



City Council Weekly Information Packet

Friday, May 5, 2023

Includes the following documents/information:

- 1) City Council Events Schedule
- 2) State and Federal Updates & Grant Opportunities
- 3) Quarterly Financial Report FY 2022-23 Q3
- 4) Equitable Sharing Report – Quarterly Expenditure Report
- 5) Downtown Curb Lane Management Study
- 6) Community Services Department Update



City Council Events Schedule

May 5, 2023 thru November 11, 2023

The Mayor and City Council have been invited to attend various community meetings and public and private events at which a quorum of the City Council may be present. The Council will not be conducting city business, nor will any legal action be taken. This is an event only and not a public meeting. A list of the community meetings and public and private events along with the schedules, dates, times, and locations is attached. Organizers may require a rsvp or fee.

Fri	May 5	11:00 a.m. – 1:00 p.m.	APS Tea and Networking Location: Arizona Biltmore 2400 E. Missouri Avenue Phoenix, AZ
Fri	May 5	2:30 p.m. – 3:30 p.m.	Retirement Ceremony Location: Kyrene Del Norte 1331 E. Redfield Drive Tempe, AZ
Sat	May 6	8:00 a.m. – 12:00 p.m.	Care 7 Mental Health Awareness Month 5k Location: Kiwanis Park 5500 S. Mill Avenue Tempe, AZ
Mon	May 8	5:00 p.m. – 7:00 p.m.	Joint Council/SRPMIC Meeting Location: Round House Café 10047 E. Osburn Road Scottsdale, AZ
Mon	May 8	8:30 am. – 9:00 a.m.	Broadway Dunkin’ Donuts Grand Opening Location: Dunkin Donuts 754 W. Broadway Road Tempe, AZ
Tues	May 9	7:00 p.m. – 8:15 p.m.	Excellence in Education Location: Showroom at Wild Horse Pass 5040 Wild Horse Pass Boulevard Chandler, AZ
Tues	May 9	5:00 p.m. – 7:00 p.m.	Arts in the Parks Spring Celebrations (Optimist Park) Location: Optimist Park 2000 E. Sesame Street Tempe, AZ

Wed	May 10	5:30 p.m. – 7:30 p.m.	Making Space an Equity Study for Parks and Recreation Festival: Building Community Through Food and Play Location: Escalante Multi-Generational Center 2150 E. Orange Street Tempe, AZ
Fri	May 12	12:00 p.m. – 1:00 p.m.	Jet’s Pizza Ribbon Cutting Location: Jet’s Pizza 1835 E. Guadalupe Road, Suite D111 Tempe, AZ
Fri	May 12	7:00 p.m. – 9:00 p.m.	Veteran Charity: Mother’s Day Gala & Fashion Show Location: FBC Tempe 4525 S. McClintock Drive Tempe, AZ
Mon	May 15	4:00 p.m. – 6:00 p.m.	Farewell Party Location: Pedal Haus Brewery 730 S. Mill Avenue Tempe, AZ
Tues	May 16	11:00 a.m. – 1:00 p.m.	AARP Experience Corps End-of Year Tutor Appreciation Luncheon Location: Tempe Public Library 3500 S. Rural Road Tempe, AZ
Wed	May 17	12:00 p.m.	Tempe Tomorrow: General Plan 2050 Draft Release Virtual Meeting Zoom Link: tempe.gov/2050
Wed	May 17	5:30 p.m. – 7:00 p.m.	Tempe Tomorrow: General Plan 2050 Draft Release Open House Location: Tempe History Museum Community Room 809 E. Southern Avenue Tempe, AZ
Fri	May 19	5:00 p.m. – 7:00 p.m.	Boards and Commission Appreciation Event Location: Omni Hotel 7 E. University Drive Tempe, AZ
Wed	May 24	6:00 p.m. – 8:00 p.m.	Central Arizona Project Annual East Valley Cities & Towns Dinner Location: Board and Batten Modern Bistro 4012 E. Palm Street Mesa, AZ

Thur	June 1	10:30 a.m. – 1:00 p.m.	Read on Tempe Literacy Event in Partnership with the Tempe Public Library Location: Tempe Public Library 3500 S. Rural Road Tempe, AZ
Sat	June 17	11:00 a.m. – 3:00 p.m.	10 th Annual Juneteenth Celebration Location: Tempe History Museum 809 E. Southern Avenue Tempe, AZ
Sun	June 18	12:00 p.m. – 5:00 p.m.	Juneteenth Celebration Location: Arizona Heritage Center 1300 N. College Avenue Tempe, AZ
Fri	June 23	6:00 p.m. – 9:00 p.m.	Arizona Theatre Company: Partnership Stakeholder Dinner Location: Tempe Center for the Arts 700 W. Rio Salado Parkway Tempe, AZ
Tues	Sept 12	5:00 p.m. – 7:00 p.m.	MYAC Kick-Off Retreat Location: Tempe History Museum 2500 S. Rural Road Tempe, AZ
Sat	Nov 11	10:00 a.m. – 1:00 p.m.	Diwali and Veterans Day Assembly Location: Kyrene Del Norte Dual Language Academy 1331 E. Redfield Drive Tempe, AZ

05/04/2023 JR

MEMORANDUM



TO: Mayor and City Council
THROUGH: Andrew Ching, City Manager
FROM: Marge Zylla, Government Relations Officer
DATE: May 5, 2023
SUBJECT: State and Federal Update & Grant Opportunities

Below are summaries of recent actions and announcements at the state and federal level:

- State Legislative Update
- Grant Opportunities

Please let me know if there are follow-up questions for Tempe's federal lobbyist. Also, please let me know if Tempe staff members are pursuing federal grants so we can arrange for letters of support from our Congressional delegation.

State Legislative Update

Today is the 117th day of the 2023 state legislative session and 1,632 bills have been introduced. Of the 196 bills that have passed, 113 have been signed into law, and 64 have been vetoed.

Both the House and Senate resumed business on 4/25/23 after a 2-week adjournment. The decision to adjourn followed the House vote on the expulsion of a member of the House of Representatives. The membership of the House is now at 30 Republicans and 29 Democrats, and 31 members are needed to pass legislation out of the House. The legislature then reconvened and adjourned again. As of this writing, it appears the legislature may reconvene next week again.

The bills of interest to Tempe will be added to lists (described below). Bills of significant interest will be highlighted in memo summaries as the proposals are amended in the legislative process.

Bill Lists

Staff is analyzing legislative proposals as they become available. The lists will be adjusted to reflect the latest available information. Bills that have failed to meet deadlines or have not received sufficient votes will be noted as “Dead”.

To note, based on lack of significant bill status updates this week, the tracking lists are similar to last week’s lists and can be found at [this link](#) in the 4/14/23 Weekly Memo.

The tracking list that follows these memos includes the summaries of bills that may be of interest to Tempe. These lists are not exhaustive, and as more analysis is done, comments will be included. Readers can use the search/find tool (keyboard shortcut: press “Ctrl” and the “F” key) to search for terms of interest, like “fireworks”, “rentals”, “zoning”, “safety”, etc. Readers can also search the list by department to quickly be brought to the header under which there is a sublist of bills that may impact a specific area of city operations, for example: “Community Development” or “FMR”.

In addition to the bills on the tracking lists, the city will also be monitoring for proposals in areas including the following:

- Local Governance
 - Efforts to preempt city charters, the authority for local governance, can be found in SCR 1023 and SCR 1027. The city opposes these anti-charter efforts.
 - Tempe voters have voted on charter provisions for the city of Tempe, and these types of proposals seek to put that into question with voters across the state.
 - A summary page prepared by the League of AZ Cities and Towns is highlights the types of voter-approved restrictions that this type of resolution, if passed, would remove. The page is attached.
 - The bills may be subject to amendments with a population threshold, but the city retains opposition to the concept of the legislature attempting to undermine local voters and the charter authority granted in the Arizona Constitution.
- Local Zoning Issues
 - *Current existing bills are bolded in the bulleted summary points below. The bill text for the bills are hyperlinked.*
 - The city opposes the strike-everything amendment on SB 1117, which includes preemption language that would upend the city’s voter-approved General Plan and aim to remove transparency and public access from planning activities. The bill also does not include any language that advances policies for guaranteed affordable housing.
 - Mayor Woods testified against the bill in the committee (video at [this link](#)), noting that this proposal would have the result of blocking affordable housing developers from building needed guaranteed affordable housing in the city.
 - A document from WeSERV Association of Realtors contains the efforts of surveyed cities in approving housing units, leading to a conclusion in the report that “city and

- towns are, and have been, approving housing permits...Delays [in housing construction] are from several sources, including builders and developers, supply chain woes, labor shortages and commodity shortages.” Article at [this link](#), report at [this link](#), and related tweet at [this link](#).
- An earlier memo included a one-page visual of the average lot size in every US state. It provides an illustration that Arizona is one of the smallest average lot sizes—the 48th smallest.
 - SB 1117 bill failed on the Senate floor. However, many of the components of SB 1117 have been included in the strike-everything amendment that has been added to [HB 2536](#).
 - The [HB 2536](#) striker language also fails to contain guaranteed affordability policy and it circumvents public outreach processes for development and standards for how development interacts with public transit and bike and pedestrian infrastructure.
 - Some components of SB 1117 are also found in strike-everything amendments to [SB 1161](#) and [SB 1163](#).
 - The city does not support the strikers to these three bills (HB 2536, SB 1161, SB 1163). The stated intent of delivering guaranteed affordable housing is supported, but the methodology in these bills does not achieve that aim while maintaining transparency, public process, and alignment with the voter-approved city General Plan.
 - The city does support the housing proposal outlined in the Affordable Housing section below.
 - The Governor has vetoed SB 1162, which would have added additional governmental layers and confusion regarding home-based businesses, which are an important part of the economic landscape in the city. The city opposed the bill and appreciate the veto of this unnecessary legislation.
- Affordable Housing
 - As noted in earlier Weekly Information Packet memos, Mayor Woods submitted a list of legislative solutions for consideration in his role as a member of the statewide legislative housing supply study committee. The city will be monitoring and analyzing housing proposals throughout the session and aim to see the solutions shared by Mayor Woods become bill proposals. Unfortunately, of the bills that include these provisions, none have been scheduled for a hearing as of this writing.
 - The city has collaborated with other cities to develop language that could be used as a strike-everything amendment that would include affordable housing components that could be deployed locally.
 - This includes much of the stated intentions of the 3 bills that the city opposes (HB 2536, SB 1161, SB 1163), but this city-supported proposal delivers the policy in an effective way that continues to foster engagement and reflect local needs.
 - Below is an email that went to the members of the state legislature this week from the League of AZ Cities and Towns. The attachments referenced in the message are attached to this memo.

“Members,

On behalf of the League of Arizona Cities and Towns, we want to share with you a proposal we have been discussing with Senator Kaiser that we believe presents an opportunity for the legislature to pass compromise housing legislation this session that focuses on efficiencies for developers and requires cities to facilitate middle and affordable housing options without infringing on property rights or granting greater entitlements for developers.

Housing affordability has been an issue on top of the minds of [local elected leaders](#) and voters over the past couple of years, and that is reflected in polling data and our actions at the local level. However, when you break down what constituents are asking for, it's important to note that they seek programs that aid in affordability while still entrusting their local elected officials to facilitate their

community's growth. With that in mind, and the experience cities have had dealing with past preemptions related to affordable housing production and [Proposition 207 \(Private Property Rights Protection Act\)](#), we have put forward a housing proposal that is attached to this email. With your support, this bill can provide new, more affordable housing opportunities for housing advocates and streamline processes for developers.

Attached is a summary of the League draft with comments on where the language is derived and a document explaining some challenges we have with HB2536, SB1161, and SB1163. When considering housing this legislative session, local governments want to be partners. We want to find common ground without infringing on property rights or granting new property rights that didn't previously exist.

The League looks forward to working with each of you to find a middle ground that meets the needs of our shared constituents. Please let us know if you have any questions or comments as we continue to move through the session."

- The city continues to advocate for policy that advances guaranteed affordable housing without undermine transparency in local decision-making. The city is actively working to advance favorable policies through amending language and/or strike-everything amendments.
- Proposition 400 Extension Authorization
 - As of this writing, there are a number of proposals that have been introduced on the topic of the extension of the Proposition 400 regional half-cent tax that supports transportation projects and programs in Maricopa County.
 - The city currently opposes the strike-everything amendment on HB 1102, which has funding allocations and non-germane language that does not reflect the unanimously approved regional transportation plan. This bill could be favorable with future amending language that brings the statutory language in line with the . regionally approved transportation plan. This bill was advanced out of its House committee and the city looks forward to continuing the conversation to adjust the allocation language in the bill.
 - The city currently opposes the strike-everything amendment on HB 1246, which has funding allocations that do not reflect the unanimously approved regional plan. However, the other components of the bill mirror the needed language, so this bill could be favorable if the allocation proportions are updated. This bill was advanced out of its House committee and the city looks forward to continuing the conversation to adjust the allocation language in the bill.
 - The city supports HB 2527, which reflects the regional transportation plan which was unanimously approved by the elected representatives serving on the Maricopa Association of Governments, including Mayor Woods. This bill is dead.
 - The city currently opposes the strike-everything amendment on HB 2031, which has funding allocations that do not reflect the unanimously approved regional plan. However, the other components of the bill mirror the needed language, so this bill could be favorable if the allocation proportions are updated. This bill was not ultimately voted on in committee. This bill is dead.
 - The city opposed SB 1122, which does not reflect the unanimously approved regional transportation plan. A previous memo included a summary of the bill from Valley Metro, the region's transit agency of which the City of Tempe is a member. Vice Mayor Jennifer Adams represents Tempe on the Valley Metro Boards. This bill failed.
 - SB 1505 has favorable language but has not met the deadline to be heard in its chamber of origin.

- Short Term Rentals
 - There are a number of introduced bills and referenda regarding short-term rentals this session. Some of these proposals would remove the state preemption on local regulations of short-term rentals, which the city would support. To date, these proposals have not been scheduled for hearings will not move forwarded this session, except potentially in the form of strike-everything amendments onto other bills.
- Taxation Proposals
 - The city opposes the tax break proposals for entities that are in the businesses of residential rentals and for businesses that sell food for home consumption, which have been introduced as HB 2067/SB 1184 and HB 2061/HB 1063/HB 1089, respectively.
 - This would result in a combined revenue loss to the city of over \$26 million annually, and would give a tax break to specific interests that would exclude them from contributing to the transaction privilege taxes that are remitted by other companies doing business in the city. These revenues fund programs, capital investments, infrastructure projects, public safety, and services including affordable housing construction and rental assistance.
 - HB 2067, SB 1184, HB 2061, and SB 1063 passed out of their respective initial committees on party line votes.
 - SB 1184 passed out of the Legislature and the cities and other organizations urged a veto. The Governor vetoed SB 1184 on 2/23/23. Governor's Office press release is at [this link](#) and the veto letter is linked [here](#).
 - SB 1131 now has a strike-everything amendment that revives the tax break for those in the business of residential rental. The city is opposed.
 - SB 1063 passed out of the Legislature and the cities and other organizations urged a veto. The Governor vetoed SB 1063 on 3/28/23. The Governor's veto letter is linked [here](#).
 - Fiscal notes are available (and linked) on the following: [HB 2067](#), [SB 1184](#), [HB 2061](#), [SB 1063](#).
 - The League of AZ Cities and Towns has distributed materials noting the issues with these bills and those documents were attached to earlier memos.
 - Tweet with the video illustrating the important revenue streams is at [this link](#).
- Tobacco/Vaping
- Fireworks
- Liability Issues
- Water Policy
 - The city opposes SB 1660, which is similar to a problematic proposal that was defeated in last year's session, that attempts to undermine the regional mechanism for water supply. There is the potential for some industrial water users to be incentivized to extract fossil groundwater, would expand those companies' access to pumping in an unprecedented way, and would threaten the aquifers relied upon by municipal water users. News articles on the bill are at [this link](#) and [this link](#).
 - The city opposed HB 2535, which had concerning language regarding water management of wells in newly incorporated areas. This bill passed out of the legislature and was vetoed by the Governor. The Governor's veto letter is available here. The Arizona Municipal Water Users Association (AMWUA) authored one of the letters urging a veto. Councilmember Arlene Chin is the city's representative on the AMWUA Board.

The city's framework for responses to legislative proposals is the Council supported Tempe State Legislative Principles, which are available at [this link](#).

Grant Opportunities

Via the National League Cities

The Local Infrastructure Hub Launches Spring Bootcamp Series to Help Cities Access Funding for Neighborhood Infrastructure and Broadband Equity

Participating Cities, Towns, and Villages Will Receive Specialized Support to Build More Competitive Grant Applications for Programs with Up to \$42 Billion Available

WASHINGTON, D.C.: Today, the [Local Infrastructure Hub](#) announced a new set of bootcamps designed to help local leaders develop comprehensive and strategic funding applications for federal grants made available to cities as part of the Bipartisan Infrastructure Law and Inflation Reduction Act. This next series will focus on five grant opportunities that address highway-rail crossing improvements, drinking water systems, broadband planning, local infrastructure projects, and bridge infrastructure.

These technical trainings are being led by the National League of Cities with support from Bloomberg Philanthropies, the Ballmer Group, Emerson Collective, Ford Foundation, and The Kresge Foundation.

“Our expanded offerings will help cities working to close funding gaps for critical infrastructure projects,” **said Clarence Anthony, NLC CEO and Executive Director.** “The grants available in this next series could be transformative to recipients – enabling them to address structural issues that exacerbate inequality, including drinking water safety, failing bridges and highways that physically divide neighborhoods.”

“We launched the Local Infrastructure Hub to make sure communities of all sizes, geographies, and capacities could compete for historic federal funding,” **said James Anderson, who leads the Government Innovation program at Bloomberg Philanthropies.** “These newest bootcamps build on our track record of helping nearly 1,000 mid-size and smaller U.S. communities tap into world class expertise, technical assistance, and coaching, delivered pro bono and with heart.”

Cities have unprecedented opportunities to apply for funding directly from the federal government, but smaller to mid-sized cities may not have the experience or tools at their disposal to develop competitive applications. The technical assistance offered by these bootcamps aims to empower towns and cities with 150,000 residents or fewer with the ability to create and submit robust applications for federal grants. The past two bootcamp series, which took place in the fall and winter, welcomed participation from representatives from several hundred cities, who gained technical expertise to build comprehensive grant applications.

Participants from past bootcamps have expressed satisfaction with how the technical training has prepared them submit applications like they never have before and take on local projects that have long been underfunded. “I want to let you know how much I’ve enjoyed the NLC Bootcamp for EV Infrastructure, and hearing from peers across the nation,” **said Linda Knight, Public Works Sustainability & Solid Waste Manager for the city of Renton, WA.** “Your energy is infectious, and coupled with the enthusiasm, knowledge, and intellect of you and your entire group, it is inspiring us to think deeper about how we develop our projects.”

Participation in the program includes access to subject matter experts, individualized coaching sessions, office hours, and peer-to-peer learning. The bootcamps last approximately 3-4 months, and participants will include mayors and municipal staff with job functions focused on finance, community engagement, and other relevant disciplines such as administrative and advisory affairs. A major emphasis will also be placed on helping communities understand federal priorities, such as equity and sustainability, and then incorporate these and other desired outcomes into submissions.

“I’ve been working in grants for more than 40 years, but there are so many new funding opportunities available. Navigating these new programs is made possible by the access to experts during office hours and hearing from peers about their success stories. This program is one of the best I’ve attended and has facilitated many fruitful, collaborative discussions that helped our area identify compelling project candidates,” **said Caran Curry, Senior Grants Counsel of the Arkansas Municipal League.**

Beginning in June 2023, the following five bootcamps will prepare participants to competitively apply for funding from:

- **The Combined Railroad Crossing Elimination Program & CRISI (\$3B for RCE; \$5B for CRISI)** provides funding for highway-rail or pathway-rail grade crossing improvement projects, promoting safety and mobility for people and goods. Communities can use grant funding to track relocation; improve or install protective devices, signals, or signs; improve safety; and conduct environmental audits of eligible projects.
- **The Drinking Water State Revolving Fund (\$2.75 billion available)** will provide cities, towns, and villages with opportunities to address urgent water challenges facing local communities. Through these grants, local governments can strengthen their drinking water and wastewater systems.
- **Broadband Opportunities (\$42.25 billion available for BEAD)** introduces cities to the entire ecosystem of federal broadband opportunities, as well as ways cities can engage with the private sector and serve as promoters of household programs. Cities will learn about broadband in their community, identify future opportunities, and do a deep dive into available federal programs, particularly the new Broadband Equity, Access, & Development Program (BEAD), which helps fund opportunities for communities looking to expand high-speed internet access through broadband planning, deployment, mapping, equity, and adoption projects and activities.
- **Neighborhood Access and Equity Grant Program (\$5 billion available)** helps to reconnect neighborhoods divided by infrastructure. Cities, towns, and villages can use funds to address local infrastructure projects such as removing, replacing, or retrofitting highways and freeways. This grant program supports equitable transportation planning and will allow residents to become more active in the infrastructure projects that negatively impact them and their surrounding environment.
- **The Bridge Investment Program (\$2.36 billion available)** focuses on existing bridges to reduce the number of bridges in poor condition. This funding marks an unprecedented focus on bridge infrastructure, which are vital for connecting residents and local communities.

To learn more about the offerings of each course, please visit localinfrastructure.org/application-bootcamp.

To register, city officials can submit an interest form online [here](#) starting today through May 31. Space is limited in the program, and preference will be given to early enrollees.

About The Local Infrastructure Hub:

This technical assistance for small and mid-sized towns and cities announced today is part of the Local Infrastructure Hub initiative. Funded by Bloomberg Philanthropies, the Ballmer Group, Emerson Collective, Ford Foundation and The Kresge Foundation, the first-of-its-kind Local Infrastructure Hub is a national program to ensure that all cities and towns can access federal infrastructure funding to drive local recovery, improve communities, and deliver results for residents.

The Local Infrastructure Hub is delivered by the National League of Cities, the U.S. Conference of Mayors, Results for America, and Delivery Associates. The National League of Cities will offer technical assistance to help small towns and mid-sized cities develop strong applications that are grounded in data, feature detailed project plans, and include relevant policy objectives. The U.S. Conference of Mayors and Results for America are leading webinars to help cities identify the grant opportunities that align with community needs, get guidance about application criteria and timeframes, and learn about infrastructure innovations and emerging best practices.

U.S. cities of all sizes can access the Local Infrastructure Hub [here](#).



HOUSING DISCUSSION

Causes and Options

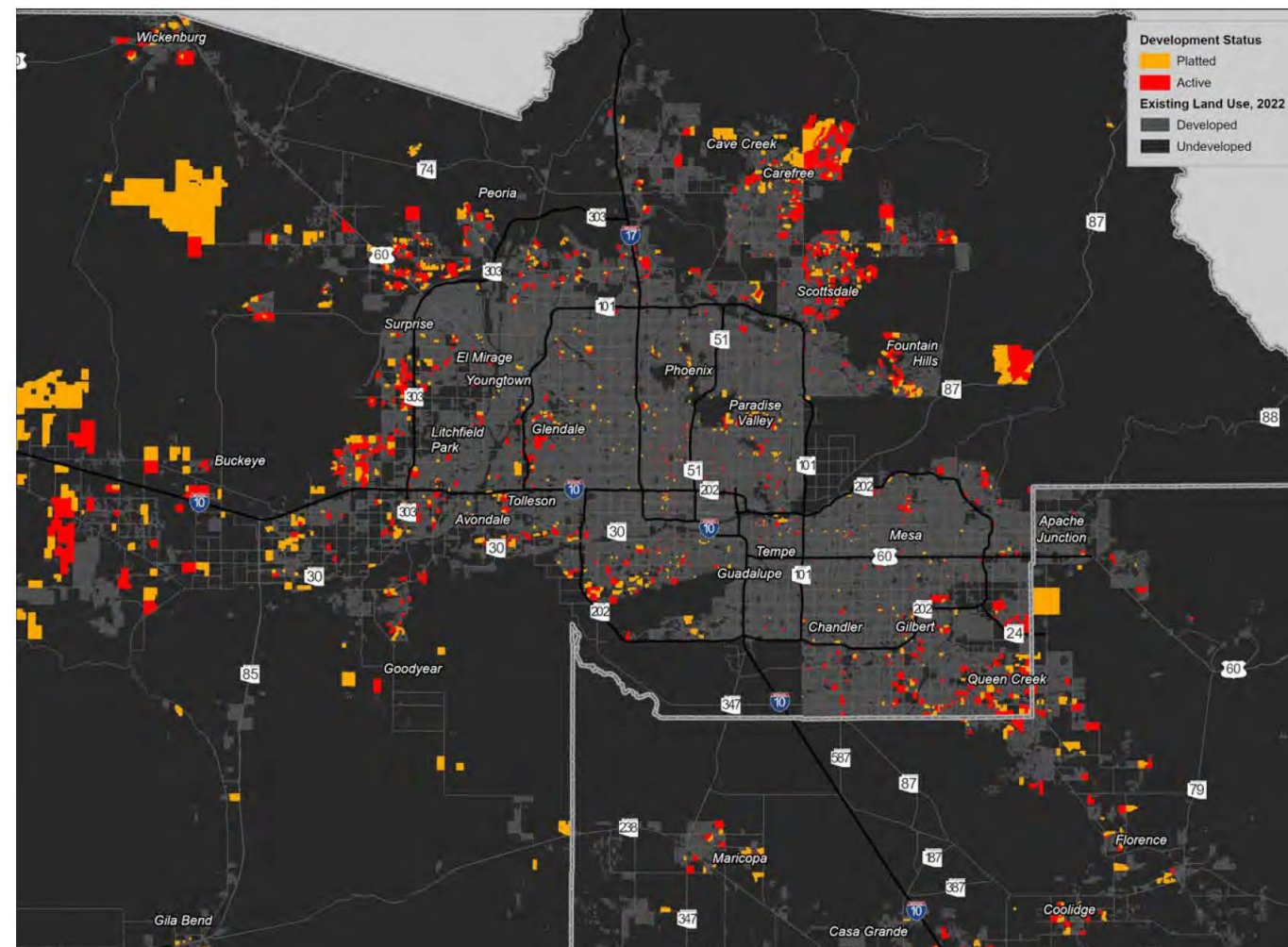
THE DATA

80.5K

NUMBER OF "ACTIVE" UNITS IN MARICOPA COUNTY CURRENTLY APPROVED FOR DEVELOPMENT, SOME SINCE 2018 (ACTIVE = MEANS NOT WAITING FOR ADDITIONAL APPROVALS & AT LEAST ONE PERMIT PULLED)

Development Pipeline Active and Platted Units, 2022 Phoenix MSA

- ▶ 232,265 total housing units have been approved
- ▶ Vast majority of housing construction activity happens in active and platted developments
- ▶ **122,316** housing units in Active Projects
- ▶ 80,593 of the active units remain unbuilt
- ▶ That amount of unbuilt housing units is 3 years' worth of units at the current pace (about 27,000/year)
- ▶ Additional **109,949** housing units are in projects that have not started yet



THE DATA

HOUSTON IS OFTEN CITED AS ASPIRATIONAL, HOWEVER TEXAS HAS SOME OF THE HIGHEST PROPERTY TAXES IN THE NATION. **"HIGHER PROPERTY TAXES REDUCE INVESTOR PROFITS LIMITING THE AMOUNT OF FEASIBLE INVESTOR RENTAL PROPERTIES."** - ROUNDS CONSULTING

31%

OF ALL HOMES PURCHASED IN ARIZONA IN 2021 WERE PURCHASED BY INVESTORS, **LIMITING HOUSING STOCK**

24K

UNITS IN MARICOPA COUNTY ALONE ARE BEING USED AS SHORT-TERM RENTAL PROPERTIES, **ALSO LIMITING HOUSING STOCK**

12K

UNITS IN MARICOPA COUNTY ALONE WERE CONSTRUCTED AS BUILD-TO-RENT UNITS, **AGAIN LIMITING HOUSING STOCK**

THE DATA

4TH

ARIZONA'S RANKING IN NUMBER OF PERMITS ISSUES OVER THE PAST YEAR

6TH

PHOENIX-METRO RANK IN NUMBER OF MULTIFAMILY UNITS TO BE BUILT IN 2023 (2ND AMONG TOP 10 METRO AREAS)



CHALLENGES W/ HB2536

1. LIMITS TO DESIGN REVIEW INCLUDING AN ADOPTION OF THE MINIMUM BUILDING CODE, STYLE, MATERIALS, AND AMENITIES IN A COMMUNITY
2. AN ELIMINATION OF OFF-STREET PARKING REQUIREMENTS ENTIRELY (NOTE: WE ARE STILL A COMMUTER STATE AND CLIMATE, IN SOME WAYS, DICTATES THAT)
3. ACCESSORY DWELLING UNITS DEFINITION LANGUAGE RE: RESIDENTIAL SETBACK REQUIREMENTS

