

## **NOTICE AND AGENDA**

**HOUSING COMMISSION  
THURSDAY  
OCTOBER 28, 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](mailto: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	KHARA HOUSE	ROSS SCHAEFER ALTENBAUGH
TYLER DENHAM	DEVONNA MCLAUGHLIN	
NICOLE ELLMAN	MOSES MILAZZO	
KAREN FLORES	ERIN O'LOUGHLIN	
SANDI FLORES	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 September 23, 2021  
Approve the minutes of the September 23, 2021 Housing Commission Meeting.

5. **DISCUSSION ITEMS**

- A. Discussion and Input Regarding General Obligation Bond Part II.  
An informational presentation by Rick Tadder, Management Services Director.
- B. Discussion and direction regarding 2022 housing bond recommendations.  
During the March 25 Housing Commission meeting, Commissioners gave direction to revisit 2020 recommendations as a Commission. Staff's recommended action is to revisit 2020 bond recommendations and provide updated recommendations for 2022.

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

- A. Update from Housing Authority Commission Member
- B. Update from Housing Commissioners and other informational items
- C. Update from Housing Staff

7. **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](http://www.flagstaff.az.gov).

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Leah Bloom, Housing Section



## **Housing Commission**

**4. A.**

**Co-Submitter:** Adriana Fisher, Housing Specialist

**From:** Leah Bloom, Housing Project Manager

**DATE:** 10/28/2021

**SUBJECT:** Consideration and Approval of Minutes: Housing Commission Meeting September 23, 2021

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### **STAFF RECOMMENDED ACTION:**

Approve the minutes of the September 23, 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.

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### **Attachments**

Draft Housing Commission Minutes - September 23

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## DRAFT MEETING MINUTES

HOUSING COMMISSION  
THURSDAY  
SEPTEMBER 23, 2021

VIRTUAL MEETING  
MICROSOFT TEAMS 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 - Absent  
TYLER DENHAM - Present  
NICOLE ELLMAN - Present  
KAREN FLORES - Present  
SANDI FLORES - Present

KHARA HOUSE - Absent  
DEVONNA MCLAUGHLIN - Present  
MOSES MILAZZO - Present  
ERIN O'LOUGHLIN - Present  
ADRAH PARAFINIUK - Present

ROSS SCHAEFER ALTENBAUGH - Present

Council Liaison Present: Becky Daggett

Staff Present: Leah Bloom, Justyna Costa, Sarah Darr, Adriana Fisher

### 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 August 26, 2021.  
Approve the minutes of the August 26, 2021 Housing Commission Meeting.

**Moved by** Karen Flores, **seconded by** Ross Schaefer to approve the minutes of the August 26, 2021 Housing Commission Meeting.

**Vote:** 9 - 0 - Unanimously

## **5. GENERAL BUSINESS**

### **A. Housing Commission Appointment and Resignation Updates**

Ms. Leah Bloom, Housing Project Manager, provided a brief update on Housing Commission appointments and resignations, stating that Commissioners Devonna McLaughlin and Karen Flores were re-appointed by Council and Commissioner Tyler Denham is a newly appointed member.

Commissioner Erin O'Loughlin provided an update regarding her resignation, stating this is her last meeting.

Chair Ellman welcomed Commissioner Denham and thanked Commissioner O'Loughlin for her work.

### **B. Housing Commission Virtual Meeting Updates**

- Monday, November 29 - 1:00PM - 3:00PM
- Thursday, December 16 - 1:00PM - 3:00PM

Chair Ellman provided a brief overview of the upcoming meetings in November and December, which were rescheduled from their normal dates due to the holidays.

## **6. DISCUSSION ITEMS**

### **A. Establish Overarching Goal Numbers and Consideration of Approval of Draft 10 Year Housing Plan**

1. Establish and approval the Draft 10 Year Housing Plan's goal numbers.
2. Approve the Draft 10 Year Housing Plan and begin 30 day public comment period.

Ms. Bloom and Ms. Sarah Darr, Housing Director, provided a collaborative verbal presentation on the Draft 10-Year Housing Plan. Ms. Bloom requested approval of the draft document and approval to move forward with the 30-day public comment period.

Chair Ellman provided a reminder of vacant positions in the Housing Commission, which Ms. Bloom indicated consisted of a builder, developer, and housing professional.

Ms. Bloom thanked Commissioners for their hard work on the 10-Year Housing Plan.

Commissioners had a thorough discussion about the scope of the current housing problem, ways to track progress and units occupied by local residents, the continuation of regular surveys to stay up to date on current housing conditions, an action plan for making the Plan a living document that is constantly re-evaluated, approaches for providing regular updates on progress, annual and regular reporting strategies, strategic planning to make the Plan a priority to the Housing Commission long-term so it continues to move forward, the strategies and importance of updating the community about the Plan's progress, and about the process moving forward.

Questions were answered by Ms. Darr, Ms. Bloom, and Chair Ellman.

**Moved by** Moses Milazzo, **seconded by** Adrah N. Parafiniuk to approve the Draft 10-Year Housing Plan, with the words "at least" added in front of "6000 low to moderate Flagstaff residents" in Element Two of the Single Overarching Goal.

**Vote:** 9 - 0 - Unanimously

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

**A. Update from Housing Authority Commission Member**

Housing Authority liaison, Commissioner Moses Milazzo, stated the Board met at an irregular time this month to ensure they had a quorum. He provided updates about:

- the approval of the Housing Choice Voucher Payment Standard Adjustment;
- the increase of utility allowance for Section 8 voucher-holders;
- the Rental Assistance Demonstration (RAD) and re-development of Public Housing units;
- new Emergency Housing Vouchers (EHV);
- and briefly mentioned a Housing staff re-organization.

Commissioner McLaughlin asked a question regarding the increase of utility vouchers, which Ms. Darr answered.

**B. Update from Housing Commissioners and other informational items**

Housing Commissioners requested information about the following topics:

- policies discussed in the 10-Year Housing Plan related to the re-development of City-owned land;
- bond measure updates including capacity, pension plan repayment, and revisit of the previous bond measure;
- and climate action plan and net-zero home costs.

Questions were asked by Council Liaison Becky Daggett and Commissioner McLaughlin about Housing's involvement in the Active Transportation Management Plan, as well as if Housing has presented to NAIPTA, the Transportation Commission, Open Space Commission, and Sustainability Section regarding the new 10-Year Housing Plan. Ms. Bloom provided answers to questions asked.

