

HOUSING COMMISSION
THURSDAY
MAY 23, 2024

NOTICE AND AGENDA

VIRTUAL MEETING
MICROSOFT TEAMS MEETING
1:00 P.M.

ATTENTION
IN-PERSON ATTENDANCE HAS BEEN SUSPENDED FOR THIS MONTH'S COMMISSION MEETING

[Click here to participate in the online meeting](#)

The public can submit comments to Marissa.Molloy@flagstaffaz.gov. Public comment will be emailed to Housing Commissioners and will be read at the meeting by a staff member.

1. Call to Order

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the Commission and to the general public that, at this regular meeting, the Commission may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. Roll Call

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

Kevin Bond
Eric Brownfield
Tyler Denham
Kevin Dobbe

Karen Flores
Sandi Flores
Jacquie Kellogg
Devonna McLaughlin
Moses Milazzo

Cory Runge
Ross Schaefer
Glenn Slivers
Hayley Zoroya

3. LAND ACKNOWLEDGMENT

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

4. Public Comment

At this time, any member of the public may address the Commission on any subject within their jurisdiction that is not scheduled before the Commission on that day. Due to Open Meeting Laws, the Commission cannot discuss or act on items presented during this portion of the agenda. To address the Commission on an item that is on the agenda, please wait for the Chair to call for Public Comment at the time the item is heard.

5. APPROVAL OF MINUTES

- A. Consideration and Approval of Minutes: Housing Commission Meeting, March 28, 2024.
Approve the minutes from the March 28, 2024 Housing Commission meeting.

6. **ACTION AND DISCUSSION ITEMS**
None

7. **GENERAL BUSINESS**

- A. Wastewater, Reclaimed Water, and Water Rates Update
Information Only.
- B. Overview of the 10-Year Housing Plan's 2024-2025 Implementation Plan
Information item only with an opportunity to provide comments.

8. **INFORMATIONAL ITEMS TO/FROM COMMISSION MEMBERS, STAFF, AND FUTURE
AGENDA ITEM REQUESTS**

- A. Update from Housing Authority Liaison
- B. Update from Housing Commissioners and Other Informational Items
- C. Update from Housing Staff

9. **ADJOURNMENT**

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____
a.m./p.m. This notice has been posted on the City's website and can be downloaded at www.flagstaff.az.gov.

Dated this _____ day of _____, 2024.

Adriana Fisher, Housing Program Manager



Housing Commission

5. A.

From: Adriana Fisher, Housing Program Manager

DATE: 05/23/2024

SUBJECT: Consideration and Approval of Minutes: Housing Commission Meeting, March 28, 2024.

STAFF RECOMMENDED ACTION:

Approve the minutes from the March 28, 2024 Housing Commission meeting.

Executive Summary:

Minutes of Commission meetings are the requirement of Arizona Revised Statutes and, additionally, provide a method of informing the public of discussions and actions taken by the Housing Commission.

Attachments

Draft March 28, 2024 Meeting Minutes

DRAFT

DRAFT MEETING MINUTES

HOUSING COMMISSION
THURSDAY
MARCH 28, 2024

HYBRID MEETING
MICROSOFT TEAMS MEETING
FLAGSTAFF AQUAPLEX
1702 N. FOURTH ST.
1:00 P.M.

1.

Call to Order

Commissioner Tyler Denham called the meeting to order at 1:02 pm

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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2. Roll Call

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

Kevin Bond - Present, in person
Eric Brownfield - Present, in person
Tyler Denham - Present, in person
Kevin Dobbe - Absent

Karen Flores - Present, in person
Sandi Flores - Absent
Jacquie Kellogg - Present, virtually
Devonna McLaughlin - Present, in person, arrived at 2:10 pm
Moses Milazzo - Absent

Cory Runge - Present, in person
Ross Schaefer - Present, virtually, left at 2:15 pm
Glenn Slivers - Absent
Hayley Zoroya - Present, virtually

OTHERS PRESENT:

Adriana Fisher, Housing Program Manager
Kristine Pavlik, Housing & Grants Administrator
Jennifer Mikelson, Housing Planning Manager
Marissa Molloy, Housing Specialist
Jessica Watson, Housing Planner
Sarah Darr, Housing Director
Justyna Costa, Assistant Housing Director
Michelle McNulty, Planning Director
Tiffany Antol, Zoning Code Manager
Christina Rubalcava, Senior Assistant City Attorney
Anjel Johns, Administrative Specialist

3.

LAND ACKNOWLEDGMENT

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

place as home.

Read by Commissioner Denham.

4. Public Comment

At this time, any member of the public may address the Commission on any subject within their jurisdiction that is not scheduled before the Commission on that day. Due to Open Meeting Laws, the Commission cannot discuss or act on items presented during this portion of the agenda. To address the Commission on an item that is on the agenda, please wait for the Chair to call for Public Comment at the time the item is heard.

No public comment.

5. APPROVAL OF MINUTES

- A. Consideration and Approval of Minutes: Housing Commission Meeting, February 22, 2024.
Approve the minutes from the February 22, 2024 Housing Commission meeting.

Moved by Ross Schaefer, **seconded by** Karen Flores to approve the minutes from the February 22, 2024 regular Housing Commission meeting.

Vote: 8 - 0 - Unanimously

6. GENERAL BUSINESS

- A. Introduce and Welcome Commissioner Kevin Bond.

Commissioner Kevin Bond introduced himself. The Commissioners in attendance introduced themselves to Commissioner Kevin Bond.

- B. LASS+CAP Update - DRAFT Land Inventory and Code Diagnosis Reports
Information item only with an opportunity to provide comments.

Ms. Michelle McNulty, Planning Director, presented on the Land Availability and Suitability Study and Code Analysis Project (LASS-CAP). Ms. Sarah Darr, Housing Director, Ms. Tiffany Antol, Zoning Code Manager, and Ms. Jennifer Mikelson provided further information.

Commissioners asked questions about parking, floodplains, builder costs, and how Commissioners can get more information and provide comments and questions. Ms. McNulty and Ms. Darr answered. Ms. McNulty requested that Commissioners send feedback on any barriers the Commissioners saw.

7. ACTION AND DISCUSSION ITEMS

- A. Community Development Block Grant (CDBG) Program Year 2024 Funding Allocation
Recommendations to Council
Motion to forward the ranking committee and staff recommendations of Program Year 2024 CDBG funding allocations to City Council with a recommendation for approval.

Commissioner Ross Schaefer recused herself from this item due to a conflict of interest.

Ms. Kristine Pavlik, Housing and Grants Administrator, presented on the 2024 Annual Action Plan process and staff's recommendations. Ms. Darr and Ms. Justyna Costa, Assistant Housing Director provided additional information.

Commissioners asked questions about feedback from the community and project feasibility. Ms. Pavlik and Ms. Darr answered.

Moved by Cory Runge, seconded by Hayley Zoroya to forward the ranking committee and staff recommendations of Program Year 2024 CDBG funding allocations to City Council with a recommendation for approval with the following comment:

The Sunnyside neighborhood already serves as home to a number of services benefiting those experiencing homelessness or low- and moderate-income households. The Housing Commission has the concern that the location of the Community Action Teams of Flagstaff's Homeless Resource Center may unduly increase the burden borne by one geographic area versus placement in another.

Vote: 8 - 0 - Unanimously

8. INFORMATIONAL ITEMS TO/FROM COMMISSION MEMBERS, STAFF, AND FUTURE AGENDA ITEM REQUESTS

A. Update from Housing Authority Liaison

This item was skipped.

B. Update from Housing Commissioners and Other Informational Items

This item was skipped.

C. Update from Housing Staff

This item was skipped.

9. ADJOURNMENT

Commissioner Denham adjourned the meeting at 2:58 pm.

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. This notice has been posted on the City's website and can be downloaded at www.flagstaff.az.gov.

Dated this _____ day of _____, 2024.

Adriana Fisher, Housing Program Manager



Housing Commission

7. A.

From: Erin Young, Water Resources Manager

DATE: 05/23/2024

SUBJECT: Wastewater, Reclaimed Water, and Water Rates Update

STAFF RECOMMENDED ACTION:

Information Only.

