

NOTICE AND AGENDA

**HOUSING COMMISSION
THURSDAY
MARCH 25, 2021**

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

ATTENTION
IN-PERSON AUDIENCES AT HOUSING COMMISSION MEETINGS HAVE BEEN SUSPENDED UNTIL FURTHER NOTICE

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

The public can submit comments to LBloom@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

2. Roll Call

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

| | | |
|---------------|--------------------|--------------------------|
| ERIC DAVIS | CHRIS KEMMERLY | TAD RIGGS |
| NICOLE ELLMAN | DEVONNA MCLAUGHLIN | ROSS SCHAEFER ALTENBAUGH |
| KAREN FLORES | MOSES MILAZZO | JOANNA WHEATON |
| SANDI FLORES | ERIN O'LOUGHLIN | |
| KHARA HOUSE | ADRAH PARAFINIUK | |

3. 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.

4. APPROVAL OF MINUTES

- A. Consideration and Approval of Minutes:** Housing Commission Meeting, February 25, 2021
Approve the minutes of the February 25, 2021 Housing Commission Meeting.

5. GENERAL BUSINESS

- A.** 10 Year Housing Plan and Informal Working Group Update

6. **DISCUSSION ITEMS**

A. **Discussion and Input:** Affordable Homeownership Program Regarding Community Land Trust (CLTP)

A presentation by Justyna Costa, Housing Manager regarding the Community Land Trust Program.

B. **Discussion and Direction** regarding housing bond revisited for 2022.

Discussion and direction regarding housing bond revisited for 2022.

1. Stick with 2020 recommendations
2. Revisit 2020 recommendations as a commission
3. Request informal working group, revisit recommendations and bring back a recommendation
4. Other

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

A. Update from Housing Authority Commission Member

B. Update from Housing Staff

C. Other Informational Items

8. **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 _____, 2020.

Leah Bloom, Housing Section



Housing Commission

4. A.

From: Leah Bloom, Affordable Housing Advancement Project Manager

DATE: 03/25/2021

SUBJECT: Consideration and Approval of Minutes: Housing Commission Meeting, February 25, 2021

STAFF RECOMMENDED ACTION:

Approve the minutes of the February 25, 2021 Housing Commission Meeting.

Executive Summary:

Minutes of Commission meeting 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.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Not applicable.

Previous Council Decision on This:

Not applicable.

Attachments

February 25 Housing Commission Minutes

DRAFT MEETING MINUTES

**HOUSING COMMISSION
THURSDAY
FEBRUARY 25, 2021**

**CITY OF FLAGSTAFF
MICROSOFT VIRTUAL MEETING
1:00 P.M.**

1. Call to Order

Chair Nicole Ellman called the meeting to order at 1:01pm.

2. Roll Call

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

ERIC DAVIS - Present
NICOLE ELLMAN - Present
KAREN FLORES - Present
SANDI FLORES - Present
KHARA HOUSE - Arrived at 1:44pm

CHRIS KEMMERLY - Absent
DEVONNA MCLAUGHLIN - Present
MOSES MILAZZO - Present
ERIN O'LOUGHLIN - Present
ADRAH PARAFINIUK - Arrived at 1:29pm

TAD RIGGS - Present
ROSS SCHAEFER - Present
JOANNA WHEATON - Absent

COUNCIL LIAISON PRESENT: Vice Mayor Becky Daggett

STAFF PRESENT: Justyna Costa, Sarah Darr, Adriana Fisher, Jennifer Mikelson, Kristine Pavlik, Dan Symer

3. 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.

None.

4. APPROVAL OF MINUTES

- A. Consideration and Approval of Minutes:** Housing Commission Meeting, January 28, 2021
Approve the minutes of the January 28, 2021 Housing Commission Meeting.

Moved by Karen Flores, **seconded by** Eric Davis to approve the minutes from the regular meeting of January 28, 2021 as presented.

Vote: 9 - 0 - Unanimously

5. **DISCUSSION ITEMS**

A. **Discussion and Input:** A presentation on Rental Assistance Demonstration Discussion and Input

Ms. Sarah Darr, Housing Director, gave a presentation on the Rental Assistance Demonstration (RAD) and answered questions from Commissioners.

Commissioner Devonna McLaughlin expressed her excitement for this strategy to increase permanent, affordable housing units.

Commissioner Moses Milazzo expressed agreement that the greater risk is to not proceed with RAD.

