



City of Prescott

Workforce Housing Committee

July 5, 2023 | 10:00 AM
201 N. Montezuma Street
Council Chambers, 3rd Floor
Prescott, AZ 86301

AGENDA

The following Agenda will be considered by the **Workforce Housing Committee** to be held **July 5, 2023**. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **DISCUSSION & ACTION ITEMS**
 - A. Approval of June 7, 2023 Workforce Housing Committee Meeting Minutes.
Recommended Action: MOVE to approve the minutes as presented
 - B. Presentation & Discussion Regarding Workforce Housing Data.
Recommended Action: This item is for discussion only. No formal action will be taken.
 - C. Presentation & Discussion Regarding a Workforce Housing Survey.
Recommended Action: This item is for discussion only. No formal action will be taken.
 - D. Presentation & Discussion Regarding City Owned Land.
Recommended Action: This item is for discussion only. No formal action will be taken.
 - E. Presentation & Discussion Regarding the Possible Need for a Workforce Housing Project Manager Position.
Recommended Action: This item is for discussion only. No formal action will be taken.
4. **UPDATES**
 - A. Staff Announcements and Updates
5. **ADJOURNMENT**

Upon a public majority vote of a quorum of the Board, the Board may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (1) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (2) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (3) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-

431.03(A)(3));

- (4) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. § 38-431.03(A)(4));
- (5) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));
- (6) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6);
- (7) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on 6/30/23 at 8:30 a.m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Sarah M. Siep

Sarah M. Siep, City Clerk



TO: MAYOR AND CITY COUNCIL
AGENDA: July 5 Workforce Housing Committee Meeting
DATE: July 5, 2023
DEPT: City Manager
ITEM #: 3.A
SUBJECT: Approval of June 7, 2023 Workforce Housing Committee Meeting Minutes.

ITEM SUMMARY

Approval of the minutes taken at the June 7, 2023 WHC Meeting.

BACKGROUND

None

FINANCIAL IMPACT

None at this time.

RECOMMENDED ACTION

MOVE to approve the minutes as presented

ATTACHMENTS

1. June 7, 2023 WHC Minutes



City of Prescott

Workforce Housing Committee

June 7, 2023 | 10:00 AM
201 N. Montezuma Street
Council Chambers, 3rd Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

Staff Liaison Walton called the meeting to order at 10:00am.

2. ROLL CALL

Mike Fann
Randy Goodman
Nicole Kennedy
Jonathan Rocha
David Roe (Excused)
Anthony Teeters
Arnold Urias (Excused)

3. DISCUSSION & ACTION ITEMS

Staff Liaison Walton made a note that Agenda Item D will be prior to Agenda Item C to allow presenters to give their presentations prior to committee discussion.

A. Election of Committee Chair and Vice Chair.

Recommended Action: MOVE to approve nominated Chair and Vice Chair.

Staff Liaison Walton called for a chair nomination. Committee Members Goodman, Kennedy, and Rocha nominated Committee Member Fann for Chair. Committee Member Fann accepted the nomination.

Motion by Committee Member Kennedy to approve Committee Member Fann as Chair, Committee Member Teeters seconded. Passed (4-0), Committee Member Fann abstained.

Chair Fann called for nomination of Vice Chair. With no nominations from the committee, Chair Fann nominated Committee Member Rocha. Committee Member Rocha accepted the nomination.

Motion by Committee Member Kennedy to approve Committee Member Rocha for Vice Chair, Chair Fann seconded the motion. Passed (4-0), Committee Member Rocha abstained.

B. Approval of May 31, 2023 WHC Workshop Meeting Minutes.

Recommended Action: MOVE to approve the minutes as presented

Staff Liaison Walton noted that future minutes will be more of a summary rather than a transcription.

Motion by Vice Chair Rocha to approve the May 31, 2023 Workshop Minutes, Seconded by Committee Member Teeters. Passed (5-0).