Executive Summary:

City staff and Stantec have been discussing the rate study components with the Water Commission and City Council since September 2023. There have been discussions about financial planning; capacity fees; rate design priorities; water, sewer, and reclaimed water rates; and miscellaneous fees. City staff will provide an update to the Commission on the most recent results of the rate study and the proposed rates. City staff will share information about the water services division, operations and maintenance, capital improvements, and the impacts of the proposed rates.

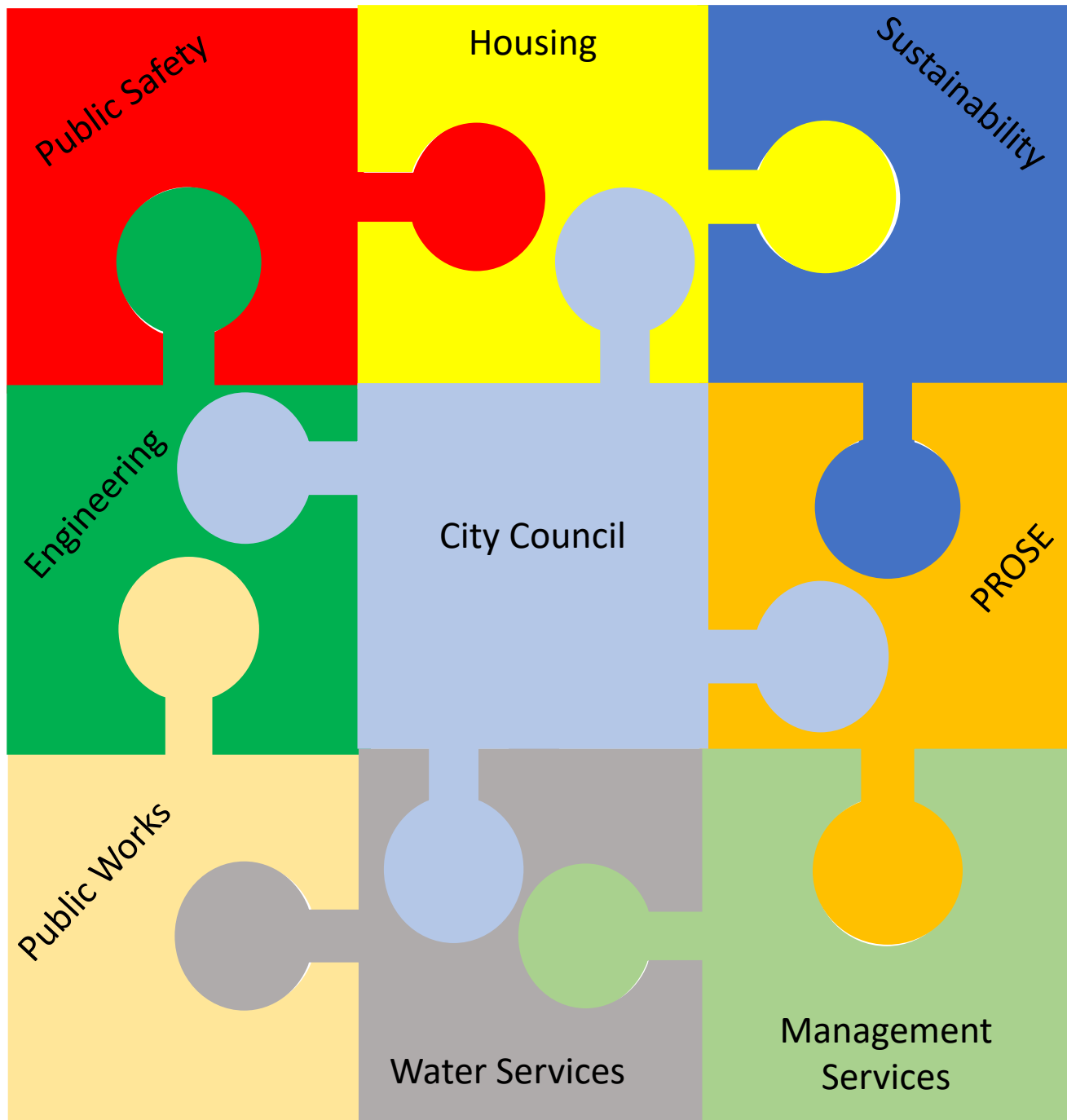
Attachments

Water Presentation

City of Flagstaff *Future of Water*

Water Rate Study Presentation May 2024





City Services

- Interconnection of services
- Provide services to community
- Rely on each other for support and resources to provide those services
- Policy direction from Council keeps it all together
- Goal to provide a quality of life for all

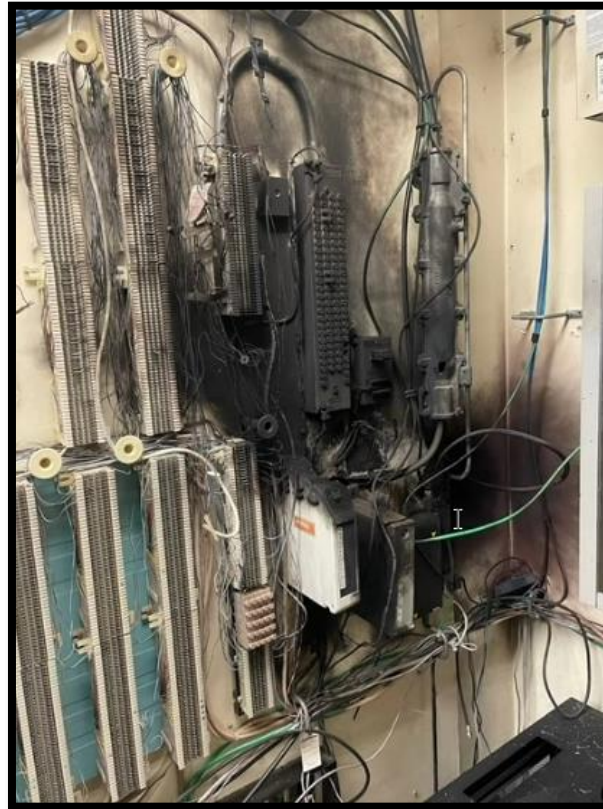
Introduction to Water Services

- 4 Treatment Plants – 2 Drinking Water and 2 Water Reclamation Plants
- 8 Large and 6 Small Drinking Water Storage Tank
- 2 – Reclaimed Treated Effluent Storage Tank
- 30 – Drinking Water Wells and Pump Houses
- Over 447 miles of Water Distribution lines
- Over 290 miles of Sewer Collection lines
- Over 3,432 Fire Hydrants
- 5 Standpipes – 3 Drinking Water and 2 Reclaimed Treated Effluent
- Regulatory Compliance
- Water Sustainability and Conservation
- 97 – Staff members

