

JOINT FLAGSTAFF CITY COUNCIL / COCONINO COUNTY
WORK SESSION AGENDA
A M E N D E D

JOINT CITY / COUNTY WORK SESSION
MONDAY
SEPTEMBER 23, 2024

COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
3:00 P.M.

All City Council Meetings are live streamed on the city's YouTube page
(<https://www.youtube.com/@FlagstaffCityGovernment>)

*****PUBLIC COMMENT*****

Verbal public comments not related to items appearing on the posted agenda may be provided during the "Open Call to the Public" at the beginning and end of the meeting and may only be provided in person.

Verbal public comments related to items appearing on the posted agenda may be given in person or online and will be taken at the time the item is discussed.

To provide online verbal comment on an item that appears on the posted agenda, use the link below.

[ONLINE VERBAL PUBLIC COMMENT](#)

Written comments may be submitted to publiccomment@flagstaffaz.gov. All comments submitted via email will be considered written comments and will be documented in the record as such.

1. Call to Order
2. Roll Call

NOTE: One or more Councilmembers or Board Members may be in attendance through other technological means.

CHAIRWOMAN BEGAY
VICE-CHAIRWOMAN HORSTMAN
SUPERVISOR FOWLER

SUPERVISOR HESS
SUPERVISOR VASQUEZ

MAYOR DAGGETT
VICE MAYOR ASLAN
COUNCILMEMBER HARRIS
COUNCILMEMBER HOUSE

COUNCILMEMBER MATTHEWS
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SWEET

3. Pledge of Allegiance, Mission Statement, and Land Acknowledgement

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. **Open Call to the Public**

Open Call to the Public enables the public to address the Council about an item that is not on the prepared agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. Open Call to the Public appears on the agenda twice, at the beginning and at the end. The total time allotted for the first Open Call to the Public is 30 minutes; any additional comments will be held until the second Open Call to the Public.

If you wish to address the Council in person at today's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. You may address the Council up to three times throughout the meeting, including comments made during Open Call to the Public and Public Comment. Please limit your remarks to three minutes per item to allow everyone an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

5. **Preview of the Flagstaff Regional Land Use Plan 2045 60-day Public Review and County Comprehensive Plan Update**
Discussion only

6. **Discussion with City of Flagstaff and Coconino County Staff Regarding Wildfire Risk and Insurance Challenges ~~Discussion of the Flagstaff Fire Department's wildfire risk mitigation and insurance strategy, and community and multi-agency efforts that have been made up to the current timeline~~**

Inform the Flagstaff City Council and Coconino County Board of Supervisors of the Flagstaff Fire Department's strategy to mitigate wildfire risk, cost of homeowner insurance, and future uncertainty around the cost of homeowner insurance, mainly at the parcel level **and an update from Coconino County staff on the County's work and advocacy to confront and address the homeowners insurance crisis in Arizona**

7. **Informational Items To/From Chairman, Supervisors and County Manager, Mayor, Council and City Manager**

8. **Open Call to the Public**

9. **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 _____, 2024.

Stacy Saltzburg, MMC, City Clerk

THE CITY OF FLAGSTAFF ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48-hour advance notice, reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 213-2076 or email at stacy.saltzburg@flagstaffaz.gov to request an accommodation to participate in this public meeting.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Flagstaff makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Flagstaff City Council meetings are live-streamed and recorded and may be viewed on the City of Flagstaff's website. If you permit your child to attend/participate in a televised Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Sara Dechter, AICP, Comprehensive Planning Manager
Date: 09/10/2024
Meeting Date: 09/23/2024



TITLE:

Preview of the Flagstaff Regional Land Use Plan 2045 60-day Public Review and County Comprehensive Plan Update

DESIRED OUTCOME:

Discussion only

Executive Summary:

An update on the Regional Plan Committee process and work and what to expect during the 60-day public review of the draft Flagstaff Regional Land Use Plan 2045

Information:

The Flagstaff Regional Plan 2030 is the City's General Plan and an amendment to the Coconino County Comprehensive Plan. Staff and the public have been working together since October 2023 to update the plan. The Flagstaff Regional Land Use Plan 2045 is expected to start the required 60-day public review on October 20, 2024 (See memo for more details).

Attachments: [Memo](#)
[Presentation](#)

Minutes Attachments

No file(s) attached.



COMMUNITY DEVELOPMENT

MEMORANDUM

Date: September 10, 2024

To: Flagstaff City Council and Board of Supervisors

From: Sara Dechter, AICP, Comprehensive Planning Manager

Subject: Regional Plan Review Process Update

A full draft of the Flagstaff Regional Plan Use Plan 2045 is being forwarded to the Regional Plan Committee in late August. This plan was assembled based on the input of over 80 staff and public agency partners and 20 members of the Regional Plan Committee appointed by the City and County Managers to represent diverse perspectives and experiences within the community. These groups reviewed 10 chapters over 6 months. These reviews resulted in over 1,000 comments and 30 hours of committee meeting time. All of the committee meeting are posted to the City's YouTube channel and to the Regional Plan 2045 website: <https://flagstaff-regional-plan-2045-flagstaff.hub.arcgis.com/pages/regional-plan-committee>

The result is a draft that balances the need to be comprehensive with the need to streamline goals and policies. The document contains 23 goals and 84 policies which are supported by implementation guidelines and action items that staff can use to achieve them.

What is in the updated plan?

The Plan also set priorities. The Plan identifies the Region's five highest priorities based on the community feedback and committee discussions as:

- Create more housing availability in all the Region's neighborhoods and centers to mitigate displacement and reduce housing costs.
- Create mixed-use, denser neighborhoods that support active transportation and transit, where identified.

- Reduce community-generated climate pollution and protect air quality.
- Protect the most significant of the Region's natural and cultural resources.
- Expand the Region's preparedness and resilience to hazards and climate change.

To achieve these priorities in the way most appropriate to the context of the City and County, some goals and policies are identified as City-only or County-only throughout the document. These bifurcated goals and policies do not indicate that the City and County want to achieve different outcomes regarding the priorities but indicate that the path to achieve them in a rural and urban context require a different focus.

The Future Growth Illustration (FGI) has also been changed from a generalized map to a parcel specific land use framework. The land use categories applied to parcels consider the scenario planning results, community and property owner feedback, the analyses conducted as part of the Land Availability and Suitability Study conducted by the City, recently adopted area plans and the underlying zoning. The FGI for the County is largely unchanged from the previous regional plan, except in the area that is affected by flight paths from the Pulliam Airport. The FGI within the City is changed by eliminating 10 activity centers and providing more focus on infill and mixed-use neighborhoods that support strong centers.

What will happen during the 60-day public review?

Flagstaff City Code 11-10.20.020 requires:

At least sixty (60) days before notice of the first hearing of the Planning Commission on a new, comprehensive update, an element, or a major amendment to the General Plan, the Director shall transmit the proposal to the Planning Commission and the Council and shall submit a copy for review and further comment to all government agencies listed in A.R.S. Section 9.461 as it may be amended from time to time, and any person or entity that requests in writing to receive a review copy of the proposal. The proposal shall also be posted on the City's website and on the applicant or applicant's agent's website, if such website exists.

This 60-day public review is anticipated to begin on October 20, 2024 with a notice in the Arizona Daily Sun and conclude at 5pm on December 19, 2024. To engage the community during the review, City and County staff will:

- 1) Send notices to all or portions of the Region by mail or water bill insert.
- 2) Notify all agencies required by statute.

- 3) Hold an informational webinar and post videos to social media giving an overview of the plan and the review purpose.
- 4) Hold regular Friday office hours throughout the community for drop in person questions.
- 5) Convene topical workshops in early and mid-November.
- 6) Table at community events
- 7) Provide updates and encourage feedback from all City and County Boards, Commissions and Councils.
- 8) Study boxes may be assembled and made available to groups that want to review the plan like a book club.

During this review, the Draft Plan will be accessible to the public on the County's online public comment (Konveio), which allows commenters to see and respond to each other's feedback, and hard copies will be available at the Community Development Counters and City and County offices and the Flagstaff Main and East Side libraries reference desks.

At conclusion of the 60-day public review, staff will create a comprehensive comment-response documentation and revise the plan. There will be one more opportunity for staff and legal review of the updates before a joint City and County elected official and Planning and Zoning Commission Joint Retreat is convened in March 2025. This retreat will constitute the Citizen Review Session required by Flagstaff City Code and will be recorded and open to the public.

Flagstaff Regional Plan Update for 2045

Sara Dechter, Melissa Shaw, and a
cast of a hundred other staff





Process for Updating the Plan

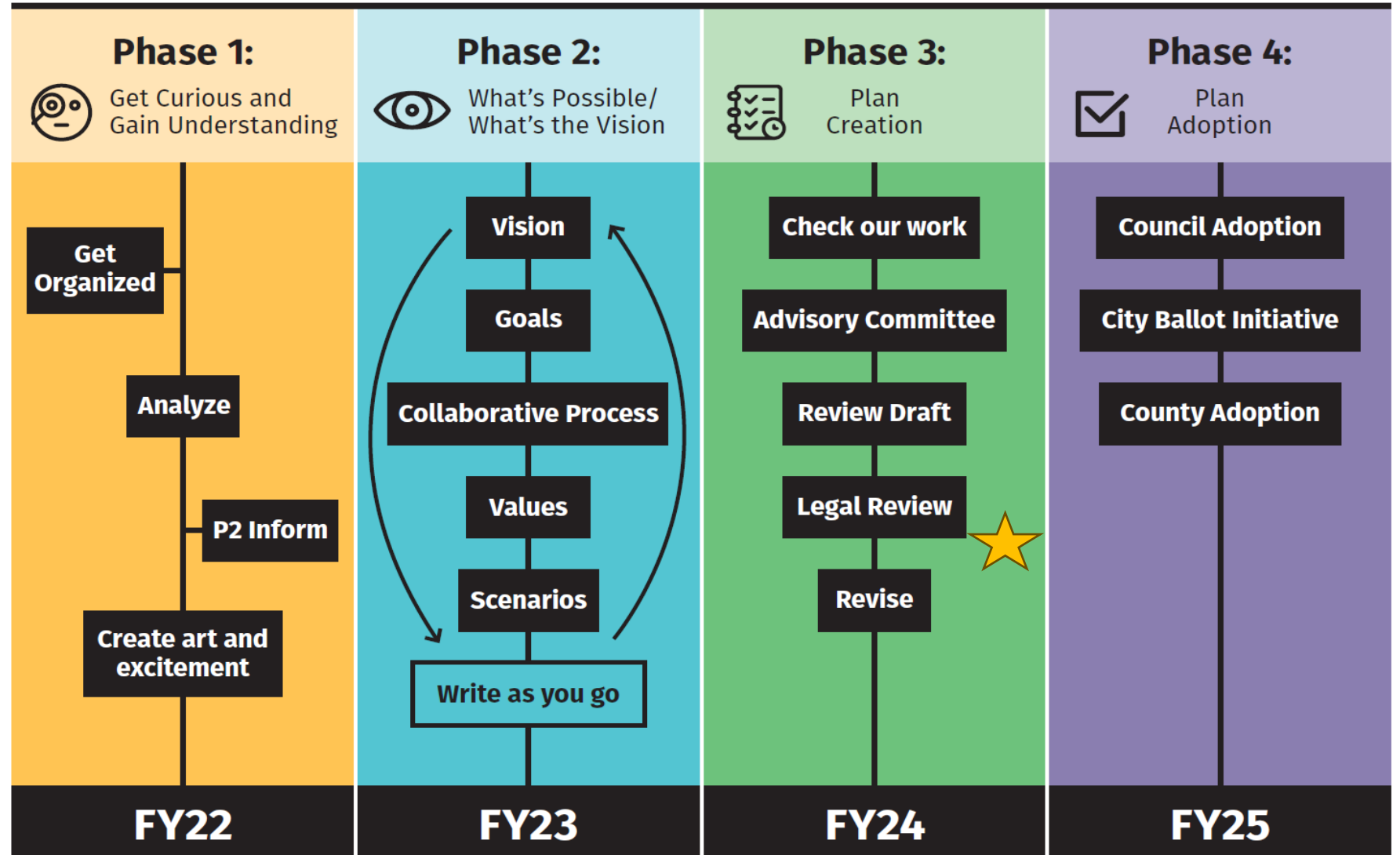


Levels of Public Participation

Plan Development & County Adoption:
Collaborate

City Adoption:
Empower

Regional Plan 2045 Update Process



Critical Success Factors for the New Plan

- Feasible and Implementable
- User friendly and concise
- Reflects community values
- Set clear priorities and minimize conflicting priorities to the extent possible.
- Incorporates diverse cultural perspectives of land, water and natural resources, such as protection of the four sacred elements: land, water, air, and fire
- Incorporates critical thinking about vulnerabilities, uncertainties and complexities
- Considers the vision of different area plans appropriately
- Clarifies activity centers and how they will be achieved
- Addresses cost constraints and affordability concerns for the community



