

# Executive Summary

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

### 1. Introduction

The Annual Action Plan (AAP) is submitted to the U.S. Department of Housing and Urban Development (HUD) on an annual basis and serves as the formal application for the use of Community Development Block Grant (CDBG) entitlement funds received by the City of Flagstaff. The Annual Action Plan identifies available resources, annual goals, projects, and activities for the Program Year, beginning July 1, 2024, and ending June 30, 2025.

The City of Flagstaff Annual Action Plan describes allocations for the Community Development Block Grant program for the coming year – Program Year 2024, the fourth year of the 2021-2025 Consolidated Plan. The Consolidated Plan guides the allocation of funds over the five-year period and addresses the goals and priorities identified by the community. New activities selected for funding were determined through a Notice of Funding Available and proposal process and the submission of the Annual Action Plan was approved by the Flagstaff City Council. The CDBG program generally provides for a wide range of eligible activities, all for the benefit of low and moderate-income City of Flagstaff residents, as outlined in the sections below.

### 2. Summarize the objectives and outcomes identified in the Plan

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

The Community Development Block Grant program is provided through the US Department of Housing and Urban Development (HUD) Office of Community Planning and Development. Due to its size and composition, the City of Flagstaff is classified as an 'Entitlement Community'. This means that Flagstaff does not apply for the CDBG program, but is allocated CDBG funds at a level based on a HUD formula involving population and demographics.

To receive CDBG funds, every five years the City must complete a Consolidated Plan and annually an Annual Action Plan, based on the Consolidated Plan that details the uses of funds. The Housing and Community Development Act of 1974 created the CDBG program with three primary objectives against which HUD evaluates the Consolidated Plan and the City's performance. Congress' primary objective for CDBG is to improve communities, principally for low and moderate-income persons by:

- Providing Decent Housing,
- Providing a Suitable Living Environment, and
- Expanding Economic Opportunities.

The Annual Action Plan defines the one-year activities in relationship to the five-year goals and objectives of the Consolidated Plan covering Program Years 2021-2025, submitted to HUD on May 15, 2021. The Annual Action Plan provides a brief description of the programs and projects of the City of Flagstaff in Program Year 2024, as well as funding announcements for the CDBG program.

The City of Flagstaff's Five-Year Consolidated Plan for Program Years 2021-2025 outlines specific steps for the community as it works to meet the housing and community development needs of low-and moderate income and special needs households. As part of the consolidated planning process the City conducted a comprehensive housing and community development Needs Assessment and Market Analysis. With these assessments and additional community data along with public and stakeholder input collected the City identified four priority needs and established 11 activity goals for meeting these community needs in the five years covered by the Consolidated Plan.

#### **Identified High Priority Needs and Activity Goals Established**

- **Support neighborhood revitalization and public facilities and infrastructure improvements especially in established target areas including:**

1. Neighborhood revitalization including Neighborhood Facility and Infrastructure Improvements (3,000 people)
2. Public Facilities Improvements (100 people)
3. Acquisition for Affordable Housing (100 people)

- **Support public services and economic opportunities for low-and moderate income persons including:**

1. Services to Meet Basic Needs (300 people)
2. Workforce Development (15 people)
3. Housing Stabilization Services (50 households)

- **Support services and projects addressing homelessness including:**

1. Service and Facility Operating Support (1,500 people)
2. Increase Shelter Beds/Units (15 beds/units)

- **Support the development, accessibility, and preservation of decent affordable housing including:**

1. Rehabilitation of owner and/or renter households/units (20 units)
2. Development of owner and/or renter affordable housing units (3 units)
3. Housing Assistance for owner and/or renter households (50 households)

### **3. Evaluation of past performance**

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

In the context of limited CDBG and leverage funding, the City made significant progress towards investing in housing and public and supportive services for vulnerable populations. Since the COVID-19 global pandemic starting in 2020 and with impacts continuing to the present year, more households are desperately needing relief programs and the City and its partner agencies have stepped in to provide a variety of services, many aimed to serve people at risk of or experiencing homelessness. Significant progress was also made towards providing economic opportunities and a large number of individuals benefitted from non-congregate shelter, homeless services outreach, homeless youth educational services and the development and expansion of permanent supportive housing.

Moderate progress towards increasing the availability and affordability of housing for owners and renters was also made due to few opportunities to invest in additional housing. The City continued to make progress towards strengthening coordination and delivery of resources, operating the City of Flagstaff Public Housing Authority and City Housing Sections in one department, and maintaining a high level of involvement with the Coconino County Continuum of Care and Flagstaff Front Door for Coordinated Entry.

Throughout the past Program Year, the City was able to continue to take advantage of public service cap waivers for projects responding to the Coronavirus. These projects provided coordinated entry, outreach and non-congregate shelter for thousands of individuals and families experiencing homelessness. Waivers allowing for subsistence payments for up to 6 months for low-income households were used to provide funding for eviction prevention for 52 households, preventing 145 individuals from becoming homeless.

Funds were used to provide paid apprenticeships for domestic violence victims experiencing homelessness, allowing them to gain skills in sewing production and obtain full time employment in the industry. Additionally, 37 children from 19 households received scholarships for childcare from the Boys and Girls Club, allowing their guardians to work or search for work without the burden of childcare costs.

The City is proud of the past Program Year and will continue to utilize viable resources to improve the quality of life in the Flagstaff community. In all, a total of 1,334 individuals were beneficiaries of CDBG services during the 2022 Program Year. 100% of households benefitted by CDBG funds from the City of Flagstaff were low-moderate income with the vast majority earning less than 30% of the Area Median Income.

The City strives to utilize CDBG funds in target neighborhoods; however, the actual distribution of funds to target areas depends on the number and type of proposals received. The target neighborhoods

include Flagstaff's historic settlements and are characterized by the widespread need for housing rehabilitation; dilapidated structures and under-utilized sites; as well as water and sewer line replacement. Neighborhood Infill programs, revitalization efforts, and planning processes are now being implemented in all target neighborhoods, as the market and funding allows. CDBG allocations for Program Year 2023 included 44% of CDBG funding for public facility improvements in the Southside Target Neighborhood.

#### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

A draft of the Annual Action Plan was available on-line at the City's website for a 30-day comment period beginning March 5, 2024, and ending April 5, 2024. A public hearing was held during the April 9, 2024, during the City Council work session, to recommend activity allocations for the Program Year 2024 Entitlement. The public and stakeholders were encouraged to attend and offer comments or to submit written comments directly to Council. At the City Council Meeting held April 16, 2024, final decisions on the funding allocations for selected proposals were received and submission of the Annual Action Plan approved by City Council.

