



City of Prescott

Workforce Housing Committee

October 4, 2023 | 10:00 AM

201 N. Montezuma Street
Council Chambers, 3rd Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

Meeting called to order by Chair Fann at 10:01am.

2. ROLL CALL

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

3. DISCUSSION & ACTION ITEMS

- A. Approval of the September 6, 2023 Workforce Housing Committee Meeting Minutes.

Recommended Action: MOVE to approve the minutes as presented

MOTION BY COMMITTEE MEMBER GOODMAN TO APPROVE SEPTEMBER 6, 2023 MEETING MINUTES; SECONDED BY COMMITTEE MEMBER TEETERS: PASSED (5 - 0)

- B. Presentation & Discussion Regarding Community Workforce Housing Programs.

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

Staff Liaison Amber Fraser introduced CAFMA Fire Chief Scott Freitag to discuss a grant awarded to NAU for researching workforce housing with CAFMA.

Chief Freitag gave an overview of the grant, their cadet program to get local youths to stay local and work local, and creating sustainable, reasonable, and attainable housing.

Committee Member Goodman asked how many personnel CAFMA has.

Chief Freitag stated that they have 132 positions but not all of them are filled and that they have a three-year staffing plan but they likely won't be able to fill the positions for four to five years.

Committee Member Goodman asked how CAFMA compares to the Valley and Phoenix on salaries.

Chief Freitag stated they try to maintain around the 75th percentile and that they are somewhat competitive with the market but, as a fire district, they don't have access to any funding other than property tax. He stated that the Valley has multiple sources of income so they have the ability to pay more and employees don't have to drive an hour and a half one way to get to work.

Committee Member Urias asked if the grant is customizable enough to look at revitalization and any unintended consequences if the community was so revitalized that it reduced call volume.

Chief Freitag stated that it likely won't be that customizable but the call volume would more likely shift the call type rather than decrease call volume. He stated that the areas that could be revitalized are still \$350,000 to \$400,000 and that doesn't include the costs to revitalize them, so it's still very difficult to do.

Vice Chair Rocha asked what the timeframe was for the grant research.

Chief Freitag stated that it was 12 months, but since a couple of months have already passed, it's about 10 months.

Vice Chair Rocha asked if there were any other grants for fire districts around the state.

Chief Freitag stated that there isn't much. He stated that there was \$5 million set aside through the Department of Forestry and Fire Management and that the money was allocated when the budget came out in July but there's no indication at this time of what the state is doing with those funds. He stated it will likely be one time, smaller expenditures rather than anything major making a significant difference and none of it would go to any type of housing or ability to assist firefighters, law enforcement, nurses, or teachers getting into properties.

Council Liaison Cantelme asked if they had thought about offering their employees an intern program with general contractors to learn a trade to be able to subsidize their income on the side.

Chief Freitag said that a lot of their employees that they hire are coming from the trades. He stated that a new trend is that they work for a year, year and a half, to two years with CAFMA and then go back to the trades because the building trades are paying more. He stated that if they offered an intern program to teach a trade then they would likely lose more of their employees to the building trade. He discussed different internal trainings they could do to receive an additional pay stipend within the department. He stated though that people need around \$156,000 to \$165,000 a year to get into the housing market in this area and they are paying a firefighter EMT around \$55,000 a year, \$53,000 starting. He stated that the only way to make \$64,000 is to be a paramedic and they've struggled finding paramedics.

Council Liaison Cantelme asked if any money was available to use to buy down the interest rate so the payment for the home is more affordable.

Chief Freitag stated that's something that the NAU research group will look at but that the New Regent grant money was simply to fund the research so there's no additional grant money for that. He stated that Congressionally Directed Spending may be an option and that this research could be provided to request that money for a grant program to buy down a downpayment or interest points if that's possible.

Vice Chair Rocha asked what percentage of unfilled positions are due to housing.

Chief Freitag stated that housing is a problem and people don't want to commute especially since all of the fire departments in the valley are hiring but he doesn't have a percentage. He said that about 50%, or 5 out of 10, of their employees live in the valley and they have significant concerns that if those employees are offered positions in the area that CAFMA will lose them.

Vice Chair Rocha asked if people were staying in the valley because of pay, benefits, and commute or if it's because of housing.

Chief Freitag stated that it's because of pay, benefits, and commute. He said he is hopeful that with their cadet program they'll need to hire fewer people coming up from the valley and that they can hire more of the hometown, homegrown people and that they will want to stay because of the commitment to the community. He mentioned that CAFMA and Prescott Fire plan to go back to having "green" academies where all people will need to be hired is a valid driver's license, no felonies or other significant crimes, and they need to be EMTs. He stated that CAFMA's academy is 14 weeks long and that a challenge with the "green" academy is that there are people who join and realize that the fire service is not for them so they leave but he hopes to combat that with the cadet program as well.

Committee Member Goodman asked if they've considered doing a program where employees sign up to help other employees build their houses and then in turn get help building theirs to reduce labor costs.

