



City of Prescott

City Council and Workforce Housing Committee Joint Workshop & Study Session

January 17, 2024 | 10:00 AM
201 N. Montezuma Street
Council Chambers, 3rd Floor
Prescott, AZ 86301

AGENDA

The following Agenda will be considered by the **City Council** and **Workforce Housing Committee** at their meeting to be held **January 17, 2024**. 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. Presentation & Discussion Regarding the Workforce Housing Committee's Recommendations to City Council.
Recommended Action: This item is for discussion only. No formal action will be taken.
4. **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 1/12/24 at 3:15 p.m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

A handwritten signature in cursive script, reading "Sarah M. Siep".

Sarah M. Siep, City Clerk



TO: MAYOR AND CITY COUNCIL
AGENDA: 1.17.23 City Council and Workforce Housing Study Session
DATE: January 17, 2024
DEPT: City Manager
ITEM #: 3.A
SUBJECT: Presentation & Discussion Regarding the Workforce Housing Committee's Recommendations to City Council.

ITEM SUMMARY

The Workforce Housing Committee has created a list of short-term and long-term goals and objectives to be reviewed with Council for recommendations and guidance.

BACKGROUND

The City Council formed the Workforce Housing Committee in 2022. The Workforce Housing Committee has been gathering data and receiving presentations on workforce housing solutions. They have used this information to create recommendations to Council that would fit the Prescott area.

FINANCIAL IMPACT

None at this time.

RECOMMENDED ACTION

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

ATTACHMENTS

1. WHC Memo for Council Presentation - January 2024
2. Workforce Housing Communications Plan
3. Workforce Housing Committee Talking Points
4. Prescott Workforce Housing Fact Sheet



Mission:

Plan and Preserve Workforce Housing Solutions to Promote a Healthy and Vibrant Community for All.

Vision:

Facilitate Housing Solutions to Attract and Retain Quality Employees and Lead to Improved Service Delivery and Quality of Life for our Residents and Workforce.

Workforce Definition:

Generally, based on HUD and ULI definitions plus local statistics and research, we define workforce as those that earn about 60%-120% of the area's median income. Based on our current area median income (FY23) of \$76,000 for a family of four, this scale would start at \$46,020 and go to \$92,040. Workforce includes those employed in occupations vital to a community's functioning across areas like education (teachers), healthcare (nurses), public safety (police officers and firefighters), construction, and other key services.

Workforce Housing Definition:

Workforce housing refers to residential properties, such as apartments or homes, that are designed to be affordable for individuals and families. This is different from a direct government subsidized housing program (the City of Prescott does not have a Housing Authority). The goal is to offer housing that is no more than 30% of their household gross income, including utilities, prioritizing and coordinating a vetting process to identify those with the greater need. This will provide the target monthly workforce housing rent/mortgage amount of \$1,150 (not including utilities).

Short Term Goals (1-3 years) For Council Consideration:

1. Pursue Match Funding for a **Full-Time Workforce Housing Facilitator Position OR Engage a Third Party to act in this role.**

Objective 1: Identify Funding Sources (I.e. Stakeholder Contributions, Grants, Matching City funds, etc.)

2. Formalize a Third-Party Stakeholder Organization Group

Objective 1: Hold a Third-Party Stakeholder Meeting in First Quarter 2024. Initial invitees to include Dignity Health, Yavapai College, PUSD, CAFMA, Prescott Chamber of Commerce, Yavapai County, YCSO, etc.

Objective 2: Gauge Interest and Select Organization Type (I.e. Community Land Trust, Regional Housing Authority, etc.)

3. General Plan Housing Element Draft

Objective 1: Finalize Draft for General Plan Committee Consideration – January 2024

4. Create Two Separate Incentive Packets

Objective 1: To Encourage Developers/Builders

Task 1: Meet with Developers, Builders, and Other Entities to Understand Best Practices and Incentives that Encourage Involvement

Objective 2: To Help the Workforce Know What Options (i.e. Financial Programs, Housing Programs, etc.) Are Available

5. Research the Best Financial Program Solutions for the City and Stakeholders

Objective 1: Investigate financial programs including but not limited to Down Payment Assistance, Mortgage Assistance, Rental Assistance and Rent-to-Own Options.