Notice of public meetings were published at one week prior to each meeting in the Arizona Daily Sun, a newspaper of general circulation and to members of the local Continuum of Care. The Continuum of Care has developed an extensive mailing and email list that includes over 300 people who represent organizations that serve homeless and at-risk households, mainstream service and housing agencies, community development organizations, civic leaders, etc. This list is used to regularly inform these agencies of planning efforts, funding opportunities, changes in policy and practice or any other information that agencies may find useful. Notifications were also published on the City of Flagstaff Housing social media and web pages.

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

The City of Flagstaff Housing Commission 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. Two representative members of the Housing Commission took part in the official ranking of applications for the 2024 Program Year. Additional staff presented the recommendations at the March 28, 2024, Housing Commission meeting and the commission voted unanimously to forward the recommendations to City Council with a recommendation to approve.

With the 2021 Consolidated Plan, the City added additional public participation to its Citizen Participation Plan. This includes two meetings with target neighborhoods residents in partnership with A League of Neighborhoods (including Southside Community Association, La Plaza Vieja Neighborhood Association and Sunnyside Neighborhood Association).

In September 2022, A League of Neighborhoods (ALN) and City staff from Housing, Capital Improvements, Transportation, Code Enforcement, Planning, and Parks and Recreation held an open house for residents from target neighborhoods to provide an overview of the CDBG program, the 5 year Capital Improvement Plan and the internal process for identifying projects in target areas that may be eligible to be funded with CDBG dollars. The residents and neighborhood association members provided a wealth of feedback regarding area needs and priorities. Applicable City Commissions were also encouraged to attend. As part of the Annual Action Plan process, City staff also hosted a meeting for target neighborhood residents in January 2024 to discuss projects proposed by the City for potential CDBG funding for the upcoming Program Year.

#### **5. Summary of public comments**

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

No comments were received.

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

No comments were received.

#### **7. Summary**

The City of Flagstaff conducted public outreach and accepted applications and public comment related to funding recommendations/allocations that meet the priority needs and established 5-year goals and objectives in following priority areas:

- neighborhood revitalization, public facilities, and infrastructure,
- public services and economic opportunities,
- addressing homelessness, and
- decent affordable housing.

The table below summarizes planned CDBG activities and the priority level and 5-year numeric goal for each. Activities that might be targeted to special populations are indicated. The table is designed to meet HUD requirements.

| <b>Activity</b>                        | <b>Special Population</b> | <b>Priority Level</b> | <b>1-Year Goal</b>     | <b>5-Year Goal</b>    |
|--|---------------------------|-----------------------|------------------------|-----------------------|
| Public Facility Improvements           | Homeless                  | High                  | 500 Individuals        | 100 Individuals       |
| Increase Shelter Beds                  | Homeless                  | High                  | 103 Shelter Beds/Units | 15 Shelter Beds/Units |
| Services to Meet Basic Needs           | Elderly                   | High                  | 120 Individuals        | 300 Individuals       |
| Service and Facility Operating Support | Homeless                  | High                  | 500 Individuals        | 1,500 Individuals     |

**Table 1 - 2024 Annual Action Plan and Five-Year Consolidated Plan Goals**

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

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

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

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

**Table 2 – Responsible Agencies**

**Narrative (optional)**

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

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

- 1) **Research and Planning.** Key to this focus area is the identification and maintenance of data pertinent to housing in Flagstaff and nationally, the creation and implementation of plans, the location and review of best practices and additional tools being used in other communities, and project specific planning.
- 2) **Policy.** The development and subsequent implementation of policy initiatives is 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.
- 3) **Housing Programs and Development.** This focus area encompasses programmatic areas, as well as the implementation of previous planning efforts, resulting in the creation of housing opportunities.

4) The Flagstaff Housing Authority owns and manages 265 units of low-income public housing, administers 342 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for Veterans, 40 Mainstream vouchers for households with a disabled adult, 29 Emergency Housing Vouchers and 3 Foster Youth Initiative (FYI) Vouchers for youth aging out of the State foster care system. The Housing Authority also manages Clark Homes, a Section 8 new construction development with 80 units of low-income housing and provides twelve Section 8 Certificates for the seriously mentally ill, in partnership with the Guidance Center. There are currently more than 150 landlords participating in the City's Rental Voucher Programs.

**Consolidated Plan Public Contact Information**

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The City of Flagstaff UEI is 000000000

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

### **1. Introduction**

In developing the 2024 Annual Action Plan, the City consulted with agencies providing services related to housing, social services, elderly persons, disabled persons, persons with HIV/AIDS, children experiencing neglect, and individuals and families impacted by homelessness.

A draft of the Consolidated Plan was made available on-line at the City's website starting March 5, 2024. A public hearing was held on April 9, 2024, with City Council. The public and stakeholders were encouraged to attend and offer comments or to submit written comments.

Additional consultation took place with the Coconino County Continuum of Care, a group of organizations providing services to homeless individuals and families as well as with resident of CDBG identified target neighborhoods through two outreach meetings held in September 2022 and January 2024.

With the development of Flagstaff's Consolidated Plan in 2021, the Citizen Participation Plan was updated to include 2 public meetings specific to outreach in target neighborhoods. The first is held in the late summer/early fall and is used to gather citizen feedback on concerns citywide as well as provide information about City funding avenues and project selection processes. The second is held during the City's Annual Action Plan process and is specific to target neighborhoods identified in the CDBG Annual Action Plans and Consolidated Plan. City staff will provide information about possible internal projects that may request CDBG funding.

Many of the ongoing concerns of citizens in Flagstaff are related to wildfires and flooding. The City continues to work with United Way of Northern Arizona to provide resources for residents impacted by flooding and fire resources. City Staff regularly attends and participates in VOAD meetings (Volunteers and Organizations Active during Disasters) and continues to apply for grants for flood mitigation.

Lastly, the City of Flagstaff has created a Broadband Infrastructure Master Plan and meets regularly with community partners like Coconino County, Northern Arizona University, and the Flagstaff Unified School District. The City of Flagstaff has allocated approximately \$3 million for fiber projects this year.

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

The City has developed an extensive mailing and email list that includes over 150 people that 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 City of Flagstaff participates in the local Continuum of Care as a member organization and on the Executive Committee. The Continuum of Care has developed an extensive mailing and email list that includes over 300 people who represent organizations that serve homeless and at-risk households, mainstream service and housing agencies, community development organizations, civic leaders, etc. This list is used to regularly inform these agencies of planning efforts, funding opportunities, changes in policy and practice or any other information that agencies may find useful. The City also encourages engagement through the City of Flagstaff – Housing Facebook Page.