B. Case No. PZ-21-00019 Zoning Code Text Amendment - 2021: Affordable Housing Modified Development Standards. A request by the City to amend the Zoning Code to amend the Zoning Code to incorporate provisions into the Affordable Housing Incentives and the Parking Adjustments.

Staff is requesting the Housing Commission provide a recommendation to the City Council for approval of the City's request for a Zoning Code Text Amendment to incorporate provisions into the Zoning Code's Affordable Housing Incentives and the Parking Adjustments.

Mr. Dan Symer, Zoning Code Manager, provided a brief overview of the proposed Zoning Code Text Amendment - 2021, and requested input and a recommendation from the Housing Commission. Commissioners asked clarifying questions, expressed their concerns, and provided feedback.

Moved by Ross Schaefer, **seconded by** Erin O'Loughlin to recommend the City Council approves the Case No. PZ-21-00019 Zoning Code Text Amendment - 2021.

Abstain - Khara House

Vote: 9 - 1

NAY: Adrah N. Parafiniuk

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

A. Update from Housing Authority Commission Member

Commissioner Milazzo, Housing Authority Liaison, provided a brief update, with supporting information from Ms. Darr.

B. Update from Housing Staff

Ms. Justyna Costa, Housing Manager, provided a brief update about volunteer working groups and items on the March meeting agenda.

Ms. Jennifer Mikelson, Housing Analyst, updated Commissioners about the Incentive Policy for Affordable Housing (IPAH).

Ms. Kristine Pavlik, Community Development Block Grant (CDBG) Administrator, provided an update about the 2021 CDBG applications received.

Ms. Costa, Ms. Mikelson, Ms. Pavlik, and Ms. Darr answered Commissioner questions and indicated a specific question regarding the Crestview development will be addressed at a future meeting.

c. Other Informational Items

Commissioners requested the following topics be added to future agendas:

- Discussion on how to make all housing more affordable in Flagstaff;
- Update on state legislative activities that could impact affordable housing or housing efforts in our community;
- Information about Low Income Housing Tax Credits and how the Flagstaff Housing Authority and Housing Commission work with them.

Ms. Darr acknowledged all requests, provided goals for this section of the agenda in future meetings, and thanked Commissioners for their commitment and participation.

Chair Ellman expressed appreciation for the opportunity to address specific topics and for the comprehensive presentations provided by or arranged by City staff.

7. ADJOURNMENT

Meeting adjourned at 2:53pm by Chair Ellman.



Housing Commission

6. A.

From: Leah Bloom, Affordable Housing Advancement Project Manager

DATE: 03/25/2021

SUBJECT: Discussion and Input: Affordable Homeownership Program Regarding Community Land Trust (CLTP)

STAFF RECOMMENDED ACTION:

A presentation by Justyna Costa, Housing Manager regarding the Community Land Trust Program.

Executive Summary:

See attached presentation.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Not applicable.

Previous Council Decision on This:


Not applicable.

Attachments


CLTP Presentation



1



Affordable Homeownership Program



Community Land Trusts (CLTs) are a permanent affordability tool

- Nationally acknowledged model
- Proper pricing is key:
 - Affordable pricing means additional subsidy isn't needed
 - Ability to serve lower AMIs that the market is excluding

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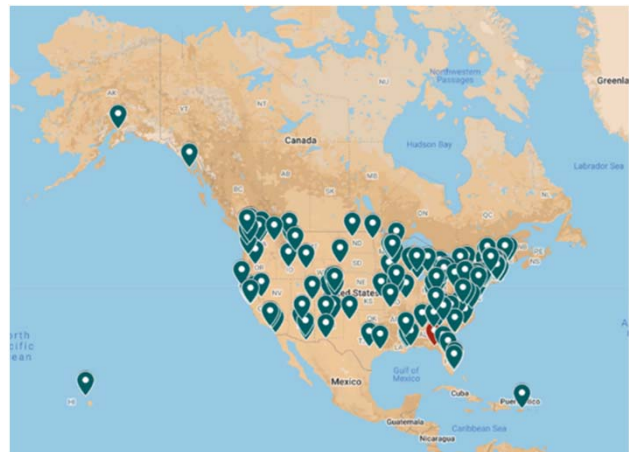


History



- 1960s – Concept developed by the Institute for Community Economics
- 1992 – Federal Housing and Community Development Act further defined the CLT model and specifically provided federal funding

Since the '60s more than 225 CLTs have been established in the U.S.