6. Accessory Dwelling Unit (“ADU”) Code Revision

Objective 1: Work with Planning Staff to Propose Code Modification that Encourages and Incentivizes ADU Construction to Increase Supply for Long-Term Rentals that can Serve as Workforce Housing

7. Create a Workforce Housing Policy for Council Consideration

Objective 1: Research Ways to Prioritize Workforce Housing Projects within Current City Policies (i.e. Water Management Policy), as well as in Current City Codes (i.e. Building and Wildland Urban Interface Codes)

Objective 2: Research Voluntary Contributions from New Commercial and Other Development Projects (i.e. Housing Projects include percentage of Workforce Housing, Hotels include Housing Options for Employees, or other Contribution)

Objective 3: Revitalization Incentive Policy

8. Create a City Program similar to the Yavapai County Home of My Own Program

Objective 1: Meet with Building Division on Feasibility

Objective 2: Research Cost-Benefit to Initiating Program

9. Community Outreach

Objective 1: Create a communications plan including but not limited to:

Task 1: Create an Education Packet with City Communications Office

Task 2: Engage with Local Groups and Clubs Using Standardized Messaging

10. Set Up a Fund Account for Workforce Housing

Objective 1: Similar to “Change for the Better;” recommend that **Council Direct Staff** to Create Account.

Objective 2: Explore Ways to Seek Out Funding such as Donations

Long Term Goals (3-5 years) For Council Consideration:

1. Facilitate or Partner in Creating a Tangible Product

Objective 1: Identify Partners and Project Specifics (I.e. Land, Product Type, etc.)

2. Create a Regional Workforce Housing Strategic Plan

Objective 1: Using Formalized Third-Party Stakeholder Group, Create Draft

3. Identify the Number of Units Needed

Objective 1: Use Data Already Collected to Inform Current Need and Research Future Need

Objective 2: Identify Regional Partners and Solicit Feedback on Housing Units Needed Now and Into the Future

Recommended Action for Council at Future Voting Meeting:

MOVE to Approve Workforce Housing Committee’s Mission, Vision, Workforce Definition, and Workforce Housing Definition

MOVE to Approve Workforce Housing Committee’s Short-Term and Long-Term Goals

MOVE to Approve Workforce Housing Committee’s Recommendation to Pursue a Full-Time Workforce Housing Facilitator Position

MOVE to Approve Workforce Housing Committee’s Recommendation to Create a Workforce Housing Account in the General Fund

MOVE to Approve Workforce Housing Committee’s Community Outreach Plan



Workforce Housing Committee Communications/Community Outreach Plan

Overview

The Prescott Workforce Housing Committee was established in 2022 to address concerns about the availability and accessibility of housing for service employees in the community, such as police, firefighters, nurses, teachers, and other professions that are critical to a community's functioning. The committee is comprised of local stakeholders and industry experts and is working on short- and long-term goals to address availability and accessibility of workforce housing in Prescott.

To better engage the community and share important messages related to the Committee's work, a communication and community outreach plan has been established.

Here is a proposed communications and community outreach plan.

Phase 1 - Now

Creation of FAQ/Fact Sheet which includes the mission/vision statements, defined need for the committee, and overview of why workforce housing is needed in Prescott, then short- and long-term goals for the committee. Creation of a communication plan.

Phase 2 – Following Council Review and Approval

Begin regular communications including but not limited to:

1. Press releases
2. Social media posts (Facebook and Instagram)
3. Letters to the editor from the board chair
4. Radio PSAs for specific, timely projects such as a local survey, or special event

Key Messages

- Mission and Vision statement for the Workforce House Committee
- Definition of Workforce and Workforce Housing
- Why Workforce Housing Makes Sense for Prescott
 - Stabilizes Community
 - Creates better quality of life for residents
 - Allows essential service workers to live in the community they work in
 - Does not diminish home values
 - Positively impacts local education system
 - Mitigates traffic concerns – less commuting long distances
 - Promotes economic development by providing a local, stable workforce
 - Fosters a Diverse Community
 - Supports Small Businesses



Talking Points

Some Reasons Why a Workforce Housing Program Prescott Makes Sense in Prescott

The Prescott Workforce Housing Committee was established in 2022 to address concerns about the availability and accessibility of housing for service employees in the community, such as police, firefighters, nurses, teachers, and other professions that are critical to a community's functioning. The committee is comprised of local stakeholders and industry experts and is working on short- and long-term goals to address availability and accessibility of workforce housing in Prescott.

