated into this resolution.

SECTION 2. That the Housing Section be authorized to submit this resolution and amended Annual Action Plan to HUD.

SECTION 3. That the City Manager be authorized to execute an amended agreement with Flagstaff Shelter Services for the allocation as set forth herein and that the Mayor and/or the City Manager be authorized to execute all associated certifications and grant acceptances.

AMENDED, PASSED AND ADOPTED by the City Council this 10th day of April 2020.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:

Exhibit A – Amended 2019/2020 Annual Action Plan

Exhibit A

City of Flagstaff

FY 2019 HUD Annual Action Plan



Submitted to the
US Department of Housing and Urban Development
June 4, 2019



Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The Annual Action Plan (Action Plan) is submitted to the U.S. Department of Housing and Urban Development (HUD) and serves as the formal application for the use of Community Development Block Grant (CDBG) entitlement funds received by the City of Flagstaff.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The Action Plan defines the one-year activities in relationship to the five-year goals and objectives of the Consolidated Plan covering Fiscal Years 2016-2020, submitted to HUD on May 15, 2016. The Action Plan provides a brief description of the programs and projects of the City of Flagstaff in Fiscal Year 2019-2020, as well as funding announcements for the CDBG program. The City established four priorities based on the analysis of market and community conditions, and input from Flagstaff residents and service providers:

1. Revitalization, Public Facilities & Infrastructure, Public Services & Economic Opportunities
Addressing Homelessness Decent Affordable Housing

The Community Development Block Grant program is provided through the US Department of Housing and Urban Development (HUD) Office of Community Planning and Development. Due to its size and composition, the City of Flagstaff is classified as an 'entitlement community'. This means that Flagstaff does not apply for the CDBG program but is awarded CDBG funds at a level based on a HUD formula involving population and demographics. To receive CDBG funds, every five years, the City must complete a Consolidated Plan, and a yearly Annual Action Plan based on the Consolidated Plan that details the uses of funds. Congress' primary objective for CDBG is to improve communities, principally for low and moderate-income persons by:

1. Providing Decent Housing,
2. Providing a Suitable Living Environment, and
3. Expanding Economic Opportunities.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Flagstaff is proud of the accomplishments achieved. In the past two years, CDBG has served 2,480 individuals and 47 households. During the coming year, the City will continue to utilize viable resources and successfully administer CDBG sub-recipient contracts to improve the quality of life in the community.

The city strives to utilize CDBG funds in target neighborhoods; however, the actual distribution of funds to target areas depends on the number and type of proposals received. Last fiscal year, 100% of CDBG funding was expended in the City of Flagstaff. This fiscal year, the city will expend 41% of CDBG funding in Target Neighborhoods.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The consultation and public participation process for the development of this year's Annual Action Plan consisted of five public meetings and one-on-one technical assistance meetings with interested agencies. The draft Annual Action Plan was made available for public comment from March 1, 2019 to April 1, 2019. The funding allocations in this plan were brought to the City Council during a public meeting held on April 9, 2019 and were approved by City Council on April 16, 2019.

Flagstaff City Council's CDBG priorities for 2019 are homelessness, housing (rental and ownership), workforce job training, education (early childhood development) and neighborhood revitalization. The first public meeting, held on January 31, 2019, began the Annual Action Plan process. It introduced to the public the planning stages and solicited public participation for the CDBG Request for Proposal process. On February 28, 2019, a public meeting was held to discuss and receive comment on the proposals submitted.

On April 9, 2019, staff presented the ranked proposals to City Council and received final decision on the selected proposals at the City Council Meeting.

ON APRIL 10, 2020 STAFF REQUESTED CITY COUNCIL APPROVAL OF A SUBSTANTIAL AMENDMENT TO THE 2019/2020 ANNUAL ACTION PLAN.

Notice of public meetings was published at least two weeks prior to each meeting in the Arizona Daily Sun, a newspaper of general circulation and to members of the local Continuum of Care. The Continuum of Care has developed an extensive mailing and email list that includes over 300 people who represent organizations that serve homeless and at-risk households, mainstream service and housing agencies,

community development organizations, civic leaders, etc. This list is used to regularly inform these agencies of planning efforts, funding opportunities, changes in policy and practice or any other information that agencies may find useful.

Emails and notices provided information about the topic of meeting, location, and how comments could be submitted if the person(s) was unable to attend. The forums and meetings were held in handicapped accessible locations. Accommodations for those with hearing and special language needs were made on an as needed basis when at least twenty-four-hour notice was provided to the City.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

During the one-month public comment period, one comment was received.

6. Summary of comments or views not accepted and the reasons for not accepting them

Below is the one public comment the City of Flagstaff Housing Section received. City of Flagstaff Housing staff held a technical assistance meeting with Coconino County Community Services to discuss the agency's concerns potential alternative project idea.

Public comment from Coconino County Community Services Interim Director, Norma Gallegos:

"Community Services is going to take off this year and will not be applying for this grant. We have always used these funds for eviction prevention because we do not have enough rental funds to meet the housing needs in the community. As I mentioned at the Public Hearing last week, it's difficult to come up with a new service when it comes to providing rental assistance because we already provide case management and financial empowerment to families who are requesting services.

We have heard from the community as well as staff that the federal requirements for these funds in terms of paperwork etc., creates more of a barrier to households who end up not returning because of the documentation that is required for this grant, which is unfortunate. Taking this year off will give us time to see if there are other opportunities where this grant could assist us in our Mission since it is a grant that is available each year."

7. Summary

Not Applicable.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

| Agency Role | Name | Department/Agency |
|--------------------|-----------|-----------------------------------|
| CDBG Administrator | FLAGSTAFF | City of Flagstaff Housing Section |

Table 1 – Responsible Agencies

Narrative (optional)

The City of Flagstaff Housing Section is the HUD “lead agency” for the Consolidated Plan and Annual Action Plan. The Housing Section is part of the City’s Community Development Division. In addition to Housing, the Community Development Division includes the Engineering, Planning and Development Services sections.

The Housing Section works to address the shortage of affordable housing with several programs and tools. In addition to administration of the CDBG program, the Housing Section performs the below primary functions.

The City of Flagstaff Housing Authority (CFHA) manages 265 public housing units, 333 Housing Choice Vouchers, 106 Veterans Affairs Supportive Housing (VASH) vouchers, 80 apartment-style residences for a non-profit corporation and 12 Single Room Occupancy (SRO) vouchers for Seriously Mentally Ill (SMI).

- Research and Planning: Key to this focus area is the identification and maintenance of data pertinent to housing in Flagstaff and nationally, the creation and implementation of plans, the location and review of best practices and additional tools being used in other communities, and project specific planning.

- Policy: The development and subsequent implementation of policy initiatives are critical to the success of the City of Flagstaff's overall housing and economic development goals. In general, policy development and implementation are designed to enhance City program effectiveness, identify gaps or underserved groups, and enhance the private sector's ability to provide market-based solutions.
- Housing Programs and Development: This focus area encompasses programmatic areas, as well as the implementation of previous planning efforts, resulting in the creation of housing opportunities.

Consolidated Plan Public Contact Information

City of Flagstaff Housing Section

Leah Bloom, Housing and Grants Administrator

211 West Aspen Avenue

Flagstaff, Arizona 86001

LBloom@flagstaffaz.gov

(928) 213-2752

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

In developing the 2019 Annual Action Plan, the City consulted with agencies providing services related to housing, social services, elderly persons, disabled persons, persons with HIV/AIDS, children experiencing neglect, and individuals and families impacted by homelessness. Agencies participating in the Annual Action Plan public meeting were.

1. Catholic Charities of Northern Arizona
2. Coconino County Community Services
3. City of Flagstaff
4. Flagstaff Family Food Center
5. Flagstaff Shelter Services
6. The Guidance Center
7. Housing Solutions of Northern Arizona
8. Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA)
9. Southwest Fair Housing Council

Activities that serve a special population, including homeless populations, and projects located in target neighborhoods received additional points in the ranking process. The City also gives points to activities that evidence community collaborations including leverage, staffing partnerships, other formal agreements, and letters of support.

Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The City's Housing Section works with coordinated entry, various agencies, and committees, along with City and County departments to coordinate resource delivery to eligible households. The City supports developers, when appropriate, that are seeking funding for Low Income Housing Tax Credits and provides support to other projects that will serve Flagstaff’s low and moderate-income households.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City participates with the Coconino County Continuum of Care (managed by the Arizona Department of Housing), including working groups, sub-committees and advisory groups around specific homeless and at risk-populations. These meetings bring together shelter providers, prevention providers, housing providers and agencies that deliver prevention, rapid re-housing, emergency and

transitional shelter services and permanent supportive housing opportunities. City of Flagstaff staff participate on the Executive Committee.

The City has lead the Point-In-Time (PIT) steering committee for the last three years and worked with Northern Arizona University to assist in developing the survey instrument for the Balance of State Continuum of Care. In addition, City staff leads the Flagstaff Project Homeless Connect steering committee and the System Design Steering committee.

City staff has been instrumental in the creation of Front Door Coordinated Entry. The System Design Steering Committee has created a single point of entry for coordinated assessment in the Flagstaff area, known as Front Door. Since January 2017, accessing housing and services has been dramatically simplified for those in crisis. When members of the community identify themselves to be in a housing crisis, they can access community services by entering the Front Door Program.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City of Flagstaff is not an ESG grantee.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

| | | |
|---|--|---|
| 1 | Agency/Group/Organization | CATHOLIC CHARITIES OF NORTHERN ARIZONA |
| | Agency/Group/Organization Type | Services - Housing Services-Children Services-Elderly Persons Services-homeless |
| | What section of the Plan was addressed by Consultation? | Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Catholic Charities of Northern Arizona continued to monitor the needs of Northern Arizona communities and responded by providing life-changing services that protect and nurture children, help strengthen families and assist individuals in crisis. Catholic Charities delivers services in foster care, adoption and pregnancy counseling, North Star youth development and Westside Head Start early education. Over the years, in response to community needs, our Catholic Charities has grown to serve veterans and their families, sex-trafficked survivors, victims of domestic abuse, refugees and those experiencing homelessness. |
| 2 | Agency/Group/Organization | Coconino County Community Services |
| | Agency/Group/Organization Type | Services-Elderly Persons Services-homeless Services-Health Services-Education |
| | What section of the Plan was addressed by Consultation? | Anti-poverty Strategy |

| | | |
|---|--|---|
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Coconino County Community Services Department (CCCSD) is the largest provider of emergency services in the community, specifically eviction/foreclosure prevention and move in assistance; it is the number one referral agency in both the County and the City of Flagstaff. CCCSD is the recognized Community Action Agency for the County and covers a service area of 18,000 square miles. CCCSD has successfully administered an eviction and foreclosure prevention program for the last thirty-five (35) years. The agency was consulted through public meetings, the public comment period and one on one technical assistance. |
| 3 | Agency/Group/Organization | City of Flagstaff |
| | Agency/Group/Organization Type | PHA Service-Fair Housing Other government - Local |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment Public Housing Needs Lead-based Paint Strategy |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | The City will continue to utilize CDBG funds in target neighborhoods and owner-occupied housing rehabilitation. These programs serve low to moderate income residents of target neighborhoods, elderly persons and persons with disabilities. The programs improve infrastructure; eliminate health and safety hazards; facilitate ADA accessibility and aging in place; stabilize low income households through reduction of home repair and utility costs; increase building performance; revitalize low income neighborhoods; and preserves entry-level housing stock. |
| 4 | Agency/Group/Organization | Flagstaff Family Food Center |
| | Agency/Group/Organization Type | Services-Health Services-Education |

| | | |
|---|--|---|
| | What section of the Plan was addressed by Consultation? | Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Anti-poverty Strategy |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Serving hope to Flagstaff families by providing hunger relief and children's literacy programs. |
| 5 | Agency/Group/Organization | Flagstaff Shelter Services |
| | Agency/Group/Organization Type | Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless |
| | What section of the Plan was addressed by Consultation? | Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Flagstaff Shelter Services offers homeless individuals shelter and supportive services and is focused on chronically homeless individuals, many of whom have serious psychiatric or substance abuse issues. Flagstaff Shelter Services provides all individuals experiencing homelessness with coordinated entry know as Flagstaff's Front Door. The agency was consulted through public meetings, the public comment period and one on one technical assistance. |

| | | |
|---|--|--|
| 6 | Agency/Group/Organization | The Guidance Center |
| | Agency/Group/Organization Type | Services-Health Health Agency Mental Health |
| | What section of the Plan was addressed by Consultation? | Non-Homeless Special Needs |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | The Guidance Center (TGC) is a not-for-profit Community Mental Health Center with locations serving Flagstaff. TGC provides a full range of services, which include everything from general mental health counseling for everyday stressors, to our inpatient psychiatric hospital for acute psychiatric emergencies. TGC is committed to creating healthy individuals, families and communities. The agency was consulted through public meetings, the public comment period and one on one technical assistance. |
| 7 | Agency/Group/Organization | Housing Solutions of Northern Arizona |
| | Agency/Group/Organization Type | Housing Services - Housing Services - Victims Community Development Financial Institution |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment |

| | | |
|---|--|---|
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Housing Solutions of Northern Arizona (HSNA) is a nonprofit housing organization, founded as the Affordable Housing Coalition in 1990 through the grassroots efforts of local citizens concerned about the lack of affordable housing in the Flagstaff community. HSNA expanded from an advocacy organization to one that focuses on programs designed to help residents identify and maintain safe, decent, and affordable housing. The agency's mission is "building opportunities for sustainable, affordable housing in northern Arizona." The agency was consulted through public meetings, the public comment period and one on one technical assistance. |
| 8 | Agency/Group/Organization | Southwest Fair Housing Council |
| | Agency/Group/Organization Type | Service-Fair Housing |
| | What section of the Plan was addressed by Consultation? | Housing Need Assessment |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Southwest Fair Housing Council provides comprehensive services to achieve and preserve equal access to housing for all people. The elimination of all forms of illegal discrimination related to housing. Through research, advocacy, enforcement, community outreach, passionate staff and diverse board, SWFHC helps more people achieve equal access to housing and are recognized as one of the superior fair housing organizations in the nation. |

Identify any Agency Types not consulted and provide rationale for not consulting

Not applicable.

Other local/regional/state/federal planning efforts considered when preparing the Plan

| Name of Plan | Lead Organization | How do the goals of your Strategic Plan overlap with the goals of each plan? |
|-------------------|-------------------------------|--|
| Continuum of Care | Arizona Department of Housing | The Balance of State Continuum of Care (BOSCO) is a collaborative and inclusive community based process for planning and managing homeless assistance resources and services effectively and efficiently to end homelessness in thirteen (13) counties of Arizona. Goals in Coconino County's BOSCO Strategic Plan include action items such as improving the implementation of Coordinated Entry; to continue conducting the County's annual Point in Time Count; to work collaboratively with stakeholders, funders and housing providers to create community housing needs assessment, etc. |

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

The City participates with the Coconino County Continuum of Care (managed by the Arizona Department of Housing), including working groups, sub-committees and advisory groups around specific homeless and at risk-populations. These meetings bring together shelter providers, prevention providers, housing providers and agencies that deliver prevention, rapid re-housing, emergency and transitional shelter services, as well as permanent supportive housing opportunities. Flagstaff City staff participate on the Executive Committee. City staff also lead the Point-in-Time steering committee, the Homeless Connect steering committee and sit on the systems design steering committee.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The City of Flagstaff makes funding allocations based on community priorities and input. Priorities are determined by City Council and through input provided by the public, both in the planning and application processes.