Ms. Costa indicated the Housing Commission will receive a Draft Incentive Policy for Affordable Housing presentation before the beginning of the year.

Ms. Darr provided an update on RAD.

**c.** Update from Housing Staff

Ms. Darr wanted to celebrate the approval of the Draft 10-Year Housing Plan and thanked everyone for all the work that went into it.

Chair Ellman thanked Vice Mayor Daggett for her work and involvement in so many working group meetings.

Commissioner Milazzo thanked Housing staff for their phenomenal job helping Commissioners work through issues in the last couple of months, but also in the last couple of decades.

Chair Ellman thanked Housing staff for their hard work.

**8. ADJOURNMENT**

Chair Ellman adjourned the meeting at 2:28 pm.



## **Housing Commission**

**5. A.**

**From:** Leah Bloom, Housing Project Manager

**DATE:** 10/28/2021

**SUBJECT:** Discussion and Input Regarding General Obligation Bond Part II.

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### **STAFF RECOMMENDED ACTION:**

An informational presentation by Rick Tadder, Management Services Director.

### **Executive Summary:**

See attached presentation.

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### **Attachments**

General Obligation Bond Part II

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# General Obligation Bond Discussion II

Housing Commission –

October 28, 2021





# General Obligation Bonds







# General Obligation Bonds

## Legal Limits – State Statute/Assessed Valuations

- 20% Limitation: Water, sewer, artificial lighting, parks, open space, recreational facilities, public safety, law enforcement, fire and emergency services and street and transportation facilities
  - Bond capacity in this limitation = \$178M
- 6% Limitation: (i.e. Housing, Climate Action)
  - Everything else
  - Currently no issuance under this limitation
  - Bond capacity in this limitation = \$67M



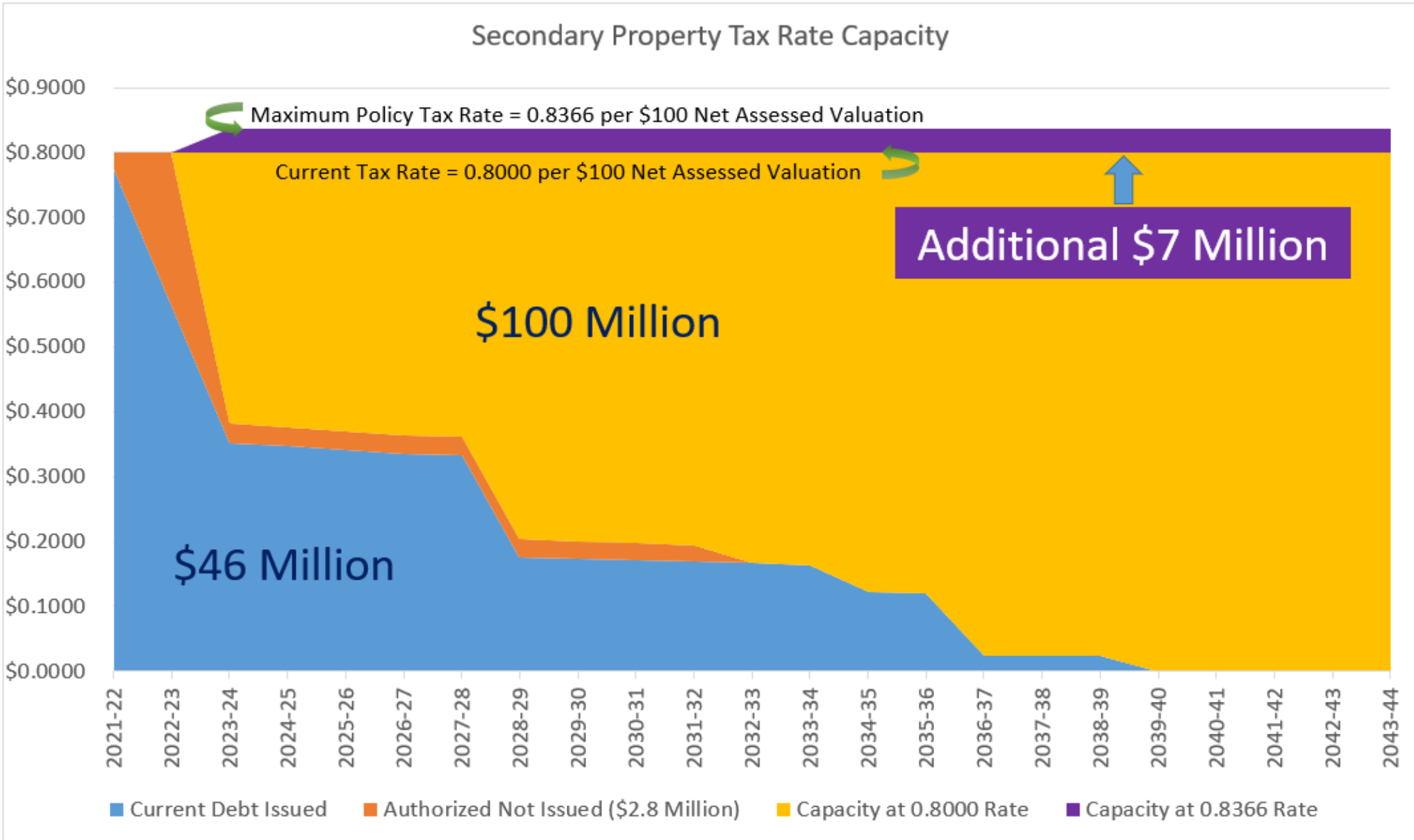
# General Obligation Bonds

## Policy Limits – City Imposed

- Current policy tax rate not to exceed 0.8366 per \$100 of Net Assessed Valuation (NAV)
  - This is based on promises made during past elections
  - The City allowed to go above this rate for purpose of paying debt
- Based on current projection of NAV
  - Estimated total capacity \$107M under current rate policy
  - Remaining capacity through FY 2044-45
- Current tax rate is 0.8000 per \$100M of NAV