Workforce housing plays a crucial role in creating diverse, vibrant, and sustainable communities. Here are several compelling arguments for how it enhances a community without negatively affecting home values:

- **Stabilizes the Workforce:** Workforce housing ensures that workers, such as teachers, healthcare professionals, and first responders, can live near their workplaces. This reduces commuting times, increases job satisfaction, and ultimately leads to a more stable and reliable workforce. This, in turn, benefits local businesses and institutions.
- **Promotes Economic Growth:** A stable, well-housed workforce is vital for economic development. When workers have affordable housing options, they are more likely to remain in the area, reducing turnover costs for employers. Additionally, when employees have more disposable income due to lower housing costs, they tend to spend more in the local economy, thus stimulating economic growth.
- **Fosters a Diverse Community:** A mix of income levels and backgrounds enriches the fabric of a community. Workforce housing allows for a diverse population, contributing to a more inclusive and dynamic neighborhood. This diversity can lead to a stronger sense of community and a wider range of perspectives and talents.
- **Supports Educational Systems:** Teachers and other education professionals are essential to a thriving community. Having affordable housing options near schools helps to attract and retain high-quality educators, which in turn leads to improved educational outcomes for children.
- **Supports Healthcare Systems:** Doctors, nurses, and other healthcare professionals provide an important service to our community. Providing affordable housing options near medical facilities helps attract and retain high-quality medical professionals, which in turn leads to improved healthcare delivery.
- **Encourages Civic Participation:** When people live close to their workplaces, schools, and community amenities, they are more likely to engage in local activities and events. This fosters a sense of belonging and encourages civic participation, leading to a more engaged and active community.

- **Maintains Property Values:** Well-maintained, thoughtfully designed workforce housing can have a positive impact on property values. Studies have shown that when affordable housing developments are properly integrated into neighborhoods, they do not necessarily lead to a decrease in surrounding property values. In fact, they can help stabilize property values by reducing blight and vacancy rates.
- **Mitigates Traffic and Environmental Impact:** When workers can live close to their workplaces, there is a reduction in traffic congestion, which leads to fewer environmental impacts as well as reduced stress on the public safety infrastructure.
- **Addresses Housing Shortages:** Many communities face housing shortages, which can lead to inflated home prices and limited availability. Workforce housing initiatives can help alleviate some of this pressure by increasing the overall supply of housing options.
- **In summary,** workforce housing is not only a social imperative but also an economic and community-building asset. When thoughtfully planned and integrated into a community, it can enhance the quality of life for all residents without negatively affecting property values. It contributes to a more inclusive, economically vibrant, and sustainable community for everyone involved.

Without acting on the Workforce Housing issue, recruitment and retention of quality service providers will continue to erode. Prescott residents will experience longer wait times, reduced service levels and, in some cases, have to go outside of the area for services. There may also be an overall increased cost of services locally. Prescott may experience less diversity in population, and service providers will be disconnected from the community.



Fact Sheet

Workforce Housing in Prescott

Introduction: Prescott, Arizona, a picturesque city nestled in the heart of Yavapai County, boasts a rich history, stunning natural beauty, overall excellent quality of life, and a vibrant active and engaged community. However, the availability of affordable and attainable workforce housing is a critical issue requiring urgent attention.

For this reason, the City of Prescott has established a Workforce Housing Committee, with local stakeholders and industry experts, to learn about the issue, establish short and long-term goals, and make recommendations to City staff and elected officials for future policies and programs

This fact sheet outlines the importance of affordable and accessible workforce housing in Prescott and provides compelling reasons for its implementation. This document also outlines the City of Prescott Workforce Housing Committee Mission, Vision, short- and long-term goals.

What Is Workforce Housing?

Workforce housing refers to residential properties, such as apartments or homes, that are designed to be affordable for individuals and families who are employed within a specific area. This is different from a government subsidized housing program that supports a lower income bracket.

The term "workforce" implies that these properties cater to people who work in jobs, like teachers, nurses, police officers, firefighters, as well as those within the hospitality and retail service industries, and other professions that are critical to a community's functioning such as construction workers.

The goal of workforce housing is to provide affordable housing options for individuals and families who face challenges in finding housing that is reasonably priced within their means. This type of housing often targets a specific income range, making it more accessible for individuals who are part of the local workforce but might be priced out of the broader housing market.

Generally, based on HUD and ULI definitions plus local statistics and research, we define workforce as those that earn about 60%-120% of the area's median income. Based on our current area median income (FY23) of \$76,000 for a family of four, this scale would start at \$46,020 and go to \$92,040. This will provide the target monthly workforce housing rent/mortgage amount of \$1,150 (not including utilities).

Governments, non-profit organizations, and private developers may be involved in creating and managing workforce housing initiatives. These projects can take various forms, including rental apartments, condominiums, or single-family homes, and they often involve partnerships between public and private sectors to address the housing needs of a community's workforce.