CHALLENGES W/ HB2536

4. ZONING IS "NOT SUBJECT TO FURTHER REGULATION BY A CITY OR TOWN"; IN OTHER WORDS, WE ARE PROHIBITED FROM DOING ANYTHING NOT ALREADY IN STATUTE
5. LIMITING LEGITIMATE OBJECTIONS ON TANGIBLE IMPACTS TO ADJACENT PROPERTY OWNERS
6. REQUIREMENT TO REZONE ANY ZONING TYPE TO RESIDENTIAL, NO DISCRETION FOR THE CITY COUNCIL
7. 5-DAY REQUIREMENT TO MEET WITH DEVELOPERS FOR SUBSTANTIVE REVIEW

CHALLENGES W/ SB1161

1. ANY BY-RIGHT LANGUAGE IN THE STATUTE (NOTE: BY-RIGHT GRANTS ADDITIONAL RIGHTS TO PROPERTY OWNERS THAT DO NOT EXIST AND DOES NOT TAKE INTO CONSIDERATION PUBLIC INPUT)
 - EXAMPLE: CITY OF PHOENIX WORKED WITH RESIDENTS OF SOUTH CENTRAL PHOENIX FOR 3 YEARS TO ENSURE THEIR COMMUNITIES ARE NOT GENTRIFIED AND BUSINESSES ARE NOT FORCED OUT AS LIGHT RAIL MOVES TO PROVIDE THEM GREATER TRANSPORTATION OPTIONS. SB1161 DISREGARDS THAT PROCESS AND GRANTS PROPERTY OWNERS NEW RIGHTS IRRESPECTIVE OF THE 300 PAGE PLAN SPEARHEADED BY LOCAL RESIDENTS

CHALLENGES W/ SB1161

2. RIGHT TO CONSTRUCT NOT LESS THAN 80 FEET HIGH (DOES INFRASTRUCTURE SUPPORT THAT HEIGHT AND DENSITY?)
3. NOT A CITY OBJECTION PER SE BUT WE CANNOT LEGALLY EXCLUDE OUT-OF-STATE RESIDENTS AND PER HUD SECTION 8 THE PREFERENCE SHOULD BE LIMITED TO RESIDENTS OF THE CITY

CHALLENGES W/ SB1163

1. "ON ANY VACANT LAND" ALLOWING FOR LOT SIZE MINIMUMS OF NOT MORE THAN 4K SQ. FT.
 - NOTE: CITIES DO ALLOW FOR 4K SQ FT LOT SIZE BUT WE DO NOT LIMIT OURSELVES TO ONLY THAT OPTION
 - ADDITIONALLY, ANY VACANT LAND COULD BE WITHIN EXISTING NEIGHBORHOODS, ON SPLIT LOTS, ETC.
2. "IN ANY RESIDENTIAL ZONE" ALLOWING FOR MANUFACTURED HOMES (SEE CONCERNS ABOVE)

CHALLENGES W/ SB1163

3. CITIES SHALL PROVIDE "ADDITIONAL" ZONES FOR DUPLEXES, TRIPLEXES, AND "OTHER HOUSING TYPES PROPOSED BY THE APPLICANT."
 - SOME CITIES MAY NOT HAVE "ADDITIONAL" ZONES BECAUSE THEY ARE BUILT OUT
 - WHAT ARE OTHER HOUSING TYPES AND BASED ON THE LANGUAGE, REGARDLESS OF WHAT THEY ARE WE SHALL PROVIDE FOR THEM
4. PLACING CITIES AT PERSONAL INJURY AND DEATH LIABILITY RISK WHEN WE ISSUE AT-RISK PERMITS TO DEVELOPERS FOR GRADING AND EARTH MOVING

OUR HOUSING VISION

CITIES AND TOWNS ACKNOWLEDGE THAT WE CAN AID IN IMPROVING THE HOUSING SHORTAGE AND HAVE TAKEN A PROACTIVE APPROACH ON HOUSING. HOWEVER, MUNICIPALITIES WANT TO DO IT IN A WAY THAT IS CONSCIENTIOUS OF THE POTENTIAL NEGATIVES:

- FOCUS ON AFFORDABILITY AS PREEMPTION ON HOUSING HAS ONLY BEEN PROVEN TO CREATE MORE HOUSING UNITS BUT NOT AFFORDABLE UNITS (URBAN INSTITUTE)
- DO NOT GRANT ADDITIONAL PROPERTY RIGHTS TO DEVELOPERS AND LAND OWNERS THAT THEY DO NOT HAVE TODAY
- CREATE EFFICIENCIES ON DESIGN REVIEW AND THE ZONING PROCESS

LEAGUE PROPSAL

1. EXPEDITE TIMELINES AROUND DESIGN REVIEW BUT MAINTAINING DESIGN REVIEW CAN HELP NIMBYS BECOME YIMBYS AND LEAD TO AN ATTRACTIVE PRODUCT REGARDLESS OF AFFORDABILITY
2. EXPEDITE TIMELINES FOR REZONING HEARINGS BY REQUIRING THEM TO BE APPROVED OR DENIED WITHIN 180 DAYS
3. ALLOW FOR AT-RISK PERMITS FOR GRADING AND EARTH MOVING BUT AT NO LIABILITY TO MUNICIPALITIES
4. REQUIRE MUNICIPALITIES ABOVE 30K IN POPULAITON TO DO A HOUSING STUDY EVERY 5 YEARS

LEAGUE PROPSAL

MUNICIPALITIES ABOVE 75K IN POPULATION SHALL:

1. ALLOW FOR ACCESSORY DWELLING UNITS THAT MEET NECESSARY SETBACK REQUIREMENTS
2. ALLOW FOR REDUCED PARKING IN MULTIFAMILY W/IN 1/4 MILE OF LIGHT RAIL AND STREET CAR STOPS
3. OFFER HEIGHT OR DENSITY BONUSES FOR MULTIFAMILY PROJECTS WHERE 20% OF THE UNITS ARE PERMANENT AFFORDABLE HOUSING
4. OFFER HEIGHT OR DENSITY BONUSES FOR LOW INCOME HOUSING TAX CREDIT PROJECTS

LEAGUE PROPSAL

MUNICIPALITIES ABOVE 75K IN POPULATION SHALL (CONT.):

5. ALLOW SINGLE ROOM OCCUPANCY FOR 55+ PERSONS IN ZONING DISTRICTS OUTSIDE AGE-SPECIFIC COMMUNITIES

MUNICIPALITIES ABOVE 75K IN POPULATION SHALL PICK AN ADDITIONAL 3 HOUSING OPTIONS FROM THE FOLLOWING LIST:

1. ALLOW FOR LOT SIZES OF LESS THAN 6K SQ FT FOR SINGLE-FAMILY PERMANENT AFFORDABLE HOUSING UNITS
2. OFFER GREATER DENSITY FOR AFFORDABLE MULTIFAMILY HOUSING PROJECTS LOCATED 1/4 MILE FROM COMMERCIAL OR MIXED USE ZONES

LEAGUE PROPSAL

MUNICIPALITIES ABOVE 75K IN POPULATION SHALL PICK AN ADDITIONAL 3 HOUSING OPTIONS FROM THE FOLLOWING LIST (CONT.):

3. MAINTAIN ZONING DISTRICTS THAT ALLOW FOR SINGLE ROOM OCCUPANCY FOR PEOPLE NOT IN 55+ CATEGORY
4. ALLOWING MUNICIPAL PROPERTY TO BE USED FOR HOMELESS SHELTERS, TRANSITIONAL HOUSING, VETERAN HOUSING, ETC.
5. ALLOW FOR MODULAR AND PREFABRICATED HOMES IN IDENTIFIED SINGLE-FAMILY ZONING DISTRICTS
6. ALLOWING FOR THE DEVELOPMENT OF DUPLEXES AND TRIPLEXES

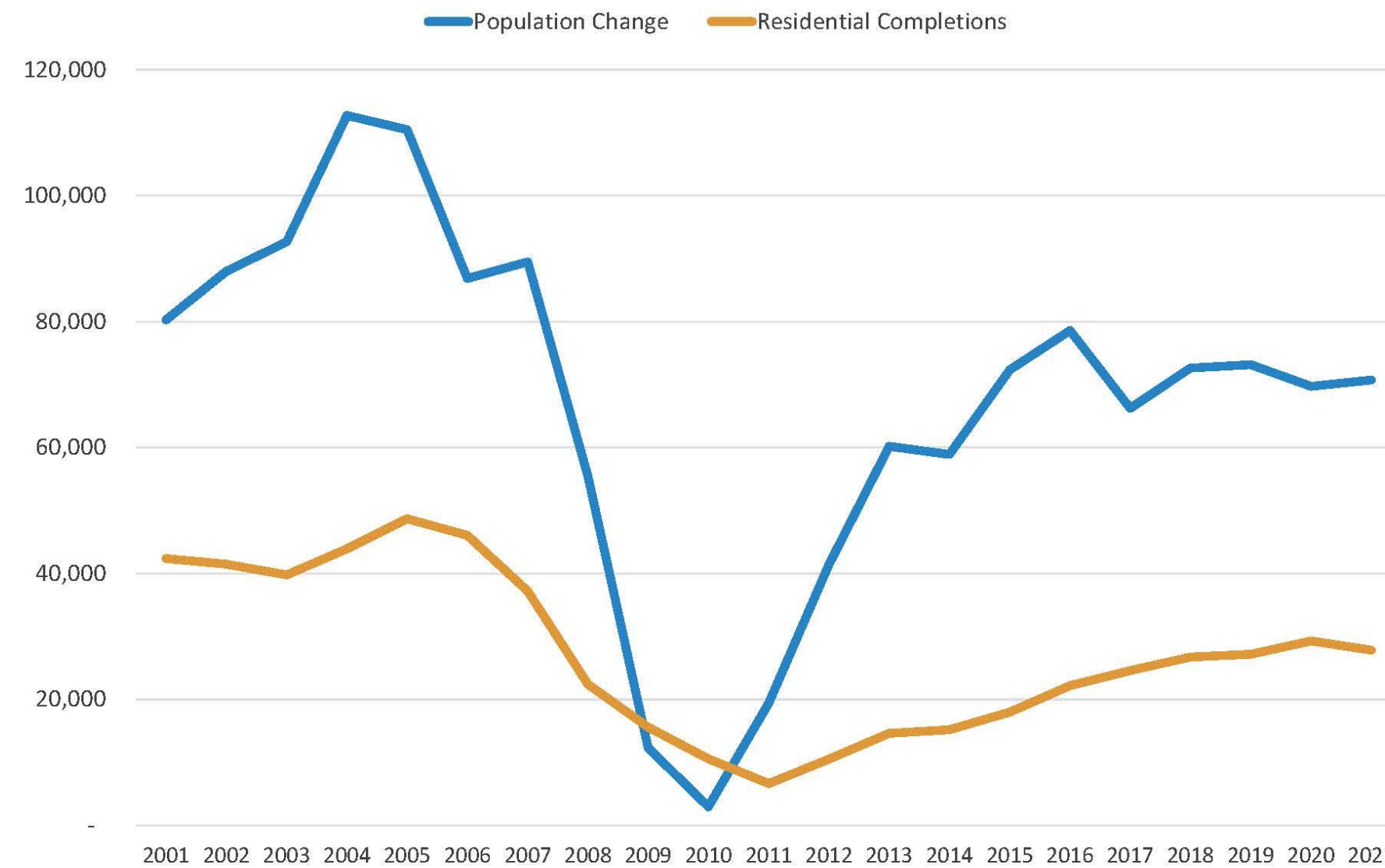
LEAGUE PROPSAL

MUNICIPALITIES ABOVE 75K IN POPULATION SHALL PICK AN ADDITIONAL 3 HOUSING OPTIONS FROM THE FOLLOWING LIST (CONT.):

7. FACILITATING REHABILITATION OF PROPERTY FOR AFFORDABLE HOUSING
8. ELIMINATING THE PRELIMINARY PLATTING REQUIREMENT FOR AFFORDABLE HOUSING
9. REDUCING, WAVING, OR ELIMINATING IMPACT FEES FOR DEVELOPMENTS DEDICATED TO AFFORDABLE HOUSING
10. REDUCING, WAVING, OR ELIMINATING BUILDING PERMIT FEES W/ A 501(C)(3) NONPROFIT CONSTRUCTING OR REHABING AFFORDABLE HOUSING

ADDITIONAL DATA

Residential completions have similar trends as population growth Housing construction changed post-recession

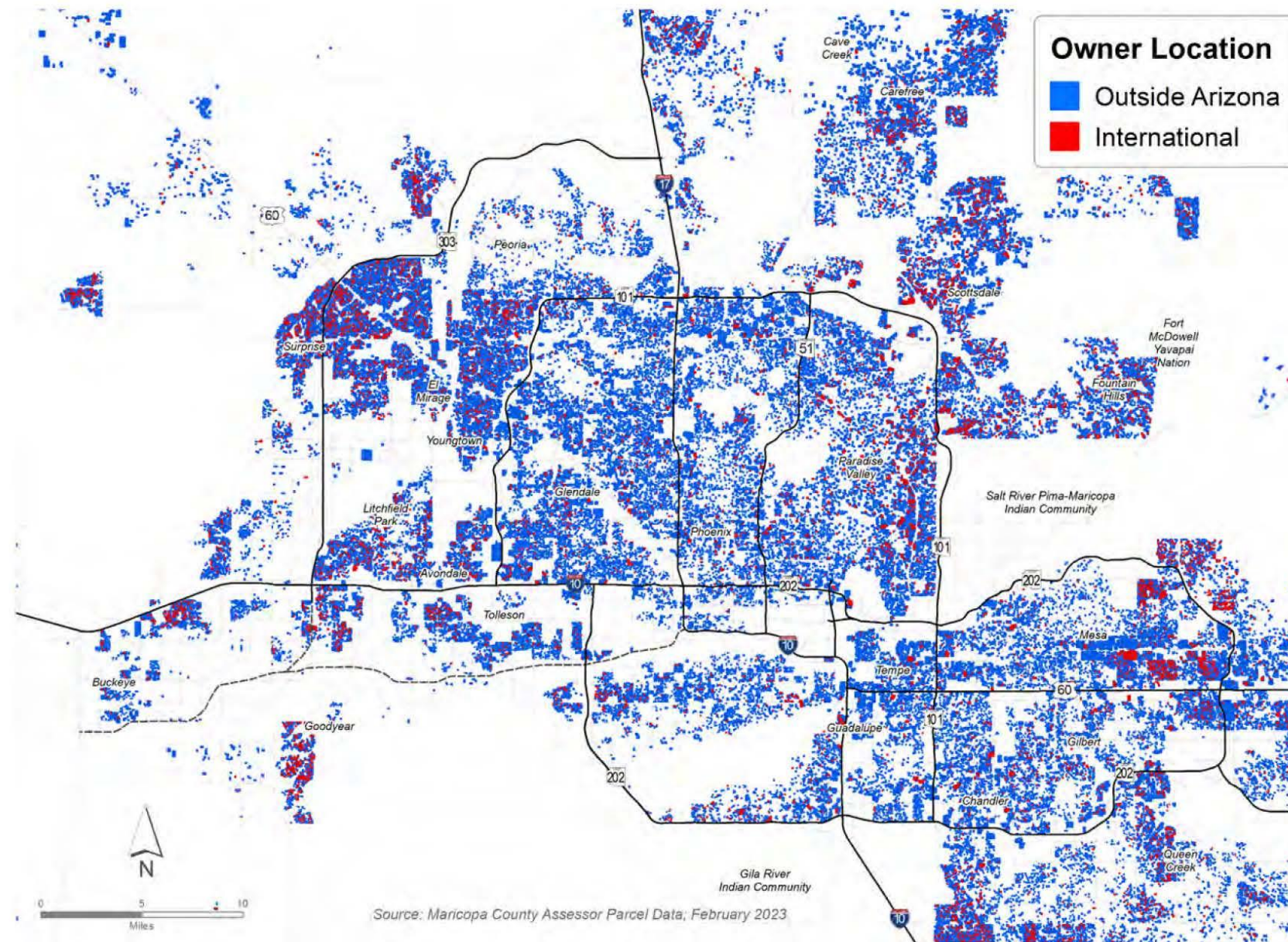


Source: Arizona Office of Economic Opportunity/MAG Intercensal Population Estimates, Maricopa Association of Governments

ADDITIONAL DATA

26% of housing stock investor or seasonal owned

- ▶ 52% are from Maricopa County
- ▶ 42% are from other states
 - ▶ **Top 2:** California, Washington
- ▶ 4% are international
 - ▶ Primarily Canada



ADDITIONAL DATA

Sales to institutional buyers has increased

Percent of sales transactions to institutional buyers (large corporate buyers like OpenDoor, OfferPad, Zillow, Redfin, etc.)



Source: The Information Market

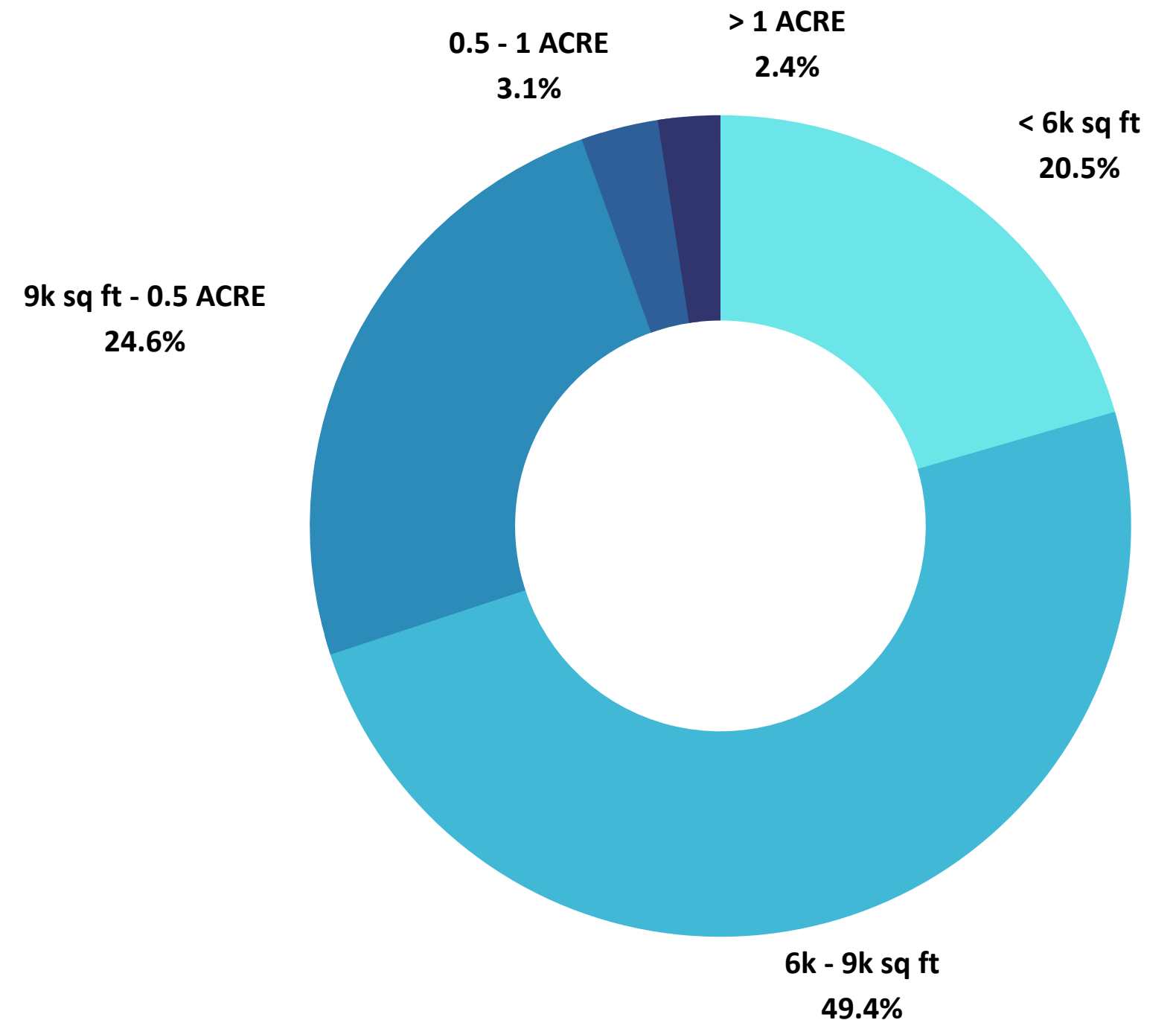


ADDITIONAL DATA

MUCH HAS BEEN MADE ABOUT "EXCLUSIONARY" ZONING PRACTICES AND 1 ACRE LOT SIZES. HOWEVER, AZ DATA SHOWS THAT LESS THAN 2.5% OF THE LOTS IN INCORPORATED MARICOPA COUNTY ARE LARGER THAN 1 ACRE WITH 71% OF ALL LOTS BEING UNDER 9K SQ. FT.

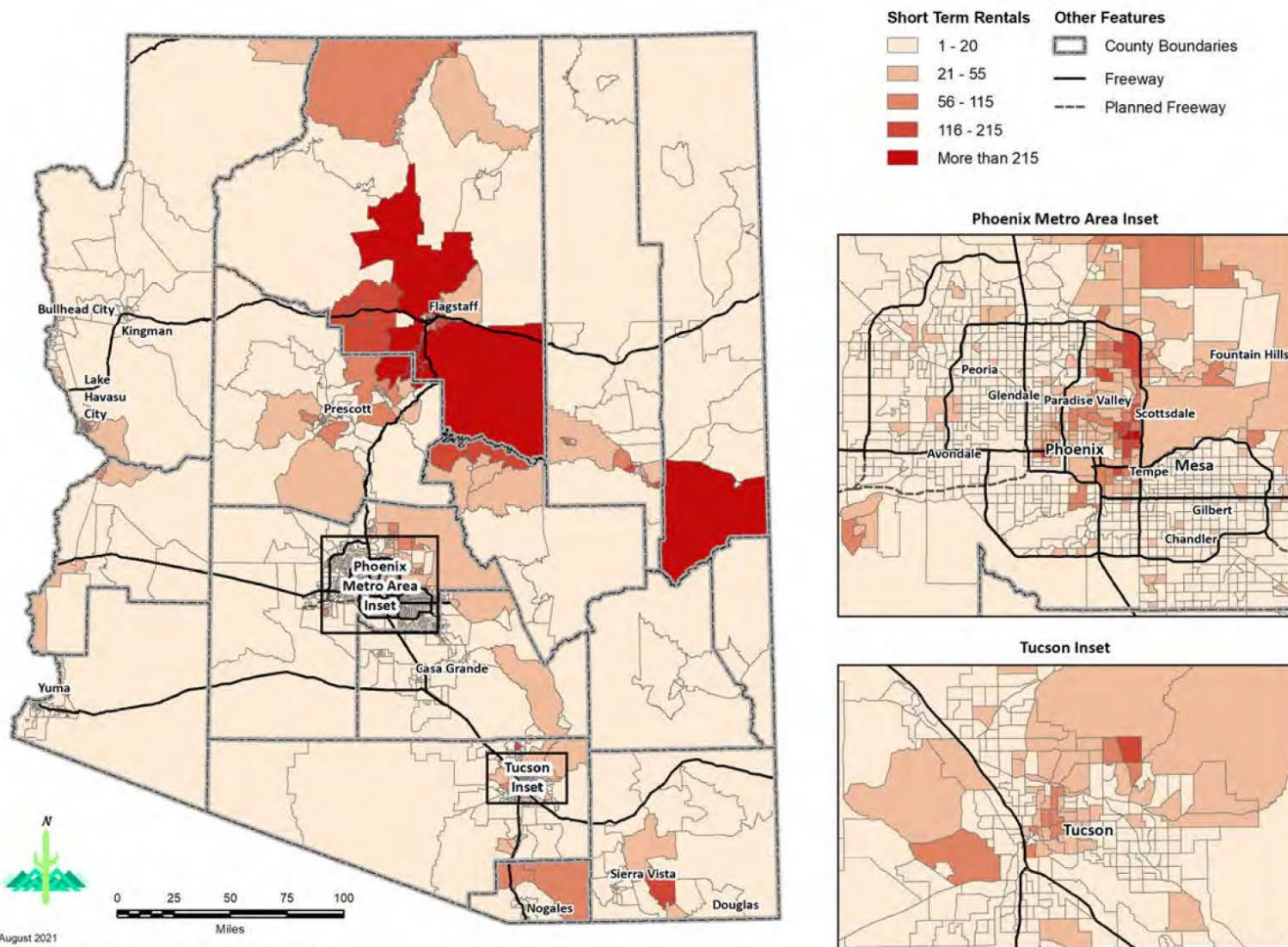
48TH

ARIZONA'S RANK OUT OF 50 STATES FOR SMALLEST LOT SIZES



ADDITIONAL DATA

Short-term rentals in Arizona Total: 50,658 (1.6% of housing stock statewide)



Top 10 Cities/Towns by Units

Place	Short Term Rental Units
Phoenix	9,785
Tucson	2,950
Mesa	1,719
Scottsdale	6,598
Chandler	900
Gilbert	791
Glendale	777
Tempe	1,691
Peoria	672
Surprise	431

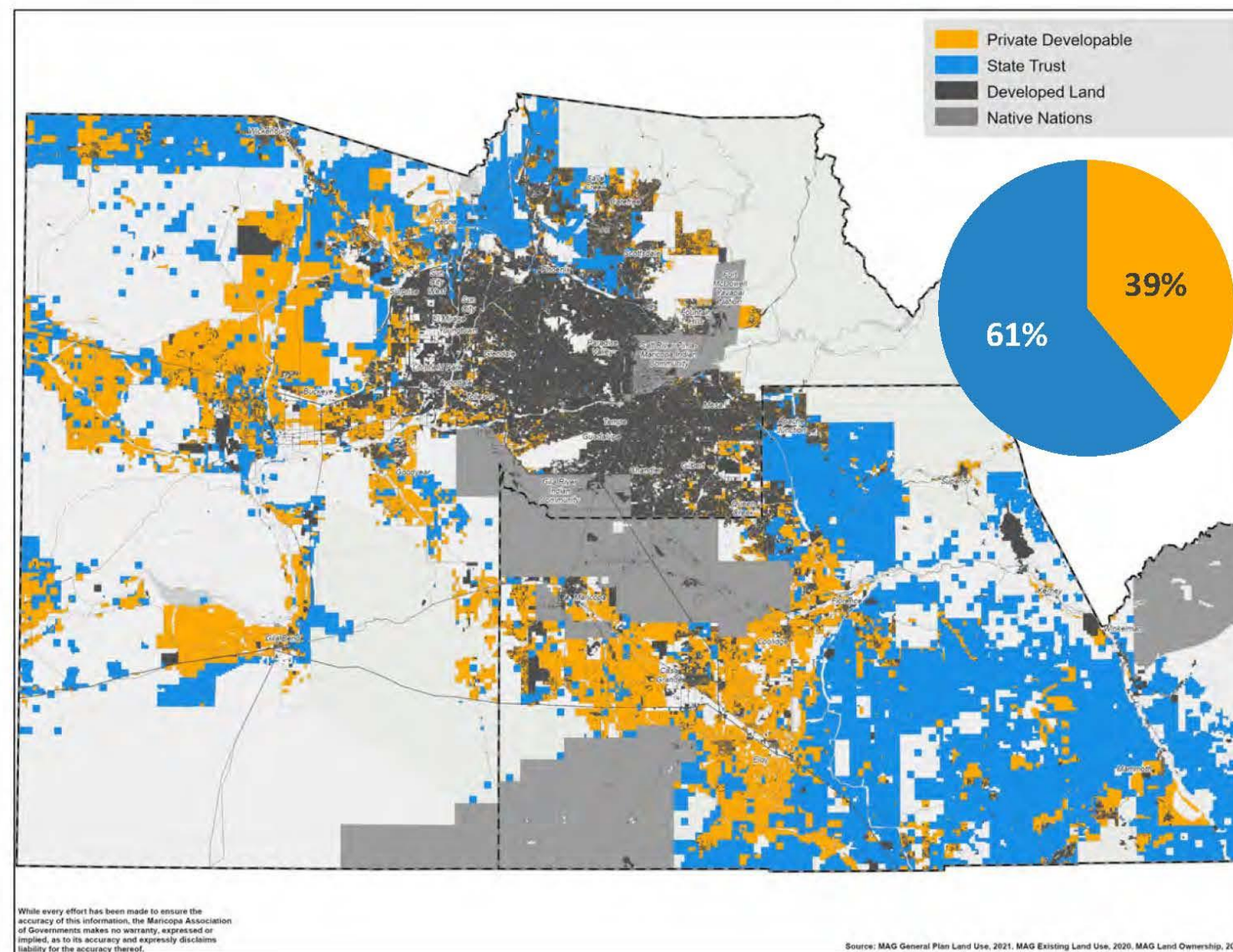
Top 5 Cities/Towns by Percent

Place	% of Housing Stock
Sedona	31.3%
Pinetop-Lakeside	14.2%
Williams	12.6%
Page	11.2%
Jerome	10.6%

Source: AirDNA, December 2022

ADDITIONAL DATA

Importance of State Trust land in the future of development in the Phoenix MSA



- ▶ Phoenix MSA is **over 9.3 million acres**
- ▶ Of that, almost **3 million acres (35%)** is **vacant developable land** planned for residential
- ▶ Of the 3 million developable residential acres, **61% is State Trust land**
- ▶ Most of that State Trust land (**91%**) is **unincorporated**, adding increased infrastructure costs to any proposed development
- ▶ State Trust land generally takes longer to develop than privately owned land, and the bidding process can drive up land prices

Sources: MAG General Plan Land Use 2021, MAG Existing Land Use 2020, MAG Land Ownership 2022

ADDITIONAL THOUGHTS

IN ADDITION TO THE NEED FOR ADDITIONAL HOUSING WE NEED TOOLS TO ENCOURAGE HOUSING AFFORDABILITY. WITHOUT SUCH TOOLS, GREATER AFFORDABILITY IS UNLIKELY.