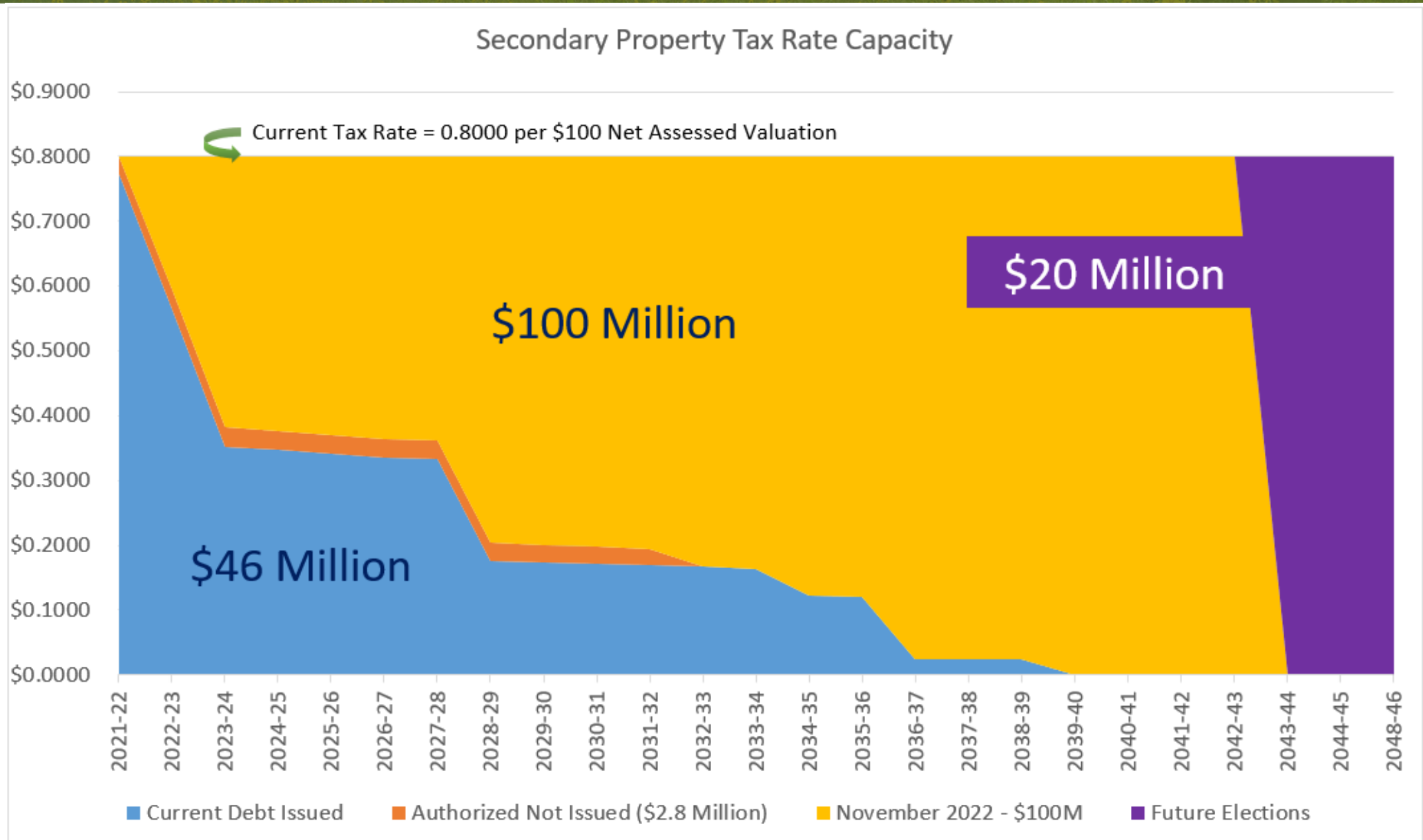


# General Obligation Bonds



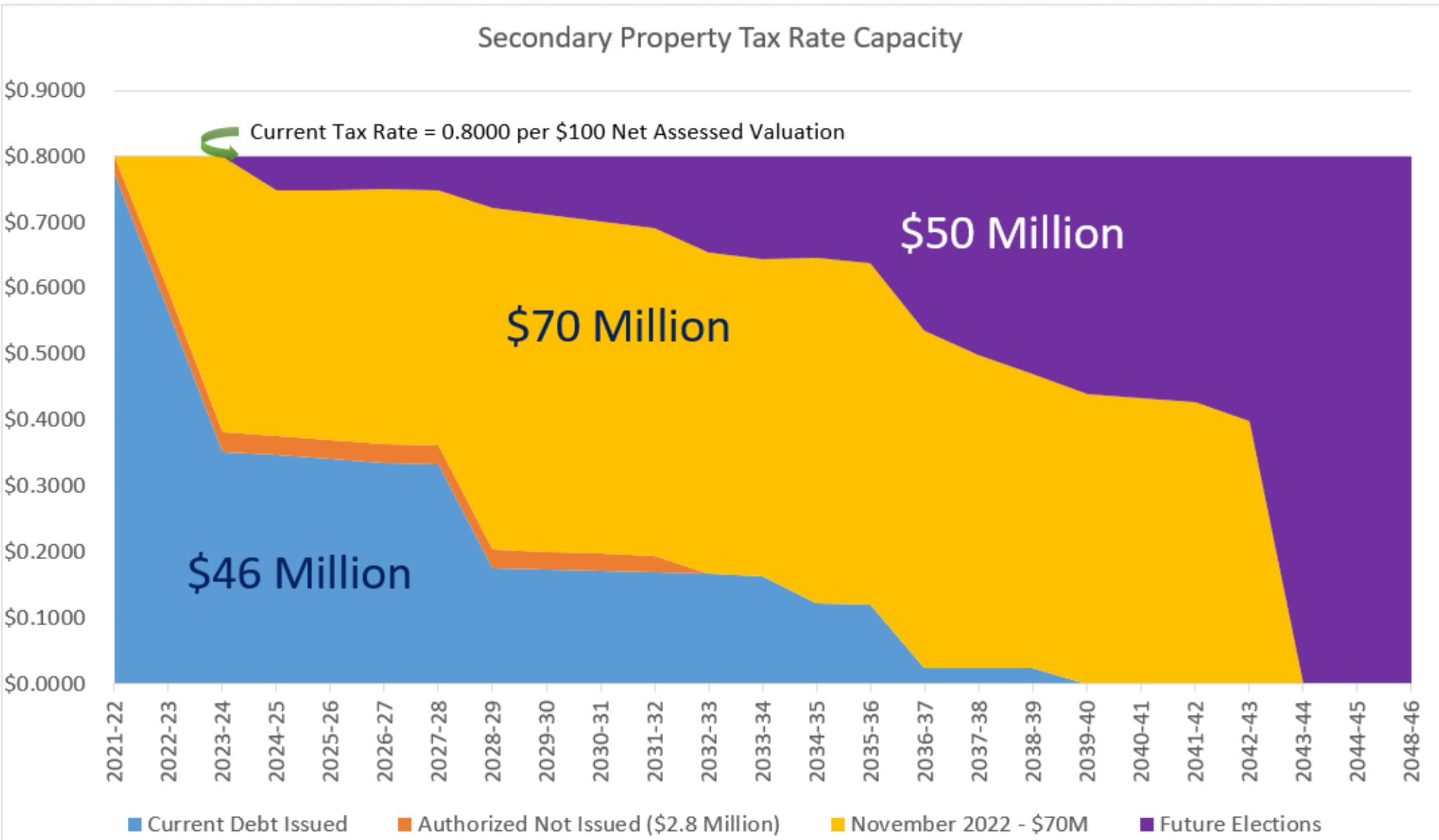


# General Obligation Bonds





# General Obligation Bonds







# General Obligation Bonds

## Residential Taxpayer Impacts

- For planning purposes:
  - 20-year debt issuance at 5% interest rate
  - \$10M, \$25M and \$70M in bonds
  - Average Class 3 Residential Assessed Value - \$287,000, 0% growth
  - Total rate stays within current rate: 0.8000

Amount of Voter Authorization	Amount of Total Debt Paid (P&I)	Estimated Tax Rate Required	Residential Annual Impact	20-Year Impact
\$ 10,000,000	\$ 15,934,493	0.0813	\$ 22	\$ 440
\$ 25,000,000	\$ 39,836,233	0.2034	\$ 55	\$ 1,100
\$ 70,000,000	\$ 111,541,453	0.5694	\$ 154	\$ 3,080





# General Obligation Bonds

## Election Consideration

- Do not use full capacity in one election, layer over years
- As years pass, capacity grows
- Council election items being considered
  - Housing
  - Climate Action
  - Alternate Response
  - Infrastructure
  - Discussion/Direction at the November 2, 2021 Council Meeting