Investments are allocated based on City Council's determination. Proposals for eligible activities are solicited through a formal Request for Proposals (RFP) process, which is open to qualified external organizations and City sponsored projects. Submitted proposals are evaluated and ranked, and a summary of the evaluation is presented to City Council for its review and consideration in making final funding decisions. A review committee consisting of City staff and external members determines a score for each proposal and makes recommendations to City Council based on the following priorities:

1. City Council annual CDBG priorities, 5-year Consolidated Plan and eligible CDBG funding
2. The need for funds and the demand for the project are demonstrated;
3. Geographic areas designated as target neighborhoods due to a disproportionate concentration of low income and minority populations;
4. Projects that meet the previous criteria and address the Primary, National and Consolidated Plan Objectives of the CDBG program; and
5. Projects that demonstrate the capacity to provide timely, compliant, and sustainable benefits to the community.

Activities that will serve a special population, including homeless populations, and projects located in target neighborhoods receive additional points in the ranking process. The City also gives points to activities that evidence community collaborations including leverage, staffing partnerships, other formal agreements, and letters of support.

The consultation and public participation process for the development of this year's Annual Action Plan consisted of three public meetings, a request for proposal process, and an invitation for written comment. Forums and meetings were conducted to solicit information on housing and community development needs and to elicit public comment on planned activities. The draft Annual Action Plan was made available for public comment from March 1, 2019 to April 1, 2019.

THE PROPOSED AMENDMENT TO THE 2019/2020 ANNUAL ACTION PLAN WAS MADE AVAILABLE FOR PUBLIC COMMENT FROM APRIL 5, 2020 TO APRIL 9, 2020. THE 5 DAY PUBLIC COMMENT PERIOD WAS ALLOWABLE BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IMPLEMENTATION OF WAIVERS OF COMMUNITY PLANNING AND DEVELOPMENT GRANT PROGRAM AND CONSOLIDATED PLAN REQUIREMENTS TO PREVENT THE SPREAD OF COVID-19 AND MITIGATE ECONOMIC IMPACTS AND AN AMENDMENT TO THE CITY OF FLAGSTAFF 2016-2020 CONSOLIDATED PLAN CITIZEN PARTICIPATION PLAN.

Citizen Participation Outreach

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (if applicable) |
|------------|-------------------|------------------------------|--|------------------------------|--|---------------------|
| 1 | Internet Outreach | Non-targeted/broad community | Emails were sent to over 300 member of Coconino County's Continuum of Care informing agencies of important dates for the 2019 Community Development Block Grant Schedule, public comment period and deadlines. | No comments received. | | |

| | | | | | | |
|---|----------------|--|---|---|--|--|
| 2 | Public Meeting | <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> | <p>On January 31, 2019 Housing staff held a public hearing to start the CDBG grant cycle and public participation process. The overview of the City's CDBG program assisted the public in understanding the possible funding available, eligible activities under the grant, City Council CDBG priorities, and the format of this year's CDBG process. Nine representatives from agencies attended.</p> | <p>From the Coconino County Community Services Interim Director: "Coconino County Community Services (CCCS) used CDBG funds for eviction prevention because we do not have enough rental funds to meet the housing needs in the community. It's difficult to come up with a new service when it comes to providing rental assistance because we already provide case management and financial empowerment to families who are requesting services."Coconino County Community Services have heard from the</p> | <p>Comment was accepted and discussed with agency.</p> | |
|---|----------------|--|---|---|--|--|

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|------------------|---|--|---|--|---------------------|
| | | | | community as well as staff that the federal requirements for these funds in terms of paperwork etc., creates more of a barrier to households who end up not returning because of the documentation that is required for this grant, which is unfortunate. | | |
| 3 | Public Meeting | Persons with disabilities Non-targeted/broad community | A public meeting was held by City staff on Thursday, February 28, 2019 to review received proposals and to receive comments on the use of the City of Flagstaff's 2019 CDBG funds. | No comments received. | | |

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|------------------|---|--|------------------------------|--|---------------------|
| 4 | Newspaper Ad | Persons with disabilities Non-targeted/broad community | Arizona Daily Sun ad February 10 & 17, 2019 - Invited the public to City Council Meeting to discuss the use of CDBG funding on April 9, 2019. | No comments received. | | |
| 5 | Public Meeting | Persons with disabilities Non-targeted/broad community | On Tuesday, April 9 & 16, 2019, two public meeting were held by City Staff where City Council discussed and approved the submittal of the 2019 Annual Action Plan to HUD and use of the 2019 CDBG funds. | No comments received. | | |
| 6 | NEWSPAPER AD | PERSONS WITH DISABILITIES NON-TARGETED/BROAD COMMUNITY | ARIZONA DAILY SUN AD APRIL 5, 2020 – INVITED PUBLIC COMMENT ON AMENDMENTS TO THE 2019/2020 ANNUAL ACTION PLAN | NO COMMENTS RECEIVED. | | |

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The amount of CDBG funding received by the City varies from year-to-year based on the federal budget. The City expects to receive between \$510,000 and \$650,000 each year during the next five years. The Annual Action Plan describes City allocations for the CDBG program during the coming year – PY2019-2020. These allocations fund activities to address goals for the primary Consolidated Plan areas: Affordable Housing, Homelessness, Community Development, Special Needs and Citizen Participation.

Additional federal funds to address goals were made available for public housing and programs addressing the needs of people experiencing homelessness. State government, local general funds and private resources are occasionally secured by the City or by local agencies for a variety

of uses.

Anticipated Resources

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 1 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|---------|------------------|--|----------------------------------|--------------------|--------------------------|-----------|---|---|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| CDBG | public - federal | Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services | 616,928 | 60,044 | 20,183 | 697,155 | 0 | The City of Flagstaff's 2019 CDBG allocation totals \$697,155.48. |

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Federal funds will leverage possible additional resources to rehabilitate and/or develop affordable housing for renters or owners, to provide services to vulnerable populations including people experiencing homelessness, people living in poverty, and other people with special needs. When funding has matching requirements, match may be satisfied through local fundraising by nonprofit organizations, State Housing Trust Funds, and City General Funds. \$2,414,316 federal, state and local funds will leverage 2019 CDBG projects.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Not applicable.

Discussion

Not applicable.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|------------|---------------------------------------|------------|----------|--|-----------------|--|--------------------|---|
| 1 | Infrastructure for Affordable Housing | 2016 | 2021 | Affordable Housing Non-Housing Community Development | Sunnyside | Revitalization, Public Facilities & Infrastructure Addressing Homelessness Decent Affordable Housing | CDBG: \$258,233 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 5 Households Assisted Rental units constructed: 5 Household Housing Unit Overnight/Emergency Shelter/Transitional Housing Beds added: 9 Beds Housing for Homeless added: 5 Household Housing Unit |
| 2 | Owner-occupied Housing Rehabilitation | 2016 | 2021 | Affordable Housing | Citywide | Decent Affordable Housing | CDBG: \$219,095 | Homeowner Housing Rehabilitated: 6 Household Housing Unit |
| 3 | Operating Support | 2016 | 2021 | Homeless | Citywide | Public Services and Economic Opportunities Addressing Homelessness | CDBG: \$59,597 | Public service activities other than Low/Moderate Income Housing Benefit: 200 Persons Assisted |

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Goal Outcome Indicator |
|------------|-----------------------|------------|----------|-----------------------------------|-----------------|--|----------------|--|
| 4 | Facility Improvements | 2016 | 2021 | Non-Housing Community Development | Sunnyside | Revitalization, Public Facilities & Infrastructure Addressing Homelessness | CDBG: \$24,836 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3000 Persons Assisted |

Table 6 – Goals Summary

Goal Descriptions

| | | |
|---|-------------------------|--|
| 1 | Goal Name | Infrastructure for Affordable Housing |
| | Goal Description | Housing Solutions of Northern Arizona will implement CDBG funds to expand its Sharon Manor Transitional Housing facility. The project would add 5 units of transitional housing, to the Sharon Manor House. This home currently has 8 studio apartments, with common kitchen and living space. The additional units would be a second story expansion and would increase the number of homeless victims of domestic violence to have resources to escape abuse, build self-sufficiency and identify decent, safe, permanent housing. |
| 2 | Goal Name | Owner-occupied Housing Rehabilitation |
| | Goal Description | The City of Flagstaff will apply CDBG funds for its Owner-Occupied Housing Rehabilitation (OOHR). OOHR preserves existing affordable housing stock by eliminating health and safety hazards. It conducts home repairs, accessibility modifications which allows homeowners to live in safe, decent and affordable housing. The services are available to low to moderate Flagstaff homeowners. 6 households will be served. |

| | | |
|---|-------------------------|--|
| 3 | Goal Name | Operating Support |
| | Goal Description | <p>FLAGSTAFF SHELTER SERVICES WILL PROVIDE EXPANDED SHELTER AND SERVICES IN RESPONSE TO THE COVID-19 INFECTIOUS DISEASE PANDEMIC. THE FSS COVID-19 INFECTIOUS DISEASE RESPONSE PROGRAM WOULD PROVIDE ALTERNATIVE, TEMPORARY SHELTER TO A MINIMUM OF 100 MEDICALLY VULNERABLE INDIVIDUALS AT HEIGHTED RISK OF SEVERE INFECTION AND EXPOSURE TO COVID-19. FLAGSTAFF SHELTER SERVICES WILL UTILIZE PHYSICAL SPACE LEFT VACANT BY THE TEMPORARY RE-LOCATION OF HIGH-RISK CLIENTS IN AN ATTEMPT TO CREATE APPROPRIATE SOCIAL DISTANCE AND SEPARATION BETWEEN REMAINING CLIENTS IN ORDER TO EXPAND ON-SITE DAY SERVICES. THE AGENCY WILL USE CDBG FUNDS TO PROVIDE TEMPORARY OFF-SITE SHELTER, PURCHASE CRUCIAL BIOHAZARD SUPPLIES TO PROTECT CLIENTS AND STAFF AND TO HIRE ADDITIONAL SUPPORT FOR THE SUPERVISION OF CLIENTS DURING THE DAYTIME HOURS.</p> <p>Flagstaff Shelter Services will apply CDBG dollars to create a comprehensive workforce development program, tailored specifically for individuals experiencing homeless. The program will provide employment case management and would address common barriers to job placement and retention. FSS is proposing to new staff members, an Employment Navigator and a Program Supervisor. This public services activity will also utilize CDBG dollars to purchase discounted monthly bus passes for participants, removing transportation barriers. (200 individuals would be served with permanent job placement)</p> |
| 4 | Goal Name | Facility Improvements |
| | Goal Description | Flagstaff Family Food Center will utilize CDBG funding to rehabilitate the agency's community dining room located in the Sunnyside target neighborhood. The scope of work includes renovating and constructing an ADA restroom, and Purchasing new industrial kitchen equipment which will be bolted into the ground. This activity would serve 3000 low to moderate income residence in Sunnyside. |

Projects

AP-35 Projects – 91.220(d)

Introduction

In the 2019 CDBG process, three external agency proposals were received. There was one internal City of Flagstaff request. When program income is included and de obligated dollars are accounted for, the 2019 CDBG allocation is \$697,155.48. Four proposals requesting a total of \$826,545.87 in CDBG funding were received by the February 21, 2019 deadline. Recommendations were discussed and approved by Flagstaff's City Council at a public hearing on April 9, 2019. The following table identifies approved projects for 2019-2020 program year with a budget of \$697,155.48.

ON APRIL 10, 2020 A RECOMMENDATION TO RE-ALLOCATE FUNDS FOR THE FLAGSTAFF SHELTER SERVICES EMPLOYMENT NAVIGATION SERVICE FOR INDIVIDUALS EXPERIENCING HOMELESSNESS TO THE COVID-19 INFECTIOUS DISEASE RESPONSE PROGRAM FOR INDIVIDUALS EXPERIENCING HOMELESSNESS WAS MADE TO CITY COUNCIL.

Please note that the expected amount available (in the AP-15) shows more than allocated in AP-35 Projects. IDIS (AP-35) will not allow cents in the expected resources for the city's projects which is triggers a warning in the Annual Action Plan Quality Check.

Projects

| # | Project Name |
|---|--|
| 1 | Transitional Housing for Victims of Domestic Violence - Expanding Sharon Manor |
| 2 | City of Flagstaff - Owner Occupied Housing Rehabilitation Program |
| 3 | Flagstaff Family Food Center - Food Center Rehabilitation |
| 4 | FSS – COVID-19 INFECTIOUS DISEASE RESPONSE PROGRAM Employment Navigation Services for Individuals Experiencing Homelessness |
| 5 | Administration |

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

For FY 2019-2020, the City issued a request for proposals for CDBG activities. Proposals are evaluated based on CDBG eligibility and funding criteria that include the ratio of dollars per person that will benefit, percent of leverage funding, past successful CDBG contract administration, location of the project in a target area, and evidence of community collaborations. At least 70% of CDBG funds must

serve low and moderate-income people and not more than 15% may be used for public services. Up to 20% may be used to cover administrative costs, including indirect costs. The largest obstacle to addressing underserved needs is insufficient funding, particularly for public services projects.

AP-38 Project Summary
Project Summary Information

| | | |
|---------------------------|---|---|
| 1 | Project Name | Transitional Housing for Victims of Domestic Violence - Expanding Sharon Manor |
| | Target Area | Sunnyside |
| | Goals Supported | Facility Improvements Infrastructure for Affordable Housing |
| | Needs Addressed | Revitalization, Public Facilities & Infrastructure Addressing Homelessness Decent Affordable Housing |
| | Funding | CDBG: \$258,232 |
| | Description | Housing Solutions of Northern Arizona (HSNA) will implement CDBG funding to expand its Sharon Manor Transitional Housing facility. The project will add 5 units of transitional housing and will increase the number of homeless victims of domestic violence to have recourses. to escape abuse, build-sufficiency and identify decent, safe, permanent housing. |
| | Target Date | 6/30/2020 |
| | Estimate the number and type of families that will benefit from the proposed activities | The additional units will expand the Sharon Manor program, increasing the number of homeless victims of domestic violence who have resources to escape abuse, build self-sufficiency and identify decent, safe, permanent housing. Not only will this project benefit the first 5 households who live on property, but an estimated 100 households will be assisted over the next 30 years (assuming an average length of stay of 18 months per household). |
| | Location Description | The transitional housing is for survivors of domestic violence and is located in the Sunnyside Target Neighborhood. |
| Planned Activities | CDBG funds will expand Housing Solutions of Northern Arizona's Sharon Manor, adding 5 units of transitional housing facility that serves survivors of domestic violence. The second story expansion to the Sharon Manor House will add additional units to a building that currently contains 8 studio apartments, common kitchen and living space. The additional units will expand the Sharon Manor program, increasing the number of homeless victims of domestic violence who have resources to escape abuse, build self-sufficiency and identify decent, safe, permanent housing. Our community has a documented ongoing need for additional transitional housing units to benefit victims of domestic violence. | |
| | Project Name | City of Flagstaff - Owner Occupied Housing Rehabilitation Program |

| | | |
|---|--|--|
| 2 | Target Area | Citywide |
| | Goals Supported | Owner-occupied Housing Rehabilitation |
| | Needs Addressed | Decent Affordable Housing |
| | Funding | CDBG: \$219,094 |
| | Description | CDBG dollars will be used to preserve existing affordable housing stock and benefit low income homeowners of Flagstaff. The objectives of the program include: 1) elimination of health and safety hazards in the home; 2) facilitation of ADA accessibility and aging in place; 3) financial stabilization of low income households through the reduction of home repair and utility costs; 4) increased building performance through weatherization and performance enhancing measures; 5) revitalization of low income neighborhoods; 6) preservation of the entry level housing stock. |
| | Target Date | 6/30/2020 |
| | Estimate the number and type of families that will benefit from the proposed activities | Six (6) low to moderate income households will benefit from the City of Flagstaff's Owner Occupied Housing Rehabilitation Program (OOHR). |
| | Location Description | The households that will benefit from OOHR are within the City of Flagstaff city limits. |
| | Planned Activities | CDBG dollars will be used to preserve existing affordable housing stock and benefit low income homeowners of Flagstaff. |
| 3 | Project Name | Flagstaff Family Food Center - Food Center Rehabilitation |
| | Target Area | Sunnyside |
| | Goals Supported | Facility Improvements |
| | Needs Addressed | Revitalization, Public Facilities & Infrastructure |
| | Funding | CDBG: \$24,836 |
| | Description | Flagstaff Family Food Center will utilize CDBG funding to rehabilitate the agency's community food kitchen restrooms in the Sunnyside target neighborhood. The scope of work includes rehabilitating three restrooms, making two ADA compliant. The activity will purchase industrial kitchen equipment (that will be bolted into the ground). This activity would serve 3000 low to moderate income residence in Sunnyside. |
| | Target Date | 6/30/2020 |