ACCORDING TO ROUNDS CONSULTING:

“LOW-INCOME HOUSING PROJECTS WILL NOT BE BUILT WITHOUT GOVERNMENT SUBSIDIES, EVEN UNDER THE MOST FAVORABLE ECONOMIC CONDITIONS. THIS IS A FACT THAT WILL NOT CHANGE WITH ADDITIONAL STATE REGULATIONS.”

“WORKFORCE HOUSING PROJECTS ARE RARELY BUILT WHEN CONSTRUCTION COSTS ARE UNUSUALLY HIGH.”

ADDITIONAL THOUGHTS

HERE ARE SOME POTENTIAL TOOLS:

1. SENATOR MIRANDA'S SB1585 TO ASSIST WITH HOMELESSNESS
2. PROPERTY TAX FREEZES ON REDEVELOPMENT FOR AFFORDABLE HOUSING
3. BUYER INCENTIVES OR ASSISTANCE PROGRAMS (SIMILAR TO ASST. LEADER QUIÑONEZ'S HB2329)
4. ELIMINATING PREEMPTION ON INCLUSIONARY ZONING
5. PASSING LEGISLATION PROHIBITING SOURCE OF INCOME DISCRIMINATION (ANNA HERNANDEZ, SB1506)
6. TAX INCREMENT FINANCING FOR AFFORDABLE HOUSING
7. LEGISLATIVE ACTION ON SHORT-TERM RENTAL DENSITY (BLISS, HB2047)
8. LAND LEASE TOOLS
9. LIHTC EXTENSION WITH INCREASED CAP (SB1244 QUINONEZ/KAVANAGH)

Section 1. Title 9, Chapter 4, Article 6, Arizona Revised Statutes, is amended by adding section 9-461.18, to read:

9-461.18. Residential housing; design standards; applicability; definitions

A. ON OR BEFORE JANUARY 1, 2024, A MUNICIPALITY SHALL ADOPT AN AMENDMENT TO ITS ZONING ORDINANCE THAT REQUIRES THE MUNICIPALITY TO DETERMINE WHETHER AN APPLICATION SUBMITTAL FOR SINGLE-FAMILY RESIDENTIAL AESTHETIC REVIEW, ~~AS DEFINED BY THE MUNICIPALITY,~~ IS ADMINISTRATIVELY COMPLETE WITHIN 5 DAYS AFTER RECEIPT. ONCE THE MUNICIPALITY DETERMINES THE APPLICATION SUBMITTAL IS ADMINISTRATIVELY COMPLETE, THE MUNICIPALITY SHALL HAVE 45 WORKING DAYS TO CONDUCT SUBSTANTIVE REVIEW OF THE APPLICATION SUBMITTAL AND PROVIDE ANY REQUEST FOR CORRECTIONS OR MAKE A FINAL DETERMINATION ON THE APPLICATION SUBMITTAL.

B. AFTER THE MUNICIPALITY PROVIDES COMMENTS AND THE APPLICANT RESUBMITS AN ADMINISTRATIVELY COMPLETE APPLICATION, A MUNICIPALITY SHALL HAVE 20 WORKING DAYS TO CONDUCT EACH ADDITIONAL SUBSTANTIVE REVIEW OF THE APPLICATION RESUBMITTAL AND PROVIDE ANY REQUEST FOR CORRECTIONS OR MAKE A FINAL DETERMINATION ON THE APPLICATION RESUBMITTAL.

C. AN APPLICANT SHALL MAKE A CONCERTED EFFORT TO RESPOND TO COMMENTS FROM THE MUNICIPALITY IN AN EFFORT TO MINIMIZE RESUBMITTALS.

D. IF REQUESTED BY THE APPLICANT, AN APPLICATION FOR SUBMITTAL FOR RESIDENTIAL DESIGN REVIEW SHALL BE APPROVED OR DENIED ADMINISTRATIVELY.

E. FOR THE PURPOSES OF THIS SECTION "AESTHETIC REVIEW" MEANS:

1. EXTERIOR BUILDING COLOR
2. STYLE OF EXTERIOR CLADDING MATERIAL
3. STYLE OF ROOF STRUCTURES AND PORCHES
4. EXTERIOR NONSTRUCTURAL ARCHITECTURAL ORNAMENTATION
5. LOCATION OR ARCHITECTURAL STYLING OF WINDOWS AND DOORS, INCLUDING GARAGE

DOORS

6. THE NUMBER AND TYPES OF ROOMS

7. INTERIOR LAYOUT OF ROOMS

F. THIS SECTION DO NOT APPLY TO AN AREA THAT IS DESIGNATED AS A DISTRICT OF

HISTORICAL SIGNIFICANCE BY THE MUNICIPALITY OR AN AREA THAT IS DESIGNATED AS HISTORIC ON THE NATIONAL REGISTER OF HISTORIC PLACES.

G. A MUNICIPALITY CANNOT REGULATE THE FOLLOWING:

1. PLACEHOLDER

2.

Sec. 2. Title 9, Chapter 4, Article 6, Arizona Revised Statutes, is amended by adding section 9-461.19, to read:

9-461.19. Affordable housing incentives; reporting requirement; definitions

A. NOT LATER THAN JULY 1, 2024, A MUNICIPALITY WITH A POPULATION OF MORE THAN SEVENTY-FIVE THOUSAND ACCORDING TO THE MOST RECENT DECENIAL CENSUS PERSONS SHALL:

1. ALLOW THE PLACEMENT OF ONE ACCESSORY DWELLING UNIT ON A SINGLE-FAMILY RESIDENTIALLY ZONED LOT. A MUNICIPALITY MAY CONDITION APPROVAL OF THE ACCESSORY DWELLING UNIT ON COMPLIANCE WITH LOCAL CODES AND PERMIT REQUIREMENTS.

2. REQUIRE NO MORE THAN ONE PARKING SPACE PER DWELLING UNIT FOR A PROPOSED MULTIFAMILY DEVELOPMENT WITHIN ONE-HALF MILE OF A LIGHT RAIL OR STREETCAR STOP. TRANSIT CORRIDOR IF THE DEVELOPMENT IS DEDICATED TO PERMANENT AFFORDABLE HOUSING. A PROPOSED RESIDENTIAL HOUSING DEVELOPMENT DOES NOT QUALIFY FOR A REDUCTION IN PARKING AS DESCRIBED IN THIS PARAGRAPH IF THE DEVELOPMENT IS INTEGRATED WITH A MIXED-USE FORMAT USING SHARED PARKING.

3. IN ANY MIXED-USE OR MULTIFAMILY RESIDENTIALLY ZONED DISTRICT WITHIN ONE-HALF MILE OF A LIGHT RAIL OR STREETCAR STOP, OFFER A HEIGHT OR DENSITY BONUS TO A PROPOSED RESIDENTIAL HOUSING DEVELOPMENT THAT DEDICATES AT LEAST TWENTY PERCENT OF THE UNITS TO PERMANENT AFFORDABLE HOUSING.

4. IN ANY MIXED-USE OR MULTIFAMILY RESIDENTIALLY ZONED DISTRICT WITHIN ONE-HALF MILE OF A LIGHT RAIL OR STREETCAR STOP, OFFER A HEIGHT OR DENSITY BONUS TO A PROPOSED RESIDENTIAL HOUSING DEVELOPMENT THAT QUALIFIES FOR THE LOW-INCOME HOUSING TAX CREDIT PROGRAM SUBJECT TO ALL OTHER DEVELOPMENT STANDARDS OF THE MUNICIPALITY.

5. ALLOW, OUTSIDE OF AN AGE-SPECIFIC COMMUNITY ZONING DISTRICT, A SINGLE-ROOM OCCUPANCY TO BE OCCUPIED BY A PERSON WHO IS FIFTY-FIVE YEARS OF AGE OR OLDER IN OTHER ZONING DISTRICTS AS DETERMINED BY THE MUNICIPALITY.

6. ALLOWING DUPLEXES AND TRIPLEXES IN ZONING DISTRICTS AS DETERMINED BY THE MUNICIPALITY AND SUBJECT TO THE DEVELOPMENT STANDARDS OF THE MUNICIPALITY.

B. NOT LATER THAN JULY 1, 2024, A MUNICIPALITY WITH A POPULATION OF MORE THAN SEVENTY-FIVE THOUSAND ACCORDING TO THE MOST RECENT DECENIAL CENSUS PERSONS SHALL DEMONSTRATE AT LEAST THREE OF THE FOLLOWING STRATEGIES TO INCENTIVIZE PERMANENT AFFORDABLE HOUSING:

1. ALLOWING THE CONSTRUCTION OF A SINGLE-FAMILY RESIDENCE ON A RESIDENTIAL LOT OF FOUR THOUSAND SQUARE FEET OR LESS WITH REDUCED SETBACKS IF THE LOT IS DEDICATED TO PERMANENT AFFORDABLE HOUSING.

2. OFFERING HIGHER RESIDENTIAL DENSITY FOR A PROPOSED RESIDENTIAL HOUSING DEVELOPMENT THAT IS LOCATED ON A RESIDENTIAL LOT WITHIN ONE-QUARTER MILE OF COMMERCIAL AND MIXED-USE ZONING DISTRICTS OR DESIGNATED MAJOR INVESTMENT CORRIDORS, BUT ONLY IF THE LOT IS DEDICATED TO PERMANENT AFFORDABLE HOUSING AND THE PROPOSED RESIDENTIAL HOUSING DEVELOPMENT COMPLIES WITH ALL OTHER DEVELOPMENT STANDARDS OF THE MUNICIPALITY.

3. MAINTAINING ZONING DISTRICTS THAT ALLOW FOR SINGLE-ROOM OCCUPANCY IN EXISTING RESIDENTIAL HOUSING DEVELOPMENTS.

4. ALLOWING MUNICIPALLY OWNED PROPERTY THAT IS ELIGIBLE FOR DEVELOPMENT TO BE USED TO MEET THE CRITICAL HOUSING NEEDS OF THE COMMUNITY, WHICH MAY INCLUDE:

(a) HOMELESS SHELTERS.

(b) TRANSITIONAL HOUSING.

(c) SUPPORTIVE HOUSING.

(d) VETERAN HOUSING.

(e) AFFORDABLE HOUSING.

5. ALLOWING THE USE OF MODULAR HOMES OR PREFABRICATED HOMES IN A SINGLE-FAMILY RESIDENTIAL ZONING DISTRICT SUBJECT TO THE DEVELOPMENT STANDARDS OF THE ZONING DISTRICT.

6. FACILITATING THE REHABILITATION OF PROPERTY INTO PERMANENT AFFORDABLE HOUSING OR USING A VOLUNTARY DEED RESTRICTION PROGRAM TO MAINTAIN AND SUSTAIN PERMANENT AFFORDABLE HOUSING.

7. OFFERING AN ADMINISTRATIVE PROCESS FOR A PRELIMINARY PLAT OR SITE PLAN OR WAIVING THE REQUIREMENT FOR SUCH PRELIMINARY PLAT OR SITE PLAN IF THE PROPOSED RESIDENTIAL HOUSING DEVELOPMENT DEDICATES AT LEAST TWENTY PERCENT OF THE UNITS ON THE SITE TO PERMANENT AFFORDABLE HOUSING AND THE RESIDENTIAL HOUSING DEVELOPMENT MEETS THE DEVELOPMENT STANDARDS OF THE MUNICIPALITY.

8. REDUCING, WAIVING OR ELIMINATING IMPACT FEES RELATED TO PROPOSED RESIDENTIAL HOUSING DEVELOPMENTS THAT ARE DEDICATED TO LOWER INCOME HOUSEHOLDS OR PERMANENT AFFORDABLE HOUSING.

9. REDUCING, WAIVING OR ELIMINATING BUILDING PERMIT FEES ASSOCIATED WITH A 501(c)(3) NONPROFIT ORGANIZATION CONSTRUCTING, RENOVATING OR REHABILITATING PERMANENT AFFORDABLE HOUSING.

10. ELIMINATE SETBACK REQUIREMENTS OR REDUCE EXISTING SETBACK REQUIREMENTS BY AT LEAST TWENTY-FIVE PERCENT

11. OFFER A HEIGHT OR DENSITY BONUS TO A PROPOSED RESIDENTIAL HOUSING DEVELOPMENT THAT DEDICATES AT LEAST TWENTY PERCENT OF THE UNITS TO PERMANENT AFFORDABLE HOUSING.

12. OFFER A HEIGHT OR DENSITY BONUS TO A PROPOSED RESIDENTIAL HOUSING DEVELOPMENT THAT QUALIFIES FOR THE LOW-INCOME HOUSING TAX CREDIT PROGRAM SUBJECT TO ALL OTHER DEVELOPMENT STANDARDS OF THE MUNICIPALITY.

C. IN ADDITION TO THE AUTHORITY GRANTED IN SUBSECTION B, PARAGRAPH 8 OF THIS SECTION, A MUNICIPALITY MAY ADMINISTRATIVELY APPROVE A PRELIMINARY PLAT OR SITE PLAN OR THE MUNICIPALITY MAY WAIVE THE PRELIMINARY PLAT OR SITE PLAN REQUIREMENT FOR RESIDENTIAL HOUSING DEVELOPMENTS.

D. A MUNICIPALITY WITH A POPULATION OF SEVENTY-FIVE THOUSAND PERSONS OR LESS MAY IMPLEMENT THE STRATEGIES DESCRIBE IN SUBSECTION A OR B OF THIS SECTION.

E. A MUNICIPALITY WITH A POPULATION OF MORE THAN SEVENTY-FIVE THOUSAND PERSONS SHALL DEMONSTRATE COMPLIANCE WITH SUBSECTIONS A AND B OF THIS SECTION BY POSTING ON ITS WEBSITE A REPORT DESCRIBING THE PERMANENT AFFORDABLE HOUSING STRATEGIES OF THE MUNICIPALITY.

F. FOR THE PURPOSES OF THIS SECTION:

1. "ACCESSORY DWELLING UNIT" MEANS ONE ATTACHED OR DETACHED DWELLING UNIT FOR RESIDENTIAL USE THAT MEETS ALL OF THE FOLLOWING CRITERIA:

(a) IS INDEPENDENT AND SUBORDINATE IN HEIGHT AND SCALE TO A SINGLE-FAMILY RESIDENCE ON THE SAME LOT.

(b) INCLUDES SEPARATE FACILITIES AND PROVISIONS FOR INDEPENDENT LIVING, SLEEPING, FOOD PREPARATION AND SANITATION.

(c) FOR DETACHED ACCESSORY DWELLING UNITS, IS LOCATED IN THE REAR YARD OR OTHER LOCATION PRESCRIBED BY THE MUNICIPALITY.

(d) MEETS THE DEVELOPMENT STANDARDS OF THE MUNICIPALITY, INCLUDING MAXIMUM HEIGHT, ~~LOT COVERAGE~~ AND MINIMUM SETBACKS. AN ACCESSORY DWELLING UNIT THAT MEETS THE DEVELOPMENT STANDARDS OF THE MUNICIPALITY SHALL HAVE A MAXIMUM SIZE OF 10% OF THE LOT SIZE UP TO A MAXIMUM OF 1,000 SQUARE FEET. ALL LOTS ARE ALLOWED AN ACCESSORY DWELLING UNIT OF AT LEAST 450 SQUARE FEET. NOTHING WITHIN THIS SUBSECTION RESTRICTS A MUNICIPALITY FROM ESTABLISHING LARGER MINIMUM AND MAXIMUM SQUARE FOOTAGE FOR AN ACCESSORY DWELLING UNITS.

(e) MEETS THE HEALTH, SAFETY AND INFRASTRUCTURE CAPACITY REQUIREMENTS OF THE MUNICIPALITY.

2. "DEDICATE" OR "DEDICATED" MEANS TO RECORD IN THE FORM AND MANNER REQUIRED BY A MUNICIPALITY A LEGALLY BINDING DOCUMENT ON THE PROPERTY THAT LIMITS THE PRICE AT WHICH THE PROPERTY MAY BE SOLD OR LEASED FOR A PERIOD OF AT LEAST TWENTY-FIVE YEARS.

3. "LOW-INCOME HOUSING TAX CREDIT PROGRAM" HAS THE SAME MEANING PRESCRIBED IN SECTION 42-13601.

4. "PERMANENT AFFORDABLE HOUSING" MEANS PROPERTY THAT IS DEDICATED TO EITHER OF THE FOLLOWING:

(a) OWNER-OCCUPIED HOUSING FOR WHICH THE TOTAL ANNUAL COST OF OWNERSHIP, INCLUDING PRINCIPAL, INTEREST, TAXES, INSURANCE AND HOMEOWNER ASSOCIATION FEES, DOES NOT EXCEED THIRTY PERCENT OF THE GROSS ANNUAL INCOME OF A HOUSEHOLD THAT IS AT EIGHTY PERCENT OF THE AREA MEDIAN INCOME.

(b) RENTAL HOUSING FOR WHICH THE TOTAL ANNUAL COST OF HOUSING, INCLUDING RENT, UTILITIES AND HOMEOWNER ASSOCIATION FEES, DOES NOT EXCEED THIRTY PERCENT OF THE GROSS ANNUAL INCOME OF A HOUSEHOLD THAT IS AT EIGHTY PERCENT OF THE AREA MEDIAN INCOME.

5. "RESIDENTIAL HOUSING DEVELOPMENT":

(a) MEANS A DEVELOPMENT WITH SINGLE-FAMILY OR MULTIFAMILY HOUSING STRUCTURES.

(b) DOES NOT INCLUDE ANY MIXED USE OR NONRESIDENTIAL STRUCTURES.

6. "SINGLE-ROOM OCCUPANCY" MEANS

(a) A SLEEPING UNIT FOR OCCUPANCY BY A SINGLE INDIVIDUAL WHO IS CAPABLE OF INDEPENDENT LIVING THAT REQUIRES THE OCCUPANT TO SHARE SANITARY OR FOOD PREPARATION FACILITIES WITH OTHER INDIVIDUALS.

(b) DOES NOT INCLUDE A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061 OR AN ASSISTED LIVING FACILITY AS DEFINED IN SECTION 36-401.

Section 3. Section 9-462.01, Arizona Revised Statutes, is amended to read:

9-462.01. Zoning regulations; public hearing; definitions

A. Pursuant to this article, the legislative body of any municipality by ordinance, in order to conserve and promote the public health, safety and general welfare, may:

1. Regulate the use of buildings, structures and land as between agriculture, residence, industry, business and other purposes.
2. Regulate signs and billboards.
3. Regulate the location, height, bulk, number of stories and size of buildings and structures, the size and use of lots, yards, courts and other open spaces, the percentage of a lot that may be occupied by a building or structure, access to incident solar energy and the intensity of land use.
4. Establish requirements for off-street parking and loading.
5. Establish and maintain building setback lines.

6. Create civic districts around civic centers, public parks, public buildings or public grounds and establish regulations for the civic districts.

7. Require as a condition of rezoning public dedication of rights-of-way as streets, alleys, public ways, drainage and public utilities as are reasonably required by or related to the effect of the rezoning.

8. Establish floodplain zoning districts and regulations to protect life and property from the hazards of periodic inundation. Regulations may include variable lot sizes, special grading or drainage requirements, or other requirements deemed necessary for the public health, safety or general welfare.

9. Establish special zoning districts or regulations for certain lands characterized by adverse topography, adverse soils, subsidence of the earth, high water table, lack of water or other natural or man-made hazards to life or property. Regulations may include variable lot sizes, special grading or drainage requirements, or other requirements deemed necessary for the public health, safety or general welfare.

10. Establish districts of historical significance provided that:

(a) The ordinances may require that special permission be obtained for any development within the district if the legislative body has adopted a plan for the preservation of districts of historical significance that meets the requirements of subdivision (b) of this paragraph, and the criteria contained in the ordinance are consistent with the objectives set forth in the plan.

(b) A plan for the preservation of districts of historical significance shall identify districts of special historical significance, state the objectives to be sought concerning the development or preservation of sites, area and structures within the district, and formulate a program for public action, including providing public facilities and regulating private development and demolition necessary to realize these objectives.

(c) The ordinance establishing districts of historical significance shall set forth standards necessary to preserve the historical character of the area so designated.

(d) The ordinances may designate or authorize any committee, commission, department or person to designate structures or sites of special historical significance in accordance with criteria contained in the ordinance, and no designation shall be made except after a public hearing on notice of the owners of record of the property designated of special historical significance. The ordinances may require that special permission be obtained for any development respecting the structures or sites.

11. Establish age-specific community zoning districts in which residency is restricted to a head of a household or spouse who must be of a specific age or older and in which minors are prohibited from living in the home. Age-specific community zoning districts shall not be overlaid over property without the permission of all owners of property included as part of the district unless all of the property in the district has been developed, advertised and sold or rented under specific age restrictions. The establishment of age-specific community zoning districts is subject to all of the public notice requirements and other procedures prescribed by this article.

12. Establish procedures, methods and standards for the transfer of development rights within its jurisdiction. Any proposed transfer of development rights from the sending property or to the receiving property shall be subject to the notice and hearing requirements of section 9-462.04 and shall be subject to the approval and consent of the property owners of both the sending and receiving property. Before any transfer of development rights, a municipality shall adopt an ordinance providing for:

(a) The issuance and recordation of the instruments necessary to sever development rights from the sending property and to affix development rights to the receiving property. These instruments shall be executed by the affected property owners and lienholders.

(b) The preservation of the character of the sending property and assurance that the prohibitions against the use and development of the sending property shall bind the landowner and every successor in interest to the landowner.

(c) The severance of transferable development rights from the sending property and the delayed transfer of development rights to a receiving property.

(d) The purchase, sale, exchange or other conveyance of transferable development rights before the rights being affixed to a receiving property.

(e) A system for monitoring the severance, ownership, assignment and transfer of transferable development rights.

(f) The right of a municipality to purchase development rights and to hold them for resale.

(g) The right of a municipality at its discretion to enter into an intergovernmental agreement with another municipality or a county for the transfer of development rights between jurisdictions. The transfer shall comply with this paragraph, except that if the sending property is located in an

unincorporated area of a county, the approval of the development rights to be sent to a municipality shall comply with section 11-817.

B. For the purposes of subsection A of this section, the legislative body may divide a municipality, or portion of a municipality, into zones of the number, shape and area it deems best suited to carry out the purpose of this article and articles 6, 6.2 and 6.3 of this chapter.

C. **EXCEPT AS PROVIDED IN SECTION 9-461.19**, all zoning regulations shall be uniform for each class or kind of building or use of land throughout each zone, but the regulations in one type of zone may differ from those in other types of zones as follows:

1. Within individual zones, there may be uses permitted on a conditional basis under which additional requirements must be met, including requiring site plan review and approval by the planning agency. The conditional uses are generally characterized by any of the following:

- (a) Infrequency of use.
- (b) High degree of traffic generation.
- (c) Requirement of large land area.

2. Within residential zones, the regulations may permit modifications to minimum yard lot area and height requirements.

D. To carry out the purposes of this article and articles 6 and 6.2 of this chapter, the legislative body may adopt overlay zoning districts and regulations applicable to particular buildings, structures and land within individual zones. For the purposes of this subsection, "overlay zoning district" means a special zoning district that includes regulations that modify regulations in another zoning district with which the overlay zoning district is combined. Overlay zoning districts and regulations shall be adopted pursuant to section 9-462.04.

E. The legislative body may approve a change of zone conditioned on a schedule for development of the specific use or uses for which rezoning is requested. If, at the expiration of this period, the property has not been improved for the use for which it was conditionally approved, the legislative body, after notification by certified mail to the owner and applicant who requested the rezoning, shall schedule a public hearing to take administrative action to extend, remove or determine compliance with the schedule for development or take legislative action to cause the property to revert to its former zoning classification.

F. All zoning and rezoning ordinances or regulations adopted under this article shall be consistent with and conform to the adopted general plan of the municipality, if any, as adopted under article 6 of this chapter. In the case of uncertainty in construing or applying the conformity of any part of a proposed rezoning ordinance to the adopted general plan of the municipality, the ordinance shall be construed in a manner that will further the implementation of, and not be contrary to, the goals, policies and applicable elements of the general plan. A rezoning ordinance conforms with the land use element of the general plan if it proposes land uses, densities or intensities within the range of identified uses, densities and intensities of the land use element of the general plan.

G. A regulation or ordinance under this section may not prevent or restrict agricultural composting on farmland that is five or more contiguous acres and that meets the requirements of this subsection. An agricultural composting operation shall notify in writing the legislative body of the municipality and the nearest fire department of the location of the composting operation. If the nearest fire department is located in a different municipality from the agricultural composting operation, the agricultural composting operation shall also notify in writing the fire department of the municipality in which the operation is located. Agricultural composting is subject to sections 3-112 and 49-141. Agricultural composting may not be conducted within one thousand three hundred twenty feet of an existing residential use, unless the operations are conducted on farmland or land leased in association with farmland. Any disposal of manure shall comply with section 49-247. For the purposes of this subsection:

1. "Agricultural composting" means the controlled biological decomposition of organic solid waste under in-vessel anaerobic or aerobic conditions where all or part of the materials are generated on the farmland or will be used on the farmland associated with the agricultural composting operation.

2. "Farmland" has the same meaning prescribed in section 3-111 and is subject to regulation under section 49-247.

H. A municipality may not adopt a land use regulation or impose any condition for issuance of a building or use permit or other approval that violates section 9-461.16.

I. In accordance with article II, sections 1 and 2, Constitution of Arizona, the legislative body of a municipality shall consider the individual property rights and personal liberties of the residents of the municipality before adopting any zoning ordinance.

J. Before adopting any zoning ordinance or zoning ordinance text amendment of general applicability, the legislative body of a municipality shall consider the probable impact of the proposed zoning ordinance or text amendment on the cost to construct housing for sale or rent.

K. A municipality may not adopt or enforce a land use regulation that requires the property on which a nongovernmental primary or secondary school operates to be larger than one acre.

L. For the purposes of this section:

1. "Development rights" means the maximum development that would be allowed on the sending property under any general or specific plan and local zoning ordinance of a municipality in effect on the date the municipality adopts an ordinance pursuant to subsection A, paragraph 12 of this section respecting the permissible use, area, bulk or height of improvements made to the lot or parcel. Development rights may be calculated and allocated in accordance with factors including dwelling units, area, floor area, floor area ratio, height limitations, traffic generation or any other criteria that will quantify a value for the development rights in a manner that will carry out the objectives of this section.

2. "Receiving property" means a lot or parcel within which development rights are increased pursuant to a transfer of development rights. Receiving property shall be appropriate and suitable for development and shall be sufficient to accommodate the transferable development rights of the sending property without substantial adverse environmental, economic or social impact to the receiving property or to neighboring property.

3. "Sending property" means a lot or parcel with special characteristics, including farmland, woodland, desert land, mountain land, floodplain, natural habitats, recreation or parkland, including golf course area, or land that has unique aesthetic, architectural or historic value that a municipality desires to protect from future development.

4. "Transfer of development rights" means the process by which development rights from a sending property are affixed to one or more receiving properties.

Sec 4. Section 9-462.06, Arizona Revised Statutes, is amended to read:

9-462.06. Board of adjustment

A. The legislative body, by ordinance, shall establish a board of adjustment, which shall consist of at least five but no more than seven members appointed by the legislative body in accordance with ~~provisions of~~ the ordinance, except that the ordinance may establish the legislative body as the board of adjustment. The legislative body may, by ordinance, delegate to a hearing officer the authority to hear and decide on matters within the jurisdiction of the board of adjustment as provided by this section, except that the right of appeal from the decision of a hearing officer to the board of adjustment shall be preserved.

B. The ordinance shall provide for public meetings of the board, for a chairperson with the power to administer oaths and take evidence, and that minutes of its proceedings showing the vote of each member and records of its examinations and other official actions be filed in the office of the board as a public record.