- D. Presentations from Local Stakeholders on Workforce Housing Needs in their Organizations.

Recommended Action: This item is for discussion only. No formal action will be taken.

Debra Martell, Division VP of Provider Network Growth and Development with Dignity Health YRMC presented. She discussed a national healthcare shortage. A pipeline is being established to address the healthcare shortages but it is a challenge in recruiting when there isn't workforce housing. She discussed the consequences of housing issues. Internal analysis shows that 120-150 homes or units are needed now for their needs. There is a mix of demographics within their employees. They would partner with the Fire and Police Departments on a housing project, but they currently do not have any housing programs. They looked into considerations of flexible planning and zoning processes, fund raising, hiring a planner with expertise in attainable housing, redevelopment projects, and developing a survey to further understand the needs of the local workforce.

Chair Fann inquired who would make the decisions for Dignity Health.

Ms. Martell informed the committee about a committee that Dignity Health has.

Committee Member Kennedy asked if their data is based on pricing in Phoenix or here. Martell said they have different things they look at and are keeping the prices and pay competitive with the Phoenix area.

Council Liaison Cantelme asked if Dignity Health would be interested in being in a partnership to do a housing project due to the costs. Martell said that they would be interested in being a partner.

Council Liaison Cantelme discussed a stepping stone process.

Howard Mechanic, in the audience, asked to speak reference the 120–150-unit estimates.

Chair Fann allowed Mr. Mechanic to speak.

Mr. Mechanic asked if that included existing employees and clerical or wait staff.

Ms. Martell stated that those numbers do currently address the need today for their current staffing.

Vice Chair Rocha asked if Dignity Health's staff has shown preference of rental or owning.

Ms. Martell said that it's been focused on cost and the need, not the specifics of rental or owning.

Vice Chair Rocha asked to confirm that the reason Dignity Health is having staffing issues is housing.

Ms. Martell confirmed.

Vice Chair Rocha asked why Dignity Health hasn't been looking at workforce housing before.

Ms. Martell stated that the need hadn't been there until the past year and a half. She said they have teams at the national level and at the local level looking at workforce housing.

Superintendent Tenney from Prescott Unified School District (PUSD) presented PUSD needs and the current housing project occurring on the Taylor Hicks Elementary School Property. He discussed that PUSD is not actively recruiting, except for specialty positions, due to the pay levels. He reviewed the standards and qualifications for teachers. He discussed the issues that are a deterrent to teachers. He discussed where the funding comes from. He discussed teacher retention and that teachers are more likely to go to the Phoenix area for pay and housing. He discussed the current housing project and that it will be a recruiting aspect in the future. He stated there have been challenges hiring occupational therapists that are necessary and they were previously contracting to third party companies. He gave a success story of hiring an occupational therapist due to the housing project. He discussed the state allowing for schools to build "teacherages" and PUSD received a grant to do so. He stated the company that won the bid for the project with Vice Chair Rocha's company. Four of the six homes will be used for teacher recruiting as a temporary housing solution. Two of the homes will be used by the City through an IGA for first responders. The project will likely be completed by September and could be a proof of concept for how the City can partner.

Chair Fann asked about the demand level of PUSD.

Superintendent Tenney stated that data is hard to gather but they likely could use about 200 units.

Council Liaison Cantelme asked if there was data on owners versus renters and if the 200 could be a usable number.

Superintendent Tenney stated they don't have that data, but they do have the data of how many staff live in Prescott versus outside of Prescott.

Council Liaison Cantelme asked about the contracts for housing and how they are addressing housing management.

Superintendent Tenney went over the process they went through for the housing management and their process for leasing.

Council Liaison Cantelme asked if PUSD would be adding lease restrictions of who can rent the home and how they chose who gets to rent. She also asked what the estimated cost of the entire project was, including hardscaping.

Superintendent Tenney stated that each house was about \$250,000 and the

whole project was expected to be \$1.4 million and it did include hardscaping. He stated there would be restrictions based off of state statute. He stated the leases are only one year leases and it will be a rotation of certified employees that will be on a list.

