

## Exhibit E – Affordability Plan

### Aura Apartments

This Affordability Plan is referenced in the Development Agreement between Trinsic Acquisition Company, LLC, and the City of Flagstaff, approved by Council through Resolution 2021-xx. Aura Apartments consists of 160 multi-family units, of which 32 units (20% of the overall density after bonus incentives are applied) are designated as affordable. This document serves to detail the requirements set forth in Section 12 of the development agreement and is referred to as “Exhibit E”. This document may be modified upon the express written agreement of the City’s Housing Director.

### Program Details

- 32 of the 160 units will be designated as affordable
- The affordable unit mix is as follows:

Unit Mix		
Unit Size	Designated for Program	Total in Project
One bedroom	22	112
Two bedroom	10	48

- For twenty (20) of the affordable units, applicants who qualify for an affordable unit shall earn an income no greater than 80% of the Area Median Income (AMI), refer to Attachment A for the 2021 Flagstaff Area Median Income Limits.
- For twelve (12) of the affordable units, applicants who qualify for an affordable unit shall earn an income no greater than 70% of the Area Median Income (AMI), refer to Attachment A for the 2021 Flagstaff Area Median Income Limits.
- The maximum monthly rental price will be implemented according to the affordable rent limits in Attachment B. The rent limits are provided by City staff annually and account for different unit sizes and varying income levels (30% - 80% AMI). In the event that market rate rents are lower than the rent limits provided, the tenant shall be charged market rate rent. If this occurs, the number of required affordable units must be maintained by serving lower AMI households whose rental rates are below market.
- Basic utilities are to be included in the affordable rent payment, Management shall refer to the local utility allowances provided (Attachment C). City staff will work with Avenue5 Residential property management company before certificates of occupancy are issued to calculate the utility allowance based on unit size and utility services onsite.
- Affordable units will be managed by the property management company and overseen by the City of Flagstaff Housing Section. Biannual reports must be submitted to Housing staff, refer to Reporting Requirements below.
- Lease terms shall be 12 months

### Eligibility Requirements

Generally, eligibility requirements for the affordable program are the same as Section 42 Low Income Housing Tax Credit (LIHTC) requirements. To determine applicant eligibility, management shall reference the “Qualifying Residents” section of the Arizona Department of Housing’s (ADOH’s) LIHTC Compliance Manual. Typically, full time students who are claimed as dependents on a guardian’s taxes do not qualify for affordable units, however, management shall refer to the Compliance Manual for exceptions.

All applicants interested in an affordable unit will be required to fill out ADOH’s Tenant Income Certification (TIC) form. Management shall refer to the procedures below for recertification and screening procedures, which differ from the LIHTC Compliance Manual.

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**Recertification.** Annual income recertification shall occur at lease renewal. Notice of recertification for affordable units will be required within 120 days prior to lease expiration. Any changes to household size and income shall be reported at lease renewal. Appropriate changes to the unit size will be determined by management in accordance with building codes and based on unit availability. If household income of an existing tenant exceeds 100% AMI, the tenant no longer qualifies for the unit and will be required to either vacate or sign a new lease at market rate pricing. Allowing long-time tenants the opportunity to earn more over time while remaining in the affordable units shall be offset with lower incomes on new leases. Additionally, in the event that market rate rental pricing is lower than the provided rent limits, the tenant shall be charged market rate rent and will no longer be considered to occupy an affordable unit.

**Screening Process.** Program applicants will be subject to the same background screening process as all other applicants at the property. Unsatisfactory results from the screening process may lead denial. Screening criteria shall comply with all state and federal laws.

### Location of Units & Lease Up Period

Commencing at issuance of Certificate of Occupancy, each building must have affordable units available for eligible tenants. The affordable units shall be scattered throughout the buildings to the extent feasible, however, the location of each unit does not have to be fixed. “Floating” units are permitted based on applicant requests and unit availability. Additionally, it is acceptable if the initial unit mix identified in this document shifts slightly over time based on demand and availability. The initial lease up period for all affordable units shall be one year from the date of Certificate of Occupancy for each building.

### Reporting Requirements

A property management company will determine applicant eligibility and oversee administration of the affordable units. The City of Flagstaff Housing Section will monitor the performance of the property management company through a reporting process biannually and onsite file monitoring. The affordable unit report shall include the following information:

- Provide the unit number and size of all required affordable units (based on unit mix table)
- Name and household size of each affordable unit tenant
- Gross annual household income of all tenants residing in affordable units
- Monthly rental payment amount
- Include relevant notes about the status of lease renewals or any other issues being reviewed by property management
- Proof that the affordable unit count is maintained at 20
  - Indicate which units are vacant
  - Provide an up to date waiting list for affordable units and unit size requested
- Provide proof of active marketing of the affordable units (See Advertising below).