# Rise and Fall of Public Safety Pension Debt



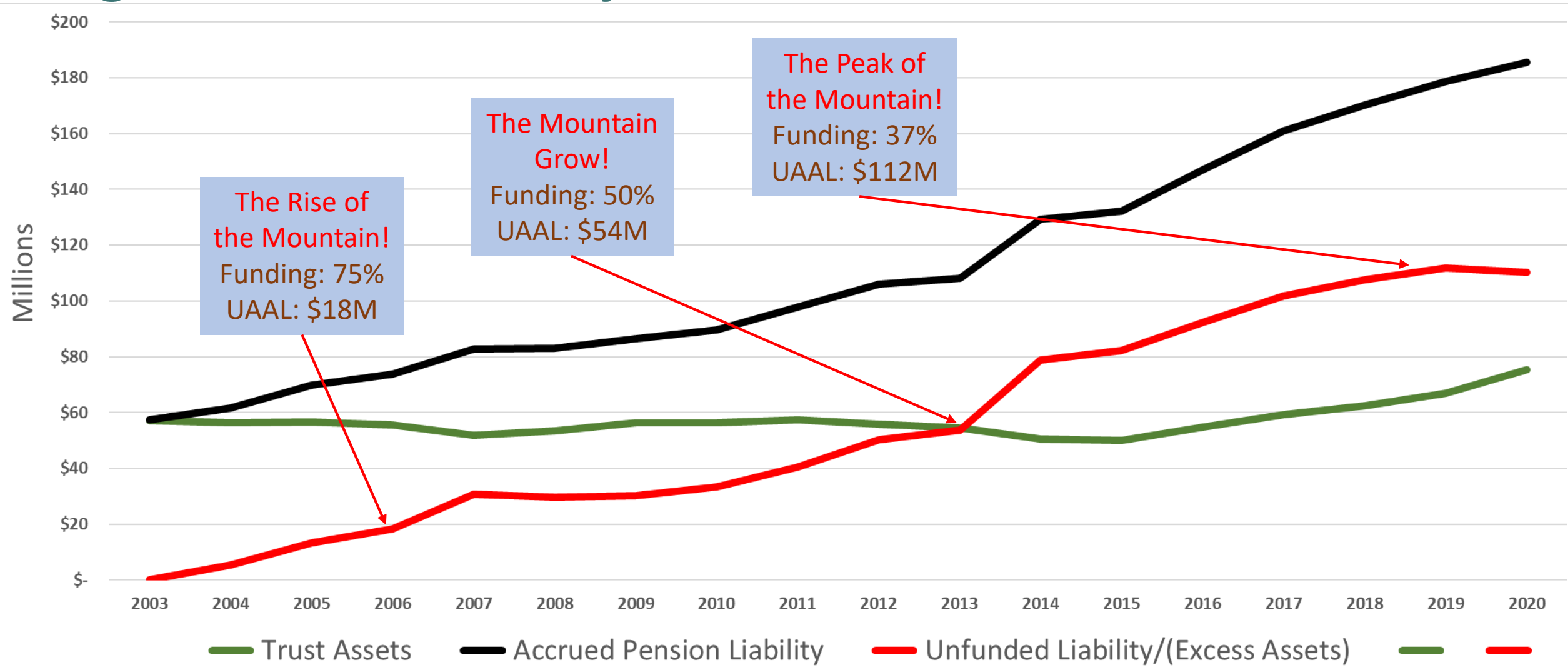




# Flagstaff Reached the Peak



## Flagstaff PSPRS History





# Addressing Future Peaks

## Risk of doing nothing

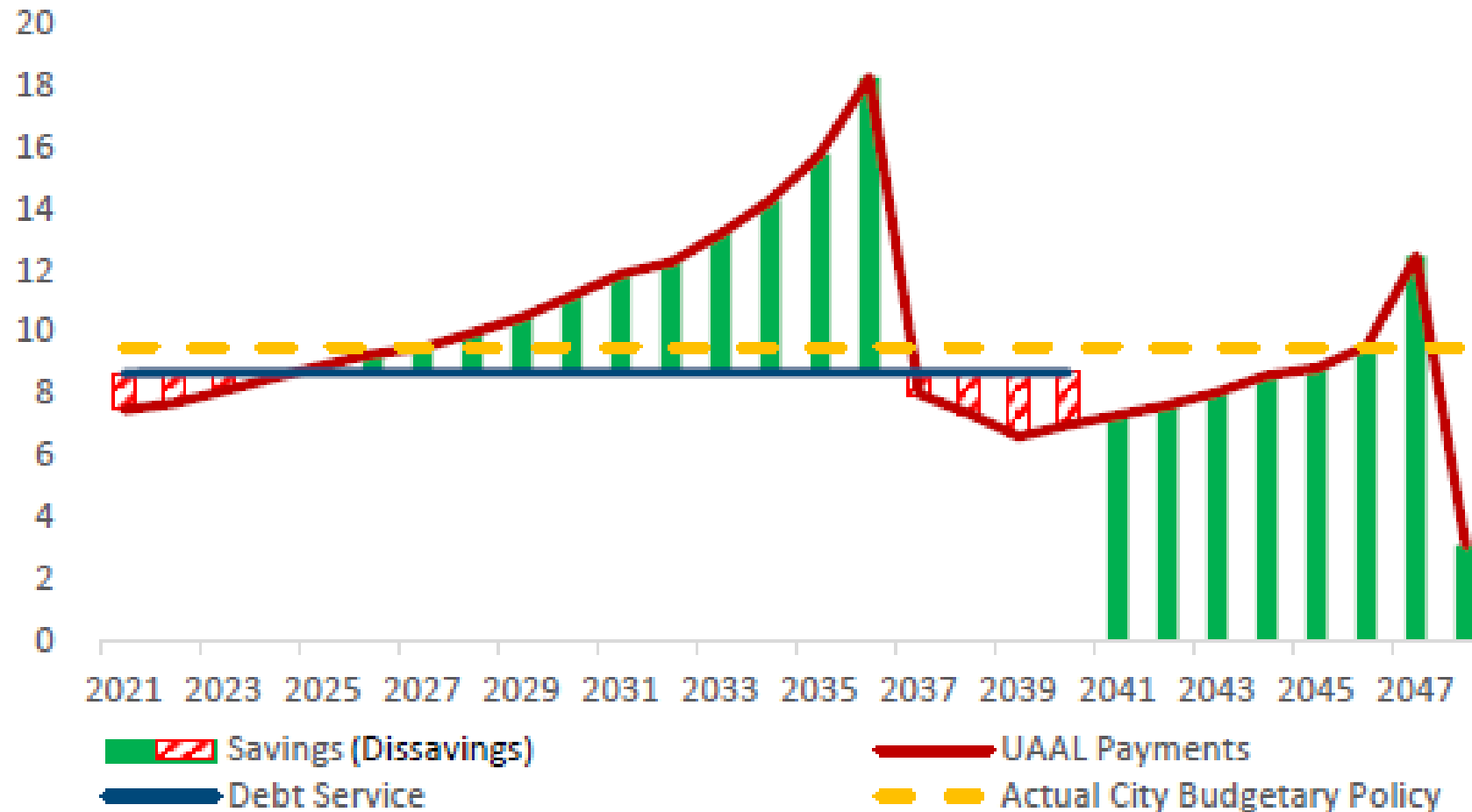
- Risk of doing nothing
  - Annual contributions increasing annually:
    - FY 2003 was \$217,700
    - FY 2019 was \$10.5M
  - Future estimated UAAL minimum payments
    - Annual increase ranges \$200K to \$2.5M
  - UAAL minimum payment for 6/30/2036
    - Projected \$10.3M higher than today
  - Labor cost with pension are 69% of General Fund budget



# Addressing Future Peaks

## Why did this make sense for Flagstaff?

POB Results: Impact on Annual Payments<sup>1,2</sup>





# The Results

## General Fund Benefits

- The transaction achieved several key objectives:
  - 100% funding of the city's public safety pension plan;
  - Reduce annual debt payments substantially, thereby easing the burden on the city's general fund;
  - Level off future payments (the previous debt schedule had significant increases in annual debt payments in future years);
  - Set up a reserve fund to mitigate the risks of changing markets and actuarial assumptions;
  - Pay off the debt in 20 years versus the original 28-year plan.



# The Results



## The numbers

- Certificate of Participation Debt Issued: \$131M
- 100% funded plans
- Contingency Reserve Funds: \$14M
- Estimated interest rate: 2.7% (versus April 3.9%)
- Net Present Value Savings Estimated: \$76 M (versus \$54M)
- Debt service payments between \$8.6M and \$9.2M
  - Versus \$10.7 million budgeted UAAL payments