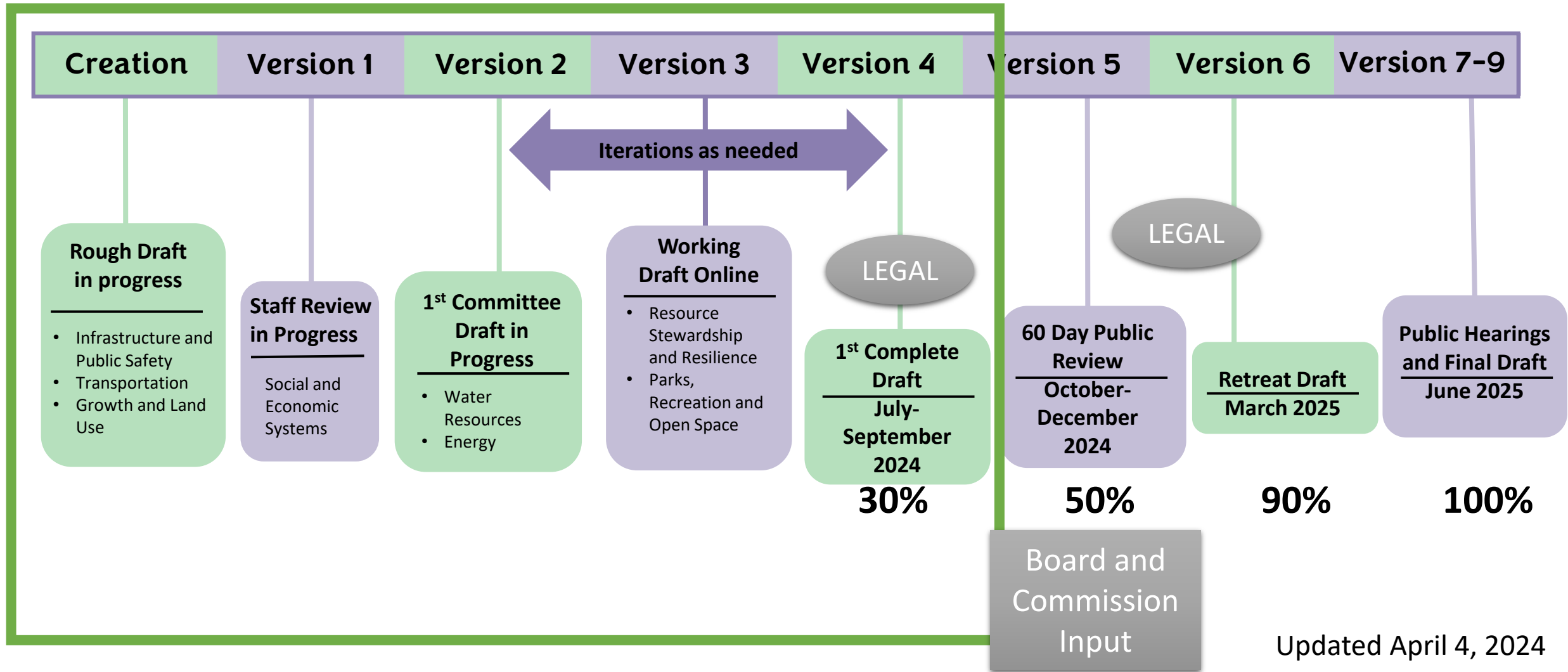
Regional Plan Committee



- Meeting to review and endorse the plan on Monday September 30th
- Written public comments in advance, during or after a meeting through the email RegionalPlanCommittee@flagstaffaz.gov, in person using a comment card, or by mail
- Written comments are not accepted through the meeting chat feature.
- Spoken comments - 20 minutes total per meeting after the staff presentation. 2.5 minutes per speaker on a first-come-first-served basis. (in-person only)



Regional Plan Writing and Reviewing Timeline



How can people participate?

60-day review is scheduled to start on Sunday, October 20th

Closes on Thursday, December 19th



Opening Webinar – Oct 21 at 5pm

Office Hours – Fridays 11am -2pm

Topical Workshops

Wed, Nov. 13 6-8pm - Public Works

Thurs, Nov. 14 5:30-7:30pm – Aquaplex

Sat Nov 16 11am-1pm – FHS Commons

Mon Nov 18 6-8pm – Cromer Elementary

Closing Webinar – Dec 4 at 5pm

Plan comments hosted on Konveio

An easy to use, interactive document comment platform.



Public Engagement for Coconino County

[← Back to Digital Open House](#)

Doney Park Timberline Fernwood Area Plan Open House Draft April 2022

This link contains the entire 105 page draft of the DPTF area plan. There are 12 chapters, including the introduction, vision statement, and glossary. Please note that this is a draft and therefore additional information and document editing will occur after the open house.

View Edit Pins Comments Report Embed

Page 1 of 105

Type to search

Comment Add Pins Drag

Click anywhere in the document to add a comment. Select a bubble to view comments.

Area Plan Update 2040 Open House Draft

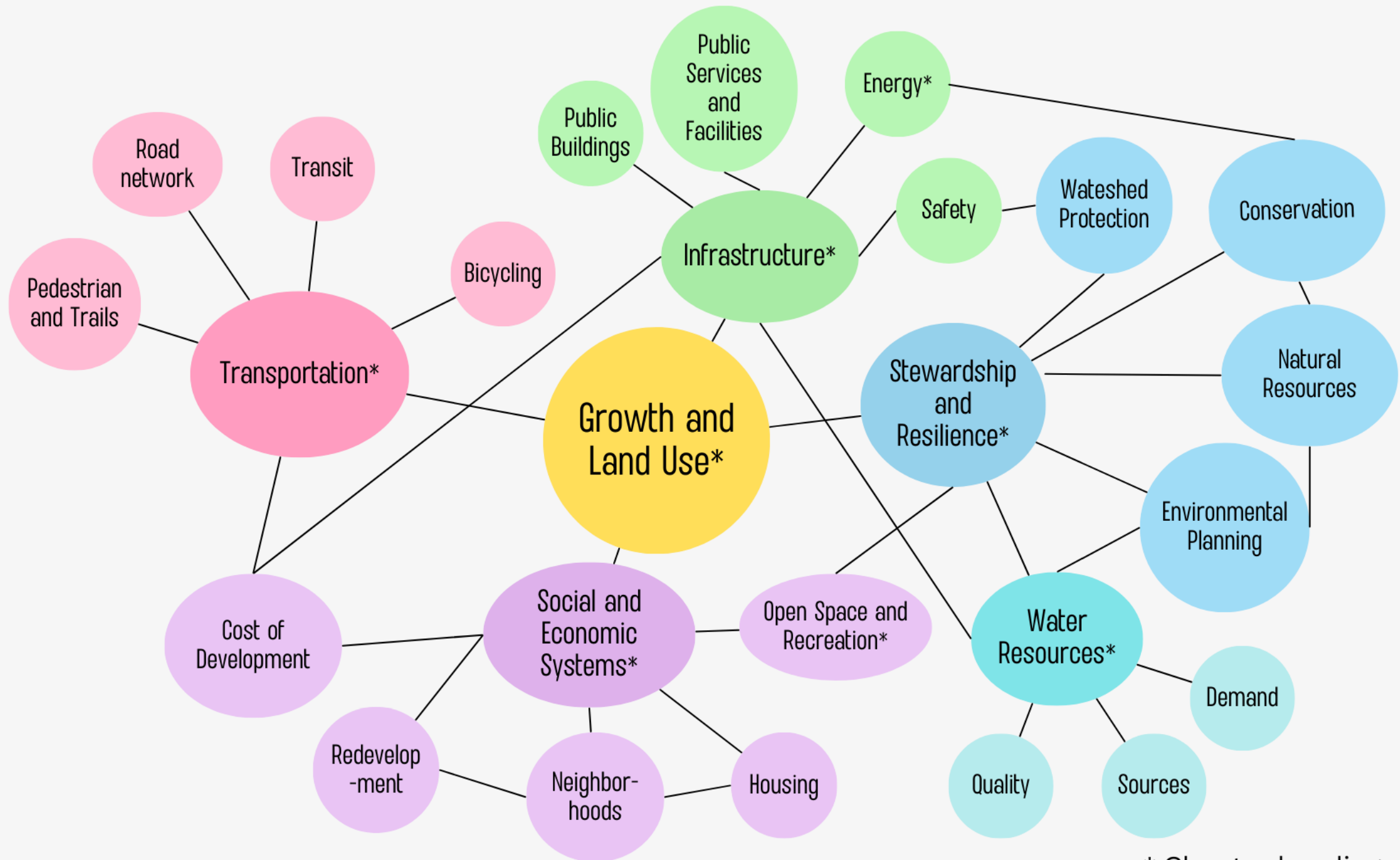
The cover of the "Doney Park Timberline Fernwood Area Plan" document. It features a scenic landscape with mountains, a river, and a small town. The text "DONEY PARK TIMBERLINE FERNWOOD AREA PLAN" is prominently displayed in the center. The Coconino County logo is also visible at the top of the cover.

DONEY PARK
TIMBERLINE
FERNWOOD
AREA PLAN



Focus of the Plan – 5 Priorities

- Create more housing attainability in all the Region's neighborhoods and centers to mitigate displacement and reduce housing costs.
- Create mixed-use, denser neighborhoods that support a variety of housing types, and active transportation.
- Reduce community-generated climate pollution and protect air quality.
- Protect the Region's significant natural and cultural resources.
- Expand the Region's preparedness and resilience to hazards and climate change.



* Chapter heading



Regional Plan Chapters

1. Introduction
2. How the Plan Works

Policy Section

3. Goals and Policies (all topics)
4. Growth and Land Use Framework

Implementation Section

5. Social and Economic Systems
6. Transportation
7. Resource Stewardship and Resilience
8. Parks, Recreation and Open Space
9. Water Resource Management
10. Energy
11. Infrastructure and Public Safety



Policy Section

- Goals - desired results or future conditions that the community envisions and commits to achieve.
- Policies - courses of action to achieve the stated goals that guide decision making. Policies may be text or maps identified in the Plan.
- Land Use Categories – each parcel on the Future Growth Illustration is given a land use category. Each category has guidelines on what is appropriate in that area.



Implementation Section

- Implementation Guidelines - are assumptions, corresponding policies, or principles that guide how the goals and policies are interpreted and applied.
- Action Items - strategies, projects, procedures, actions, or programs that implement the goals and policies.



Maps



- Policy section
 - Policy Maps – Maps that define the geographic application of or set a policy such as future trail locations or future land uses.
- Implementation section
 - Information Maps – Maps that provide context and information to help understand goals, policies and the implementation section. These maps do not set policy and can be updated administratively.