Chief Freitag stated that many of his employees already do this but there isn't a structured program to make employees assist. He stated another issue is that, even if you have help building, the cost of land has increased and there are supply chain issues. He stated that he looks forward to bringing the results of the research back to the committee in about 10 months.

Staff Liaison Fraser mentioned two other workforce housing projects in the area: the teacher studios in Chino Valley and the Baja Apartments in Prescott Valley.

- C. Presentation & Discussion Regarding Public Education and Outreach.
Recommended Action: This item is for discussion only. No formal action will be taken.

Staff Liaison Fraser then moved to the Public Education and Outreach topic and stated that there has been concern about community responses to workforce housing and asked if the committee had ideas to start working towards creating positive community outreach efforts for when projects and ideas come up.

Chair Fann mentioned that this item was brought up in the past by Committee Member Kennedy and that there have been issues with the community pushing back on workforce housing projects and concerns of how they would impact home values. He said it's important that the committee gets out to the public that they are not talking about Section 8 housing or homeless housing and that they are specifically focused on workforce housing and concentrating on housing for police, fire, nursing, and teachers in the community that serve our community.

Committee Member Goodman stated that it's important to be careful with what words the committee uses and that they need to use workforce housing, not affordable housing because it's two different meanings.

Committee Member Urias agreed with Member Goodman and also stated that he thinks subcommittees would be good to specialize in specific tasks such as attending community meetings or builder meetings on behalf of the committee to express the positive affects of workforce housing.

Chair Fann stated that going to meetings is good but how else does the committee get the information out to the general public so they are better informed on what the committee is working towards.

Staff Liaison Fraser stated that the Communications Department for the City has radio spots and possibly advertisements on the radio that she could coordinate with Community Outreach Manager John Heiney on if the committee was interested.

Committee Member Teeters mentioned going to meetings for the Kiwanis, Lions, and other volunteer organizations so that they are informed as well so they can help inform the community on how workforce housing helps the community.

Council Liaison Cantelme stated that a lot of pushback comes from the fear of the unknown. She stated that it would be beneficial to have a prototype to show people since people are visual. She stated that they could then address concerns about buffering, what the property would look like, how it will affect the property values and how it will help the community to have police, fire, nurses, and teachers in their neighborhood. She said a large concern is that workforce housing would just be a bunch of trailers on barren ground but that the committee could create visual examples to show beautiful landscaping, possibly a playground for neighborhood kids, maybe a pool area depending on the project.

Committee Member Goodman discussed having a booth at downtown events manned by off-duty police and fire personnel. He said people are more likely to listen to someone in uniform and if those employees are going to benefit from workforce housing then they need to be vested and help the committee get the word out.

Committee Member Urias stated that it would be beneficial for the committee to have a City of Prescott email address to be more recognized and give more

traction as they are reaching out on behalf of the City of Prescott.

Staff Liaison Fraser stated that Legan can give some guidance on how that email could work for the committee and they can discuss that further at the study session.

Council Liaison Cantelme stated that many emails she's received referring to the Workforce Housing Committee has been asking for the definition of Workforce Housing.

Vice Chair Rocha asked if Public Outreach and Education would be discussed at the Study Session.

Staff Liaison Fraser stated that the Study Session is planned to be focused on Mission and Vision which could include a lot of what the committee is discussing and the General Plan's Housing Element.

Chair Fann asked if it could be Mission, Vision, and Public Outreach for the Study Session so they can discuss all of them within the agenda.

Vice Chair Rocha asked if there were resources available for a social media campaign.

Staff Liaison Fraser stated that she can reach out to the City's Communications Department and have them come talk to the committee to build that outreach plan.

Vice Chair Rocha stated that the highlights of presentations so far could be compiled for a social media campaign and it will help the committee to hear more of what the fears and concerns are and will help build a hand-in-hand relationship. He discussed bringing up workforce housing at pre-application meetings and seeing how or if the developers and builders can help with adding in some. He also mentioned having a trifold or a brochure about the Workforce Housing Committee that the City can provide to citizens to start informing them about what the committee is doing.

Chair Fann stated that the first step would be to meet with John Heiney to come up with a consistent message so that all of the committee members have the same talking points and answers at any events they attend.

Council Liaison Cantelme mentioned doing a roundtable podcast with the committee.

Staff Liaison Fraser stated that the podcast idea would have to be ran by Legal as it still would have a quorum and would still count as a meeting. She then moved to the next item.

- D. 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 Fraser introduced this topic. It was previously discussed by the committee but Chair Fann was absent at that meeting and asked that it be brought back to the committee for discussion. Staff Liaison Walton had checked with Human Resources and a workforce housing project manager would range between \$104,000 and \$143,000 including benefits.

Chair Fann stated that he feels that the committee needs a full time person as the staff liaisons have other duties and cannot dedicate the time needed for researching and writing grants, working with developers, working with the Northern Arizona Housing Solutions, working with the hospital and CAFMA and being a liaison for the committee to the community and stakeholders. He stated he would like to meet with the City Manager for endorsement for the position prior to bringing it to Council to fund. He stated the City would fund it if there wasn't a public-private partnership to fund it and that it would need to be a minimum a three-year commitment.

