



CITY OF FLAGSTAFF
**COMMUNITY DEVELOPMENT
BLOCK GRANT**



ANNUAL ACTION PLAN

Program Year 2021

July 1, 2021 – June 30, 2022

Mayor

Mayor Paul Deasy

Council

Vice-Mayor Becky Daggett
Councilmember Adam Shimoni
Councilmember Regina Salas

Councilmember Austin Aslan
Councilmember Miranda Sweet
Councilmember Jim McCarthy

City Manager

Greg Clifton

Community Development Director

Dan Folke

Housing Director

Sarah Darr

Year 1 of the 2021-2025 Consolidated Plan

ON REQUEST THIS DOCUMENT CAN BE MADE AVAILABLE IN ALTERNATE FORMATS

Expected Resources

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

Introduction

The City of Flagstaff Annual Action Plan describes allocations for the Community Development Block Grant program for the coming year – Program Year 2021, the first year of the 2021-2025 Consolidated Plan. These allocations fund activities to address goals from the primary Consolidated Plan areas: Affordable Housing, Homelessness, Community Development, Neighborhood Revitalization, Economic Opportunities, Public Services, Fair Housing and Citizen Participation.

The amount of CDBG funding received by the City of Flagstaff varies from year-to-year is based on the federal budget. The City expects to receive between \$510,000 and \$615,000 each year during the next five years. The 2021 Program Year CDBG Entitlement for the City of Flagstaff is \$571,367. In addition, the City is utilizing \$278,216 in CDBG Program Income and \$34,190.17 in de-obligated past years funds in combination with the 2021 Entitlement for a total of \$883,773.17 available to allocate.

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.

As of the date of submission of the Program Year 2021 Annual Action Plan, a portion of CDBG funds from previous program years is currently unspent. However, these funds have been allocated to projects in the corresponding Annual Action Plans and will not be reallocated to different activities. Previous years' funds are not accounted for in this Annual Action Plan.

In Program Years 2019 and 2020 the City of Flagstaff received CDBG-CV funds provided by the CARES (Coronavirus, Aid, Relief and Economic Security) Act. These funds were allocated in the 2019 Annual Action Plan completing two substantial amendments. A portion of the CDBG-CV funds remain unspent yet allocated to projects that prevent, respond to and/or prepare for Coronavirus. These funds will not be reallocated to different activities and are not accounted for in the PY 2021 Annual Action Plan.

Anticipated Resources

| | | | | |
|--|---------------------------|------------------------------------|------------------|---|
| Program | CDBG | Source of Funds | Public-federal | |
| Uses of Funds: Affordable Housing, Public Services, Acquisition, Administration & Planning | | | | |
| Narrative Description: The City of Flagstaff's 2021 Program Year CDBG allocation total is \$571,367. This allocation will be combined with \$278,216 in Program Income and \$34,190.17 in de-obligated past years funds for a total amount available of \$883,773.17. | | | | |
| Expected Amount Available Year 1 | | | | |
| Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | Expected Amount Available Remainder of ConPlan: \$ |
| \$571,367 | \$278,216 | \$39,190.17 | \$883,773.17 | \$2,285,468 |

Table 1 - 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. \$457,551 federal, state, and local funds will leverage 2021 CDBG projects.

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

The City of Flagstaff utilizes CDBG funds to improve public facilities and infrastructure in low- and moderate-income neighborhoods, specifically the Sunnyside, Pine Knoll, La Plaza Vieja and Southside target neighborhoods. The City relies on the Council adopted and voter ratified Flagstaff Regional Plan 2030 as well as Neighborhood Specific Plans for La Plaza Vieja and Southside to guide area needs and project allocations for public facilities and infrastructure such as sidewalk improvements, recreation improvements and more. These Neighborhood Specific Plans were developed in partnership with the corresponding neighborhood associations and extensive public involvement.

