

City of Prescott Workforce Housing Committee

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

MINUTES

1. CALL TO ORDER

Vice Chair Rocha called the meeting to order at 10:00am.

2. ROLL CALL

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

3. DISCUSSION & ACTION ITEMS

- A. Approval of June 7, 2023 Workforce Housing Committee Meeting Minutes.
Recommended Action: MOVE to approve the minutes as presented
MOTION BY MEMBER ROE TO APPROVE APPROVAL OF JUNE 7, 2023
WORKFORCE HOUSING COMMITTEE MEETING MINUTES; SECONDED BY
MEMBER TEETERS: PASSED (5 - 0)
- B. Presentation & Discussion Regarding Workforce Housing Data.
Recommended Action: This item is for discussion only. No formal action
will be taken.
Staff Liaison Walton introduced Ryan Joes with Yavapai College for his presentation on demographics and workforce update. Mr. Jones went through the data on his PowerPoint presentation.

Member Urias asked about the slide that states 33.2% of people are working in Phoenix to ask for clarification.

Mr. Jones stated that the Phoenix number includes the whole valley, such as Scottsdale and other cities in the Phoenix area. He stated that a lot of the data is repeated from the October 25th Council meeting presentation but some of the numbers are updated.

Council Liaison Cantelme asked if healthcare is included in the cost of living numbers.

Mr. Jones stated healthcare is included and healthcare is lower in Prescott than the national average, but he didn't have the exact percentage of what

healthcare's impact is. He said housing is the main aspect of cost of living.

Council Liaison Cantelme stated that she read a report from Buxton and she said that report showed that healthcare had a big impact.

Mr. Jones stated that there are dentists, optometrists and other products and services included in the numbers. He then moved on to discuss the slide reference labor force in Prescott compared to the national average. Mr. Jones states he had some additional slides that he previously put together for Sandy from YCCA. He also stated that Prescott doesn't have a lot of space to build on and so, for building it may be best to look at Prescott Valley.

Member Urias asked if the slides would be sent out.

Mr. Jones and Staff Liaison Fraser confirmed the presentation would be emailed to members.

Vice Chair Rocha asked if any trend could be quantified for ages, specifically for 18-65 or could Mr. Jones speak to the trend.

Mr. Jones stated he doesn't have the numbers with him, but the trend is on the decline. He said 40% are within that age range but it is likely to have a significant decline. He stated just 1% is a huge impact.

Vice Chair Rocha asked Mr. Jones if he thought the decline was because people couldn't afford to live here.

Mr. Jones stated a lot of people who live here move here with more savings after working full careers and moving from more expensive areas. He said it's very difficult for younger people to afford to live in Prescott, so they have to commute to serve the retiree community. He said housing has been in a bubble nationwide. He said the biggest driver for the cost of living is the housing and if housing prices come down then Prescott would be more in line nationally.

Vice Chair Rocha said that there is some encouragement looking at the labor chart and that the committee is looking at the top sectors of the workforce. He said the chart is very helpful to see how many people are here and who we have to house.

Mr. Jones said it's easy to pull the figures if the committee wants updates.

Council Liaison Cantelme stated that the numbers substantiate what the committee looked at before. She stated there are stats that show millennials locally are working a lot in the tech realms.

Mr. Jones said he hasn't seen those numbers but he'd like to.

Council Liaison Cantelme stated that 137 new jobs have been created from the Center for the Future and that it's good to have one of the largest employers in the area, Dignity Health, willing to work with the committee.

Member Urias asked if numbers could be looked at for what a reasonable commute would be. He stated that options shouldn't be limited to just Prescott but within the area of a reasonable commute of Prescott.

Mr. Jones stated that there are figures that show under an hour is a reasonable commute. He said most of the commuters come from the quad cities. Some come from the Verde but, very few come up from the valley. He said only about 5% come in from the valley to work in Prescott. He said it's more common for Prescottonians to go work in the valley than people from the valley to come work here.

Rocha thanked Mr. Jones for his time.

C. Presentation & Discussion Regarding a Workforce Housing Survey.

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

Vice Chair Rocha introduced Staff Liaison Walton to discuss the possibilities of a two-prong survey. One survey would be sent to stakeholders and organizations and the other would be sent to the employees of those stake holders. She asked for committee input on what they'd like to see in the surveys. The staff hopes to have a draft survey by the next meeting.

