

## CONSULTANT SERVICES AGREEMENT

Contract No. 2025-17

This Consulting Services Agreement (“**Contract**”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2026 by and between the City of Flagstaff, a political subdivision of the State of Arizona (“City”), and Nan McKay and Associates, Inc., California corporation with its principal office at 1810 Gillespie Way, Suite 202, El Cajon, California 92020 (“Consultant”).

WHEREAS, the City desires to convert all or part of its aging public housing portfolio utilizing the federal Housing for Urban Development (“HUD”) Rental Assistance Demonstration (“RAD”) program in order to provide decent, affordable, and safe public housing; and

WHEREAS, in April 2025 the City issued a Request for Proposals, Solicitation No. 2025-17, for Rental Assistance Demonstration (“RAD”) Comprehensive Project Management and Consulting Services; and

WHEREAS, the City desires to receive and Consultant is able to provide such services;

NOW THEREFORE, in consideration for the mutual promises herein, the parties agree as follows:

1. Scope of Work: Consultant shall provide the consulting services generally described as:

### **Rental Assistance Demonstration (“RAD”) Comprehensive Project Management and Consulting Services**

and as further described in scope of work attached here to as Exhibit A (the “Services”).

2. Term: The initial term shall be for two (2) years, unless sooner terminated as provided for under this Contract. The Contract shall be effective upon execution of the Contract by the parties.
3. Renewal: The Contract may be renewed by the City for up to three (3) additional one-year terms in the event the Services (including any additional work approved by Contract amendment) is not yet completed. The City Manager shall have authority to approve renewal on behalf of the City.
3. Compensation: City shall pay Consultant for satisfactory performance of the Contract in an amount not to exceed Three Hundred Seventy-Six Thousand Seven Hundred Twenty Dollars (**\$376,720.00**). Consultant shall be paid based on hourly rates set forth in Exhibit A. Consultant shall issue a monthly invoice to City with a reasonably detailed accounting of services provided in the prior month, persons providing such services, total Contract cost incurred to date, and brief description of the status of project. Consultant work shall be billed in 15-minute increments. City payment is due within 30 days after the invoice is received. Late payments shall accrue interest at 1% monthly. In light of the City’s significant investment in and reliance on Consultant’s services, and the difficulty that City may have in finding a replacement Consultant midway through conversion program, Consultant shall not increase its hourly rates by more than three percent (3%) for any renewal term.
4. Amendments: The City Manager may approve amendments to the scope of work after consultation with the City Housing Director and City Attorney, and, upon acceptance by Consultant in writing, such amendments shall be attached hereto as part of Exhibit A; provided, however, City Council approval is required for any amendment increasing the Contractor’s total Contract price (amount not to exceed).
5. Consultant Materials, License, City’s Work Product, Reuse.
  - a. Consultant Materials. City hereby acknowledges and agrees that, as between the parties, all right, title and interest in and to any intellectual property, including software, other works of authorship, libraries, database structures, concepts, inventions, methods, processes,

trademarks, trade names, logos, including all intellectual property rights therein, which are pre-existing, independently developed and/or that have general applicability to Consultant's business, including that which is created by or on behalf of Consultant, whether separately or jointly with others, and any derivatives or modifications of any of the foregoing (collectively, "**Consultant Materials**") are owned exclusively by Consultant, and are being used and provided, not sold by Consultant to or for the benefit of the City hereunder. Consultant warrants that it owns all intellectual property rights to the Consultant Materials being used in performance of this Contract.