Discussion

The City of Flagstaff continues to receive periodic Program Income from previous homebuyer assistance and owner occupied housing rehabilitation programs. In PYs 2019 and 2020 the City received an unprecedented amount of Program Income due to the favorable housing market and interest rates in the City of Flagstaff. Those funds will be allocated in this Annual Action Plan. Should the City receive additional Program Income in excess of an amount that could make it difficult for the City to remain timely, a mid-year allocation and amendment to the Annual Action Plan will be considered.

Annual Goals and Objectives
AP-20 Annual Goals and Objectives

Goals Summary Information

DRAFT

| Sort Order | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Funding | Activity Matrix Code: | Goal Outcome Indicator |
|------------|--|------------|----------|--|-------------------------------------|--|----------------------|--------------------------|---|
| 1 | Housing Rehabilitation | 2021 | 2022 | Affordable Housing | Citywide | Affordable Housing | CDBG \$303,665.83 | 14A | Homeowner Housing Rehabilitated: 8 Household/Housing units |
| 2 | Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds/Units | 2021 | 2022 | Homeless | Citywide | Homelessness | CDBG \$345,769.84 | 14G | Overnight/ Emergency Shelter/ Transitional Housing Beds/Units added: 8 Units |
| 3 | Services to Meet Basic Needs | 2021 | 2022 | Non-Housing Community Development | Citywide Sunnyside Pine Knoll | Public Services & Economic Opportunities | CDBG \$25,000 | 03T 05A-05T 05Z | Public service activities other than Low-/Moderate-Income Housing Benefit: 50 Persons |
| 4 | Workforce Development | 2021 | 2022 | Non-Housing Community Development | Citywide | Public Services & Economic Opportunities | CDBG \$54,337.50 | 05H 05Z | Individuals/Businesses assisted: 12 Persons |
| 5 | Service and Facility Operating Support, including Outreach Services to Meet Basic Needs | 2021 | 2022 | Homeless Non-Homeless Special Needs | Citywide | Homelessness Public Services & Economic Opportunities | CDBG \$30,000 | 05D 05N 03T 05H | Public service activities other than Low-/Moderate-Income Housing Benefit: 70 Persons |

| | | | | | | | | | |
|---|---------------------------|------|------|---|----------|--|----------------------|---|----------|
| 6 | Planning & Administration | 2021 | 2022 | Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development | Citywide | Homelessness Affordable Housing Public Services & Economic Opportunities Revitalization, Public Facilities & Infrastructure | CDBG \$125,000.00 | 2021A 2021B 2021C 2021D 2021E | Other: 1 |
|---|---------------------------|------|------|---|----------|--|----------------------|---|----------|

Table 2 – Goals Summary

Goal Descriptions

| | | |
|---|-------------------------|---|
| 1 | Goal Name | Housing Rehabilitation |
| | Goal Description | <p>Housing Rehabilitation aims to preserve existing affordable housing stock and benefit low- and moderate-income households in the City of Flagstaff. Housing Rehabilitation may include: 1) elimination of health and safety hazards in the housing stock; 2) improvements in accessibility and aging in place; 3) financial stabilization of low- and moderate-income households through energy efficiency, repair and utility costs; 4) increased building performance through weatherization and performance upgrades; 5) revitalization of low income neighborhoods; 6) preservation of the entry level housing stock.</p> <p>Projects include rehabilitation of privately owned, single-unit homes and all delivery costs (including materials and labor) and service costs) directly related to carrying out housing rehabilitation activities.</p> <p>Funds will be used to provide grants and/or no interest, deferred payment loans to low-income households to cover the cost of utility systems (heating, hot water, roofing, electrical) to ensure homes are safe and provide a decent and affordable living environment.</p> |
| 2 | Goal Name | Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds |
| | Goal Description | <p>Funds will be used to increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds for homeless individuals/households.</p> <p>Projects include acquisition, construction, conversion of buildings, or rehabilitation of temporary shelter for the homeless, including victims of domestic violence, dating violence, sexual assault or stalking, disabled individuals, drug offenders, and parolees.</p> |

