

HOUSING COMMISSION
THURSDAY, JULY 24, 2025
1:00 PM

NOTICE AND AGENDA

VIRTUAL MEETING
[MICROSOFT TEAMS MEETING](#)
CITY OF FLAGSTAFF

ATTENTION
JOIN VIRTUALLY BY CLICKING ON THE LINK BELOW:
[Click here to participate in the online meeting](#)

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

1. **Call to Order**

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, Vice Chair
Jacquie Kellogg
Devonna McLaughlin, Chair
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 - June 26, 2025
Approve the minutes from the June 26, 2025 Housing Commission meeting.

6. **ACTION ITEMS**

- A. Consideration and Recommendation of Approval of Proposed Adaptive Reuse Bond Program
Recommend Council Approve the Proposed Program

7. **PRESENTATION AND DISCUSSION ITEMS**

- A. Presentation on the Current Flagstaff Housing Market

Informational only.

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

<p style="text-align: center;"><u>CERTIFICATE OF POSTING OF NOTICE</u></p> <p>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.</p> <p>Dated this _____ day of _____, 2025.</p> <p>_____ Adriana Fisher, Housing Program Manager</p>



Housing Commission

5. A.

From: Adriana Fisher, Housing Program Manager

DATE: 07/24/2025

SUBJECT: Consideration and Approval of Minutes: Housing Commission Meeting - June 26, 2025

STAFF RECOMMENDED ACTION:

Approve the minutes from the June 26, 2025 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 HC Minutes - 6.26.2025

DRAFT

DRAFT MEETING MINUTES

HOUSING COMMISSION
THURSDAY
JUNE 26, 2025
1:00 PM

VIRTUAL MEETING
MICROSOFT TEAMS MEETING
CITY OF FLAGSTAFF

1.

Call to Order

Vice Chair Sandi Flores called the meeting to order at 1:05 pm.

2. Roll Call

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

Kevin Bond - Absent	Karen Flores - Present	Cory Runge - Present, arrived at 1:14
Eric Brownfield - Present	Sandi Flores, Vice Chair - Present	pm
	Jacquie Kellogg - Present	Ross Schaefer - Present
Tyler Denham - Present	Devonna McLaughlin, Chair -	Glenn Slivers - Absent
Kevin Dobbe - Absent	Absent	Hayley Zoroya - Present
	Moses Milazzo - Absent	

OTHERS PRESENT:

Adriana Fisher, Housing Program Manager
Marissa Molloy, Housing Specialist
Kristine Pavlik, Housing and Grants Administrator
Sarah Darr, Housing Director
Neil Chapman, Wildland Fire Captain
Paul Oltrogge, Fire Battalion Cheif
Alaxandra Pucciarelli, Current Planning Manager
Gracie Martinez, City Manager Office Intern
Khara House, Council Liaison
Matthew Bruton, member of the public
Angela Koder, member of the public

3.

LAND ACKNOWLEDGMENT

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Read by Commissioner Jacquie Kellogg.

4. Public Comment

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at the time the item is heard.

No Public Comment.

5. APPROVAL OF MINUTES

- A. Consideration and Approval of Minutes: Housing Commission Meeting - May 22, 2025
Approve the minutes from the May 22, 2025 Housing Commission meeting.

Moved by Ross Schaefer, **seconded by** Tyler Denham to approve the minutes from the May 22, 2025 regular Housing Commission meeting.

Vote: 7 - 0 - Unanimously

6. ACTION ITEMS

NONE

7. PRESENTATION AND DISCUSSION ITEMS

- A. Bond-Funded Homebuyer Assistance Program Update

Ms. Adriana Fisher, Housing Program Manager, and Ms. Sarah Darr, Housing Director, presented an update on the Bond-Funded Homebuyer Assistance Program.

- B. Flagstaff Fire Department's Wildland Fire Management Program Update
Informational item only.

Mr. Neil Chapman, Wildland Fire Captain, presented an update on the Flagstaff Fire Department's Wildland Fire Management Program.

Commissioners asked questions about the following:

- Safety of tree density in neighborhoods
- Safety trees on public property as opposed to trees on private property
- Width of roads and grid networks for emergency vehicle access
- Firewise landscaping

Mr. Chapman and Alexandra Pucciarelli, Current Planning Manager, answered.

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

- A. Update from Housing Authority Liaison

Ms. Sarah Darr provided an update, including information about the transfer of Williams' vouchers to the Flagstaff Housing Authority and the Emergency Housing Voucher Program.

- B. Update from Housing Commissioners and Other Informational Items

Commissioner Tyler Denham gave feedback on the 10-Year Housing Plan update video.