- b. License. Subject to the terms of this Contract, Consultant hereby grants to the City a perpetual, nonexclusive, royalty-free, license to use the Consultant Materials, including those Consultant Materials which are incorporated into deliverables, for the City's planning and participation in the RAD program only.
  - c. City's Work Product. Any documents prepared by Consultant in performance of this Contract specifically for the City and provided to the City as deliverables, excluding any Consultant Materials, such as certain models, samples, reports, surveys, survey results, graphics, tables, charts, plans, computations and other data shall be the property of City ("**City's Work Product**"). Consultant agrees that City's Work Product are "works for hire" within the meaning of the copyright laws of the United States and hereby assigns to the City all rights and interests Contractor may have in the City's Work Product it delivers under this Contract, including any right to derivative use of the City's Work Product.
  - d. Re-Use: City may use City's Work Product for the RAD Demonstration program or any other re-use without further compensation to Consultant; provided, however, that the City's re-use is at the City's sole risk and without liability to Consultant. Consultant shall not engage in any conflict of interest nor appropriate any portion of the City's Work Product for the benefit of Consultant or any third parties without the City's prior written consent.
  - e. Delivery of Document and Data: Upon termination of this Contract in whole or part, or upon expiration if not previously terminated, Consultant shall immediately deliver to the City copies all of the City's Work Product accumulated by Consultant in performance of this Contract, whether complete or in process.
  - f. Artificial Intelligence: If Consultant uses artificial intelligence ("AI") in performance of this Contract, it shall notify City and describe such use in writing.
6. Insurance: Consultant shall comply with City's insurance requirements, attached hereto as Exhibit B.
7. Indemnity: Consultant shall be fully liable for the actions of its agents, employees, partners, and assigns and shall fully indemnify, defend, and hold harmless the City, and their officers, agents, and employees from third party suits, actions, damages, and costs of every name and description, including attorneys' fees to the extent arising from or relating to personal injury and damage to real or personal property, caused in whole or in part by the negligence or willful misconduct of Consultant, its agents, employees, partners, or assigns. This indemnification shall survive termination or expiration of the Contract.
8. Warranty: Contractor shall perform the Services in a good and diligent manner, consistent with industry standards. In the event that Contractor makes an error or omission related to submittal of an application related to the RAD program under this Contract, Contractor shall correct such error or omission at its own expense.
9. Limitation of Liability and Disclaimer of Warranties: TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR ANY THIRD PARTY FOR ANY SPECIAL,

INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES. THIS INCLUDES, BUT IS NOT LIMITED TO, ANY DAMAGES FOR BUSINESS INTERRUPTION, LOSS OF USE, DATA, REVENUE OR PROFIT, WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER THE PARTY WAS ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL CONTRACTOR'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS CONTRACT, WHETHER IN CONTRACT, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE), OR UNDER ANY OTHER THEORY OF LIABILITY, EXCEED THE TOTAL FEES PAID BY CITY TO CONTRACTOR UNDER THIS CONTRACT. ANY CLAIM OR CAUSE OF ACTION BROUGHT AGAINST CONTRACTOR SHALL BE BROUGHT WITHIN ONE (1) YEAR AFTER THE CITY KNOWS OR HAS REASON TO KNOW OF SUCH CLAIM OR CAUSE OF ACTION. EXCEPT FOR THE WARRANTY UNDER SECTION 8, CONTRACTOR DISCLAIMS ALL IMPLIED AND EXPRESS WARRANTIES, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE. CONTRACTOR MAKES NO WARRANTY REGARDING THE USE OF ANY DELIVERABLES. THE LIMITATION OF LIABILITY IN THIS SECTION 8 DOES NOT APPLY TO ANY CLAIM OR CAUSE OF ACTION RELATING TO PERSONAL INJURY.

10. Independent Contractor: Consultant shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, workers' compensation, and unemployment insurance laws.
11. Compliance with Laws: Consultant shall comply with all applicable federal, state, and local laws, regulations, standards, codes, and ordinances, including acquiring the requisite insurance, licenses, permits, and approvals, required to perform the Contract, and provide copies to City upon request.
12. Records: The City shall have the right to inspect and audit all Consultant books and records related to the Contract for up to five (5) years after completion of the Contract.
13. Public Records: The Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law. A.R.S. § 39-121 et seq. If Consultant has clearly marked its proprietary information as "confidential", the City will endeavor to notify Consultant prior to release of such information.
14. City Termination for Non-Appropriation. The City may terminate the Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Consultant.
15. City Termination for Convenience: City may terminate this Contract for convenience upon giving Consultant the other Party written notice of such termination no less than thirty (30) days prior to the date of termination. If the Contract is so terminated, the City's only payment obligation under the Contract shall be for those services completed or costs incurred in performance of the Services prior to the effective date of the termination.
16. Termination for Default: Prior to terminating the Contract for a material breach, the non-defaulting Party shall give the defaulting Party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days unless a longer period of time is granted by the non-defaulting Party in writing. In the event the breach is not timely cured, or in the event of a series of repeated breaches the non-defaulting Party may elect to terminate Contract by written notice to Contractor, which shall be effective upon receipt. In the event of default, the Parties may execute all remedies available at law in addition to the Contract remedies provided for herein.