| | | |
|----------|-------------------------|--|
| 3 | Goal Name | Services to Meet Basic Needs |
| | Goal Description | Public service projects may include Pandemic Response, Homeless/AIDS Patients Programs, Senior S Disabilities, Legal Services, Youth Services, Transportation Services, Substance Abuse Services, Servic Employment Training, Crime Awareness/Prevention, Fair Housing Activities, Tenant/Landlord Counse Services, Mental Health Services, Screen for Lead Poisoning, Subsistence Payments, Food Banks, Etc. |
| 4 | Goal Name | Workforce Development |
| | Goal Description | Assistance for programs providing workforce development including employment/job training and b services carried out as a public service. Activities include skill development programs, vocational programs, apprenticeship programs, paid i assistance for businesses and/or business counseling for individuals. |

DRAFT

| | | |
|---|-------------------------|---|
| 5 | Goal Name | Service and Facility Operating Support, including Outreach |
| | Goal Description | CDBG funds will be used for costs associated with the operation of programs for the homeless or for utilities, maintenance, and insurance. |
| 6 | Goal Name | Planning and Administration |
| | Goal Description | CDBG funds will be used for expenses related to administering the program, preparing planning documents, activities, and other eligible expenses. |

DRAFT

Projects

AP-35 Projects – 91.220(d)

Introduction

The strategies listed in this plan address the first-year allocation of the 2021-2025 Consolidated Plan for the City of Flagstaff in Program Year 2021. The City will be allocating funds to local agencies/ subrecipients to carry out projects and manage funds with City of Flagstaff oversight. Projects align with the priority needs of the community: Revitalization, Public Facilities and Infrastructure, Public Services & Economic Opportunities, Addressing Homelessness, Develop and Preserve existing Affordable Housing.

In the 2021 CDBG process, eight external agency proposals were received. When program income and de-obligated funding is included, the 2021 CDBG allocation is \$883,773.17. Eight proposals requesting a total of \$1,072,773.17 in CDBG funding were received by the February 22, 2021 deadline. One applicant withdrew their application leaving \$897,773.17 in total requests. Recommendations were discussed at a public hearing and City Council Work Session on April 13th, 2021. Resolutions approving the allocations and submission of the Annual Action Plan were approved by the City Council at a public hearing and City Council Meeting on April 20th, 2021. The following table identifies approved projects for 2021-2022 Program Year with a budget of \$883,773.17.

Projects

| # | Project Name |
|---|--|
| 1 | Housing Rehabilitation |
| 2 | Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds/Units |
| 3 | Services to Meet Basic Needs |
| 4 | Workforce Development |
| 5 | Service & Facility Operating Support |
| 6 | Planning and Administration |

Table 3 - Project Information

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

For Program Year 2021, the City issued a request for proposals for CDBG eligible activities. Proposals are evaluated based on CDBG eligibility and funding criteria (for example: benefit of ratio of dollars per person, 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. This City of Flagstaff evaluates past and present projects for efficient and effective use of funds in addressing the high priority needs identified in the Consolidated Plan as well as for the impact on low- and moderate-income City residents.