In developing the 2024 Annual Action Plan, the City consulted with agencies providing services related to housing, social services, elderly persons, disabled persons, persons with HIV/AIDS, children experiencing neglect, and individuals and families impacted by homelessness. Agencies participating in the Annual Action Plan public meeting were:

1. Catholic Charities of Northern Arizona
2. Coconino County Health and Human Services
3. City of Flagstaff Housing Section
4. City of Flagstaff Water Services
5. Flagstaff Shelter Services
6. City of Flagstaff Capital Improvement and Engineering
7. Housing Solutions of Northern Arizona
8. Salvation Army
9. Threaded Together
10. Boys and Girls Club of Flagstaff
11. Community Assistance Teams of Flagstaff
12. DNA People's Legal
13. Habitat for Humanity

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

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

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

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

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

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

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

The City of Flagstaff is not an ESG grantee.

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

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**Table 3 – Agencies, groups, organizations who participated**

|   |  |   |
|---|--|---|
| 1 | <b>Agency/Group/Organization</b>   | Flagstaff Shelter Services, Inc.  |
|   | <b>Agency/Group/Organization Type</b>  | Housing<br>Services - Housing<br>Services-homeless  |
|   | <b>What section of the Plan was addressed by Consultation?</b>   | Housing Need Assessment<br>Homeless Needs - Chronically homeless<br>Homeless Needs - Families with children<br>Homelessness Needs - Veterans<br>Homelessness Needs - Unaccompanied youth<br>Homelessness Strategy   |
|   | <b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b> | Flagstaff Shelter Services offers homeless individuals shelter and supportive services and is focused on chronically homeless individuals, many of whom have serious psychiatric or substance abuse issues. Flagstaff Shelter Services provides all individuals experiencing homelessness with coordinated entry know as Flagstaff's Front Door. The agency was consulted through public meetings, the public comment period and one on one technical assistance. |

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

All major agencies, including social service, housing, and health agencies; other government agencies; planning organizations; and business and civic leaders, providing a full range of public services in and around the City of Flagstaff were contacted to request comments. No specific agency or agency type was excluded. All agencies are offered the opportunity to have input into the Consolidated Plan and Action Plan through stakeholder meetings, public meetings, e-mail, and written input. No specific agency types were identified as not consulted.

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

| Name of Plan      | Lead Organization             | How do the goals of your Strategic Plan overlap with the goals of each plan?        |
|-------------------|-------------------------------|---|
| Continuum of Care | Arizona Department of Housing | The City's Consolidated Plan identifies addressing homelessness as a priority need. |

**Table 4 – Other local / regional / federal planning efforts**

**Narrative (optional)**

The City Housing Section works with Coconino County and various City and County departments to coordinate resource delivery to eligible households. The City works with the State’s homeless and special needs staff and the local Continuum of Care to support as many targeted activities as CDBG funding will allow. The City supports developers, when appropriate, that are seeking funding for LIHTC and other projects that will serve Flagstaff’s low and moderate income households. The City participates with the Coconino County Continuum of Care (managed by the Arizona Department of Housing), including working groups, sub-committees, and advisory groups around specific homeless and at risk-populations. These meetings bring together shelter providers, prevention providers, housing providers and agencies that deliver prevention, rapid re-housing, emergency, and transitional shelter services, as well as permanent supportive housing opportunities. Flagstaff City staff participate on the Executive Committee. City staff also lead the Point-in-Time steering committee, the Homeless Connect steering committee and sit on the systems design steering committee.

## **AP-12 Participation – 91.105, 91.200(c)**

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

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

Investments are allocated based on City Council's determination. Proposals for eligible activities are solicited through a formal Request for Proposals (RFP) process, which is open to qualified external organizations and City sponsored projects. Submitted proposals are evaluated and ranked, and a summary of the evaluation is presented to City Council for its review and consideration in making final funding decisions. A review committee consisting of City staff and external members determines a score for each proposal and makes recommendations to City Council based on the following priorities: City Council annual CDBG priorities, 5-year Consolidated Plan and eligible CDBG funding. The need for funds and the demand for the project are demonstrated; Geographic areas designated as target neighborhoods due to a disproportionate concentration of low income and minority populations; Projects that meet the previous criteria and address the Primary, National and Consolidated Plan Objectives of the CDBG program; and Projects that demonstrate the capacity to provide timely, compliant, and sustainable benefits to the community.

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

The consultation and public participation process for the development of this year's Annual Action Plan consisted of five public meetings, a request for proposal process, and an invitation for written comment. Forums and meetings were conducted to solicit information on housing and community development needs and to elicit public comment on planned activities. The draft Annual Action Plan was made available for public comment from March 5, 2024, to April 5, 2024.

**Citizen Participation Outreach**

| Sort Order | Mode of Outreach | Target of Outreach  | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (if applicable) |
|------------|------------------|---|--------------------------------|------------------------------|--|---------------------|
| 1          | Public Meeting   | Non-English Speaking - Specify other language: Spanish<br><br>Persons with disabilities<br><br>Non-targeted/broad community |                                |                              |  |                     |

**Table 5 – Citizen Participation Outreach**

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## 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 2024, the fourth 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 2024 Program Year CDBG Entitlement is currently unknown. The City of Flagstaff is estimating \$535,000. In addition, the City is utilizing \$142,00.00 in CDBG Program Income and \$45,313.00 in de-obligated past years funds in combination with the 2024 Entitlement for a total of \$722,313.00 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 | Source of Funds  | Uses of Funds  | Expected Amount Available Year 1 |                    |                          |           | Expected Amount Available Remainder of ConPlan \$ | Narrative Description  |
|---------|------------------|--|----------------------------------|--------------------|--------------------------|-----------|---|--|
|         |                  |  | Annual Allocation: \$            | Program Income: \$ | Prior Year Resources: \$ | Total: \$ |   |  |
| CDBG    | public - federal | Acquisition<br>Admin and Planning<br>Economic Development<br>Housing<br>Public Improvements<br>Public Services | 535,000                          | 142,000            | 45,313                   | 722,313   | 843,913   | The 2024 Program Year CDBG Entitlement is currently unknown. The City of Flagstaff is estimating \$535,000. In addition, the City is utilizing \$142,00.00 in CDBG Program Income and \$45,313.00 in de-obligated past years funds in combination with the 2024 Entitlement for a total of \$722,313.00 available to allocate. |

**Table 6 - 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 publically 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.