C. A board of adjustment shall hear and decide appeals from the decisions of the zoning administrator, shall exercise other powers as may be granted by the ordinance and **SHALL** adopt all rules and procedures necessary or convenient for the conduct of its business.

D. Appeals to the board of adjustment may be taken by persons aggrieved or by any officer, department, board or bureau of the municipality affected by a decision of the zoning administrator, within a reasonable time, by filing with the zoning administrator and with the board a notice of appeal specifying the grounds of the appeal. The zoning administrator shall immediately transmit all records pertaining to the action appealed from to the board.

E. An appeal to the board stays all proceedings in the matter appealed from, unless the zoning administrator certifies to the board that, in the zoning administrator's opinion by the facts stated in the certificate, a stay would cause imminent peril to life or property. On the certification proceedings shall not be stayed, except by restraining order granted by the board or by a court of record on application and notice to the zoning administrator. Proceedings shall not be stayed if the appeal requests relief that has previously been denied by the board except pursuant to a special action in superior court as provided in subsection K of this section.

F. The board shall fix a reasonable time for hearing the appeal, and shall give notice of hearing by both publication in a newspaper of general circulation in accordance with section 9-462.04 and posting the notice in conspicuous places close to the property affected.

G. A board of adjustment shall:

1. Hear and decide appeals in which it is alleged there is an error in an order, requirement or decision made by the zoning administrator in the enforcement of a zoning ordinance adopted pursuant to this article.

2. Hear and decide appeals for variances from the terms of the zoning ordinance only if, because of special circumstances applicable to the property, including its size, shape, topography, location, or surroundings, the strict application of the zoning ordinance will deprive the property of privileges enjoyed by other property of the same classification in the same zoning district. Any variance granted is subject to conditions as will assure that the adjustment authorized shall not constitute a grant of special privileges inconsistent with the limitations upon other properties in the vicinity and zone in which the property is located.

3. Reverse or affirm, in whole or in part, or modify the order, requirement or decision of the zoning administrator appealed from, and make the order, requirement, decision or determination as necessary.

H. A board of adjustment may not:

1. Make any changes in the uses permitted in any zoning classification or zoning district, or make any changes in the terms of the zoning ordinance provided the restriction in this paragraph shall not affect the authority to grant variances pursuant to this article.

2. Grant a variance if the special circumstances applicable to the property are self-imposed by the property owner.

I. If the legislative body is established as the board of adjustment, it shall exercise all of the functions and duties of the board of adjustment in the same manner and to the same effect as provided in this section.

J. In a municipality with a population of more than one hundred thousand persons, the legislative body, by ordinance, may provide that a person aggrieved by a decision of the board, ~~or~~ a taxpayer who owns or leases the adjacent property or a property within three hundred feet from the boundary of the immediately adjacent property; ~~OR~~ an officer or a department of the municipality affected by a decision of the board, at any time within fifteen days after the board has rendered its decision, may file an appeal with the clerk of the legislative body. The legislative body shall hear the

appeal in accordance with procedures adopted by the legislative body and may affirm or reverse, in whole or in part, or modify the board's decision.

K. A person aggrieved by a decision of the legislative body, ~~or~~ board or a taxpayer who owns or leases the adjacent property or a property within three hundred feet from the boundary of the immediately adjacent property, an officer or a department of the municipality affected by a decision of the legislative body or board, at any time within thirty days after the board, or the legislative body, if the board decision was appealed pursuant to subsection J of this section, has rendered its decision, may file a complaint for special action in the superior court to review the legislative body or board decision. Filing the complaint does not stay proceedings on the decision sought to be reviewed, but the court may, on application, grant a stay and on final hearing may affirm or reverse, in whole or in part, or modify the decision reviewed.

~~L. FOR THE PURPOSES OF THIS SECTION, "PERSON AGGRIEVED" MEANS ANY OF THE FOLLOWING:~~

~~1. THE APPLICANT OR THE OWNER OF THE PROPERTY THAT IS THE SUBJECT OF THE APPLICATION.~~

~~2. A PERSON WHO IS THE OWNER OR LEGAL OCCUPANT OF THE REAL PROPERTY LOCATED WITHIN THREE HUNDRED FEET FROM THE BOUNDARY OF THE PROPERTY THAT IS THE SUBJECT OF THE APPLICATION AND WHO ALLEGES THE DECISION WILL CAUSE PARTICULARIZED DAMAGE TO THE TANGIBLE INTEREST THAT IS GREATER THAN ANY PURPORTED DAMAGE TO THE PUBLIC AT LARGE.~~

~~3. AN OFFICER OR A DEPARTMENT OF THE MUNICIPALITY THAT IS AFFECTED BY A DECISION OF THE MUNICIPALITY'S LEGISLATIVE BODY OR BOARD.~~

Sec 5. Title 9, Section 4, Article 6.1, Arizona Revised Statutes, is amended by adding section 9-462.10, to read:

9-462.10 Residential zoning districts; amendment; public hearing; applicability; definitions

A. ON OR BEFORE JANUARY 1, 2024, A MUNICIPALITY SHALL ADOPT AN AMENDMENT TO ITS ZONING ORDINANCE THAT REQUIRES THE MUNICIPALITY, ON ANY REZONING OF LAND TO RESIDENTIAL USE, TO DETERMINE WHETHER THE APPLICATION TO REZONE IS ADMINISTRATIVELY COMPLETE WITHIN 30 DAYS AFTER RECEIVING THE APPLICATION. IF THE MUNICIPALITY DETERMINES

THAT THE APPLICATION IS NOT ADMINISTRATIVELY COMPLETE, THE MUNICIPALITY SHALL FOLLOW THE PROCEDURES PRESCRIBED IN SECTION 9-835, SUBSECTION E UNTIL THE APPLICATION IS ADMINISTRATIVELY COMPLETE. THE MUNICIPALITY SHALL DETERMINE WHETHER A RESUBMITTED APPLICATION IS ADMINISTRATIVELY COMPLETE WITHIN 15 DAYS AFTER RECEIPT. AFTER A DETERMINATION THAT THE APPLICATION IS ADMINISTRATIVELY COMPLETE, THE MUNICIPALITY SHALL APPROVE OR DENY THE REQUEST TO REZONE WITHIN 180 DAYS.

B. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, AN EXTENSION OF THE ONE HUNDRED EIGHTY DAY REQUIREMENT CAN BE EXTENDED FOR EITHER OF THE FOLLOWING REASONS:

1. A MUNICIPALITY HAS EXTENUATING CIRCUMSTANCES SUCH AS A STAFFING SHORTAGE FOR WHICH THERE WILL BE AN ALLOWANCE FOR A ONE-TIME EXTENSION OF AN ADDITIONAL NOT MORE THAN 30 DAYS; OR

2. AN APPLICANT REQUESTS AN EXTENSION FOR WHICH THERE CAN BE AN EXTENSION AS DETERMINED BY THE APPLICANT IN INCREMENTS OF 30 DAYS.

C. THIS SECTION DOES NOT APPLY TO LAND IN AN AREA THAT IS DESIGNATED AS A DISTRICT OF HISTORICAL SIGNIFICANCE PURSUANT TO SECTION 9-462.01, SUBSECTION A, PARAGRAPH 10 OR AN AREA THAT IS DESIGNATED AS HISTORIC ON THE NATIONAL REGISTER OF HISTORIC PLACES OR PLANNED AREA DEVELOPMENTS.

Sec 6. Section 9-462.06, Arizona Revised Statutes, is amended to read:

9-463. Definitions

In this article, unless the context otherwise requires:

1. "Design" means street alignment, grades and widths, alignment and widths of easements and rights-of-way for drainage and sanitary sewers and the arrangement and orientation of lots.

2. "Improvement" means required installations, pursuant to this article and subdivision regulations, including grading, sewer and water utilities, streets, easements, AND traffic control devices as a condition to the approval and acceptance of the final plat thereof.

3. "Land splits" ~~as used in this article~~ means the division of improved or unimproved land whose area is two and one-half acres or less into two or three tracts or parcels of land for the purpose of sale or lease.

4. "Municipal" or "municipality" means an incorporated city or town.

5. "Planning agency" means the official body designated by local ordinance to carry out the purposes of this article and may be a planning department, a planning commission, the legislative body itself, or any combination thereof.

6. "Plat" means a map of a subdivision:

(a) "Preliminary plat" means a preliminary map, including supporting data, indicating a proposed subdivision design prepared in accordance with ~~the provisions of~~ this article and ~~those of~~ any local applicable ordinance.

(b) "Final plat" means a map of all or part of a subdivision ~~essentially conforming to an approved preliminary plat,~~ prepared in accordance with ~~the provision of~~ this article, ~~those of~~ any local applicable ordinance and other state statute.

(c) "Recorded plat" means a final plat bearing all of the certificates of approval required by this article, any local applicable ordinance and other state statute.

7. "Right-of-way" means any public or private right-of-way and includes any area required for public use pursuant to any general or specific plan as provided for in article 6 of this chapter.

8. "Street" means:

(a) Any existing or proposed street, avenue, boulevard, road, lane, parkway, place, bridge, viaduct or easement for public vehicular access or a street shown in a plat heretofore approved pursuant to law or a street in a plat duly filed and recorded in the county recorder's office. ~~A street~~

(b) Includes all land within the street right-of-way whether improved or unimproved, and ~~includes~~ such improvements as pavement, shoulders, curbs, gutters, sidewalks, parking space, bridges and viaducts.

9. "Subdivider" means:

(a) A person, firm, corporation, partnership, association, syndicate, trust or other legal entity that files application and initiates proceedings for the subdivision of land in accordance with ~~the provisions of~~ this article, any local applicable ordinance and other state statute. ~~, except that~~

(b) **DOES NOT INCLUDE** an individual serving as agent for such legal entity ~~is not a subdivider.~~

10. "Subdivision" means any land or portion thereof subject to ~~the provisions of~~ this article as provided in section 9-463.02.

11. "Subdivision regulations" means a municipal ordinance regulating the design and improvement of subdivisions enacted under ~~the provisions of~~ this article or any prior statute regulating the design and improvement of subdivisions.

Sec 7. Section 9-463.01, Arizona Revised Statutes, is amended to read:

9-463.01. Authority

A. Pursuant to this article, the legislative body of every municipality shall regulate the subdivision of all lands within its corporate limits.

B. The legislative body of a municipality shall exercise the authority granted in subsection A of this section by ordinance prescribing:

1. Procedures to be followed in the preparation, submission, review and approval or rejection of all final plats.

2. Standards governing the design of subdivision plats.

3. Minimum requirements and standards for the installation of subdivision streets, sewer and water utilities and improvements as a condition of final plat approval.

C. By ordinance, the legislative body of any municipality shall:

1. Require the preparation, submission and approval of a preliminary plat as a condition precedent to submission of a final plat, **SUBJECT TO A WAIVER ADOPTED PURSUANT TO SUBSECTION V OF THIS SECTION.**

2. Establish the procedures to be followed in the preparation, submission, review and approval of preliminary plats.

3. Make requirements as to the form and content of preliminary plats.

4. Either determine that certain lands may not be subdivided, by reason of adverse topography, periodic inundation, adverse soils, subsidence of the earth's surface, high water table, lack of water or other natural or man-made hazard to life or property, or control the lot size, establish special grading and drainage requirements and impose other regulations deemed reasonable and necessary for the public health, safety or general welfare on any lands to be subdivided affected by such characteristics.

5. Require payment of a proper and reasonable fee by the subdivider based upon the number of lots or parcels on the surface of the land to defray municipal costs of plat review and site inspection.

6. Require the dedication of public streets, sewer and water utility easements or rights-of-way, within the proposed subdivision.

7. Require the preparation and submission of acceptable engineering plans and specifications for the installation of required street, sewer, electric and water utilities, drainage, flood control, adequacy of water and improvements as a condition precedent to recordation of an approved final plat.

8. Require the posting of performance bonds, assurances or such other security as may be appropriate and necessary to assure the installation of required street, sewer, electric and water utilities, drainage, flood control and improvements meeting established minimum standards of design and construction.

D. The legislative body of any municipality may require by ordinance that land areas within a subdivision be reserved for parks, recreational facilities, school sites and fire stations subject to the following conditions:

1. The **RESERVATION** requirement may only be made upon preliminary plats filed at least thirty days after the adoption of a general or specific plan affecting the land area to be reserved **UNLESS THE PRELIMINARY PLAT REQUIREMENT WAS WAIVED PURSUANT TO SUBSECTION V OF THIS SECTION. IF THE PRELIMINARY PLAT REQUIREMENT WAS WAIVED, THE RESERVATION SHALL BE MADE IN THE TIME AND MANNER REQUIRED BY THE MUNICIPALITY.**

2. The required reservations are in accordance with definite principles and standards adopted by the legislative body.

3. The land area reserved shall be of such a size and shape as to permit the remainder of the land area of the subdivision within which the reservation is located to develop in an orderly and efficient manner.

4. The land area reserved shall be in such multiples of streets and parcels as to permit an efficient division of the reserved area in the event that it is not acquired within the prescribed period.

E. The public agency for whose benefit an area has been reserved shall have a period of one year after recording the final subdivision plat to enter into an agreement to acquire such reserved land

area. The purchase price shall be the fair market value of the reserved land area at the time of the filing of the preliminary subdivision plat plus the taxes against such reserved area from the date of the reservation and any other costs incurred by the subdivider in the maintenance of such reserved area, including the interest cost incurred on any loan covering such reserved area.

F. If the public agency for whose benefit an area has been reserved does not exercise the reservation agreement set forth in subsection E of this section within such one year period or such extended period as may be mutually agreed upon by such public agency and the subdivider, the reservation of such area shall terminate.

G. The ~~legislative body of every~~ municipality shall comply with this article and applicable state statutes pertaining to the ~~hearing~~, approval or rejection, and recordation of:

1. Final subdivision plats.
2. Plats filed for the purpose of reverting to acreage of land previously subdivided.
3. Plats filed for the purpose of vacating streets or easements previously dedicated to the public.
4. Plats filed for the purpose of vacating or redescribing lot or parcel boundaries previously recorded.

H. Approval of every ~~preliminary and final~~ plat ~~by a legislative body~~ is conditioned upon compliance by the subdivider with:

1. Rules as may be established by the department of transportation relating to provisions for the safety of entrance upon and departure from abutting state primary highways.
2. Rules as may be established by a county flood control district relating to the construction or prevention of construction of streets in land established as being subject to periodic inundation.
3. Rules as may be established by the department of health services or a county health department relating to the provision of domestic water supply and sanitary sewage disposal.

4. MUNICIPAL REQUIREMENTS RELATING TO DEDICATIONS AND RESERVATIONS.

I. If the subdivision is comprised of subdivided lands, as defined in section 32-2101, and is within an active management area, as defined in section 45-402, the final plat shall not be approved unless it is accompanied by a certificate of assured water supply issued by the director of water resources, or unless the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an assured water supply by the director of

water resources pursuant to section 45-576 or is exempt from the requirement pursuant to section 45-576. The legislative body of the municipality shall note on the face of the final plat that a certificate of assured water supply has been submitted with the plat or that the subdivider has obtained a written commitment of water service for the proposed subdivision from a city, town or private water company designated as having an assured water supply, pursuant to section 45-576, or is exempt from the requirement pursuant to section 45-576.

J. Except as provided in subsections K and P of this section, if the subdivision is composed of subdivided lands as defined in section 32-2101 outside of an active management area and the director of water resources has given written notice to the municipality pursuant to section 45-108, subsection H, the final plat shall not be approved unless one of the following applies:

1. The director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 and the subdivider has included the report with the plat.

2. The subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108.

K. The legislative body of a municipality that has received written notice from the director of water resources pursuant to section 45-108, subsection H or that has adopted an ordinance pursuant to subsection O of this section may provide by ordinance an exemption from the requirement in subsection J or O of this section for a subdivision that the director of water resources has determined will have an inadequate water supply because the water supply will be transported to the subdivision by motor vehicle or train if all of the following apply:

1. The legislative body determines that there is no feasible alternative water supply for the subdivision and that the transportation of water to the subdivision will not constitute a significant risk to the health and safety of the residents of the subdivision.

2. If the water to be transported to the subdivision will be withdrawn or diverted in the service area of a municipal provider as defined in section 45-561, the municipal provider has consented to the withdrawal or diversion.

3. If the water to be transported is groundwater, the transportation complies with the provisions governing the transportation of groundwater in title 45, chapter 2, article 8.

4. The transportation of water to the subdivision meets any additional conditions imposed by the legislative body.

L. A municipality that adopts the exemption authorized by subsection K of this section shall give written notice of the adoption of the exemption, including a certified copy of the ordinance containing the exemption, to the director of water resources, the director of environmental quality and the state real estate commissioner. If the municipality later rescinds the exemption, the municipality shall give written notice of the rescission to the director of water resources, the director of environmental quality and the state real estate commissioner. A municipality that rescinds an exemption adopted pursuant to subsection K of this section shall not readopt the exemption for at least five years after the rescission becomes effective.

M. If the legislative body of a municipality approves a subdivision plat pursuant to subsection J, paragraph 1 or 2 or subsection O of this section, the legislative body shall note on the face of the plat that the director of water resources has reported that the subdivision has an adequate water supply or that the subdivider has obtained a commitment of water service for the proposed subdivision from a city, town or private water company designated as having an adequate water supply pursuant to section 45-108.

N. If the legislative body of a municipality approves a subdivision plat pursuant to an exemption authorized by subsection K of this section or granted by the director of water resources pursuant to section 45-108.02 or 45-108.03:

1. The legislative body shall give written notice of the approval to the director of water resources and the director of environmental quality.

2. The legislative body shall include on the face of the plat a statement that the director of water resources has determined that the water supply for the subdivision is inadequate and a statement describing the exemption under which the plat was approved, including a statement that the legislative body or the director of water resources, whichever applies, has determined that the specific conditions of the exemption were met. If the director subsequently informs the legislative body that the subdivision is being served by a water provider that has been designated by the director as having an adequate water supply pursuant to section 45-108, the legislative body shall record in the county recorder's office a statement disclosing that fact.

O. If a municipality has not been given written notice by the director of water resources pursuant to section 45-108, subsection H, the legislative body of the municipality, to protect the public health and safety, may provide by ordinance that, except as provided in subsections K and P of this section, the final plat of a subdivision located in the municipality and outside of an active management area will not be approved by the legislative body unless the director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 or the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108. Before holding a public hearing to consider whether to enact an ordinance pursuant to this subsection, a municipality shall provide written notice of the hearing to the board of supervisors of the county in which the municipality is located. A municipality that enacts an ordinance pursuant to this subsection shall give written notice of the enactment of the ordinance, including a certified copy of the ordinance, to the director of water resources, the director of environmental quality, the state real estate commissioner and the board of supervisors of the county in which the municipality is located. If a municipality enacts an ordinance pursuant to this subsection, water providers may be eligible to receive monies in a water supply development fund, as otherwise provided by law.

P. Subsections J and O of this section do not apply to:

1. A proposed subdivision that the director of water resources has determined will have an inadequate water supply pursuant to section 45-108 if the director grants an exemption for the subdivision pursuant to section 45-108.02 and the exemption has not expired or if the director grants an exemption pursuant to section 45-108.03.

2. A proposed subdivision that received final plat approval from the municipality before the requirement for an adequate water supply became effective in the municipality if the plat has not been materially changed since it received the final plat approval. If changes were made to the plat after the plat received the final plat approval, the director of water resources shall determine whether the changes are material pursuant to the rules adopted by the director to implement section 45-108. If the municipality approves a plat pursuant to this paragraph and the director of water resources has

determined that there is an inadequate water supply for the subdivision pursuant to section 45-108, the municipality shall note this on the face of the plat.

Q. If the subdivision is composed of subdivided lands as defined in section 32-2101 outside of an active management area and the municipality has not received written notice pursuant to section 45-108, subsection H and has not adopted an ordinance pursuant to subsection O of this section:

1. If the director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 or if the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108, the municipality shall note this on the face of the plat if the plat is approved.

2. If the director of water resources has determined that there is an inadequate water supply for the subdivision pursuant to section 45-108, the municipality shall note this on the face of the plat if the plat is approved.

R. Every municipality is responsible for the recordation of all final plats approved by the legislative body and shall receive from the subdivider and transmit to the county recorder the recordation fee established by the county recorder.

S. Pursuant to provisions of applicable state statutes, the legislative body of any municipality may itself prepare or have prepared a plat for the subdivision of land under municipal ownership.

T. The legislative bodies of cities and towns may regulate by ordinance land splits within their corporate limits. Authority granted under this section refers to the determination of division lines, area and shape of the tracts or parcels and does not include authority to regulate the terms or condition of the sale or lease nor does it include the authority to regulate the sale or lease of tracts or parcels that are not the result of land splits as defined in section 9-463.

U. For any subdivision that consists of ten or fewer lots, tracts or parcels, each of which is of a size as prescribed by the legislative body, the legislative body of each municipality may expedite the processing of or waive the requirement to prepare, submit and receive approval of a preliminary plat as a condition precedent to submitting a final plat and may waive or reduce infrastructure standards or requirements proportional to the impact of the subdivision. Requirements for dust-controlled access and drainage improvements shall not be waived.

V. NOTWITHSTANDING SUBSECTION C, PARAGRAPHS 1, 2 AND 3 OF THIS SECTION, BY ORDINANCE, THE LEGISLATIVE BODY OF A MUNICIPALITY MAY WAIVE A MUNICIPAL REQUIREMENT TO PREPARE, SUBMIT AND RECEIVE APPROVAL OF A PRELIMINARY PLAT AS A CONDICTION OF PRECEDENT TO SUBMITTING A FINAL PLAT.

W. AT THE REQUEST OF A QUALIFIED APPLICANT, AFTER THE APPLICANT RESOLVES ALL FIRST REVIEW COMMENTS TO THE APPLICANT’S GRADING AND DRAINAGE PLAN AND AFTER THE APPLICANT RECEIVES ANY REQUIRED APPROVAL FROM THE DEPARTMENT OF ENVIRONMENTAL QUALITY THE MUNICIPALITY SHALL ISSUE AN AT-RISK PERMIT FOR GRADING AND EARTHMOVING THAT RELATES TO THE PRIVATE PROPERTY THAT IS THE SUBJECT OF THE GRADING AND DRAINAGE PLAN. THE MUNICIPALITY ISSUING AN AT-RISK PERMIT DOES NOT CONSTITUTE FINAL PRELIMINARY PLAT APPROVAL OR FINAL APPROVAL OF ANY GRADING AND DRAINAGE PLANS. ALL WORK, SERVICES AND MATERIALS FURNISHED BY THE APPLICANT OR ITS AGENTS IS DONE AT THE RISK OF THE APPLICANT WITH NO LIABILITY TO THE MUNICIPALITY. THE MUNICIPALITY MAY REQUIRE THAT ALL GRADING AND EARTHMOVING BE DONE IN COMPLIANCE WITH THE TERMS OF THE PERMIT AND MUNICIPAL CODES, ORDINANCES AND STANDARDS AND OTHER LEGAL REQUIREMENTS. THIS SUBSECTION DOES NOT APPLY TO:

1. A MUNICIPALITY WITH A POPULATION OF LESS THAN THIRTY THOUSAND PERSONS.
2. A MUNICIPALITY THAT IS LOCATED ON TRIBAL LAND.
3. LAND IN AN AREA THAT IS DESIGNATED AS A DISTRICT OF HISTORICAL SIGNIFICANCE PURSUANT TO SECTION 9-462.01, SUBSECTION A, PARAGRAPH 10 OR AN AREA THAT IS DESIGNATED AS HISTORIC ON THE NATIONAL REGISTER OF HISTORIC PLACES.

4. LOTS DESIGNATED BY THE MUNICIPALITY AS HILLSIDE PROPERTY OR OTHERWISE REQUIRED FOR ENVIRONMENTAL PRESERVATION.

5. PROPERTIES WITH KNOWN ARCHAEOLOGICAL SIGNIFICANCE OR CONCERNS.

Y. FOR THE PURPOSES OF THIS SECTION “QUALIFIED APPLICANT” MEANS AN APPLICANT THAT IS LICENSED BY THE STATE OF ARIZONA REGISTRAR OF CONTRACTORS UNDER A.R.S. 32-1151 AND WITH NO PREVIOUS HISTORY OF DEFICIENCIES OR NON-COMPLIANCE.

Sec. 8. Title 9, chapter 4, article 6.4, Arizona Revised Statutes, is amended by adding section 9-469, to read:

9-469. Municipal housing needs assessment; annual report; applicability

A. BEGINNING JANUARY 1, 2024 AND EVERY FIVE YEARS THEREAFTER, A MUNICIPALITY SHALL PUBLISH A HOUSING NEEDS ASSESSMENT THAT INCLUDES AT LEAST THE FOLLOWING:

1. THE TOTAL POPULATION GROWTH PROJECTED FOR THE SUBSEQUENT FIVE-YEAR PERIOD.
2. THE TOTAL JOB GROWTH PROJECTED FOR THE SUBSEQUENT FIVE-YEAR PERIOD.
3. THE TOTAL NEED FOR ADDITIONAL RESIDENTIAL HOUSING UNITS FOR RENT AND FOR SALE IN

THE MUNICIPALITY TO MEET:

- (a) ANY DEFICIENCIES IN HOUSING THE EXISTING POPULATION.
- (b) ANY DEFICIENCIES IN HOUSING THE EXISTING WORKFORCE.
- (c) THE POPULATION GROWTH PROJECTIONS.
- (d) THE JOBS GROWTH PROJECTIONS.
- (e) THE HOUSING NEEDS ACROSS ALL VARIOUS INCOME LEVELS.

B. BEGINNING JANUARY 1, 2025 AND EVERY YEAR THEREAFTER, EACH MUNICIPALITY SHALL SUBMIT AN ANNUAL REPORT ACCOUNTING FOR THE TOTAL NUMBER OF PROPOSED RESIDENTIAL HOUSING UNITS SUBMITTED TO THE MUNICIPALITY, THE TOTAL NUMBER OF NET NEW RESIDENTIAL HOUSING UNITS SUBMITTED TO THE MUNICIPALITY AND THE TOTAL NUMBER OF NEW RESIDENTIAL HOUSING UNITS THAT ARE ENTITLED, HAVE BEEN PLATTED, HAVE BEEN ISSUED A BUILDING PERMIT AND HAVE RECEIVED A CERTIFICATE OF OCCUPANCY BY THE MUNICIPALITY. THE REPORT SHALL BE SUBMITTED TO THE ARIZONA DEPARTMENT OF HOUSING. THE ANNUAL REPORT SHALL ALSO INCLUDE THE FOLLOWING:

1. THE NUMBER OF HOUSING DEVELOPMENT APPLICATIONS RECEIVED IN THE PRIOR YEAR.
2. THE NUMBER OF LOTS AND MULTIFAMILY UNITS INCLUDED IN ALL DEVELOPMENT APPLICATIONS IN THE PRIOR YEAR.
3. THE NUMBER OF LOTS AND MULTIFAMILY UNITS APPROVED AND DISAPPROVED OR OTHERWISE NOT APPROVED IN THE PRIOR YEAR.
4. THE STATUS AND PROGRESS IN MEETING THE MUNICIPALITY'S HOUSING NEEDS.

5. A PLAN THAT SPECIFIES HOW THE MUNICIPALITY INTENDS TO SATISFY THE IDENTIFIED NEED FOR ADDITIONAL HOUSING UNITS WITHIN THE MUNICIPALITY.

C. THIS SECTION DOES NOT REQUIRE A MUNICIPALITY TO MEET OR OTHERWISE FULFILL THE PROJECTIONS IN THE HOUSING NEEDS ASSESSMENT REQUIRED BY SUBSECTION A OF THIS SECTION.

D. THIS SECTION DOES NOT APPLY TO A MUNICIPALITY THAT IS LOCATED ON TRIBAL LAND OR A MUNICIPALITY WITH A POPULATION OF LESS THAN THIRTY THOUSAND PERSONS ACCORDING TO THE MOST RECENT DECENIAL CENSUS.