AP-38 Project Summary

Project Summary Information

| | | |
|---|---|---|
| 1 | Project Name | Housing Rehabilitation |
| | Target Area | Citywide |
| | Goals Supported | Housing Rehabilitation |
| | Needs Addressed | Affordable Housing Neighborhood Revitalization, Public Facilities & Infrastructure |
| | Funding | CDBG \$303,665.83 |
| | Description | Housing Rehabilitation aims to preserve existing affordable housing stock and benefit low- and moderate-income homeowners in the City of Flagstaff. Housing Rehabilitation may 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- and moderate-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 | 6/30/2022 |
| | Estimate the number and type of families that will benefit from the proposed activities | A total of 8 Low-and Moderate-income Homeowners will be assisted. |
| | Location Description | NA |
| | Planned Activities Activity Matrix: 14A, 14H 24 CFR 570.202(a)(1), 24 CFR 570.202(b)(9 or 42 USC 5305(a)(4) | Rehabilitation of privately owned, single-unit homes and all delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities. Funds will be used to provide grants and/or no interest, deferred payment loans to low-income households for repair of critical home systems (e.g., heating, hot water, roofing, electrical) to ensure homes are safe and provide a decent and suitable living environment. |
| 2 | Project Name | Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds/Units |
| | Target Area | Citywide |

| | | |
|----------|--|--|
| | Goals Supported | Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds |
| | Needs Addressed | Homelessness Public Services & Economic Opportunities |
| | Funding | CDBG: \$345,769.84 |
| | Description | Acquire 8 supportive housing beds for chronically homeless individuals. |
| | Target Date | 6/30/2022 |
| | Estimate the number and type of families that will benefit from the proposed activities | Supportive housing will be provided for 8 chronically homeless individuals. |
| | Location Description | 2480 E Linda Vista Dr, Flagstaff, AZ 86004 |
| | Planned Activities Activity Matrix: 01, 14G 24 CFR 570.201(e) or 42 USC 5305(a)(1), 24 CFR 570.202(b)(1) or 42 USC 5305(a)(1) | Funds will be used to purchase a facility (residential home – 1556 sq ft, 3-bedroom, 1.75-bathroom house) in East Flagstaff to serve as a permanent location. |
| 3 | Project Name | Services to Meet Basic Needs |
| | Target Area | Citywide Sunnyside Pine Knoll |
| | Goals Supported | Services to Meet Basic Needs |
| | Needs Addressed | Public Services & Economic Opportunities |
| | Funding | CDBG: \$25,000 |
| | Description | Fund afterschool and school break childcare scholarships for low-and moderate-income households. |
| | Target Date | 6/30/2022 |
| | Estimate the number and type of families that will benefit from the proposed activities | 50 low- and moderate-income households with children, living in public housing or eligible for SNAP and/or free and reduced lunch will receive quality afterschool and school-break childcare. |

| | | |
|----------|--|--|
| | Location Description | Citywide Sites in Sunnyside and Pine Knoll. |
| | Planned Activities Activity Matrix: 05L 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) | Childcare services Financial Aid and Scholarships for Low- and moderate-income households. |
| 4 | Project Name | Workforce Development |
| | Target Area | Citywide |
| | Goals Supported | Workforce Development |
| | Needs Addressed | Public Services & Economic Opportunities |
| | Funding | CDBG: \$54,337.50 |
| | Description | Provide free business coaching, technical assistance and mentorship to eligible project participants interested in developing skills in retail sales or to start/operate their own small business microenterprise. |
| | Target Date | 6/30/2022 |
| | Estimate the number and type of families that will benefit from the proposed activities | 12 low- and moderate- income business owners assisted. |
| | Location Description | Citywide |
| | Planned Activities Activity Matrix: 05H, 05Z 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2), 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) | Funds will be used for public service operational costs, including salaries and covering licensing and business start up fees for eligible participants. |
| 5 | Project Name | Service & Facility Operating Support |
| | Target Area | Citywide |
| | Goals Supported | Service & Facility Operating Support |