Vice Chair Rocha discussed how well the City worked so well with PUSD on Utility and Infrastructure Install. He asked if the contents of an IGA like the PUSD project could be mirrored in a development agreement.

Staff Liaison Walton stated that it was more of a legal question but it was something that could go into a development agreement but it would be limited to being within the city limits.

Committee Member Goodman asked how PUSD came up with the number \$1.4 million and how it was generated.

Superintendent Tenney stated it was adding up the costs of bringing homes in, cost of infrastructure, and landscaping. He referenced the \$500,000 that came from grants and the rest came from a fund that must be used for building from selling other properties.

Chair Fann if there were any public questions. There were none.

Chief Durre with Prescott Fire Department presented workforce housing issues within public safety. He discussed Fire Department staffing, recruitment, and staff heading towards retirement and how to address needs while keeping organizational culture in mind. He discussed challenges with housing and cost of living. He discussed different living situations and preferences of first responders. He stated that he has options to obtain a survey with data and that this is a complex problem with many different fixes.

Chair Fann asked what the number would be of units that would satisfy the need.

Chief Durre stated that retention with fire is less of a concern than the police, but that the number would be about 70 for the fire department. This number comes from the need of two new fire stations and the staffing for those. He stated that there will be about 30 employees who will retire in the next 5-10 years. He discussed other ways that public safety is prioritizing and becoming more efficient.

Committee Member Goodman stated that it sounds like an initial 'landing spot' for new employees' first years is a main concern.

Chief Durre concurred that that would help with recruiting, but it would just be the first stepping stone to a step program.

Council Liaison Cantelme discussed a steppingstone process and asked what the starting pay for a firefighter.

Human Resources Director Branden Nunez stated the starting pay for a

firefighter is \$49,000 but will be going up at the new fiscal year due to cost-of-living increases.

Council Liaison Cantelme asked if a year was enough time for a new employee to build up a down payment.

Chief Durre stated that the fire department encourages fiscal education, money management, and helping new fire fighters be fiscally responsible.

Chair Fann asked if there were any further questions. There were none.

Human Resources Director Branden Nunez gave a presentation about demographic information about the current workforce. Currently there are 548 positions but there are only 496 filled positions within the City. 120 full-time employees hired yearly. He reviewed positions and recruiting and that the average salary in the City is \$67,000 a year. He reviewed other positions starting pay and that, since 2022, there have been 350 job offers and only 29 have been from out of the area and 18% of job offers have been rejected specifically because of the housing costs. Discussed the survey sent out last year that collected data about the results of that survey.

Committee Member Kennedy asked what the number of employees renting was.

Director Nunez stated 24%.

Council Liaison Cantelme asked if there were stipends given for moving costs to employees.

Director Nunez stated yes for higher level positions, but it can be looked at with City Manager approval. He stated it's not the normal process as it can be very costly to do.

Council Liaison Cantelme asked about hiring bonuses.

Director Nunez said sometimes there are hiring bonuses, normally in the \$5,000 range.

Chair Fann asked about demand and what the City's demand was.

Director Nunez stated that there will always be hiring activity due to the current trends.

Vice Chair Rocha asked how many employees being hired are having issues finding housing.

Director Nunez stated that 70% of employees who took the survey had challenges finding housing and that number likely applies to new employees as well.

Council Liaison Cantelme stated that the interest rates have had an impact as

well and that the survey was before the interest rates rose.

Chair Fann asked if there were questions. There were none. He asked if the committee would receive the data and demand from the Police Department.

Staff Liaison Walton read an email from Chief Bonney stating that the Police Department would need about 10-15 units currently.

Chair Fann asked to hear from the Sheriff's Department, Yavapai College, and that there's a private need from the service community.

Staff Liaison Walton stated that staff will work to gather the data and have additional speakers.

Committee Member Goodman stated that ADOT would be good to hear from as well.