R5E

R6E

R7E

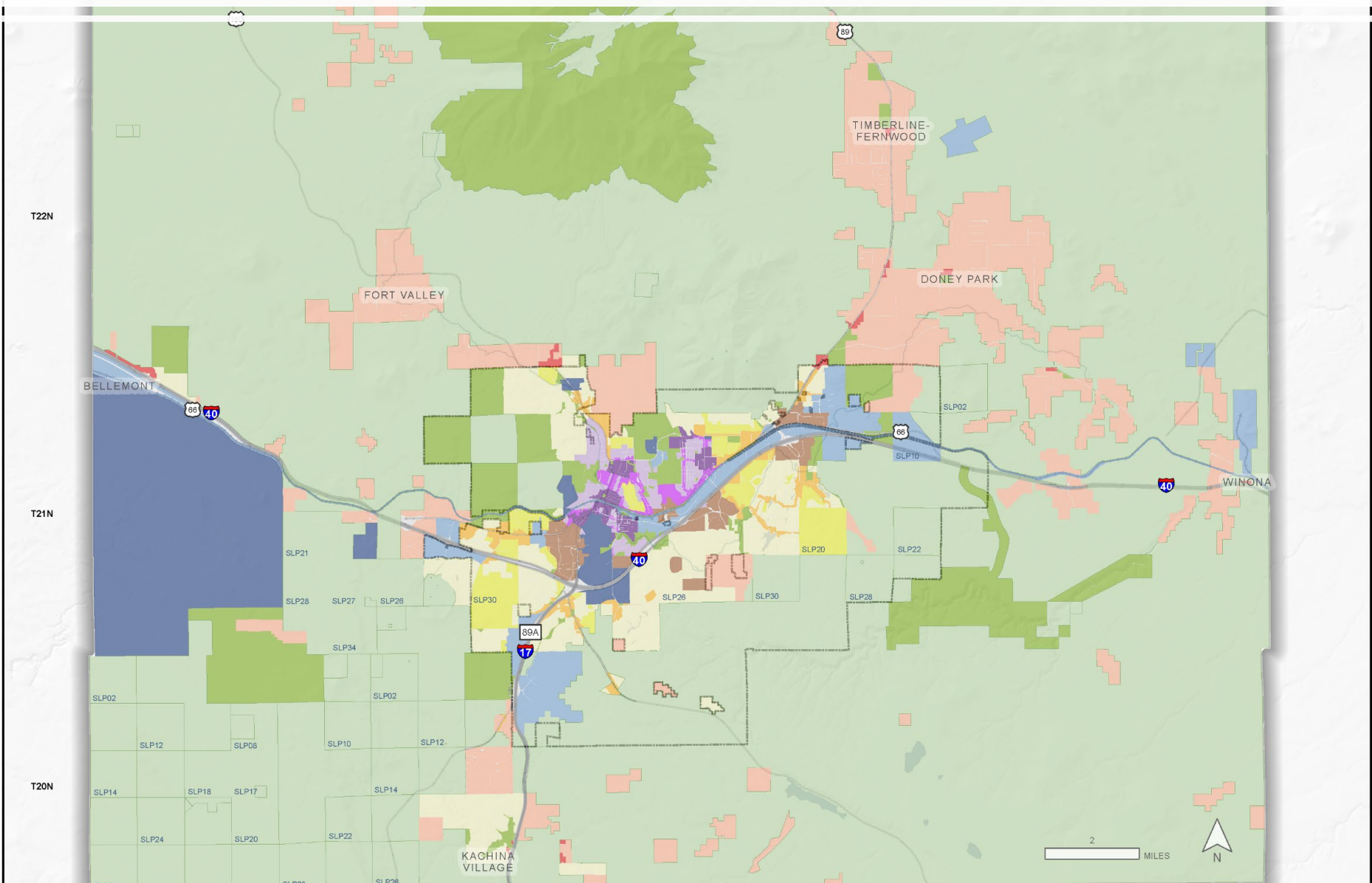
R8E

R9E

Future Growth Illustration

FUTURE GROWTH ILLUSTRATION

- Urban Center
- Suburban Center
- Rural Center
- Urban Corridor
- Suburban Corridor
- Employment District
- University/Research District
- Parks/Open Space
- Federal Lands and Working Landscapes
- Urban Neighborhood
- Suburban Neighborhood – High Density
- Suburban Neighborhood – Medium Density
- Rural Neighborhood
- CoF Boundary





Themes

Themes will have symbols that identify where they are emphasized throughout the goals policies, implementation guidelines and action items. This is only informational.

- Climate Action
- Equity
- Housing Attainability and Variety
- Significant Natural Resources
- Active Transportation and Transit
- Community Character

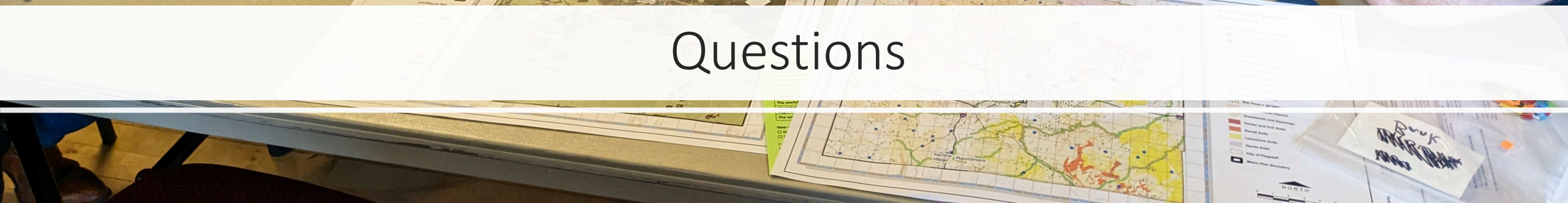


Plan Amendments

- Major Plan Amendments
- Minor Plan Amendments
- Administrative Changes
 1. Updates to formatting, typographical errors, Uniform Resource Locators (URLs), references or similar edits.
 2. Corrections to Scrivener's errors in mapping or text.
 3. Changes to the Future Growth Illustration adopted by the City or County within their jurisdiction, which can be incorporated into the other jurisdiction's plan without further amendment.
 4. Identification of new Parks/Open Space identified by the City or County by ordinance or dedication.
 5. Changes to the names of zoning categories and additions of new zoning categories to the Table of Zoning Compatibility for Each Land Use Category, when included in the ordinance adopting them.
 6. Factual updates to any informational map or appendix.



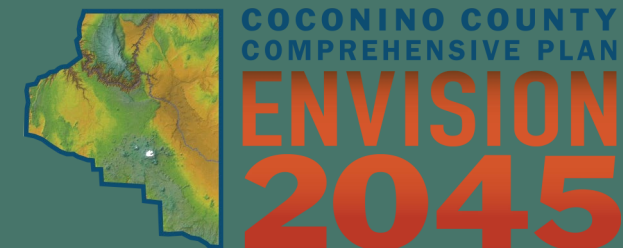
Questions





Envision 2045: Updating the 2015 Comprehensive Plan

Joint City Council/Board of Supervisors Work Session
September 23, 2024



Coconino County Comprehensive Plan Details

- The required 10-year update to the Comprehensive Plan began with scoping in January, 2023.
- The Flagstaff Regional Plan is an amendment to the Comprehensive Plan.
- The Comprehensive Plan Advisory Group began meeting in July, 2024 and is reviewing draft chapters.



Envision 2045 Comprehensive Plan Update Schedule with Adoption Timeline Amendment



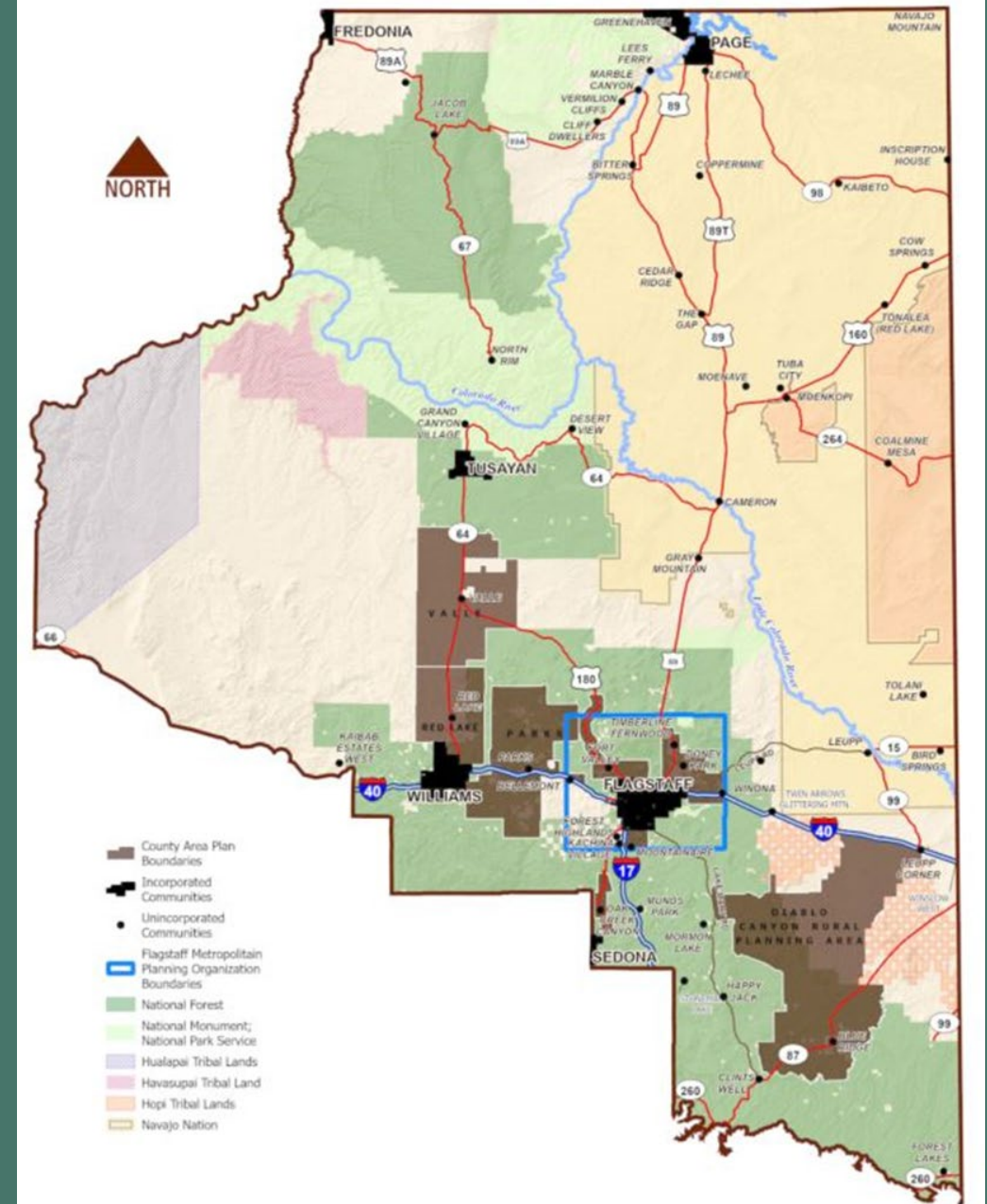
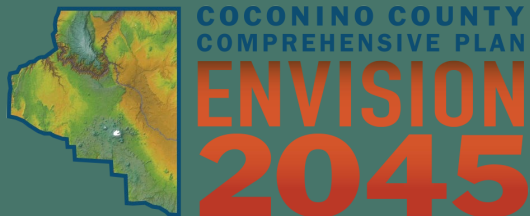
Phase I: Data
Collection and
Analysis –
January 2023 to
December 2023

Phase II:
Educate and
Draft Plan –
January to
Winter 2024

Phase III:
Review Process
and Plan
Adoption –
Spring 2025

Reaching County Communities

- Community Members
- Community Based Organizations and Agencies
- Business Associations
- Environmental Groups
- Indigenous Nations
- Advisory Boards, Commissions, Decision Makers
- Public Agencies and Public Service Providers



Maps in this Comprehensive Plan are for reference and general planning purposes only. Coconino County does not provide any warranty of accuracy nor is any given or implied. Data sources are listed in the Appendix.

Questions and Comments



COCONINO COUNTY
COMPREHENSIVE PLAN
**ENVISION
2045**

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
 From: Neil Chapman, Forest Health Supervisor
 Co-Submitter: Paul Oltrogge
 Date: 09/16/2024
 Meeting Date: 09/23/2024



TITLE:

Discussion with City of Flagstaff and Coconino County Staff Regarding Wildfire Risk and Insurance Challenges ~~Discussion of the Flagstaff Fire Department's wildfire risk mitigation and insurance strategy, and community and multi-agency efforts that have been made up to the current timeline~~

DESIRED OUTCOME:

Inform the Flagstaff City Council and Coconino County Board of Supervisors of the Flagstaff Fire Department's strategy to mitigate wildfire risk, cost of homeowner insurance, and future uncertainty around the cost of homeowner insurance, mainly at the parcel level **and an update from Coconino County staff on the County's work and advocacy to confront and address the homeowners insurance crisis in Arizona**

Executive Summary:

Since 1997, the City of Flagstaff Fire Department (FFD) has been investing in wildfire risk reduction in both the natural environment (forests and grasslands) and the built environment (neighborhoods). Successful natural environment wildfire risk reduction collaborative efforts include the Four Forest Restoration Initiative (4FRI), and of course, the Flagstaff Watershed Protection Project (FWPP). FFD continues to be a leader in efforts to reduce wildfire risk in the built environment.