The City owns several parcels that may be suitable for future affordable housing or public facility development. The use of City-owned land is determined by the City Council as opportunities arise.

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. The City shall maintain ownership control and management of all properties in accordance with Federal regulations and subject to HUD approval.

### **Discussion**

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

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

The amount of CDBG funding received by the City varies from year-to-year based on the Federal Budget. The City expects to receive between \$510,000 and \$650,000 year during each of the next five years. The Annual Action Plan describes City allocations for the CDBG program during the coming year. These allocations fund activities to address goals for the primary Consolidated Plan areas: Affordable

Housing, Homelessness, Community Development, Special Needs and Citizen Participation.

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.

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

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## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

| Sort Order | Goal Name                              | Start Year | End Year | Category   | Geographic Area | Needs Addressed  | Funding        | Goal Outcome Indicator   |
|------------|--|------------|----------|--|-----------------|--|----------------|--|
| 1          | Services to Meet Basic Needs           | 2021       | 2025     | Non-Housing Community Development  | Citywide        | Public Services and Economic Opportunities                         | CDBG: \$25,000 | Public service activities other than Low/Moderate Income Housing Benefit: 120 Persons Assisted |
| 2          | Service and Facility Operating Support | 2021       | 2025     | Affordable Housing<br>Public Housing<br>Homeless<br>Non-Homeless<br>Special Needs<br>Non-Housing Community Development | Citywide        | Public Services and Economic Opportunities Addressing Homelessness | CDBG: \$30,000 | Public service activities other than Low/Moderate Income Housing Benefit: 500 Persons Assisted |

| Sort Order | Goal Name                         | Start Year | End Year | Category   | Geographic Area    | Needs Addressed  | Funding         | Goal Outcome Indicator   |
|------------|-----------------------------------|------------|----------|--|--------------------|--|-----------------|--|
| 3          | Increase Beds/ Units for Homeless | 2021       | 2025     | Affordable Housing Homeless                                  | Citywide           | Revitalization, Public Facilities & Infrastructure Addressing Homelessness | CDBG: \$302,113 | Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 400 Households Assisted<br>Overnight/Emergency Shelter/Transitional Housing Beds added: 400 Beds<br>Homelessness Prevention: 103 Persons Assisted  |
| 4          | Public Facilities                 | 2021       | 2025     | Non-Homeless Special Needs Non-Housing Community Development | Sunnyside Citywide | Revitalization, Public Facilities & Infrastructure Addressing Homelessness | CDBG: \$502,113 | Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 500 Persons Assisted<br>Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 400 Households Assisted<br>Homeless Person Overnight Shelter: 400 Persons Assisted<br>Overnight/Emergency Shelter/Transitional Housing Beds added: 103 Beds |

| Sort Order | Goal Name                   | Start Year | End Year | Category   | Geographic Area | Needs Addressed  | Funding         | Goal Outcome Indicator |
|------------|-----------------------------|------------|----------|--|-----------------|--|-----------------|------------------------|
| 5          | Planning and Administration | 2021       | 2025     | Affordable Housing<br>Public Housing<br>Homeless<br>Non-Homeless<br>Special Needs<br>Non-Housing<br>Community Development<br>Administration and Planning | Citywide        | Revitalization, Public Facilities & Infrastructure<br>Public Services and Economic Opportunities<br>Addressing Homelessness<br>Decent Affordable Housing | CDBG: \$126,000 | Other: 1 Other         |

Table 7 – Goals Summary

### Goal Descriptions

|   |                         |  |
|---|-------------------------|--|
| 1 | <b>Goal Name</b>        | Services to Meet Basic Needs   |
|   | <b>Goal Description</b> | Public service projects may include Pandemic Response, Homeless/AIDS Patients Programs, Senior Services, Services for Persons Disabilities, Legal Services, Youth Services, Transportation Services, Substance Abuse Services, Services for Employment Training, Crime Awareness/Prevention, Fair Housing Activities, Tenant/Landlord Counseling, Child Care Services, He Services, Mental Health Services, Screen for Lead Poisoning, Subsistence Payments, Food Banks, Etc |
| 2 | <b>Goal Name</b>        | Service and Facility Operating Support   |
|   | <b>Goal Description</b> | CDBG funds will be used for costs associated with the operation of programs for the homeless or for AIDS patients, such as administration, salaries, utilities, maintenance, and insurance.  |

|   |                         |   |
|---|-------------------------|---|
| 3 | <b>Goal Name</b>        | Increase Beds/ Units for Homeless   |
|   | <b>Goal Description</b> | Funds will be used to increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds for homeless and chronic homeless individuals/households. Projects include acquisition, construction, conversion of buildings, or rehabilitation of temporary shelters and transitional housing for the homeless, including victims of domestic violence, dating violence, sexual assault or stalking, disaster victims, runaway drug offenders, and parolees. |
| 4 | <b>Goal Name</b>        | Public Facilities   |
|   | <b>Goal Description</b> |   |
| 5 | <b>Goal Name</b>        | Planning and Administration   |
|   | <b>Goal Description</b> | CDBG funds will be used for expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses.  |

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# Projects

## AP-35 Projects – 91.220(d)

### Introduction

The strategies listed in this plan address the third-year allocation of the 2021-2025 Consolidated Plan for the City of Flagstaff in Program Year 2024. 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.

Through the 2024 CDBG process, the City of Flagstaff Housing Section received 6 external Community Development Block Grant proposals and 1 internal request for CDBG funds for the 2024 Program Year.

The City received its official Program Year 2024 Entitlement allocation from HUD in March 2024. This year's allocation is \$541,191, slightly higher than the previous year. In addition, the City of Flagstaff is able to include program income and prior year de-obligated funds to increase funding available for allocation. These additional funds equal \$199,588.50. Therefore, an estimated grand total of \$740,779.50 is available for CDBG eligible projects for the 2024 Program Year, through the Annual Action Plan. The proposed allocation takes into consideration administrative costs and the City's financial impacts by including the estimated indirect rate of 10%.

Recommendations were discussed at a public hearing and City Council Work Session on April 11, 2024. 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 May 2, 2024. The following table identifies approved projects for 2024 Program Year with a budget of \$740,779.50

### Projects

| # | Project Name  |
|---|---|
| 1 | Public Facility Improvements  |
| 2 | Services to Meet Basic Needs - Senior Nutrition Program                 |
| 3 | Public Facilities - Acquisition   |
| 4 | Service and Facility Operating Support - Mobile Shower and Outreach Bus |
| 5 | Administration, Planning and Indirect                                   |

Table 8 - Project Information

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

For Program Year 2024, the City issued a Notice of Funding Available (NOFA) and 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.