| | | |
|---|--|--|
| | Estimate the number and type of families that will benefit from the proposed activities | The activity will serve 3000 low to moderate income residents of the Sunnyside Target Neighborhood. |
| | Location Description | Sunnyside Target Neighborhood |
| | Planned Activities | Flagstaff Family Food Center will utilize CDBG funding to rehabilitate the agency's community food kitchen restrooms in the Sunnyside target neighborhood. The scope of work includes rehabilitating three restrooms, making two ADA compliant. The activity will purchase industrial kitchen equipment (that will be bolted into the ground). This activity would serve 3000 low to moderate income residence in Sunnyside. |
| 4 | Project Name | FSS – COVID-19 INFECTIOUS DISEASE RESPONSE Employment Navigation Services for Individuals Experiencing Homelessness |
| | Target Area | Citywide |
| | Goals Supported | Operating Support |
| | Needs Addressed | Public Services and Economic Opportunities Addressing Homelessness |
| | Funding | CDBG: \$59,597 |

| | |
|---|--|
| <p>Description</p> | <p>FLAGSTAFF SHELTER SERVICES (FSS) WILL PROVIDE EXPANDED SHELTER AND SERVICES IN RESPONSE TO THE COVID-19 INFECTIOUS DISEASE PANDEMIC. THE FSS COVID-19 INFECTIOUS DISEASE RESPONSE PROGRAM WOULD PROVIDE ALTERNATIVE, TEMPORARY SHELTER TO A MINIMUM OF 100 MEDICALLY VULNERABLE INDIVIDUALS AT HEIGHTED RISK OF SEVERE INFECTION AND EXPOSURE TO COVID-19. FLAGSTAFF SHELTER SERVICES WILL UTILIZE PHYSICAL SPACE LEFT VACANT BY THE TEMPORARY RE-LOCATION OF HIGH-RISK CLIENTS IN AN ATTEMPT TO CREATE APPROPRIATE SOCIAL DISTANCE AND SEPARATION BETWEEN REMAINING CLIENTS IN ORDER TO EXPAND ON-SITE DAY SERVICES. THE AGENCY WILL USE CDBG FUNDS TO PROVIDE TEMPORARY OFF-SITE SHELTER, PURCHASE CRUCIAL BIOHAZARD SUPPLIES TO PROTECT CLIENTS AND STAFF AND TO HIRE ADDITIONAL SUPPORT FOR THE SUPERVISION OF CLIENTS DURING THE DAYTIME HOURS.</p> <p>The project will fill the unmet community needs for comprehensive workforce development services tailored specifically for individuals experiencing homelessness. CDBG dollars will provide operational dollars to hire an Employment Navigator. The Employment Navigator will offer employment services and help remove transportation barriers to individuals experiencing homelessness. Employment services will include networking with local businesses and brokering jobs for project participants. 200 individuals experiencing homelessness will be place in permanent job placement.</p> |
| <p>Target Date</p> | <p>6/30/2020</p> |
| <p>Estimate the number and type of families that will benefit from the proposed activities</p> | <p>FLAGSTAFF SHELTER SERVICES WILL SERVE ONE HUNDRED (100) MEDICALLY VULNERABLE/HIGH-RISK INDIVIDUALS EXPERIENCING HOMELESSNESS WITH TEMPORARY, OFF-SITE SHELTER DURING THE COVID-19 PANDEMIC. FLAGSTAFF SHELTER SERVICES WILL PROVIDE AN ADDITIONAL ONE HUNDRED (100) INDIVIDUALS EXPERIENCING HOMELESSNESS WITH CRUCIAL DAY SERVICES ALLOWING FOR NECESSARY SOCIAL DISTANCING AND PREVENTION OF COMMUNITY SPREAD OF THE COVID-19 INFECTIOUS DISEASE.</p> <p>CDBG dollars will provide operational dollars to hire an Employment Navigator. The Employment Navigator will offer employment services and help remove transportation barriers to individuals experiencing homelessness. Employment services will include networking with local businesses and brokering jobs for project participants.</p> |

| | | |
|---|--|--|
| | Location Description | The services will be provided at Northern Arizona's largest emergency shelter, Flagstaff Shelter Services. |
| | Planned Activities | <p>THE FSS COVID-19 INFECTIOUS DISEASE RESPONSE PROGRAM WOULD PROVIDE ALTERNATIVE, TEMPORARY SHELTER TO A MINIMUM OF 100 MEDICALLY VULNERABLE INDIVIDUALS AT HEIGHTED RISK OF SEVERE INFECTION AND EXPOSURE TO COVID-19. FLAGSTAFF SHELTER SERVICES WILL UTILIZE PHYSICAL SPACE LEFT VACANT BY THE TEMPORARY RE-LOCATION OF HIGH-RISK CLIENTS IN AN ATTEMPT TO CREATE APPROPRIATE SOCIAL DISTANCE AND SEPARATION BETWEEN REMAINING CLIENTS IN ORDER TO EXPAND ON-SITE DAY SERVICES.</p> <p>The project will fill the unmet community needs for comprehensive workforce development services tailored specifically for individuals experiencing homelessness. CDBG dollars will provide operational dollars to hire an Employment Navigator. The Employment Navigator will offer employment services and help remove transportation barriers to individuals experiencing homelessness. Employment services will include networking with local businesses and brokering jobs for project participants.</p> |
| 5 | Project Name | Administration |
| | Target Area | Citywide |
| | Goals Supported | |
| | Needs Addressed | |
| | Funding | CDBG: \$135,394 |
| | Description | Funds required to pay for the administration of the CDBG program. This year's administration amount is a little less than 20% of the allocation and includes an approved indirect cost allocation rate of 10% of the grant award. |
| | Target Date | 6/30/2020 |
| | Estimate the number and type of families that will benefit from the proposed activities | |
| | Location Description | |

| | |
|---------------------------|---|
| Planned Activities | Funds required to pay for the administration of the CDBG program. This year's administration amount is a little less than 20% of the allocation and includes an approved indirect cost allocation rate of 10% of the grant award. |
|---------------------------|---|

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

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 3

Geographic Distribution

| Target Area | Percentage of Funds |
|----------------|---------------------|
| Sunnyside | 41 |
| La Plaza Vieja | 0 |
| Southside | 0 |
| Pine Knoll | 0 |
| Citywide | 100 |

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Proposals are evaluated based on CDBG eligibility and funding criteria that include the ratio of dollars per person that will benefit, percent of leverage funding, past successful CDBG contract administration, location of the project in a target area, and evidence of community collaborations among other factors.

Discussion

The City strives to utilize CDBG funds in target areas; however, the actual distribution of funds to target areas depends on the number and type of proposals that are received. This fiscal year 41% of CDBG funds will be expended in the Sunnyside Target Area and the remainder will be expended citywide.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

One Annual Action Plan requirement is to provide information on the number of households that will benefit from affordable housing and the types of housing these households will be supported through. The following HUD tables define the City's goals for the number of households that will be provided housing by housing activity.

| One Year Goals for the Number of Households to be Supported | |
|---|----|
| Homeless | 0 |
| Non-Homeless | 6 |
| Special-Needs | 5 |
| Total | 11 |

Table 9 - One Year Goals for Affordable Housing by Support Requirement

| One Year Goals for the Number of Households Supported Through | |
|---|----|
| Rental Assistance | 0 |
| The Production of New Units | 5 |
| Rehab of Existing Units | 6 |
| Acquisition of Existing Units | 0 |
| Total | 11 |

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

Over the coming year a total of 11 households will benefit. Five (5) newly constructed transitional housing units will be established in the Flagstaff community and offered to survivors of domestic violence. Additionally, six (6) low to moderate households will receive housing rehabilitation services through the City of Flagstaff's Owner Occupied Housing Rehabilitation Program.

AP-60 Public Housing – 91.220(h)

Introduction

The City of Flagstaff Housing Authority provides 265 public housing units, 12 moderate rehab units, 358 housing choice vouchers and 66 Veterans Affairs Supportive Housing Vouchers. The public housing units are in good repair as the Housing Authority follows a system of ensuring that all major systems are well maintained. The Housing Authority develops a 5-year Plan to identify the capital needs of public housing developments and the methods by which living conditions will be improved for public housing residents.

Actions planned during the next year to address the needs to public housing

All major systems within the developments are in good repair due to an established life cycling system. Identified capital needs include replacing water lines, siding, roofs, water heaters and countertops.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The Housing Authority has multiple goals and objectives created to increase resident involvement including: ongoing surveys and formal annual resident input and participation to ensure the public housing environment is appealing and up-to-date; providing maintenance and repair training prior to occupancy; using the Siler Homes Activity Center as a base for various resident services including resource referral and goal setting for residents seeking economic self-sufficiency; establishing community partnerships to provide programming relevant to residents; continuing resident orientation; partnering with the Boys and Girls club to provide free on-site programs; and resident meetings, barbeques and newsletters to help residents with education, employment, job training and youth services.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Flagstaff's Housing Authority is a high performing PHA.

Discussion

The City of Flagstaff Housing Authority provides 265 public housing units, 12 moderate rehab units, 358 housing choice vouchers and 66 Veterans Affairs Supportive Housing Vouchers. The public housing units are in good repair as the Housing Authority follows a system of ensuring that all major systems are in good repair. The Housing Authority develops a 5-year Plan to identify the capital needs of public housing developments and the methods by which living conditions will be improved for public housing residents.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City is not a direct recipient of Emergency Solutions Grant funds from HUD yet invests a significant amount of financial and staff resources in addressing the needs of people experiencing homelessness and people with special needs. This section describes the City's one-year goals and actions for reducing and ending homelessness.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Continuum of Care members may apply for CDBG funds to assist street outreach, but with limited public service dollars, local agencies choose to apply for support in prevention and diversion programs. There are currently three nonprofit organizations that conduct outreach services, two of which only serve veterans. Funded programs are highly encouraged to participate in coordinated entry and the C of C's individual assessment plan (VI-SPDAT).

Addressing the emergency shelter and transitional housing needs of homeless persons

The City and Coconino County's Continuum of Care members recognize the critical nature of Housing First and permanent supportive housing. In the 2019 Point in Time Count 803 men, women and children were experiencing homelessness in Coconino County. Approximately 801 people remain on income restricted complex waitlists which 1,250 people were on the waitlist in 2018. The high cost of housing and a 20% employment rate among individuals experiencing homelessness means that these individuals and families may require a longer stay in shelter or transitional housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City will continue to support agencies that provide emergency and transitional housing to the extent allowed under the CDBG program. During the coming year, one agency will receive funds to support emergency shelter and housing services. The City and Continuum of Care members recognize the critical nature of Housing First and permanent supportive housing, yet the large number of homeless individuals and families, the high cost of housing and a 20% employment rate among homeless

individuals means that homeless individuals and families may require a longer stay in transitional housing. The City will also continue its active participation in the Coconino County Continuum of Care.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

During the coming year the City will provide operational dollars to Flagstaff Shelter Services which will create a comprehensive workforce development program tailored specifically for individuals experiencing homeless. The program will provide employment case management and will address common barriers to job placement and retention. Flagstaff Shelter Services will hire new staff. This public services activity will also utilize CDBG dollars to purchase discounted monthly bus passes for participants. 200 individuals experiencing homelessness will be served with permanent job placement.

The City will continue to support agencies that provide emergency and transitional housing to the extent allowed under the CDBG program. The City will also continue its active participation in the Coconino County Continuum of Care.

The City of Flagstaff Housing Authority has focused on placement of homeless veterans through the VASH rental voucher program. Other agencies have a strong record of success in placing and keeping homeless individuals housed through rapid re-housing programs.

Discussion

The City is an active participant in the local Continuum of Care and staff members participate in multiple committees and lead the annual Point in Time (PIT) count which is conducted for the Arizona Rural Continuum of Care. The City will continue to implement VASH Vouchers for Veterans experiencing homelessness. The City of Flagstaff Housing Section also provides Certification of Consistency associated with the 2016 Consolidate Plan.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Affordable housing barriers are regulatory or financial systems that make it harder for developers to create affordable housing. Barriers to affordable housing development can occur at many levels – local, state and federal government, as well as related industries, such as the real estate, insurance and finance industries.

HUD defines a regulatory barrier as "a public regulatory requirement, payment, or process that significantly impedes the development or availability of affordable housing without providing a commensurate health and/or safety benefit." To identify potential local public barriers to affordable housing development, the City completed HUD's Regulatory Barriers checklist.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Over the past decade, the City has taken extensive steps to remove barriers and promote affordable housing development, including the development of an Incentive Policy for Affordable Housing (IPAH), adopted in October 2009 and later integrated into the City zoning code. The IPAH is designed to foster the production of affordable housing units and is intended to reduce the deficit of all types of housing for households earning up to 150% of the Area Median Income (AMI).

Discussion:

The IPAH incentivizes developments that commit to permanently affordable housing units. When a developer takes advantage of the incentives offered under the IPAH, the affordable units are legally committed to the intended population through occupancy, resale and rent restrictions.

AP-85 Other Actions – 91.220(k)

Introduction:

In addition to establishing goals related to the use of CDBG funds, the City established HUD-required strategies to improve the delivery system, address lead-based paint hazards, reduce the incidence of poverty, and address barriers to affordable housing development. The City has also developed HUD-required program monitoring, and Minority- and Women Owned Business Enterprise Policies.

Actions planned to address obstacles to meeting underserved needs

The development and subsequent implementation of policy initiatives are critical to the success of the City of Flagstaff's overall housing and economic development goals. In general, policy development and implementation are designed to enhance City program effectiveness, identify gaps or underserved groups, and enhance the private sector's ability to provide market-based solutions. At present, the greatest obstacle to meeting underserved needs is insufficient funding. The City addresses this obstacle by prioritizing CDBG projects that provide leverage funding to meet the needs of a larger number of people.

Actions planned to foster and maintain affordable housing

The City's Incentive Policy for Affordable Housing (IPAH) will continue to be implemented. The IPAH is designed to foster the production of affordable housing units and is intended to reduce the deficit of all types of housing for households earning up to 150% of the Area Median Income (AMI). The IPAH standards may be applied to rental housing, homeownership housing, and shelter, as well as to expiring affordable housing developments. The IPAH incentivizes developments that commit to permanently affordable housing units.

Actions planned to reduce lead-based paint hazards

Distribute lead poisoning and lead hazard information to participants in federally-funded programs and to any interested resident. The City plans to rehabilitate 6 homes during the coming year and will provide lead-based paint hazard information to an estimated 8 applicants for owner occupied housing rehabilitation assistance.

The City follows a multi-pronged approach to reduce lead hazards, integrating the following actions into housing policies and procedures:

1. Rehabilitation Projects. The City follows strict HUD guidelines for testing and abatement of lead-based paint and other hazardous substances and requires compliance from its contractors and subcontractors. Any structure built before 1978 that is proposed for rehabilitation under federal programs, is tested for lead-based paint. Notices and requirements regarding testing and

removal of lead-based paint are provided to program participants, contractors and project sponsors. The City has licensed contractors who are available to perform limited abatement and/or removal procedures if lead-based paint is present. Full abatement services are contracted with licensed contractors located outside of the City.

2. Section 8 Housing Choice Vouchers. The PHA inspects prospective dwellings constructed prior to 1978 that will have a child under the age of six residing therein, for compliance with EPA and HUD Lead Based Paint rules and regulations. The inspection includes visual inspections for chipped, peeling, chalking and deteriorated interior and exterior paint. Clearance testing may be performed after remediation by the property owner, to assure a lead-safe environment.
3. Public Education. Lead hazard information is distributed to participants in homeownership and rental programs.

Actions planned to reduce the number of poverty-level families

The City will reduce the number of poverty level households by providing CDBG public services resources to local agencies that provide social supports, and eviction and foreclosure prevention. The City will also continue to rehabilitate housing units owner-occupied by households living at or below the poverty level to support these households in retaining quality, safe housing. Households living below the poverty level will also be made aware of the various local services available that provide an economic safety net and opportunities for increased earnings.

Actions planned to develop institutional structure

The City of Flagstaff has well-developed and experienced institutional infrastructure for the delivery of housing and community development programs. The Housing Section works closely with nonprofit organizations to ensure that CDBG funds reach the neediest Flagstaff residents and neighborhoods. Organizations must annually apply for CDBG funds for eligible activities. The City also works closely with and is a member of the Coconino County Continuum of Care.

Actions planned to enhance coordination between public and private housing and social service agencies

The City has developed an extensive mailing and email list that includes over 300 people who represent organizations that serve homeless and at-risk households, mainstream service and housing agencies, community development organizations, civic leaders, etc. This list is used to regularly inform these agencies of planning efforts, funding opportunities, changes in policy and practice or any other information that agencies may find useful.

The Flagstaff Community has implemented a Coordinated Entry System for those experiencing homelessness, known as the Front Door. The Front Door Specialist conducts an assessment using The

Vulnerability Index – Service Prioritization and Decision Assistance Tool (VI-SPDAT). The Front Door collaboration has united the Flagstaff community and the local Continuum of Care to fast track those in crisis to the best program to end that crisis.

On a weekly basis, a cadre of service providers meet for the Case Conferencing Team Meeting. Each case manager is representing his or her own agency that has signed the Service Provider MOU. The purpose of this meeting is to have a real-time discussion of each person or family on the community waitlist and to utilize scores from the VI-SPDAT to ensure fast and appropriate referrals to end homelessness for those on the list.

The Front Door is a cost-effective strategy that prioritizes a community conversation about how the systems function together, where the gaps in services exist, and how to answer the need. No longer will those in crisis be forced to go from shelter to shelter to access services.

Discussion:

NA

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

| | |
|--|---------------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 80,227 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan | 0 |
| 5. The amount of income from float-funded activities | 0 |
| Total Program Income: | 80,227 |

Other CDBG Requirements

| | |
|---|---------|
| 1. The amount of urgent need activities | 0 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 100.00% |

Attachments

Citizen Participation Comments

From: [Gallegos, Norma](#)
To: [Leah Bloom](#)
Cc: [Harins, Susan](#); [Neuman, Scott](#); [Wear, Rinse](#)
Subject: 2019 City of Flagstaff CDBG Request for Proposal Application
Date: Monday, February 4, 2019 9:46:35 AM
Attachments: [image001.png](#)
[image003.png](#)

Good morning Leah, just to follow up on our conversation. Community Services is going to take off this year and will not be applying for this grant. We have always used these funds for eviction prevention because we do not have enough rental funds to meet the housing needs in the community. As I mentioned at the Public Hearing last week, it's difficult to come up with a new service when it comes to providing rental assistance because we already provide case management and financial empowerment to families who are requesting services.

We have heard from the community as well as staff that the federal requirements for these funds in terms of paperwork etc.), creates more of a barrier to households who end up not returning because of the documentation that is required for this grant, which is unfortunate.

Taking this year off will give us time to see if there are other opportunities where this grant could assist us in our Mission since it is a grant that is available each year.

Please let me know if you have any questions.

Thank you.

Norma Gallegos, Interim Director
Community Services Department
2625 N. King Street, Flagstaff, AZ 86004
Office: (928) 679-7455
ngallegos@coconino.az.gov

"Empowering well-being and prosperity in Coconino Communities"

Grantee SF-424's and Certification(s)

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing --The jurisdiction will affirmatively further fair housing.

Uniform Relocation Act and Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

Anti-Lobbying --To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction --The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan --The housing activities to be undertaken with Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the jurisdiction's consolidated plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 135.


Signature of Authorized Official

5/31/19
Date

City Manager
Title

Specific Community Development Block Grant Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

Following a Plan -- It is following a current consolidated plan that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include CDBG-assisted activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional CDBG Certification).

2. Overall Benefit. The aggregate use of CDBG funds, including Section 108 guaranteed loans, during program year(s) 2019 [a period specified by the grantee of one, two, or three specific consecutive program years], shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period.

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

Compliance with Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, Subparts A, B, J, K and R.

Compliance with Laws -- It will comply with applicable laws.

Barbara Andrick
Signature of Authorized Official

5/31/19
Date

City Manager
Title

OPTIONAL Community Development Block Grant Certification

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

Richard Arnold
Signature of Authorized Official

5/31/19
Date

City Manager
Title

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If it plans to provide tenant-based rental assistance, the tenant-based rental assistance is an essential element of its consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR §§92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Subsidy layering -- Before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing:

Signature of Authorized Official

Date

Title

Emergency Solutions Grants Certifications

The Emergency Solutions Grants Program recipient certifies that:

Major rehabilitation/conversion/renovation – If an emergency shelter’s rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation.

If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion.

In all other cases where ESG funds are used for renovation, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

Essential Services and Operating Costs – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the recipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the recipient serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The recipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for these individuals.

Matching Funds – The recipient will obtain matching amounts required under 24 CFR 576.201.

Confidentiality – The recipient has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement – To the maximum extent practicable, the recipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

Consolidated Plan – All activities the recipient undertakes with assistance under ESG are consistent with its consolidated plan.

Discharge Policy – The recipient will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

Signature of Authorized Official

Date

Title

Housing Opportunities for Persons With AIDS Certifications

The HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under that program shall be operated for the purpose specified in the consolidated plan:

1. For a period of not less than 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For a period of not less than 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Signature of Authorized Official

Date

Title

APPENDIX TO CERTIFICATIONS


INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:

Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

| Application for Federal Assistance SF-424 | | |
|--|--|--|
| * 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application | * 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision | * If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/> |
| * 3. Date Received: 06/5/2019 | 4. Applicant Identifier: <input type="text"/> | |
| 5a. Federal Entity Identifier: <input type="text"/> | 5b. Federal Award Identifier: B19-MC-04-0510 | |
| State Use Only: | | |
| 6. Date Received by State: <input type="text"/> | 7. State Application Identifier: <input type="text"/> | |
| B. APPLICANT INFORMATION: | | |
| * a. Legal Name: City of Flagstaff | | |
| * b. Employer/Taxpayer Identification Number (EIN/TIN): 85-6000244 | * c. Organizational DUNS: 0883026250000 | |
| d. Address: | | |
| * Street1: 211 West Aspen Avenue | Street2: <input type="text"/> | |
| * City: Flagstaff | County/Parish: <input type="text"/> | |
| * State: AZ: Arizona | Province: <input type="text"/> | |
| * Country: USA: UNITED STATES | * Zip / Postal Code: 86001 | |
| e. Organizational Unit: | | |
| Department Name: Community Development | Division Name: Housing Section | |
| f. Name and contact information of person to be contacted on matters involving this application: | | |
| Prefix: Ms. | * First Name: Leah | |
| Middle Name: E. | * Last Name: Bloom | |
| Suffix: <input type="text"/> | Title: Housing and Grants Administrator | |
| Organizational Affiliation: <input type="text"/> | | |
| * Telephone Number: 928-213-2752 | Fax Number: <input type="text"/> | |
| * Email: LBloom@FlagstaffAZ.gov | | |

| Application for Federal Assistance SF-424 | |
|--|--|
| <p>* 8. Type of Applicant 1: Select Applicant Type:</p> <input type="text" value="City or Township Government"/> <p>Type of Applicant 2: Select Applicant Type:</p> <input type="text"/> <p>Type of Applicant 3: Select Applicant Type:</p> <input type="text"/> <p>* Other (specify):</p> <input type="text"/> | |
| <p>* 10. Name of Federal Agency:</p> <input type="text" value="U.S. Department of Housing and Urban Development"/> | |
| <p>11. Catalog of Federal Domestic Assistance Number:</p> <input type="text" value="14.216"/> <p>CFDA Title:</p> <input type="text" value="Community Development Block Grant"/> | |
| <p>* 12. Funding Opportunity Number:</p> <input type="text" value="NA"/> <p>* Title:</p> <input type="text" value="NA"/> | |
| <p>13. Competition Identification Number:</p> <input type="text"/> <p>Title:</p> <input type="text"/> | |
| <p>14. Areas Affected by Project (Cities, Counties, States, etc.):</p> <input type="text"/> <p style="text-align: right;"> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </p> | |
| <p>* 15. Descriptive Title of Applicant's Project:</p> <input type="text" value="Community Development Block Grant"/> | |
| <p>Attach supporting documents as specified in agency instructions.</p> <p style="text-align: right;"> <input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/> </p> | |

| Application for Federal Assistance SF-424 | |
|--|---|
| 16. Congressional Districts Of: | |
| * a. Applicant: <input type="text" value="AZ-001"/> | * b. Program/Project: <input type="text" value="AZ-001"/> |
| Attach an additional list of Program/Project Congressional Districts if needed. | |
| <input type="text"/> | <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> |
| 17. Proposed Project: | |
| * a. Start Date: <input type="text" value="07/01/2019"/> | * b. End Date: <input type="text" value="06/30/2020"/> |
| 18. Estimated Funding (\$): | |
| * a. Federal | <input type="text" value="616,928.00"/> |
| * b. Applicant | <input type="text"/> |
| * c. State | <input type="text"/> |
| * d. Local | <input type="text"/> |
| * e. Other | <input type="text" value="20,193.02"/> |
| * f. Program Income | <input type="text" value="60,844.46"/> |
| * g. TOTAL | <input type="text" value="697,165.48"/> |
| 19. Is Application Subject to Review By State Under Executive Order 12372 Process? | |
| <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/> . | |
| <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. | |
| <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372. | |
| 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) | |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| If "Yes", provide explanation and attach | |
| <input type="text"/> | <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> |
| 21. "By signing this application, I certify (1) to the statements contained in the list of certifications" and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances" and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001) | |
| <input checked="" type="checkbox"/> ** I AGREE | |
| ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions. | |
| Authorized Representative: | |
| Prefix: <input type="text" value="Mr."/> | * First Name: <input type="text" value="Barbara"/> |
| Middle Name: <input type="text"/> | |
| * Last Name: <input type="text" value="Goodrich"/> | |
| Suffix: <input type="text"/> | |
| * Title: <input type="text" value="City Manager"/> | |
| * Telephone Number: <input type="text" value="928-213-2954"/> | Fax Number: <input type="text"/> |
| * Email: <input type="text" value="BGoodrich@FlagstaffAZ.gov"/> | |
| * Signature of Authorized Representative:  | * Date Signed: <input type="text" value="5/31/19"/> |

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 01/31/2019

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

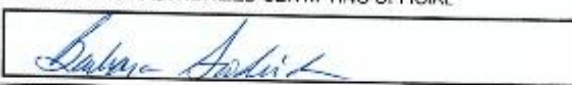
1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

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Standard Form 424D (Rev. 7-97)
Prescribed by OMB Circular A-102

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. § 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§ 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), EO 11593 (Identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§ 469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

| | |
|---|--------------------------------|
| SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL | TITLE |
|  | Barbara Goodrich, City Manager |
| APPLICANT ORGANIZATION | DATE SUBMITTED |
| City of Florestaff - Community Development Block Grant | 05/23/2019 |

SF-424D (Rev. 7-97) Back

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, City Clerk
Date: 04/08/2020
Meeting Date: 04/10/2020



TITLE:

Consideration and Approval of Franchise Agreement and Adoption of Resolution No. 2020-16: A resolution of the City Council of the City of Flagstaff, Arizona, calling a Special Election to be held on August 4, 2020, in conjunction with the City's Primary Election, declaring a proposed gas franchise beneficial to the City of Flagstaff; designating the text of a question authorizing the City of Flagstaff to enter into a franchise agreement and setting forth the proposed franchise agreement in full, to be voted on by the qualified electors of the City of Flagstaff, pursuant to the Constitution and laws of the State of Arizona and the Charter of the City of Flagstaff

STAFF RECOMMENDED ACTION:

- 1) Approve Franchise Agreement
- 2) Read Resolution No. 2020-16 by title only
- 3) City Clerk reads Resolution No. 2020-16 by title only (if approved above)
- 4) Adopt Resolution No. 2020-16

Executive Summary:

UNS Gas, Inc., an Arizona public service corporation doing business as UniSource Energy Services ("UES" or "UniSource"), has a franchise to use the public rights-of-way and easements in the City of Flagstaff to construct, operate and maintain facilities for the handling, production, manufacturing, transporting, storing, sale and distribution of natural gas. This franchise expires in October 2020.

UniSource has submitted a proposed franchise (see attached) and requested a franchise election in August 2020 to seek voter approval. The Arizona Constitution provides that only voters may approve a franchise, and the term may not exceed 25 years.

The final negotiated franchise agreement will be provided prior to the April 7, 2020 Council Meeting.

Financial Impact:

UniSource will be paying its fair share of the election costs.

Policy Impact:

It is Council policy to set rates or refer certain rates to the Flagstaff voters for consideration.

Connection to Council Goal, Regional Plan, CAAP, and/or Strategic Plan:

Enhance community outreach and engagement opportunities.
It is recognized that natural gas extraction may pose additional climate risk.

Has There Been Previous Council Decision on This:

There was a Work Session on March 10 that provided Council with information about the proposed franchise and UniSource.

Council requested additional information from UniSource and this has been provided: (1) Yes, UniSource has an exclusive right to serve northern Arizona, per the Arizona Corporation Commission. See enclosed map. (2) UniSource believes the new law codified in A.R.S. Sections 9-468 and 9-810 will not affect its franchise operations in Flagstaff. See enclosed new law.

Options and Alternatives:

1. Adopt the Resolution, and find the granting of a franchise is beneficial to the City;
2. Not adopt the Resolution (Not Recommended). In this case we may not be able to meet election deadlines for the August 4, 2020 election, and the franchise would expire.

Background/History:

UniSource, as successor in interest to Citizens Utilities, has been serving Flagstaff customers for many years. The current franchise was approved in 1995.

Council previously inquired about recent legislation governing the utility. The recent law, codified at A.R.S. Section 9-457 and 9-810, applies to all utility services (water, wastewater, natural gas, including propane gas, and electric service). It prohibits municipalities from restricting a person's ability to use the services of a utility provider that is capable and authorized to provide utility service at the person's property. It also requires that building permit fees be the same for all utility providers (not be discriminatory).

Key Considerations:

Flagstaff residents and businesses rely on natural gas for energy.

Expanded Financial Considerations:

The 2% franchise fee currently generates about \$430,000 in revenues for the General Fund. The franchise fee payment is "passed through" to UniSource customers. Council can consider increasing the franchise fee however, the current timeline for the August election would not allow for additional negotiation with Unisource.

The 2% franchise fee is standard in all northern Arizona communities where UniSource does business. Arizona Public Service (electric company) pays a 2% franchise fee to the City. Each additional 1% increase in the franchise fee will bring in an additional \$215,000 to the City's General Fund.

Community Benefits and Considerations:

Renewal of the UniSource franchise will be beneficial to the Flagstaff community that relies on natural gas as an energy source.

Community Involvement:

The public will be allowed to submit For or Against statements as to the ballot question. Flagstaff voters will be able to approve or deny the franchise renewal as part of the election process.