- 17. City Remedies: In the event of Contractor's default, the City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. The City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive. City may not exercise its rights under this Section until: (a) Contractor has failed to cure the default before the conclusion of the cure period; and (b) following Contractor's failure to cure the default within such cure period, City has provided Contractor notice of its intention to exercise its rights under this Section and the default has remained uncured for an additional five (5) business days from Contractor's receipt of such notice. The parties may extend any of the timeframes in this Section by mutual written agreement (via email sufficient).
- 18. Contractor Remedies: In the event of the City's default, Contractor may pursue all remedies available at law, except as provided for herein.
- 19. Cancellation for Conflict of Interest: Pursuant to A.R.S. § 38-511, if the City identifies a conflict of interest in the award or performance of the Contract, the City may cancel the Contract within three (3) years after its execution, without penalty or further liability to Consultant.
- 20. Nondiscrimination: Consultant shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, and/or familial status and represents and warrants that it complies with all applicable federal, state, and local laws, ordinances and executive orders regarding employment.
- 21. No Waiver: Both Parties have the right insist upon strict performance of the Contract, and the prior failure of a Party to insist upon strict performance, or a delay in any exercise of any right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.
- 22. Assignment: Consultant was selected for its special knowledge, skills, and expertise, and shall not assign the services/materials required in the Contract, in whole or in part, without the City's prior written consent, which may be withheld for any reason.
- 23. Immigration Laws: Pursuant to A.R.S. § 41-4401, Consultant hereby warrants that it and each of its subcontractors shall comply with all state and federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A breach of state and/or federal immigration laws and regulations shall constitute a material breach of the Contract.
- 24. Forced Labor of Ethnic Uyghurs: Consultant hereby certifies that it does not use the forced labor of ethnic Uyghurs in the People's Republic of China as defined in A.R.S. § 35-394, et seq.
- 25. Notice: Any formal notice under the Contract shall be in writing via certified mail and email as follows:

To the City:  
 Division Contact  
 Housing Division  
 City of Flagstaff  
 211 W. Aspen Ave.  
 Flagstaff, AZ 86001  
 Email: \_\_\_\_\_  
 Phone:

To Contractor:  
 Attn.: Catherine Ures, Vice President of  
 Professional Services  
 Nan McKay and Associates, Inc.  
 1810 Gillespie Way, Suite 202  
 El Cajon, CA 92020  
 Email: [catherine.ures@nanmckay.com](mailto:catherine.ures@nanmckay.com)  
 Phone: 800-783-3100, ext. 119.

With a copy to:  
Procurement Contact  
City of Flagstaff  
211 W. Aspen Ave.  
Flagstaff, AZ 86001  
Email: \_\_\_\_\_

- 26. Severability. If any provision of this Contract is found to be invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remaining provisions of this Contract will not be affected or impaired.
- 27. Complete Agreement. This Contract, including all exhibits hereto, and any written amendments hereto, constitutes the entire agreement between the parties and supersedes all prior agreements, promises and understandings, whether oral or written.
- 28. Survival of Provisions. The following Sections, and any other sections which by their nature should survive, each shall survive termination or expiration of this Contract: Section 5. Consultant Materials, License, City's Work Product, Reuse; Section 7. Indemnity; Section 8. Warranty; Section 9. Limitation of Liability and Disclaimer of Warranties; Section 12. Records.
- 29. Authority. Each party warrants that it has authority to enter into the Contract and perform its obligations hereunder, and that it has taken all corporate actions necessary to enter into the Contract.

CONSULTANT:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CITY OF FLAGSTAFF

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney's Office

Notice to Proceed issued: \_\_\_\_\_, 20\_\_

Attachments:

Exhibit A Scope of Work & Schedule

Exhibit B Standard Insurance Requirements

**EXHIBIT A**  
**SCOPE OF WORK & SCHEDULE**

## EXHIBIT A: SCOPE OF WORK

The Proposer will assist the City's housing staff ("Housing Staff") in managing the project as it moves to financial closing, support the City in selecting a development partner, and assist in the financial analysis of the project. All project agreements, including but not limited to applications, contracts, and proposals, are subject to the review of the City of Flagstaff legal counsel and its outside legal counsel. Housing Staff with legal counsel shall be the primary interface with HUD.

### Service Deliverables

The list of services outlined below is provided solely as an example and is not exhaustive. The scope of services required may be modified to exclude services or include or expand beyond the services and responsibilities specifically listed, as determined by the City in its sole discretion.