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**AP-38 Project Summary**  
**Project Summary Information**

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|   |  |   |
|---|--|---|
| 1 | <b>Project Name</b>  | Public Facility Improvements  |
|   | <b>Target Area</b>   | Citywide  |
|   | <b>Goals Supported</b>   | Planning and Administration   |
|   | <b>Needs Addressed</b>   | Revitalization, Public Facilities & Infrastructure<br>Public Services and Economic Opportunities<br>Addressing Homelessness<br>Decent Affordable Housing  |
|   | <b>Funding</b>   | CDBG: \$302,113   |
|   | <b>Description</b>   | The City of Flagstaff will utilize CDBG funds to support improvements at The Lantern, a hotel shelter owned and operated by Flagstaff Shelter Services. The Lantern provides emergency shelter and transitional housing to individuals experiencing homelessness. |
|   | <b>Target Date</b>   | 6/30/2025   |
|   | <b>Estimate the number and type of families that will benefit from the proposed activities</b> | NA  |
|   | <b>Location Description</b>  | NA  |
|   | <b>Planned Activities</b>  | Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category.  |
| 2 | <b>Project Name</b>  | Services to Meet Basic Needs - Senior Nutrition Program   |
|   | <b>Target Area</b>   | Citywide  |
|   | <b>Goals Supported</b>   | Services to Meet Basic Needs  |
|   | <b>Needs Addressed</b>   | Public Services and Economic Opportunities  |
|   | <b>Funding</b>   | CDBG: \$44,200  |
|   | <b>Description</b>   | CDBG funds will support program and operational costs for the Senior Nutrition Program, providing hot, nutritious meals to 120-155 elderly individuals experiencing food instability and at risk of malnutrition.   |
|   | <b>Target Date</b>   | 6/30/2025   |
|   | <b>Estimate the number and type of families that will benefit from the proposed activities</b> | 120-155 Elderly Individuals   |

|   |  |   |
|---|--|---|
|   | <b>Location Description</b>  | Citywide  |
|   | <b>Planned Activities</b>  | <p>Coconino County Health and Human Service’s Senior Nutrition Program provides nutritious meals to 120 to 155 seniors each day. Cooks prepare meals at the Joe C. Montoya Community and Senior Center. Between 40-75 meals are served at the center as a Senior Congregate Meal and 80 Home Delivered meals are packaged and delivered to home-bound, food-insecure elderly individuals in neighborhoods throughout Flagstaff.</p> <p>CDBG funds will cover the salaries of a part-time driver and a part-time nutritional aid. Due to the expiration of ARPA funding, without CDBG support 32% of seniors receiving home-delivered meals will lose services placing them in jeopardy of malnutrition, isolation, and housing instability.</p> |
| 3 | <b>Project Name</b>  | Public Facilities - Acquisition   |
|   | <b>Target Area</b>   | Sunnyside<br>Citywide   |
|   | <b>Goals Supported</b>   | Services to Meet Basic Needs  |
|   | <b>Needs Addressed</b>   | Addressing Homelessness   |
|   | <b>Funding</b>   | CDBG: \$200,000   |
|   | <b>Description</b>   | The City of Flagstaff will utilize CDBG funds to support the acquisition of real property to be used as a resource and day center for individuals experiencing homelessness. The Center will be located in the Sunnyside target area. The resource and day center will offer clothing, food, supplies, mailbox service, personal lockers, a day room, and facilities for showers and laundry. Office space will be provided to other agencies for direct client services.   |
|   | <b>Target Date</b>   | 6/30/2025   |
|   | <b>Estimate the number and type of families that will benefit from the proposed activities</b> | 500 Individuals experiencing homelessness, annually.  |
|   | <b>Location Description</b>  | Sunnyside Neighborhood - 2109 E Cedar Ave Flagstaff, AZ 86004   |

|   |  |  |
|---|--|--|
|   | <b>Planned Activities</b>  | <p><b>Project Description:</b> Community Assistance Teams of Flagstaff will develop a homeless resource and day center to be located at 2109 E Cedar. Ave. The resource and day center will offer clothing, food, supplies, mailbox service, personal lockers, a day room, and facilities for showers and laundry. Office space will be provided to other agencies for direct client services.</p> <p><b>Additional Info:</b> CDBG funds will be used for a downpayment for acquisition of the property through a seller-carried loan. CDBG funds will be a silent second loan, repayable if the property is sold or no longer used for a CDBG eligible program.</p> |
| 4 | <b>Project Name</b>  | Service and Facility Operating Support - Mobile Shower and Outreach Bus  |
|   | <b>Target Area</b>   | Sunnyside<br>Southside<br>Citywide   |
|   | <b>Goals Supported</b>   | Services to Meet Basic Needs<br>Service and Facility Operating Support   |
|   | <b>Needs Addressed</b>   | Addressing Homelessness  |
|   | <b>Funding</b>   | CDBG: \$50,000   |
|   | <b>Description</b>   | CDBG funds will be used to support the operational costs of the Mobile Shower and Outreach Bus. The mobile showers and outreach bus provides free showers to people experiencing homelessness. Individuals in need can acquire clean clothing, hygiene supplies, food, first aid, PPE, and referrals to local agencies. The bus is parked in different locations around Flagstaff, primarily in Sunnyside and Southside  |
|   | <b>Target Date</b>   | 6/30/2025  |
|   | <b>Estimate the number and type of families that will benefit from the proposed activities</b> | 500 Individuals experiencing homelessness  |
|   | <b>Location Description</b>  | Citywide   |

|   |  |  |
|---|--|--|
|   | <b>Planned Activities</b>  | <p><b>Project Description:</b> Community Assistance Teams of Flagstaff operates a mobile showers and outreach bus providing free showers to people experiencing homelessness. Individuals in need can acquire clean clothing, hygiene supplies, food, first aid, PPE, and referrals to local agencies. The bus is parked in different locations around Flagstaff, primarily in Sunnyside and Southside.</p> <p><b>Additional Info:</b> CDBG funds will be used to support payroll, program supplies and bus maintenance expenses incurred throughout the program year.</p> |
| 5 | <b>Project Name</b>  | Administration, Planning and Indirect  |
|   | <b>Target Area</b>   | Citywide   |
|   | <b>Goals Supported</b>   | Planning and Administration  |
|   | <b>Needs Addressed</b>   | Revitalization, Public Facilities & Infrastructure<br>Public Services and Economic Opportunities<br>Addressing Homelessness<br>Decent Affordable Housing   |
|   | <b>Funding</b>   | CDBG: \$126,000  |
|   | <b>Description</b>   | Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category.   |
|   | <b>Target Date</b>   | 6/30/2025  |
|   | <b>Estimate the number and type of families that will benefit from the proposed activities</b> | NA   |
|   | <b>Location Description</b>  | NA   |
|   | <b>Planned Activities</b>  |  |

## 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 of Flagstaff has identified four target neighborhoods. Target neighborhoods are defined by HUD as those where more than 50% of households have low- to moderate-incomes (80% or less of Flagstaff’s Area Median Income).