Operations & Maintenance

What's included in Operations & Maintenance

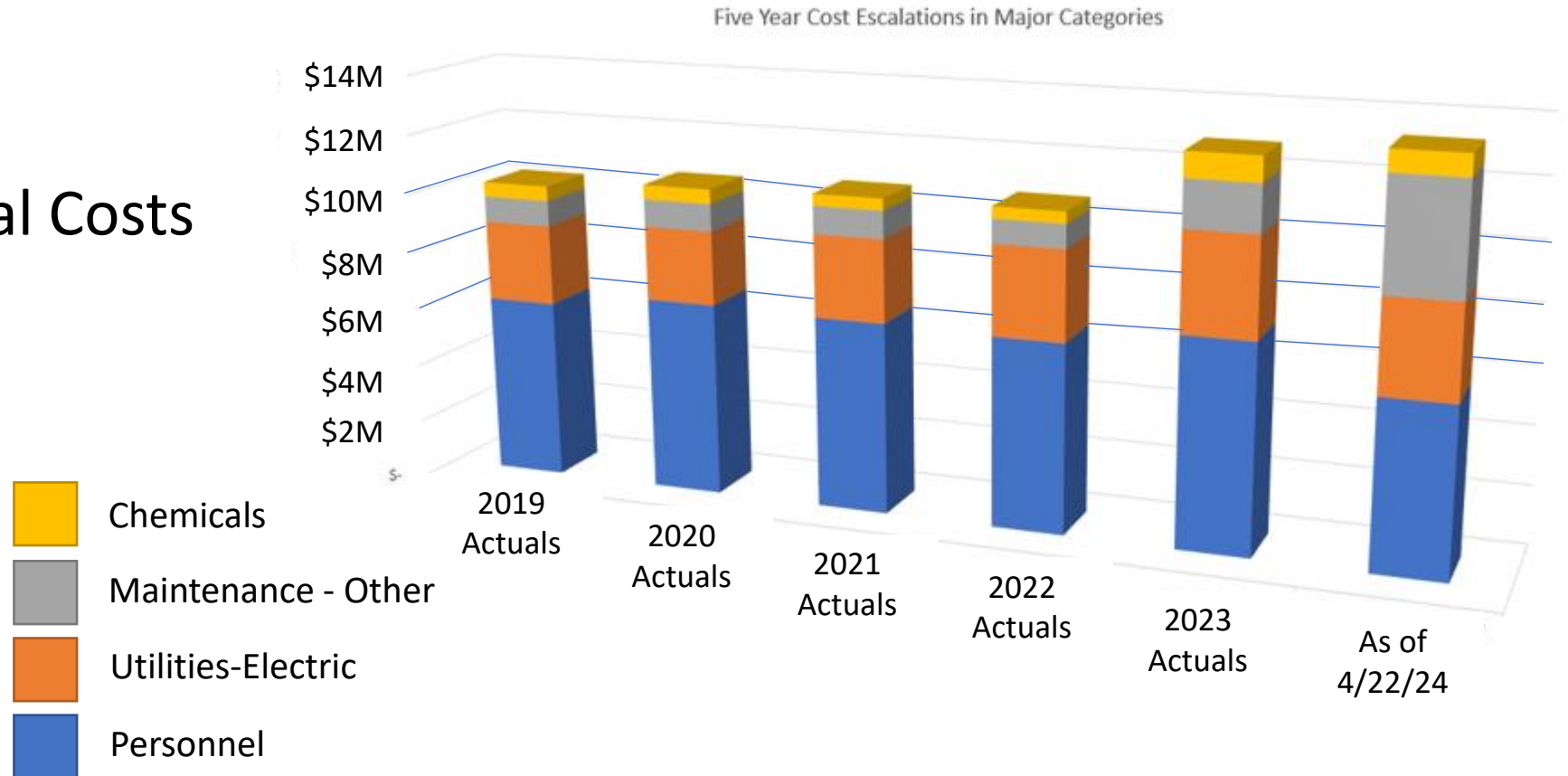
- Process Treatment Equipment
- Buildings and materials
- Parts & labor
- Gas, oil and chemicals
- Service vehicles and machinery
- Personnel



Operations & Maintenance

General Increases in Costs

- Electrical Costs
- Treatment Chemical Costs
- Costs of Parts
- Personnel



Operations & Maintenance

Insufficient Funding Impacts

- Defer repair and replacement of aging infrastructure
- Challenge to maintain technology and facilities
- Lack resiliency and robustness
- Limited personnel resources



Operations & Maintenance

Benefits of Funding

- Sustainable use and development of water resources
- Effective water institutions and administrative systems
- Assure water quality and wastewater management
- Invest in repairing and replacing aging infrastructure
- Retain qualified staff to maintain resources



Operations & Maintenance: Water Distribution Lines

Flagstaff averages 6 main breaks per 100 miles of pipe (25 annually)

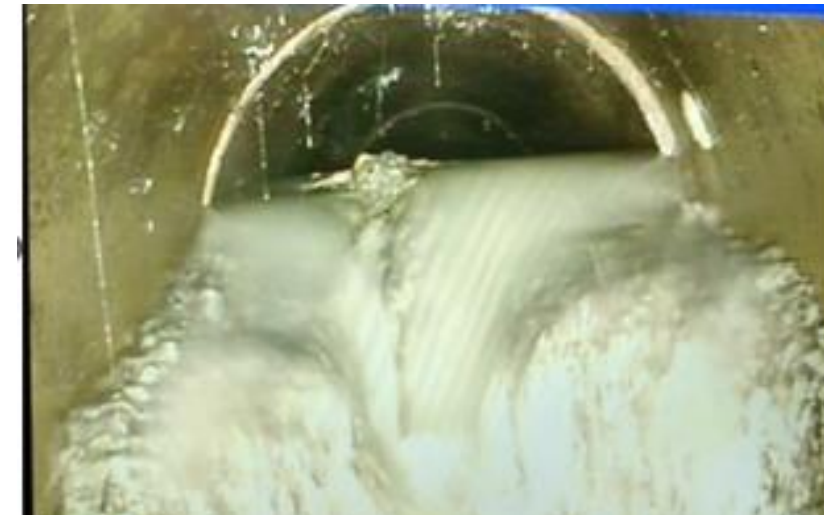


2023 Clay Avenue



Operations & Maintenance: Sewer Collection Lines

- 290 miles of sewer line
- 8,000 Manholes
- 6 Sanitary Sewer Overflows



Capital Improvements

What do improvements accomplish?

- Address capacity to meet community growth and development
- Fulfill master planning efforts for the future of Flagstaff
- Develop water supply
- Maintain water supply and wastewater collections
- Integrate asset management into Utility infrastructure
- Advance wastewater treatment

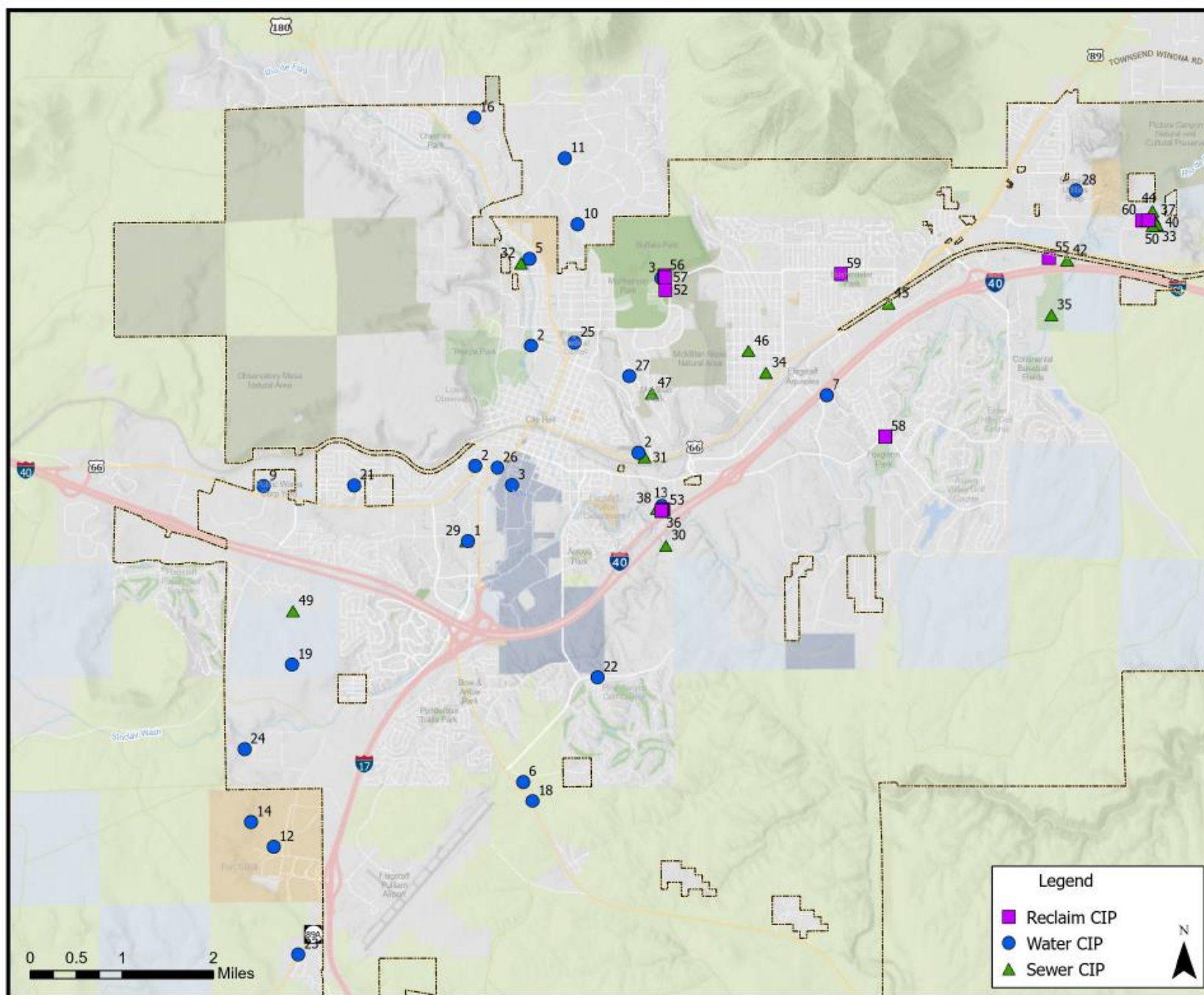


Capital Improvement Plan (CIP)