Vice Chair Rocha said there is a short term issue and a long term issue. Hearing from the Fire Chief previously, it sounds like a possible short term item is a landing pad to get people on their feet quickly. The other issue is the long term, which is going to be a larger issue to tackle. He said the committee has been shown the issue is here and have been given data and now they want the survey to see where to go from there. He asked for input on the employee survey first.

Member Goodman stated that the committee understands the problem and he doesn't know if the survey is needed and he wants to work on the solutions. He said that the committee understands the problem and that the survey can be done but it's time for energy to be focused on where to go forward.

Staff Liaison Walton stated that working in tandem, the committee will gather more data while working on small projects simultaneously. She stated that they could ask stakeholders how many units they need as recruitment and how many they need for retention. She said at the next meeting staff can work to bring forward a list of stakeholders as well. She stated the survey would be to give a vision to guide where to start. She said it would also give an idea of what product they'd need more of, such as apartments, condos, houses, etc.

Member Roe asked if we should survey where people want to be, how far out people are willing to live.

Member Teeters said asking what kind of commute time would be acceptable to the survey takers.

Vice Chair Rocha asked if committee members could email questions for the

survey.

Staff Liaison Walton stated that she and Staff Liaison Fraser would work together to build a draft.

Member Urias said that the committee shouldn't get into a cycle of planning but the data is helpful. He asked if we could ask about animals to get ideas of where it would be beneficial for employees to live and see what the demographics demand.

Vice Chair Rocha stated retention and recruitment split the issue into the short term and long term and that the committee's duty is to tap into the demographics of the market and to gather data from the end users.

Member Goodman stated that the key component being missed is working with the private industries; hearing what products they can build and still make money. He said the committee needs to hear from the private industry because if it doesn't work for them, then it doesn't work.

Vice Chair Rocha stated that on the private side, they look at what the end user needs as well and this survey is just to look to see where the market is and then bring in the private sector. He stated he would like to see rental vs ownership, the timeframe that employees would need for the house, house sizing, and distance from work on the employee survey. On the stakeholder side, he wanted to see what their financial commitment is and would they consider an employee housing program. He said there needs to be a mechanism like an employee housing program. He said the structure and entity type could be on the survey as well.

Council Liaison Cantelme stated that there should be a combination of all of the options and that the committee shouldn't be pigeonholed. She stated that Dignity Health is planning to do a roundtable and she's trying to get them to do it at a WHC meeting. She stated that structure is very important and it needs to be a 501 and there has to be motivation for the employees to move on to the next step. She stated that a savings program should be offered and that many millennials want to live in the downtown or within walking distance. She said the committee will also need to look at zoning changes and that the options should be kept open.

Vice Chair Rocha stated that all the committee needs to know from the stakeholder is yes or no if they want to be part of the program.

Council Liaison Cantelme stated that she feels it'd be important for Dignity to do their roundtable at the WHC meeting.

Vice Chair Rocha said that's not a bad idea.

Member Roe stated that the committee just needs to have the education and determine the projects. He stated that Prescott has been known to be difficult for housing and permitting.

Council Liaison Cantleme asked Planning Manager George Worley to speak to that.

Mr. Worley said that changing zoning can be easy on the administrative side but not necessarily on the political side, and that it can be very controversial. He stated that it would take convincing of people and that staff can't just rezone and someone needs to "lead the charge".

Council Liaison Cantelme stated it's all about how it's sold to the community. She said concept drawing and education would help people be more open.

Member Roe stated that the manufactured housing businesses have been trying to get education out there. He stated that the committee needs to educate that they aren't going to hurt the property values and that they actually want to make them better.

Council Liaison Cantelme asked if Member Roe could bring in examples of products.

Member Roe said the committee can come out and see his product.

Staff Liaison Walton said staff will work to coordinate a site visit. She then discussed other possible questions for the surveys. She stated that staff would work to draft the surveys, possibly have a stakeholder roundtable, and a list of stakeholders for the next meeting.