Attachments: [Res. 2020-16](#)
[Final Franchise Agreement](#)
[Current 1995 franchise](#)
[Map of UNS service areas](#)
[New law re utilities](#)

RESOLUTION NO. 2020-16

A RESOLUTION OF THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, CALLING A SPECIAL ELECTION TO BE HELD ON AUGUST 4, 2020, IN CONJUNCTION WITH THE CITY'S PRIMARY ELECTION, DECLARING A GAS FRANCHISE BENEFICIAL TO THE CITY OF FLAGSTAFF; DESIGNATING THE TEXT OF A QUESTION AUTHORIZING THE CITY OF FLAGSTAFF TO ENTER INTO A FRANCHISE AGREEMENT AND SETTING FORTH THE PROPOSED FRANCHISE AGREEMENT IN FULL, TO BE VOTED ON BY THE QUALIFIED ELECTORS OF THE CITY OF FLAGSTAFF, PURSUANT TO THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA AND THE CHARTER OF THE CITY OF FLAGSTAFF

RECITALS:

WHEREAS, on September 19, 1995, the qualified electors of the City of Flagstaff approved a 25-year franchise agreement with Citizens Utilities Company, a Delaware corporation to operate, maintain and construct its natural gas transmission and distribution pipelines and facilities throughout the City of Flagstaff's (the "City") public rights-of-way (the "Current Franchise"); and

WHEREAS, UNS Gas, Inc., an Arizona public service company, doing business as UniSource Energy Services, is the current franchisee, as successor in interest to Citizens Utilities Company;

WHEREAS, Current Franchise expires on October 3, 2020, ending UNS Gas, Inc.'s right to utilize the City's rights-of-way for natural gas transmission and distribution pipelines and facilities; and

WHEREAS, UNS Gas, Inc. has submitted a proposed franchise to the City of Flagstaff for the purpose of supplying natural gas to the citizens of Flagstaff; and

WHEREAS, the Council of the City of Flagstaff has determined that it is beneficial for the City to grant a new franchise to UNS Gas, Inc., conferring the right to utilize the City's rights-of-way for natural gas transmission and distribution; and

WHEREAS, pursuant to the Arizona Constitution, Article XIII, Section 4 and Arizona Revised Statutes § 9-501 a city shall not grant a franchise for a public utility unless authorized by a majority vote of the qualified voters at a regular or special election duly and regularly called for that purpose; and

WHEREAS, pursuant to the Flagstaff City Charter, Article XII, Section 1, a public utility franchise agreement must be approved by a majority of the qualified electors in a primary, general, or special election; and

WHEREAS, the City Council desires to submit to the qualified electors of the City of Flagstaff the approval of a franchise agreement with UNS Gas, Inc. for natural gas transmission and distribution pipelines and facilities in the public rights-of-way.

ENACTMENTS:**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA AS FOLLOWS:**

SECTION 1: That the City Council hereby calls a Special Election of the City to be held on August 4, 2020, for the purpose of submitting to the qualified electors of the City the question substantially in the form set forth in Exhibit "A" attached hereto (the "Official Ballot").

SECTION 2: That the proposed franchise be published in full in some newspaper of general circulation published in the City of Flagstaff for at least thirty (30) consecutive days before the election.

SECTION 3: That

- (A) notice of the Special Election of August 4, 2020, shall be given by mailing an Informational Pamphlet to each household that contains a registered voter within the City not less than thirty-five (35) days before the date of the Election.
- (B) the Clerk of the City is hereby authorized and directed to cause the Informational Pamphlet to be prepared and so mailed according to law and the provisions of this resolution under the circumstances described herein.

SECTION 4: That the Informational Pamphlet shall contain the information required by Section 35-454, Arizona Revised Statutes, as amended, and a sample of the Official Ballot shall be in a form the Clerk of the City deems acceptable.

SECTION 5: That the Official Ballot shall be in substantially the form attached hereto as Exhibit "A."

SECTION 6: That the Clerk of the City is hereby authorized to request arguments for and against the appropriate subject matter of the Election for inclusion in the Informational Pamphlet by providing the notice in substantially the form attached hereto as marked Exhibit "B" (hereinafter referred to as the "Notice for Arguments") by posting the Notice of Arguments at all places at which notices of meetings of the City Council are posted and publishing the Notice of Arguments in the *Arizona Daily Sun*. The deadline to submit arguments shall be 4:00 p.m. MST on May 6, 2020.

SECTION 7: That the polling places and the time the polls will be opened and closed shall be as provided in the Informational Pamphlet. The City Council hereby:

- (A) establishes the election precincts for the Primary/Special Election as those with the same boundaries as the election precincts as provided in Section 16-411, Arizona Revised Statutes, as amended, except as otherwise provided hereby;
- (B) designates each polling place in each precinct as so designated for such precinct;
- (C) approves the consolidation of any precincts as determined to be necessary by the Clerk of the City and by such indication deems such consolidation as necessary for purposes of the Election; and

- (D) with respect to any polling place for a precinct designated within an adjacent precinct, finds that no suitable polling place is available within such precinct.

SECTION 8: That

- (A) the Clerk of the City is hereby authorized and directed to coordinate with the County to have printed and, if appropriate, delivered to the election officers at said polling places, to be by them furnished to the qualified electors of the City offering to vote at the Election, the appropriate version of the Official Ballot.
- (B) in order to comply with the Voting Rights Act of 1965, as amended, the following items pertaining to the Election shall be translated into Spanish as required, to-wit: Informational Pamphlet, Official Ballot, Notice for Arguments, early voting materials and instructions at the polling places.

SECTION 9: That

- (A) the Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law, and only such persons shall be permitted to vote at the Election who are qualified electors of the City.
- (B) early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended.
- (C) the Clerk of the City is authorized and directed, if necessary, to enter into a contract with the County Recorder of the County, to obtain precinct registers for the Election and, if necessary, to enter into an agreement with the Elections Department of the County to conduct the Election for the City.
- (D) all expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditures shall be paid from current operating funds of the City.
- (E) the Clerk of the City is hereby further authorized to take all other necessary action to facilitate the Election.

SECTION 10: That

- (A) the Election shall be canvassed and the results thereof certified by the City Council within twenty (20) days of the Election, as provided by law.
- (B) the City Council shall file and record in the office of the County Recorder of the County a certificate disclosing with respect to the Election the purpose of the Election, the total number of votes cast and the total number of votes for and against creating the indebtedness and stating whether or not the indebtedness is ordered in each case.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 7th day of April, 2020.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:

A – Official Ballot

B – Notice for Arguments

EXHIBIT A
OFFICIAL BALLOT

PROPOSITION NO. XXX

OFFICIAL TITLE: A MEASURE REFERRED TO THE PEOPLE BY THE FLAGSTAFF CITY COUNCIL RELATING TO A FRANCHISE AGREEMENT WITH UNS GAS, INC. FOR THE USE OF THE PUBLIC RIGHTS-OF-WAY IN THE CITY OF FLAGSTAFF, ARIZONA FOR THE PURPOSE OF CONSTRUCTING, OPERATING, AND MAINTAINING ITS NATURAL GAS SYSTEM AND DISTRIBUTING NATURAL GAS.

DESCRIPTIVE TITLE: Consideration of a franchise agreement with UNS Gas, Inc. for a period of 25 years for the purpose of constructing, operating, and maintaining its natural gas system and distributing natural gas within the City.

| | Proposition XXX |
|---|-----------------|
| A "yes" vote shall have the effect of approving a franchise agreement with UNS Gas, Inc to use the City-owned public rights-of-way to construct, operate, and maintain its natural gas system and to distribute and sell natural gas within said City. | Yes |
| A "no" vote shall have the effect of not approving a franchise agreement with UNS Gas, Inc to use the City-owned public rights-of-way to construct, operate, and maintain its natural gas system and to distribute and sell natural gas within said City. | No |

EXHIBIT "B"

FORM OF NOTICE FOR ARGUMENTS

REQUEST FOR ARGUMENTS FOR AND AGAINST ISSUES TO BE PLACED ON THE BALLOT OF THE CITY'S PRIMARY/SPECIAL ELECTION TO BE HELD ON AUGUST 4, 2020

Pursuant to resolutions adopted by the Council of the City of Flagstaff, Arizona (the "City"), on April 7, 2020, (the "Resolutions"), the following questions to be considered by the qualified electors of the City were ordered to be placed on the ballot at the City's Primary/Special Election to be held on August 4, 2020 (the "Election").

Notice of the Election will be given by mailing an informational pamphlet to include arguments for and against the questions to be considered at the Election. (The full text of the questions to be considered at the Election are included in the respective resolutions which are available at the Office of the Clerk, 211 West Aspen Avenue, Flagstaff, Arizona 86001, and will be available on the City's website under City Clerk/Elections). Any person interested in providing any such argument(s) is hereby requested to provide the same to the City Clerk, before 4:00 p.m., Arizona time on Wednesday, May 6, 2020.

In accordance with Arizona Revised Statutes, each argument filed shall not exceed 300 words and shall contain the sworn statement of each person sponsoring it; if the argument is sponsored by an organization, it shall contain the sworn statement of two executive officers of the organization or if sponsored by a political committee it shall contain the sworn statement of the committee's chairman or treasurer. Each argument filed shall also be submitted in electronic format to the City Clerk's Office at stacy.saltzburg@flagstaffaz.gov. The person or persons signing the argument shall identify themselves by giving their residence or post office address and a telephone number, which information shall not appear in the pamphlet.

PROPOSITION NO. XXX Franchise Agreement with UNS Gas, Inc. (Resolution No. 2020-16)
PROPOSITION NO. XXX Permanent Adjustment of the City's Expenditure Base (Resolution No. 2018-15)

If you have any questions about the foregoing, please contact Stacy Saltzburg, City Clerk, at 928-213-2076.

/s/ Stacy Saltzburg
Stacy Saltzburg, Flagstaff City Clerk

Changes are shown in redline for April 107, 2020 Council Meeting

ORDINANCE NO. 20-_____

AN ORDINANCE GRANTING TO UNS GAS,⁷ INC. AN ARIZONA PUBLIC SERVICE CORPORATION, ITS LEGAL REPRESENTATIVES, SUCCESSORS, LESSEES AND ASSIGNS, CERTAIN POWERS, LICENSES, RIGHTS-OF-WAY, PRIVILEGES AND FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN IN THE CITY OF FLAGSTAFF, STATE OF ARIZONA, AS NOW OR HEREAFTER CONSTITUTED, WORKS, SYSTEMS AND PLANTS FOR THE HANDLING, PRODUCTION, MANUFACTURING, TRANSPORTING, STORING, SALE AND DISTRIBUTION OF GAS INTO, OUT OF, AND THROUGH SAID MUNICIPALITY, AND FOR THE DISTRIBUTION AND SALE OF SUCH GAS TO SAID MUNICIPALITY, ITS INHABITANTS AND OTHERS, INCLUDING CUSTOMERS INSIDE, BEYOND, AND OUTSIDE OF THE LIMITS OF SAID MUNICIPALITY; AND TO USE THE STREETS, AVENUES, EASEMENTS, RIGHTS-OF-WAY, ALLEYS, HIGHWAYS, SIDEWALKS, BRIDGES AND OTHER STRUCTURES AND PLACES AND PUBLIC GROUNDS IN SAID MUNICIPALITY FOR A PERIOD OF TWENTY-FIVE (25) YEARS; AND PRESCRIBING IN CONNECTION THEREWITH CERTAIN RIGHTS, DUTIES, TERMS AND CONDITIONS HEREIN MENTIONED; AND PROVIDING FOR THE PAYMENT TO SAID MUNICIPALITY OF A PERCENTAGE OF CERTAIN REVENUES OF GRANTEE FROM ITS OPERATIONS THEREIN; AND DECLARING AN EMERGENCY.

Section 1- Grant of Franchise:

The City of Flagstaff, a municipal corporation in Coconino County, Arizona, hereinafter called the “Municipality”, hereby grants to and vests in UNS Gas, Inc., an Arizona public service corporation, hereinafter called the “Company”, a non-exclusive franchise (the “Franchise”) with the right to operate a gas plant, system, pipelines and works in the Municipality, as now or hereafter constituted, and the authority, license, power and privilege to maintain, construct, build, equip, conduct or otherwise establish and operate in the Municipality, works or systems and plants to manufacture, use, sell, store, distribute, convey or otherwise establish, conduct, serve, supply or furnish the inhabitants of the Municipality and others, and to the Municipality whenever it may desire to contract therefore, gas for light, fuel, power, heat, and the Company hereby is granted passage, right-of-way and the right to occupy and use in any lawful and reasonable way during the life of this Franchise every and any and all Municipality streets, alleys and other dedicated public rights-of-way, both above and beneath the surface of the same, now existing or may be hereinafter extended (the “Premises”), for the service, use, effect and lawful purpose as herein stated. This ordinance supersedes in totality that franchise previously granted under Ordinance No. 1879. The rights afforded to the Company herein shall include the right to make reasonable upgrades or

changes to the Company's facilities in response to changes in technology in order to enhance service to the Company's customers.

Section 2 Use of Premises and Relocation of Facilities:

The Company is hereby authorized, licensed and empowered to do any and all things necessary and proper to be done and performed in executing the powers and utilizing the privileges herein mentioned and granted by this Franchise, provided the same do not unreasonably conflict with water or other pipes, sewer, or other pre-existing underground installations, and that all work done in the Premises by the Company shall be done with the utmost diligence and the least practicable inconvenience to the public or individuals, and that the Company shall, within a reasonable time, restore the Premises excavated by it to their original condition as nearly as practicable, subject to the reasonable approval of the Municipality. The Company will make every effort to coordinate all work with the Municipality. The Company shall remove or relocate its facilities as and when required by the Municipality to accommodate improvements within the Premises for the public benefit. and any removal or relocation shall be made at the sole cost and expense of the Company, unless the Company can demonstrate that its facilities were lawfully installed prior to the dedication to or acquisition by the Municipality of the property in question. Completed or "as-built" plans of any facilities installed or relocated by the Company shall be submitted by the Company to the Municipality as may be required by the Municipality's Public Works Director. All work and other actions as may be otherwise required or contemplated under this Franchise by the Company and/or its agents shall be in accordance with applicable federal and state laws, industry codes and Municipality codes, policies and the Company's Rules and Regulations approved by the Arizona Corporation Commission. Such removal or relocation shall be made as follows:

- A. The entire cost of relocation shall be borne by the Municipality if the company is required by the Municipality to relocate facilities which are located in easements or rights-of-way obtained by the Company prior to the dedication of the public street, alley or easement from which the facilities must be relocated. These prior rights of the Company would also be unaffected by any subsequent relocation.
- B. Except as covered in Paragraph A above and Paragraph G below, the Company shall bear the entire cost of relocating facilities located on public rights-of-way, the relocation of which is necessary for the Municipality's carrying out a function in the interest of the public health, safety or welfare. The Company's right to maintain its lines and facilities is subject to the paramount right of the Municipality to use its streets for all governmental purposes. Governmental purposes include, but are not limited to, the following functions of the Municipality:
 - 1. Any and all improvements to Municipality streets, alleys and avenues;

2. Establishing and maintaining sanitary sewers, storm drains, and related facilities;
 3. Establishing and maintaining municipal parks, parkings, parkways, pedestrian malls, or grass, shrubs, trees and other vegetation for the purposes of landscaping any street or public property. The Municipality will consult with the Company on the placement of landscaping in the public rights-of-way where there are existing Company facilities;
 3. Providing fire protection, which will be limited to construction of fire protection facilities and Municipality installed water lines for fire protection purposes;
 4. Collection and disposal of garbage, which will be limited to the construction of collection and disposal facilities and will not apply to placement of dumpsters.
 5. Construction, maintenance and repair of all governmental buildings and facilities.
- C. The installation of pipe and other facilities to serve domestic water shall be considered both governmental and proprietary and, therefore, the actual cost of relocation shall be shared by the Company paying fifty percent (50%) and the Municipality paying fifty percent (50%).
- D. The Company shall bear the entire cost of relocation of existing facilities, irrespective of the function served, where the Municipality's facilities, or other facilities occupying a right-of-way under authority of a Municipality permit or license, are located in the public right-of-way before such right-of-way is occupied by the Company and the conflict between the Company's potential facilities and other existing facilities can only be resolved expeditiously, as determined by the Director of Public Works, by the movement of the existing Municipality's or permittee's facilities.
- E. If the Municipality participates in the cost of relocation of the Company's facilities for any reason, the cost of relocation to the Municipality shall not include any betterment to the Company's facilities as they existed prior to relocation.
- F. The Municipality will not exercise its right to require utility facilities to be relocated in an unreasonable or arbitrary manner. The Company and the Municipality may agree to cooperate on the location and relocation of other facilities in the public right-of-way. The Company will obtain, and pay for, all required building permits and buy-in fees for non-gas distribution facilities such as offices, garages, repair shops and like facilities. The Municipality will provide its normal inspection

services for these construction projects. The Municipality will not, nor will it be required by the Company to, inspect, monitor or approve construction of any gas distribution facility.