League Housing Proposal Draft Legislative Language

Items the League is looking to accomplish in a proposed housing draft:

1. **Section 1:** ¹ Require for administrative design review of housing projects which should allow for faster processing times for developers
 - NOTE: We do not support Sen. Kaiser's language in HB2536 which requires cities to adopt minimum building code standards, limits amenities for developments, has little to no design standards, and gives us concern for public health and safety
2. **Section 2:**
 - A. For cities/towns with a population above 75,000:
 - i. ² Require allowance of accessory dwelling units (meet setback requirements, etc.)
 - NOTE: League has included language to remove requirement for lot coverage and lot size. So long as setbacks are met anyone could have an ADU at least 450 sq. ft. (They could go less if they desired and Kaiser was confused by how we drafted the language)
 - ii. ³ Require not more than 1 off-street parking spot per dwelling unit in areas within ½ mile light rail and street car stops
 - iii. ⁴ Require height or density bonuses for multifamily units that allow for at least 20% affordable housing units within ½ mile of light rail and street car stops
 - iv. ⁴ Require a density bonus for multifamily low-income housing tax credit (LIHTC) projects within ½ mile of light rail and street car stops
 - v. ³ Require SRO's for persons 55+
 - vi. ⁶ Requires cities to establish zones that allow for duplex and triplex
 - B. For cities/towns with a population above 75,000 they shall select 3 of the following:
 - i. ³ Allow construction on 6k sq ft or less lots for single family built for affordable housing
 - ii. Offer greater density within 1/4 miles of commercial and mixed use if the lot is dedicated to affordable housing
 - iii. ³ Have a zoning district for single room occupancy for those under 55+
 - iv. Make municipal property available for homeless shelters, transitional housing, supportive housing, veterans housing, or affordable housing
 - v. ^{3 5} Have districts available for modular, fabricated, or mobile homes
 - vi. Facilitate in the rehabbing of property into affordable housing
 - vii. Eliminating preliminary platting for affordable housing
 - viii. Reduce, waive, or eliminate impact fees for affordable housing projects
 - ix. Waive building permit fees associated with non-profit housing

¹ Language in HB2536 preempted design review and building codes, League alternative focuses on expediency

² Adopted a version of language in HB2536

³ Adopted a version of language in HB2536

⁴ Adopted a version of language in SB1161

⁵ Adopted a version of language in SB1163

- x. ⁸ Allow for no setbacks or reduce setback requirements by 25%
- xi. ⁴ Allow height or density bonuses for multifamily units that allow for at least 20% affordable housing units
- xii. ⁴ Allow a density bonus for multifamily low-income housing tax credit (LIHTC) projects

3. **Section 3:** Technical changes

4. ~~**Section 4:** Limits who can claim to be an aggrieved person in a complaint to the Board of Adjustments; makes zoning processes more efficient~~

- NOTE: This has been removed because there is active litigation in this area. Case law supports what we have in our draft but do not want to be seen as putting the thumb on the scale of the judicial branch
- ADD'L: Mr. Kaiser likes language about cities not being able to regulate if “objective externalities” if developer responds to municipal ordinance (Muni ordinances account for 80% of all scenarios but there may be legitimate circumstances not covered by ordinance where impacts to an adjacent property should be mitigated

5. **Section 5:** ⁶ Require cities to complete their determination of a zoning change within 180 days unless there are extenuating circumstances where a city can request a 30-day delay. If the developer requests a delay the city shall grant the delay.

6. **Section 6:** Technical changes

7. **Section 7:** Efficiencies

- A. For all cities, allow for the waiving of the preliminary platting process (saves builders between 4 to 6 months)
- B. ⁷ Allows for developers to obtain an at-risk permit for developing a project
 - NOTE: We added areas where this does not apply such as:
 - Hillside properties
 - Areas of environmental preservation
 - Areas of archeological significance

8. ⁵⁶ Establishes reporting and housing study requirements

⁶ Language in HB2536 required cities to approve zoning changes without public input, we’ve incorporated the time requirements but not excluded the public
⁷ Was included in Kaiser’s original SB1117
⁸ Pulled this from a Montana housing proposal and thought parties might be interested

MEMORANDUM



TO: Mayor and Council
FROM: Mark Day, Municipal Budget Director
THROUGH: Tom Duensing, Deputy City Manager
DATE: May 5, 2023
SUBJECT: Quarterly Financial Report for FY 2022-23 Q3

Attached is the Quarterly Financial Report for the third quarter of Fiscal Year 2022-23, the quarter ending March 31, 2023. The Municipal Budget Office prepares quarterly financial reports for all the major operating funds, revenue sources and departments that reflect budget to actual comparisons and highlight major variances that may require additional monitoring or action.

Although revenues and expenditures are not budgeted on a quarterly basis, the report applies a three-year historical average to the annual budget to gain insight into revenue and expenditure actual performance versus the estimated budget for the quarter.

Starting with the Q3 report, the General Fund Departmental Expenditure Detail section of the report now reflects the City Manager's organization changes to expand our ability to serve the community. These changes include the newly established Government Relations Office and the Communications and Marketing Office as separate and distinct Offices from the City Manager's Office and the Education, Career and Family Services Office as a separate and distinct Office from the Community Health and Human Services Department (previously titled Human Services).

We have included a quick-reference Table of Contents on the following page that will allow you to quickly navigate to areas of interest by clicking on titles or page numbers. The *table of contents* link at the bottom of every page will return you to the Table of Contents. The report can also be found on the Municipal Budget Office's Internet page.

Please let me know if you have questions about the information contained in this report.



TABLE OF CONTENTS

Quarterly Financial Performance Report Through the Third Quarter Ended March 31, 2023

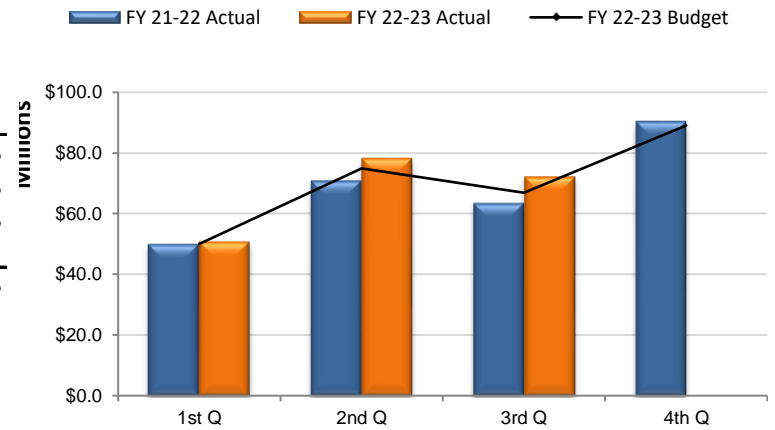
General Fund Revenue		Rating	Page
General Fund Revenue Quarterly Analysis		Positive	1
Sales Tax		Positive	2
Property Tax		Positive	2
Bed Tax		Positive	3
Franchise Fees		Positive	3
Sales Tax Licenses		Positive	4
Intergovernmental		Positive	4
Building & Trades		Positive	5
Cultural & Recreational		Negative	5
Fines, Fees & Forfeitures		Positive	6
Other Revenues		Positive	6
General Fund Expenditures			Page
General Fund Expenditures Quarterly Analysis		Positive	7
City Attorney's Office		Positive	8
City Clerk's Office		Positive	8
City Court		Positive	9
City Manager's Office		Watch	9
Communications & Marketing Office		Positive	10
Community Development		Positive	10
Community Health & Human Services		Positive	11
Community Services		Positive	11
Diversity, Equity & Inclusion		Positive	12
Economic Development Office		Positive	12
Education, Career & Family Services		Positive	13
Engineering & Transportation		Positive	13
Financial Services		Positive	14
Fire Medical Rescue		Positive	14
Government Relations Office		Positive	15
Human Resources		Watch	15
Information Technology		Positive	16
Internal Audit Office		Positive	16
Mayor & Council		Watch	17
Municipal Budget Office		Positive	17
Municipal Utilities		Positive	18
Police		Positive	18
Strategic Management & Innovation Office		Positive	19
Sustainability Office		Positive	19
Non-Departmental		Positive	20
Special Revenue Funds			Page
Transit Fund		Positive	21
Highway User Revenue Fund		Positive	21
CDBG/Section 8 Funds		Positive	22
Debt Service Fund		Positive	22
Arts & Cultural Fund		Positive	23
Enterprise Funds			Page
Water/Wastewater Fund		Positive	23
Solid Waste Fund		Positive	24
Golf Fund		Positive	24
Emergency Medical Transport		Positive	25
Grant Funds			Page
Restricted Revenue and Donations		Positive	25
Police Dept-RICO & Grants		Positive	26
Governmental Grants		Positive	26
Court Enhancement Fund		Positive	27

Performance Ratings Key

- Positive** = A positive variance, or a negative variance of less than 2%, which shows the category is performing close to historical trends.
- Watch** = A negative variance between 2-5%, compared to historical trends.
- Negative** = A negative variance of greater than 5%, compared to historical trends.



		FY 22-23 Year to Date Budget	FY 22-23 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 22	\$ 50,022,923	\$ 50,777,938	18.1%	17.8%
2nd Q	Oct-Dec 22	74,967,943	78,335,931	27.9%	26.7%
3rd Q	Jan-Mar 23	66,894,017	72,203,353	25.7%	23.8%
4th Q	Apr-Jun 23	89,073,355			
Total		\$ 280,958,238	\$ 201,317,221	71.7%	68.3%
Variance from Budget			\$ 9,432,339	3.4%	



Positive

Through the third quarter of FY 2022-23, General Fund revenue is 71.7% of budget, compared with a historical percentage of 68.3%. In terms of budget-to-actual variance, total collections are above the anticipated revenue target for the third quarter by \$9.4 million. The scope of budget-to-actual variance for each category can be seen in the table and graph at the bottom-right corner of this page. Quarterly collection detail by category can be found on pages 2 through 6 of this reports.



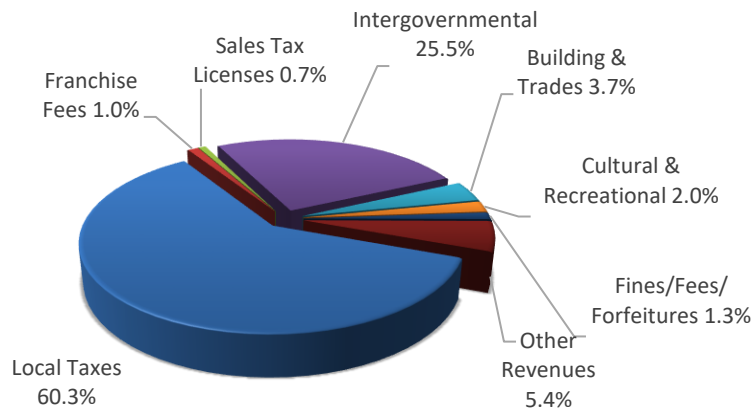
General Fund Revenue by Category

Revenue Categories	FY 22-23 Annual Budget	% of Annual Budget
Local Taxes	\$ 169,383,093	60.3%
Franchise Fees	2,934,996	1.0%
Sales Tax Licenses	2,039,500	0.7%
Intergovernmental	71,761,302	25.5%
Building & Trades	10,447,630	3.7%
Cultural & Recreational	5,585,200	2.0%
Fines/Fees/ Forfeitures	3,550,446	1.3%
Other Revenues	15,256,071	5.4%
Total	\$ 280,958,238	100.0%

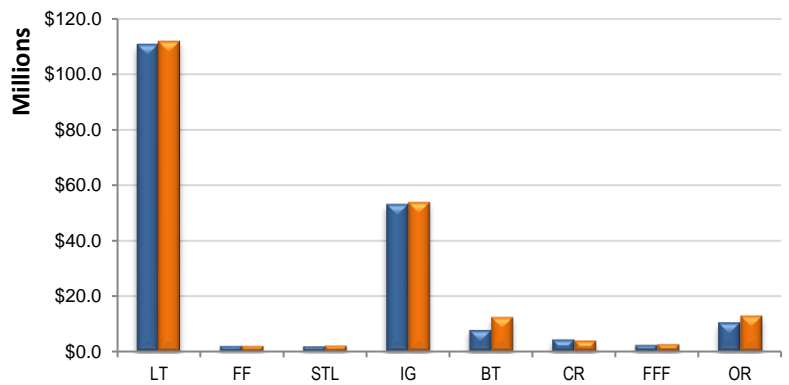
Cumulative Revenue through 3Q 2022-2023

	3Q Budget Target	3Q Actual Revenue	% of Budget Target
Local Taxes (LT)	\$ 110,604,926	\$ 111,968,458	101%
Franchise Fees (FF)	1,843,177	1,858,864	101%
Sales Tax Licenses (STL)	1,737,654	1,976,892	114%
Intergovernmental (IG)	53,103,363	53,878,975	101%
Building & Trades (BT)	7,689,456	12,340,291	160%
Cultural & Recreational (CR)	4,211,241	3,805,479	90%
Fines/Fees/Forfeitures (FFF)	2,336,193	2,601,538	111%
Other Revenues (OR)	10,358,872	12,886,725	124%
Total	\$ 191,884,883	\$ 201,317,221	105%

FY 22-23 Budget



3Q Budget 3Q Actual

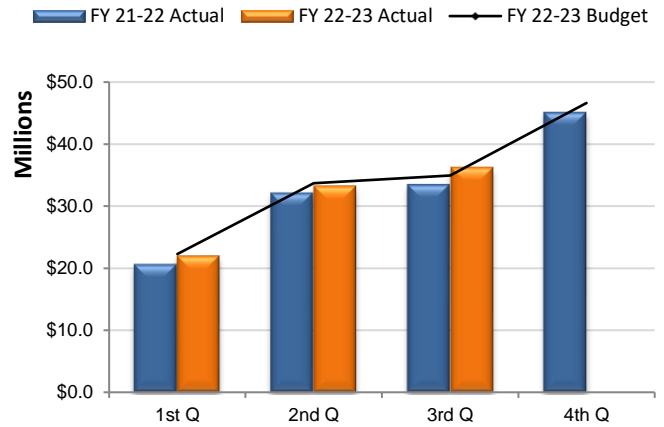


[table of contents](#)



Sales Tax

		FY 22-23 Year to Date Budget	FY 22-23 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 22	\$ 22,284,111	\$ 22,023,232	16.0%	16.2%
2nd Q	Oct-Dec 22	33,701,280	33,268,414	24.2%	24.5%
3rd Q	Jan-Mar 23	34,939,286	36,265,054	26.4%	25.4%
4th Q	Apr-Jun 23	46,631,566			
Total		\$ 137,556,243	\$ 91,556,700	66.6%	66.1%
Variance from Budget			\$ 632,023	0.5%	



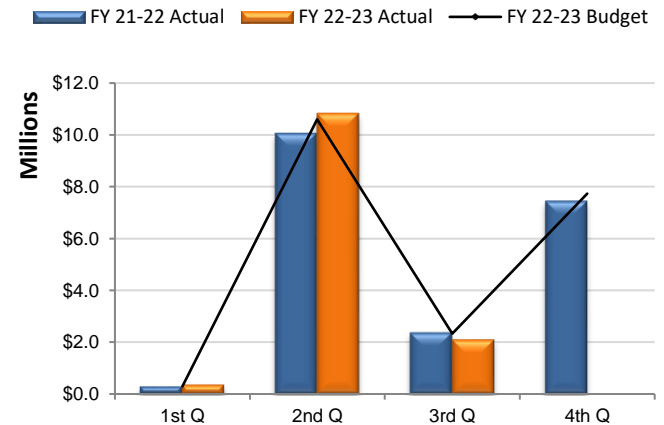
Positive

City Sales Taxes are generated by a 1.8% levy on sales transactions in the city. Of the total 1.8% rate, 1.2% is deposited in the General Fund, 0.5% is dedicated for Transit purposes, and the remaining 0.1% is deposited in the Arts & Culture Fund. The amount deposited in the General Fund is depicted in the table and graph above. This revenue source contributes 49.0% of the General Fund budget in FY 2022-23 making it the City's largest revenue source. Through the third quarter of FY 2022-23, Sales Tax collections are 66.6% of budget, which is slightly above the historical average of 66.1%. In terms of budget-to-actual variance, collections are \$632 thousand above the budgeted value.



Property Tax

		FY 22-23 Year to Date Budget	FY 22-23 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 22	\$ 293,281	\$ 370,846	1.8%	1.4%
2nd Q	Oct-Dec 22	10,600,016	10,809,328	51.6%	50.6%
3rd Q	Jan-Mar 23	2,325,300	2,116,052	10.1%	11.1%
4th Q	Apr-Jun 23	7,730,051			
Total		\$ 20,948,649	\$ 13,296,226	63.5%	63.1%
Variance from Budget			\$ 77,629	0.4%	



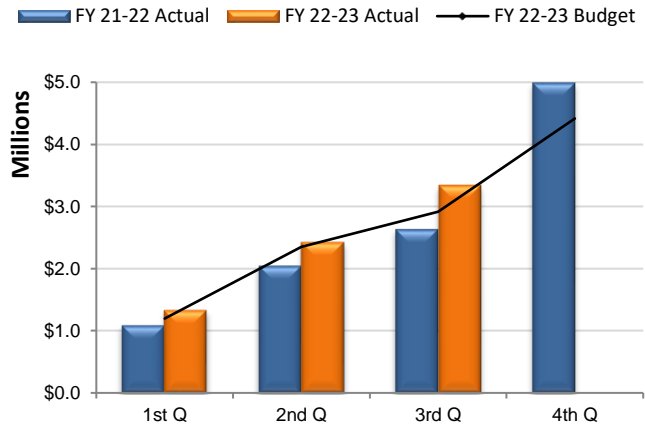
Positive

Property Tax revenue in the General Fund is generated by a \$0.87 charge per \$100 of the primary assessed valuation of real and personal property. In FY 2022-23, Property Tax contributes 7.5% of budgeted General Fund revenue. Through the third quarter of FY 2022-23, Property Tax collections are 63.5% of budget, slightly above the historical average of 63.1%. In terms of budget-to-actual variance, Property Tax is \$78 thousand above the budgeted value.



Bed Tax

		FY 22-23 Year to Date Budget	FY 22-23 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 22	\$ 1,196,602	\$ 1,336,777	12.3%	11.0%
2nd Q	Oct-Dec 22	2,349,691	2,431,771	22.4%	21.6%
3rd Q	Jan-Mar 23	2,915,358	3,346,984	30.8%	26.8%
4th Q	Apr-Jun 23	4,416,550			
Total		\$ 10,878,201	\$ 7,115,532	65.4%	59.4%
Variance from Budget			\$ 653,880	6.0%	



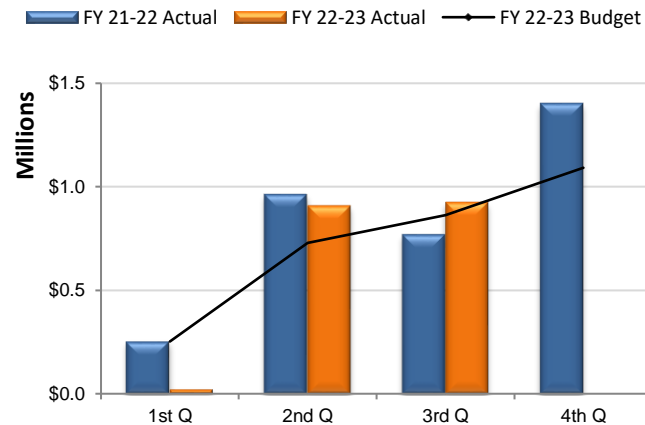
Positive

The Transient Lodging Tax, or Bed Tax, is a 5.0% levy on hotel and motel sales that contributes approximately 3.9% of budgeted General Fund revenue in FY 2022-23. Bed Tax collections through the third quarter of FY 2022-23 are 65.4% of budget, which is higher than the historical average of 59.4%. In terms of budget-to-actual variance, collections are \$654 thousand above the budgeted value.



Franchise Fees

		FY 22-23 Year to Date Budget	FY 22-23 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 22	\$ 252,410	\$ 22,960	0.8%	8.6%
2nd Q	Oct-Dec 22	727,879	909,408	31.0%	24.8%
3rd Q	Jan-Mar 23	862,889	926,495	31.6%	29.4%
4th Q	Apr-Jun 23	1,091,819			
Total		\$ 2,934,996	\$ 1,858,864	63.3%	62.8%
Variance from Budget			\$ 15,686	0.5%	



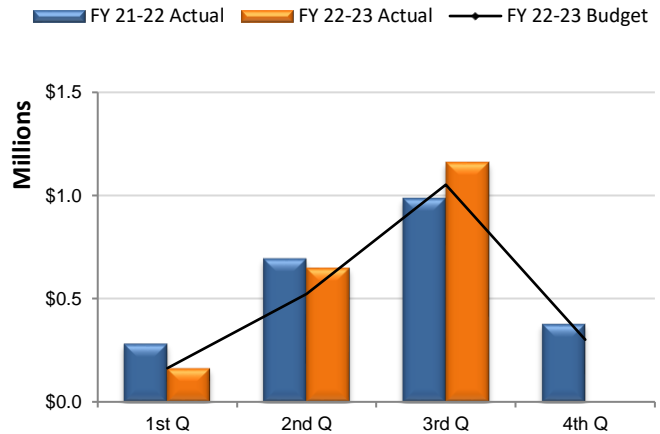
Positive

Franchise Fee revenues are collected based on specific agreements with service providers in the city, including Arizona Public Service (2.0% of revenue), Cox Communications (5.0% of gross revenue), and Southwest Gas (2.0% of gross revenue). These fees contribute 1.0% of annual General Fund revenue. Franchise Fee payments are 63.3% of the budgeted amount through the third quarter of FY 2022-23, compared to 62.8% historically. In terms of budget-to-actual variance, collections are \$16 thousand above the expected amount.



Sales Tax Licenses

		FY 22-23 Year to Date Budget	FY 22-23 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 22	\$ 163,160	\$ 164,668	8.1%	8.0%
2nd Q	Oct-Dec 22	522,112	650,581	31.9%	25.6%
3rd Q	Jan-Mar 23	1,052,382	1,161,642	57.0%	51.6%
4th Q	Apr-Jun 23	301,846			
Total		\$ 2,039,500	\$ 1,976,892	96.9%	85.2%
Variance from Budget			\$ 239,238	11.7%	



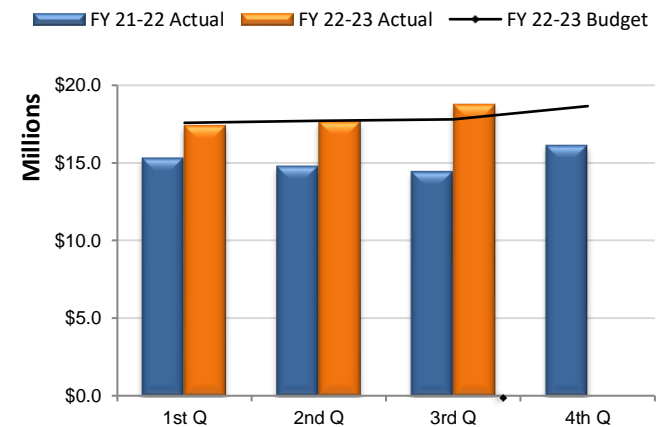
Positive

The City requires taxable business activities to be licensed, with the annual licensing fee amount varying by business type. Starting in 2017, the Arizona Department of Revenue (ADOR) began collecting the fees for Tempe's Sales Tax Licenses. Sales Tax License collections through the third quarter of FY 2022-23 were 96.9% of budget, compared to the historical average of 85.2%. Sales Tax Licenses contribute 0.7% of annual General Fund revenue. In terms of budget-to-actual variance, collections are 11.7% above budget, or \$239 thousand.



Intergovernmental

		FY 22-23 Year to Date Budget	FY 22-23 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 22	\$ 17,581,519	\$ 17,426,613	24.3%	24.5%
2nd Q	Oct-Dec 22	17,725,042	17,667,330	24.6%	24.7%
3rd Q	Jan-Mar 23	17,796,803	18,785,033	26.2%	24.8%
4th Q	Apr-Jun 23	18,657,939			
Total		\$ 71,761,302	\$ 53,878,975	75.1%	74.0%
Variance from Budget			\$ 775,611	1.1%	



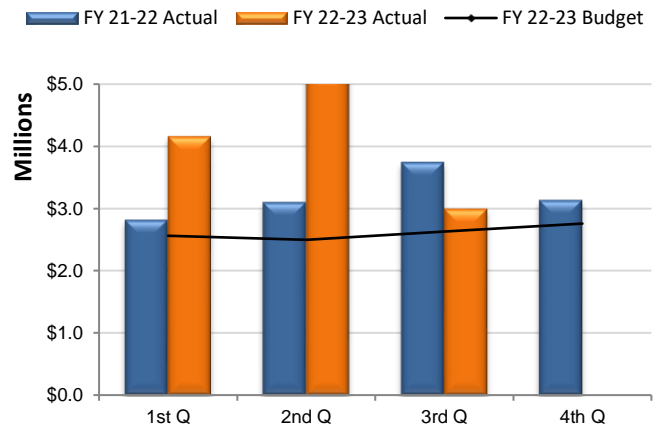
Positive

Intergovernmental revenue includes distributions of State Income Taxes, State Sales Taxes, and State Vehicle License Taxes. These revenues are distributed based on Tempe's share of the state urban population as determined by the U.S. Census. In total, these revenues constitute 25.5% of budgeted revenue for FY 2022-23, making this the second largest General Fund revenue source after Sales Taxes. Through the third quarter of FY 2022-23, actual collections are 75.1% of budget, compared to a historical average of 74.0%. In terms of budget-to-actual variance, collections are 1.1% above budget.



Building & Trades

		FY 22-23 Year to Date Budget	FY 22-23 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 22	\$ 2,559,669	\$ 4,162,638	39.8%	24.5%
2nd Q	Oct-Dec 22	2,496,984	5,179,163	49.6%	23.9%
3rd Q	Jan-Mar 23	2,632,803	2,998,490	28.7%	25.2%
4th Q	Apr-Jun 23	2,758,174			
Total		\$ 10,447,630	\$ 12,340,291	118.1%	73.6%
Variance from Budget			\$ 4,650,836	44.5%	



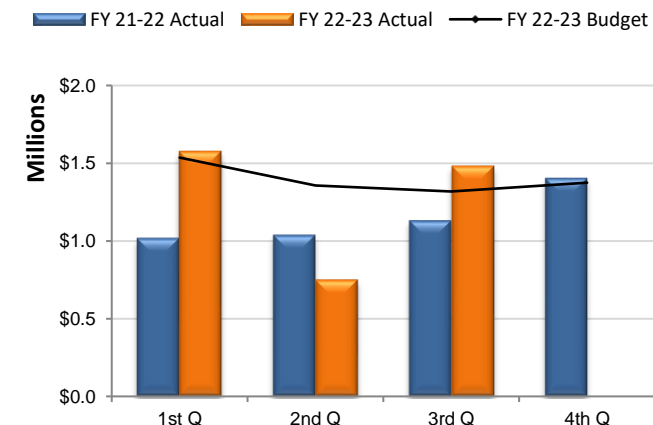
Positive

Building and Trade revenues consist of Building Permit Fees, Plan Check Fees, and other miscellaneous engineering and permitting fees generated by development. These fees are charged to recover a portion of the cost of regulating development. In FY 2022-23, this revenue source contributes 3.7% of budgeted General Fund revenue. Through the third quarter of FY 2022-23, actual collections are 118.1% of budget, compared to a historical average of 73.6%. Thus far, in terms of budget-to-actual variance, collections are 44.5% above the budgeted estimate, or \$4.7 million.



Cultural & Recreational

		FY 22-23 Year to Date Budget	FY 22-23 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 22	\$ 1,535,930	\$ 1,575,298	28.2%	27.5%
2nd Q	Oct-Dec 22	1,357,204	749,266	13.4%	24.3%
3rd Q	Jan-Mar 23	1,318,107	1,480,915	26.5%	23.6%
4th Q	Apr-Jun 23	1,373,959			
Total		\$ 5,585,200	\$ 3,805,479	68.1%	75.4%
Variance from Budget			\$ (405,762)	-7.3%	



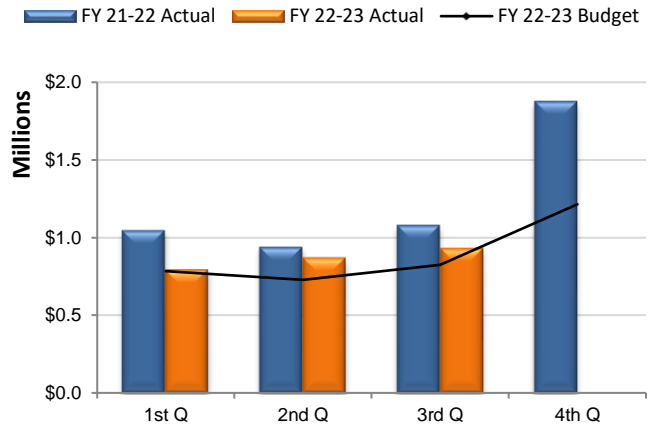
Negative

Cultural and Recreational revenues include fees and charges to recover a portion of the costs of providing the City's cultural and recreational programs. The majority of this revenue source is generated from fees charged for the City's Kid Zone program. In total, Cultural and Recreational fees represent 2.0% of total budgeted General Fund revenue for FY 2022-23. Through the third quarter of FY 2022-23, Cultural and Recreational fee collections are 68.1% of budget, compared to the historical average of 75.4%, for a total negative variance of -7.3%. In terms of budget-to-actual variance, collections are \$406 thousand below the budgeted estimate. This variance is due to recreational and cultural registration fees slightly below historical averages and a new agreement that significantly increases the Spring Training Rental revenue from previous years, however, this increased revenue is not collected until the fourth quarter of the year. It is anticipated that this variance will normalize in the fourth quarter of the fiscal year.