Education programs that inform the public about risks and how to mitigate them have been in place for over 20 years. The City of Flagstaff adopted the International Wildland Urban Interface Code in 2008, creating engineering and enforcement regulations to safeguard life and property from the intrusion of wildland fire and to prevent structure fires from spreading to wildland fuels. City funding is leveraged via state grants that provide economic incentives to homeowners to reduce hazardous fuels, and emergency response partnerships like the Poderosa Fire Advisory Council protect the community and firefighters by ensuring first responders have appropriate training and communications.

As recipient of grant funding to update the Flagstaff Fire Department's Community Wildfire Protection Plan (CWPP), the wildland fire management program will be working through a process congruent with that of reducing the wildfire risk burden to the homeowner.

Increasingly, large and destructive wildfires are devastating both the natural and built environments, creating a new challenge for wildland-urban interface communities like Flagstaff. Actual wildfires, and the perceived risk of future wildfires, are aligning to destabilizing homeowners insurance markets. The City of Flagstaff Fire Department, in partnership with the Arizona Fire Chiefs Association and the Western Fire Chiefs Association, has developed a strategy and framework to address the wildland fire risk and insurance challenge.

In the face of these rapidly changing conditions, homeowners need to implement science-based, agreed-upon risk reduction measures, and insurers need accurate and comprehensive information to better understand and manage the risk.

Information:

n/a

Attachments: WFM Insurance presentation
County Presentation

Minutes Attachments

No file(s) attached.

Wildfire Risk and Arizona Communities



Define The Problem
Best Available Science
Proposed Framework



The Necessity of Strategic Alignment on Mitigations that Matter (MTM)

- Unless “we” provide a clear and consistent mitigation alignment strategy, implemented and maintained at scale, we will face more frequent and severe life and property loss to wildfire, including cascading financial consequences from insurance, to reinsurance, possibly extending to the mortgage and municipal bond markets.



Task, Purpose, End State

Task: Develop recommendations that will mitigate wildfire risk to the built environment and reduce insurance uncertainties

Purpose: Reduce wildfire risk at the parcel level in a way that informs all levels of insurance underwriting

End State: Arizona residents are provided a framework that enables effective wildfire risk reduction and keeps private insurance markets balanced: Create a body of work and somehow influence the industry

Fire return intervals are well known in the southwest





Natural environment fuel buildup due to Fire Suppression
and Exclusion

Built environment codes need to be modernized and
aligned with best available science



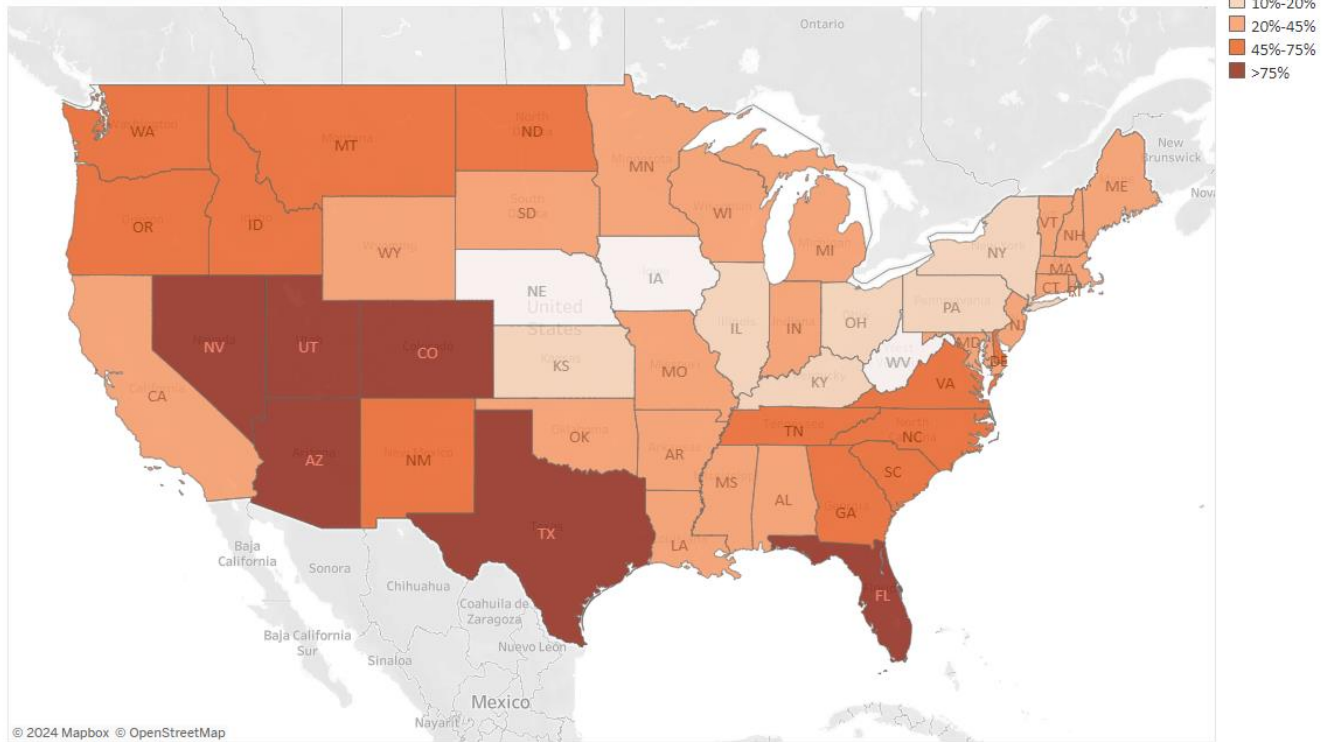
Photos taken at the
same location



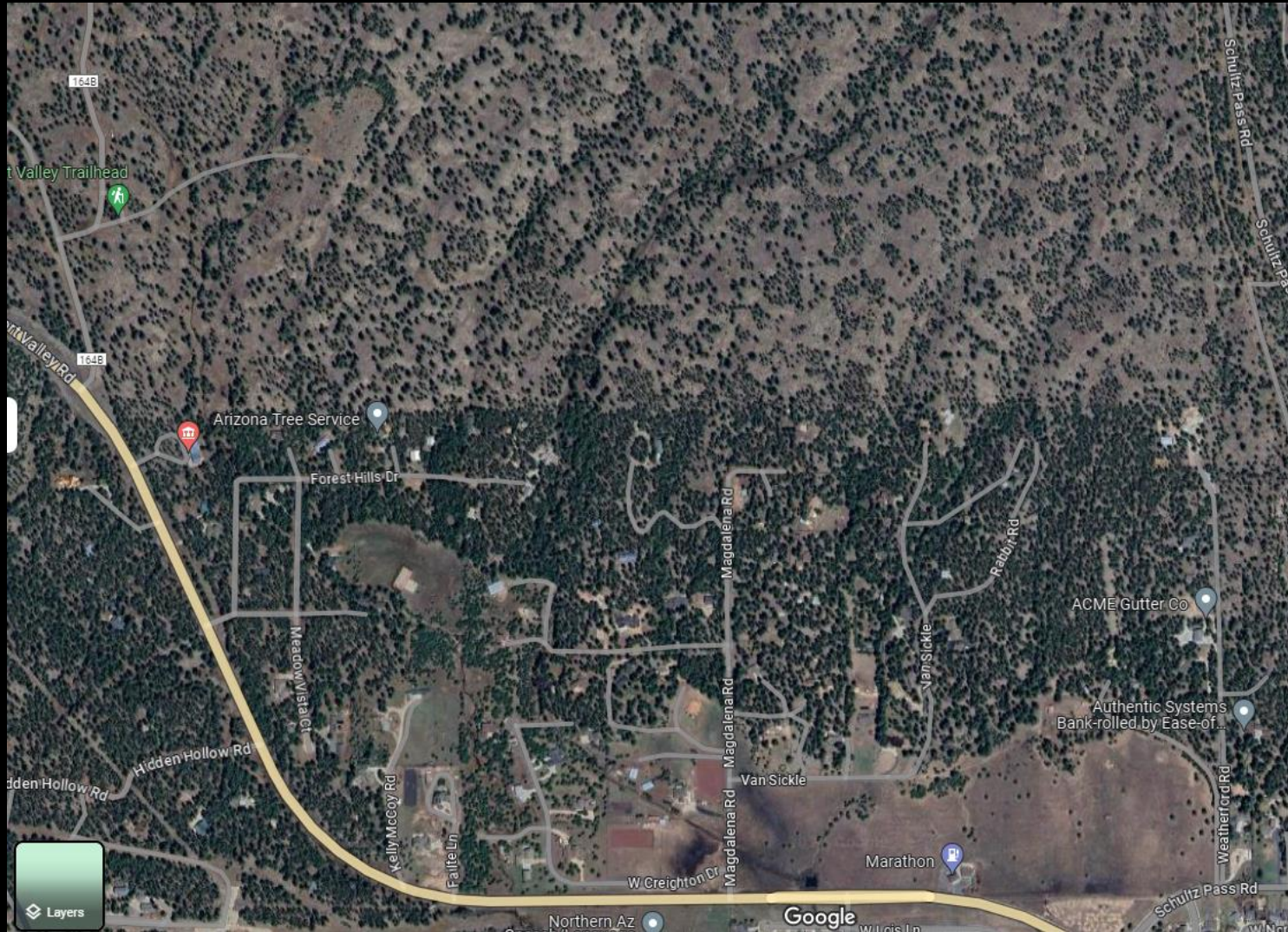
Change in housing units in the wildland-urban interface, 1990-2020



Percent Change in Housing Units in the Wildland-Urban Interface, 1990-2020



Where is the wildfire risk?



Best Available Science

Defensible Space, Home and Business Hardening

NFPA Firewise, IBHS, NIST

Natural & Built Environment Fire Pathways

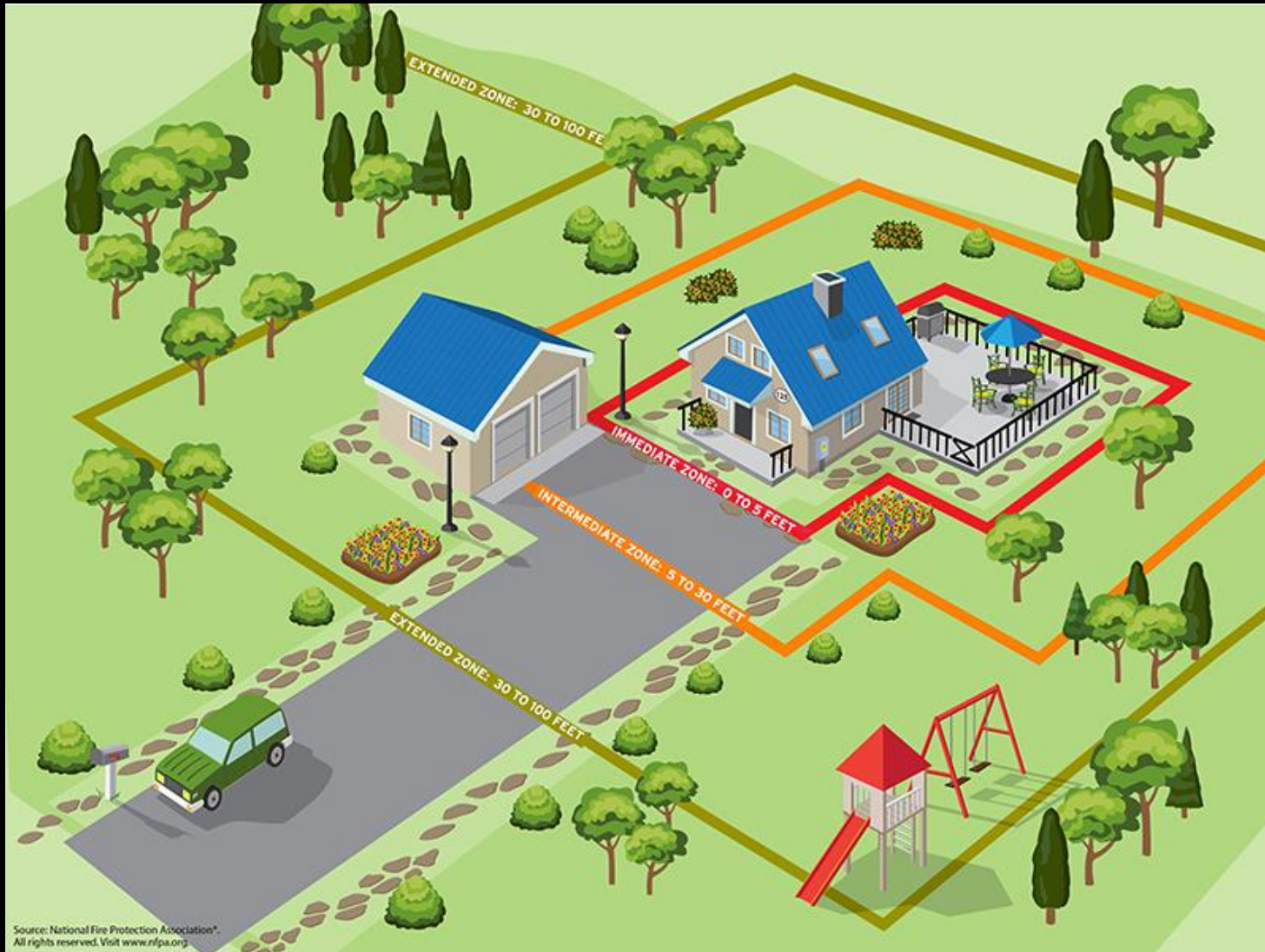
XyloPlan and Chief David Winnacker, Moraga-Orinda Fire District