- G. In the event that the Company relocates any of its facilities at the request of the Municipality for a "governmental purpose," as that phrase is defined in Section 2.B hereof, and the Municipality fails to either: (1) exercise the function which constitutes such "governmental purpose" or; (2) complete the improvement which constitutes such "governmental purpose" within three years of completion of the relocation of the company's facilities to accommodate such "governmental purpose," the Municipality shall reimburse the Company the entire and actual cost of such relocation within ninety (90) calendar days of such billing.

Section 3 Company's Compliance with Municipality Code; Plan Submitted for Approval; Construction near Municipality Facilities:

3.1 The Company shall obtain all necessary permits (without cost, or related fees or other financial obligation to the Company pursuant to Section 8 hereof) for work in the public rights-of-way. All work in the public rights-of-way will be in compliance with applicable Municipal Codes, standards and regulations as they exist at that time. Prior to commencing any work in a right-of-way (except in emergency circumstances), the Company shall submit plans of work to be performed to the Municipality's Public Works Director for review and approval, and obtain any permit necessary for such work. The Company, upon receipt from the Municipality of any finalized plans that would require construction or relocation of Company facilities, shall advise the Municipality on the estimated amount of work required and the anticipated necessary timeframe of such work within 90 days of receipt of such plans. For purposes of budgeting and asset allocation by the Company, the Company shall have six months from the receipt of such finalized plans in which to design and to complete construction or relocation of the necessary facilities.

3.2 Representatives of the Municipality and the Company shall, during the entire term of this Franchise, meet at least once in each calendar year to review any projects involving the construction or modification of Municipality rights-of-way within the subsequent five-year period in order for both parties to adequately plan and budget for such actions and to determine the extent of work required of the Company, if any, for such projects.

Section 4 Indemnification:

The Company shall defend, indemnify and hold harmless the Municipality against all liabilities, claims, demands or judgments, excluding the portion of such liabilities proximately caused by the Municipality's own negligence, for injury to any person or property caused by the acts or omissions of the Company in whole or in part, in the construction, operation, repair, extension or maintenance of its property or facilities, ~~and in the event of a determination of liability shall indemnify the Municipality.~~

Section 5 Insurance:

The Company agrees that at all times during the existence of this Franchise, that it will maintain in force, at its own expense, a general liability insurance, self-retention or general asset program to adequately insure and/or protect the legal liability of the Company with respect to the installation, operation, and maintenance of its facilities, together with all the necessary and desirable appurtenances authorized by this Franchise, to occupy the Premises. Such insurance program will provide protection for bodily injury and property damage arising from the operation by the Company of its facilities. The Company shall file with the Municipality documentation of such liability insurance, self-retention or general asset program within 30 days following the request of the Municipality. The City of Flagstaff shall be named as an “Additional Insured” under the policy. The policy limits or any insurance maintained in compliance with this section shall not limit the Company’s indemnification requirements under Section 4 of this Franchise.

Section 6 Applicable Rates and Charges:

The rates and charges to be charged by the Company for furnishing gas service hereunder and the rules and regulations to be made and enforced by the Company for the conduct of its business shall be those on file and in effect with the Arizona Corporation Commission applicable to the service.

Section 7 Assignment:

The Company shall have the right and privilege of assigning this Franchise and all obligations, rights and privileges granted herein, as long as prior notice of such assignment is presented to the Municipality, and whenever the word “Company” appears herein, it shall be construed as applying to its successors, lessees and assigns.

Section 8 Franchise Fee; Additional Fees and Taxes:

8.1 The Company, its successors, lessees, and assigns, ~~shall pay to the Municipality for and~~ in consideration of the granting of this franchise and as rental for the occupation and use of or easement over, upon and benefit the streets, avenues, easements, rights-of-way, highways, alleys, sidewalks, and bridges in said Municipality, a sum equal to two percent (2%) of all revenues of the Company shall pay to the Municipality, during the term of this franchise, a total aggregate sum of two percent (2%) of the gross receipts of the Company, its successors, lessees and assigns, during such year, for gas sold within the corporate limits of the Municipality, subject to limitations hereafter stated: such gross receipts to consist of the total amount collected from users and consumers on account of gas sold and consumed within the corporate limits of the Municipality under the Company’s rates in existence at the time, excepting therefrom, however, the gross receipts for gas sold to the Municipality, but excluding regulatory assessments, transaction privilege taxes and similar governmental impositions, from the retail sales and/or delivery by it and other charges for services attendant to the retail sale and/or delivery of natural gas delivered through the Company’s distribution system within the present and any future corporate limits of

~~the Municipality, as shown by the Company's billing records.~~ Payments shall be in lieu of any and all fees or charges assessed by the Municipality in any way associated with the Company's use, construction or inspection of the Premises. It is the parties' express intention, that the franchise fee calculation formula set forth in this Ordinance No. 20- shall not have the effect of reducing or lessening franchise fees payable to the Municipality, all factors remaining equal, as would have been payable under Ordinance No. 1879; and, if either party observes a reduction in the franchise fee, the parties will meet and discuss the formula, and adjust the formula or application thereof as appropriate to achieve the parties' intention. The City Council shall have authority to approve an amendment to this Section 8.1 of this franchise on behalf of Municipality, if necessary, to achieve the parties' intention. Beginning on the Effective Date of this Franchise as set forth herein, payment as described herein shall be payable in quarterly amounts within 30 days after the end of each calendar quarter.

8.2 Notwithstanding any provision contained herein to the contrary, the Company shall pay, in addition to the payment provided herein, the following charges, taxes and fees as may be established in a code or ordinance properly adopted by the Municipality: (a) general ad valorem property taxes; (b) transaction privilege and use tax as authorized by law and collected by the Company for its ~~retail~~ sales to its customers within the present and future corporate limits of the Municipality; and (c) other charges, taxes or fees levied upon businesses generally throughout the Municipality that has a rational basis and is applied in a non-discriminatory manner. , provided said charge, tax or fee is a flat fee per year and that the annual amount does not exceed the amount of similar fees paid by any other business operated within the Municipality.

8.3 If any lawful authority having jurisdiction in the Municipality hereafter prohibits payments, the obligation to make such payments hereinabove provided for shall forthwith cease. For the purpose of verifying amounts payable hereunder, the books and records of the Company shall be subject to inspection by duly authorized officers or representatives of the Municipality at reasonable times.

8.4 As noted in Section 8.1, payments are due quarterly. If the Company fails to deposit the franchise fee payment with the Municipality's Management Services Division (or other financial department designated by Municipality) by the twentieth (20th) day of the month immediately succeeding the date the fee became due and payable, the Company shall be assessed (i) a five percent (5%) late fee, and (ii) interest at the rate of twelve percent (12%) per annum of any unpaid balance (exclusive of late fees), said interest being calculated from the first day the payment become due.

8.5 Notwithstanding the provisions of Section 8.1, should: (i) the Company enter into any franchise with any entity of this State which provides for a higher percentage of Company gross receipts payments than two percent (2%), the Municipality shall automatically receive the same higher percentage rate payment.; and (ii) the Municipality enter into any other franchise requiring voter approval per the Arizona Constitution and/or state law (e.g. Arizona Public Service company), which franchise provides for a higher percentage of gross receipts than two percent

~~(2%), the Municipality shall automatically receive the same higher percentage rate payment from Company.~~

Section 9 Approval and Acceptance of Franchise:

This Franchise shall be accepted by the Company in writing, which acceptance shall be filed with the Municipality Clerk within 60 days after the passage of ~~an this~~ Ordinance. After approval by voters pursuant to Section 13 herein and adoption of ~~an this~~ Ordinance pursuant to the Municipality Code, this Agreement shall be a contract duly executed by and between the Municipality and the Company.

Section 10 Independent Provisions:

If any section, paragraph, subdivision, clause, phrase or provision hereof shall be adjudged invalid or unconstitutional, the same shall not affect the validity hereof as a whole, or any part or provision other than the part so decided to be invalid or unconstitutional.

Section 11 Term:

This Franchise shall ~~commence on October 3, 2020 (the “Effective Date”) and~~ continue in full force and effect for a period of 25 years ~~from the first day of the first month following the election approving this Franchise (the “Effective Date”), which shall be entered in the space provided herein. However, t~~The Municipality may terminate this Franchise in the event the Municipality formally finds, after notice and hearing that the Company has failed to comply with any material provisions of this Franchise or has failed to correct any failure after 30 days written notice.

Section 12 Ownership of Company Property:

All plant, system, pipelines, facilities, works, and all other physical property installed or operated by the Company in accordance with the terms of this Franchise shall be and remain the property of the Company, and upon expiration of this Franchise or any extension or renewal thereof, the Company is hereby granted the right to enter upon the Premises for the purpose of removing any and all plant, system, pipelines, facilities, works and other property of the Company, at any time within six (6) months after termination of this Franchise or any extension or renewal thereof. Upon removal of Company property, the Company shall restore the property of Municipality per the requirements of Section 2.

Section 13 Voter Approval:

The terms of this Agreement shall only become effective after its approval by a majority vote of the qualified electors of the City at a regular election or at a special election duly and regularly called by the City Council of the City of ~~Winslow-Flagstaff~~ for that purpose. The Company shall pay all of the City’s expenses incurred in conducting the franchise election, but if

more than one item is on the same ballot, the Company shall pay only that portion of the City's election expenses determined to be directly attributable to Company or otherwise as reasonably practicable, by dividing all of the City's expenses by the total number of measures or offices, presented on the ballot and adding any expenses, as may be required by Arizona Revised Statutes, associated directly with this Franchise election.

Section 14 Adoption:

~~————The immediate operation of this Ordinance is necessary for the preservation of the public peace, health and safety of the Municipality of Flagstaff, Arizona, and an emergency is hereby declared to exist and this Ordinance shall be in full force and effect from and after its adoption by the City Council of the city of Flagstaff and its approval by the Mayor thereof.~~

PASSED AND ADOPTED by the Council ~~and approved by the Mayor~~ of the City of Flagstaff, this ____ day of _____, 201920.

CITY OF FLAGSTAFF, an Arizona
municipal corporation

UNS GAS, INC., an Arizona public service
corporation

Mayor

By: _____

Name: ~~Cynthia Garcia~~Susan Gray _____

Date

Title: Vice President _____

ATTEST

Date: _____

City Clerk

APPROVED AS TO FORM

City Attorney



CITIZENS UTILITIES
Arizona Gas Division

~~A 1463A~~

2014 015

ACCEPTANCE OF FRANCHISE

STATE OF LOUISIANA)
)ss.
Parish of Jefferson)

Reference is made to Ordinance No. 1879 of the City of Flagstaff, Arizona, adopted on the 3rd day of October, 1995, by the Mayor and City Council of the city of Flagstaff, a municipal corporation, in Coconino County, State of Arizona, granting to CITIZENS UTILITIES COMPANY, a Delaware corporation, a Franchise for the service of gas in the City and the construction, maintenance and operation of necessary facilities therefor for a period of twenty-five (25) years.

Pursuant to Section 7 of such Franchise, CITIZENS UTILITIES COMPANY, a Delaware corporation, Grantee therein, hereby accepts such Franchise with the intention that this Acceptance shall be filed with the City of Flagstaff, Arizona.

DONE at Harvey, Louisiana, This 20th day of November 1995.

CITIZENS UTILITIES COMPANY
Delaware corporation

By: [Signature]
Vice President



ATTEST:

STATE OF ARIZONA)
) ss.
County of Coconino)

I, Linda Butler, Clerk of the City of Flagstaff, State of Arizona, hereby certify that the above and foregoing Acceptance of Franchise by CITIZENS UTILITIES COMPANY, a Delaware corporation, (contained in Ordinance No. 1879 and the Franchise granted by such Ordinance was received and duly filed in the records of my office as Clerk of the city of Flagstaff, Arizona, on the 27th day of, Nov. 1995.

[Signature]
Clerk of the City of Flagstaff, Arizona

Title _____

A1463A
ITEM NO.: 6C

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

REPORT TO THE CITY MANAGER

Linda Butler
Prepared by

FROM: CITY CLERK

DATE: 09/25/95

COUNCIL MEETING OF: 10/03/95

[Signature]
Department Head Signature

AGENDA ITEM:

CONSIDERATION OF CANVASS OF RETURNS OF SPECIAL GAS FRANCHISE ELECTION HELD SEPTEMBER 19, 1995:

Council Approved:

Date: 10-3-95

For Action By:

L.B.

STATEMENT OF SUBJECT:

A Special Gas Franchise election was held on September 19, 1995, for the purpose of submitting the proposed Citizens Utilities Gas Franchise to the voters. Arizona Revised Statutes §16-642 requires that the Council canvass the returns of the election no more than 15 days following the election.

The returns of the Special Gas Franchise Election are as follows:

| | |
|-----------------------|-----|
| For the Franchise | 618 |
| Against the Franchise | 111 |

A copy of the returns by voting district are attached.

RECOMMENDATION:

Declare the returns of the Special Gas Franchise Election official.

| REVIEWED BY: | BY DATE | | BY DATE |
|---------------------|-----------|------------------------|-----------|
| ____ CITY MANAGER | ____/____ | ____ FINANCE DIRECTOR | ____/____ |
| ____ CITY ATTORNEY | ____/____ | ____ PLANNING DIRECTOR | ____/____ |
| ____ CITY ENGINEER | ____/____ | ____ PUBLIC WORKS DIR. | ____/____ |
| ____ UTILITIES DIR. | ____/____ | ____ TOURISM DIRECTOR | ____/____ |

ORDINANCE NO. 1879

AN ORDINANCE GRANTING TO CITIZENS UTILITIES COMPANY, A DELAWARE CORPORATION, ITS LEGAL REPRESENTATIVES, SUCCESSORS, LESSEES AND ASSIGNS, CERTAIN POWERS, LICENSES, RIGHTS-OF-WAY, PRIVILEGES AND FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN IN THE CITY OF FLAGSTAFF, STATE OF ARIZONA, AS NOW OR HEREAFTER CONSTITUTED, WORKS, SYSTEMS AND PLANTS FOR THE HANDLING, PRODUCTION, MANUFACTURING, TRANSPORTING, STORING, SALE AND DISTRIBUTION OF GAS INTO, OUT OF, AND THROUGH SAID MUNICIPALITY, AND FOR THE DISTRIBUTION AND SALE OF SUCH GAS TO SAID MUNICIPALITY, ITS INHABITANTS AND OTHERS, INCLUDING CUSTOMERS INSIDE, BEYOND, AND OUTSIDE OF THE LIMITS OF SAID MUNICIPALITY; AND TO USE THE STREETS, AVENUES, EASEMENTS, RIGHTS-OF-WAY, ALLEYS, HIGHWAYS, SIDEWALKS, BRIDGES AND OTHER STRUCTURES AND PLACES AND PUBLIC GROUNDS IN SAID MUNICIPALITY FOR A PERIOD OF TWENTY-FIVE (25) YEARS; AND PRESCRIBING IN CONNECTION THEREWITH CERTAIN RIGHTS, DUTIES, TERMS AND CONDITIONS HEREIN MENTIONED; AND PROVIDING FOR THE PAYMENT TO SAID MUNICIPALITY OF A PERCENTAGE OF CERTAIN REVENUES OF GRANTEE FROM ITS OPERATIONS THEREIN; AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1: That the City of Flagstaff, a municipal corporation in Coconino County, Arizona, herein called the "Municipality," hereby grants to, and vests in, Citizens Utilities Company, a Delaware corporation, duly authorized to transact within this State a public service business as a gas utility, herein called the "Company," a franchise with the right to operate a gas plant, system, pipelines and works in the Municipality, as now or hereafter constituted, and the authority, license, power and privilege to maintain, construct, build, equip, conduct or otherwise establish and operate in said Municipality, works or systems and plants to manufacture, use, sell, store, distribute, convey or otherwise establish, conduct, serve, supply or furnish the inhabitants of said Municipality and others, and to the Municipality whenever it may desire to contract therefor, gas for light, fuel, power, heat and any and all other useful purposes, and the Company hereby is granted passage, right-of-way and its right to occupy and use in any lawful way during the life of this franchise, every and any and all streets, avenues, alleys, highways, sidewalks, bridges and other

structures of said Municipality, both above and beneath the surface of the same, as said streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges and other structures now exist or may be hereafter extended, for every and any such service, use, effect and lawful purpose as herein mentioned. The Municipality shall not be liable to the Company should the Company construct facilities pursuant to this franchise in any area over which the Municipality has erroneously exercised jurisdiction, except that the Municipality shall reimburse the Company for all fees paid to the Municipality attributable to the sale of gas within the said area.