| | | |
|----------|--|--|
| | Needs Addressed | Homelessness Public Services & Economic Opportunities |
| | Funding | CDBG: \$30,000 |
| | Description | Provide youth experiencing homelessness with basic needs and resources. |
| | Target Date | 6/30/2022 |
| | Estimate the number and type of families that will benefit from the proposed activities | 70 homeless youth served with basic needs and resources. |
| | Location Description | Citywide |
| | Planned Activities Activity Matrix: 03T, 05D, 05H, 05N 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) , 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2), 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2), 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) | Funds will be used for public service operational costs including salary for a FTE Youth Coach who will work to identify needs related to academics, health, housing, hygiene, employment, and independent living skills as well as develop “host homes” for homeless youth. |
| 6 | Project Name | Planning and Administration |
| | Target Area | Citywide |
| | Goals Supported | All |
| | Needs Addressed | Homelessness Affordable Housing Public Services & Economic Opportunities Revitalization, Public Facilities & Infrastructure |

| | |
|--|---|
| Funding | CDBG: \$125,000 |
| Description | Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category. |
| Target Date | 6/30/2022 |
| Estimate the number and type of families that will benefit from the proposed activities | Planning and administration of HUD programs provides a benefit to all residents. |
| Location Description | Citywide |
| Planned Activities Activity Matrix: 20, 21A, 21D, 21H 24 CFR 570.206 or 24 CFR 570.489(a)(3) + 24 CFR 570.206 or 24 CFR 570.205 + 24 CFR 570.206(i)(2) or 42 USC 5305(a)(13) | Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category including City of Flagstaff Indirect. |

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

All projects in the 2021 Annual Action Plan will occur citywide.

Geographic Distribution

| Target Area | Percentage of Funds |
|--------------------|----------------------------|
| Sunnyside | 3% |
| La Plaza Vieja | 0 |
| Southside | 0 |
| Pine Knoll | 3% |
| Citywide | 100 |

Table 4 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Proposals are evaluated based on CDBG eligibility and funding criteria (for example: benefit of ratio of dollars per person, percent of leverage funding, past successful CDBG contract administration, location of the project in a target area, and evidence of community collaborations).

The City's four target areas encompass many of the areas of low-income and minority concentration and have been identified as high priority need in all categories.

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. In the 2021 Program Year, 100% of funds will be expended Citywide and 3% will be utilized for public services in Sunnyside and Pine Knoll.

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 | 8 |
| Non-Homeless | 8 |
| Special-Needs | 0 |
| Total | 16 |

Table 5 - 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 | 0 |
| Rehab of Existing Units | 8 |
| Acquisition of Existing Units | 8 |
| Total | 16 |

Table 6 - One Year Goals for Affordable Housing by Support Type

Discussion

Over the coming year a total of 16 households will benefit from PY 2021 CDBG funded projects included in the Annual Action Plan. Rehab of 8 existing units will preserve affordable housing stock and provide critical health, safety and accessibility renovations for LMI households. Public facility acquisition will provide 8 permanent supportive house units for chronically homeless individuals.

AP-60 Public Housing – 91.220(h)

Introduction

The City of Flagstaff Housing Authority provides 265 public housing units, 12 mod-rehab units, 333 Housing Choice Vouchers, 106 Veterans Affairs Supportive Housing Vouchers, 2 Foster Youth Initiative vouchers (with remaining capacity of 23) for homeless youth exiting foster care and 40 Mainstream Vouchers for non-elderly households that contain an adult with a disability.

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, updated and submitted to HUD on an annual basis, 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

In March 2021, the City of Flagstaff released a Request for Statement of Qualifications from firms experienced in the repositioning of Public Housing through the Rental Assistance Demonstration (RAD) program, to partner on the repositioning of its Public Housing through RAD or other repositioning options allowed by U.S. Department of Housing and Urban Development (HUD).

The City owns and manages 265 public housing units, of which 100 units are located in Siler Homes and 127 units are located in Brannen Homes. The remaining 38 units are scattered throughout the City. All properties are a part of HUD's Public Housing program and are currently subject to restrictions set forth in Declarations of Trust. Certain other properties owned by the City may be included in the repositioning and redevelopment process.