Structure Fire Spread & Vulnerability Model

Hussam Mahmoud, Ph.D. at Colorado State University

Wildland Fire Mitigation and Management Commission Report

National Fire Protection Association FIREWISE USA





IBHS Wildfire Prepared Home Designations

How To Prepare Your Home for an Evaluation

The Wildfire Prepared Home designation program enables homeowners to take preventative measures for their home and yard to protect against wildfire. This checklist will guide you through required actions to help protect your home and receive a designation certificate.

Eligibility

- The applicant must be the owner of the 3-story or less, single-family detached home (no townhomes or condos).
- The home must be located in California.
- A 5-foot noncombustible buffer must surround the home. Photos submission are required for eligibility.

NOTE:

- o Designation certificate requirements are stringent. Tree requirements may disqualify some homes, and some homeowners may have to work with neighbor(s) to meet the requirements.
- o One of the most stringent required actions is creating a 5-foot noncombustible buffer around your home and decks. **ALL** vegetation, trees including overhanging branches, grass/turf, wood/rubber mulch, wood/vinyl fencing, and any stored items within 5 feet of your home must have been removed. Your home will not receive the designation certificate without meeting the requirements.

Examples of eligible homes with a 5-foot noncombustible buffer

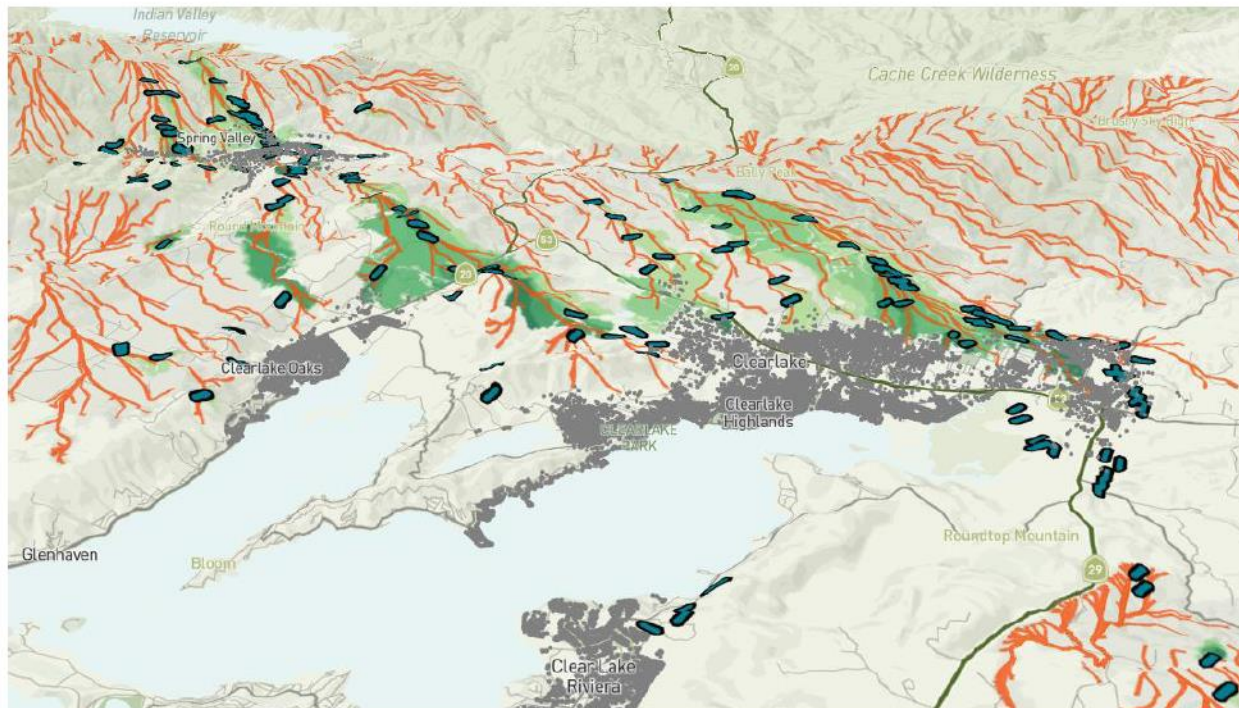


Designation Certificate Levels

We offer two solutions. To receive a designation certificate, your home must meet **all** requirements listed for the desired level.

1. **Wildfire Prepared Home Base**— This group of required actions includes creating a 5-foot home buffer, preparing the home's exterior, and maintaining the deck/covered porch and yard, **typically achieved through retrofits** to existing homes.
2. **Wildfire Prepared Home Plus**— This group of required actions builds upon *Wildfire Prepared Home Base* to add an extra layer of home protection, **commonly achieved with newer home construction** or after exterior home renovations.

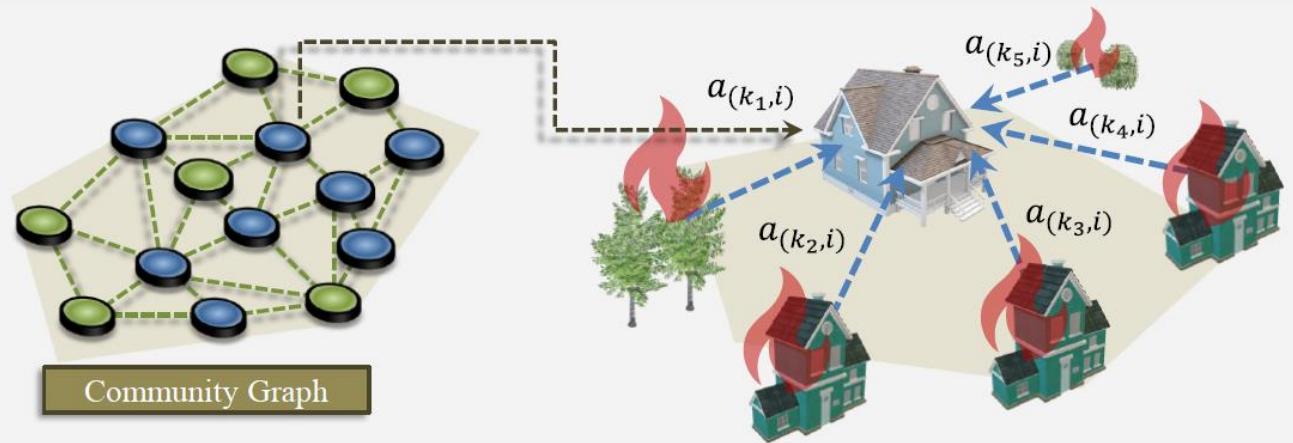
Vegetation to Vegetation: Speed Based Fire Pathways



Vulnerability – Relative Vulnerability

- The Vulnerability values calculated for individual structures are **relative** to each other.
- Structures with higher Relative Vulnerability are expected to have lower chances of Survival than structures with lower Vulnerability.

Relative Vulnerability calculated for building nodes from Community Graph



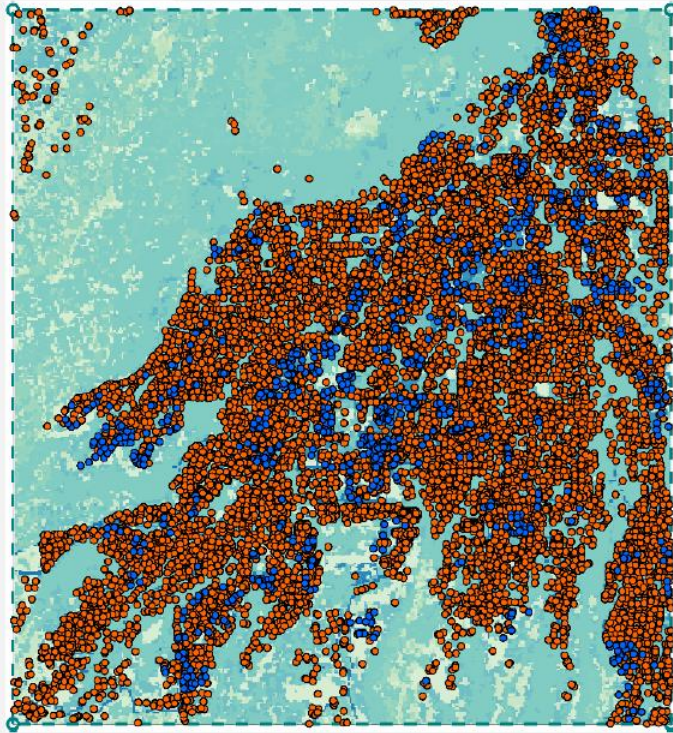
- Vulnerability of a building node evaluated as the cumulative impact of all its neighbors assuming they have been ignited

$$V(i) = \frac{\sum_{k \in g(i)} a(k,i)}{n_{(i)}^g}$$

$\sum_{k \in g(i)} a(k,i)$ → Probability of Ignition of node i when node k is ignited
 $n_{(i)}^g$ → No. of closest neighbors to node i

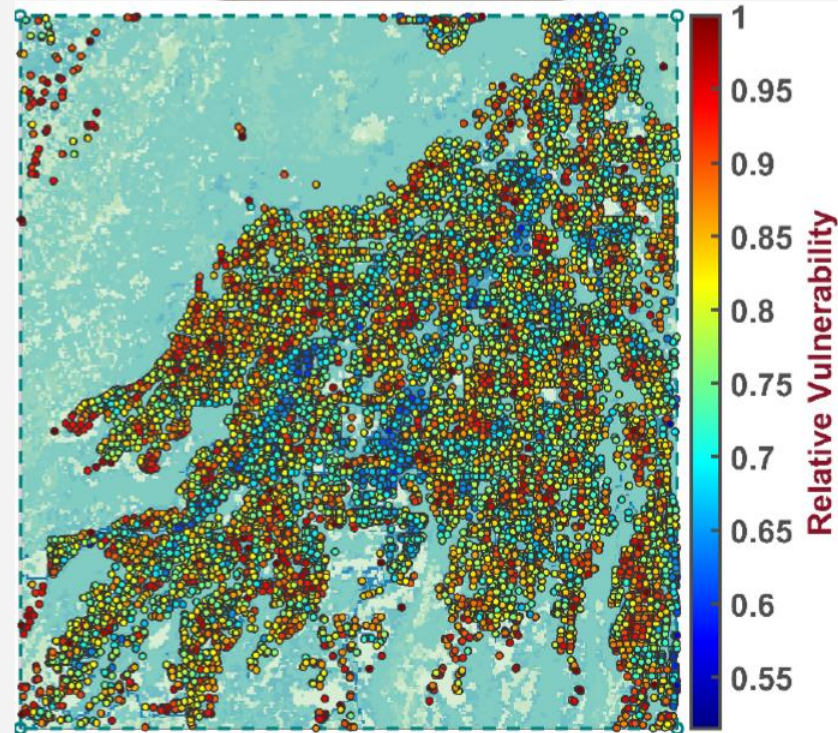
Damage Assessment – 2018 Camp Fire

Observed Damage



● Survived ● Destroyed

Relative Vulnerability



Chulahwat and Mahmoud et al. (2022) *Sci. Rep.*

ON FIRE: The Report of the Wildland Fire Mitigation and Management Commission



September 2023

Working Group Outcomes

1. Determine what are the priority wildfire risk mitigations that matter for structure protection
2. Determine the appropriate system to track and monitor the implementation of mitigations that matter
3. Establish a system of incentives for home/property owners that implement mitigations that matter
4. Summarize these recommendations in a report with an audience of fire insurance industry, State agencies, and AZ Legislature