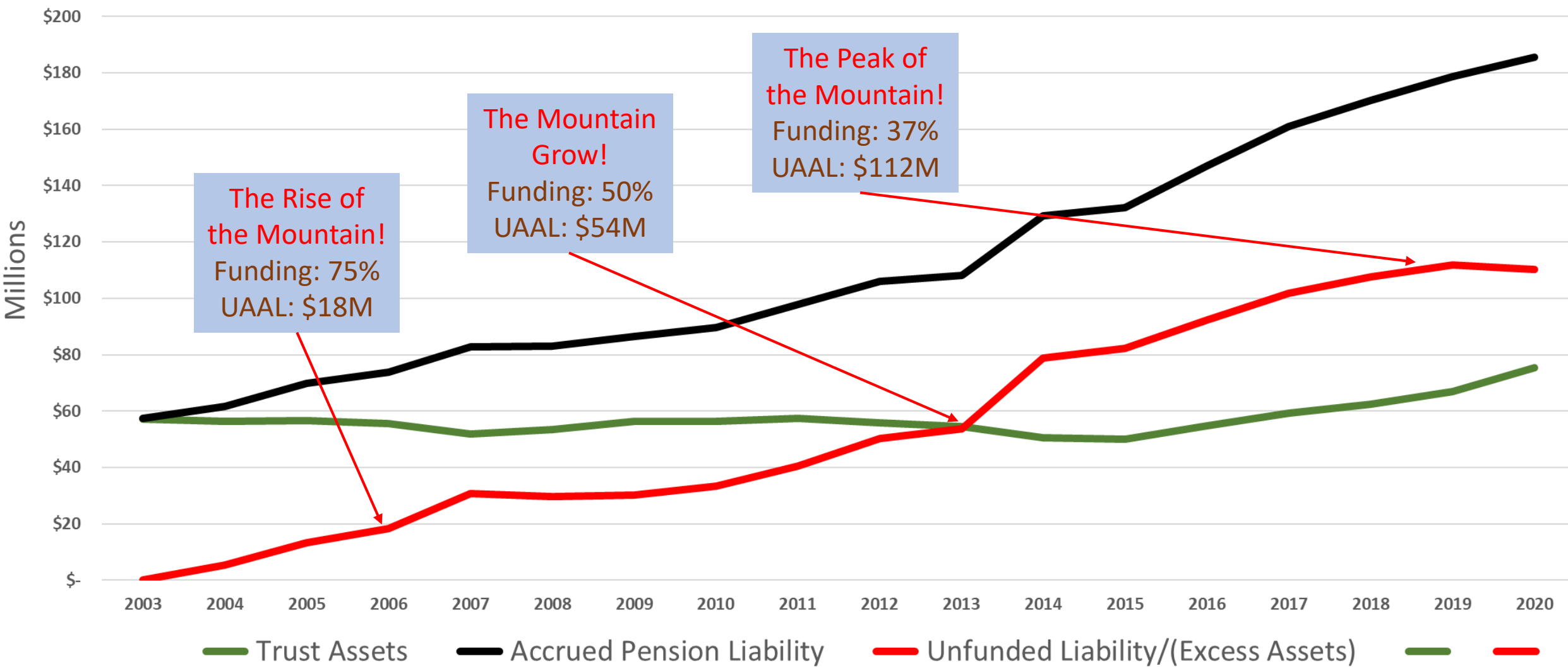




# The Results



## Descending the Mountain



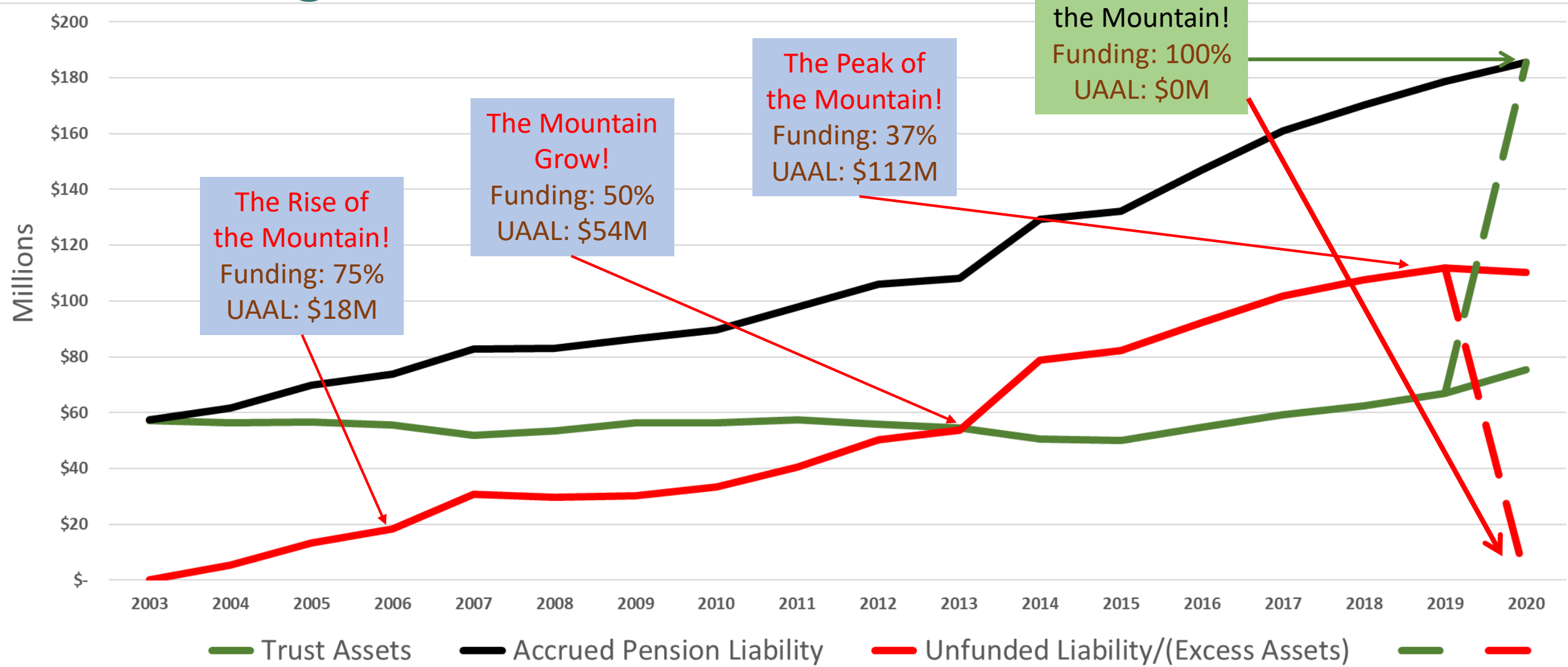




# The Results



## Descending the Mountain





# Flagstaff Fiscal Responsibility

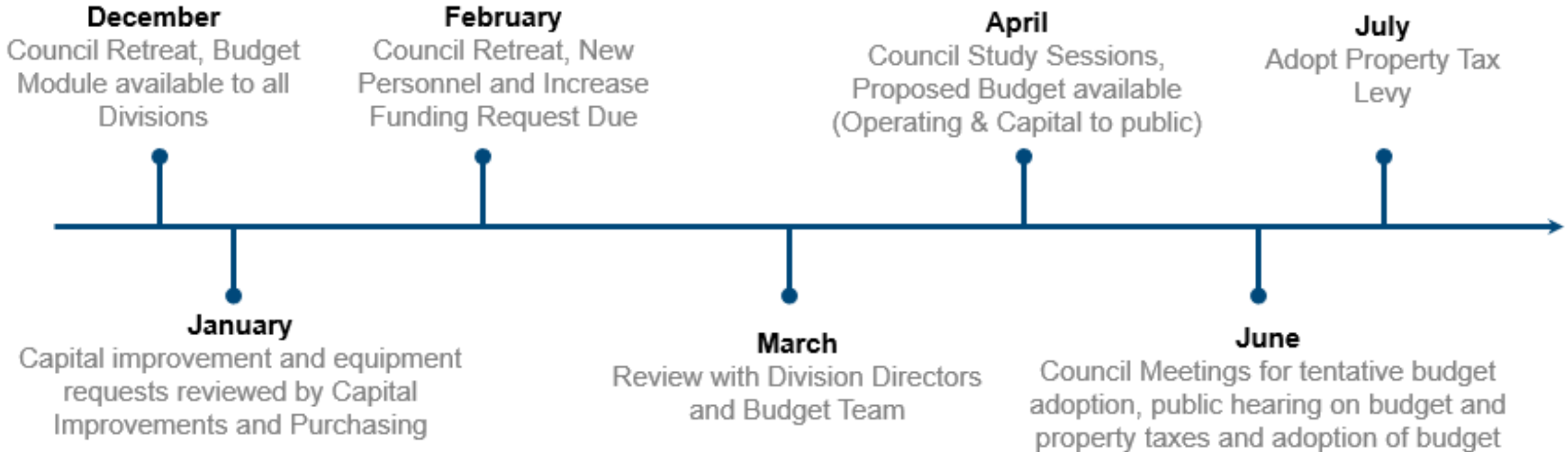






# Fiscal Responsibility

## Budget Process and Controls



### ♦ Budgetary Controls

- Budget is Prepared on an Annual Cycle
- Adopted Consistent with GAAP for all Governmental Funds
- City Manager and Division Heads are Responsible for Managing Expenses with Division Level Approved by Council