- Sunnyside - Census Tract 3, Block Group 2, 3, & 4
- Southside - Census Tract 8, Block Group 1 & 2
- Pine Knoll - Census Tract 8, Block Group 3
- La Plaza Vieja - Census Tract 11.02, Block Group 3.

Together the 8,565 people who live in the target neighborhoods have the following characteristics:

- 6,210 are considered low- and moderate-income.
- 33% are Hispanic or Latino.
- 27% are people of color.
- 50% live in family households.
- 21% have a head of household that is 24 years old or younger.
- 24% own the home they occupy.

Three of these neighborhoods have formed a coalition referred to as the “A League of Neighbors”. The coalition includes the Sunnyside Neighborhood Association, La Plaza Vieja Neighborhood Association, and the Southside Community Association. Associations work hard to improve neighborhoods with grass-roots efforts in safety improvements, beautification, job development, and community spirit. These resident-driven 501(c)3 organizations work collectively and advocate for continual and necessary infrastructure improvements in historic neighborhoods, more local jobs, increasing voter registration, and unity among neighbors.

### Geographic Distribution

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

Table 9 - 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. Research has shown that neighborhoods can be a good predictor of health. Therefore, it is imperative to invest funding in areas of opportunity such as, community spaces, open space, quality schools, food, and transportation.

### **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. The City of Flagstaff partners with A League of Neighborhoods to identify potential projects and resident-identified needs in target neighborhoods.

# 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.

Beyond the goals listed below, the City of Flagstaff has created it's 10 year Housing Plan, adopted by Council in February 2022. A robust amount of data and public participation went into its formation, including a community housing survey that reached 3,000 respondents, a community forum survey that garnered 327 respondents, and roughly 16.4 hours of public comment, 600 written comments and more than 1,000 volunteer hours from the combined efforts of 80 volunteers in informal working groups.

| <b>One Year Goals for the Number of Households to be Supported</b> |       |
|--|-------|
| Homeless   | 900   |
| Non-Homeless   | 0     |
| Special-Needs  | 120   |
| Total  | 1,020 |

**Table 10 - One Year Goals for Affordable Housing by Support Requirement**

| <b>One Year Goals for the Number of Households Supported Through</b> |   |
|--|---|
| Rental Assistance  | 0 |
| The Production of New Units  | 0 |
| Rehab of Existing Units  | 0 |
| Acquisition of Existing Units  | 0 |
| Total  | 0 |

**Table 11 - One Year Goals for Affordable Housing by Support Type**

### Discussion

Over the coming year a total of 448 households will benefit from PY 2024 CDBG funded projects included in the Annual Action Plan. Public facility improvements include rehabilitation of a domestic violence and youth shelter, supporting 180 individuals experiencing homeless in the first year as well as to improve 30 units of non-congregate, emergency shelter, serving 200 individuals per year. Acquisition of affordable housing units will create 2 new affordable rentals for LMI households and operational support will support 66 homeless individuals living in transitional housing.

In addition to goals related to CDBG funding, the City of Flagstaff has identified Affordable Housing goals

in its 10 year Housing Plan, adopted by Council in February 2022. A robust amount of data and public participation went into its formation, including a community housing survey that reached 3,000 respondents, a community forum survey that garnered 327 respondents, and roughly 16.4 hours of public comment, 600 written comments and more than 1,000 volunteer hours from the combined efforts of 80 volunteers in informal working groups.

The plan is broken into categories of action focused on creating housing options, connecting people to equitable housing solutions, preserving affordable housing, and protecting people from housing discrimination and barriers. Subsidies such as rental assistance and down-payment assistance are included in the plan, but so too are a variety of actionable policy initiative and strategies to be utilized over the next 10 years.

Among the strategies are motives such as “Incentivize the creation of new affordable units,” “Implement a framework for centering equity in proposed and existing housing practices,” “Encourage the adaptive reuse of buildings,” and “Integrate housing into healthcare programs.”

This Plan establishes one overarching goal, supported by two fundamental elements that together will significantly impact housing attainability. The goal will be achieved through the implementation of the policy initiatives and strategies in this document. Implementation of the policy initiatives and strategies will be accomplished by the City of Flagstaff through the budget process, collaboration with City staff, and private, public, and nonprofit partnerships.

Reduce the current affordable housing need in our community by half over the next ten years.

• Element one: Impact at least 6,000 low-to-moderate income Flagstaff residents through a combination of unit creation or subsidy provision.

• Element two: Create or preserve 7,976 housing units by 2031 with a minimum of 10% of them being affordable. This will increase the overall supply of market rate, workforce, and affordable housing occupied by local residents.

The final 10 year Housing Plan can be found at <https://www.flagstaff.az.gov/DocumentCenter/View/72509/Flagstaff-10-Year-Housing-Plan---FINAL-6152022>

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

The Flagstaff Housing Authority owns and manages 265 units of low-income public housing, administers 342 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for Veterans, 40 Mainstream vouchers for households with a disabled adult, 29 Emergency Housing Vouchers and 3 Foster Youth Initiative (FYI) Vouchers for youth aging out of the State foster care system. We partner with the Veterans Administration (VA) on the VASH program and with the State Department of Child Safety on the FYI program. The Housing Authority also manages Clark Homes, a Section 8 new construction development with 80 units of low-income housing and provides twelve Section 8 Certificates for the seriously mentally ill, in partnership with the Guidance Center. Currently over 150 landlords participate in the City's Rental Voucher Programs.

While chronically underfunded by HUD for capital needs, the public housing units are in good repair. 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.

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 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 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.

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

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 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 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.

### **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 providing maintenance and repair training prior to occupancy; continuing resident education; partnering with the Boys and Girls Club, Tynkertopia and the City Recreation Department to provide free

on-site programs; 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 Flagstaff Housing Authority owns and manages 265 units of low-income public housing, administers 342 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for Veterans, 40 Mainstream vouchers for households with a disabled adult, 29 Emergency Housing Vouchers and 3 Foster Youth Initiative (FYI) Vouchers for youth aging out of the State foster care system. We partner with the Veterans Administration (VA) on the VASH program and with the State Department of Child Safety on the FYI program. The Housing Authority also manages Clark Homes, a Section 8 new construction development with 80 units of low-income housing and provides twelve Section 8 Certificates for the seriously mentally ill, in partnership with the Guidance Center. Currently over 150 landlords participate in the City's Rental Voucher Programs.