#### **1. Project Management and Strategic Advisory Services, such as:**

- a. Coordinate with the City and the selected development partner to ensure alignment in project deliverables.
- b. Advise on project planning and budgeting.
- c. Deliver regular progress reports to Housing Staff and support presentations to the City Council, the CFHA Board of Commissioners, and the community.
- d. Review proposals and financing plans and provide actionable recommendations.

#### **2. Development Partner and Selection, such as:**

- a. Assist with the procurement process, including drafting the RFP for Housing Staff and legal counsel review, participating in proposal evaluations with Housing Staff, and upon approval of Housing Staff, presenting development partner recommendations to City Council.
- b. Housing Staff and outside legal counsel will lead all negotiations for all development construction-related contracts.

#### **3. Financial Strategy and Funding Support, such as:**

- a. Help assess financial feasibility and identify potential funding sources for development proposals, which shall include specific ranking of funding scenarios should the first-selected scenario become unattainable
- b. Assist in developing financial models, including tax credits, bonds, and other financing mechanisms.
- c. Support the preparation of funding applications.

#### **4. Other Relevant Services, such as:**

- a. Recommend to Housing Staff additional strategies or services to enhance the success and sustainability of the RAD conversion and maximize available opportunities for the City.

## Contract Hourly Rates

Description	Billable Rate
Engagement Lead/Program Director	\$250.00
RAD Expert/Executive Sponsor	\$225.00
RAD Expert/Program Manager	\$185.00
RAD Expert/Senior Manager	\$165.00
Senior Analyst	\$150.00
Training/LIHTC Expert	\$165.00
Relocation Expert/SME	\$150.00
Finance Principal/SME	\$300.00
Consultant I	\$130.00
Project Admin/HUD Submissions Coordinator	\$110.00

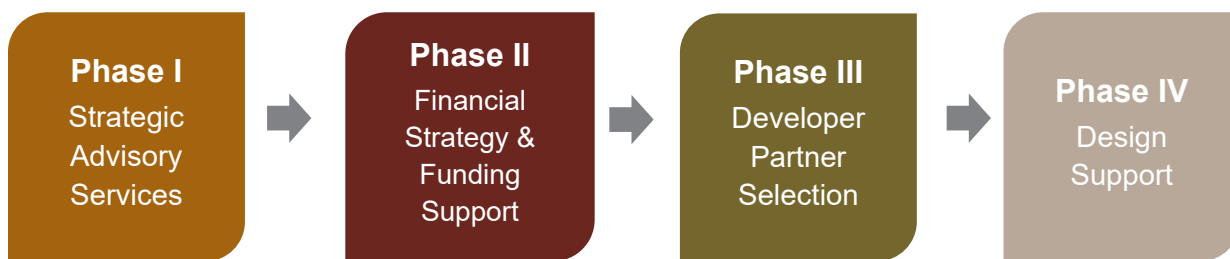
Not-to-Exceed Estimate Breakdown		
Task Order	Phase	Estimated Labor Cost
Task Order #1	Phase I	\$56,170.00
Task Order #1	Phase II	\$50,500.00
Task Order #1	Phase III	\$45,000.00
Task Order #1	Phase IV (Project 1)	\$26,000.00
Task Order #2 (subject to negotiation)	Phase IV (Project 2)	\$26,000.00
Task Order #2 (subject to negotiation)	Additional support post-LIHTC application, technical assistance, and advisory services (upon request)	\$100,000.00
<b>Total Labor Estimate</b>		<b>\$303,670.00</b>

Other Expenses (billed at cost)	Estimated Cost
Capital Needs Assessment (CNA)	\$50,000.00
Travel (flight, accommodations, per diem, rental car, etc.)	\$23,050
<b>Total Other Expenses Estimate</b>	<b>\$73,050.00</b>

# TASK ORDER #1

**Term:** January 1, 2026–April 30, 2027

For Task Order #1, the NMA team will perform the following four (4)-phased approach to provide Comprehensive Project Management and Consulting services for the City of Flagstaff. Once the development partner is selected, this task order will support the design process up to the point of initial tax credit application for the first construction project. Additional task orders will be required for advising on additional tax credit phases/ applications, construction financial close, monitoring developer construction and developer re-occupancy for the initial construction project, as well as for design and funding support, etc. for subsequent construction projects/phases.