# Fiscal Responsibility

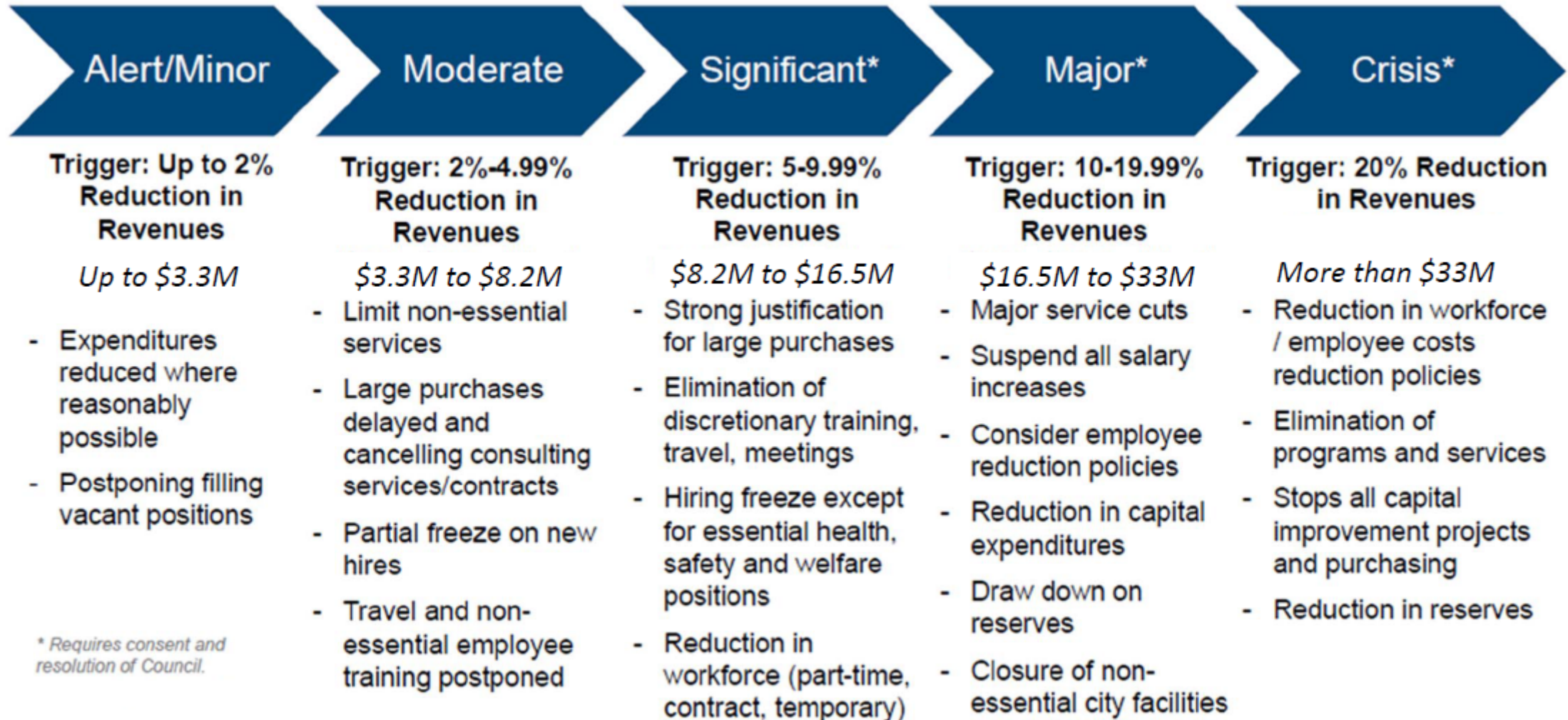
## Budgetary Policies

- Structurally Balanced 5-Year Plan for All Funds
- Achievable Revenue Estimates, Portion of Revenues reserved for one-time use
- Cash Balances should be used for one-time expenditures
- General fund balance policy minimum of 15% of general fund ongoing revenues
- 5-Year planning goal to keep fund balance above 20%
- Recession cycles built into revenue projections



# Fiscal Responsibility

## Recession Plan



\* Requires consent and resolution of Council.





# Fiscal Responsibility



## Bond Ratings and Awards

- The City of Flagstaff consistently receive high Bond Ratings
- Current GO Ratings:
  - Standard and Poor's Financial Services: AA Stable
  - Moody's Investors Service: Aa2
- Dedicated Professional Staff!