- C. Update from Housing Staff

Ms. Kristine Pavlik, Housing and Grants Administrator, gave an update on upcoming Community Development Block Grant awards and the Consolidated Plan.

9. ADJOURNMENT

Vice Chair Sandi Flores adjourned the meeting at 2:09 pm.



Housing Commission

6. A.

From: Jennifer Mikelson, Housing Planning Manager

DATE: 07/24/2025

SUBJECT: Consideration and Recommendation of Approval of Proposed Adaptive Reuse Bond Program

STAFF RECOMMENDED ACTION:

Recommend Council Approve the Proposed Program

Executive Summary:

Housing staff will review revisions to the proposed Adaptive Reuse Bond Program made since the March Commission meeting. A PDF of the track changes is attached.

Attachments

Presentation

Track Changes

Adaptive Reuse Bond Program

July 24, 2025

Justyna Costa,
Assistant Housing Director





Purpose of Bond Funding

Repurposing Existing Available Buildings into Rental Units (~\$3M)

“Funding in this area will allow the City of Flagstaff to partner with private developers, non-profits included, to repurpose existing and available buildings and spaces into rental opportunities for the residents of Flagstaff. Housing units are not the only community benefit this activity will provide. In addition to the creation of an estimated 75 rental units, currently vacant space in Flagstaff will transition to occupied homes.”



Priorities for this Funding

- Allow for a variety of projects to meet different housing needs
- Allow funds to be used for acquisition and renovation
- Simple and fast non-competitive application process
- Award funds on a per-unit cost basis to meet 75-unit goal
- Remove zoning uncertainties; ensure the proposed projects are permitted by-right



Key Questions for the Commission

1. Are the AMI requirements (average 80% AMI, max 100% AMI) meeting community needs? **See revisions**
2. Should the loan be forgiven or repaid after 30 years? Or should this program align with the RIBP which allows forgiveness after 50 years? **Forgiveness after 30 years ok**
3. Is the Commission supportive of a non-competitive, first come-first served application? **Yes**
4. What threshold is the Commission comfortable with for project eligibility regarding committed vs pending funding? **See revisions**



What Happens Next?

Single Use Residential / Adaptive Reuse - Zoning Code Text Amendment

- **Planning & Zoning Commission Public Hearing**
 - August 13 – Council Recommendation
- **City Council Public Hearings**
 - September 2 – 1st Ordinance Read
 - September 16 – 2nd Ordinance Read (Adoption)

Thank You



DRAFT - Adaptive Reuse Bond Program

Program Description

The language below is from the City of Flagstaff Voter Information Pamphlet (2022) and explains the intent behind the bond funding for this activity.

"This funding...will allow the City of Flagstaff to partner with private developers, non-profits included, to repurpose existing and available buildings and spaces into rental opportunities for the residents of Flagstaff." ~~Housing units are not the only community benefit this activity will provide. In addition to the creation of an estimated 75 rental units, currently vacant space in Flagstaff will transition to occupied homes.~~

This Program will offer approximately \$3M in general obligation bond funds through an open call for applications. Funding will be provided as forgivable 30-year loans to assist non-profit or for-profit developers in repurposing and rehabilitating existing buildings into affordable rental units. The goal is to create seventy-five (75) new affordable rental units through the adaptive reuse of the City of Flagstaff's ("City") existing building stock.

Commented [JM1]: This intent language can be put into the loan agreement.

Funding Availability

The City of Flagstaff will make approximately \$3M in program funds available through an open call for applications. Applications for funding will be considered on a first come, first served basis until and will continue to be received until all program funds have been allocated. ~~Program funds will remain available until all funds have been allocated.~~ Applications will be evaluated on a pass/fail basis.

Applicability

For the purposes of ~~this program~~, 'Adaptive Reuse' is defined as repurposing and/or rehabilitating any existing building for the creation of ~~a 100% affordable residential project units, and is defined more specifically in the Flagstaff Zoning Code, with two (2) or more residential units.~~

Please ensure the proposed project is permitted by-right and does not require zoning approvals. Refer to Section 10-40.30 of the Flagstaff Zoning Code for permitted residential uses in all zoning districts, and Section 10-30.20 for Affordable Housing Incentives for Adaptive Reuse Projects. ~~For example To be eligible for incentives, the following Adaptive Reuse Project criteria must be met:~~

~~(i) The building shall be a minimum of fifteen (15) years of age; and~~

~~(ii) The project may not include additions that exceed twenty-five percent (25%) of the size of the existing building.~~

Commented [JM2]: Avoid listing criteria from the code; simpler to send applicants directly to the code.