Fines, Fees & Forfeitures

		FY 22-23	FY 22-23	% of	% of
		Year to Date	Actual	Budget	Budget
		Budget	Revenue	Collected	Hist
1st Q	Jul-Sep 22	\$ 784,649	\$ 796,026	22.4%	22.1%
2nd Q	Oct-Dec 22	727,841	872,352	24.6%	20.5%
3rd Q	Jan-Mar 23	823,703	933,159	26.3%	23.2%
4th Q	Apr-Jun 23	1,214,253			
Total		\$ 3,550,446	\$ 2,601,538	73.3%	65.8%
Variance from Budget			\$ 265,344	7.5%	



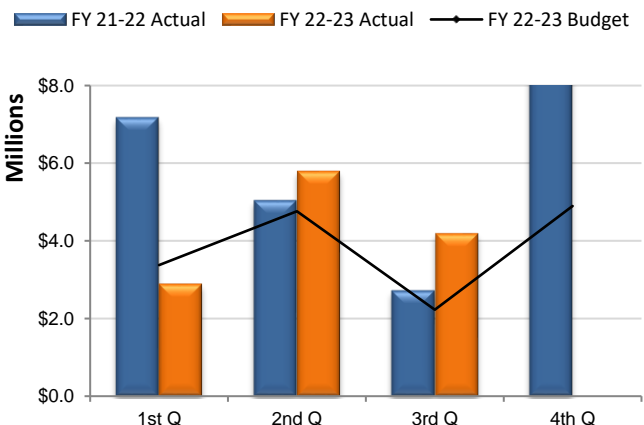
Positive

Fines, Fees, and Forfeiture revenue derives from fines and other payments related to violations of state laws and local ordinances, including parking, traffic, and criminal enforcement activities. In total, Fines, Fees, and Forfeitures represent 1.3% of total budgeted General Fund revenue for FY 2022-23. Through the third quarter of FY 2022-23, 73.3% of budgeted revenues have been collected, compared to a historical average of 65.8%. In terms of budget-to-actual variance, this category is 7.5% above the expected value through the third quarter.



Other Revenues

		FY 22-23	FY 22-23	% of	% of
		Year to Date	Actual	Budget	Budget
		Budget	Revenue	Collected	Hist
1st Q	Jul-Sep 22	\$ 3,371,592	\$ 2,898,880	19.0%	22.1%
2nd Q	Oct-Dec 22	4,759,894	5,798,318	38.0%	31.2%
3rd Q	Jan-Mar 23	2,227,386	4,189,528	27.5%	14.6%
4th Q	Apr-Jun 23	4,897,199			
Total		\$ 15,256,071	\$ 12,886,725	84.5%	67.9%
Variance from Budget			\$ 2,527,853	16.6%	



Positive

Other revenues include collections from a variety of sources not otherwise accounted for in the major revenue categories. Primary components of Other Revenues are Land Sales, Interest Earnings, Land and Building Facility Rental, and SRP In-Lieu Payments. In FY 2022-23, this revenue source contributes 5.4% of budgeted General Fund revenue. Through the third quarter of the fiscal year, collections of Other Revenue are 84.5% of the FY 2022-23 budget, compared to a historical tracking percentage of 67.9%.

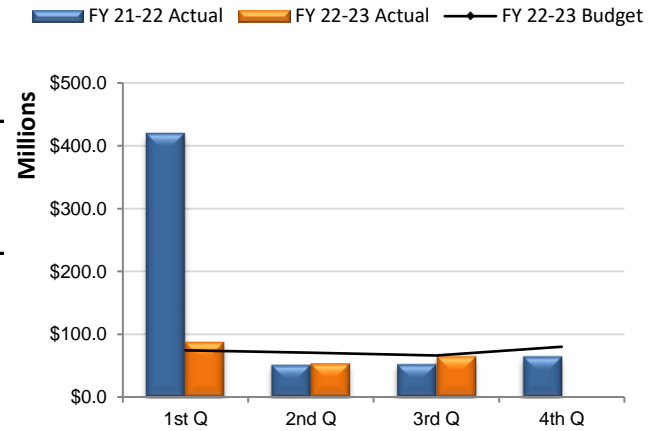


		FY 22-23 Year to Date Budget*	FY 22-23 Actual Exp	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 74,584,285	\$ 86,990,444	29.9%	25.6%
2nd Q	Oct-Dec 22	70,366,940	53,089,733	18.2%	24.2%
3rd Q	Jan-Mar 23	66,111,529	64,596,412	22.2%	22.7%
4th Q	Apr-Jun 23	80,078,587			
Total		\$ 291,141,341	\$ 204,676,588	70.3%	72.5%

Variance from Budget \$ 6,386,166 2.2%

*Budget excludes contingency appropriation, encumbrances and inventory

Positive



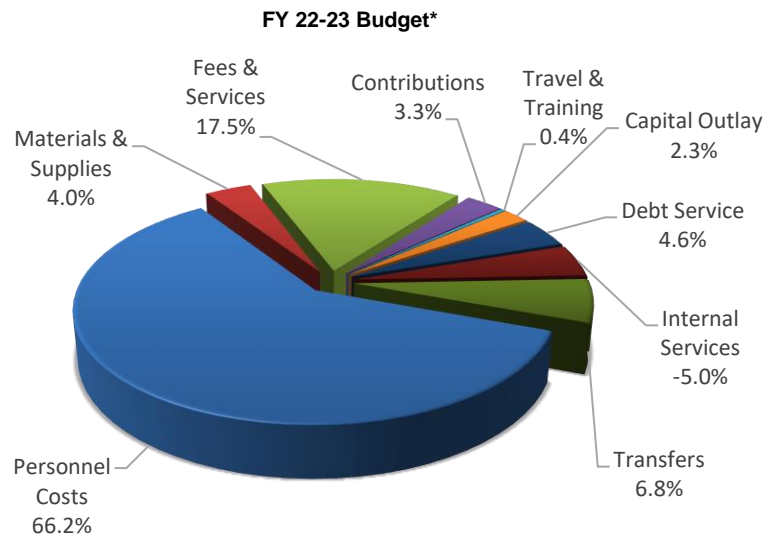
Through the third quarter of FY 2022-23, General Fund expenditures are 70.3% of budget, compared with a historical percentage of 72.5%. In terms of budget-to-actual variance, General Fund expenditures are 2.2% below budget through the third quarter. Departmental quarterly expenditure tracking data can be found on pages 8 through 17 of this report.



General Fund Expenditures By Category

Categories	FY 22-23 Year to Date Budget*	% of Year to Date Budget
Personnel Costs	\$ 192,614,363	66.2%
Materials & Supplies	11,696,299	4.0%
Fees & Services	50,982,818	17.5%
Contributions	9,542,405	3.3%
Travel & Training	1,032,427	0.4%
Capital Outlay	6,693,391	2.3%
Debt Service	13,368,120	4.6%
Internal Services	(14,620,650)	-5.0%
Transfers	19,832,168	6.8%
Total Budget	\$ 291,141,341	100.0%

Contingency 2,365,802
Total Appropriation \$ 293,507,143



[table of contents](#)

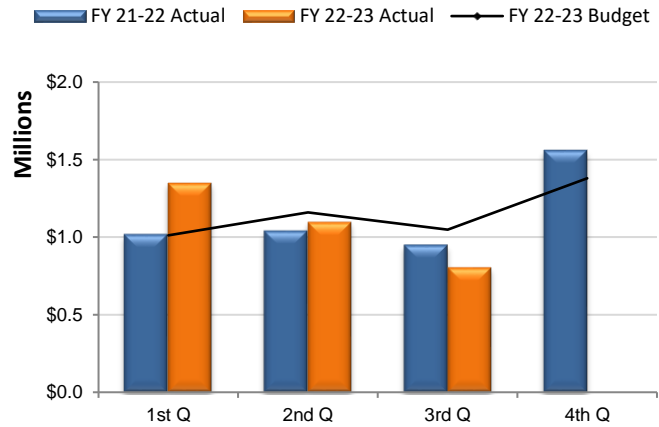


City Attorney's Office

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 22	\$ 1,011,696	\$ 1,349,828	29.4%	22.0%
2nd Q	Oct-Dec 22	1,158,852	1,098,425	23.9%	25.2%
3rd Q	Jan-Mar 23	1,048,485	805,973	17.5%	22.8%
4th Q	Apr-Jun 23	1,379,586			
Total		\$ 4,598,619	\$ 3,254,226	70.8%	70.0%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ (35,193) -0.8%

Positive



The City Attorney's Office spent 70.8% of its FY 2022-23 budget through the third quarter, compared to a historical average of 70.0%. In terms of budget-to-actual variance, expenditures are \$35 thousand or 0.8% more than budgeted through the third quarter.

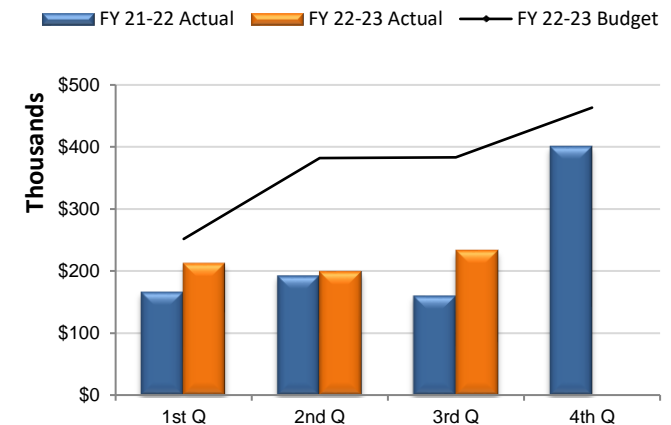


City Clerk's Office

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 22	\$ 251,681	\$ 212,197	14.3%	17.0%
2nd Q	Oct-Dec 22	381,963	199,056	13.4%	25.8%
3rd Q	Jan-Mar 23	383,444	232,761	15.7%	25.9%
4th Q	Apr-Jun 23	463,390			
Total		\$ 1,480,478	\$ 644,014	43.5%	68.7%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ 373,074 25.2%

Positive



The City Clerk's Office has spent 43.5% of its FY 2022-23 budget through the third quarter, compared to a historical average of 68.7%. In terms of variance from the budget through the third quarter, expenditures are \$373 thousand or 25.2% below the expected amount.



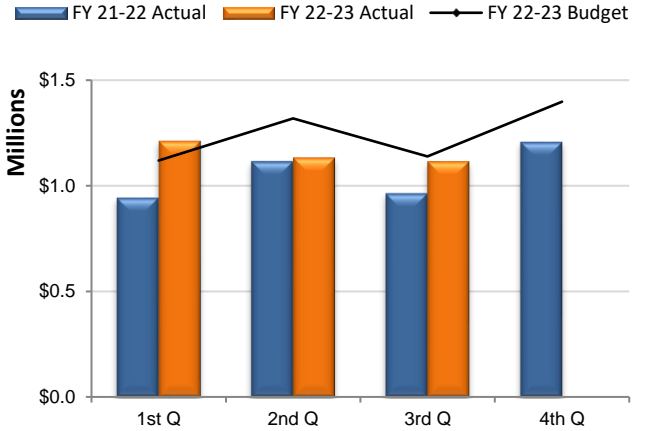
City Court

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 1,119,467	\$ 1,211,865	24.4%	22.5%
2nd Q	Oct-Dec 22	1,318,483	1,132,078	22.8%	26.5%
3rd Q	Jan-Mar 23	1,139,368	1,115,184	22.4%	22.9%
4th Q	Apr-Jun 23	1,398,089			
Total		\$ 4,975,407	\$ 3,459,127	69.5%	71.9%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 118,191 2.4%

Positive



The City Court has spent 69.5% of its FY 2022-23 budget through the third quarter compared to the historical average of 71.9%. In terms of variance from the budget through the third quarter, expenditures are \$118 thousand or 2.4% below the budgeted amount.



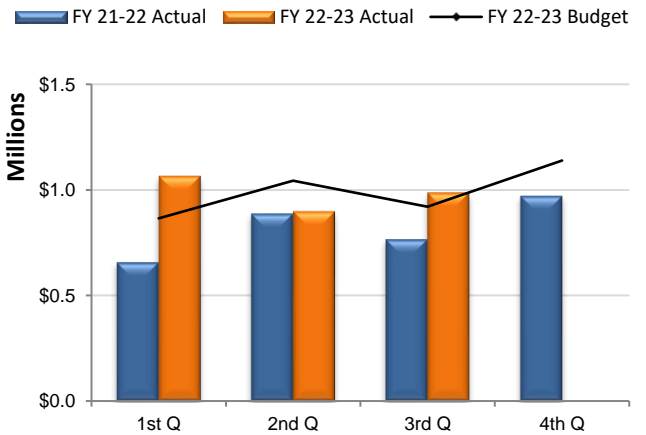
City Manager's Office

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 865,143	\$ 1,065,431	26.8%	21.8%
2nd Q	Oct-Dec 22	1,043,728	898,875	22.6%	26.3%
3rd Q	Jan-Mar 23	920,703	985,920	24.8%	23.2%
4th Q	Apr-Jun 23	1,138,973			
Total		\$ 3,968,547	\$ 2,950,225	74.3%	71.3%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ (120,651) -3.0%

Watch



The City Manager's Office has spent 74.3% of its FY 2022-23 budget through the third quarter, compared to the historical average of 71.3%. In terms of variance from the budget in the third quarter, expenditures are \$121 thousand or 3.0% above the expected amount.



Communications & Marketing Office

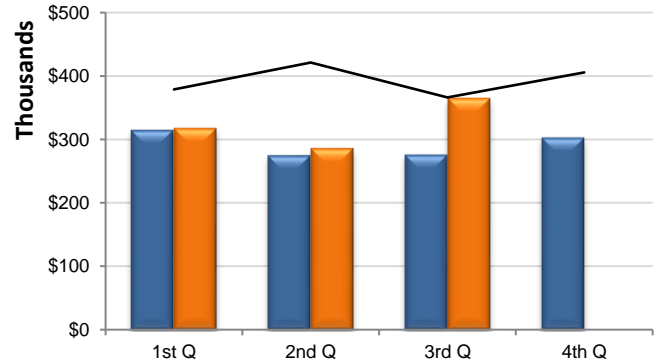
		FY 22-23 Year to Date Budget*	FY 22-23 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 378,833	\$ 317,496	20.2%	24.1%
2nd Q	Oct-Dec 22	421,275	285,586	18.2%	26.8%
3rd Q	Jan-Mar 23	366,258	364,486	23.2%	23.3%
4th Q	Apr-Jun 23	405,556			
Total		\$ 1,571,923	\$ 967,567	61.6%	74.2%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 198,800 12.6%

Positive

FY 21-22 Actual FY 22-23 Actual FY 22-23 Budget



The Communications and Marketing Office has spent 61.6% of its FY 2022-23 budget through the third quarter, compared to the historical value of 74.2%. In terms of variance from the budget, expenditures are \$199 thousand or 12.6% below the expected amount.



Community Development

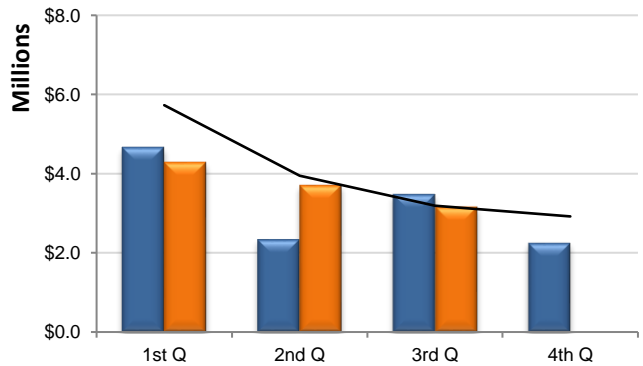
		FY 22-23 Year to Date Budget*	FY 22-23 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 5,729,456	\$ 4,293,971	27.2%	36.3%
2nd Q	Oct-Dec 22	3,945,907	3,712,318	23.5%	25.0%
3rd Q	Jan-Mar 23	3,188,292	3,165,011	20.1%	20.2%
4th Q	Apr-Jun 23	2,919,971			
Total		\$ 15,783,626	\$ 11,171,300	70.8%	81.5%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 1,692,355 10.7%

Positive

FY 21-22 Actual FY 22-23 Actual FY 22-23 Budget



The Community Development Department has spent 70.8% of its FY 2022-23 budget through the third quarter, compared to the historical value of 81.5%. In terms of variance from the budget, expenditures are \$1.7 million or 10.7% below the expected amount.

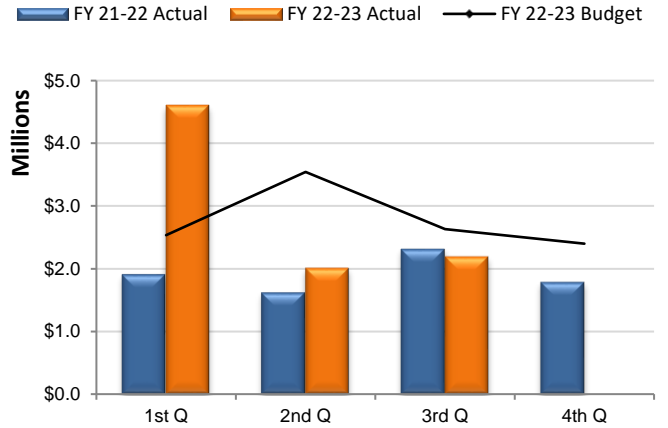


Community Health & Human Services

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 2,532,856	\$ 4,607,681	41.5%	22.8%
2nd Q	Oct-Dec 22	3,543,777	2,014,698	18.1%	31.9%
3rd Q	Jan-Mar 23	2,632,838	2,196,178	19.8%	23.7%
4th Q	Apr-Jun 23	2,399,548			
Total		\$ 11,109,019	\$ 8,818,558	79.4%	78.4%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ (109,087) -1.0%

Positive



The Community Health and Human Services Department has spent 79.4% of its FY 2022-23 budget through the third quarter, compared with a historical percentage of 78.4%. In terms of variance from the budget through the third quarter, expenditures are \$109 thousand or 1.0% above the expected amount.

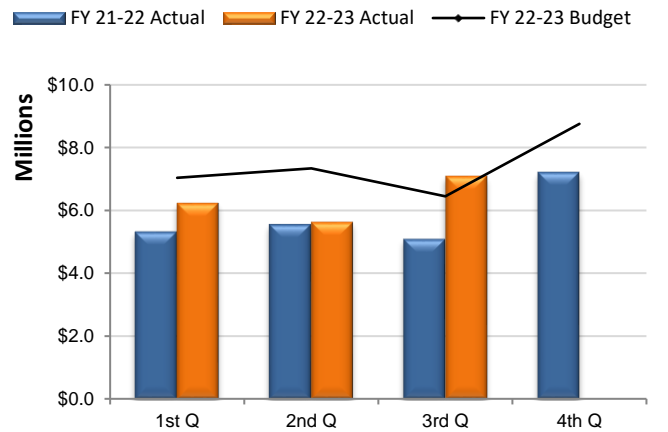


Community Services

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 7,041,578	\$ 6,224,659	21.0%	23.8%
2nd Q	Oct-Dec 22	7,337,443	5,625,325	19.0%	24.8%
3rd Q	Jan-Mar 23	6,449,849	7,077,113	23.9%	21.8%
4th Q	Apr-Jun 23	8,757,593			
Total		\$ 29,586,462	\$ 18,927,098	64.0%	70.4%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ 1,901,771 6.4%

Positive



The Community Services Department spent 64.0% of its FY 2022-23 budget through the third quarter, compared to the historical average of 70.4%. In terms of variance from the budget through the third quarter, expenditures are \$1.9 million or 6.4% below the expected amount.



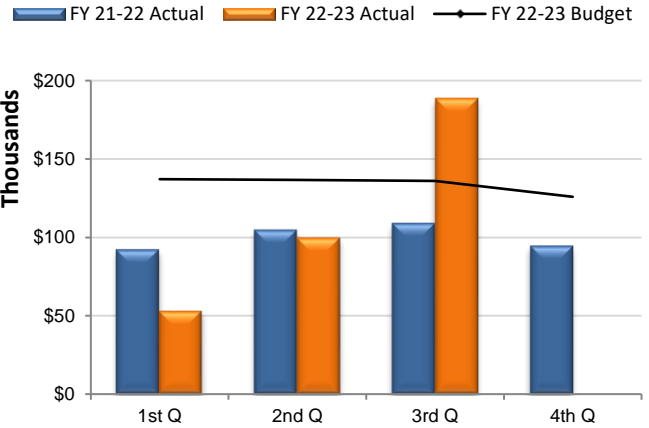
Diversity, Equity & Inclusion

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 137,139	\$ 53,303	10.0%	25.6%
2nd Q	Oct-Dec 22	136,603	99,979	18.7%	25.5%
3rd Q	Jan-Mar 23	136,068	188,895	35.3%	25.4%
4th Q	Apr-Jun 23	125,889			
Total		\$ 535,699	\$ 342,178	63.9%	76.5%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 67,632 12.6%

Positive



The Diversity, Equity and Inclusion Department has spent 63.9% of its FY 2022-23 budget through the third quarter, compared with a historical percentage of 76.5%. In terms of variance from the budget through the third quarter, expenditures are \$68 thousand or 12.6% below the expected amount.



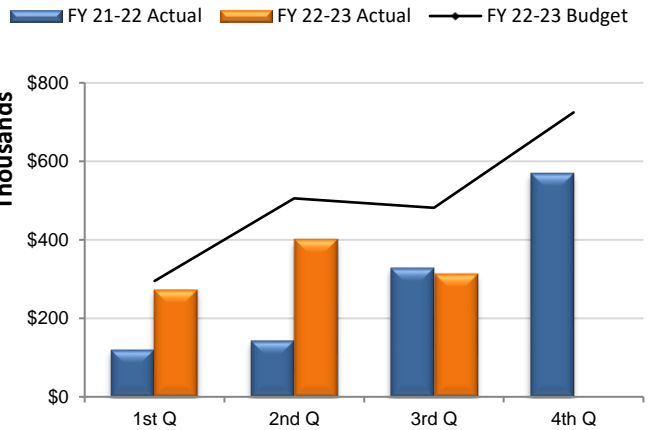
Economic Development Office

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 295,085	\$ 272,016	13.6%	14.7%
2nd Q	Oct-Dec 22	505,860	399,805	19.9%	25.2%
3rd Q	Jan-Mar 23	481,772	312,567	15.6%	24.0%
4th Q	Apr-Jun 23	724,665			
Total		\$ 2,007,382	\$ 984,388	49.0%	63.9%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 298,329 14.9%

Positive



The Economic Development Office has spent 49.0% of its FY 2022-23 budget through the third quarter, compared with a historical percentage of 63.9%. In terms of variance from the budget through the third quarter, expenditures are \$298 thousand or 14.9% below the expected amount.



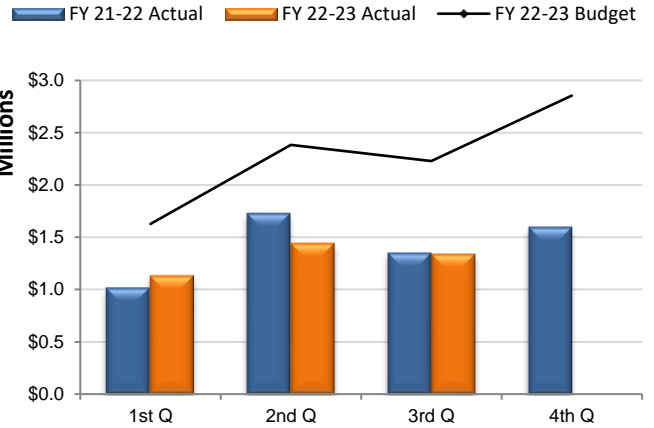
Education, Career & Family Services

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 1,627,673	\$ 1,133,141	12.5%	17.9%
2nd Q	Oct-Dec 22	2,382,404	1,442,380	15.9%	26.2%
3rd Q	Jan-Mar 23	2,227,821	1,340,269	14.7%	24.5%
4th Q	Apr-Jun 23	2,855,248			
Total		\$ 9,093,146	\$ 3,915,790	43.1%	68.6%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 2,322,108 25.5%

Positive



The Education, Career and Family Services Department has spent 43.1% of its FY 2022-23 budget through the third quarter, compared with a historical percentage of 68.6%. In terms of variance from the budget through the third quarter, expenditures are \$2.3 million or 25.5% below the expected amount.



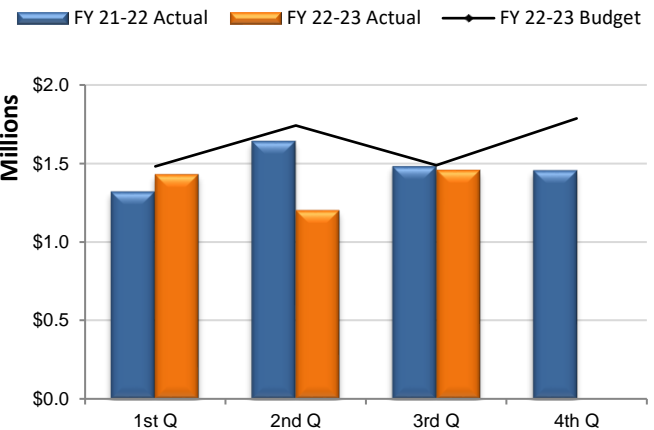
Engineering & Transportation

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 1,481,263	\$ 1,427,167	22.0%	22.8%
2nd Q	Oct-Dec 22	1,741,134	1,198,633	18.4%	26.8%
3rd Q	Jan-Mar 23	1,487,760	1,453,466	22.4%	22.9%
4th Q	Apr-Jun 23	1,786,611			
Total		\$ 6,496,768	\$ 4,079,266	62.8%	72.5%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 630,891 9.7%

Positive



The Engineering and Transportation Department has spent 62.8% of its FY 2022-23 budget through the third quarter, compared with a historical percentage of 72.5%. In terms of variance from the budget through the third quarter, expenditures are \$631 thousand or 9.7% below the expected amount.



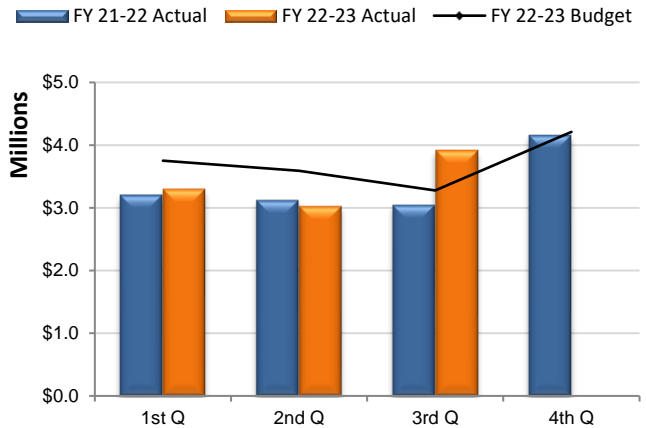
Financial Services

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 3,750,971	\$ 3,287,286	22.2%	25.3%
2nd Q	Oct-Dec 22	3,587,885	3,012,592	20.3%	24.2%
3rd Q	Jan-Mar 23	3,276,540	3,905,759	26.3%	22.1%
4th Q	Apr-Jun 23	4,210,576			
Total		\$ 14,825,972	\$ 10,205,637	68.8%	71.6%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 409,759 2.8%

Positive



The Financial Services Department has spent 68.8% of its FY 2022-23 budget through the third quarter, compared with a historical percentage of 71.6%. In terms of variance from the budget through the third quarter, expenditures are \$410 thousand or 2.8% below the expected amount.



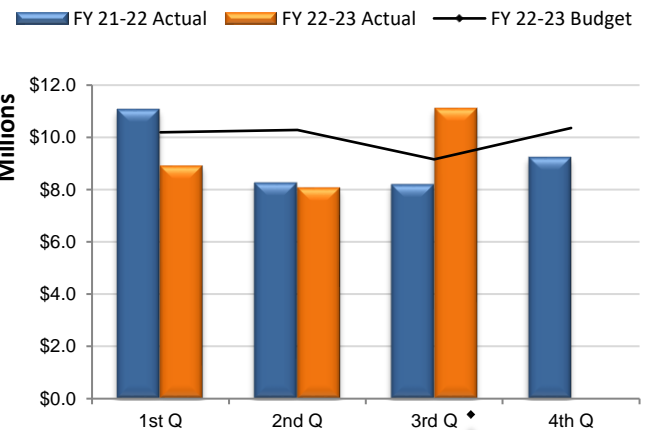
Fire Medical Rescue

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 10,199,864	\$ 8,899,036	22.2%	25.5%
2nd Q	Oct-Dec 22	10,279,863	8,067,558	20.2%	25.7%
3rd Q	Jan-Mar 23	9,159,878	11,112,154	27.8%	22.9%
4th Q	Apr-Jun 23	10,359,862			
Total		\$ 39,999,467	\$ 28,078,748	70.2%	74.1%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 1,560,857 3.9%

Positive



The Fire Medical Rescue Department has spent 70.2% of its FY 2022-23 budget through the third quarter, compared with a historical percentage of 74.1%. In terms of variance from the budget through the third quarter, expenditures are \$1.6 million or 3.9% below the expected amount.