What is a CIP

- Plan includes approved, informed, and unfunded projects
- Plan is conservative
- Dependency on external funding sources
- No capacity for citywide initiatives





1. Beulah/University Waterline Relocation
2. Rio de Flag Flood Control Project- Waterline
3. Water Vault/PRV Replacement Program
4. New Well and Pumphouse
5. Coconino Estates- Bundle #4
6. Lake Mary Sedimentation Basin (Flocculation)
7. Soliere Waterline 12" Upsizing
8. Lake Mary Land Acquisition
9. McAllister-Well Design/Construction
10. Switzer Canyon Transmission Line Phase 4
11. Switzer Canyon Transmission Line Phase 5
12. Fort Tuthill Waterline Loop-Phase 2
13. First Ave TREX Waterline Replacement
14. Fort Tuthill Well
15. Inner Basin Waterline
16. Inner Basin Line- Schultz to Reservoir Plant
17. Inner Basin Spring Box and Collection Rehab
18. Lake Mary Raw Water Pipeline Rehab
19. Zone B Storage
20. Lake Mary Dam Repairs
21. Railroad Springs #3 Storage Tank
22. JW Powell Waterline Oversizing
23. Pine Del Waterline Upsizing
24. Woody Mountain Wellfield Powerline Burial
25. Fort Valley Shopping Center
26. ADOT Cast Iron
27. Turquoise WL Replacement
28. East Side Shop New Building for Equipment Storage
29. Beulah/University Sewer Exit
30. Rio de Flag Water Reclamation Facility Two Bar Screens
31. Rio de Flag Sewer Relocations
32. Coconino Estates-Bundle#4
33. Wildcat Dewatering Facility
34. First Ave Rte. 66 Sewer Replacement
35. Country Club Interceptor to WCH
36. Rio de Flag Water Reclamation Facility Solids Treatment
37. Wildcat New Elect./Fiber Upgrade
38. Rio de Flag Fiber Upgrade
39. Wildcat Roof Replacement
40. Wildcat UV Disinfection
41. Rio de Flag Water Reclamation Facility Main Motor Control Centers
42. BNSF Sewer Relocations
43. Facility Master Plan Update
44. Headworks Rehab
45. East Industrial Sewer Improvements
46. Sunnyside Trunk Upsizing
47. Ponderosa Pkwy- McMillan Mesa
48. East Railhead Upsizing
49. University Heights Oversizing
50. Wildcat Solar Drying Facility
51. Rio de Flag Water Reclamation Facility Roof Replacement
52. 8" Bottleneck- Replacement
53. Rio de Flag Water Reclamation Facility Water PRV Relocation 16"
54. Rio de Flag Water Reclamation Facility Pump Value Actuators
55. BNSF Reclaim Relocations
56. Buffalo Park Tank #1 Painting
57. Buffalo Park Chlorine Bldg Upgrade
58. Reclaim Loop-Fox Glenn to Country Club
59. Bushmaster Park Booster Communications & Flow Meters
60. WCH Reclaim Booster Building Equipment Upgrade
61. Rio de Flag Water Reclamation Facility Storage Tank
62. WCH Storage Tank

CIP Funding

Fund		Approved CIP ¹	Approved + Informed CIP ²	Approved + Informed + Unfunded CIP ³
Water	<i>Annual Average</i>	\$13.1	\$19.7	\$20.8
	<i>Total CIP Funding FY24 – FY33</i>	\$130.7	\$196.9	\$207.9
Wastewater	<i>Annual Average</i>	\$8.7	\$10.0	\$12.5
	<i>Total CIP Funding FY24 – FY33</i>	\$86.7	\$99.5	\$124.6
Reclaimed	<i>Annual Average</i>	\$0.5	\$3.3	\$6.9
	<i>Total CIP Funding FY24 – FY33</i>	\$5.2	\$32.8	\$68.6

¹ Conforms to anticipated revenues projected by Utility (partial CIP list).

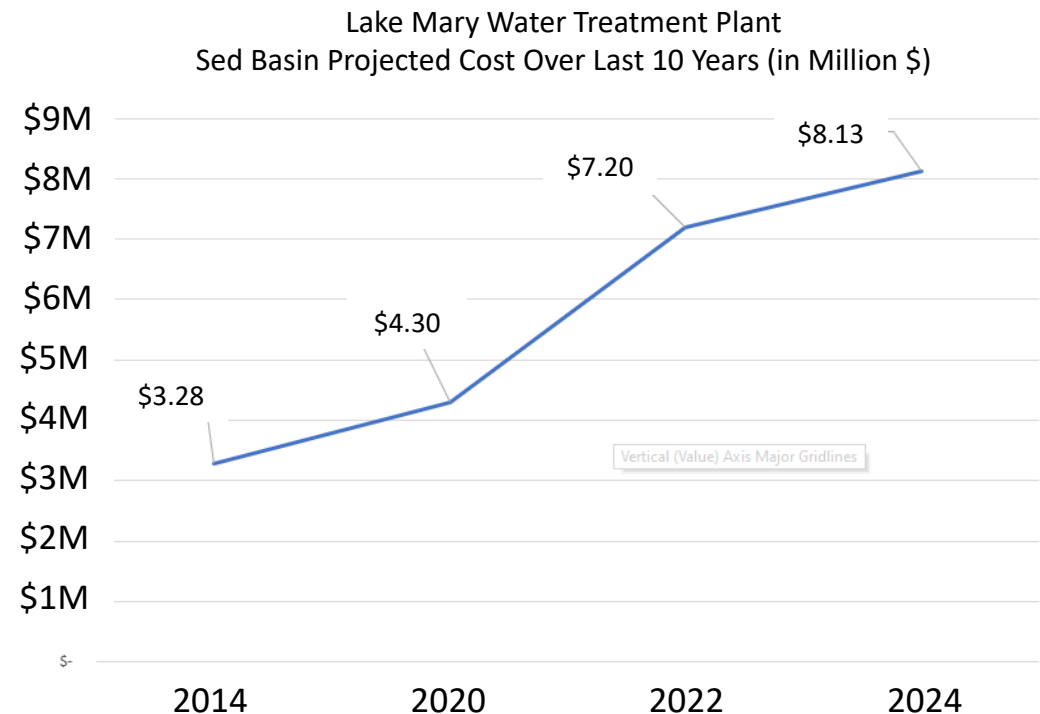
² From complete CIP list informed by Master Plan recommended projects (e.g., Water Infrastructure Master Plan, Sewer Master Plan).

³ Needed projects without an identified funding source.