Project Requirements & Award Determination

To be eligible to apply for funding, projects must meet **all** requirements across three (3) categories: Project Details, Cost Per Unit, and Leveraged Funding. ~~Applications will be reviewed on a first come, first served basis.~~ Applications ~~that contain all necessary materials and are deemed complete by the City will be reviewed on a first come, first served basis. At a minimum, complete applications~~ must pass **all** of the ~~below requirements~~requirements below to be eligible for an award of funding. If the project fails to

DRAFT - Adaptive Reuse Bond Program

meet any of the ~~below criteria~~criteria below it will not be eligible for funding. City staff will endeavor to review applications notify applicants of their eligibility for an award of funding within thirty (30) calendar days of the application submission date.

- **Project Details (Pass/Fail):** Describe how the project meets all of the criteria listed below:
 - **Property Eligibility:** Property must be located within ~~e~~City limits and show proof of ownership, a contingent purchase contract, ~~or possess a~~ lease agreement providing the applicant with the right to operate the proposed residential use onsite for the minimum affordability period, ~~or a letter of intent to purchase or lease the property~~. Applicant must also provide documentation that the proposed residential use is permitted within the underlying zoning district, per the Flagstaff City Zoning Code.
 - **Eligible Uses:** Program funds may be used for costs relating to the acquisition and rehabilitation of affordable units in existing buildings for 100% affordable new rental housing including: purchase, renovation, ~~preservation, and~~ rehabilitation, ~~and infrastructure upgrades~~.
 - **Ineligible Uses:** Program funds may not be used to pay for any costs related to the construction of new freestanding buildings, market rate units in the project, complete demolition of buildings, renovation of existing residential units, or the improvement of undeveloped land.
 - **Affordability Period:** The minimum required affordability period is thirty (30) years from the Certificate of Occupancy and shall be sustained regardless of any transfer of ownership, such transfer subject to the terms and conditions of the City loan documents.
 - **Area Median Income Limit (AMI):** Project must provide units at an average of 80% AMI or less, with a maximum household income of 100% AMI. ~~If any of the units are leased to households exceeding 100% AMI, the loan will be due and payable in full.~~
 - **Affordable Rent Methodology:** Unless other funding sources require differently, the City ~~of Flagstaff~~ Affordable Rent & Income Limits shall be used.
- **Cost Per Unit (Pass/Fail):** Applications requesting \$40,000 or less per unit will be eligible for funding. Applications requesting more than \$40,000 per unit in funding will not be eligible for funding. ~~Award amounts are dependent on availability of funds.~~
- **Leveraged Funding (Pass/Fail):** Additional funding sources beyond the City ~~of Flagstaff~~ Bond Program funds are required and will be evaluated for project viability, sustainability, and other metrics. All funding sources must be provided, including listed with current and signed letters of commitment from ~~all secured and~~ pending funders sing or loan documents from closed funders ~~provided~~.

Commented [JM3]: Revised per Commission direction

Commented [JM4]: This term is too vague. Items like fire sprinklers, water/sewer upgrades would be included in renovation and is required for certification of occupancy anyway

Commented [JM5]: Revised per Commission direction

Commented [JM6]: Removed per Commission direction

Loan Terms

- Funding will be provided as a loan between eligible applicants and the City ~~of Flagstaff~~. Loan documents will be provided by the City. Contract/Loan documents with each applicant will be subject to approval separately by City Council. Funding will be available after City Council

DRAFT - Adaptive Reuse Bond Program

~~approval of contract/loan documents and the recording of associated loan documents. The~~
~~Bond Program funds will be dispersed at either close of escrow or after primary loan closes.~~

- Loan will be secured against the property with a promissory note and recorded deed of trust and will be subordinate to first mortgage financing with further subordination considered on a case-by-case basis and in the City's sole discretion.
- No interest ~~and/or principal~~ no payments are required during the 30-year term if affordable units continue to meet the affordability terms identified in the contract/loan documents.
- 30-year compliance period will commence at issuance certificate of occupancy. After the required 30-year term, the loan ~~will~~ may be forgiven depending on the borrower's performance in accordance with the loan documents.
- ~~Loan may be assumed if property is sold; the new owner must agree to honor the terms of the original contract and execute new documents.~~
- Units must be available for lease within twenty-four (24) months of applicant receiving notification of an award of Program funds ~~contract approval. Extensions to this timeframe will be considered on a case-by-case basis with documented justification.~~
- A default under the loan documents will result in the City's ability to deem the loan in default and immediate repayment of all Program funds, such determination in the City's sole discretion. ~~If the developer fails to honor the contract and units are not delivered and maintained in accordance with the terms of the contract/loan documents, the loan will be called due and payable immediately.~~

Commented [JM7]: This topic will be covered more fully in the funding agreement.