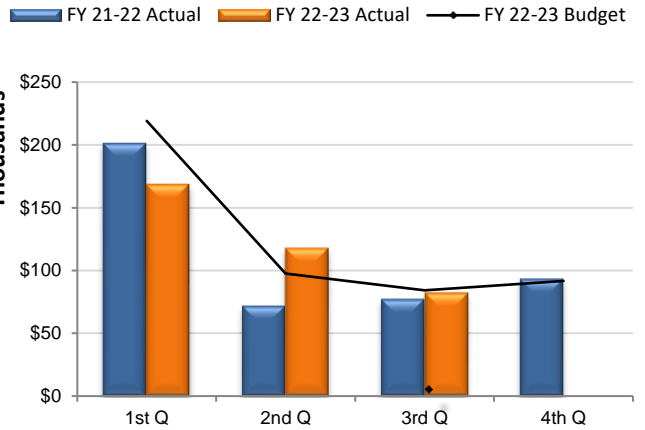
Government Relations Office

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 219,122	\$ 168,571	34.2%	44.5%
2nd Q	Oct-Dec 22	97,497	117,843	23.9%	19.8%
3rd Q	Jan-Mar 23	84,202	82,593	16.8%	17.1%
4th Q	Apr-Jun 23	91,588			
Total		\$ 492,409	\$ 369,006	74.9%	81.4%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 31,815 6.5%

Positive



The Government Relations Office has spent 74.9% of its FY 2022-23 budget through the third quarter, compared with a historical average of 81.4%. In terms of variance from the budget through the third quarter, expenditures are \$32 thousand or 6.5% below the expected amount.



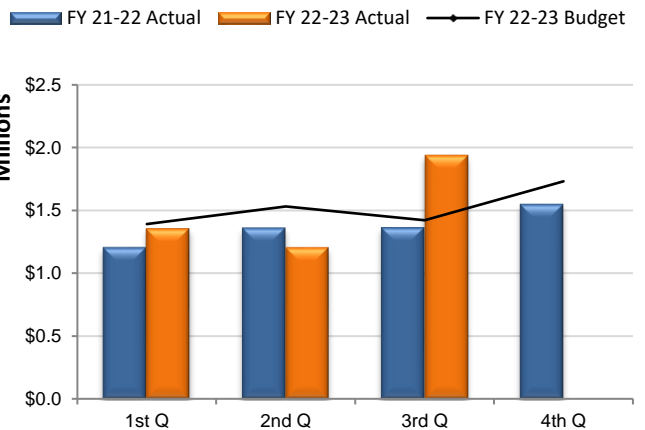
Human Resources

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 1,391,658	\$ 1,356,257	22.3%	22.9%
2nd Q	Oct-Dec 22	1,531,432	1,206,341	19.9%	25.2%
3rd Q	Jan-Mar 23	1,422,044	1,940,537	31.9%	23.4%
4th Q	Apr-Jun 23	1,731,977			
Total		\$ 6,077,111	\$ 4,503,135	74.1%	71.5%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ (158,001) -2.6%

Watch



The Human Resources Department has spent 74.1% of its FY 2022-23 budget through the third quarter, compared with a historical average of 71.5%. In terms of variance from the budget through the third quarter, expenditures are \$158 thousand or 2.6% above the expected amount. It is anticipated that this variance will normalize during the last quarter of the fiscal year.



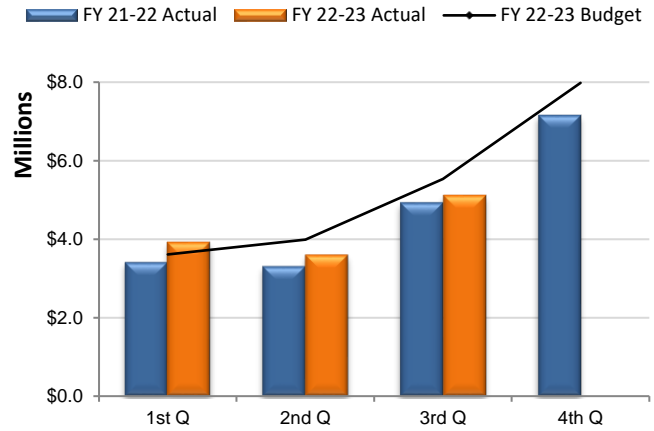
Information Technology

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 3,611,145	\$ 3,930,019	18.6%	17.1%
2nd Q	Oct-Dec 22	3,991,265	3,602,265	17.1%	18.9%
3rd Q	Jan-Mar 23	5,532,865	5,124,786	24.3%	26.2%
4th Q	Apr-Jun 23	7,982,531			
Total		\$ 21,117,806	\$ 12,657,070	59.9%	62.2%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 478,205 2.3%

Positive



The Information Technology Department has spent 59.9% of its FY 2022-23 budget through the third quarter, compared with a historical average of 62.2%. In terms of variance from the budget in the third quarter, expenditures are \$478 thousand or 2.3% below expected amount.



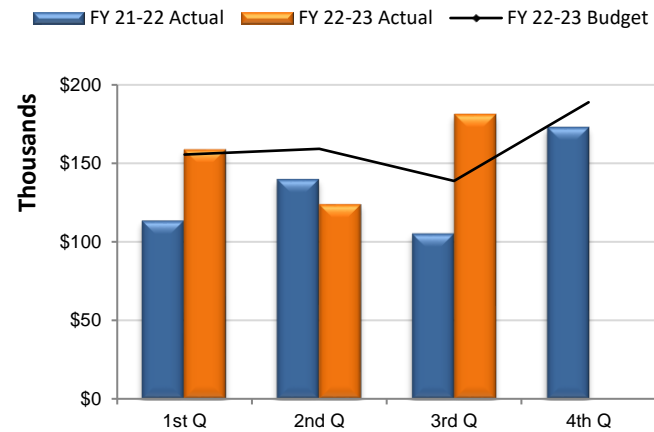
Internal Audit Office

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 155,495	\$ 158,599	24.7%	24.2%
2nd Q	Oct-Dec 22	159,350	123,860	19.3%	24.8%
3rd Q	Jan-Mar 23	138,789	181,246	28.2%	21.6%
4th Q	Apr-Jun 23	188,907			
Total		\$ 642,542	\$ 463,705	72.2%	70.6%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ (10,070) -1.6%

Positive



The Internal Audit Office has spent 72.2% of its FY 2022-23 budget through the third quarter, compared with a historical average of 70.6%. In terms of variance from the budget through the third quarter, expenditures are \$10 thousand or 1.6% above the expected amount.



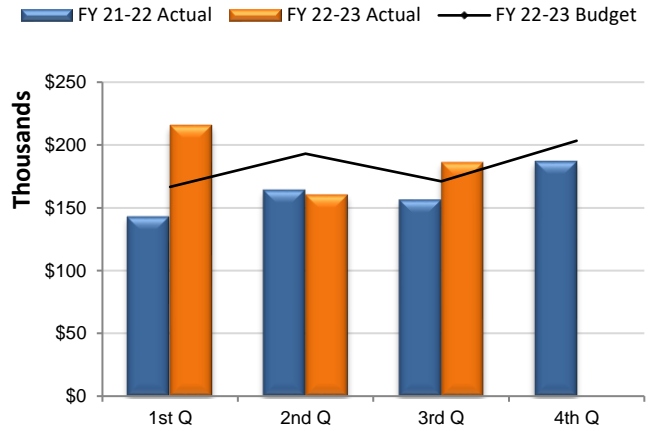
Mayor & Council

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 166,653	\$ 215,395	29.3%	22.7%
2nd Q	Oct-Dec 22	193,082	159,973	21.8%	26.3%
3rd Q	Jan-Mar 23	171,057	185,727	25.3%	23.3%
4th Q	Apr-Jun 23	203,360			
Total		\$ 734,152	\$ 561,095	76.4%	72.3%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ (30,303) -4.1%

Watch



The Mayor and Council Department has spent 76.4% of its FY 2022-23 budget through the third quarter, compared with a historical average of 72.3%. In terms of variance from the budget in the third quarter, expenditures are \$30 thousand or 4.1% above the expected amount. It is anticipated that this variance will normalize in the last quarter of the fiscal year.



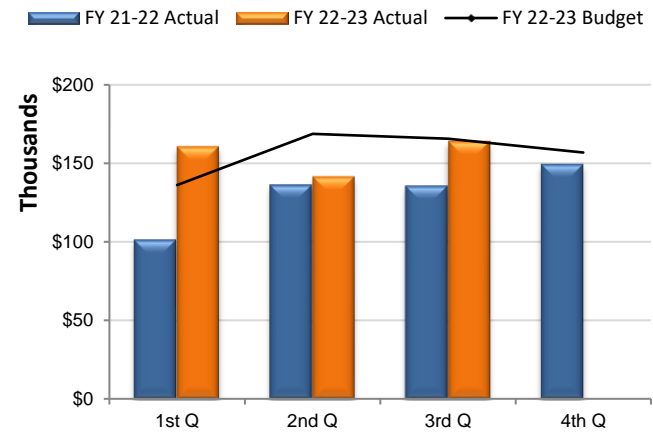
Municipal Budget Office

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 136,152	\$ 160,673	25.6%	21.7%
2nd Q	Oct-Dec 22	168,778	141,682	22.6%	26.9%
3rd Q	Jan-Mar 23	165,641	164,187	26.2%	26.4%
4th Q	Apr-Jun 23	156,857			
Total		\$ 627,427	\$ 466,542	74.4%	75.0%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 4,028 0.6%

Positive



The Municipal Budget Office has spent 74.4% of its FY 2022-23 budget through the third quarter, compared to a historical average of 75.0%. In terms of variance from the budget through the third quarter, expenditures are \$4 thousand or 0.6% below the expected amount.



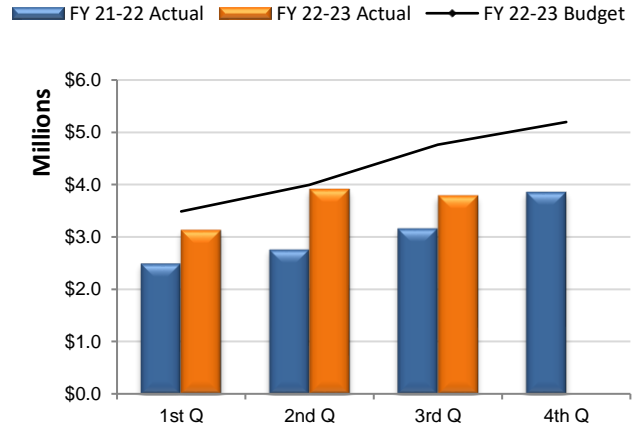
Municipal Utilities

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 3,487,919	\$ 3,125,654	17.9%	20.0%
2nd Q	Oct-Dec 22	3,993,667	3,903,992	22.4%	22.9%
3rd Q	Jan-Mar 23	4,761,010	3,782,752	21.7%	27.3%
4th Q	Apr-Jun 23	5,197,000			
Total		\$ 17,439,596	\$ 10,812,398	62.0%	70.2%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 1,430,199 8.2%

Positive



The Municipal Utilities Department has spent 62.0% of its FY 2022-23 budget through the third quarter, compared to a historical average of 70.2%. In terms of variance from the budget through the third quarter, expenditures are \$1.4 million or 8.2% below the expected amount.



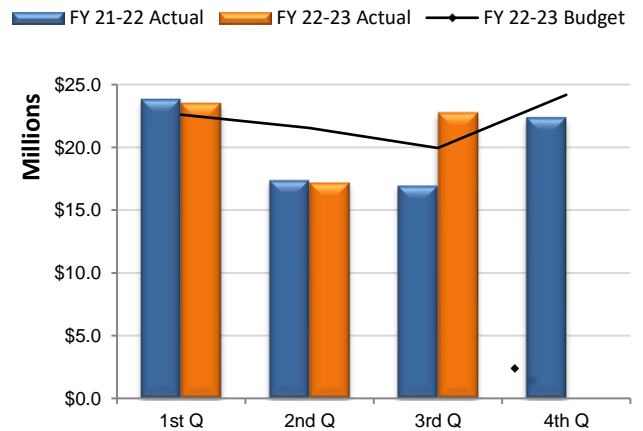
Police

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 22,593,907	\$ 23,511,162	26.6%	25.6%
2nd Q	Oct-Dec 22	21,534,818	17,168,144	19.5%	24.4%
3rd Q	Jan-Mar 23	19,946,184	22,754,313	25.8%	22.6%
4th Q	Apr-Jun 23	24,182,542			
Total		\$ 88,257,451	\$ 63,433,619	71.9%	72.6%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 641,291 0.7%

Positive



The Police Department has spent 71.9% of its FY 2022-23 General Fund budget through the third quarter, compared with a historical average of 72.6%. In terms of variance from the budget through the third quarter, expenditures are \$641 thousand or 0.7% below the expected amount.



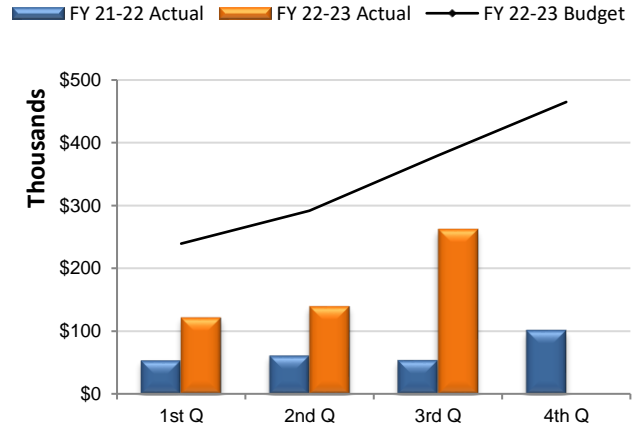
Strategic Management & Innovation Office

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 239,373	\$ 121,580	8.8%	17.4%
2nd Q	Oct-Dec 22	291,650	139,356	10.1%	21.2%
3rd Q	Jan-Mar 23	379,696	261,248	19.0%	27.6%
4th Q	Apr-Jun 23	464,990			
Total		\$ 1,375,709	\$ 522,184	38.0%	66.2%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 388,536 28.2%

Positive



The Strategic Management and Innovation Office has spent 38.0% of its FY 2022-23 budget through the third quarter, compared with a historical average of 66.2%. In terms of variance from the budget through the third quarter, expenditures are \$389 thousand or 28.2% below the expected amount.



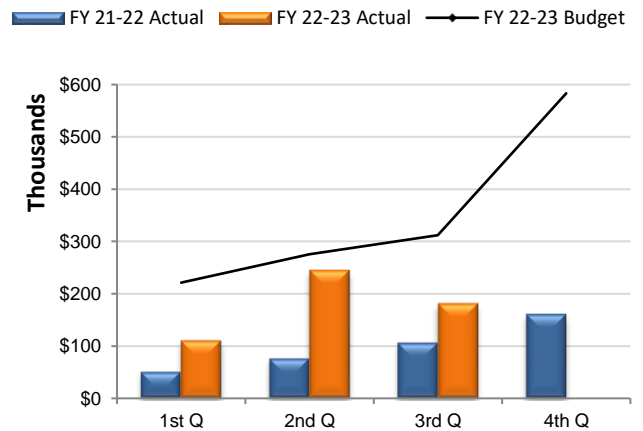
Sustainability Office

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 221,350	\$ 110,900	8.0%	15.9%
2nd Q	Oct-Dec 22	275,643	245,932	17.7%	19.8%
3rd Q	Jan-Mar 23	311,839	181,906	13.1%	22.4%
4th Q	Apr-Jun 23	583,305			
Total		\$ 1,392,137	\$ 538,738	38.7%	58.1%

*amounts are net of internal service charges, and exclude transfers

Variance from Budget \$ 270,094 19.4%

Positive



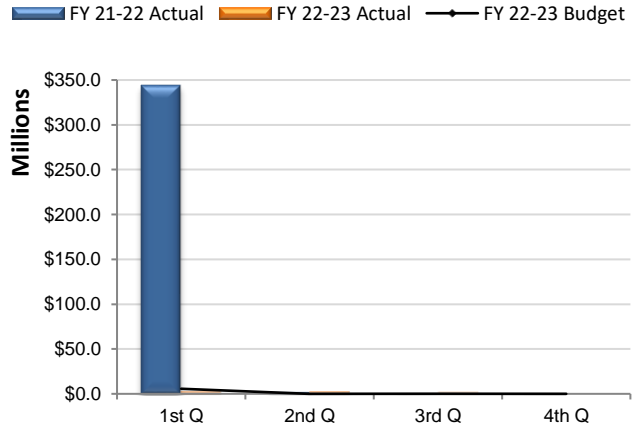
The Sustainability Office has spent 38.7% of its FY 2022-23 budget through the third quarter, compared to a historical average of 58.1%. In terms of variance from the budget through the third quarter, expenditures are \$270 thousand or 19.4% below the expected amount.



Non-Departmental

		FY 22-23 Year to Date Budget*	FY 22-23 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 22	\$ 5,654,057	\$ 1,058,931	18.1%	96.8%
2nd Q	Oct-Dec 22	75,933	927,199	15.9%	1.3%
3rd Q	Jan-Mar 23	46,728	826,855	14.2%	0.8%
4th Q	Apr-Jun 23	64,251			
Total		\$ 5,840,968	\$ 2,812,985	48.2%	98.9%
*amounts are net of internal service charges, and exclude transfers					
Variance from Budget			\$ 2,963,732	50.7%	

Positive



The Non-Departmental category of the budget includes items not directly related to the operations of any one City operating department. One example includes the payment of the Tempe Tourism Office's portion of the Bed Tax. Through the third quarter of FY 2022-23, Non-Departmental expenditures are 48.2% of the budget compared to the historical pattern of 98.9%. In terms of variance from the budget through the third quarter, expenditures are \$3.0 million or 50.7% below budget.

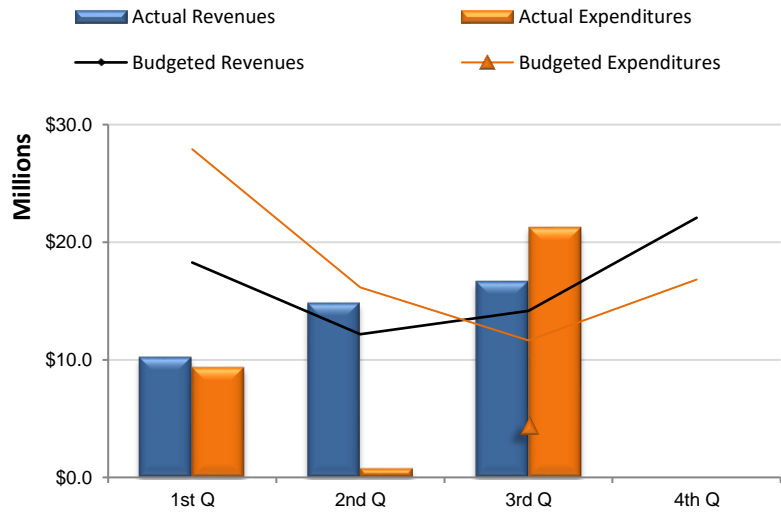


Transit Fund

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Revenues	\$ 66,639,039	\$ 41,703,755	62.6%
Transfers In	50,000	-	0.0%
Total Revenues	\$ 66,689,039	\$ 41,703,755	62.5%
Operating	\$ 61,334,910	\$ 24,776,620	40.4%
Capital	75,000	18,438	24.6%
Debt Service	4,691,992	606,818	12.9%
Transfers Out	6,446,941	5,946,941	92.2%
Total Expenses	\$ 72,548,843	\$ 31,348,817	43.2%
Net Rev/Exp	\$ (5,859,804)	\$ 10,354,938	

*amounts exclude contingencies and encumbrances

Positive



The Transit Fund accounts for the receipt of the Mass Transit Tax, a 0.5% tax on sales. Fund resources are dedicated to transit system planning, design, and operations, community outreach, and debt service. Through the end of the third quarter, there is an operating surplus in the Transit Fund of \$10.4 million. Transit Fund revenue is at 62.5% of budget which is below the historical tracking percentage of 66.9%. Expenditures are 43.2% of budget while the historical tracking percentage is 76.8%. The net result is an operating surplus through the third quarter of the fiscal year. The lower than anticipated expenditures is due to a timing difference in payment for fixed-route and light rail services. It is anticipated that both revenues and expenditures will normalize in the fourth quarter of the fiscal year.

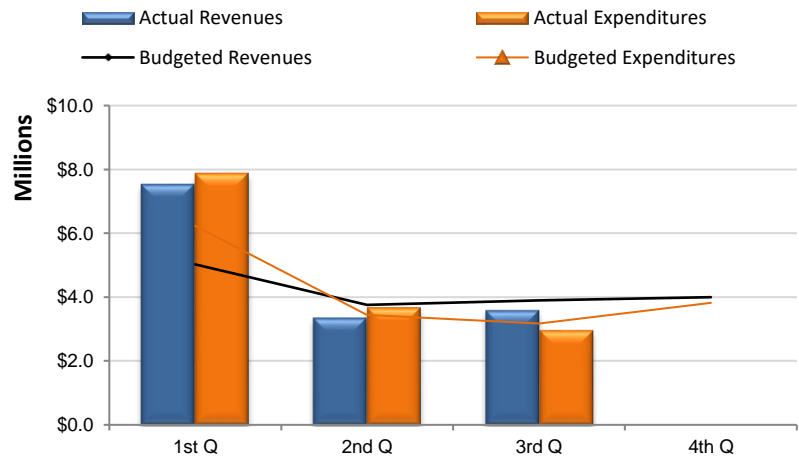


Highway User Revenue Fund

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Revenues	\$ 15,173,165	\$ 13,000,664	85.7%
Transfers In	1,500,000	1,500,000	0.0%
Total Revenues	\$ 16,673,165	\$ 14,500,664	87.0%
Operating	\$ 12,476,539	\$ 10,775,649	86.4%
Capital	1,635,751	1,207,275	73.8%
Debt Service	-	-	0.0%
Transfers Out	2,554,547	2,554,376	100.0%
Total Expenses	\$ 16,666,837	\$ 14,537,300	87.2%
Net Rev/Exp	\$ 6,328	\$ (36,635)	

*amounts exclude encumbrances

Positive



The Highway User Revenue Fund (HURF) accounts for the receipt of HURF distributions from the state. These revenues are derived largely from fuel taxes and vehicle registration fees and are allocated based on Tempe's share of state population as well as other factors. HURF resources are dedicated to Street and Traffic Operations, Maintenance, and Construction activities in the City. Revenues are 87.0% of budget compared to a historical average of 76.0%, and expenditures are 87.2% of budget compared to the three year historical trend of 77.1%. The net result is an operating deficit through the third quarter of \$37 thousand.



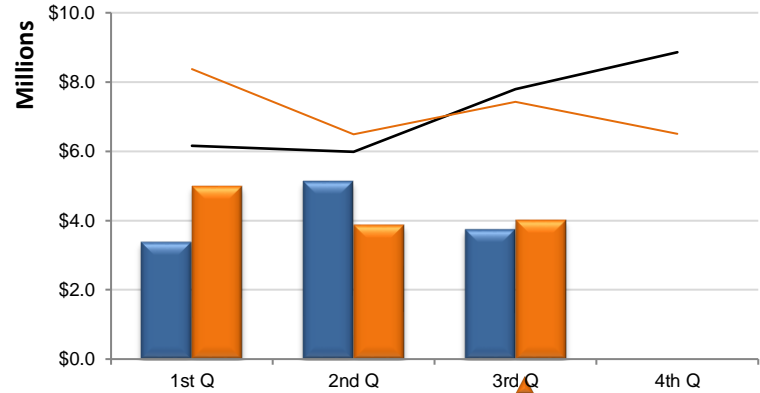
CDBG/Section 8 Funds

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Revenues	\$ 28,802,189	\$ 12,275,664	42.6%
Transfers In	-	-	0.0%
Total Revenues	\$ 28,802,189	\$ 12,275,664	42.6%
Operating	\$ 28,096,567	\$ 12,371,341	44.0%
Capital	165,046	-	0.0%
Debt Service	540,576	522,764	96.7%
Transfers Out	-	-	0.0%
Total Expenses	\$ 28,802,189	\$ 12,894,104	44.8%
Net Rev/Exp	\$ -	\$ (618,440)	

*amounts exclude encumbrances

Positive

Actual Revenues, Actual Expenditures, Budgeted Revenues, Budgeted Expenditures



The Community Development Block Grant (CDBG) and Section 8 Funds are established to account for the receipt and expenditure of federal grants for redevelopment and rental subsidies for low income residents. Revenues through the third quarter total 42.6% of the FY 2022-23 budget, compared to the historical percentage of 69.2%. Expenditures through the third quarter total 44.8% of the FY 2022-23 budget, compared to the historical percentage of 77.4%. The net effect on the fund status through the third quarter is an operating deficit of \$618 thousand. This is largely due to the timing of grant revenue receipts from the federal government.



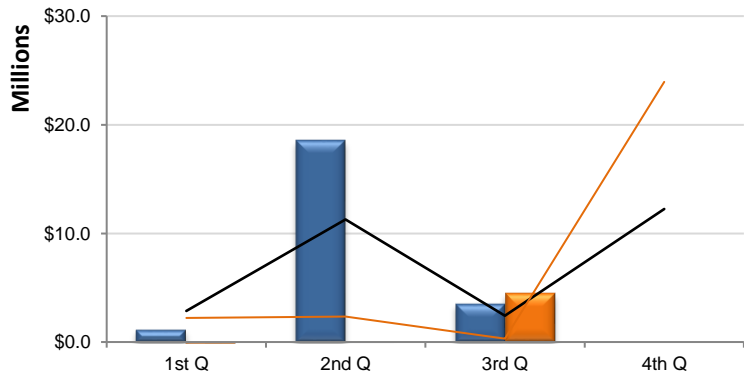
Debt Service Fund

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Revenues	\$ 35,773,957	\$ 22,711,437	63.5%
Transfers In	6,069,862	510,363	8.4%
Total Revenues	\$ 41,843,819	\$ 23,221,800	55.5%
Operating	\$ -	\$ -	0.0%
Capital	-	-	0.0%
Debt Service	32,862,152	4,329,269	13.2%
Transfers Out	8,249,379	-	0.0%
Total Expenses	\$ 41,111,531	\$ 4,329,269	10.5%
Net Rev/Exp	\$ 732,288	\$ 18,892,531	

*amounts exclude encumbrances

Positive

Actual Revenues, Actual Expenditures, Budgeted Revenues, Budgeted Expenditures



The Debt Service Fund accounts for the receipt of secondary property taxes to be used for payment of debt service on the City's tax supported debt. The City receives significant revenue from the Maricopa County Treasurer's Office in October and May, coinciding with the property tax due dates. The annual secondary tax levy includes the amount necessary to make the annual payments of principal and interest on existing bonds, payments of principal and interest on new debt planned for the ensuing year, plus a reasonable delinquency factor. The majority of the debt service payments as well as all transfers out occur during the last quarter of the fiscal year. Actual revenues through the third quarter are 55.5% of budget compared to the historical tracking percentages of 57.5%. Actual expenditures through the third quarter are 10.5% of budget, compared to the historical tracking percentages of 16.9%. The net result is an operating surplus of \$18.9 million. The variances in both revenues and expenditures are primarily due to the timing of receipts and bond payments.

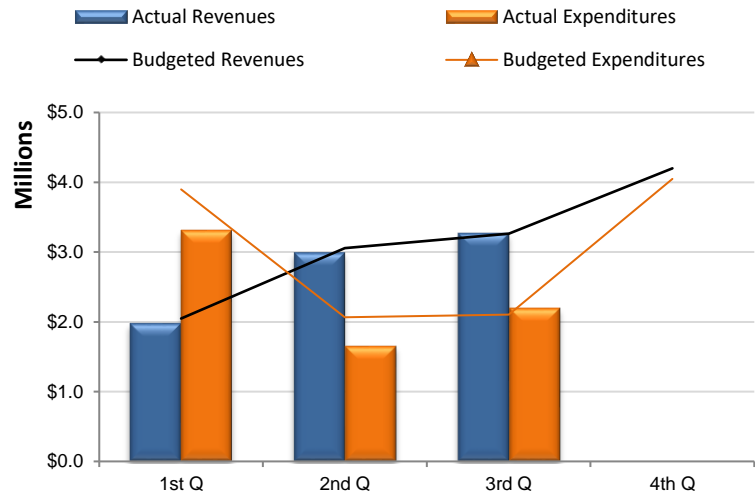


Arts & Cultural Fund

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Revenues	\$12,316,542	\$8,233,959	66.9%
Transfers In	250,000	-	0.0%
Total Revenues	\$12,566,542	\$8,233,959	65.5%
Operating	\$ 9,992,051	\$ 5,588,183	55.9%
Capital	121,940	18,148	100.0%
Debt Service	583,250	126,875	0.0%
Transfers Out	1,419,500	1,419,500	0.0%
Total Expenses	\$ 12,116,741	\$ 7,152,706	59.0%
Net Rev/Exp	\$ 449,801	\$ 1,081,253	

*amounts exclude encumbrances

Positive



The Arts & Culture Fund accounts for the receipt of the 0.1% Arts & Cultural Sales Tax, which is used to fund operating expenses associated with the Tempe Center for the Arts (TCA), Tempe History Museum, Edna Vihel Arts Center and other arts and cultural programming. Revenues through the third quarter of FY 2022-23 are 65.5% of budget, compared to the historical tracking percentage of 66.6%. Total expenditures are 59.0% of budget, compared to a historical average of 66.6%. The net result is an operating surplus of \$1.1 million.