Recommended Working Group Representatives

Arizona Fire Chiefs Association

Arizona Fire Districts Association

Western Fire Chiefs Association

Arizona Department of Insurance and Financial Institutions

Arizona Department of Forestry and Fire Management

Arizona State Fire Marshall

Representatives of the Insurance Industry

Next Steps

MOU with the Western Fire Chiefs Association
and the Arizona Fire Chiefs Association

October meeting to align AZ efforts with WFCA

Present and discuss efforts at the Arizona
Wildland Urban Interface Summit

(Dec 4-6 in Tucson)

Turning a billion-dollar challenge into safe communities

Paul Oltrogge, Wildland Fire Battalion Chief
poltrogge@flagstaffaz.gov

Neil Chapman, Wildland Fire Captain
neil.chapman@flagstaffaz.gov





Homeowners Insurance Crisis

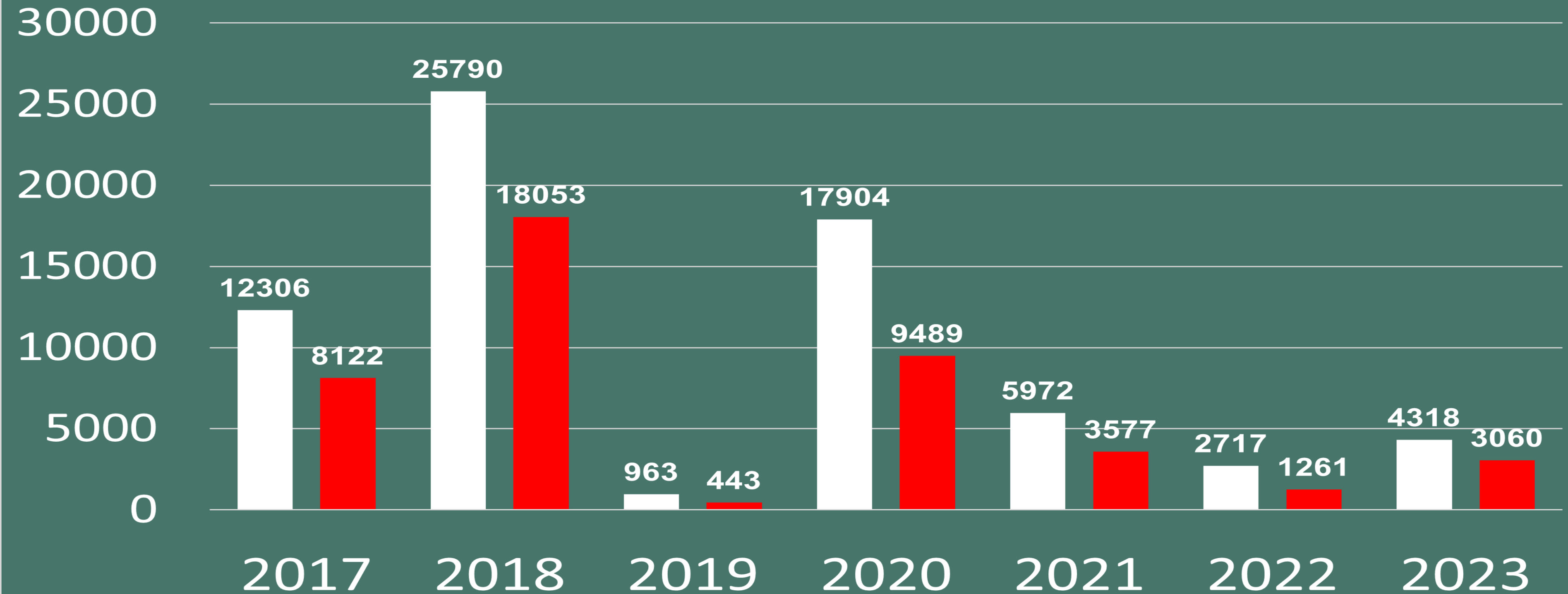


Arizona leads the Nation with 62% Surge in Home Insurance Rates over 5 Years

Source: : LendingTree analysis of RateWatch from S&P Global data. Note: This covers 2019 through March 2024.

Rank	State	Cumulative increase in home insurance rates, 2019-2024
1	Arizona	62.1%
2	Nebraska	59.9%
3	Illinois	56.9%
4	Utah	54.6%
5	Texas	54.5%
6	Colorado	50.7%
7	South Dakota	49.7%
8	California	48.4%
9	Minnesota	45.2%
10	Montana	44.3%

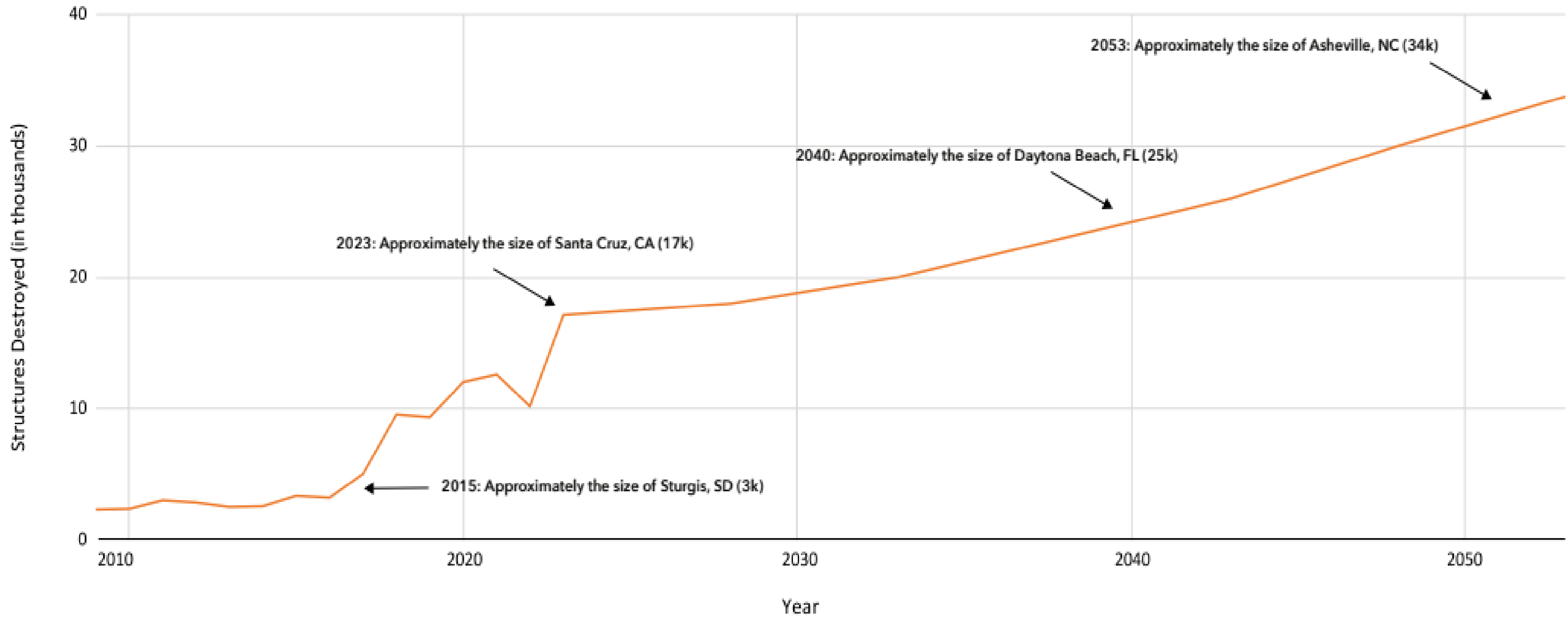
Nationwide Wildfire Structure Loss Statistics



Source: Congressional
Research Service,
Wildfire Statistics
Updated 9-19-24

■ Structures Burned

■ Homes Destroyed



Average Annual Structures Destroyed Nationally Based on First Street Foundation Wildfire Model (FSF-WFM) projections.