CIP Funding

Impacts of Insufficient Funding

- Value engineer and/or strip components of project
- Consistently reprioritizing projects based on available funding
 - Reduces funding for other projects
 - More projects become underfunded
- Move project(s) to unfunded list
 - Project placed on hold
 - Project is removed from the 5-year plan
 - Postponing projects tends to cost two to three times more



Rate Study Background

- Rates and fees provide funding for operations, maintenance, and capital improvements
- Objectives of the Study
 - Build a financial model
 - Establish a Cost-of-Service
 - Review Rate Structure
 - Adjust rates and fees
- Last rate study was completed in 2015
- Last rate increase went into effect in 2020
- Began discussions with City Council in September 2023
- Public Hearing are scheduled for June 18, and July 2, 2024
- Rate changes effective September 1, 2024

Rate Study Model Assumptions

Assumption	Details
Growth in Accounts	1.00% annually
Reserve Targets	90 days O&M
Debt Service Coverage	Target: 1.25x Minimum: 1.20x
Debt Service Policy	Annual payment less than or equal to 20% of operating revenues for Water, Wastewater, Reclaimed Water, and Stormwater enterprise funds
Base Operating Budget	"Balanced" O&M budget adjusted to reflect average spending rate, carry-forwards, one-time requests, and operating capital
Cost Escalation Factors	Default inflation factor at 3.5% Chemical, Utilities, Equipment Maintenance at 6.00%
CIP Escalation	Full CIP adjusted for 4% annual cost escalation beginning in FY 2025
Funding Sources	Rate revenues, fund balances, debt, grant funding, and capacity fees
Grant Funding	\$21.9M in Water; \$3.2M in Reclaimed Water
Major Projects	Water – Water Supply Security Projects Wastewater – Wildcat Hill Wastewater Treatment Plant Design & Expansion

Rate Calculator Demonstration

<https://cleanwaterflagstaff.com/rate-calculator>

Below are standard fees and charges for a Single-Family Residential Municipal Services Bill.

The 2024 Rate Study is evaluating the base meter charge, tiered water charges, and sewer charge for adjustments required to meet the cost of service. See the "Understanding Your Municipal Services Bill" factsheet for an explanation of all items listed.

Current Activity	Usage	Rate	Amount
Base Meter Charge			16.64
Tier 1 Residential Water	3,500	\$3.44	12.04
Tier 2 Residential Water	1,050	\$4.45	4.67
Energy Surcharge	4,550	\$1.24	5.64
Water Protection Fee	4,550	\$0.53	2.41
Sewer Charge	2,090	\$5.35	11.18
Stormwater Fee			12.57
Solid Waste Charge			25.45
Recycling Fee			5.09
Environmental Management Program Fee			2.48
State and Local Taxes			3.73
Total			\$101.90

Water Enter information from your Municipal Services Statement in the orange highlighted spaces below, or you can estimate your water use and meter size from the list below. Most residents have a 3/4" meter size.												
Enter Monthly Usage in Gallons (for residential, add up usage over the different tiers, or use the value from "Energy Surcharge" similar to how shown in this example):												
<table><tr><th>Current Activity</th><th>Usage</th></tr><tr><td>Base Meter Charge</td><td></td></tr><tr><td>Tier 1 Residential Water</td><td>3,500</td></tr><tr><td>Tier 2 Residential Water</td><td>1,050</td></tr><tr><td>Energy Surcharge</td><td>4,550</td></tr></table>	Current Activity	Usage	Base Meter Charge		Tier 1 Residential Water	3,500	Tier 2 Residential Water	1,050	Energy Surcharge	4,550		
Current Activity	Usage											
Base Meter Charge												
Tier 1 Residential Water	3,500											
Tier 2 Residential Water	1,050											
Energy Surcharge	4,550											
Enter Monthly Base Meter Charge from your bill:	\$16.64											
Enter your customer class:	Institutional											
New Proposed Customer Class (if applicable)	Commercial/Schools											
Amount	Existing	Proposed										
Water Base Charge	\$ 16.64	\$ 14.33										
Water Volume Charge	\$ -	\$ -										
Total Water Charge	\$ 16.64	\$ 14.33										

Rate Study Council Direction

Minimizing the Impact to the Rate Payer:

- ✓ Utilized Actual Flow Data versus Design Flow Data to minimize Capacity Fee increase
- ✓ Added Solids Loading component to the Capacity Fee calculation to minimize impact to new developments and align costs to those producing higher solids
- ✓ Reduced revenue recovered from Water Base Fee from 29% to 25% to empower water users to have more control over their bill
- ✓ Assumed a 90% execution rate of operating budget
- ✓ Adjusted Residential Tier Rates to reduce bills for water smart customers in both Tier 1 and Tier 2
- ✓ Consolidated Customer Classes to make the structure simpler and reduced rate increases in some cases
- ✓ Adjusted Other Miscellaneous Fees so those receiving services pay those costs and it is not passed on to the rate payer



What was presented on March 25:

Option 2 + Class Combination = Option 3

Meter Size	Current Rate*	Fixed Charge (25% Cost Recovery)
3/4"	\$16.64	\$14.33
1"	\$19.60	\$19.86
1 1/2"	\$26.98	\$33.66
2"	\$35.84	\$50.23
3"	\$56.52	\$102.68
4"	\$86.05	\$144.10
6"	\$159.88	\$364.97
8"	\$248.47	\$447.80
10"	\$351.83	\$1,165.64
Annual Cost Recovery (millions) – Option 3		\$4.24

Customer Class		Tier Price Ratio	Current Rate*	Volume Charge (per 1,000 gallons) (75% Cost Recovery)
Single Family	Tier One	0.95	\$3.44	\$4.48
	Tier Two	1.00	\$4.45	\$4.72
	Tier Three	1.80	\$6.86	\$8.50
	Tier Four	4.00	\$13.72	\$18.88
Multi-family			\$4.42	\$4.97
Commercial/Schools			\$4.69	\$5.88
Landscape			\$4.69	\$10.51
Manufacturing			\$4.63	\$5.56
Institutional			\$4.30	\$5.88
Hydrant			\$7.17	\$7.60
Standpipe			\$9.56	\$7.55
Annual Cost Recovery (millions) – Option 3				\$12.72

*Inside city rate. All rates exclude taxes and energy fee



Option Comparison – Volume Charge (per 1,000 gallons)

Customer Class		Tier Price Ratio	Current Rate*	COS Results (71% Cost Recovery)		Option 1 (75% Cost Recovery)		Option 2 (75% Cost Recovery)		Option 3 (75% Cost Recovery)		Option 3 Revised (75% Cost Recovery)	
Single Family	Tier One (0-3,500)	1.00	\$3.44	1.00	\$3.74	1.00	\$4.23	0.95	\$4.48	0.95	\$4.48	0.93	\$4.39
	Tier Two (3,501-6,200)	1.30	\$4.45	1.30	\$4.86	1.30	\$5.50	1.00	\$4.72	1.00	\$4.72	1.00	\$4.72
	Tier Three (6,201-11,500)	2.00	\$6.86	2.00	\$7.48	2.00	\$8.47	1.8	\$8.50	1.8	\$8.50	2.00	\$9.43
	Tier Four (11,501+)	4.00	\$13.72	4.00	\$14.95	4.00	\$16.93	4.00	\$18.88	4.00	\$18.88	4.00	\$18.86
Multi-family			\$4.42	\$4.74		\$4.97		\$4.97		\$4.97		\$4.97	
Commercial/Schools			\$4.69	\$5.43		\$5.62		\$5.62		\$5.88		\$5.88	
Landscape			\$4.69	\$10.24		\$10.51		\$10.51		\$10.51		\$10.51	
Manufacturing			\$4.63	\$5.48		\$5.56		\$5.56		\$5.56		\$5.56	
Institutional			\$4.30	\$6.82		\$6.86		\$6.86		\$5.88		\$5.88	
Hydrant			\$7.17	\$7.60		\$7.60		\$7.60		\$7.60		\$7.60	
Standpipe			\$9.56	\$7.55		\$7.55		\$7.55		\$7.55		\$7.55	
Annual Volume Charge Cost Recovery (millions)				\$11.98		\$12.72		\$12.72		\$12.72		\$12.72	