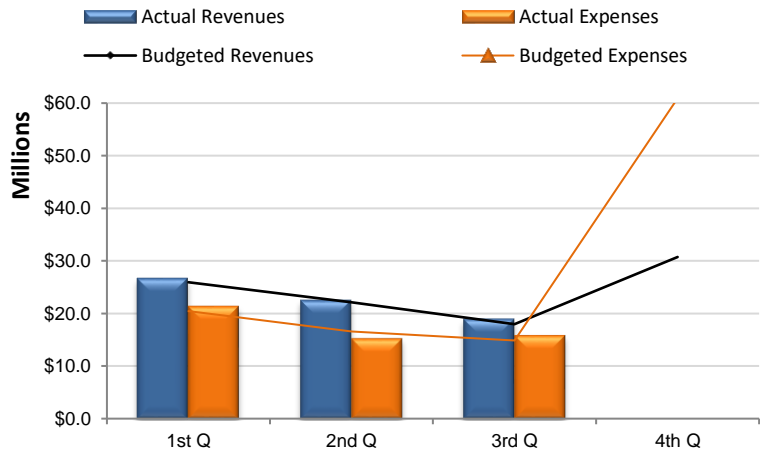


Water/Wastewater Fund

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Revenues	\$ 91,225,959	\$ 68,163,736	74.7%
Transfers In	5,552,867	-	0.0%
Total Revenues	\$ 96,778,826	\$ 68,163,736	70.4%
Operating	\$ 51,809,257	\$ 35,073,724	67.7%
Capital	1,541,631	549,913	35.7%
Debt Service	44,286,282	6,684,214	15.1%
Transfers Out	15,174,821	10,058,301	0.0%
Total Expenses	\$ 112,811,991	\$ 52,366,152	46.4%
Net Rev/Exp	\$ (16,033,165)	\$ 15,797,584	

*Budget excludes a \$1 million contingency appropriation, encumbrances and inventory

Positive



The Water/Wastewater Fund is an enterprise fund used to account for all water and wastewater treatment operations in the City. Total revenues through the third quarter of FY 2022-23 are 70.4%, compared to the historical tracking percentage of 68.2%. Total expenses through the third quarter are 46.4% of budget compared to 46.0% historically. Through the third quarter, the fund posted a \$15.7 million surplus.

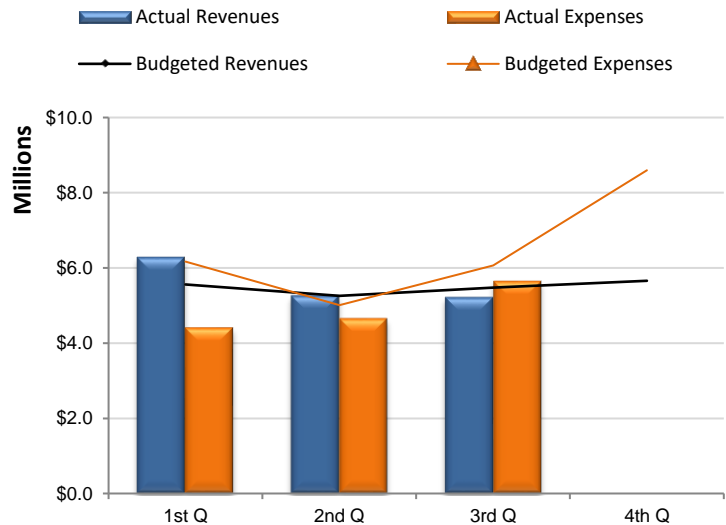


Solid Waste Fund

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Revenues	\$21,008,724	\$15,815,683	75.3%
Transfers In	939,826	939,826	0.0%
Total Revenues	\$21,948,550	\$16,755,509	76.3%
Operating	\$ 18,991,104	\$ 13,805,151	72.7%
Capital	6,735,481	678,960	10.1%
Debt Service	-	-	0.0%
Transfers Out	108,282	222,853	205.8%
Total Expenses	\$ 25,834,867	\$ 14,706,963	56.9%
Net Rev/Exp	\$ (3,886,317)	\$ 2,048,545	

*Budget excludes a contingency appropriation and encumbrances

Positive



The Solid Waste Fund is an enterprise fund that accounts for the operating, maintenance, and capital costs of providing residential and commercial solid waste services. Total revenues through the third quarter of FY 2022-23 are 76.3% of budget compared to 74.2% historically. Total expenses through the third quarter are 56.9% of budget compared to 66.7% historically. Through the third quarter, the fund posted a \$2.0 million surplus.

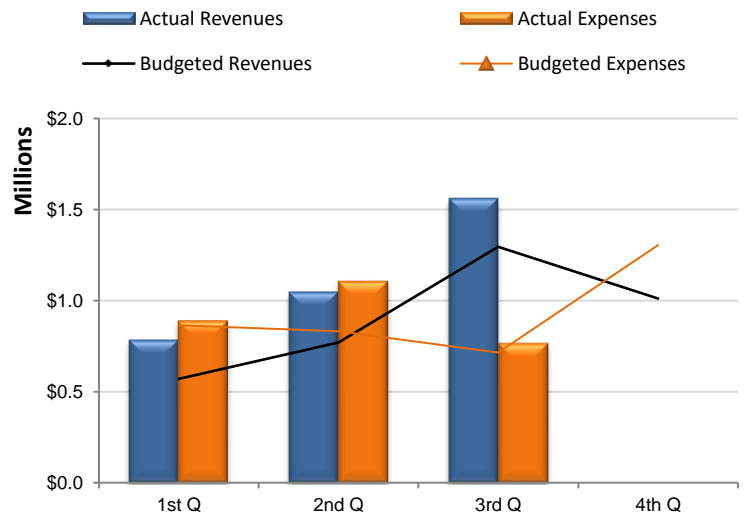


Golf Fund

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Revenues	\$3,571,659	\$3,321,504	93.0%
Transfers In	74,000	74,000	100.0%
Total Revenues	\$3,645,659	\$3,395,504	93.1%
Operating	\$ 2,577,813	\$ 2,319,491	90.0%
Capital	956,487	386,914	40.5%
Debt Service	-	-	0.0%
Transfers Out	182,450	60,000	32.9%
Total Expenses	\$ 3,716,750	\$ 2,766,405	74.4%
Net Rev/Exp	\$ (71,091)	\$ 629,099	

*amounts exclude encumbrances

Positive



The Golf Fund is an enterprise fund that accounts for the operations of the city's two municipal golf courses. Revenues generated are used to support the operations of the golf courses, while capital projects on the courses and buildings are funded with bond funds and repaid with secondary property tax. Total revenues through the third quarter of FY 2022-23 are 93.1% compared to the historical tracking percentage of 72.3%. Total expenses through the third quarter are 74.4% of budget compared to the historical tracking percentage of 64.9%. Through the third quarter, the fund has an operating surplus of \$629 thousand.

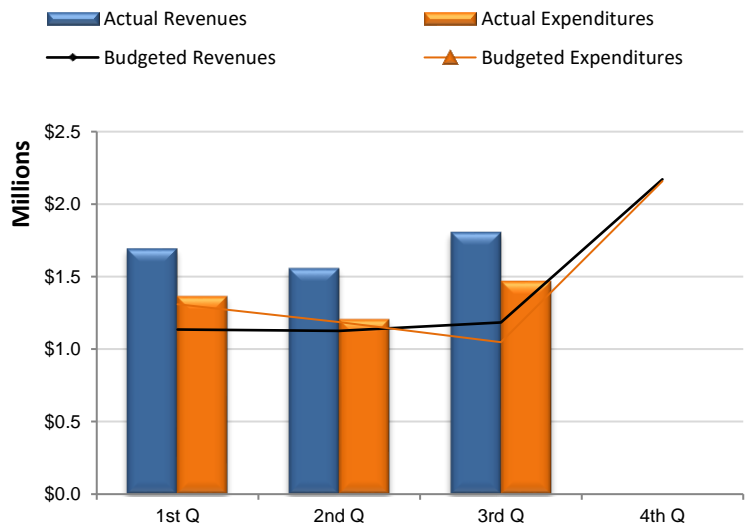


Emergency Medical Transport

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Revenues	\$ 5,617,446	\$ 5,042,831	89.8%
Transfers In	-	-	0.0%
Total Revenues	\$ 5,617,446	\$ 5,042,831	89.8%
Operating	\$ 5,244,000	\$ 4,030,677	76.9%
Capital	395,000	(81)	0.0%
Debt Service	-	-	0.0%
Transfers Out	63,890	-	0.0%
Total Expenses	\$ 5,702,890	\$ 4,030,596	70.7%
Net Rev/Exp	\$ (85,444)	\$ 1,012,235	

*amounts exclude contingencies and encumbrances

Positive



The Emergency Medical Transport Fund is in its fifth year as an enterprise fund that provides for operation, maintenance, and debt service costs associated with providing an ambulance service for medical emergencies within the community. Total revenues through the third quarter of FY 2022-23 are 89.8% of budget compared to the historical average of 61.4%. Total expenses through the third quarter are 70.7% of budget compared to the historical average of 62.2%. Through the third quarter, the fund has an operating surplus of \$1.0 million.

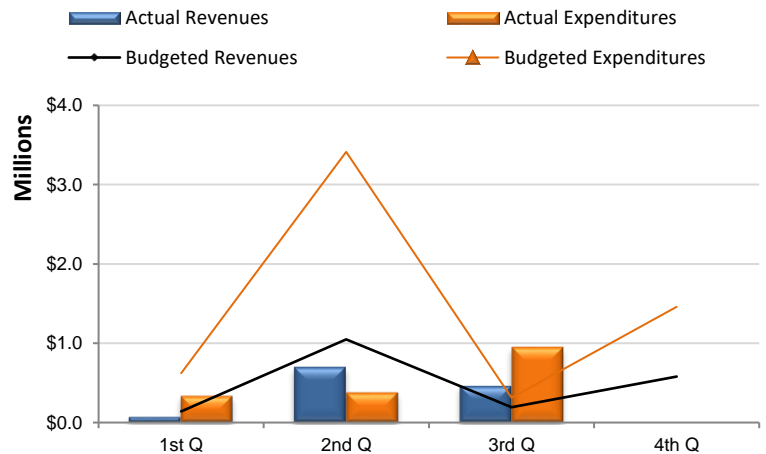


Restricted Revenue and Donations

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Total Revenues	\$ 1,963,655	\$ 1,210,054	61.6%
Total Expenses	\$ 5,807,885	\$ 1,658,138	28.5%
Net Rev/Exp	\$ (3,844,230)	\$ (448,085)	

*amounts exclude encumbrances and contingency appropriations

Positive



The Restricted Revenue and Donations Fund accounts for the receipt and expenditure of restricted revenue and donations related to general governmental activities. Revenues through the third quarter total 61.6%, while expenditures total 28.5% of budget. The \$448 thousand deficit through the third quarter is mostly due to timing of receipt of funds for incurred expenses. It is anticipated that the variance will normalize as the fiscal year progresses.

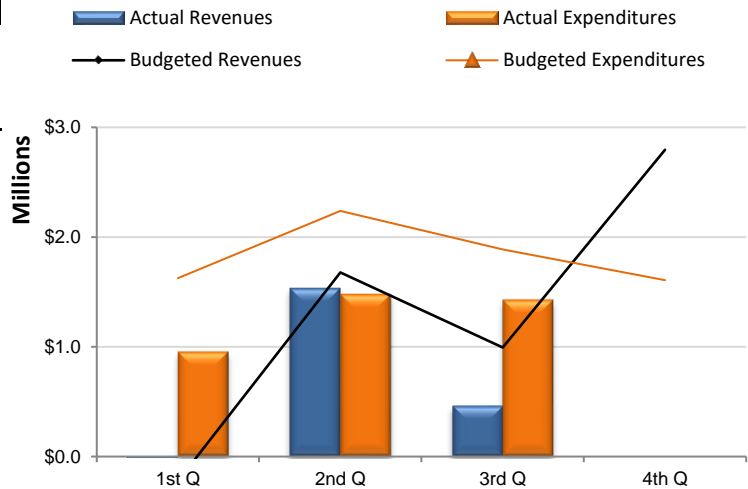


Police Dept-RICO & Grants

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Total Revenues	\$ 5,241,860	\$ 1,562,093	29.8%
Total Expenses	\$ 7,359,364	\$ 3,849,616	52.3%
Net Rev/Exp	\$ (2,117,504)	\$ (2,287,523)	

*amounts exclude encumbrances and contingency appropriations

Positive



The Police Dept-RICO & Grants Fund accounts for the receipt and expenditure of grants, donations, asset forfeitures, and tow hearing fines associated with Police Department activities. Revenues through the third quarter total 29.8% of the FY 2022-23 budget, compared to the historical percentage of 46.7%. Expenditures through the third quarter total 52.3% of the FY 2022-23 budget, compared to the historical percentage of 78.2%. The net result on the fund's status through the third quarter is an operating deficit of \$2.3 million. The deficit is due largely to the timing of receipt of grant revenue for reimbursement of expended funds.

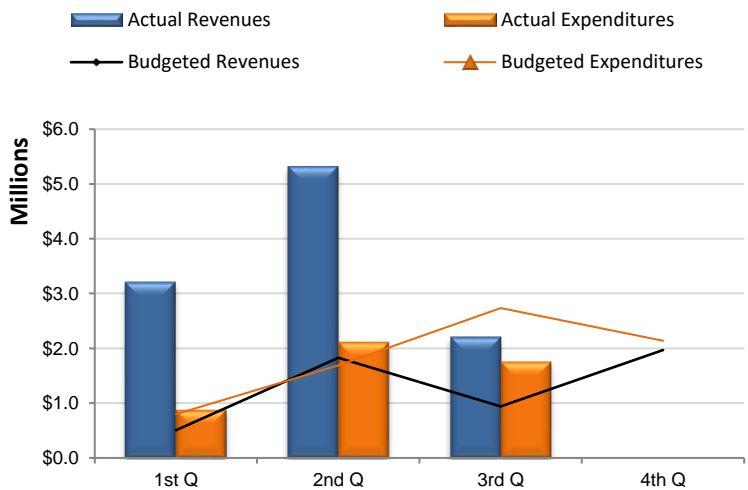


Governmental Grants

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Total Revenues	\$ 9,642,937	\$ 10,737,260	111.3%
Total Expenses	\$ 16,263,445	\$ 4,741,226	29.2%
Net Rev/Exp	\$ (6,620,508)	\$ 5,996,034	

*amounts exclude encumbrances and contingency appropriations

Positive



The Governmental Grants Fund accounts for the receipt and expenditure of grants related to general governmental activities. Revenues through the third quarter of FY 2022-23 total 111.3%, compared to the historical percentage of 62.4%. Expenditures through the third quarter total 29.2% of the FY 2022-23 budget, compared to the historical percentage of 71.0%.

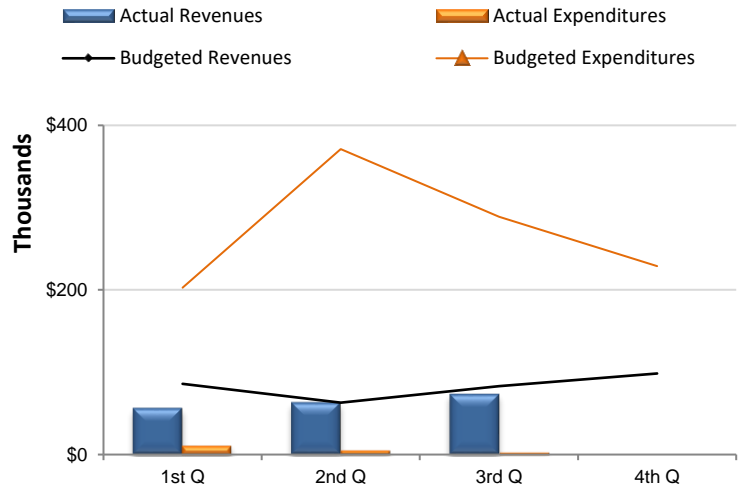


Court Enhancement Fund

	FY 22-23 Budget	FY 22-23 3Q Actual*	% Budget to Date
Total Revenues	\$ 330,643	\$ 191,829	58.0%
Total Expenses	\$ 1,091,991	\$ 18,680	1.7%
Net Rev/Exp	\$ (761,348)	\$ 173,149	

*amounts exclude encumbrances and contingency appropriations

Positive



The Court Enhancement Fund is established to account for fine, fee and forfeiture revenues dedicated for City Court purposes pursuant to state statute and city code. Revenues through the third quarter total 58.% of the FY 2022-23 budget, compared to the historical percentage of 70.2%. Expenditures through the third quarter total 1.7% of the FY 2022-23 budget, compared to the historical percentage of 79.0%. This results in a surplus of \$173 thousand.

MEMORANDUM



TO: Mayor and City Council
 THROUGH: Andrew Ching, City Manager
 FROM: Josie Montenegro, Interim Chief of Police
 DATE: May 5, 2023
 SUBJECT: Equitable Sharing Report - Quarterly Expenditure Report

Per the revised A.R.S. 13-2314.03, effective July 3, 2015, the Tempe Police Department is required to submit a copy of the Arizona Criminal Justice Commission, Forfeiture Monies Report to the City Council for review on a quarterly basis. Below is a summary of the information contained in the attached report.

**Equitable Sharing
 Budget and Expenditure Report
 FY 2022-23
 3rd Quarter (January 1 - March 31, 2023)**

Budget

Operating Budget \$ 1,500,000.00

Expenditures	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>YTD Expenditures</u>
Personnel Services				
Salary, Wages & OT	\$ 91,504.81	\$ 57,581.87	\$ 74,593.92	\$ 223,680.60
Fringe Benefits	\$ 22,065.19	\$ 18,130.42	\$ 21,837.73	\$ 62,033.34
Travel & Meals		\$ 1,314.59	\$ 3,720.49	\$ 5,035.08
Canines, Firearms & Related Equipment	\$ 3,100.00	\$ 4,938.10	\$ 66,347.35	\$ 74,385.45
				\$ -
Total Expenditures	\$ 116,670.00	\$ 81,964.98	\$ 166,499.49	\$ 365,134.47

MEMORANDUM



TO: Mayor and Council
FROM: Adam Jones, Deputy Director Downtown Tempe
THROUGH: Shelly Seyler, Interim Engineering & Transportation Director

DATE: May 5, 2023
SUBJECT: Downtown Curb Lane Management Study

During and after COVID it became evident that the allocation of spaces at the curb needed to be reevaluated to ensure all mobility options are adequately being served. The last policy changes made at the curb were in August 2016. Since that time, we have seen increased demand from food delivery services (such as Door Dash, Post Mates and Uber Eats), freight delivery, scooters and transportation network companies such as Uber and Lyft. Finally parking demand is as strong as ever at the curb. These items coupled with the upcoming streetscape improvements present the ideal time to look at all things curb space to ensure we are achieving the highest and best use of this asset.

We are in the very early stages of a study that will examine all of this in addition to conducting significant community outreach and evaluating potential technology upgrades. The result will provide a toolbox of modern solutions and a plan that will provide a roadmap of any immediate changes in addition to adjusting to future changing needs.

To date the following has been completed:

- A business owner survey went live early in the process (see accompanying announcement piece).
- We held in-person meetings on April 27th at the Hayden House having invited all businesses downtown to participate.
- All curbs downtown have been mapped for all current uses and will be available to the city in Arc GIS as well as other formats.
- A residential survey will be rolled out in a week or so that will go to all Tempe residents.
- Data collection for the past 18 months has been collected as it relates to parking transactions, parking citations and transit ridership.
- All data collected is currently being evaluated as part of the study that will yield recommendations.
- In the coming months we will be meeting with several companies that offer technology solutions regarding signage and enforcement.
- We will be presenting our progress to the Transportation Commission on May 8th.

Once the study has concluded we plan to present our findings/recommendations to Mayor and Council for consideration at the August 17th work study session.

COMMUNITY SERVICES UPDATE

May 5, 2023

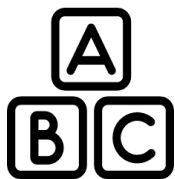
NATIONAL WATER SAFETY MONTH



The City of Tempe Aquatics team would like to remind the community that the month of May is **National Water Safety Month**. This is a joint movement recognized by combined efforts of the World Waterpark Association, the American Red Cross, the National Recreation and Park Association, the Pool and Hot Tub Alliance, along with dozens of other water safety groups. The month-long efforts are to raise public awareness about water safety and highlight the importance of public education regarding safe practices for adults and children when they are around or in the water. The goal of water safety awareness is to prevent water-related fatalities, illnesses, and injuries. Drowning can happen in an instant and it doesn't only happen in swimming pools. It can happen in canals, lakes, spas, or bathtubs. Drowning prevention experts stress that layers of protection are key. Those layers include vigilant caregivers, pool fences with gates that self-latch, alarms and not drinking alcohol when swimming.

Too often people say, "I only left for a second." Sadly, just a few seconds is all it takes for a child to drown. Drowning is one of the leading causes of death for children under the age of four in Arizona. Most children drown in their own pools but also in buckets, toilets, bathtubs, fish tanks, and ponds. And it only takes two inches of water for a child to drown. Near drowning is also very tragic and can cause permanent brain damage. Adults often drown in spas and pools with alcohol consumption being a factor.

We encourage everyone to Know the **ABCs of water safety** to help prevent an emergency and help keep your family and friends safe around pools.



Adult Supervision: Watch children at all times while they are swimming or around any body of water. A child or infant can drown in as little as 2 inches of water.

Barriers: Don't let kids can gain access to pools - secure doggie doors, open gates, open fences, and any other way they can gain access to water. Keep doors and fences locked and in good repair.

Classes: Take CPR and first aid classes to learn what to do if a drowning occurs. And make sure you and your kids know how to swim.

Con't on Page 2

COMMUNITY SERVICES UPDATE

May 5, 2023

PARTNERSHIP WITH ELLIS & ASSOCIATES

The City of Tempe is the only municipality to partner with the highly coveted and 5-star-rated Ellis & Associates. With more than 20 years of hosting the training school at our City of Tempe pools, and more than 200 participants each year, we are proud to know our lifeguards and swim instructors provide the highest standard of safety, high-quality service, and life-saving emergency response to all patrons, at all pools in the City of Tempe.

YEAR-ROUND AWARENESS

To increase the visibility of these important water safety messages, Tempe Aquatics is developing a year-round water safety campaign in collaboration with the Communication and Marketing Office, Tempe Recreation and the annual Summer of Safety campaign. This campaign will aim to arm the community with important lifesaving water safety messages through a landing page, hashtag, social media, reach screens, videos and more. The goal of this campaign is to spread these messages beyond just one month or season and dive deep into topics such as bathtub safety, helpful safety tools and more. Water safety messaging will also be shared throughout the summer in conjunction with the city's Summer of Safety campaign, which highlights important safety messages related to heat, hydration, fireworks and more.

**We wish you a fun-filled, exciting summer and,
most importantly, a safe one!**



The continued partnership assures we continue to meet our Strategic Priority, Quality of Life, and performance measure 3.16 Quality of Programs.

COMMUNITY SERVICES UPDATE

May 5, 2023

2022 VOLUNTEER OPPORTUNITIES AND IMPACT RECAP

Volunteers are incredibly valuable and play a vital role in the success of City of Tempe programs and services. At the onset of the COVID-19 pandemic, most volunteer opportunities were paused as facilities closed and programs were offered in a virtual environment.

As City services and programs returned, so did volunteer opportunities. During the 2022 calendar year, approximately 3,464 volunteers contributed 144,126 hours of service. The economic impact of our volunteers exceeded \$4,300,000. This was determined using the National Value of volunteer time at \$29.95 per hour.

The Mayor's annual Volunteer Appreciation event was held on Saturday, April 29 and recognized the volunteers that contributed 100 hours or more of service. Attendees enjoyed a delicious brunch and fun-filled games of BINGO called by Mayor Woods (pictured below—left).

Mayor Woods, Vice-Mayor Adams, and Councilmembers Chin and Hodge presented awards to outstanding volunteers including:

- ◆ **Lorna Scooler—Leaving a Legacy award** (pictured below—middle)
- ◆ **Keep Tempe Beautiful—Green Thumb award** (pictured below—right)
- ◆ **Char Tingley, Judy Wilcoxson, Betty Gregory, Jim Groves, and JudiAnne Hurst from Experience Corps.—World of Difference awards**



COMMUNITY SERVICES UPDATE

May 5, 2023

Special Events Update: May 5-21

The Special Events Task Force Committee works with event producers up to 12 months in advance to ensure that administrative and operational logistics are addressed before the event receives final approval.



Date	Event	Location	Notation
5/5	Movies in the Park	Kiwanis Park	Family Movie Series
5/5	Bonfire Craft Kitchen	Bonfire Craft Kitchen	Extension of Premises
5/5	Fat Tuesday Cinco de Mayo	Fat Tuesday	Extension of Premises
5/5-5/6	CASA Cinco de Mayo Party	CASA	Extension of Premises
5/5	Arts in the Parks Spring Celebration	Hollis Park	Community Event
5/6	Arts in the Parks Spring Celebration	Harelson Park	Community Event
5/6	Train Your Brain – CARE 7	Kiwanis Park	Awareness Walk
5/6	Fiesta de Taco	Tempe Beach Park	Music Festival
5/9	Arts in the Parks Spring Celebration	Optimist Park	Community Event
5/10	Making Space Fest	Escalante Park	Grow Local Tempe
5/12	Movies in the Park	Kiwanis Park	Family Movie Series
5/13	Good Fest	The Shop Beer Co	Charity Fundraiser
5/13	FroYo Run	Tempe Beach Park	Community 5k
5/13	Dog Mom’s Day	Singh Meadows	Mother’s Day Dog Party
5/14	ARR Summer Series	Giuliano Park	Community 5k
5/19	Movies in the Park	Kiwanis Park	Family Movie Series
5/20	Rep Your Brand Market	AZ Mills Mall	Community Market
5/20	Arizona Sunrise Series	Kiwanis Park	Community 5k



Movies in the Park: Grab the gang, your blankets, a picnic dinner, and head to Kiwanis Park to enjoy a free family-friendly flick on Friday evenings this May. Movies begin at dusk, approximately 7 p.m., in the north soccer field (Baseline Road and Ash Avenue). Come early to reserve your spot and hang out with the Tempe Play Mobile for fun pre-movie activities.

May 5: Coco, May 12: Cars, May 19: Kung Fu Panda, and May 26: Soul

COMMUNITY SERVICES UPDATE

May 5, 2023

Special Events Update: May 5-21 (Con't)

Arts in the Parks is a Community Arts program that brings arts-focused events and activities to neighborhood parks throughout Tempe. With twenty-five events and five temporary fence art installations, this program activates outdoor community spaces and gives Tempe residents an opportunity to connect with their neighbors and local artists while expressing their creativity!



Train Your Brain 5k Fun Run: May is Mental Health Awareness Month, and this year we are bringing the community together for a 5k to learn ways to care for our bodies and brains. This is a family-friendly 5k walk/run you can complete at your own pace. No racing experience is necessary. Hang out after the 5k to learn more about resources available in Tempe schools and the community. Grab a sweet treat with local vendors!

Fiesta De Taco is one big taco party! They are bringing the goods with them: food, drinks, iconic hip-hop artists, unique entertainment and so much more. This daylong event filled with tacos, tequila tasting, beer, margaritas, Lucha Libre wrestling, and fun is topped off with performances by some of your favorite hip-hop artists. Learn about ticket options and get your party hats on.



For additional information on activities, events, and things to do in and around Tempe, visit:

Tempe Center for the Arts ([Tempe.gov/TCA](https://tempe.gov/TCA)),

Downtown Tempe Authority ([Downtowntempe.com/explore](https://downtowntempe.com/explore)),

Tempe Tourism ([Tempetourism.com](https://tempetourism.com)), and

Tempe Public Library ([Tempepubliclibrary.org](https://tempepubliclibrary.org)).