While chronically underfunded by HUD for capital needs, the public housing units are in good repair. 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.

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 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 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.

## **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 2022 Point in Time Count 1,862 individuals, including children, were experiencing homelessness in Coconino County.*** The high cost of housing throughout the county and state, combined with 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 2024 Program Year, agencies will receive funds to improve and rehab existing emergency and transitional shelters as well as provide housing case management and services for homeless individuals. The City and Continuum of Care members recognize the critical nature

of Housing First and permanent supportive housing, yet the large number of homeless individuals and families, the high cost of housing, and a 20% employment rate among homeless individuals means that homeless individuals and families may require a longer stay in transitional housing. The City will also continue its active participation in the Coconino County Continuum of Care.

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

The 2024 Program Year CDBG entitlement allocations include funds for the improvement and rehabilitation emergency shelters and transitional housing as well as housing case management services for individuals living in transitional housing.

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**

Limited land and the current shortage in housing supply, relative to demand, are the primary reasons housing costs are high in Flagstaff. A significant increase in housing supply is necessary to keep pace with current and projected housing demands. Strategies around affordable housing are incomplete when the focus is solely on increasing supply without giving attention to increasing density, establishing building innovation and cost saving practices, preserving affordable housing stock that already exists in the Flagstaff community and reviewing City codes, processes, and fees to determine whether modification, reductions, or elimination would facilitate cost saving housing development strategies.

Zoning has a profound impact on housing location and type, but it can also impact cost and affordability. In addition to regulating where housing can be built, the Flagstaff zoning codes regulate other elements such as lot sizes, number of bedrooms, lot coverage, parking, and setbacks, all of which can impact the cost of development and overall housing supply. Currently, 58% of land in Flagstaff is zoned for Single-family residential, which allows for single-family homes and accessory dwelling units on each property. R1N also allows duplexes. These are low-density zones generally capped between 1 and 7 dwelling units per acre. In addition, 5.6% of land is zoned industrial, 12% is Public Open Space and 10% is Public Facilities. Approximately 14% of the land within the city allows for medium or high-density housing to be constructed, either through the commercial zoning categories as mixed-use or as apartments, condos, etc.

According to Arizona Housing Coalition, Best Practices Toolkit for Municipalities, overregulation of land use can create barriers to affordable housing supply. Zoning regulations, parking requirements, height restrictions, lengthy permitting processes, City codes and community opposition can contribute to increased development costs. Overregulation can restrict the ability of the developer to offer affordable

rents and mortgages. Addressing overregulation and reform of land use policy is therefore a vital strategy to addressing housing affordability.

A prominent barrier to affordable housing development is the State law prohibition on mandatory inclusionary zoning policy. Inclusionary zoning policies are imposed at the local municipal level to require private developers to set aside a certain percentage of their units within new construction projects at an affordable rent. State law determines whether municipal inclusionary housing measures are mandatory or voluntary. In Arizona, as well as Colorado, Idaho, Indiana, Kansas, Texas, Tennessee, and Wisconsin—local governments are prohibited from adopting at least some form of mandatory inclusionary housing (for ownership housing, rental housing, or both). In some cases, courts have determined that statutes limiting rent control also preempt mandatory inclusionary measures for rental housing. Inclusionary housing is a complicated national issue that varies greatly by state, with litigation and new legislation continually shaping the issue. The City of Flagstaff has worked within the confines of state statutes to develop a voluntary program to incentivize the creation of both rental and ownership housing, yet, until such time as our State law is changed, mandatory inclusionary zoning is not a tool available to Arizona's local municipalities for increasing the supply of affordable rental housing. While municipalities cannot supersede this State law regulation, they may mitigate its effects through the creation of policies that incentivize the inclusion of affordable units. Land use policy reform can be critical to encouraging equitable development in response to the Flagstaff's affordable Housing Emergency.

### **Discussion:**

Since the Great Recession, the City has steadily made efforts to increase its capacity for affordable housing development and programs. The development of an Incentive Policy for Affordable Housing (IPAH) in 2009 and the 2011 overhaul of the Flagstaff Zoning Code were two of the biggest efforts to remove barriers to the creation of affordable housing. 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 document 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 natural resource protection.

Another zoning code amendment was approved in 2021 that allows for increased regulatory incentives for developers who deliver 100% affordable projects. This amendment was processed to accommodate the tight external timeline requirements of any current and future Low-Income Housing Tax Credit projects in the City.

In recent years, several zoning code amendments have implemented policies and recommendations from the High Occupancy Housing Specific Plan, which was adopted in 2018. The intent of that 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. An example of a recent

code amendment included an exemption from a use permit requirement for projects that meet certain affordable housing requirements.

Throughout 2021 City staff led an extensive public outreach effort to create a community-focused housing plan, one that offers goals and implementation strategies to improve access to housing and to increase the supply of housing across the entire housing continuum. This effort originated as a response to the City's declared Housing Emergency in December 2020. City Council approved the Plan in February 2022 and over the next ten years, staff will work to advance housing opportunities for all Flagstaff residents. The Plan is a foundational framework for establishing work programs, prioritizing staff work and allocating the necessary funding for its implementation. The Plan establishes policy initiatives and strategies that will be accomplished through the budget process, collaboration with City staff, and private, public, and nonprofit partnerships.

A major policy initiative identified in the 10-Year Housing Plan was to explore regulatory efficiency and cost-saving practices by hiring an independent consultant to review City codes, processes, and fees to determine whether modifications, reductions, or eliminations would facilitate cost-saving housing development strategies. In Fall 2022 Housing staff started working to implement this strategy alongside Sustainability and Planning & Development Services staff. In March 2024, the City put out a Request for Statement of Qualifications for a consultant to conduct a thorough analysis of the City's codes and development processes for compatibility with the City's recently adopted 10-Year Housing and Carbon Neutrality Plans. Once selected, the consultant will work with staff to identify code and policy changes that will lead to more affordable development overall. One of the outcomes of this analysis will include a revised Incentive Policy for Affordable Housing.