3



Benefits of Community Land Trust



4



Community Land Trust (CLT) Homes

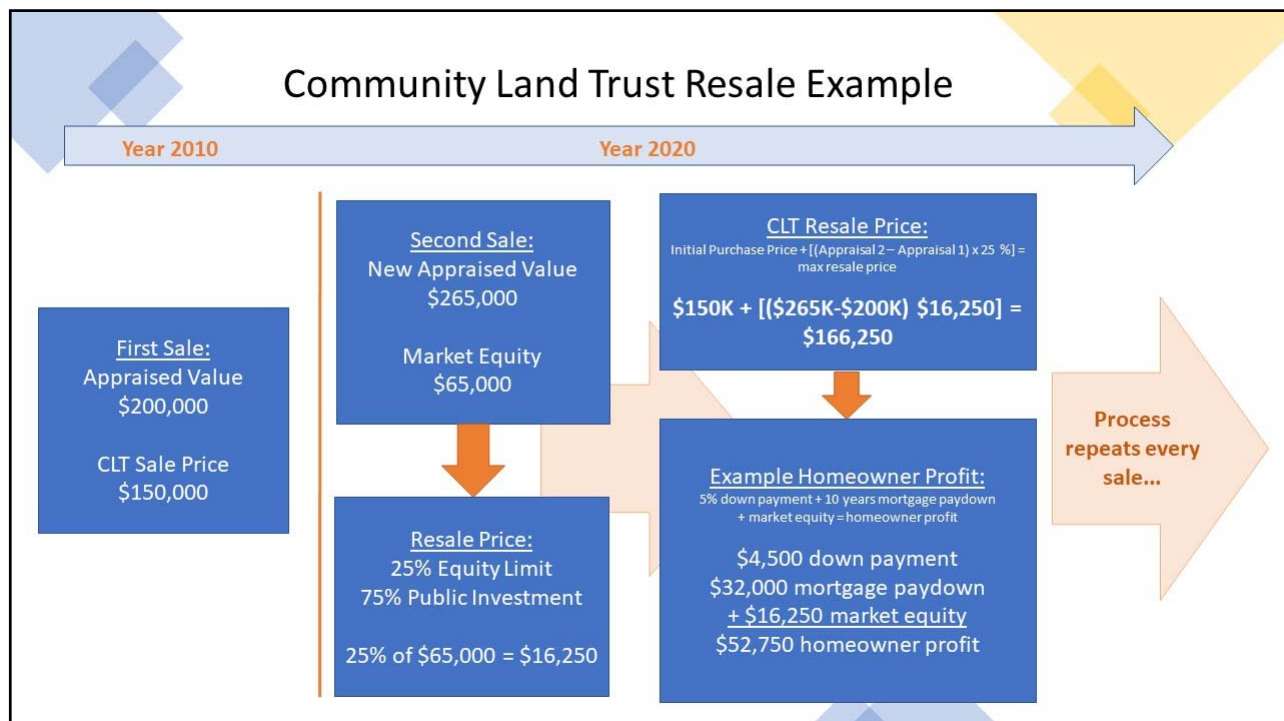


The City of Flagstaff has chosen the Community Land Trust model to provide permanently affordable homeownership.

- The cost of land is removed from price of home
- Buyer owns the improvements, City owns the land
- Affordability requirements secured through a 99 yr. ground lease between the homeowner and the City
 - Ground lease includes: resale pricing restrictions, eligibility requirements for new buyers, and owner occupancy requirements

The Community Land Trust Program is a tool to assist in meeting the needs of the community through the provision of housing for essential workers, while also retaining the public's investment in housing stock.

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Deed Restricted Homes



- A deed restriction places specific restrictions on a property and is recorded at time of sale
 - Includes: resale pricing restrictions, eligibility requirements for new buyers, and owner occupancy requirements
- Flagstaff's first affordable homes were deed restricted
 - Eligible buyers bought 24 affordable homes
 - As owners sell, each home is converted to the CLT model
 - 14 remaining deed restricted properties at Rio (one in conversion process)
 - Change to CLT ground lease model was a response to changing lending market after last Recession

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Affordable Ownership Unit Totals



50 permanently affordable homes constructed and occupied

- 24 at Rio Homes
- 10 at Izabel Homes
- 10 Habitat for Humanity
- 5 at Crestview
- 1 Elden Townhome

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Rio Homes

- 24 permanently affordable townhomes
 - 14 are still deed restricted, 10 converted to the land trust
- Built in partnership with AZ North Development
- Serves up to 125% AMI
- These homes were originally deed restricted and are being converted to the ground lease land trust model with each resale