SECTION 2: The Company is hereby authorized, licensed and empowered to do any and all things necessary and proper to be done and performed in executing the powers and utilizing the privileges herein mentioned and granted by this franchise, provided the same do not unreasonably conflict with water or other pipes, sewers or other pre-existing underground installations, and that all work done in said streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, and bridges of said Municipality by the Company shall be done with the utmost diligence and the least inconvenience to the public or individuals, and the Company shall, within a reasonable time, restore such streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, and bridges excavated by it to their original condition as nearly as practicable, subject to the reasonable approval of the Municipality. The Company will make every effort to coordinate all work with the Municipality. The Company shall remove or relocate its lines and facilities as and when required by the Municipality; such removal or relocation shall be made as follows:

- A. The entire cost of relocation shall be borne by the Municipality if the Company is required by the Municipality to relocate facilities which are located in private easements or rights-of-way obtained by the Company prior to the dedication of the public street, alley or easement from which the facilities must be relocated. These prior rights of the Company would also be unaffected by any subsequent relocation.
- B. Except as covered in Paragraph A above and Paragraph G below, the Company shall bear the entire cost of relocating facilities located on public rights-of-way, the relocation of which is necessary for the Municipality's carrying out a function in the interest of the public health, safety or welfare. The Company's right to maintain its lines and facilities is subject to the paramount right of the Municipality to use its streets for all governmental purposes. Governmental purposes include, but are not limited to, the following functions of the Municipality:
 1. Any and all improvements to Municipality streets, alleys and avenues;

2. Establishing and maintaining sanitary sewers, storm drains, and related facilities;
 3. Establishing and maintaining municipal parks, parkings, parkways, pedestrian malls, or grass, shrubs, trees and other vegetation for the purposes of landscaping any street or public property. The Municipality will consult with the Company on the placement of landscaping in the public rights-of-way where there are existing Company facilities;
 4. Providing fire protection, which will be limited to construction of fire protection facilities and City installed water lines for fire protection purposes;
 5. Collection and disposal of garbage, which will be limited to the construction of collection and disposal facilities and will not apply to placement of dumpsters.
 6. Construction, maintenance and repair of all governmental buildings and facilities.
- C. The installation of pipe and other facilities to serve domestic water shall be considered both governmental and proprietary and, therefore, the actual cost of relocation shall be shared by the Company paying fifty percent (50%) and the Municipality paying fifty percent (50%).
- D. The Company shall bear the entire cost of relocation of existing facilities, irrespective of the function served, where the Municipality's facilities, or other facilities occupying a right-of-way under authority of a Municipality permit or license, are already located in the public right-of-way and the conflict between the Company's potential facilities and existing facilities can only be resolved expeditiously, as determined by the Director of Public Works, by the movement of the existing Municipality's or permittee's facilities.
- E. If the Municipality participates in the cost of relocation of the Company's facilities for any reason, the cost of relocation to the Municipality shall not include any betterment to the Company's facilities as they existed prior to relocation.
- F. The Municipality will not exercise its right to require utility facilities to be relocated in an unreasonable or arbitrary manner. The Company and the Municipality may agree to cooperate on the location and relocation of other facilities in the public right-of-way. The Company shall save the Municipality, its officers and agents, harmless from any and all liabilities proximately caused by the Company's negligence in the erection, construction, installation or operation hereunder of the Company's facilities. The Company shall obtain all necessary permits (without cost to the Company

pursuant to Section 6 hereof) for work in the public rights-of-way. All work in the public rights-of-way will be in compliance with applicable Municipal Codes, standards and regulations as they exist at that time. The Company will obtain, and pay for, all required building permits and buy-in fees for non-gas distribution facilities such as offices, garages, repair shops and like facilities. The Municipality will provide its normal inspection services for these construction projects. The Municipality will not, nor will it be required by the Company to, inspect, monitor or approve construction of any gas distribution facility.

- G. In the event that the Company relocates any of its facilities at the request of the Municipality for a "governmental purpose," as that phrase is defined in Section 2 B hereof, and the Municipality fails to either (1) exercise the function which constitutes such "governmental purpose" or (2) complete the improvement which constitutes such "governmental purpose" within three (3) years of completion of the relocation of the Company's facilities to accommodate such "governmental purpose," the Municipality shall reimburse the Company the entire and actual cost of such relocation within ninety (90) calendar days of such billing.

SECTION 3: The Municipality shall in no way be liable to or responsible for any accident or damage that may occur in the construction, operation or maintenance by the Company of its lines and appurtenances hereunder, and the acceptance of this grant shall be deemed an agreement on the part of the Company to indemnify said Municipality and hold it harmless from and against any and all claims, costs losses or expenses which may accrue to said Municipality as a result of the Company's activities as enumerated in Section 1.

The Company shall maintain throughout the term of this franchise, liability insurance, a program of self-retention or general assets to adequately insure and/or protect the legal liability of the Company with respect to the installation, operation and maintenance of the gas distribution facility, together with all the necessary and desirable appurtenances authorized herein to occupy the public right-of-way. Such insurance, self-retention or general asset program will provide protection for bodily injury and property damage, including contractual liability and legal liability for damages arising from explosion, collapse and underground incidents.

The Company shall file with the Municipality documentation of such liability insurance, self-retention or general asset program within sixty (60) days following the effective date of this franchise, and thereafter upon request of Municipality.

SECTION 4: The rates and charges to be charged by the Company for furnishing gas service hereunder and the rules and regulations to be

made and enforced by the Company for the conduct of its business shall be those from time to time on file and effective with the Arizona Corporation Commission applicable to such service.

SECTION 5: The Company shall have the right and privilege of assigning this franchise and all rights and privileges granted herein, and whenever the word "Company" appears herein, it shall be construed as applying to its successors, lessees, and assigns.

SECTION 6: The Company, its successors, lessees, and assigns, for and in consideration of the granting of this franchise and as rental for the occupation and use or easement over, upon and beneath the streets, avenues, easements, rights-of-way, highways, alleys, sidewalks, and bridges in said Municipality, shall pay to the Municipality, commencing with the first full billing period after the effective date of this franchise and continuing each year during all the time this provision shall remain in force and effect, a total aggregate sum of two percent (2%) of the gross receipts of the Company, its successors, lessees and assigns, during such year, for gas sold within the corporate limits of the Municipality, subject to the limitations hereinafter stated; such gross receipts to consist of the total amount collected from users and consumers on account of gas sold and consumed within the corporate limits of the Municipality under the Company's rates in existence at the time, excepting therefrom, however, the gross receipts for gas sold to industrial consumers under special contract, and the gross receipts for gas sold to the Municipality for its own use. Notwithstanding the provisions of this Section, should the Company enter into any franchise with any entity of this State which provides for a higher percentage of Company gross receipts payment than two percent (2%) the Municipality shall automatically receive the same higher percentage rate payment. The Company shall make such payments semi-annually on or before the last day of January and July in each such year while this provision shall remain in full force and effect. If the Company fails to deposit said fees with the Municipality's finance department by the twentieth (20th) day of the month immediately succeeding the date the fee became due and payable, the Company shall be assessed (i) a ten percent (10%) late fee, and (ii) interest at the rate of twelve percent (12%) per annum on any unpaid balance (exclusive of late fees), said interest being calculated from the first day the payment became due. For the purpose of determining such revenue, the books of the Company shall at all times be subject to inspection by duly authorized municipal officials. Said payments shall be in lieu of any and all other franchise, license, privilege, instrument, occupation, excise or revenue taxes and all other exactions or charges (except general ad valorem property taxes, special assessments for local improvements, and except municipal privilege, sales or use taxes authorized by law and collected by the Company from users and consumers of gas within the corporate limits of the Municipality) upon the business, revenue, property, gas lines, installations, gas systems, conduits, storage tanks, pipes, fixtures or other appurtenances

of the Company and all other property or equipment of the Company, or any part thereof, relating to the sale and distribution of natural gas in said Municipality during the term of this franchise; provided that, anything to the contrary herein notwithstanding, said payment shall continue only so long as said Company is not prohibited from making the same by any lawful authority having jurisdiction in the premises, and so long as the municipality does not charge, levy or collect, or attempt to charge, levy or collect other franchise, license, privilege, occupation, excise or revenue taxes or other exactions or charges hereinabove mentioned, and if any lawful authority having jurisdiction in the premises hereafter prohibits said payment, or the Municipality does levy, charge or collect or attempt to levy, charge or collect such other franchise, license, privilege, occupation, excise or revenue taxes, or other exactions or charges, the obligation to make such payments hereinabove provided for shall forthwith cease.

SECTION 7: This franchise shall be accepted by the Company in writing, which acceptance shall be filed with the Municipality within sixty (60) days after the passage of this Ordinance, and when so accepted, this Ordinance shall be a contract duly executed by and between the Municipality and the Company.

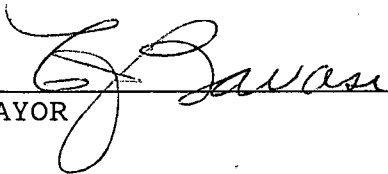
SECTION 8: If any section, paragraph, subdivision, clause, phrase or provision hereof shall be adjudged invalid or unconstitutional, the same shall not affect the validity hereof as a whole, or any part or provision other than the part so decided to be invalid or unconstitutional, except that if Section 6 be adjudged invalid or unconstitutional, in whole or part, this Franchise shall, at the Municipality's option immediately terminate and be of no further force or effect.

SECTION 9: This franchise shall continue in full force and effect for a period of twenty-five (25) years from the date of passage of this Ordinance.


SECTION 10: All plant, system, pipelines, works, and all other physical property installed by the Company in accordance with the terms of this franchise shall be and remain the property of the Company, and upon expiration of this franchise or any extension or renewal thereof, the Company is hereby granted the right to enter upon the streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges and other structures of said Municipality for the purpose of removing any and all such plant, system, pipelines, works and other property of the Company, at any time within six months after termination of this franchise or any such extension or renewal thereof. Upon removal of Company property, the Company shall repair the property of the Municipality per the requirements of Section 2.

SECTION 11: The immediate operation of this Ordinance is necessary for the preservation of the public peace, health and safety of the City of Flagstaff, Arizona, and an emergency is hereby declared to exist and this Ordinance shall be in full force and effect from and after its adoption by the City Council of the City of Flagstaff and its approval by the Mayor thereof.

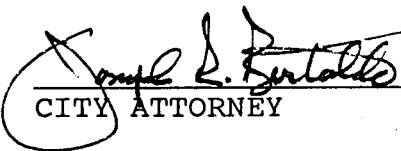
PASSED AND ADOPTED by the Council and approved by the Mayor of the City of Flagstaff, this 3rd day of October, 1995.

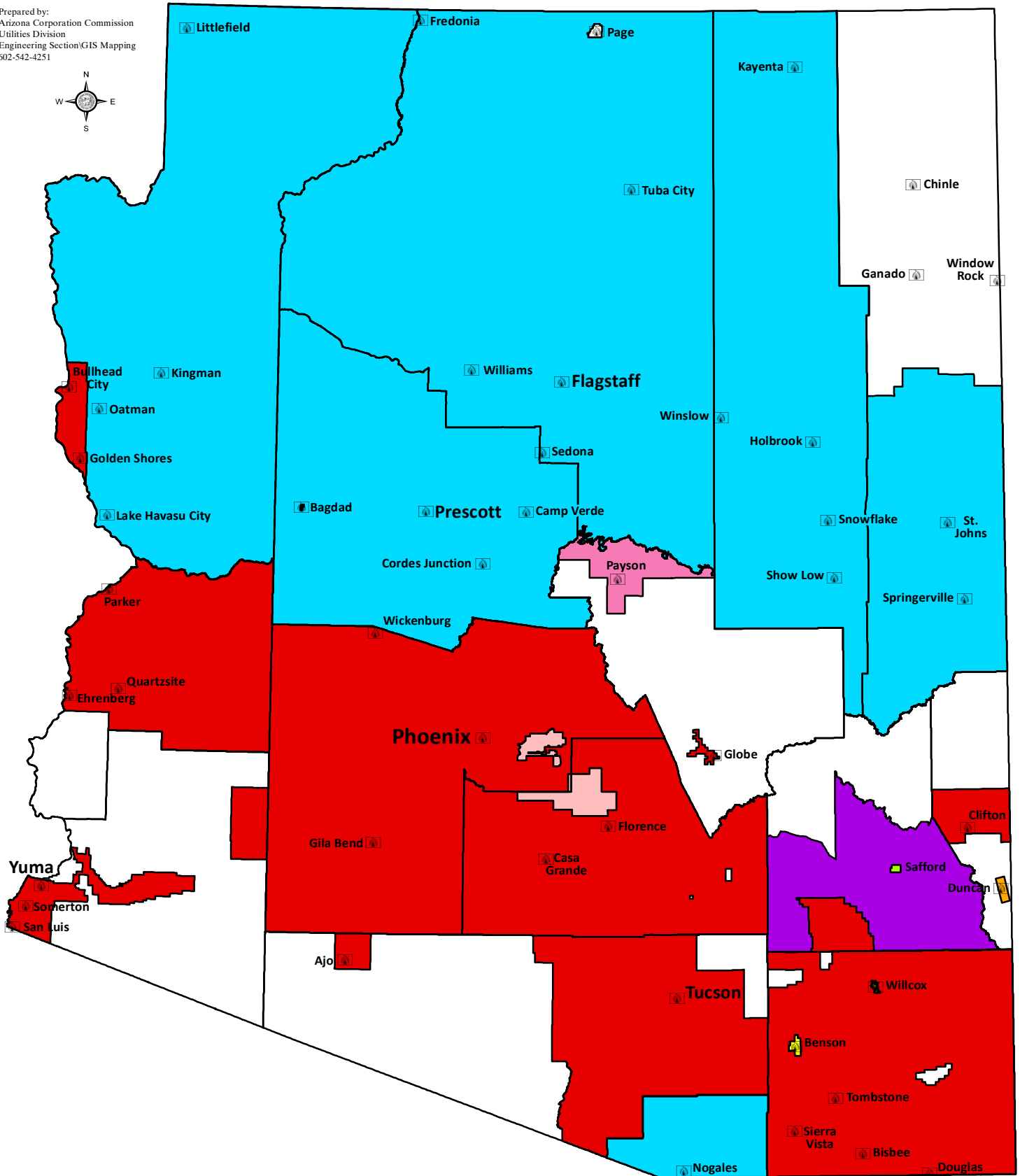

MAYOR

ATTEST:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY



Revised January 1, 2017

STATE OF ARIZONA - GAS DISTRIBUTION

- | | | | |
|------------------------------|-------------------------------|-----------------|-----------------|
| Alliant Gas, LLC | Graham County Utilities, Inc. | City of Benson | City of Willcox |
| Copper Market, Inc. | Southwest Gas Corporation | City of Mesa | |
| Duncan Valley Electric Co-op | UNS Gas, Inc. | City of Safford | |

State of Arizona
House of Representatives
Fifty-fourth Legislature
Second Regular Session
2020

CHAPTER 3
HOUSE BILL 2686

AN ACT

AMENDING SECTION 9-467, ARIZONA REVISED STATUTES; AMENDING TITLE 9, CHAPTER 7, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-810; AMENDING SECTION 11-321, ARIZONA REVISED STATUTES; AMENDING TITLE 11, CHAPTER 6, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-867; RELATING TO BUILDING PERMITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 9-467, Arizona Revised Statutes, is amended to
3 read:

4 9-467. Building permits; issuance; distribution of copies;
5 state preemption; utilities; subsequent owner;
6 limitation; definitions

7 A. Any ~~city or town~~ MUNICIPALITY requiring the issuance of a
8 building permit shall transmit one copy of the permit to the county
9 assessor and one copy to the director of the department of revenue.
10 Permit copies shall provide the permit number, issue date and parcel
11 number. On the issuance of the certificate of occupancy or the
12 certificate of completion or on the expiration or cancellation of the
13 permit, the assessor and the department of revenue shall be notified in
14 writing or in electronic format of the permit number, parcel number, issue
15 date and completion date.

16 B. THE REGULATION OF A UTILITY PROVIDER'S AUTHORITY TO OPERATE AND
17 SERVE CUSTOMERS IS A MATTER OF STATEWIDE CONCERN. THE REGULATION OF
18 BUILDING PERMITS AS IT RELATES TO A BUILDING PERMIT APPLICANT'S ABILITY TO
19 USE A UTILITY PROVIDER THAT IS CAPABLE AND AUTHORIZED TO PROVIDE UTILITY
20 SERVICE IS ALLOWED SOLELY IN ACCORDANCE WITH SUBSECTIONS C AND D OF THIS
21 SECTION. A BUILDING PERMIT APPLICANT'S ABILITY TO USE A UTILITY PROVIDER
22 THAT IS CAPABLE AND AUTHORIZED TO PROVIDE UTILITY SERVICE IS NOT SUBJECT
23 TO FURTHER REGULATION BY A MUNICIPALITY.

24 C. A MUNICIPALITY REQUIRING THE ISSUANCE OF A BUILDING PERMIT MAY
25 NOT DENY A PERMIT APPLICATION BASED ON THE UTILITY PROVIDER PROPOSED TO
26 PROVIDE UTILITY SERVICE TO THE PROJECT.

27 D. A MUNICIPALITY ISSUING A BUILDING PERMIT SHALL ENSURE THAT ALL
28 APPLICABLE PERMITS AND ASSOCIATED FEES ASSESSED ON A BUILDING PERMIT
29 APPLICANT CONTAIN REQUIREMENTS AND AMOUNTS THAT DO NOT EXCEED THE
30 REQUIREMENTS AND AMOUNTS FOR USE OF OTHER UTILITY PROVIDERS AND DO NOT
31 HAVE THE EFFECT OF RESTRICTING A PERMIT APPLICANT'S ABILITY TO USE THE
32 SERVICES OF A UTILITY PROVIDER THAT IS CAPABLE AND AUTHORIZED TO PROVIDE
33 UTILITY SERVICE.

34 ~~B.~~ E. A ~~city or town~~ MUNICIPALITY may not require an applicant for
35 a building permit to hold a transaction privilege tax license or business
36 license as a condition for issuing the building permit. A city or town
37 may require a person that has been issued a building permit and that does
38 not otherwise hold a business license from the ~~city or town~~ MUNICIPALITY
39 to apply for a business license within thirty days after issuing the
40 building permit.

41 ~~C.~~ F. If a person has constructed a building or an addition to a
42 building without obtaining a building permit, a ~~city or town~~ MUNICIPALITY
43 shall not require a subsequent owner to obtain a permit for the
44 construction or addition done by the prior owner before issuing a permit

1 for a building addition except that ~~nothing in~~ this section ~~shall be~~
2 ~~construed as prohibiting the enforcement of~~ DOES NOT PROHIBIT ENFORCING an
3 applicable ordinance or code provision ~~which~~ THAT affects the public
4 health or safety.

5 G. THIS SECTION DOES NOT PROHIBIT A MUNICIPALITY FROM RECOVERING
6 REASONABLE COSTS ASSOCIATED WITH REVIEWING AND ISSUING A BUILDING PERMIT.

7 H. THIS SECTION DOES NOT AFFECT ANY AUTHORITY OF A MUNICIPALITY TO
8 MANAGE OR OPERATE A MUNICIPALLY OWNED UTILITY.

9 I. FOR THE PURPOSES OF THIS SECTION:

10 1. "MUNICIPALITY" MEANS A CITY OR TOWN ORGANIZED IN ACCORDANCE WITH
11 LAW, INCLUDING A HOME RULE OR CHARTER CITY.

12 2. "UTILITY SERVICE" MEANS WATER, WASTEWATER, NATURAL GAS,
13 INCLUDING PROPANE GAS, OR ELECTRIC SERVICE PROVIDED TO AN END USER.

14 Sec. 2. Title 9, chapter 7, article 1, Arizona Revised Statutes, is
15 amended by adding section 9-810, to read:

16 9-810. State preemption; utilities; restrictions;
17 prohibition; limitation; definition

18 A. THE REGULATION OF A UTILITY PROVIDER'S AUTHORITY TO OPERATE AND
19 SERVE CUSTOMERS IS A MATTER OF STATEWIDE CONCERN. A PERSON'S OR ENTITY'S
20 ABILITY TO USE THE SERVICES OF A UTILITY PROVIDER THAT IS CAPABLE AND
21 AUTHORIZED TO PROVIDE UTILITY SERVICE IS NOT SUBJECT TO FURTHER REGULATION
22 BY A MUNICIPALITY PURSUANT TO THIS SECTION.

23 B. ANY CODE, ORDINANCE, LAND USE REGULATION OR GENERAL OR SPECIFIC
24 PLAN PROVISION OR PART OF A CODE, ORDINANCE, LAND USE REGULATION OR
25 GENERAL OR SPECIFIC PLAN PROVISION ADOPTED BY A MUNICIPALITY MAY NOT
26 PROHIBIT OR HAVE THE EFFECT OF RESTRICTING A PERSON'S OR ENTITY'S ABILITY
27 TO USE THE SERVICES OF A UTILITY PROVIDER THAT IS CAPABLE AND AUTHORIZED
28 TO PROVIDE UTILITY SERVICE AT A PERSON'S OR ENTITY'S PROPERTY.

29 C. A MUNICIPALITY MAY NOT IMPOSE A FINE, PENALTY OR OTHER
30 REQUIREMENT THAT HAS THE EFFECT OF RESTRICTING A UTILITY PROVIDER'S
31 AUTHORITY TO OPERATE OR SERVE CUSTOMERS.

32 D. THIS SECTION DOES NOT AFFECT ANY AUTHORITY OF A MUNICIPALITY TO
33 MANAGE THE PUBLIC HIGHWAYS WITHIN THE MUNICIPALITY'S BOUNDARIES OR TO
34 EXERCISE THE MUNICIPALITY'S POLICE POWERS TO REVIEW AND APPROVE AN
35 APPLICATION BEFORE ISSUING A PERMIT TO PERFORM WORK IN THE PUBLIC HIGHWAYS
36 OR TO ENFORCE ASSOCIATED PERMIT CONDITIONS.

37 E. THIS SECTION DOES NOT AFFECT ANY AUTHORITY OF A MUNICIPALITY TO
38 MANAGE OR OPERATE A MUNICIPALLY OWNED UTILITY.

39 F. FOR THE PURPOSES OF THIS SECTION, "UTILITY SERVICE" MEANS WATER,
40 WASTEWATER, NATURAL GAS, INCLUDING PROPANE GAS, OR ELECTRIC SERVICE
41 PROVIDED TO AN END USER.

1 Sec. 3. Section 11-321, Arizona Revised Statutes, is amended to
2 read:

3 11-321. Building permits; issuance; state preemption;
4 utilities; distribution of copies; subsequent
5 owner; limitation; definition

6 A. Except in those cities and towns ~~which~~ THAT have an ordinance
7 relating to the issuance of building permits, the board of supervisors
8 shall require a building permit for any construction of a building or an
9 addition ~~thereto~~ TO A BUILDING exceeding a cost of ~~one thousand dollars~~
10 \$1,000 within its jurisdiction. The building permit shall be filed with
11 the board of supervisors or its designated agent.

12 B. THE REGULATION OF A UTILITY PROVIDER'S AUTHORITY TO OPERATE AND
13 SERVE CUSTOMERS IS A MATTER OF STATEWIDE CONCERN. THE REGULATION OF
14 BUILDING PERMITS AS IT RELATES TO A BUILDING PERMIT APPLICANT'S ABILITY TO
15 USE A UTILITY PROVIDER THAT IS CAPABLE AND AUTHORIZED TO PROVIDE UTILITY
16 SERVICE IS ALLOWED SOLELY IN ACCORDANCE WITH SUBSECTIONS C AND D OF THIS
17 SECTION. A BUILDING PERMIT APPLICANT'S ABILITY TO USE A UTILITY PROVIDER
18 THAT IS CAPABLE AND AUTHORIZED TO PROVIDE UTILITY SERVICE IS NOT SUBJECT
19 TO FURTHER REGULATION BY A COUNTY.

20 C. A COUNTY MAY NOT DENY A PERMIT APPLICATION BASED ON THE UTILITY
21 PROVIDER PROPOSED TO PROVIDE UTILITY SERVICE TO THE PROJECT.

22 D. A COUNTY ISSUING A BUILDING PERMIT SHALL ENSURE THAT ALL
23 APPLICABLE PERMITS AND ASSOCIATED FEES ASSESSED ON A BUILDING PERMIT
24 APPLICANT CONTAIN REQUIREMENTS AND AMOUNTS THAT DO NOT EXCEED THE
25 REQUIREMENTS AND AMOUNTS FOR USE OF OTHER UTILITY PROVIDERS AND DO NOT
26 HAVE THE EFFECT OF RESTRICTING A PERMIT APPLICANT'S ABILITY TO USE THE
27 SERVICES OF A UTILITY PROVIDER THAT IS CAPABLE AND AUTHORIZED TO PROVIDE
28 UTILITY SERVICE.

29 ~~B.~~ E. The board of supervisors may not require an applicant for a
30 building permit to hold a transaction privilege tax license or business
31 license as a condition for issuing the building permit.

32 ~~C.~~ F. Where deemed of public convenience, the BOARD OF supervisors
33 shall ~~permit~~ ALLOW the application for and the issuance of building
34 permits by mail.

35 ~~D.~~ G. One copy of the building permit required by the terms of
36 subsection A of this section shall be transmitted to the county assessor
37 and one copy SHALL BE TRANSMITTED to the director of the department of
38 revenue. The permit copy provided to the assessor and the department of
39 revenue shall have the permit number, the issue date and the parcel number
40 for which the permit is issued. On the issuance of the certificate of
41 occupancy or the certificate of completion or on the expiration or
42 cancellation of the permit, the assessor and the department of revenue
43 shall be notified in writing or in electronic format of the permit number,
44 parcel number, issue date and completion date.

1 ~~F.~~ H. If a person has constructed a building or an addition to a
2 building without obtaining a building permit, a county shall not require a
3 subsequent owner to obtain a permit for the construction or addition done
4 by the prior owner before issuing a permit for a building addition except
5 that ~~nothing in~~ this section ~~shall be construed as prohibiting the~~
6 ~~enforcement of~~ DOES NOT PROHIBIT ENFORCING an applicable ordinance or code
7 provision ~~which~~ THAT affects the public health or safety.

8 I. THIS SECTION DOES NOT PROHIBIT A COUNTY FROM RECOVERING
9 REASONABLE COSTS ASSOCIATED WITH REVIEWING AND ISSUING A BUILDING PERMIT.

10 J. THIS SECTION DOES NOT AFFECT ANY AUTHORITY OF A COUNTY TO MANAGE
11 OR OPERATE A COUNTY-OWNED UTILITY.

12 K. FOR THE PURPOSES OF THIS SECTION, "UTILITY SERVICE" MEANS WATER,
13 WASTEWATER, NATURAL GAS, INCLUDING PROPANE GAS, OR ELECTRIC SERVICE
14 PROVIDED TO AN END USER.

15 Sec. 4. Title 11, chapter 6, article 5, Arizona Revised Statutes,
16 is amended by adding section 11-867, to read:

17 11-867. State preemption; utilities; restrictions;
18 prohibition; limitation; definition

19 A. THE REGULATION OF A UTILITY PROVIDER'S AUTHORITY TO OPERATE AND
20 SERVE CUSTOMERS IS A MATTER OF STATEWIDE CONCERN. A PERSON'S OR ENTITY'S
21 ABILITY TO USE THE SERVICES OF A UTILITY PROVIDER THAT IS CAPABLE AND
22 AUTHORIZED TO PROVIDE UTILITY SERVICE IS NOT SUBJECT TO FURTHER REGULATION
23 BY A COUNTY PURSUANT TO THIS SECTION.

24 B. ANY CODE, ORDINANCE, LAND USE RESTRICTION OR GENERAL OR SPECIFIC
25 PLAN PROVISION OR PART OF A CODE, ORDINANCE, LAND USE REGULATION OR
26 GENERAL OR SPECIFIC PLAN PROVISION ADOPTED BY A COUNTY MAY NOT PROHIBIT OR
27 HAVE THE EFFECT OF RESTRICTING A PERSON'S OR ENTITY'S ABILITY TO USE THE
28 SERVICES OF A UTILITY PROVIDER THAT IS CAPABLE AND AUTHORIZED TO PROVIDE
29 UTILITY SERVICE AT A PERSON'S OR ENTITY'S PROPERTY.

30 C. A COUNTY MAY NOT IMPOSE A FINE, PENALTY, OR OTHER REQUIREMENT
31 THAT HAS THE EFFECT OF RESTRICTING A UTILITY PROVIDER'S AUTHORITY TO
32 OPERATE OR SERVE CUSTOMERS.

33 D. THIS SECTION DOES NOT AFFECT ANY AUTHORITY OF A COUNTY TO MANAGE
34 THE PUBLIC HIGHWAYS WITHIN THE COUNTY'S BOUNDARIES OR TO EXERCISE THE
35 COUNTY'S POLICE POWERS TO REVIEW AND APPROVE AN APPLICATION BEFORE ISSUING
36 A PERMIT TO PERFORM WORK IN THE PUBLIC HIGHWAYS OR TO ENFORCE ASSOCIATED
37 PERMIT CONDITIONS.

38 E. THIS SECTION DOES NOT AFFECT ANY AUTHORITY OF A COUNTY TO MANAGE
39 OR OPERATE A COUNTY-OWNED UTILITY.

40 F. FOR THE PURPOSES OF THIS SECTION, "UTILITY SERVICE" MEANS WATER,
41 WASTEWATER, NATURAL GAS, INCLUDING PROPANE GAS, OR ELECTRIC SERVICE
42 PROVIDED TO AN END USER.

H.B. 2686

APPROVED BY THE GOVERNOR FEBRUARY 21, 2020.

FILED IN THE OFFICE OF THE SECRETARY OF STATE FEBRUARY 21, 2020.