Throughout all phases, the NMA team will provide continued project management to the City of Flagstaff related to the project (RAD portfolio conversion), which shall include:

- Coordination with third parties
- Tracking overall project budget and timeline status
- Delivering regular progress reports to City and Housing Staff, including project accomplishments, obstacles, key decisions, budget, and timeline
- Tracking development partner progress, conducting ongoing communication to ensure progress and alignment in project deliverables
- Providing stakeholder communications at staff's request:
  - Supporting and providing educational and decision-making content and presentations to City leadership, City Council, the CFHA Board of Commissioners, and the community
  - Supporting ongoing content for regular communication channels for residents and the neighboring community
  - Preparing progress reports and presenting to Board/City Council as requested, but no more than four times annually
  - Updating stakeholders (Housing staff, City leadership, City Council, CFHA Board of Commissioners, and any other identified stakeholders)

## **PHASE I** Strategic Advisory Services

During Phase I, NMA will provide Strategic Advisory Services, which shall include facilitating project kickoff activities, ensuring alignment on expectations and responsibilities, conducting

site visit(s) and reviewing materials, and providing initial recommendations. Scope of services under Phase I shall include:

- Conducting program kickoff activities, which shall include:
  - Introductory conference call with City of Flagstaff and any stakeholders
  - One (1) onsite kickoff meeting with City of Flagstaff, which shall include project site visit(s), as time permits
  - Reviewing project approach with the City
  - Requesting any necessary materials to provide the requested services
  - Defining Responsible, Accountable, Consulted, Informed (RACI) Chart
- Coordinate and conduct resident meetings required for RAD application
- Draft meeting agenda, presentation materials, and resident notifications in consultation with Housing Staff.
- The City will, in consultation with Housing Staff arrange meeting logistics, send communications to residents, and perform other appropriate outreach.
- Performing an Initial Portfolio Analysis, which shall include:
  - Contracting and coordinating the performance of the RAD-required Capital Needs Assessment (CNA), subject to legal counsel and Housing Staff review and approval of contractor and contract
  - Reviewing the CNA, and integrating into cash flow models
  - Providing ongoing technical assistance, research, support, and advisory services, upon request.

## **PHASE II    Financial Strategy & Funding Support**

During Phase II, the NMA team will provide Financial Strategy and Funding Support to the City of Flagstaff. The support will include presentations to the City of Flagstaff and the Housing Authority Board.

- **DELIVERABLE:** NMA shall deliver the **Initial Portfolio Analysis** to the City of Flagstaff and the Housing Authority Board, which shall include:
  - Development options (rehab/new construction) for each property
  - RAD program options for each property
  - Approximate budget for development options for each property
  - Project financial feasibility, and key development and financing models and mechanisms
- Upon delivery of the **Initial Portfolio Analysis**, NMA will also provide the following supportive services during Phase II:
  - Working with the City's contracted architect(s) on budgetary impact of concept options
  - Recommending optimal financing structures
- Revisions to Initial Portfolio Analysis, if needed (two (2) iterations allowable per property, i.e., initial document plus up to two (2) revisions)
- Supporting the City in advising and preparation of funding applications:

- It is anticipated that the eventual development partner shall prepare applications for tax credit and debt financing. However, the City may directly apply for or supply other sources of funding.
- Supporting City through resident meetings and board requirements.

### PHASE III Developer Partner Selection

During Phase III, NMA will support the City of Flagstaff in its selection of a developer partner, which shall include:

- Working with City of Flagstaff and City legal counsel and outside legal counsel to determine developer selection method(s), e.g., Request for Applications (RFA), Request for Proposals (RFP), survey of qualified organizations, review of unsolicited proposals, etc.
- Supporting the City of Flagstaff's developer selection process, which includes:
  - Drafting solicitation documents and policies and procedures for developer selection for and providing such documents for procurement and legal review.
  - Assistance in responding to developer inquiries during the response preparation period; provided, however, at no time shall NMA represent that it is speaking on behalf of the City or that it has authority to make decisions for the City.
  - Reviewing and providing analysis of developer qualifications (e.g., developer familiarity with RAD, organizational and financial capacity).
  - Supporting City of Flagstaff in selecting qualified and competent developer partners based on review, which may include:
    - Participation in evaluation committee discussions and developer interviews.
    - Support for developer selection documentation and presentation to the City of Flagstaff City Council.
  -

### PHASE IV Design Support

NMA will provide support to the City as its developer(s) begins the following activities for the first construction project (Project 1):

- After developer selection, and throughout the design process, NMA shall assist City in refining/re-iterating financial models:
  - Reviewing developer construction budget revisions
  - Reviewing developer pro forma revisions
  - Making any required revisions to the Initial Portfolio Analysis
  - Coordinating with third parties
  - Reviewing construction budget
  - Refine/review pro formas

- Reviewing and providing analysis of LIHTC application and self-scoring by developer(s), assuming:
  - Support for initial LIHTC pre-application and application.
  - NMA is not responsible for any fees associated with the LIHTC and other funding and debt applications.
- Third-party stakeholder coordination

Upon completion of Phase IV under Task Order #1, negotiation of Task Order #2 will be necessary in order for NMA to complete Phase IV tasks for Project 2.