*Inside city



Water COS Average Bill Impacts for Rate Option 3 Revised

Customer Class	Rep. Meter Size	Avg. Bill Volume (kgals)	Avg. FY 2024 Water Bill	FY 2025			FY 2026			FY 2027			FY 2028			FY 2029		
				Total Bill	\$ Change	% Change	Total Bill	\$ Change	% Change	Total Bill	\$ Change	% Change	Total Bill	\$ Change	% Change	Total Bill	\$ Change	% Change
Single Family	¾"	4	\$30.91	\$32.04	\$1.13	3.7%	\$36.84	\$4.81	15.0%	\$42.37	\$5.53	15.0%	\$48.72	\$6.36	15.0%	\$56.03	\$7.31	15.0%
Multi-family	1"	9	\$59.38	\$64.59	\$5.21	8.8%	\$74.28	\$9.69	15.0%	\$85.42	\$11.14	15.0%	\$98.23	\$12.81	15.0%	\$112.97	\$14.73	15.0%
Commercial/ Schools	1"	40	\$207.20	\$255.08	\$47.88	23.1%	\$293.34	\$38.26	15.0%	\$337.35	\$44.00	15.0%	\$387.95	\$50.60	15.0%	\$446.14	\$58.19	15.0%
Landscape	1"	24	\$132.16	\$272.10	\$139.94	105.9%	\$312.92	\$40.82	15.0%	\$359.85	\$46.94	15.0%	\$413.83	\$53.98	15.0%	\$475.90	\$62.07	15.0%
Manufacturing	1.5"	73	\$364.97	\$439.54	\$74.57	20.4%	\$505.47	\$65.93	15.0%	\$581.29	\$75.82	15.0%	\$668.49	\$87.19	15.0%	\$768.76	\$100.27	15.0%
Institutional	8"	2,165	\$9,557.97	\$13,179.22	\$3,621.25	37.9%	\$15,156.10	\$1,976.88	15.0%	\$17,429.52	\$2,273.42	15.0%	\$20,043.94	\$2,614.43	15.0%	\$23,050.54	\$3,006.59	15.0%



Water Capacity Fee Options using the Combined Methodology

Level of Service (LOS) Scenario	$\frac{3}{4}$ " Residential Meter		2" Commercial Meter	
LOS – Actual Data	<i>Existing Fee</i>	<i>Calculated Fee</i>	<i>Existing Fee</i>	<i>Calculated Fee</i>
1A: No Future Water Supply & New Ground Water Capacity	\$5,728	\$6,507	\$30,530	\$34,682
1B: Future Water Supply & New Ground Water Capacity	\$5,728	\$8,146	\$30,530	\$43,418
LOS – Design Standards	<i>Existing Fee</i>	<i>Calculated Fee</i>	<i>Existing Fee</i>	<i>Calculated Fee</i>
2A: No Future Water Supply & New Ground Water Capacity	\$5,728	\$17,341	\$30,530	\$92,427
2B: Future Water Supply & New Ground Water Capacity	\$5,728	\$21,603	\$30,530	\$115,143



Wastewater Capacity Fee Options using the Combined Methodology

Level of Service (LOS) Scenario	$\frac{3}{4}$ " Residential Meter		2" Commercial Meter	
LOS – Actual, Flow Only	<i>Existing Fee</i>	Calculated Fee	<i>Existing Fee</i>	Calculated Fee
1A: No WWTP Expansion	\$3,723	\$4,203	\$19,845	\$22,404
1B: WWTP Expansion	\$3,723	\$4,249	\$19,845	\$22,649
LOS – Actual, Flow + Loadings	<i>Existing Fee</i>	Calculated Fee	<i>Existing Fee</i>	Calculated Fee
1C: No WWTP Expansion		\$3,824	\$19,845	\$20,383
1D: WWTP Expansion	\$3,723	\$4,086	\$19,845	\$21,780
LOS – Design Standards, Flow Only	<i>Existing Fee</i>	Calculated Fee	<i>Existing Fee</i>	Calculated Fee
2A: No WWTP Expansion	\$3,723	\$6,861	\$19,845	\$36,572
2B: WWTP Expansion	\$3,723	\$6,937	\$19,845	\$36,977
LOS – Design Standards, Flow + Loadings	<i>Existing Fee</i>	Calculated Fee	<i>Existing Fee</i>	Calculated Fee
2C: No WWTP Expansion	\$3,723	\$5,785	\$19,845	\$30,836
2D: WWTP Expansion	\$3,723	\$5,866	\$19,845	\$31,268



Timeline

- June 4 – Stantec present revised rate package to City Council
- June 18 – first read public hearing to change water, wastewater, and reclaimed water rates
- July 2 – second read
- September 1, 2024 – updated rates effective

Thank you!

Questions

Additional
Feedback



Housing Commission

7. B.

From: Adriana Fisher, Housing Program Manager

DATE: 05/23/2024

SUBJECT: Overview of the 10-Year Housing Plan's 2024-2025 Implementation Plan

STAFF RECOMMENDED ACTION:

Information item only with an opportunity to provide comments.

Executive Summary:

The 10-Year Housing Plan was approved by the Flagstaff City Council on February 15, 2022, following the Housing Emergency declaration. The 10-Year Housing Plan delineates the City's immediate and long-term goals and highlights 13 robust policy initiatives and 58 comprehensive strategies necessary to improve housing supply and affordability. For the duration of the Plan, the Housing Section will implement several strategies each year until the 58 strategies are implemented and the overarching goal and supporting elements are met.

As per the Reporting and Implementation Schedule, Housing staff are presenting the fiscal year 2024-2025 Implementation Plan to the Housing Commission to summarize the strategies to be undertaken by the section and its collaborators in the upcoming fiscal year.

Attachments

2024-2025 Implementation Plan

2024-2025 Implementation Plan Presentation

10-Year Housing Plan

2024-2025

Implementation Plan

July 2024 - June 2025



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2024-2025 Implementation Plan

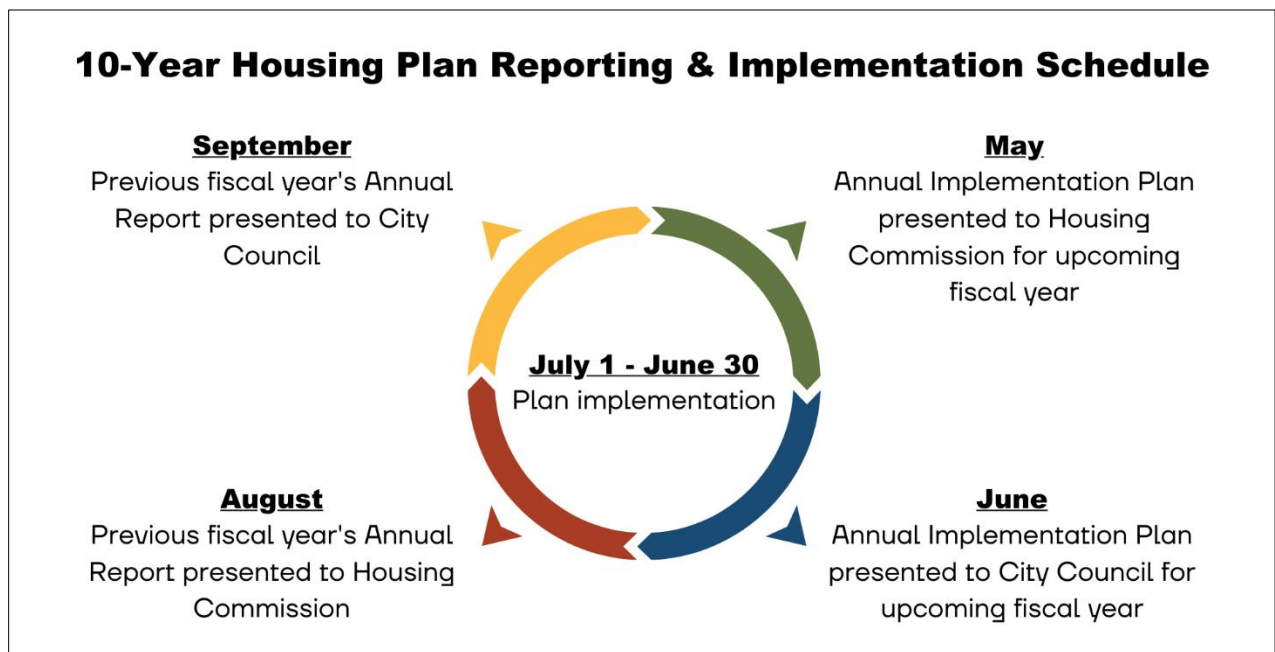
Introduction

On December 1, 2020, the Flagstaff City Council declared a [Housing Emergency](#) to acknowledge the need to prioritize housing within City operations and “...create safe, decent, and affordable housing opportunities for all community members.” Following the Housing Emergency declaration, on February 15, 2022, Council approved the [10-Year Housing Plan](#).