Staff Liaison Walton stated that a general survey could be created to send out to any type of employer to give to their employees to gather feedback.

C. Presentation and Discussion Regarding Goals, Mission Statement, and Timeline for the Committee.

Recommended Action: This item is for discussion only. No formal action will be taken.

Chair Fann announced moving to Item 3.C

Staff Liaison Walton stated that due to time we wouldn't be addressing the mission statement today but wanted to review goals and timelines. She discussed setting easy-to-achieve goals reference projects, funding, and programs. She asked if the committee could determine one concept that can be pursued over the coming months. She discusses a project concept of a piece of city-owned land and asked for their input on achievable goals.

Committee Member Goodman discussed funding, ways that developments can be financially assisted, and incentivization for developer's needs to be addressed.

Chair Fann stated that a project in a short timeframe may not be achievable. He stated that funding can be achieved but, from a project standpoint, the demand is going to be challenging.

Staff Liaison Walton stated that smaller projects are how the committee can work on bringing the number of needs down. She referenced the Arizona Housing Coalition toolkit and the financing section in the committee members' notebooks. She then discussed a city-owned property that is a potential project location to create a concept with. She discussed the housing options that could be put onto this parcel, and she asked for committee input.

Vice Chair Rocha asked what ownership of the land would look like.

Staff Liaison Walton stated the conversation is early on and not much discussion

has been had but it's a possible concept. She stated ownership and how the plan progresses would likely depend on the partners involved and that the committee would build a plan to bring to Council if they felt it was a viable option.

Committee Member Kennedy stated that she worked for the Boys and Girls Club and previously they looked into bringing that parcel into their lease to expand and she would like that option to be looked into prior to using the parcel for housing.

Council Liaison Cantelme discussed that the committee should bring information to stakeholders and get commitments from them. She discussed future stakeholder and partner meetings to find locations, address costs, and the plans. She requested Legal start looking into possible contract options to work with stakeholders.

Chair Fann reviewed some questions he had such as what the demand is, what projects are being looked at, and who will compile the information. He stated that the committee may need a full-time project manager to help them get started and moving towards goals. He mentioned there should be a third-party entity to carry on the work to achieve long-term goals. He reviewed the potential size of projects and who qualified. He also discussed how they would bring a plan to stakeholders.

Committee Member Goodman mentioned looking at fees to help generate funds as well as how the City can reduce costs and fees and send that information out to stakeholders. He stated that the community needs to be involved in paying for the services they expect.

Council Liaison Cantelme discussed that there needs to be a structure to determine where the committee can go. She discussed money-saving programs for employees and a structure for that as well. She discussed what realistic project sizes would be to make an impact and how to achieve them.

Chair Fann concurred that structure is critical but not to reinvent the wheel. He discussed looking at other structures from other entities that have been successful.

Staff Liaison Walton referenced the toolkit in the notebooks again as it includes strategies and successful concepts used in other areas within Arizona. She asked if Vice Chair Rocha could put together data from a realtor aspect.

Vice Chair Rocha stated he could and to also speak with Cody Anne Yarnes to gather data as well.

Staff Liaison Walton stated she would ask Cody Anne Yarnes to update the information presented at the October meeting and that at the next meeting staff will bring more data and information on land.

Committee Member Kennedy stated that the Housing Solutions of Arizona could speak to projects they've worked on which could be beneficial

Staff Liaison Walton stated she will reach out to them due to their successful partnership with Flagstaff and see if they can provide data.

Council Liaison Cantelme mentioned having Goodwill involved as well due to their level of interest.

Vice Chair Rocha discussed short- and long-term solutions and the importance of looking at both. He requested information on what resources are available to the committee that are at their disposal. He also requested a breakdown of concepts and for grant resources as well. He requested that he would like staff to bring a list of stakeholders who have already reached out to the next meeting.

Chair Fann discussed an agenda preparation meeting for himself, Vice Chair Rocha, and Staff Liaison Walton prior to the next meeting.