Howard Mechanic from the audience suggested for the survey that income is considered including their family income. He said that the family income can have a big impact compared to just the individual's income.

D. Presentation & Discussion Regarding City Owned Land.

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

Staff Liaison Walton discussed city-owned parcels and possible options for projects. She discussed the parcel near the Boys and Girls Club and that, per Member Kennedy's request at the previous meeting, she would be reaching out to them to see if they have plans for that parcel. She then discussed the land by the Adult Center that the committee could consider.

Council Liaison Cantelme mentioned that she wouldn't necessarily recommend the property by the Adult Center and since the zoning is for site-built it may be challenging to get an affordable product there.

Member Teeters stated that if it's sold right to the neighborhood, then they'd see it as people who will contribute to the neighborhood would be living there. He stated that if the committee started talking to stakeholders now, they likely wouldn't put anything in their financial plans until 2025. He said it's important to show the community that the committee is doing things and not just talking.

Member Goodman referred to page 6 of the AZ Housing Coalition report and

discussed different aspects such as impact fees. He stated that the committee should work on creating a structure to present to the private sector to entice them to come in and build. They could then bring their product to the committee for review. He stated that on page 8 and 9 there are tax exemptions. He stated ultimately it's the private sector's money and their product. He stated that where the committee would come in is using impact fees to offset their costs and that it's important to work to see what the committee can do to entice the private sector.

Member Teeters stated that the committee could send the information out to a lot of private sector companies, not just one.

Member Goodman stated that the committee could even include Phoenix businesses. He then discussed the trail of where impact fees affect from the developers perspective. He talked about businesses like Chair Fann's where he'll have people retire and where their new employees will come from and where they will live.

Staff Liaison Walton stated that Member Goodman's comments fit into the incentive packet idea that was discussed in previous meetings on creating a package to show the private sector and see if they would be interested. She discussed how impact fees are regulated and that staff from Finance could come speak to how impact fees could be adjusted to benefit the committee and the incentive package. She then reviewed what may be included in the incentive package.

Member Goodman stated it comes down to money and the impact fees would be a good place to start.

Council Liaison Cantelme stated the intention of the land was to look at land that could be offered to builders for their products, not for the City to build it but to offer it to a builder for workforce housing.

Member Goodman stated that he agrees but the committee should work on the marketing of the package and less on the design of a potential product.

Council Liaison Cantelme stated that identifying property will save builders time and money if the committee has land to offer.

Member Goodman stated that he has an acquaintance who he would like to come talk about this type of product and packaging. He sent the acquaintance's contact information to staff to coordinate them coming and speaking to the committee.

Council Liaison Cantelme stated the City is limited on what they can offer.

Member Goodman asked more about impact fees.

Staff Liaison Walton stated that Legal and Finance departments would need to dig into the information on impact fees. She also said existing impact fees can't be waived but they can be added on to.

Vice Chair Rocha stated that for an action item, staff can put the incentive package on the next agenda item for the committee to discuss. He asked for the committee to bring ideas for actionable items to the next meeting of what they'd like to explore and see if their ideas are possible.

Member Urias asked what could be done from a Code Enforcement standpoint, such as addressing hoarders or fire safety issues and, since there's limited inventory, could Code Enforcement be used to encourage slum lords to sell homes and to open houses in stressed neighborhoods for revitalization by the workforce.

Vice Chair Rocha stated that the committee needs to take action steps so, for the property by the Adult Center, he would like a list of builders or builders to come and share their product for the land and what their concerns would be so the committee can review. He asked if there needs to be a bid process or what it looks like.

Staff Liaison Walton stated she would discuss with Legal what that process could possibly look like. She stated that staff has been gathering businesses and names and she would bring a potential process to the committee at the next meeting.

Council Liaison Cantelme asked if staff could invite those builders in to the next meeting just to learn more.

Vice Chair Rocha stated that we should invite them to the next meeting to speak about their products and what would or would not work for them. Vice Chair Rocha stated that the parcel on Aubrey would be a good parcel for a multifamily project.

Member Teeters stated that when reaching out, the big picture needs to be given of what the committee's goals are and it needs to be told how big the issue is.

Vice Chair Rocha stated that the City has data to look at local builders and contractors for projects.