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Izabel Homes

- City acquired land and funded construction with CDBG funds
 - 10 homes built in partnership with Loven
 - 6 homes built in partnership with Habitat for Humanity
- Habitat units serve up to 80% AMI CLT units serve up to 125% AMI
- +7 are owned by single mothers with children
- 15 homes built and occupied; last home will be built by Habitat for Humanity in 2021

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Crestview

- 12 land trust homes promised
- Built in partnership with Capstone
- Serves up to 125% AMI
- 5 homes are built and occupied; 7 lots remain
- Current pricing is \$319,900
 - + \$30,000 for a master suite addition

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Future Affordable Ownership Projects



108 community land trust units promised in upcoming developments

- 100 units at Timber Sky
- 7 more Crestview lots
- 1 more Habitat for Humanity at Izabel

22 deed restricted condos in upcoming developments

- 17 units at Miramonte at Ponderosa Pkwy
- 5 units at Woodshire on Butler by Brookfield



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Housing Commission

6. B.

From: Leah Bloom, Affordable Housing Advancement Project Manager

DATE: 03/25/2021

SUBJECT: **Discussion and Direction** regarding housing bond revisited for 2022.

STAFF RECOMMENDED ACTION:

Discussion and direction regarding housing bond revisited for 2022.

1. Stick with 2020 recommendations
2. Revisit 2020 recommendations as a commission
3. Request informal working group, revisit recommendations and bring back a recommendation
4. Other

Executive Summary:

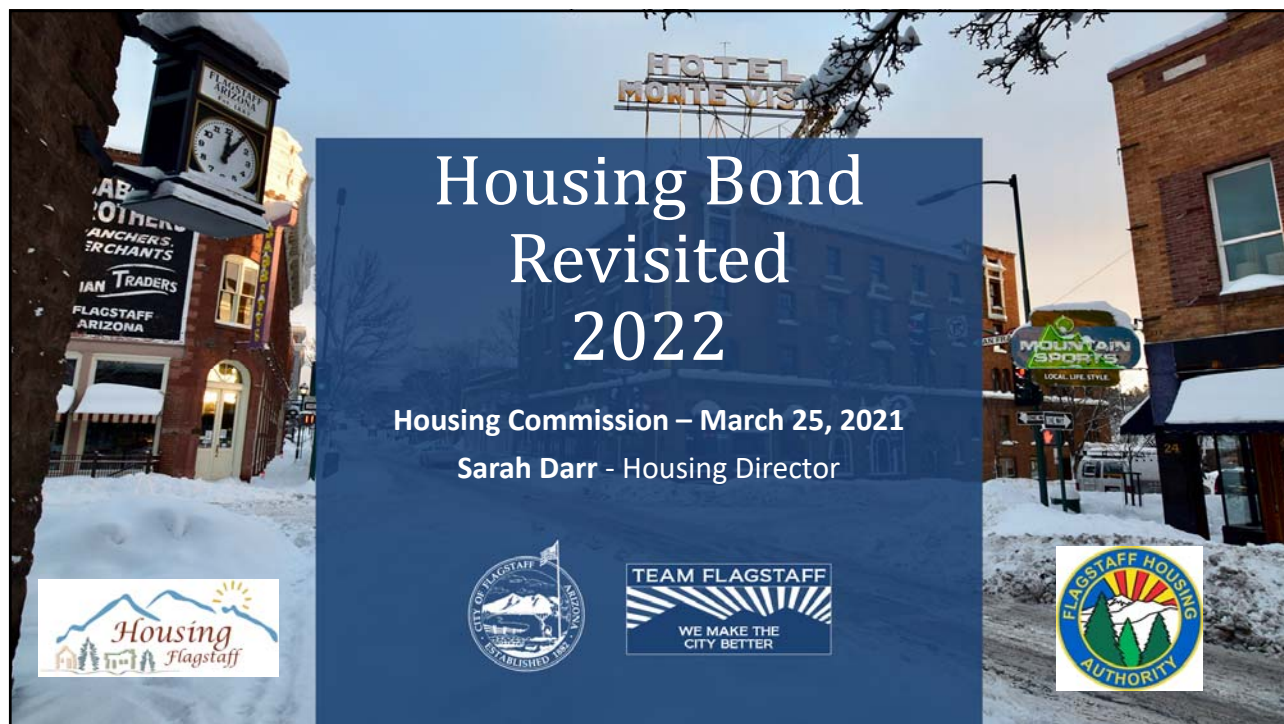
Presentation by Sarah Darr, Housing Director regarding 2022 housing bond.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:


Not applicable.