Staff Liaison Walton concurred.

Council Liaison Cantelme made a note that if the committee does not have a structure in place, it cannot accept grants.

4. UPDATES

A. Staff Announcements and Updates

Staff Liaison Walton discussed information she would send out to the committee via email reference Council meetings, budget, and an upcoming conference reference housing.

5. ADJOURNMENT

Chair Fann adjourned the meeting at 12:09pm.

ATTEST:

JONATHAN ROCHA, Vice-Chair

AMBER FRASER, Staff Liaison



TO: MAYOR AND CITY COUNCIL
AGENDA: July 5 Workforce Housing Committee Meeting
DATE: July 5, 2023
DEPT: City Manager
ITEM #: 3.B
SUBJECT: Presentation & Discussion Regarding Workforce Housing Data.

ITEM SUMMARY

Staff will provide a presentation regarding workforce housing data and research.

BACKGROUND

The WHC has requested updated information about housing statistics, demographics, and similar information as to what was provided at the October 25th Council Meeting, 2022.

FINANCIAL IMPACT

None at this time.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

None



TO: MAYOR AND CITY COUNCIL
AGENDA: July 5 Workforce Housing Committee Meeting
DATE: July 5, 2023
DEPT: City Manager
ITEM #: 3.C
SUBJECT: Presentation & Discussion Regarding a Workforce Housing Survey.

ITEM SUMMARY

The WHC will provide staff with guidance on a two-prong survey for local business leadership as well as a survey for local business leadership to send out to their employees to gather data on what the housing needs may be.

BACKGROUND

The WHC has been working to gather as much data as possible to identify the size of the housing problem and the specific needs of local workforce.

FINANCIAL IMPACT

None at this time.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

None



TO: MAYOR AND CITY COUNCIL
AGENDA: July 5 Workforce Housing Committee Meeting
DATE: July 5, 2023
DEPT: City Manager
ITEM #: 3.D
SUBJECT: Presentation & Discussion Regarding City Owned Land.

ITEM SUMMARY

Staff and the Committee will review parcels owned by the City to determine possible use for Workforce Housing projects in Prescott.

BACKGROUND

The WHC has discussed different options for projects regarding workforce housing and one would be to determine what city-owned land is available for any possible projects.

FINANCIAL IMPACT

None at this time.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

None



TO: MAYOR AND CITY COUNCIL
AGENDA: July 5 Workforce Housing Committee Meeting
DATE: July 5, 2023
DEPT: City Manager
ITEM #: 3.E
SUBJECT: Presentation & Discussion Regarding the Possible Need for a Workforce Housing Project Manager Position.

ITEM SUMMARY

The WHC and staff will discuss if there is a need for a full-time Workforce Housing Project Manager to assist the Committee with potential projects and programs. If there is determined to be a need, then how would the position be funded.

BACKGROUND

In the June 7, 2023 meeting, the concern was brought up that the current Staff Liaisons may not have the time needed to research, plan, and manage potential projects and programs brought up through the Committee.

FINANCIAL IMPACT

None at this time.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

None



TO: MAYOR AND CITY COUNCIL
AGENDA: July 5 Workforce Housing Committee Meeting
DATE: July 5, 2023
DEPT: City Manager
ITEM #: 4.A
SUBJECT: Staff Announcements and Updates

ITEM SUMMARY

Staff will give brief information on Accessory Dwelling Units (ADU) and provide the Committee with the current code to review reference how it may be able to be adjusted to support Workforce Housing. Staff will also provide information on the PUSD Teacher Housing Project IGA for the Committee to review for ideas for future projects. Both will be further discussed in the next WHC meeting.

BACKGROUND

The PUSD Teacher Housing Project has been a pilot program that the WHC can use to create a similar project if the opportunity arises in the future and ADU's have been discussed and updating the code has been considered to assist with Workforce Housing needs.

FINANCIAL IMPACT

None at this time.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

None