### Advertising

If affordable units are available, it is required that property management notify Coconino County’s Continuum of Care organization of available affordable units. Current contact information for the

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Continuum of Care representatives can be provided by City of Flagstaff Housing staff. This notification is in addition to advertising available affordable units on the property's website and other common rental listing websites.

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**Attachment A: Area Median Income Limits**

2021 Area Median Income Limits for Flagstaff, AZ

Household size	30%	50%	60%	80%	100%
1	\$16,150	\$26,900	\$32,280	\$43,050	\$53,800
2	\$18,450	\$30,750	\$36,900	\$49,200	\$61,500
3	\$21,960	\$34,600	\$41,520	\$55,350	\$69,200
4	\$26,500	\$38,400	\$46,080	\$61,450	\$76,800
5	\$31,040	\$41,500	\$49,800	\$66,400	\$83,000
6	\$35,580	\$44,550	\$53,460	\$71,300	\$89,100
7	\$40,120	\$47,650	\$57,180	\$76,200	\$95,300
8	\$44,660	\$50,700	\$60,840	\$81,150	\$101,400

Income limits for all federal housing programs are determined by the US Department of Housing & Urban Development (HUD). The 30%, 50%, 80% and 100% AMI categories are provided annually by HUD. The 60% income category is provided by Arizona Department of Housing (ADOH). The City of Flagstaff will provide new income limits annually as they are made available.

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#### Attachment B: Rent Limits

##### Rent Limits for 2021

(Based on 2021 AMI Income Limits)

Bedrooms (People)	Charts	60.00%	30.00%	40.00%	50.00%	70.00%	80.00%	90.00%	FMR
Efficiency (1.0)	▲▲	807	403	538	672	941	1,076	1,210	1,026
1 Bedroom (2.0)	▲▲	921	460	614	767	1,074	1,228	1,381	1,062
2 Bedrooms (3.0)	▲▲	1,036	518	691	863	1,209	1,382	1,554	1,315
3 Bedrooms (4.0)	▲▲	1,152	576	768	960	1,344	1,536	1,728	1,712
4 Bedrooms (5.0)	▲▲	1,243	621	829	1,036	1,450	1,658	1,865	2,058
5 Bedrooms (6.0)	▲▲	1,336	668	891	1,113	1,559	1,782	2,004	

Rent limits are available annually after the release of HUD's AMI limits. The City of Flagstaff will provide updated rent limits as they are available. The rent limits shown are considered the base rent payment, if utilities are included, that allowance is deducted from the numbers shown.

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### Attachment C: Utility Allowance Schedule

**Utility Allowance Schedule**

See Public Reporting and Instructions on back.

**U.S Department of Housing and**

**Urban Development**

Office of Public and Indian Housing

OMB Approval No. 2577-0169

exp. 7/31/2022

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

City of Flagstaff Housing Authority		Apartment						
Utility or Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	Natural Gas	\$19	\$21	\$26	\$35	\$42	\$49	
	Bottled Gas	\$29	\$32	\$39	\$50	\$59	\$69	
	Electric	\$39	\$48	\$87	\$116	\$155	\$194	
	Electric – Heat Pump							
	Fuel Oil							
	Other							
Cooking	Natural Gas	\$2	\$3	\$5	\$6	\$10	\$13	
	Bottled Gas	\$8	\$9	\$12	\$13	\$18	\$22	
	Electric	\$5	\$6	\$10	\$15	\$20	\$25	
	Other							
Other Electric		\$24	\$27	\$37	\$51	\$64	\$78	
Air Conditioning								
Water Heating	Natural Gas	\$5	\$6	\$10	\$13	\$20	\$25	
	Bottled Gas	\$12	\$13	\$18	\$22	\$31	\$38	
	Electric	\$9	\$15	\$23	\$35	\$46	\$58	
	Fuel Oil							
Water & Sewer		\$43	\$54	\$69	\$105	\$144	\$179	
Trash Collection		\$20	\$20	\$20	\$20	\$20	\$20	
Other – specify								
<b>Actual Family Allowances</b> – May be used by the family to compute allowance while searching for a unit.					<b>Utility/Service/Appliance</b>		<b>Allowance</b>	
Head of Household Name					Heating			
					Cooking			
					Other Electric			
					Air Conditioning			
Unit Address					Water Heating			
					Water			
					Sewer			
					Trash Collection			
					Other			
Number of Bedrooms								
					Total			