Attachments


2022 Housing Bond Revisited Presentation



1



Timeline 2020



- **February 27** – Next Housing Commission Meeting
- **March 3** – Recommendations to City Council

- **March – June** Preliminary Preparation for Public Outreach
- **July 7** – Deadline for Council to Call the Election
- **July – October** Preparation of Final Public Outreach and Presentation to Public
- **August** – Finalization of Publicity Pamphlet for Distribution
- **November 3** – Election Day

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Why not 2021?

Questions such as funding a housing bond can ONLY go to the voters during a General Election

- This means even numbered years only

Even numbers

2 0 4
6 8

Why 2022??



3



Attainable Housing Bond Recommendations



Overview

- Housing Commission
 - Process
 - Prioritization
 - Other Items Considered
- Attainable Housing Recommendations
 - Emergency
 - Rental
 - Homeownership





4

| Emergency Housing Recommendations - \$10 Million | | | |
|---|--------------|-----------------------------|-------------------------------------|
| Project (Prioritized) | Amount | Estimated Community Benefit | Revolving Fund Capability (Yes/ No) |
| EH1: Support existing, and develop new, eviction/homelessness prevention and rapid rehousing/move-in assistance programs to advance community efforts in housing stabilization and permanency. | \$10 Million | 5,333 Households Served | No |

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| Rental Housing Recommendations - \$10 Million | | | |
|---|---------------|---|---|
| Project (Prioritized) | Amount | Estimated Community Benefit | Revolving Fund Capability (Yes/ No) |
| RH1: Redevelopment of housing owned & managed by the City | \$5 million | 250 units minimum (serving various AMIs) | No |
| RH2: Incentivize private sector affordable rental housing development through the creation of a revolving loan fund | \$1-3 million | 140-420 units (assuming an approximate 70 unit / project estimate, \$1 mil funds 2 projects and \$3 mil funds 6 projects) | Yes, with repayment after expiration of affordability time period |
| RH3: Acquisition of property in partnership with private developers to adaptively reuse available property for the creation of affordable housing | \$2 million | Approximately 50 households | Yes |


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|  Workforce Housing – Homeownership - \$10 Million  | | | |
|---|-------------|--|-------------------------------------|
| Project (Prioritized) | Amount | Estimated Community Benefit | Revolving Fund Capability (Yes/ No) |
| OWN1: Purchase Assistance program | \$7 million | 350 homeowners with initial purchase funding | Yes |
| OWN2: Acquisition of land/units for affordable homeownership | \$3 Million | Estimated 120 housing units created | Yes |


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|  Housing Commission Bond Recommendations  | | | |
|--|----------------------|----------------------|----------------------|
| Projects | Rec. #1 | Rec. #2 | Rec. #3 |
| EH1: Eviction Prevention & Rapid Rehousing | \$ 10,000,000 | \$ 9,000,000 | \$ 6,000,000 |
| RH1: Redevelopment of housing owned by City | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 |
| RH2: Create and incentivize development partnerships for the creation of attainable rental housing. | \$ 3,000,000 | \$ 2,000,000 | \$ 1,000,000 |
| RH3: Acquisition of property in partnership with non-profits and private developers for adaptive reuse | \$ 2,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| OWN1: Purchase Assistance program | \$ 7,000,000 | \$ 6,000,000 | \$ 5,000,000 |
| OWN2: Acquisition of land/units for attainable homeownership | \$ 3,000,000 | \$ 2,000,000 | \$ 2,000,000 |
| TOTALS | \$ 30,000,000 | \$ 25,000,000 | \$ 20,000,000 |


8

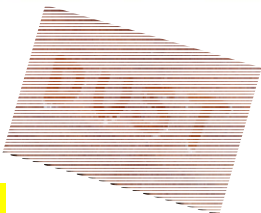


Seeking Council Direction




Possible options:


- Interested and...
 - would like Housing Commission to dust off/update recommendations before further Council discussion (staff recommendation)
 - ~~desire further discussion at Council level~~
- ~~Not interested and~~ 




9



Seeking Commission Direction



- Stick with 2020 recommendations
- Revisit 2020 recommendations as a commission
- Request informal working group revisit recommendations and bring back a recommendation
- Other??



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