The 10-Year Housing Plan delineates the City’s immediate and long-term needs and highlights 13 robust policy initiatives and 58 comprehensive strategies necessary to improve housing supply and affordability. It serves as a foundational framework for establishing work programs, prioritizing staff work, and allocating necessary funding for its implementation. The Plan’s overarching goal is to “**Reduce the current affordable housing need in our community by half over the next ten years**” and is supported by two fundamental elements:

- > **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.

This Implementation Plan provides an overview of the strategies from the 10-Year Housing Plan that will be undertaken during the 2024-2025 fiscal year, as well as those that are still pending from previous years. To ensure transparency and accountability, a corresponding Annual Report will be prepared to update stakeholders on the progress made. The dissemination of these documents will be carried out in accordance with the following schedule:



Strategy Implementation




This is the second Implementation Plan since the approval of the 10-Year Housing Plan. At present, 49 strategies remain to be completed by 2032 – all of which are crucial to realizing the overarching goal. To identify the most suitable strategies to undertake in the 2024-2025 fiscal year, a review of various strategies was conducted by City staff. The





review consisted, but was not limited to the following factors from the 10-Year Housing Plan, which are also columns within the Implementation Plan:


- **Dependent On Other Strategy Completion:** Determines if the strategy depends on the completion of another strategy before it can be started or completed.
- **Time Commitment:** Indicates the anticipated time necessary to achieve the strategy.
- **Public Engagement:** Indicates the extent of public engagement necessary to achieve the strategy.
- **Requires Council Consideration:** Indicates whether at least some parts of this strategy will require Flagstaff City Council approval to implement.
- **Funding Required Over Staff Time:** Indicates if funding is required in addition to staff time.
- **Anticipated Timeline of Strategy Implementation from 02/15/2022:** Indicates the targeted timeline of how soon the strategy will be implemented from February 15, 2022.
- **City Division/Section Collaboration:** Indicates which City of Flagstaff divisions and/or sections have been identified as collaborators on the strategy.

To indicate what the status of each strategy is, the following language will be used in the **Status** column: “Not Started,” “In Progress,” or “Completed.” Additional details related to the strategy completion will be provided on the **Status Comments** row.



2024-2025 Forthcoming Strategies






Strategy	Strategy Description	Dependent On Other Strategy Completion	Time Commitment	Public Engagement	Requires Council Consideration	Funding Required Over Staff Time	Anticipated Timeline of Strategy Implementation from 02/15/2022	Status
Create housing options for households at all income levels and family sizes occupied by local residents.								
Create 2: Ensure that the Flagstaff Regional Plan includes robust affordable housing goals and policies.								
Create 2.1	Update the Regional Plan policies to support increased density related to affordable housing.	Partially - Create 5.1	High	High	Yes	Yes	Short-Term (1-4 years)	 In Progress
	City Division/Section Collaboration:	Planning, Housing Section						
	Status Comments:	A Regional Plan update is underway. The update will go to City Council for approval by June 2025. Voters will then ratify the update in November 2025.						
Create 2.2	Identify suburban areas to support greater density and intensity of development.	Partially - Create 5.1	High	High	Yes	Yes	Short-Term (1-4 years)	 In Progress
	City Division/Section Collaboration:	Planning, Housing Section						
	Status Comments:	A Regional Plan update is underway. The update will go to City Council for approval by June 2025. Voters will then ratify the update in November 2025.						
Create 2.3	During the update of the Flagstaff Regional Plan, revise the Community Character chapter for goals and policies to include cost-saving methods that reduce the conflict between affordable housing, historic preservation, and urban design.	Partially - Create 5.1	High	High	Yes	Yes	Short-Term (1-4 years)	 In Progress




Strategy	Strategy Description	Dependent On Other Strategy Completion	Time Commitment	Public Engagement	Requires Council Consideration	Funding Required Over Staff Time	Anticipated Timeline of Strategy Implementation from 02/15/2022	Status
	City Division/Section Collaboration:	Planning, Housing Section						
	Status Comments:	A Regional Plan update is underway. The update will go to City Council for approval by June 2025. Voters will then ratify the update in November 2025.The Community Character chapter is proposed to be eliminated and incorporated as a theme covered in the Growth and Land Use, Transportation, and Resource Stewardship and Resilience Chapters.						
Create 3: Create a dedicated funding source for affordable housing in Flagstaff.								
Create 3.2	Create a fund for the purpose of acquiring land/units for affordable housing in order to be able to respond to opportunities as they arise.	No	Low	Low	Yes	Yes	Short-Term (1-4 years)	 In Progress
	City Division/Section Collaboration:	Management Services, Housing Section						
	Status Comments:	Housing staff requested \$500,000 through the City’s budget process for Fiscal Year 2024-2025. The proposed budget will be brought to Council for consideration and approval in June 2024.						
Connect people to equitable housing solutions.								
Connect 1: Reduce homelessness in the Flagstaff community and seek creative solutions to foster housing permanency for all.								
Connect 1.2	Create housing navigator or advocate positions to assist both landlords and housing-challenged populations in securing and maintaining housing.	No	Medium	Low	Yes	Yes	Immediate (18 months)	 In Progress
	City Division/Section Collaboration:	Housing Section, City’s Budget Team						
	Status Comments:	This position is recommended for ongoing funding within the proposed Fiscal Year 2024-2025 budget. The proposed budget will be brought to Council for consideration and approval in June 2024.						
Preserve affordable housing.								
Preserve 1: Encourage the adaptive reuse of buildings.								
Preserve 1.2	Review the Land Use Goals and Policies in the Regional Plan, Specific Plans, and City code to remove barriers to adaptive reuse for the creation of affordable housing.	Yes - Create 5.1	High	Medium	Yes	No	Long-Term (5-10 years)	 In Progress
	City Division/Section Collaboration:	Planning, Housing Section						
	Status Comments:	A Regional Plan update is underway. The update will go to City Council for approval by June 2025. Voters will then ratify the update in November 2025.						
Preserve 2: Expand efforts to preserve existing housing stock.								
Preserve 2.2	Acquire and rehabilitate already built properties for affordable housing projects when financially feasible.	Yes - Create 3.1	High	Low	Yes	Yes	Long-Term (5-10 years)	 Not Started

Strategy	Strategy Description	Dependent On Other Strategy Completion	Time Commitment	Public Engagement	Requires Council Consideration	Funding Required Over Staff Time	Anticipated Timeline of Strategy Implementation from 02/15/2022	Status
	City Division/Section Collaboration:	Real Estate Section, Management Services, Housing Section						
	Status Comments:	This strategy will be partially addressed through collaboration with private development partners utilizing bond funds approved for this purpose.						
Protect people from housing discrimination and remove housing barriers.								
Protect 2: Ensure affordable housing is a part of every Flagstaff neighborhood and work to address disparate impact as part of any development or redevelopment.								
Protect 2.4	Implement a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community, create a groundswell of support for affordable housing, and combat community opposition to housing and affordable housing.	No	Medium	High	No	Yes	Immediate (18 months)	 In Progress
	City Division/Section Collaboration:	Housing Section						
	Status Comments:	Housing staff have conducted extensive outreach since 2022. A Housing Section rebranding will initiate a larger education campaign, which is pending the direction of City Council regarding updating the City of Flagstaff logo.						