**40 Awards**  
**26 Consecutive**



**26 Awards**  
**26 Consecutive**



# Questions



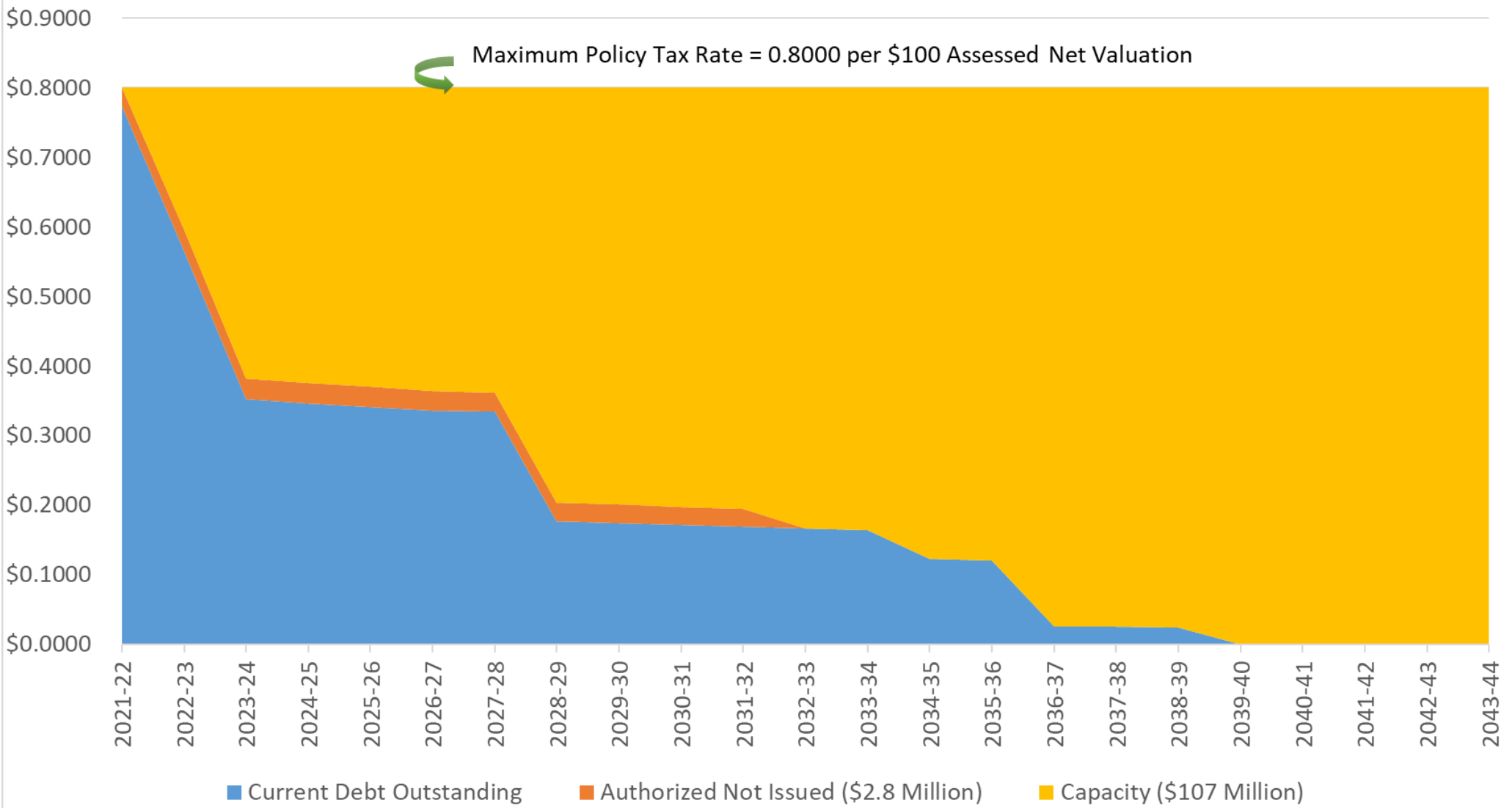




# General Obligation Bonds



Secondary Property Tax Rate Capacity







## **Housing Commission**

**5. B.**

**Co-Submitter:** Sarah Darr, Housing Director

**From:** Leah Bloom, Housing Project Manager

**DATE:** 10/28/2021

**SUBJECT:** Discussion and direction regarding 2022 housing bond recommendations.

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### **STAFF RECOMMENDED ACTION:**

During the March 25 Housing Commission meeting, Commissioners gave direction to revisit 2020 recommendations as a Commission. Staff's recommended action is to revisit 2020 bond recommendations and provide updated recommendations for 2022.

### **Executive Summary:**

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

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### **Attachments**

2022 Housing Bond Recommendations - Slide Deck


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1



## Draft Timeline 2021



- **October**
  - Identify bond ballot measures (Staff)
  - Nominations for Bond Election Citizens Committee (Mayor and Council)
- **November 2**
  - Update to Council on timeline and process
- **December 1**
  - Ballot measure descriptions completed by staff
- **December-May**
  - Citizens Committee Meetings
- **March-April**
  - Community Meetings/Road Show
- **June 7**
  - Bond package presented to Council – vote to call for the election
- **November 8**
  - Election Day

2



## Attainable Housing Bond Recommendations



### Overview

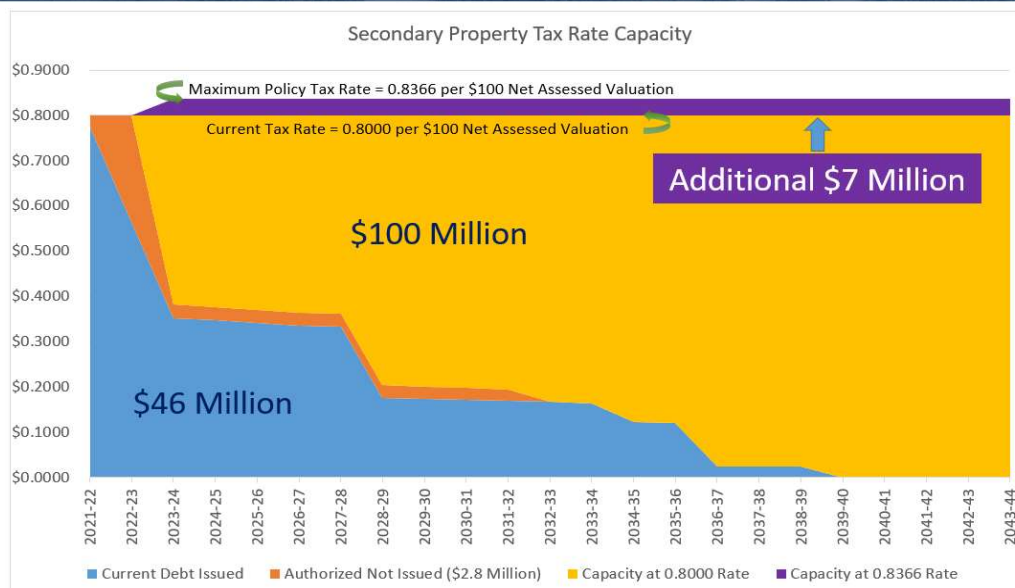
- Housing Commission
  - Process
  - Prioritization
  - Other Items Considered
- Attainable Housing Recommendations
  - Emergency
  - Rental
  - Homeownership





3





## Secondary Property Tax Rate Capacity





4

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

5

 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

6

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

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

8



# Seeking Commission Direction



- Commission Discussion