Committee Member Goodman asked if Chair Fann thought there was enough work for a full time person.

Chair Fann said yes.

Committee Member Teeters stated that if it's done right there would be enough work because there are a multitude of topics.

Chair Fann stated that what the committee is looking to do is going to take community and stakeholder involvement and if the City implemented a tax it would just add to pushback so there needs to be someone to look at other funding sources.

Committee Member Teeters stated that it would need to be someone familiar with workforce housing and the roadblocks that may come with it.

Committee Member Urias stated that Prescott doesn't have the funds for down payment assistance programs and the tools that will enable the change that the committee seeks. He said in order to get the change, someone will need to do the work and they will face significant headwinds such as challenges in distribution, materials, labor and so, whomever the person is needs to have done all of this successfully in the past in order to overcome the hurdles. He stated it would be beneficial to hire someone with a successful track record rather than hiring someone from within the City that has a passion but not experience.

Council Liaison Cantelme stated that there are companies that specialize in workforce housing and how to navigate through government rules and what monies are available. She stated that organizations can control what they charge for their workforce housing and they would contract with a workforce housing builder. She said they could also buy the percentage down for employees so that the employee has to repay it or it can be forgiven and that large organizations have avenues and are able to write off certain things. She felt that there should still be a builder that specializes in workforce housing that can guide the committee through things they don't understand and they could come to the

committee and show how they are able to keep things affordable.

Committee Member Goodman asked if anyone has looked at federal grants or federal money to fund the salary for the position.

Chair Fann stated that there may be grants available but there needs to be someone who writes the grant request. He stated that meeting with builders, finding out what programs are out there, all takes someone assigned to do it and that there needs to be a person committed to doing the work that needs to be done.

Committee Member Teeters said there is a lot of work to do to find out what has been done, what can be done, what's available, and what isn't available and it may take someone 40 hours a week to do so and having someone that is already familiar with workforce housing can likely do that quicker.

Vice Chair Rocha agreed that a full-time housing project manager is needed but he said he feels that the committee should put together a framework and then hire someone to implement it and execute the plan. He said that there is still work the committee needs to do to give that person a plan, a job description, and their goals. He said it's important to have someone familiar with grants to find funds for projects and that it could be similar to the CBDG position. He supports the position but feels there's more work for the committee to do first.

Chair Fann stated that there are funding sources in addition to grants and that we are in a very philanthropic community and there are likely a lot of people who want to help. He asked Staff Liaison Fraser to set up a meeting with City Manager Gregory to discuss the potential of a position.

Staff Liaison Fraser moved on to Staff Updates.

4. UPDATES

A. General Announcements from Staff.

Staff Liaison Fraser mentioned that, per a previous agenda item, the topics for the Study Session have been updated to Mission, Vision, Public Outreach, and Education as well as discussing the General Plan's Housing Element.

Community Planner Tammy Dewitt stated that for the topic of the General Plan Housing Element, the committee is being asked to help write a new housing element for the general plan to include goals, strategies, if a position is needed then what strategies are there to get that position, any short-term and long-term goals and what are the low-hanging fruit that can be put in a plan. She stated that there will be an implementation section that will hold the City accountable for following through. She stated that there's a separate website, planprescott.com that fits in as a place to put information. She stated that they would be able to add housing information to that website as well as create a housing email address that people can send information to. She said that the committee's help is needed to update information and write a good housing element and to create the short-term and long-term goals and how to implement them.

Staff Liaison Fraser reviewed the draft mission statement that was presented to the committee at the first Workforce Housing Meeting as just an idea to start making discussion points for the study session. She said the study session will be where the committee can talk about their vision, mission, talking points for public outreach, and then create and build a strong foundation to move forward.

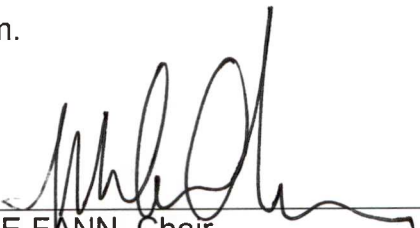
B. Presentation & Discussion Regarding Possible Future Agenda Topics.

Staff Liaison Fraser stated that they hope to bring some results back to the committee in November from the surveys that are being circulated at this time.

Chair Fann stated that it would be best to wait until after the study session to discuss additional agenda items. He stated that the committee needs to start narrowing their scope and determining where they should be concentrating their efforts.

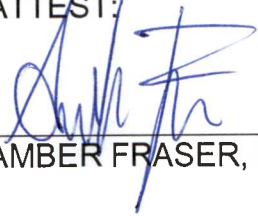
5. **ADJOURNMENT**

Chair Fann adjourned the meeting at 11:25am.



MIKE FANN, Chair

ATTEST:



AMBER FRASER, Staff Liaison