### Phase IV Assumptions

Successful execution of Phase IV is contingent upon the following:

- Timely decisions within mutually agreed-upon time frames
- Approach does not significantly change or impact the ability for NMA to successfully support City through Phases I–III, described above
  - If the approach changes significantly, Phase IV will necessitate an amendment to incorporate changes and any associated costs.

### Phase IV Note

Timing and breadth of services in Phase IV are highly contingent upon timely decision-making, phasing, and timelines associated with each project. The City’s redevelopment approach, as it is understood today, may lead to highly variable outcomes, which can impact timing and cost. If City’s approach or requirements change, negotiation of a monetary contract amendment will be necessary. NMA shall provide services through April 2027 and will complete as much of Phase IV as possible under the current not-to-exceed contract amount.

### Task Order Hourly Rates

Description	Billable Rate
Engagement Lead/Program Director	\$250.00
RAD Expert/Executive Sponsor	\$225.00
RAD Expert/Program Manager	\$185.00
RAD Expert/Senior Manager	\$165.00
Senior Analyst	\$150.00
Training/LIHTC Expert	\$165.00
Relocation Expert/SME	\$150.00
Finance Principal/SME	\$300.00
Consultant I	\$130.00
Project Admin/HUD Submissions Coordinator	\$110.00

Provided below is estimated pricing for Task Order #1 by Phase. This pricing does not include proposed scope additions. Please also note that Phase IV pricing is subject to decisions made in Phases I & II.

Total Task Order #1 Not-to-Exceed: \$250,720.00

Phase	Estimated Labor Cost
Phase I	\$56,170
Phase II	\$50,500
Phase III	\$45,000
Phase IV (Project 1)	\$26,000
<b>Total Labor Estimated NTE</b>	<b>\$177,670</b>

Other Expenses (billed at cost)	Estimated Cost
Capital Needs Assessment	\$50,000
Travel (flight, accommodations, per diem, rental car, etc.)	\$23,050
<b>Total Other Expenses Budget</b>	<b>\$73,050</b>

## Exhibit A-1: CITY OF FLAGSTAFF HOUSING PORTFOLIO

The City of Flagstaff Housing Authority (“CFHA”), a high-performing agency, manages the City’s public housing portfolio. The City owns and operates 265 public housing units, including 100 units at Siler Homes, 127 units at Brannen Homes, and 38 scattered units. All properties are a part of HUD’s Public Housing program. Other City-owned properties may be included in the repositioning and redevelopment process.

**SITES UNDER CONSIDERATION:**

**SITE ONE: SILER HOMES**

Siler Homes is located in east Flagstaff and includes 100 family units, a management office, a maintenance shop, a Head Start preschool, and a recreation center across 54 buildings constructed in 1972. The property features a mix of single-family homes and duplexes with two- to five-bedroom units. The buildings are dated and require repositioning and redevelopment to better serve the community's needs. Surrounding properties include a City park, residential neighborhoods, and commercial centers with shopping and dining. Public transportation is accessible near the main entrance at Fanning Drive and Elder Drive. The 15-acre property is bordered by Fanning Drive, Elder Drive, Thomas Drive, and Miller Drive. Given the property's size and the community's evolving needs, an increase in density or a change in unit mix should be considered.

## SITE TWO: BRANNEN HOMES

Located in the City's Pine Knoll neighborhood, Brannen Homes consists of 127 family units, an office, a maintenance shop, and a recreation center in 41 buildings built between 1952 and 1964. The existing one- to four-bedroom units are outdated and need repositioning and redevelopment to better serve current needs. Surrounding properties include a public school, residential neighborhoods, commercial centers with shopping and dining, and nearby Northern Arizona University and Coconino Community College. Public transportation is accessible at the main entrance at Brannen Circle and Lone Tree Road. The 21.8-acre site is bordered by Lone Tree Road, Paseo del Rio, Calle Contenta, Paseo del Flag, and Woodland Drive. An increase in density and a shift in unit mix may be needed to meet community demand.