Integrating Wildfire Risk with Building Specific Property Characteristics

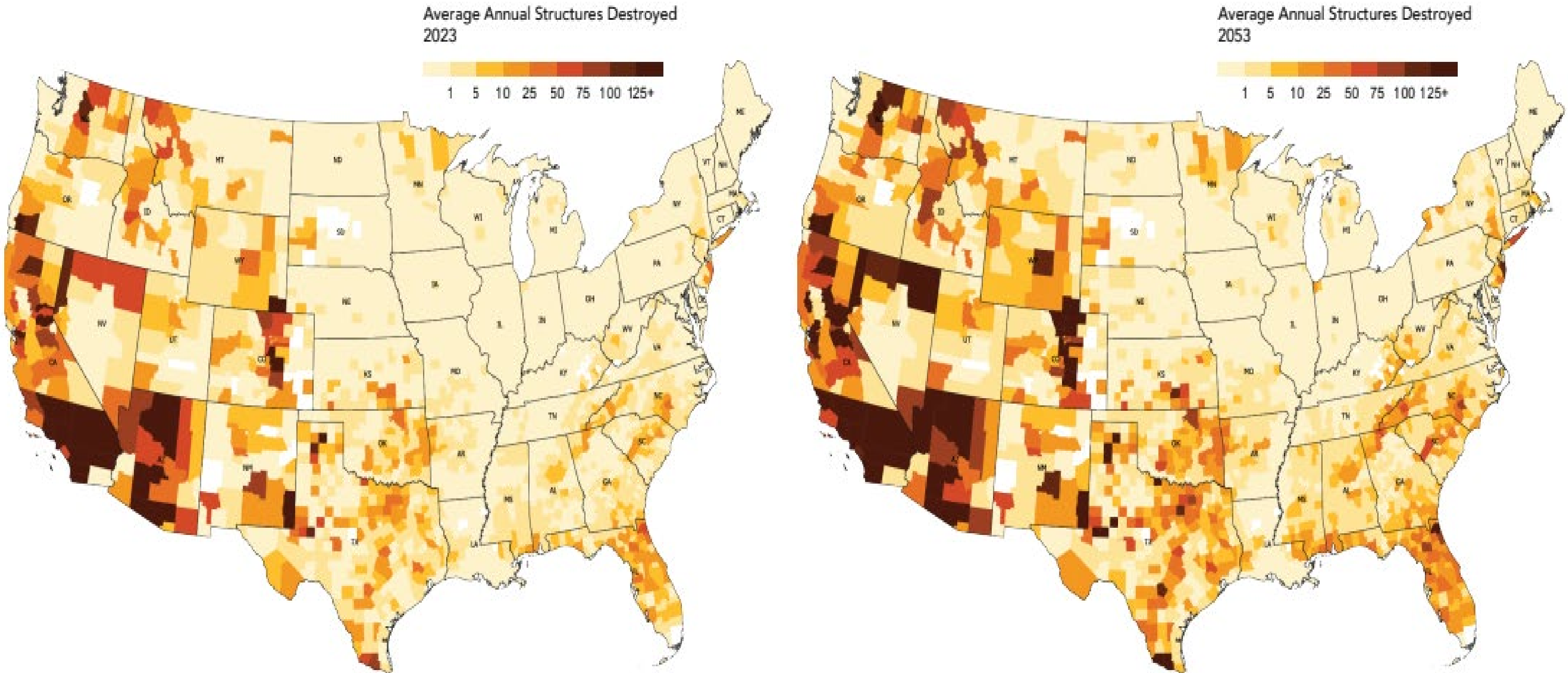


Figure 6. AASD, 2023 and 2053

Integrating Wildfire Risk with Building Specific Property Characteristics

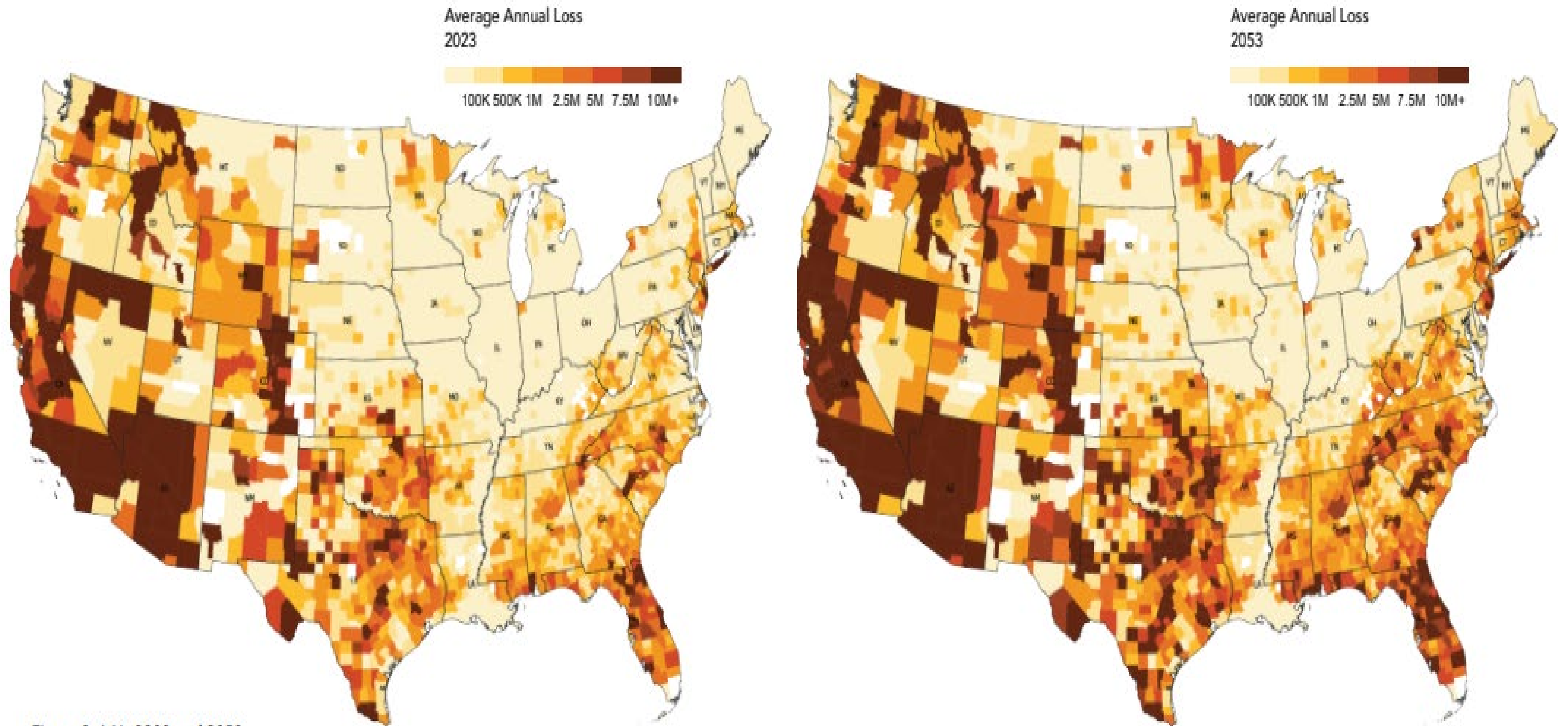


Figure 8. AAL, 2023 and 2053

Average Annual Structures Destroyed (AASD)

Rank	County	State	AASD 2023	AASD 2053	Increase in AASD 2023 - 2053	Percent Increase in AASD 2023 - 2053
1	Riverside	CA	1,612	2,336	724	44.9%
2	Los Angeles	CA	1,450	2,272	822	56.7%
3	San Bernardino	CA	801	1,290	489	61.0%
4	El Paso	CO	528	1,010	482	91.3%
5	Pima	AZ	514	768	254	49.4%
6	Maricopa	AZ	442	834	392	88.7%
7	Contra Costa	CA	302	659	357	118.5%
8	San Diego	CA	294	574	280	95.5%
9	El Dorado	CA	264	487	223	84.6%
10	Hutchinson	TX	224	448	223	99.7%
11	Coconino	AZ	183	218	35	19.0%
12	Nevada	CA	151	309	158	104.7%
13	Lea	NM	147	268	121	82.6%
14	Laramie	WY	143	338	195	136.5%
15	Kern	CA	142	257	115	81.4%
16	Douglas	CO	139	405	266	191.0%
17	Ventura	CA	138	218	80	57.9%
18	Josephine	OR	126	259	132	104.9%
19	Jackson	OR	120	236	116	96.7%
20	Potter	TX	120	271	152	126.6%

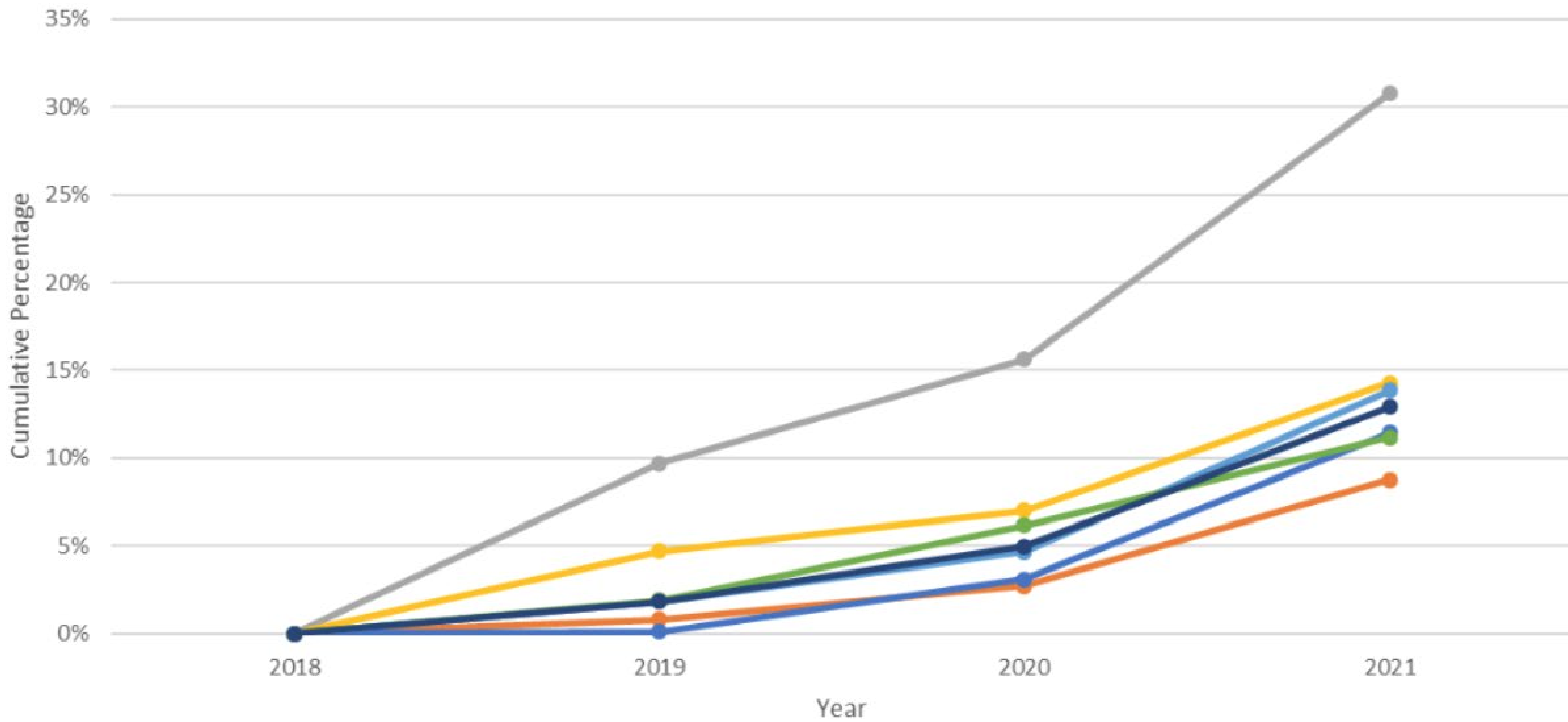
Table 2. Top 20 counties by AASD in 2023

\$1,000,000 = \$1 Billion

Average Annual Loss

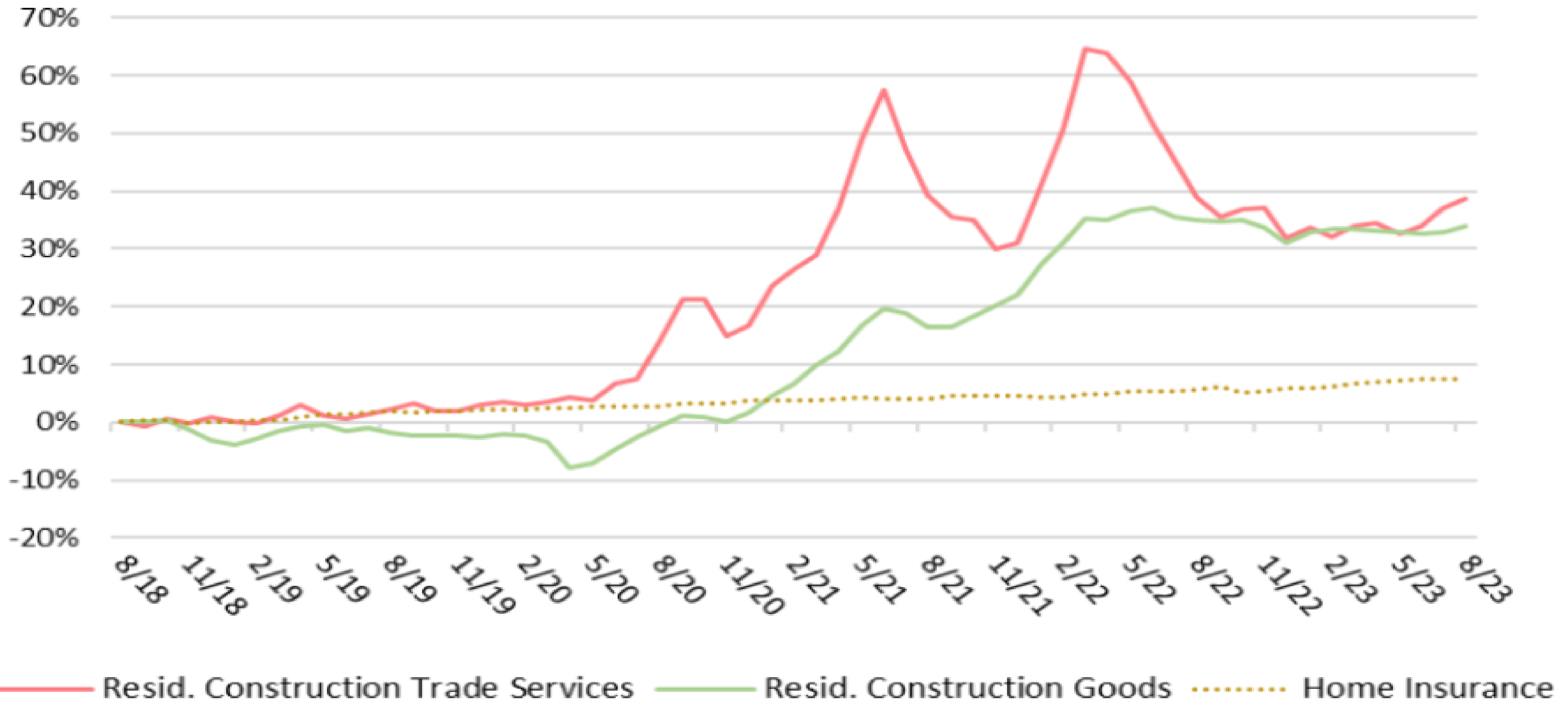
Rank	County	State	AAL 2023	AAL 2053	Increase in AAL 2023 - 2053
1	Los Angeles	CA	\$1,022,497	\$1,622,887	\$600,390
2	Riverside	CA	\$1,001,558	\$1,450,646	\$449,088
3	San Bernardino	CA	\$484,376	\$768,413	\$284,037
4	El Paso	CO	\$280,262	\$559,492	\$279,230
5	Maricopa	AZ	\$276,565	\$521,866	\$245,301
6	Contra Costa	CA	\$255,695	\$553,906	\$298,211
7	Pima	AZ	\$250,274	\$376,435	\$126,161
8	San Diego	CA	\$230,375	\$447,556	\$217,181
9	El Dorado	CA	\$158,459	\$298,940	\$140,481
10	Hutchinson	TX	\$155,063	\$306,915	\$151,852
11	Douglas	CO	\$108,936	\$315,883	\$206,947
12	Coconino	AZ	\$100,559	\$119,626	\$19,067
13	Nevada	CA	\$91,284	\$187,260	\$96,056
14	Ventura	CA	\$90,022	\$141,410	\$51,388
15	Jackson	OR	\$77,136	\$151,382	\$74,246
16	Alameda	CA	\$76,698	\$155,425	\$78,727
17	Josephine	OR	\$74,225	\$151,581	\$77,356
18	Midland	TX	\$70,525	\$155,863	\$85,338
19	Kern	CA	\$67,369	\$122,172	\$54,803
20	Laramie	WY	\$67,001	\$157,162	\$90,161