The City intends to reposition and redevelop its public housing in order to increase the inventory of public and private affordable housing for renters and, potentially, homeowners throughout the City. The City's vision is to create vibrant, attractive, and diverse mixed-income communities that include a mix of rental units to house families, as well as units specifically designed for the elderly and other groups with special needs. The City's goals are to reposition its public housing portfolio, through RAD and other options allowed by HUD in order to stabilize funding, modernize properties, and increase the number of affordable housing units.

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; continuing resident education; partnering with the Boys and Girls club and the City Recreation Department to provide free on-site programs; and resident meetings, barbeques and newsletters to help residents with education, employment, job training and youth services.

The City Housing Authority produces a monthly newsletter for public housing residents. Newsletter content includes food and utility assistance, library programming, free tax assistance information, healthcare marketplace information, regular deadlines for rent and recertification submission, public notice regarding policy changes, and countless other resources.

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 mod-rehab units, 333 Housing Choice Vouchers, 106 Veterans Affairs Supportive Housing Vouchers, 2 Foster Youth Initiative vouchers (with remaining capacity of 23) for homeless youth exiting foster care and 40 Mainstream Vouchers for non-elderly households that contain an adult with a disability.

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.

The City of Flagstaff Housing Authority is seeking a development partner through a Request for Statement of Qualifications from firms experienced in the repositioning of Public Housing through the Rental Assistance Demonstration (RAD) program, to partner on the repositioning of its Public Housing through RAD or other repositioning options allowed by HUD.

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 in the City of Flagstaff. 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 (C of C) members and participants in the Front Door coordinated entry program 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 through the Front Door and the C of C's individual assessment plan (VI-SPDAT) if not already involved.

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 2020 Point in Time Count 817 men, women and children were experiencing homelessness in Coconino County.*** Approximately 801 people remain on income restricted complex waitlists, while 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 allowable under the CDBG program. In the 2021 Program Year, agencies will receive funds to support supportive housing services for chronically homeless individuals as well as basic needs and educational services for homeless and unaccompanied youth. The City and C of C 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.

In the 2021 Program Year operational dollars will be granted to Catholic Charities for acquisition of a facility that will provide 8 supportive housing units for chronically homeless individuals with a serious mental illness and substance abuse disorder. Additionally, Homeless Youth Connection will receive operational funds to provide services for homeless and unaccompanied youth.

Community leadership is committed to bringing a higher level of coordination of services to those experiencing homelessness in our community. The Front Door is a collaborative project serving as a “front door” to those experiencing homelessness. Front Door is a diversion program and provides a single point of entry into the shelter and housing system to streamline services, reduce shelter stay and length of time that individuals and families are homeless, increase program utilization and eliminate the need for households in crisis to “service hop.”

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.

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 count (conducted for the Arizona Rural Continuum of Care.) The City will continue to implement VASH Vouchers for Veterans experiencing homelessness as well as Foster Youth Initiative Vouchers.

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

Introduction:

Affordable housing barriers are regulatory, process, 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 under 150% of the Area Median Income (AMI). The IPAH incentivizes developers that commit to permanently affordable housing units through the reimbursement of development-related fees. The Flagstaff Zoning Code also implements affordable housing incentives through various development standards like density bonuses and reductions to parking and resource protection.

A current zoning code amendment is being processed that would allow for increased regulatory incentives for developers who deliver 100% affordable projects. This amendment is being proposed separately from a revision of the IPAH and related zoning code incentives, primarily to accommodate the tight external timeline requirements of any current and upcoming Low-Income Housing Tax Credit projects in the City. City staff is currently working on a comprehensive update to the existing IPAH document. Interviews with the development community and housing practitioners will help shape new concepts and revisions, along with guidance from a working group made up of members from the City's Housing and Planning and Zoning Commissions. The intent of this update to the incentive policy is to ensure the incentives offered are not only useful and effective, but that they are flexible enough to be applied under varied market conditions.