## SITE THREE: CFHA SCATTERED SITES

CFHA manages 38 scattered-site units, including 23 units built in 2003, consisting of 18 three-bedroom and five four-bedroom townhome-style units. The remaining 15 units, acquired and rehabilitated in 1986, are all three-bedroom homes. These properties are located across various neighborhoods, with a combined acreage of 3.77 acres. The units will be included in the repositioning and redevelopment analysis, considering property values and density factors.

## OTHER SITES UNDER CONSIDERATION

The City owns several additional properties with potential for development that may be considered in the repositioning and redevelopment plan. One notable site is a 2.09-acre property situated along Locket Road and Fanning Drive, which is adjacent to Siler Homes. The City reserves the right to add or remove other sites from the scope of work as it determines in its sole discretion.

# EXHIBIT A-2: BACKGROUND INFORMATION

## HOUSING EMERGENCY AND 10-YEAR HOUSING PLAN

On December 1, 2020, the City Council declared a Housing Emergency and committed to prioritizing affordable housing within City operations to create safe, decent, and affordable housing opportunities for all community members. A 10-Year Housing Plan (the "Plan") was developed to address the Housing Emergency by summarizing the City's immediate and long-term needs and strategies for improving housing affordability. The Plan can be found at <https://www.flagstaff.az.gov/DocumentCenter/View/72509/Flagstaff-10-Year-Housing-Plan---FINAL-6152022>.

The Plan's overarching goal for the next decade is to reduce the current affordable housing need in the community by half:

- **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.

Limited land and the current shortage in housing supply relative to demand are the primary reasons housing costs are increasing in the City. The Housing Plan includes the following strategies specific to affordable rentals:

- **Create 5.9:** Prioritize the development of City of Flagstaff owned land designated for affordable housing and evaluate other City-owned parcels for affordable and mixed-income housing.
- **Connect 3.2:** Encourage neighborhoods, housing types, and building practices that increase health.

## PROPOSITION 442 – HOUSING BOND

In the November 2022 Election, voters approved \$20 million in general obligation bonds to create rental and homeownership opportunities for City residents. Of the \$20 million, \$5 million is designated to redevelop City-owned housing to create additional rental units.

## PROJECT OBJECTIVES

The City intends to reposition and redevelop its public housing to increase the inventory of public and private or public-private affordable housing for renters and, potentially, homeowners in 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 and redevelop its public housing portfolio through RAD and other options allowed by HUD to stabilize funding, modernize properties, and increase the number of affordable housing units. The City shall maintain majority ownership in each project [site or project – Discuss] and intends to retain long-term management of all properties.

Note: Although the CFHA manages the City’s public housing, it is part of the City and does not have independent authority to approve significant contracts, purchase or hold title to property, borrow funds, or issue bonds without direction, approval, and, as appropriate, authorization and delegation for signatures to City staff. In accordance with Arizona state law and the City code, such powers and decision-making responsibilities rest with the City Council.

## THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM

All work shall be performed in compliance with the Rental Assistance Demonstration (“RAD”) program Housing and Urban Development (“HUD”) requirements, including but not limited to the following (as may be amended):

Statutes	42 U.S.C. § 1437f*
Regulations	24 C.F.R. Part 880 for Project Based Rental Assistance (“PBRA”) projects* 24 C.F.R. Part 983 for Project Based Vouchers (“PBV”) projects*
Notices	RAD Final Implementation, Revision 4, H-2019-09 PIH-2019-23 (HA) Fair Housing, Civil Rights and Relocation Notice, H 2016-17 PIH 2016-17 (HA) (the “RAD Relocation Notice”)

Website	<a href="http://www.radresource.net">www.radresource.net</a> (includes supplemental guidance, training materials, and form documents)
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\*As may be modified by the RAD Notice.



**EXHIBIT B**  
**STANDARD INSURANCE REQUIREMENTS**  
 (Last Updated January 19, 2023)(modified for this Contract)

\*The term "Contractor" shall mean "Consultant".

1. **IN GENERAL:** Contractor shall maintain insurance against claims for injury to persons or damage to property, arising from performance of or in connection with the Contract by Contractor, its agents, representatives, employees, and/or subcontractors.
2. **REQUIREMENT TO PROCURE AND MAINTAIN:** Each insurance policy required by the Contract shall be in effect at, or before, commencement of work under the Contract and shall remain in effect until all of Contractor's obligations under the Contract have been met, including any warranty periods. Contractor's failure to maintain the insurance policies as required by the Contract, or to provide timely evidence of renewal, will be considered a material breach of the Contract.
3. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** The following insurance requirements are minimum requirements for the Contract and in no way limit the indemnity covenants contained in the Contract. The City does not represent or warrant that the minimum limits set forth in the Contract are sufficient to protect Contractor from liabilities that might arise out of the Contract, and Contractor is free to purchase such additional insurance as Contractor may determine is necessary.