Going forward, the City's Incentive Policy for Affordable Housing, Flagstaff Zoning Code, Regional Plan, and other planning documents will need to consider how to incorporate the policy initiatives and strategies identified in the 10 Year Housing Plan.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

On December 1st, 2020, Flagstaff City Council declared a Housing Emergency for the City of Flagstaff and resolved to prioritize affordable housing within City operations to create safe, decent, and affordable housing for all community members. Flagstaff City Council directed staff to create a single, comprehensive community-facing document to summarize the city's immediate and long-term needs and strategies to improve housing affordability. Flagstaff's 10-Year Housing Plan was presented to the Housing Commission on January 27. The Plan was approved unanimously by Housing Commissioners. Flagstaff City Council unanimously adopted the Plan on February 15, 2022.

This Plan defines the Housing Emergency in Flagstaff and provides policy initiatives and strategies that the City will implement to address the Housing Emergency. As the City implements the 10-Year Housing Plan, the goal is to substantially increase housing subsidies for our neighbors that are unable to afford housing in Flagstaff and to increase the number of available and affordable housing options for Flagstaff residents at all income levels.

The City continues to establish goals related to the use of CDBG funds and has also 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.

Although the City has several Housing planning documents, when declaring the Housing Emergency, Flagstaff City Council directed staff to create a single, comprehensive community-facing document to summarize the city's immediate and long-term needs and strategies to improving housing affordability.

This Plan defines the Housing Emergency in Flagstaff and provides policy initiatives and strategies that the City will implement to address the Housing Emergency. As the City implements the 10-Year Housing Plan, the goal is to substantially to increase housing subsidies for residents that are unable to afford housing in Flagstaff and to increase the number of available and affordable housing options for Flagstaff

residents at all income levels.

### **Actions planned to foster and maintain affordable housing**

The City of Flagstaff 10 Year Housing Plan establishes one overarching goal, supported by two fundamental elements that together will significantly impact housing attainability. The goal will be achieved through the implementation of the policy initiatives and strategies in this document. Implementation of the policy initiatives and strategies will be accomplished by the City of Flagstaff through the budget process, collaboration with City staff and private, public, and nonprofit partnerships.

**The overarching goal of the 10 Year Housing Plan is to reduce the current affordable housing need in our community by half over the next ten years.**

- Element one: Impact at least 6,000 low-to-moderate income Flagstaff residents through a combination of unit creation or subsidy provision.
- Element two: Create or preserve 7,976 housing units by 2031 with a minimum of 10% of them being affordable. This will increase the overall supply of market rate, workforce and affordable housing occupied by local residents.

The following are all policy initiatives and strategies intended to preserve and increase the supply of affordable housing in Flagstaff, as determined through the public engagement process for Flagstaff's 10 Year Housing Plan. This list will be updated annually based on current actions the City is taking to implement the Housing Plan.

- Incentivize the creation of affordable units through various programs and mechanisms.
- Update the Regional Plan policies to support increased density related to affordable housing.
- Create a dedicated funding source for affordable housing in Flagstaff.
- Amend the Flagstaff Zoning Code to facilitate the development of all housing types.

The City of Flagstaff continues to partner with and support developers of affordable housing:

In February 2024 one of the City's non-profit partners, Housing Solutions of Northern Arizona (HSNA), confirmed funding from the Arizona Department of Housing to construct an affordable rental project on City property in Sunnyside. The State grant requires that the rental units serve households experiencing homelessness, victims of domestic violence or households under 30% AMI for a period of 15 years. Last year HSNA and the City signed a 'lease option,' which offered City land toward the project and enabled HSNA to pursue funding. Staff has begun drafting a ground lease – which will allow HSNA to build on the property and manage the rental units.

In March 2024 City Council approved a resolution granting a standby loan of \$100,000 to Foundation for

Senior Living for their 2024 Low Income Housing Tax Credit application. The commitment of local funds earns developers points toward their tax credit applications, which are due to the Arizona Department of Housing in early April. Foundation for Senior Living is proposing a 70-unit affordable rental development for seniors on the site of the old St Mary's Catholic School in downtown Flagstaff.

In April 2024 City Council approved the allocation of \$397,000 in American Rescue Plan Act Local Recovery Funds for gap funding for the construction of Lake Mary Villas, a 76 unit Low Income Housing Tax Credit project.

In April 2024, City Council approved \$1,900,000 in American Rescue Plan Act Local Recovery Funds for projects that provide Housing Assistance in response to the negative economic impacts of the COVID-19 pandemic. All of the projects receiving funding provide housing assistance to low-and-moderate income households in the City of Flagstaff.

### **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 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.

The 10-Year Housing Plan was adopted by the Flagstaff City Council on February 15, 2022, after many months of community outreach and involvement. The Plan was created in response to the Council declared Housing Emergency and recognizing the need for a single, comprehensive community-facing document summarizing the City's immediate, short-term, and long-term needs and strategies to improve housing affordability. The Housing Section looks forward to continuing the invaluable work outlined in the 10-Year Housing Plan. A one-time 2022 Progress Report summarizing progress made since February 2022, as well as a one-time 18-Month Implementation Plan outlining strategies in progress from January 2024 through June 2024, were presented to City Council in February 2024. Implementation Plans and Progress Reports will continue to be produced and shared publicly on an annual basis.

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

A Housing Navigator is a person who works intensively with high-need clients, often those with high housing barriers including mental health issues, homelessness, past evictions etc. The main responsibility of the position is assisting clients with obtaining and maintaining housing. This includes lots of one-on-one client and landlord interaction and, when necessary, mediation. The Housing Navigator also works on landlord recruitment for all voucher programs, a long-established need.

While one-time funding has been allocated by HUD related to the EHV program, on-going funded has been requested to fund the Housing Navigator position on a permanent basis through the general fund.

Funding through the GF will allow the position to not be bound to one program or another, allowing for the work to occur where the greatest need is and facilitate stronger partnerships with local agencies. This will also allow federal funds to be directed to direct client services were possible.

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 2022 Housing Plan, the goal is to substantially increase the number of available and affordable housing options for all Flagstaff residents at all income levels.

## 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  | 142,000        |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0              |
| 3. The amount of surplus funds from urban renewal settlements  | 0              |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan   | 0              |
| 5. The amount of income from float-funded activities   | 0              |
| <b>Total Program Income:</b>   | <b>142,000</b> |

#### Other CDBG Requirements

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

The City of Flagstaff has allocated \$142,000 in current and previous year Program Income for use during the 2024 Program Year. The City of Flagstaff continues to receive periodic Program Income from previous homebuyer assistance and owner occupied housing rehabilitation programs. In PYs 2019, 2020 and 2021, the City received an unprecedented amount of Program Income due to the favorable housing market and interest rates in the City of Flagstaff. 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.

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