Member Teeters said that local builders should bid but bigger companies should be brought in too for possibly bigger projects.

Member Goodman stated that privately owned land should be looked at as well and that the scope shouldn't be limited just to these two City-owned parcels.

Staff Liaison Walton stated that she had asked Cody Anne Yarnes to look at property that would be buildable as well. She also mentioned a meeting with Housing Solutions of Northern Arizona and Devonna is coming to speak in August as well.

- 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.

Staff Liaison Walton discussed the history of the request to look at a potential project manager position.

Vice Chair Rocha stated that Chair Fann had mentioned a past project that was possibly able to allocate a certain amount of the project for workforce housing but the City didn't have the structure to be able to take onto that offer.

Council Liaison Cantelme mentioned looking into a new Community Development Director with a construction background. She asked Staff Liaison Fraser about the program used to track development agreements.

Staff Liaison Fraser stated she used the Planning app in Microsoft Office 365 to set up the structure so Legal could add in departments and assign tasks to track them.

Council Liaison Cantelme mentioned she doesn't recall the situation Chair Fann referred to but a lot of those concerns may be addressed through a development agreement.

Member Goodman stated that if the committee can get together an incentive packet and then have a project manager who is an expert on the packet, that person would then be the contact for the private industry.

Vice Chair Rocha stated that having a person to help see projects through would be a good incentive as well.

Staff Liaison Walton stated, reference the workload, the challenge of hiring a person, and other aspects if the committee would consider a contract consultant. She also asked what kind of requirements this person would need to have to meet the needs of the committee.

Member Goodman stated that the committee needs to create the data and the information that the person would use prior to finding a person.

Vice Chair Rocha stated that the committee is in the consultant role currently and right now the committee just needs a project to learn and work through challenges first, which will lead to a job description. He said he feels it would be beneficial for the city to have a position for the long term.

Member Teeters stated that the job wouldn't be a full-time position, so a consultant could be on an as-needed basis and for a specific period of time. He stated there's enough expertise on the committee to get the basics done.

Member Roe stated that it's not a topic to let go of and a position needs to be considered for the future, but it should be put on the back burner until the committee gets off the ground.

Vice Chair Rocha stated an action step would be to identify what consultants may be interested for when the first project is ready.

Council Liaison Cantelme stated there are two different groups; there are experts in the field and newer people in the field. She also mentioned that there are also people who know the formulas to get to affordable. She stated a great starting point is already in the AZ Housing Coalition resource section.

Member Roe stated that there are other things that need to be considered such as hidden mortgage of utilities.

Staff Liaison Walton stated the incentive package will be on the next agenda.

4. UPDATES

A. Staff Announcements and Updates

Staff Liaison Walton gave update on PUSD IGA being approved by Council. She also gave an overview of what an ADU is and how it can and cannot be used by the current City Code. She mentioned having the City's Planning and Zoning division coming in to speak about possible changes, including incentivizing them so they are more likely to be used for workforce housing. The IGA for PUSD will be emailed out to the committee.

Deputy City Attorney Podracky gave an overview of Open Meeting Law and that the committee members cannot email each other as to avoid violating the Open Meeting Law. He also stated he would like to come present on Open Meeting Law at the next meeting.

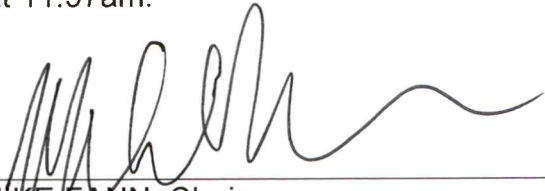
Member Teeters mentioned reading an article reference CAFMA and what they may be doing.

Member Goodman mentioned that Yavapai College is setting up RVs for employees in the Verde.

Member Teeters said options should be kept open.

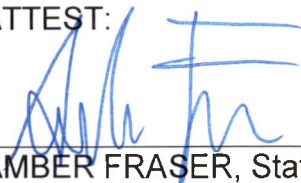
5. ADJOURNMENT

Vice Chair Rocha adjourned the meeting at 11:57am.



MIKE FANN, Chair

ATTEST:



AMBER FRASER, Staff Liaison