In the last couple of years, the City has adopted several zoning code amendments that implement policies and recommendations from the High Occupancy Housing Specific Plan, which was adopted in

2018. The intent of the Plan was to identify areas of the city where high density residential projects are encouraged, and what development standards, features, and amenities are desired in those projects. Recent zoning code amendments included an exemption from a use permit requirement for projects that meet certain affordable housing requirements.

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. The 2021 update to the City's incentive policy may include additional provisions for a wider array of affordable commitments rather than exclusively permanent affordability. The update may also consider methods for determining an "in-lieu" payment option to support affordable housing efforts through the city and its partners; if a specific dollar amount is known by a developer, they may prefer budgeting for that specific dollar amount up front, rather than accept the unknown costs associated with constructing and selling/renting affordable units.

DRAFT

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 continued to perform HUD-required program monitoring for all sub-recipients.

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

In December 2020, Flagstaff City Council declared a Housing Emergency via Resolution 2020-66. The Resolution recognizes the need to make housing a leading priority for the City of Flagstaff as an organization and the community overall. It also calls for a number of efforts to be undertaken, among them, the development of a 10-year housing plan (underway), the creation and implementation of a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community and combating "Not in My Backyard" opposition to housing and affordable housing.

The City's growing population will require an increased emphasis on housing choices in the future. The region's housing is influenced by:

- Limited supply of land for development;
- Approximately forty percent (40%) of Flagstaff's households are by definition low- to moderate-income (City FY 2016 - 2020 HUD Consolidated Plan);
- Consistent but modest rate of population growth;
- NAU's total enrollment has grown by 16.2 percent in the last five years (Fall 2013 – Fall 2018); and
- Housing needs for the elderly, multigenerational families and downsizing will increase over the next several decades as the Baby Boom generation moves into the retirement years.

Local growing population sectors include the elderly, students, single-parent households, and nonfamily households. These community members need a variety of housing options within proximity to jobs, schools, and services. NAU students currently make up approximately thirty percent (30 %) percent of the local population, and their continued demand for student housing impacts cost and availability of housing in the region, resulting in a higher demand for multi-family housing, or housing affordable for single-incomes or multiple low incomes.

An annual survey conducted by a local non-profit, Housing Solutions of Northern Arizona (HSNA), continues to show rising rates and less availability of rental units within City limits. As of May 2019, the data shows 801 people on waiting lists at income-restricted complexes. Market rate rental averages were measured as follows:

| | |
|--------------------------------------|-----------|
| \$808 for a room/shared living | up 9.5% |
| \$979 for a studio | up 7.7% |
| \$1,214 for a one-bedroom..... | up 4% |
| \$1,494 for two-bedroom | up 3.7% |
| \$1,819 for a three-bedroom | down 2.5% |

These actual rents have been well above the HUD Fair Market Rents (FMRs) for several years. The HSNA survey states, “In order to afford an average two-bedroom apartment - without paying more than 30% of income on housing - a household must earn approximately \$4,980 monthly, \$59,760 annually, or \$28.73 hourly (assuming a 40-hr work week and 52 weeks/yr.)” The City is experiencing an immediate need to house hundreds of households at more affordable rates.

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 fund programs 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.

In 2019, City Council added a new chapter to the Flagstaff City Code, creating a Housing Commission. The Housing Commission consists of thirteen citizens, with twelve members appointed by the City Council and one representative from the Flagstaff Housing Authority Board of Commissioners. It serves as an advisory board to City Council; makes recommendations with respect to housing policies, needs, and programs in Flagstaff; and furnishes the Council with information through the Housing Director.

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 Memorandum of Understanding (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:

Affordable, accessible, and decent housing is of critical importance to a community's health and viability. The Housing Plan will consolidate existing housing documents and augment with an additional planning effort to create a 10-year plan that seeks to define the housing emergency in Flagstaff and to provide policies and strategies to reduce the emergency. The Housing Plan will help identify needs, create an existing list of affordable housing, identify the affordable housing units underway, engage partners, and compile research on best practices. Altogether, these components will help identify specific policies and educational and advocacy strategies that can be implemented within our community to substantially increase the number of affordable housing units. As the City implements Flagstaff's 2021 Housing Plan, the goal is to substantially increase the number of available and affordable housing options for all Flagstaff residents at all income levels.