Cumulative Percentage Change in Average HO-3 Premiums from 2018-2021



Cost Indicators: Home Insurance

Producer Price Index, Cumulative Percent Change over Five Years



Coconino County Engagement

- Engaged DIFI Director Richardson and DIFI Legislative Liaison Burrue, Briefed Governor's Office of Resiliency
 - Requested creation of a task force
- Discussed with Arizona insurance industry representative Marc Osborn
- Continuing to follow-up with Governor's Office and DIFI
 - Awaiting decision of Governor and DIFI on task force
- Raising insurance premiums, refusal to cover, and limited market solutions are not unique to Northern Arizona
- Nationwide Problem: communities across the nation are seeing crises in climate change context:
 - Convective thunderstorms, hail, flooding, sea level rise, wildfires
- Insurance companies are unable to receive reinsurance on policies in high-risk wildfire areas
- Loss of insurance has the potential for a cascading impact on mortgages, home purchases, property tax revenue, bond ratings, etc.



2022 Tunnel Fire

DIFI Conversation Recap

- DIFI Federal Data Call – studying Arizona appropriate data models
- Industry resistance to regulation:
 - DIFI can regulate when there is discrimination, not when insurance non-renews due to risk
- Working to improve communication between Insurance Industry and Fire Professionals
- Mitigation protects the home but also impacts insurance. Mitigation must work in harmony
 - Need for consensus building between industry and fire professionals
- Building up to have a Fair Access to Insurance Requirements (FAIR) Plan
 - Legislative issue:
 - DIFI does not pursue policy change
 - Unintended consequences
- Mortgage Industry not yet engaged
 - Impact to Economies and potential bond ratings
- Continued work with the National Association of Insurance Commissioners (NAIC)

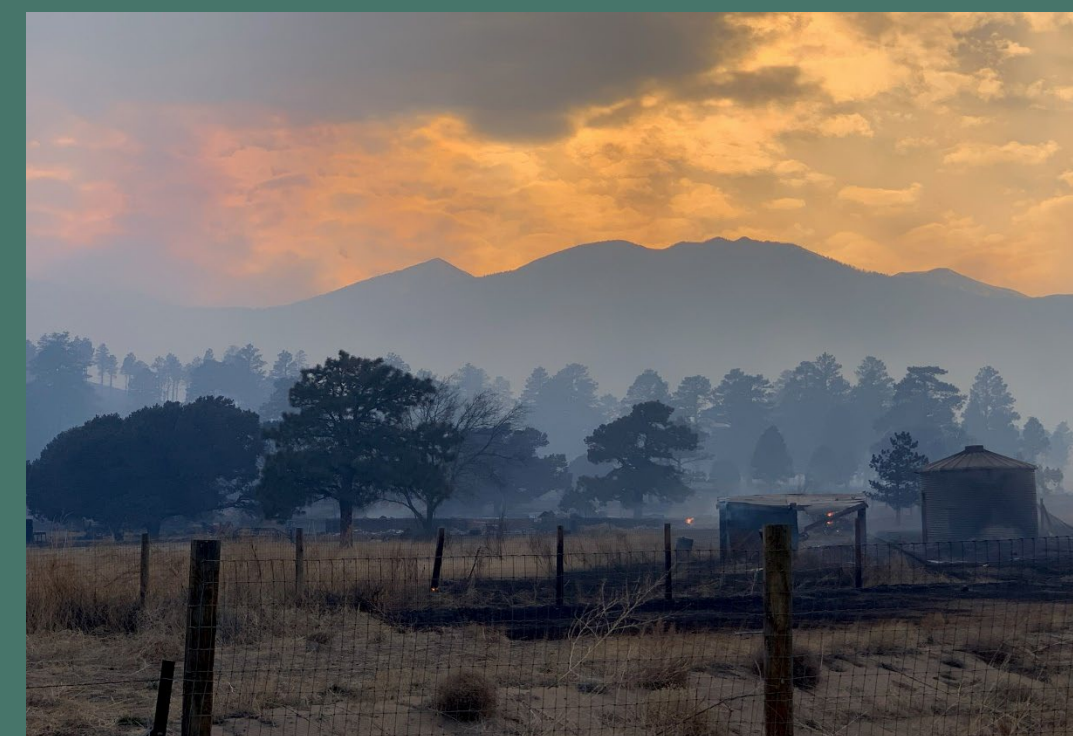


Homeowners Insurance Crisis

- Issue in Coconino County, as experienced in the Tunnel Fire, is that most homeowners are underinsured
- Many insurance companies only offer what their formula's tell them for home value and do not offer additional insurance coverage, or the cost is too high for homeowners to fully insure their homes
- Cost to rebuild far exceeds insured loss coverage, Contractors in Coconino County are building between \$500 and \$550 a square foot

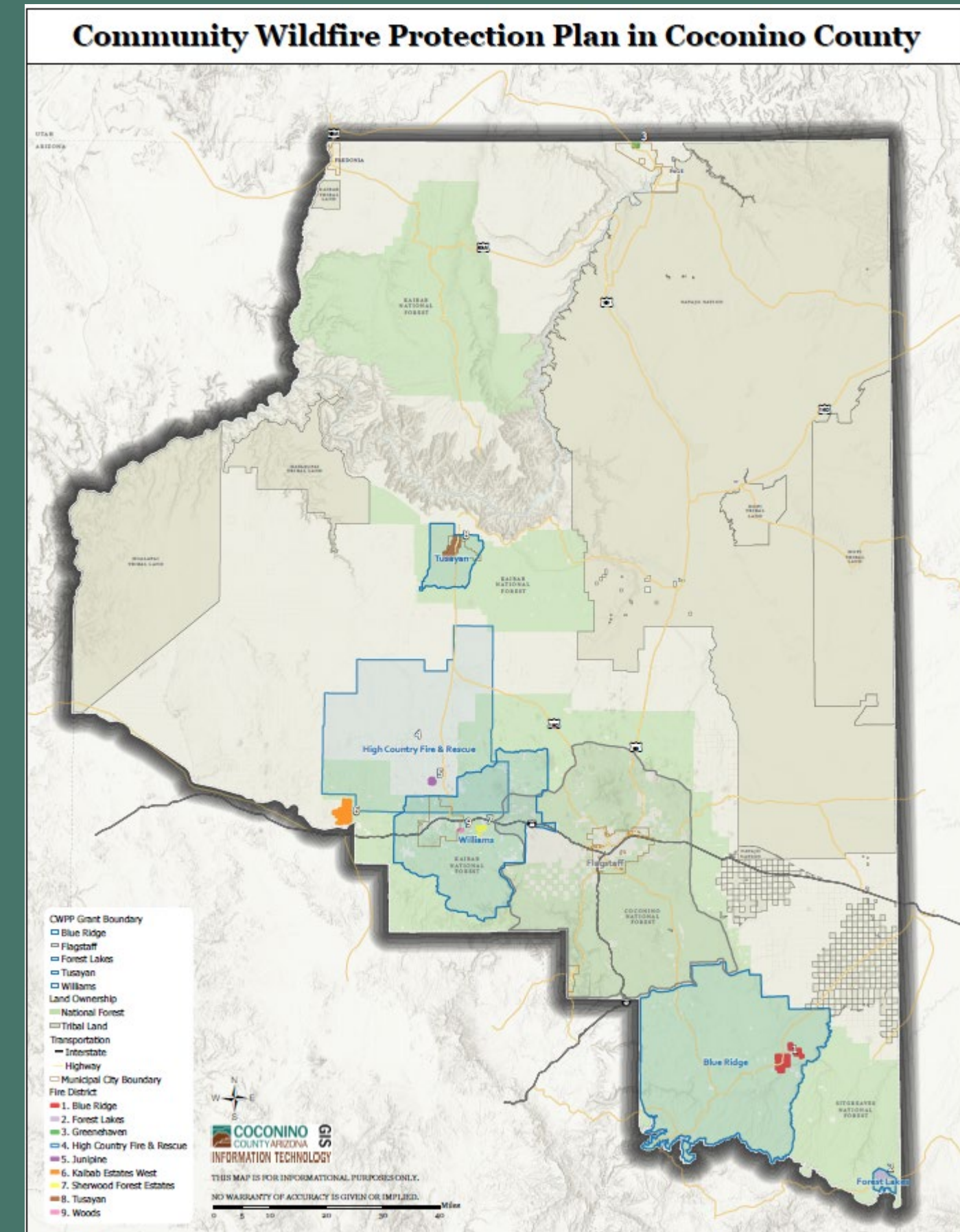


2022 Tunnel Fire



Community Wildfire Protection Plan

- Coconino County has lost 64 homes to wildfire since 2010
- County supported Greater Flagstaff Forests Partnership to apply for CWDG grant for a novel Countywide Rural and Tribal Communities CWPP
- GFFP awarded \$250,000 – still waiting for funding to arrive
- Countywide CWPP will focus on 10 rural fire districts and 6 tribal communities
- CWPP's, while not directly related to the insurance issue, are the groundwork needed to identify community wildfire risks and potential projects to reduce that risk
- Identify funding sources for project implementation



Federal Advocacy on Wildfire Commission Recommendations

#4 - Provide dedicated funding to evaluate, build and maintain existing federal, state, and local wildfire hazard data sets and identify a use case to refine and, if necessary, expand national datasets.

#6 - Encourage and reward innovation in the fields of affordable building material design, subdivision design, landscape architecture, and safe and building practices to create more ignition-resistant structures and communities.

#10 - Congress should advance legislation to support a compensation or claims fund for burn damages to third parties that can quickly provide financial relief in instances when burn practitioners adhere to identified best practices.

#60 - Create the organizational and financial structures necessary to better integrate the national response to wildland fires and post-wildfire impacts across agencies and scales.



Strategy to Stop the Bleeding

- Continue to leverage Federal Dollars for Forest Restoration and Community Wildfire Defense
- Strategies for Implementing Policy Changes:
 - Build State repository to catalog and communicate mitigation treatments to industry
 - Collaborate with the City of Flagstaff and their MOU with Western Fire Chiefs Association to develop and pursue policy reforms and encourage reducing the barriers to coverage through mitigation
 - Balance affordability and equity in the use of Local building codes to harden structures



2018 Tinder Fire

Moving Forward

- Engage County Supervisors Association (CSA) on Pima County request for County Coalition Resolution for AZ Counties to engage in policy solutions
- Continued education & advocacy with Legislators, Governor's Office, and DIFI
- Continued advocacy for the creation of a statewide homeowners insurance task force
- Working with the insurance industry and mortgage industry to develop solutions through WFCFA Task Force findings
- Collection and dissemination of data for greater resolution of the problem
- Study of Colorado FAIR Plan – Created in 2023 and potential lessons for Arizona
- Collaboration with the fire & building community to move forward with policies to improve building codes, including hardening structures and implementing fire-wise practices
- Countywide CWPP development: Understanding insurance needs to guide project development and implementation
- Continued partnership with City of Flagstaff to find solutions