Compelling Reasons for Establishing Workforce House Availability and Accessibility in Prescott.

Workforce housing plays a crucial role in creating diverse, vibrant, and sustainable communities. Here are several compelling arguments for how it enhances a community without negatively affecting home values:

- **Stabilizes the Workforce:** Workforce housing ensures that service workers, such as teachers, healthcare professionals, and first responders, can live near their workplaces. This reduces commuting times, increases job satisfaction, and ultimately leads to a more stable and reliable workforce. This, in turn, benefits local businesses and institutions.
- **Promotes Economic Growth:** A stable, well-housed workforce is vital for economic development. When workers have affordable housing options, they are more likely to remain in the area, reducing turnover costs for employers. Additionally, when employees have more disposable income due to lower housing costs, they tend to spend more in the local economy, thus stimulating economic growth.
- **Fosters a Diverse Community:** A mix of income levels and backgrounds enriches the fabric of a community. Workforce housing allows for a diverse population, contributing to a more inclusive and dynamic neighborhood. This diversity can lead to a stronger sense of community and a wider range of perspectives and talents.
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- **Encourages Civic Participation:** When people live close to their workplaces, schools, and community amenities, they are more likely to engage in local activities and events. This fosters a sense of belonging and encourages civic participation, leading to a more engaged and active community.
- **Maintains Property Values:** Well-maintained, thoughtfully designed workforce housing can actually have a positive impact on property values. Studies have shown that when affordable housing developments are properly integrated into neighborhoods, they do not necessarily lead to a decrease in surrounding property values. In fact, they can help stabilize property values by reducing blight and vacancy rates.
- **Mitigates Traffic and Environmental Impact:** When workers can live close to their workplaces, there is a reduction in traffic congestion, which leads to fewer environmental impacts as well as reduced stress on the public safety infrastructure.
- **Addresses Housing Shortages:** Many communities face housing shortages, which can lead to inflated home prices and limited availability. Workforce housing initiatives can help alleviate some of this pressure by increasing the overall supply of housing options.
- **In summary,** workforce housing is not only a social imperative but also an economic and community-building asset. When thoughtfully planned and integrated into a community, it can enhance the quality of life for all residents without negatively affecting property values. It contributes to a more inclusive, economically vibrant, and sustainable community for everyone involved.

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The City of Prescott's Workforce Housing Committee

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Plan and Preserve Workforce Housing Solutions to Promote a Healthy and Vibrant Community for All.

Vision:

Facilitate Housing Solutions to Attract and Retain Quality Employees and Lead to Improved Service Delivery and Quality of Life for our Residents and Workforce.

Short Term Goals (1-3 years):

1. Pursue Match Funding for a Full-Time Workforce Housing Facilitator Position OR Engage a Third Party to act in this role.
2. Formalize a Third-Party Stakeholder Organization Group
3. Finalize the General Plan Housing Element Draft
4. Create Two Separate Incentive Packets: One to Encourage Developers/Builders and the other to Help the Workforce Know What Options (i.e. Financial Programs, Housing Programs, etc.) Are Available
5. Research the Best Financial Program Solutions for the City and Stakeholders
6. Accessory Dwelling Unit ("ADU") Code Revision: Work with Planning Staff to Propose Code Modification that Encourages and Incentivizes ADU Construction to Increase Supply for Long-Term Rentals that can Serve Workforce Housing
7. Create a Workforce Housing Policy for Council Consideration: Research Ways to Prioritize Workforce Housing Projects within Current City Policies (I.e. Water Management Policy), as well as in Current City Codes (I.e. Building and Wildland Urban Interface Codes), and Research Voluntary Contributions from New Commercial and Other Development Projects (i.e. Housing Projects include percentage of Workforce Housing, Hotels include Housing Options for Employees, or other Contribution)
8. Create a City Program similar to the Yavapai County Home of My Own Program
9. Community Outreach: create a communications plan
10. Set Up a Fund Account for Workforce Housing: Similar to "Change for the Better;" recommend that Council Direct Staff to Create Account and Explore Ways to Seek Out Funding such as Donations Pursue Match Funding for a Full-Time Workforce Housing Facilitator Position OR Engage a Third Party to act in this role.

Long Term Goals (3-5 years):

1. Facilitate or Partner in Creating a Tangible Product
2. Create a Regional Workforce Housing Strategic Plan
3. Identify the Number of Units Needed

For additional information and resources on workforce housing in Prescott, go to _____.