Where applicable, as related to the Scope of Work, Contractor shall provide coverage at least as broad and with limits not less than those stated below.

a. Commercial General Liability - Occurrence Form	
General Aggregate	\$2,000,000
Products/Completed Operations	\$1,000,000
Each Occurrence	\$1,000,000
b. Umbrella Coverage	
	\$2,000,000
c. Automobile Liability	
Any Automobile or Owned, Hired, and Non-owned Vehicles	\$1,000,000
Combined Single Limit Per Accident for Bodily Injury & Property Damage	
d. Workers' Compensation and Employer's Liability	
Workers' Compensation	Statutory
Employer's Liability: Each Accident	\$1,000,000
Disease - Each Employee	\$1,000,000
Disease - Policy Limit	\$1,000,000
e. Professional Liability	
	\$2,000,000

4. **RESERVED**

5. **SELF-INSURED RETENTION:** Any self-insured retentions must be declared to and approved by the City. If not approved, the City may require that Contractor reduce or eliminate such self-insured retentions with respect to the City, its officers, agents, employees, and/or subcontractors. Contractor shall be solely responsible for any self-insured retention amounts. The City at its option may require Contractor to secure payment of such self-insured retention by a surety bond or irrevocable and unconditional letter of credit.

6. **OTHER INSURANCE REQUIREMENTS:** The insurance policies shall contain, or be endorsed to contain, the following provisions:

- a. Additional Insured: In Commercial General Liability and Automobile Liability Coverages, the City of Flagstaff, its officers, officials, agents, employees, and/or subcontractors shall be named and endorsed as additional insureds with respect to liability arising out of the Contract and activities performed by or on behalf of Contractor, including products and completed operations of Contractor, and automobiles owned, leased, hired, or borrowed by Contractor.
- b. Broad Form: Contractor's insurance policy shall contain broad form contractual liability coverage.
- c. Primary Insurance: Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees, and/or subcontractors. Any insurance or self-insurance maintained by the City, its officers, officials, agents, employees, and/or subcontractors shall be in excess of the coverage of Contractor's insurance and shall not contribute to it.
- d. Each Insured: Contractor's insurance policies shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. Not Limited: Coverage provided by Contractor shall not be limited to the liability assumed under the indemnification provisions of the Contract.
- f. Waiver of Subrogation: The insurance policies shall contain a waiver of subrogation against the City, its officers, officials, agents, employees, and/or subcontractors for losses arising from work performed by Contractor for the City.

7. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of the Contract shall provide the required coverage and shall not be suspended, voided, cancelled, and/or reduced in coverage or in limits unless prior written notice has been given to the City. Notices required by this section shall be sent directly to the Procurement Agent and shall reference the Contract Number.

8. **ACCEPTABILITY OF INSURERS:** Contractor shall place insurance hereunder with insurers duly

licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-: VII. The City does not represent or warrant that the above required minimum insurer rating is sufficient to protect Contractor from potential insurer insolvency.

- 9. CERTIFICATES OF INSURANCE:** Contractor shall furnish the City with certificates of insurance (ACORD form) as required by the Contract. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance. The City Contract number shall be noted on the certificates of insurance. If requested by the City, all certificates of insurance and endorsements must be received and approved by the City before the Contractor commences work.
- 10. POLICIES:** The City reserves the right to require, and receive within ten (10) days, complete, certified copies of all insurance policies and endorsements required by the Contract. The City shall not be obligated, however, to review any insurance policies or to advise Contractor of any deficiencies in such policies and endorsements. The City's receipt of Contractor's policies or endorsements shall not relieve Contractor from, or be deemed a waiver of, the City's right to insist on strict fulfillment of Contractor's obligations under the Contract.
- 11. MODIFICATIONS:** Any modification or variation from the insurance requirements in the Contract must have the prior approval of the City's Attorney's Office in consultation with the City's Risk Manager, whose decision shall be final. Such action will not require a formal Contract amendment but may be made by their handwritten revision and notation to the foregoing insurance requirements.