DRAFT

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.
2. The amount of proceeds from section 108 loan guarantees that funding will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.
3. The amount of surplus funds from urban renewal settlements.
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.
5. The amount of income from float-funded activities

Total Program Income

Other CDBG Requirements

1. The amount of urgent need activities.
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.

Appendix - Alternate/Local Data Sources

| | |
|--|--|
| 1 | Data Source Name Balance of State Count |
| | List the name of the organization or individual who originated the data set. Arizona Department of Housing |
| | Provide a brief summary of the data set. Inventory of Sheltered and Unsheltered Individuals |
| | What was the purpose for developing this data set? Meet HUD requirements for Continuum of Care / HMIS reporting |
| | How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Data is collected throughout balance of Arizona, including Coconino County of which Flagstaff is a part |
| | What time period (provide the year, and optionally month, or month and day) is covered by this data set? Point in Time 2020 |
| | What is the status of the data set (complete, in progress, or planned)? Complete |
| | 2 |
| Data Source Name Public Housing by Program Type | |
| List the name of the organization or individual who originated the data set. Flagstaff Public Housing Authority | |
| Provide a brief summary of the data set. Public Housing by Program Type | |
| What was the purpose for developing this data set? To provide accurate information | |
| How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Data covers the entire City of Flagstaff Public Housing | |
| What time period (provide the year, and optionally month, or month and day) is covered by this data set? As of December 2015 | |

| | |
|---|---|
| | <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p> |
| 3 | <p>Data Source Name</p> <p>Characteristics of Public Housing Residents 1</p> |
| | <p>List the name of the organization or individual who originated the data set.</p> <p>Flagstaff Public Housing Authority</p> |
| | <p>Provide a brief summary of the data set.</p> <p>Characteristics for Public Housing Residents</p> |
| | <p>What was the purpose for developing this data set?</p> <p>Provide accurate information</p> |
| | <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>City of Flagstaff</p> |
| | <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>As of December 2020</p> |
| | <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p> |
| | 4 |
| <p>List the name of the organization or individual who originated the data set.</p> <p>Flagstaff Housing Authority</p> | |
| <p>Provide a brief summary of the data set.</p> <p>Race of Public Housing Residents</p> | |
| <p>What was the purpose for developing this data set?</p> <p>Provide accurate information</p> | |
| <p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p> <p>City of Flagstaff</p> | |
| <p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p> <p>Primarily 2011-2015 or 2010 the most recent available Census</p> | |
| <p>What is the status of the data set (complete, in progress, or planned)?</p> <p>Complete</p> | |

| | |
|---|--|
| 5 | Data Source Name Ethnicity of Public Housing Residents |
| | List the name of the organization or individual who originated the data set. Flagstaff Housing Authority |
| | Provide a brief summary of the data set. Ethnicity of Public Housing Residents |
| | What was the purpose for developing this data set? Provide accurate information |
| | How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? City of Flagstaff |
| | What time period (provide the year, and optionally month, or month and day) is covered by this data set? December 2015 |
| | What is the status of the data set (complete, in progress, or planned)? Complete |
| | Data Source Name Services/Facilities - homeless |
| 6 | List the name of the organization or individual who originated the data set. City of Flagstaff |
| | Provide a brief summary of the data set. List of facilities serving people experiencing homelessness by type of facility. |
| | What was the purpose for developing this data set? Provide information |
| | How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Comprehensive for the City of Flagstaff |
| | What time period (provide the year, and optionally month, or month and day) is covered by this data set? Point in time as of December 2020 |
| | What is the status of the data set (complete, in progress, or planned)? Complete |