Ongoing Strategies

Strategy	Strategy Description	Dependent On Other Strategy Completion	Time Commitment	Public Engagement	Requires Council Consideration	Funding Required Over Staff Time	Anticipated Timeline of Strategy Implementation from 02/15/2022	Status
Create housing options for households at all income levels and family sizes occupied by local residents.								
Create 1: Incentivize the creation of affordable units through various programs and mechanisms.								
Create 1.1	Ensure that modifications to the zoning code improve and maintain the effectiveness of the density incentives for affordable housing.	Partially - Create 5.1	Medium	Medium	Yes	No	Ongoing	 In Progress
	City Division/Section Collaboration:	Zoning Code, Planning, Housing Section						
Create 1.7	Explore ways to incentivize employers to offer Employer Assisted Housing (EAH) programs.	Partially - Create 3.1	Medium	High	No	No	Ongoing	 Not Started
	City Division/Section Collaboration:	Housing Section, Economic Vitality						

Strategy	Strategy Description	Dependent On Other Strategy Completion	Time Commitment	Public Engagement	Requires Council Consideration	Funding Required Over Staff Time	Anticipated Timeline of Strategy Implementation from 02/15/2022	Status
Create 1.8	Explore the use of the community land trust model and public/private partnerships to incentivize the development of ownership units that are priced significantly below market rate.	No	Medium	Low	Yes	No	Short-Term (1-4 years)	 In Progress
	City Division/Section Collaboration:	Real Estate Section, Housing Section						
Create 3: Create a dedicated funding source for affordable housing in Flagstaff.								
Create 3.3	Identify ongoing resource opportunities for the purpose of assisting households experiencing homelessness, households at risk of becoming homeless, first-time homebuyers, and affordable housing targeted to these populations.	Partially - Create 3.1	Low	Low	Yes	Yes	Short-Term (1-4 years)	 In Progress
	City Division/Section Collaboration:	Management Services, Housing Section						
Create 5: Explore regulatory efficiency and cost-saving practices.								
Create 5.7	Construct and promote net zero or Net Zero Ready affordable housing when funding is available and encourage private developers to do the same.	Partially - Preserve 2.2	Medium	Low	Yes	Yes	Ongoing	 In Progress
	City Division/Section Collaboration:	Sustainability, Water Services, Housing Section, Planning, Building Code						
Connect people to equitable housing solutions.								
Connect 1: Reduce homelessness in the Flagstaff community and seek creative solutions to foster housing permanency for all.								
Connect 1.3	Continue to support and develop Coordinated Entry as a meaningful process that provides linkages to healthcare, behavioral health, and housing.	No	Medium	High	Yes	Yes	Ongoing	 In Progress
	City Division/Section Collaboration:	Housing Section						
Connect 2: Implement a framework for centering equity in proposed and existing housing practices, policies, and programs.								
Connect 2.1	Evaluate housing policies and strategies in City of Flagstaff planning documents through an equity lens.	Yes - Create 5.1	Medium	Medium	Yes	No	Ongoing	 In Progress
	City Division/Section Collaboration:	Housing Section, Planning						

Strategy	Strategy Description	Dependent On Other Strategy Completion	Time Commitment	Public Engagement	Requires Council Consideration	Funding Required Over Staff Time	Anticipated Timeline of Strategy Implementation from 02/15/2022	Status
Connect 2.2	Encourage community organizations such as the local Continuum of Care to continue to integrate equity into programs and policies.	No	Medium	High	No	No	Ongoing	 In Progress
	City Division/Section Collaboration:	Housing Section						
Connect 3: Integrate healthcare into housing programs, and housing into healthcare programs, as appropriate.								
Connect 3.1	Raise awareness of housing security as a social determinant of health.	Partially - Protect 2.4	Medium	Medium	No	No	Ongoing	 Not Started
	City Division/Section Collaboration:	Housing Section						
Protect people from housing discrimination and remove housing barriers.								
Protect 1: City Council will continue to lobby and support federal and state legislation to encourage changes to federal and state laws, and to increase the amount of funding available for the preservation and construction of affordable housing.								
Protect 1.2	Pursue local and legislative changes that increase the preservation, creation, and protection of affordable housing as necessary.	Partially - Protect 2.4	Medium	Low	Yes	No	Ongoing	 In Progress
	City Division/Section Collaboration:	Housing Section						

10-Year Housing Plan 2024-2025 Implementation Plan

May 23, 2024

Justyna Costa, Assistant Housing Director

Sarah Darr, Housing Director





Presentation Outline

- 10-Year Housing Plan Creation and Overview
- Reporting and Implementation Schedule
- Strategy Implementation
 - 2024-2025 Implementation Plan
 - 2024-2025 Strategies
 - Ongoing Strategies
- Questions/Comments





Housing Plan Creation Timeline

2020

Council receives a Citizen
Petition

2020

Council declares a
Housing Emergency

2022

The 10-Year Housing Plan
is approved by Council



10-Year Housing Plan Overview



- Adopted in February 2022
- One overarching goal
- Two fundamental elements
- 13 policy initiatives
- 58 strategies



The Plan's Overarching Goal & Elements

Overarching Goal:

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

Supporting Elements:

- **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.

10-Year Housing Plan Reporting & Implementation Schedule

September

Previous fiscal year's Annual Report presented to City Council

May

Annual Implementation Plan presented to Housing Commission for upcoming fiscal year

August

Previous fiscal year's Annual Report presented to Housing Commission

June

Annual Implementation Plan presented to City Council for upcoming fiscal year





2024-2025 Implementation Plan

10-Year Housing Plan



2024-2025

Implementation Plan

July 2024 - June 2025



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- Similar format as 18-Month Implementation Plan:
 - Introduction
 - Strategy Implementation
 - 2024-2025 Forthcoming Strategies
 - Ongoing Strategies
- Added policy initiatives
- Status changed from percentages to:
 -  In Progress
 -  Not Started



Strategy Implementation

Factors influencing which strategies are chosen each year:

- Dependent On Other Strategy Completion
- Time Commitment
- Public Engagement
- Requires Council Consideration
- Funding Required Over Staff Time
- Anticipated Timeline of Strategy Implementation from 02/15/2022
- City Division/Section Collaboration



Fiscal Year 2024-2025 Strategies

Regional Plan-Related Strategies:

- **Create 2.1:** Update the Regional Plan policies to support increased density related to affordable housing.
- **Create 2.2:** Identify suburban areas to support greater density and intensity of development.
- **Preserve 1.2:** Review the Land Use Goals and Policies in the Regional Plan, Specific Plans, and City code to remove barriers to adaptive reuse for the creation of affordable housing.

Status: ⌚ In Progress

- **Create 2.3:** During the update of the Flagstaff Regional Plan, revise the Community Character chapter for goals and policies to include cost-saving methods that reduce the conflict between affordable housing, historic preservation, and urban design.

Status: ⌚ In Progress



Fiscal Year 2024-2025 Strategies - Continued

- **Create 3.2:** Create a fund for the purpose of acquiring land/units for affordable housing in order to be able to respond to opportunities as they arise.

Status:  **In Progress**

- **Connect 1.2:** Create housing navigator or advocate positions to assist both landlords and housing-challenged populations in securing and maintaining housing.

Status:  **In Progress**

- **Preserve 2.2:** Acquire and rehabilitate already built properties for affordable housing projects when financially feasible.

Status:  **Not Started**

- **Protect 2.4:** Implement a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community, create a groundswell of support for affordable housing, and combat community opposition to housing and affordable housing.

Status:  **In Progress**



Ongoing Strategies

In Progress

- **Create 1.1:** Ensure that modifications to the zoning code improve and maintain the effectiveness of the density incentives for affordable housing.
- **Create 1.8:** Explore the use of the community land trust model and public/private partnerships to incentivize the development of ownership units that are priced significantly below market rate.
- **Create 3.3:** Identify ongoing resource opportunities for the purpose of assisting households experiencing homelessness, households at risk of becoming homeless, first-time homebuyers, and affordable housing targeted to these populations.
- **Create 5.7:** Construct and promote net zero or Net Zero Ready affordable housing when funding is available and encourage private developers to do the same.



Ongoing Strategies - Continued

In Progress

- **Connect 1.3:** Continue to support and develop Coordinated Entry as a meaningful process that provides linkages to healthcare, behavioral health, and housing.
- **Connect 2.1:** Evaluate housing policies and strategies in City of Flagstaff planning documents through an equity lens.
- **Connect 2.2:** Encourage community organizations such as the local Continuum of Care to continue to integrate equity into programs and policies.
- **Protect 1.2:** Pursue local and legislative changes that increase the preservation, creation, and protection of affordable housing as necessary.



Ongoing Strategies - Continued

Not Started

- **Create 1.7:** Explore ways to incentivize employers to offer Employer Assisted Housing (EAH) programs.
- **Connect 3.1:** Raise awareness of housing security as a social determinant of health.

Comments?

Questions?



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