RESOLUTION NO. 2026-55

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, AUTHORIZING THE SUBMISSION OF A RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM PORTFOLIO APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) TO ALLOW FOR CONVERSION AND REDEVELOPMENT OF THE CITY OF FLAGSTAFF PUBLIC HOUSING PORTFOLIO; PROVIDING FOR DELEGATION OF AUTHORITY, DIRECTION FOR FURTHER ACTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City of Flagstaff has authority to operate public housing, and to develop and operate affordable housing projects pursuant to applicable laws, including but not limited to A.R.S. § 36-1401 et seq; and

WHEREAS, the City has operated a public housing portfolio through the U.S. Department of Housing and Urban Development (HUD) since the 1950s to provide safe, decent and affordable housing for low-income individuals and families within the community; and

WHEREAS, the City's public housing currently consists of 265 units including the primary sites Siler and Brannen Homes, and scattered sites (AZ006 in HUD records); and

WHEREAS, for many years Congressional appropriations for public housing have been insufficient to adequately fund the substantial capital improvements needed with respect to the City's public housing portfolio; and

WHEREAS, utilization of the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) Program, Section 18, and/or other HUD repositioning programs allow municipalities and public housing authorities the ability to convert funding into a Section 8 rental assistance platform that will, with other sources of funding, provide for the redevelopment of its public housing sites and predictable annual subsidies; and

WHEREAS, on November 8, 2022 a majority of the Flagstaff voters passed Proposition 442 authorizing the issuance of up to $20 million in general obligation bonds to create rental and homeownership opportunities for the residents of Flagstaff, of which $5 million would be applied towards the redevelopment of the City public housing portfolio according to the publicity pamphlet; and

WHEREAS, HUD allows the City of Flagstaff as a public housing agency to reserve RAD authority for multiple public housing sites without binding the City to complete conversions of all; and

WHEREAS, the City has a shortage of affordable housing and, as a part of its mission consistent with Resolution No. 2020-66 and its 10-Year Housing Plan, seeks to increase the number of housing units available for low-income individuals and families within the community; and

WHEREAS, the City of Flagstaff Housing Authority Board has recommended that the City Council of Flagstaff approve a resolution authorizing the submission of a Rental Assistance

Demonstration (RAD) Program Portfolio Application to HUD for conversion of the public housing portfolio consistent with the 10-Year Housing Plan; and

WHEREAS, the City Housing Division Director has completed resident notifications and consultation meetings regarding the proposed portfolio conversion required prior to submittal of an Application and will continue to engage with the residents and community through the redevelopment process; and

WHEREAS, the City of Flagstaff has assessed the feasibility of a RAD conversion and has concluded that it is both feasible and, in the City's best interests to submit a Rental Assistance Demonstration (RAD) Program Portfolio Award Application and pursue the redevelopment of the Flagstaff Public Housing Portfolio consistent with the City 10-Year Housing Plan.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The City of Flagstaff as a public housing agency hereby directs the City Housing Division Director or their designee to execute and submit a Rental Assistance Demonstration (RAD) Program Portfolio Application via the RAD Resource Desk to the U.S. Department of Housing and Urban Development (HUD) for the conversion of the Flagstaff Public Housing Portfolio.

SECTION 2. Delegation of Authority.

The City Housing Division Director, City Manager, and City Attorney and/or their designees are hereby authorized to execute all required HUD application forms, certifications, worksheets, and subsequent conversion documents (such as Commitments to enter into a Housing Assistance Payments Contracts (CHAPs) and Housing Assistance Payment (HAP) Contracts) necessary to advance the portfolio conversion, and take all actions necessary and appropriate to comply with all requirements of the RAD Program, including all existing and subsequent HUD Notices applicable to the RAD Program.

SECTION 3. Direction for Further Actions.

The City Housing Division Director, City Manager, City Attorney, Management Services Director, City Engineer, Planning Director, Real Estate Manager, and/or their designees are hereby directed to proceed with all actions necessary and appropriate to redevelop, implement, and operate all phases of the redevelopment of the Flagstaff Public Housing Portfolio in accordance with RAD Program requirements, subject to the City Charter, City Code, procurement procedures, and applicable laws. Such actions include but are not limited to the following:

1. Work with consultants to assess the physical inventory of the Flagstaff Public Housing Portfolio and options for redevelopment to at least double the overall number of housing units;

2. Evaluate and determine whether public housing units should be converted to Project-Based Vouchers (PBV) or Project-Based Rental Assistance (PBRA) units;

3. Issue solicitation(s) for qualified developers to assist the City of Flagstaff as public housing agency in redevelopment of the Flagstaff Public Housing Portfolio, commencing first with the Siler public housing site (collectively "the Projects");

4. Explore options for forming a non-profit corporation and/or other legal entities for purposes of redevelopment of the Flagstaff Housing Portfolio, make recommendations to City Council, and prepare proposed documents related to formation and operation;

5. Prepare proposed contracts with selected developers regarding the respective roles of the City, affiliate non-profit corporation, and the developers in redevelopment Projects;

6. Obtain appraisals, title reports, and conduct all due diligence reasonable and appropriate prior to conveyance of fee title or leasehold interests to an affiliate non-profit corporation and/or developer;

7. Pursue site preparations to improve property and create housing units for the Flagstaff community as authorized by Resolution No. 2020-66;

8. Apply for grants and funding for redevelopment, including but not limited to applications to the state of Arizona for awards of Low-Income Housing Tax Credits (LIHTC), seeking a LIHTC equity investor, and make recommendations to City Council for acceptance of grants and/or loans for the Projects;

9. Make recommendations to the City Council regarding appropriation and expenditure of the City's public housing, capital funds, and/or affordable housing funds to provide predevelopment and gap funding for the Projects;

10. Allocate Section 8 Project-Based Vouchers and/or Project Based Rental Assistance units, amend HUD Annual Plan(s), and prepare associated contracts or agreements, as necessary to facilitate financing, redevelopment, and operations;

11. Upon City Council adoption of a City ordinance approving the same, convey fee title or a lesser interest in all or any portion of the Project sites to third parties as necessary to facilitate redevelopment.

12. Procure, execute, and submit or deliver all contracts, documents and instruments necessary for the redevelopment and operation of the Projects.

13. Use and expend the proceeds of any grants, loans, and other financing and funding sources to carry out the redevelopment and operation of the Projects.

14. Oversee, monitor, and evaluate the progress of the RAD program conversion, and through the City Housing Division Director, report at least annually to the Housing Commission and City Council concerning such progress.

SECTION 4. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 17th day of November, 2026.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY