



City of Prescott

Workforce Housing Committee

February 7, 2024 | 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** at their meeting to be held **February 7, 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. Approval of January 3, 2024 Workforce Housing Meeting Minutes.
Recommended Action: MOVE to approve minutes as presented
- B. Approval of January 17, 2024 Workforce Housing Committee and City Council Joint Study Session Meeting Minutes.
Recommended Action: MOVE to approve minutes as presented
- C. Presentation & Discussion Regarding Workforce Housing Developments.
Recommended Action: This item is for discussion only. No formal action will be taken.
- D. Discussion and Possible Action Regarding the Workforce Housing Committee's Recommendations to City Council.
Recommended Action: MOVE to approve the Workforce Housing Committee recommendations to Council as written
- E. Discussion Regarding Future Agenda Items.
Recommended Action: This item is for discussion only. No formal action will be taken.

4. UPDATES

- A. Announcements & Updates from City Staff.

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 1/29/24 at 2:00 p.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: February 7th Workforce Housing Committee Meeting
DATE: February 7, 2024
DEPT: City Manager
ITEM #: 3.A
SUBJECT: Approval of January 3, 2024 Workforce Housing Meeting Minutes.

ITEM SUMMARY

This item is for the approval of minutes taken at the January 3, 2024 Workforce Housing Committee Meeting. Staff recommends approving the minutes as presented.

BACKGROUND

None

FINANCIAL IMPACT

None

RECOMMENDED ACTION

MOVE to approve minutes as presented

ATTACHMENTS

1. January 3, 2024 WHC Minutes



City of Prescott

Workforce Housing Committee

January 3, 2024 | 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 10:01a.m.

2. ROLL CALL

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

3. DISCUSSION & ACTION ITEMS

- A. Approval of November 30, 2023 Workforce Housing Subcommittee Meeting Minutes.

MOTION BY MEMBER KENNEDY TO APPROVE THE MINUTES AS PRESENTED; SECONDED BY MEMBER TEETERS. PASSED (5-0).

- B. Approval of December 6, 2023 Workforce Housing Meeting Minutes.

MOTION BY MEMBER KENNEDY TO APPROVE THE MINUTES AS PRESENTED; SECONDED BY MEMBER TEETERS. PASSED (5-0).

- C. Introduction of New Workforce Housing Committee Member Luther Kraxberger.

Member Kraxberger gave an introduction of his history and business experience.

- D. Presentation, Discussion & Possible Action Regarding the General Plan Housing Element.

Community Development Planner Tammy Dewitt introduced the General Plan Housing Element and explained that the General Plan is a guide.

Staff Liaison Fraser reviewed the subcommittee meeting and the timeline to present to the General Plan Committee.

Staff Liaison Walton explained that the document will be weaved throughout the overall General Plan.

Vice Chair Rocha discussed that the General Plan is used for development and economic development.

Council Liaison Cantelme stated that the last sentences of paragraph two in the Introduction section regarding possible increased cost of services, less diversity, and disconnected service providers seemed opinionated and threatening.

Member Kraxberger stated that it helps him see how everything is connected.

Staff Liaison Walton stated that the sentence was to capture how people can become disconnected when they don't live where they work.

Member Kennedy stated that there already is a lack of diversity.

Member Goodman stated he supported the sentence.

Vice Chair Rocha stated he thinks it's important to paint the picture.

Council Liaison Cantelme stated that she just wanted to make a note that it went from fact to opinion.

Staff Liaison Fraser moved on to Generational and Lifestyle Diversity.

Staff Liaison Walton stated that they weren't able to find specific demographic information, so they will be removing a few sections.

Vice Chair Rocha asked for feedback.

Member Kennedy asked about Figure 3 (2022 American Community Survey 5-year Estimates) and if it could be shown how Prescott is different from the national and that Prescott isn't as diverse as some other communities out there.

Vice Chair Rocha asked if staff could include national and state comparisons.

Ms. Dewitt stated the data may be in other sections in the General Plan as well, and they will reference them so that there aren't duplicates.

Staff Liaison Walton stated specifically how Prescott compares nationally.

Ms. Dewitt stated the national average age is 37 and Prescott is 60.5.

Vic Chair Rocha asked when the most recent data was pulled.

Staff Liaison Walton stated it depends on the data set and that everything older was taken out to make it as current as possible.

Vice Chair Rocha moved on to Housing Trends: Variety, Affordability and

Quality.

Member Kennedy asked if state and national comparisons could be added to this section as well.

Vice Chair Rocha agreed that they should be included.

Council Liaison Cantelme requested an adjustment of the title to state City of Prescott.

Staff Liaison Fraser moved on to the section regarding The Issue of Housing Affordability in Prescott.

Member Goodman stated that the most important graph is the one that shows the age demographics are higher.

Member Kraxberger stated that the community opposition hadn't been pointed out enough. He asked if community outreach could be included.

Member Teeters stated that there is a plan to do outreach.

Vice Chair Rocha stated that there is a communication plan. He stated that it could be added that the General Plan is aggressive on educating the community on the benefits of having different housing options available.

Member Kennedy asked if the introduction would be first and, if it is, language could be added in to specify educating the community.

Staff Liaison Walton stated that a sentence could be added to the effects of, "overcome community opposition by further educating the community."

Vice Chair Rocha asked if anyone had comments on the Figure 8 chart.

Audience Member Howard Mechanic asked if there could be public comment.

Vice Chair Rocha stated after the document had been gone through they would take public comment.

Staff Liaison Fraser moved on to Formulating Affordable Workforce Housing Solutions for the City of Prescott.

Vice Chair Rocha stated that information from the stakeholders should be included.

Staff Liaison Fraser stated that the survey stated the need was 770 units but with speaking to different stakeholders it seemed the need was closer to the 1200 area.

Vice Chair Rocha stated it would be beneficial to put in the data that the committee has collected.

Member Kraxberger stated that the data could be put in the middle of page 8 where it talks about the state and how many units the state needs.

Vice Chair Rocha stated that having an amount would be beneficial to the readers.

Member Goodman asked if there was data about employees who don't live in Prescott.

Staff Liaison Walton stated that there is data of how many employees don't live in Prescott.

Vice Chair Rocha stated that the data is important.

Member Goodman stated even a percentage would be good.

Council Liaison Cantelme stated that it's good to put an "as of" and the date.

Member Goodman stated it's a good benchmark. He stated that the City employees are vested and the more that live and work here the better.

Member Kennedy stated that the percentage of people who were thinking about leaving due to housing was a high percentage.

Member Goodman asked about retention and how many have left or turned down jobs due to housing.

Staff Liaison Walton stated that the requested data could be pulled and included.

Vice Chair Rocha stated there should be a total unit amount and putting in some percentages would be good without going into the weeds.

Member Goodman asked if there was a 3000 unit need that they had heard previously.

Council Liaison Cantelme stated that there are several apartment complexes in the works and there are units coming into the City which is where the 3000 number came from.

Member Goodman stated that Freeport is in dire need of housing and is doing more hiring.

Vice Chair Rocha brought the conversation back to formulating affordable workforce housing.

Staff Liaison Walton stated that this is more focused on solutions.

Vice Chair Rocha stated that he liked the workforce housing policy section.

Member Kraxberger asked what a participating stakeholder was.

Vice Chair Rocha stated healthcare, City of Prescott, education, and the people who are feeling the need for workforce housing.

Staff Liaison Walton stated that they may be partners that can contribute to helping make solutions happen.

Council Liaison Cantelme asked if there was going to be a speaker coming to speak about a housing authority.

Staff Liaison Walton stated that that item would be an objective for the third party stakeholder group.

Council Liaison Cantelme stated she still wants someone to come speak to the committee on that topic.

Staff Liaison Walton stated that there would be someone from Flagstaff or the state to discuss that item.

Member Kraxberger stated that there may be a conflict of Accessory Dwelling Units (ADU) bringing businesses into residential areas.

Staff Liaison Walton stated it would be separate from multifamily housing and that the ADU is just for residential. She provided more clarity on the last paragraph of the section.

Vice Chair Rocha stated that the last paragraph was to let citizens know that the City is paying attention to creating buffers. He then moved on to Urban Development Issues. He discussed the examples in Prescott of housing areas.

Member Kraxberger stated that The Cottages would be hard to get approved today based on current fire codes.

Staff Liaison Walton stated that those areas were highlighted due to current examples of high-density housing areas and which could work or which need adjusting.

Vice Chair Rocha stated that these projects are already here but most people forget about them. They look nice, are cluster development, and most people don't notice them. He asked if Tanglewood was ownership.

Staff Liaison Walton stated yes.

Vice Chair Rocha moved on to Effects of Zoning. He stated this section may be the area to include education to the public about the hurdles of rezoning and that zoning is one of the biggest challenges to developments.

Staff Liaison Walton stated it would be beneficial to include the effects of zoning and education and put in how important it is for developers to meet with

surrounding neighborhoods.

Member Kennedy asked if information could be put in regarding NIMBY-ism (Not In My Back Yard).

Ms. Dewitt stated that a lot of that will be included in Land Use.

Staff Liaison Walton stated that a simple statement could be added.

Vice Chair Rocha moved to Goals and Strategies.

Staff Liaison Walton asked if it was appropriate to have the goals and strategies listed due to the general plan being a 10-year plan.

Ms. Dewitt said yes.

Vice Chair Rocha asked if the long term goals should be 10-year goals.

Staff Liaison Walton stated that the time frame could be removed.

Vice Chair Rocha asked for feedback. He asked about the Editor's Notes.

Staff Liaison Walton stated that it will depend on how the General Plan Committee adds in data. She stated that the note is a reminder that the community response is incorporated.

Vice Chair Rocha opened it for public comment.

Audience Member Howard Mechanic, asked if the text could be put on the screen in the future. He felt that the section about affordability gives the impression that the committee is working towards affordability, not just workforce. He stated that he agrees that the survey responses should be included.

Council Liaison Cantelme stated that the committee is looking at workforce housing, and she asked if the committee is interested in addressing affordable housing and Section 8 type housing.

Staff Liaison Walton stated that it could be removed.

Vice Chair Rocha stated that the sentence could be removed as the committee's focus is on workforce housing.

Member Goodman stated that the committee has discussed this item a lot and that the affordability language should be avoided.

Member Kennedy asked if the additional quote regarding affordable housing should be removed as well.

Vice Chair Rocha asked if there was additional information around that quote.

Staff Liaison Walton stated that research could be done to see where the quote falls within the percentages and either leave it and add more information or remove it.

Vice Chair Rocha stated that it would depend on the numbers behind the quote.

Member Goodman stated that workforce should be the focus.

Council Liaison Cantelme stated that the whole committee needed to stay on the same page.

Member Goodman stated that the low income and affordable makes him nervous.

Vice Chair Rocha stated that the numbers may fall within the workforce housing definition.

Staff Liaison Walton stated the idea was just to capture where the state was compared to Prescott.

Vice Chair Rocha stated that affordable should be removed but if the statistic falls within what they are looking at, then it should be kept.

Member Kennedy stated that there was another mention of affordable.

Member Teeters stated that the word workforce should be used across the board and in every community interaction.

Vice Chair Rocha asked if the whole document could be reviewed to remove affordable.

Member Goodman stated he wants pictures of a firefighter, police officer, and nurse to take when he goes to public outreach events.

Member Kraxberger stated that there are more examples such as Prescott Heights that could be included as examples of high-density developments already within Prescott.

Vice Chair Rocha stated that there isn't anything clearly stating that renting and ownership should both be welcomed as well.

Council Liaison Cantelme stated that the committee decided that it would be a multi-effort.

Vice Chair Rocha stated that there is a lot about multifamily, but not much stating that the community wants both renting and ownership.

Council Liaison Cantelme asked if a sentence could be put in recognizing the need for all types of dwellings.

Vice Chair Rocha stated that it is covered in the document but, it should be considered to add a sentence stating there isn't a preference between multifamily, renting, or ownership. He stated that the community needed to see all types.

Member Goodman discussed a step process to help employees work up.

Vice Chair Rocha stated that discussion would be more in a workforce policy.

Council Liaison Cantelme discussed incentivizing by assisting with downpayment assistance along with financial education.

Vice Chair Rocha stated that would be for the workforce policy.

Member Kraxberger stated that figure 6 needs better formatting.

Vice Chair Rocha stated the subcommittee discussed looking at permits for all housing types. He stated that he would like to see it broken out into the subset categories. He asked if the final draft would be provided to the committee.

Staff Liaison Walton stated that within the next week or two it would be sent out to the committee with the updates. She asked who would be presenting at the General Plan Committee. She asked who is available.

Member Teeters, Member Kennedy, and Vice Chair Rocha are available to attend.

Member Kennedy asked if we could talk about the details of the next meetings.

Staff Liaison Walton stated that the General Plan Committee has received different presentations and the presentation would be going through each section to highlight what the committee is trying to convey.

Ms. Dewitt stated it would be a summary of the element and the short term and long term goals. She discussed the different stages of the plan.

Member Kennedy asked if the goals could be changed.

Ms. Dewitt stated that they shouldn't change them since they are attainable and supported by the rest of the element.

Staff Liaison Walton stated the Council will give feedback on the goals as well.

Member Kennedy asked if changes would be easy to see.

Ms. Dewitt stated that they can accommodate that.

Vice Chair Rocha asked if the committee would have the housing element.

Staff Liaison Walton stated yes, but it would be good to have a representative to answer questions and fill in any gaps.

Council Liaison Cantelme asked if the General Plan Committee could edit the housing element.

Ms. Dewitt stated that there may be changes in the future.

Council Liaison Cantelme stated they could remove things but the Workforce Housing Committee could come back to the General Plan Committee and ask them to put it back in.

Ms. Dewitt reviewed the process and design of the general plan.

Vice Chair Rocha asked if the committee had any questions.

Member Kennedy asked for changes to be easy to find.

E. Discussion Regarding Future Workforce Housing Committee Agenda Items.

Vice Chair Rocha moved on to the future meetings of the month.

Staff Liaison Fraser reviewed what would be discussed.

Staff Liaison Walton stated that it would be a study session so no vote would be taken. She stated that with Council's feedback, adjustments could be made and then brought to a future voting meeting.

Council Liaison Cantelme stated it's important to start off with the definitions.

Staff Liaison Walton stated that the presenter would work with Staff Liaisons to make sure they're prepared for the meeting.

Vice Chair Rocha asked if there would be a formal presentation.

Staff Liaison Walton stated that for the voting meeting there would be but this would be more of a casual meeting to introduce to the Council what the committee has been working on and more of a discussion.

Member Kennedy stated that she likes the idea of a joint effort.

Member Kraxberger, Member Teeters, Member Kennedy, and Vice Chair Rocha all stated that they were willing to present.

Council Liaison Cantelme asked if it could be decided now.

Member Goodman stated that Staff Liaison Walton should present.

Staff Liaison Walton stated it would be more appropriate to come from the committee as they are documents built by them.

Vice Chair Rocha asked if the items could be broken out in an email and could be assigned via email.

Member Kennedy asked if Council Liaison Cantelme should present as well.

Staff Liaison Walton stated that she would be on Council but she'll be able to answer questions from her peers on Council. Staff Liaisons will create a flow for the meeting along with the communications plan.

Council Liaison Cantelme stated that each member was chosen due to their connection to the issue.

Member Kraxberger asked if there were goals for staffing, such as reducing time frames. He asked about sales tax and if that could be addressed.

Staff Liaison Walton stated that those suggestions would be great in the workforce housing policy that would be built in the future and brought to Council.

Member Goodman stated that developers who do workforce housing haven't been heard from yet.

Staff Liaison Walton said that staff has reached out and haven't received responses yet.

4. UPDATES

A. Staff Announcements

Staff Liaison Walton discussed a funding opportunity from the state. She reviewed the eligible activities and award. She stated that the request to apply for the grant would be brought to the last Council meeting in January.

Member Kennedy asked if the funding could be used for a staff person.

Staff Liaison Walton stated that staff will go through the packet more but it seemed more geared towards a product rather than a position.

Vice Chair Rocha asked about the award cycle. He stated that a funding account should be created to hold those funds if received.

Council Liaison Cantelme stated she thought a plan manager could fit into the funding.

Staff Liaison Walton stated that a position could be worked into the budget outline for the grant. She reviewed the timeline.

Member Goodman asked where the funding would be held.

Staff Liaison Walton stated it would be held in a separate grant account and that it wouldn't go into an operating account.

Member Kennedy asked if mentioning funding was possible.

Vice Chair Rocha stated it should be mentioned at the Council Meeting.

5. ADJOURNMENT

Vice Chair Rocha adjourned the meeting at 11:42am.

ATTEST:

MIKE FANN, Chair

AMBER FRASER, Staff Liaison



TO: MAYOR AND CITY COUNCIL
AGENDA: February 7th Workforce Housing Committee Meeting
DATE: February 7, 2024
DEPT: City Manager
ITEM #: 3.B
SUBJECT: Approval of January 17, 2024 Workforce Housing Committee and City Council Joint Study Session Meeting Minutes.

ITEM SUMMARY

This item is for the approval of minutes taken at the January 17, 2024 Workforce Housing Committee and City Council Joint Study Session Meeting. Staff recommends approving the minutes as presented.

BACKGROUND

None

FINANCIAL IMPACT

None

RECOMMENDED ACTION

MOVE to approve minutes as presented

ATTACHMENTS

1. January 17, 2024 Joint Council & WHC Minutes



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

MINUTES

1. CALL TO ORDER

Chairman Mike Fann called the meeting to order at 10:03 a.m.

2. ROLL CALL

Mike Fann - Chairman
Jon Rocha - Vice Chair
Randy Goodman - Member
Nicole Kennedy - Member
Luther Kraxberger - Member
Anthony Teeters - Member (Excused)
Arnold Urias - Member (Absent)

Phil Goode - Mayor
Connie Cantelme - Mayor Pro Tem
Lois Fruhwirth - Councilwoman
Ted Gambogi - Councilman
Brandon Montoya - Councilman (Excused)
Eric Moore - Councilman (Excused)
Cathey Rusing - Councilmember (Absent)

3. DISCUSSION & ACTION ITEMS

A. Presentation & Discussion Regarding the Workforce Housing Committee's Recommendations to City Council.

Chairman Fann began the discussion and presentation with introductions of the Workforce Housing Committee Members. The group has been meeting for approximately one year, gathering information and would like to solicit feedback from the Council at this point to make sure they are going in the right direction. The Committee wants to address the significant needs of the community, looking for Workforce Housing and affordability for police, fire, teachers, healthcare and all working-class in the community. He added there will be no public comment today, but will take it at their next WHC meeting in February.

Member Kraxberger reviewed the WHC Mission to plan and preserve workforce housing solutions to promote a healthy and vibrant community for all and vision to facilitate housing solutions to attract and retain quality employees and lead to improved service delivery and quality of life for our residents and workforce.

Member Goodman continued with the workforce definition based on US Department of Housing & Urban Development (HUD) and Urban Land Institute (ULI) definitions plus local statistics and research, those that earn about 60-120% of the area's median income and based on the current area median income (FY23) of \$76,000 for a family of four the scale would be \$46,020 to \$92,040. Workforce includes those employed in occupations vital to a community's functioning in areas like education, healthcare, public safety, construction and other key services. He added that he feels those who own and work for small businesses are also critically important.

Councilman Gambogi asked how the 60-120% figure is calculated.

Member Kennedy responded that the HUD and ULI numbers were used to quantify this. She continued with the workforce housing definition which refers to residential properties such as apartments or homes that are designed to be affordable for individuals and families. 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 greatest need and this will provide a target monthly workforce housing rent or mortgage amount of \$1,150 (not including utilities).

Mayor Pro Tem Cantelme commented that moving forward it is important to make a big deal out of defining the difference between affordable housing and workforce housing. This is not Section 8 type housing. Additionally, it will be a stepped-process from apartments all the way up to single-family homes.

Member Goodman echoed Mayor Pro Tem Cantelme's comments. The goal is for the workforce to own and have pride of ownership in their own homes.

Councilwoman Fruhwirth asked about workforce comments regarding affordability and if this \$1,150 is in line with those comments.

Chairman Fann responded that it is a bit lower than what they have been hearing, which would hopefully meet the needs of more people. There are organizations that can provide down payment assistance and low income loans, etc so that is something to be looked at as well.

Mayor Pro Tem Cantelme stated that the largest need in the community is at the hospital. They have a need for more than 1,200 units.

Short Term Goals (1-3 years):

- * Pursue match funding for a full time workforce housing facilitator or engage a third party to act in this role - identify funding sources, hopefully through a private-public partnership
- * Formalize a third-party stakeholder organization group - hold a third-party stakeholder meeting in the first quarter of 2024 to include Dignity Health, Yavapai College, PUSD, CAFMA, Prescott Chamber of Commerce, Yavapai County, YCSO; and gauge interest and select organization type

Mayor Goode commented that the technology and quality of manufactured

homes has advanced a great deal over the years and can lower the cost of housing over site-built is significant, and in talking with the small business community there is difficulty in attracting and retaining workers because housing is significantly more here than in other areas where the same job opportunities exist. Would be interested in looking into these broader funding sources that might be available because these are long term issues.

Councilman Gambogi added that Prescott is a community that needs to begin with the end in mind, there is a lot to be gained by integrating thinking related to affordable and workforce housing. These concepts have been part of the General Plan for many years. He added that some of the VA workers might also apply to these areas of need and should be considered as well.

Mayor Pro Tem Cantelme asked about grant funding for a position to meet goal one.

Special Projects Coordinator Amber Fraser commented that this will be on the City Council agenda next Tuesday for approval to apply for a grant.

Councilwoman Fruhwirth stated that she is aware of a number of pieces of property within the city that are owned by the city and could be something that could be used for these needs.

Chairman Fann stated that this has been investigated and will continue to be looked at.

Member Rocha continued with Short Term Goals:

- * General Plan Housing Element Draft - finalize draft for General Plan Committee consideration in January 2024

- * Create Two Separate Incentive Packets - encourage developer/builders, and help the workforce understand their options

Councilman Gambogi commented that there are many initiatives that have been proposed for the General Plan over the years that have not been included or are not favorable to people after the Plan is adopted. Need to make sure that people are truly aware of the Plan and what it entails.

Member Rocha concurred, he added that a Workforce Housing Policy would be the meat of what this group is working on and could be something that would take concepts beyond a guide or General Plan. They are serious about having a community outreach plan related to this as well.

Councilwoman Fruhwirth asked if education could be incorporated into Goal 4 as well as incentives in order to garner more community support. She feels it is important to remember that wording matters.

Member Rocha responded that it could certainly be added.

Councilman Gambogi also suggested opportunities for lease-purchase options in certain areas as well.

Member Rocha added they could look into that. These are generalized ideas at this point, but he agrees that pamphlets and community outreach are critical.

Mayor Pro Tem Cantelme stated that making workforce housing affordable is difficult, but there are incentive programs for builders to do this through tax incentives and zoning revisions, so that is important to promote and look into as well.

Short Term Goals Cont.:

- * Research the best financial program solutions for the city and stakeholders - investigate financial programs including but not limited to down payment assistance, mortgage assistance, rental assistance and rent-to-own options

- * Accessory Dwelling Unit (ADU) Code Revisions - work with planning staff to propose code modification that encourages and incentivize ADU construction to increase the supply of long-term rentals that can serve as workforce housing

Councilman Gambogi encouraged the importance of keeping police and fire staff living in the community so they are invested even more in the community where they work.

Councilwoman Fruhwirth stated that adding more ADU opportunities makes her very nervous, but how the code is written and enforced will be critical.

Chair Fann concurred, this could be a slippery slope but if it is done correctly it could help.

Mayor Goode stated that this would be something that should be added to the City Charter.

Ms. Fraser stated that short-term rentals are already allowed in ADU's per code, so updating that would be helpful.

City Attorney Joseph Young added that the city is limited in its enforcement of Short Term Rentals because that is done at the state level, it would take a great deal of analysis to see if that would trump something being added to the Charter as well.

Mayor Pro Tem Cantelme added that there is importance in making sure that there are requirements and grant assurances in place for these types of programs for stakeholders.

Short Term Goals Cont.:

- * Create a Workforce Housing Policy for Council consideration - research ways to prioritize housing projects within current policies and codes, research voluntary contributions from new commercial and other development projects and revitalization incentive policies

- * Create a city program similar to the Yavapai County Home of My Own Program - meet with building division on feasibility and research cost-benefit to initiating program

Councilman Gambogi asked if the group is considering things beyond new construction.

Chair Fann commented that they have discussed some opportunities with other locations, for example a living-working downtown would be much more vibrant. It is something that is important to look at.

Member Kennedy continued with Short Term Goals:

- * Community Outreach - create communications plan including but not limited to creating an education packet with city communications office and engaging with local groups and clubs using standardized messaging
- * Set up a fund account for workforce housing - similar to change for the better recommend that Council direct staff to create an account and explore ways to seek funding such as donations

Member Kennedy reviewed a report that she previously sent to the WHC members regarding policy solutions to increase the availability of housing, called "Don't Put it Here". Workforce and affordable housing studies show that home values do not automatically decrease surrounding property values, this requires a lot of education for the community. She thanked Community Outreach Manager John Heiney who has been very helpful in putting this type of information together for the Committee. She reviewed some of the key talking points for this including promoting economic growth of the community, encouraging civic participation, maintaining property values, and mitigating traffic and environmental impacts.

Councilman Gambogi thanked Member Kennedy for her well-thought out points. He commented that it is important to be fair to developers and residents with a multi-faceted approach to addressing workforce housing.

Member Kennedy concurred.

Mayor Goode stated that there is a perception problem with the term affordable housing, so it is important to have a consistent message that the focus is workforce housing and not affordable housing. He added that having incentives for master meters in multi-family units would be beneficial as well.

Mayor Pro Tem Cantelme commented on the creation of an overlay to help identify areas where this type of housing should be placed would also be beneficial.

Councilwoman Fruhwirth added that it might be beneficial to also incorporate visual content into the educational materials to help show the community what the options are and would be.

Long Term Goals (3-5 years):

- * Facilitate or partner in creating a tangible product - identify partners and project specifics
- * Create a regional workforce housing strategic plan - using a formalized third-party stakeholder group to create a draft

- * Identify the number of units needed - use data already collected to inform current needs and research future needs, and identify regional partners and solicit feedback on housing units needed now and into the future

Recommended Action for Council at a Future Voting Meeting:

Chairman Fann stated that they don't want to waste time of city resources and so they are looking for direction from the Council by

- * Move to approve the Committee's mission, vision, and definitions
- * Move to approve the Committee's short term and long term goals
- * Move to approve Committee's recommendation to pursue a full-time Workforce Housing Facilitator Position
- * Move to approve Committee's recommendation to create an account in the General Fund
- * Move to approve Committee's Community Outreach Plan

Mayor Pro Tem Cantelme stated that the sooner the Committee, Council and community move forward with this the better, it is clear that next steps are needed and she can't imagine that non-present members of the Council would object to doing this as well.

Councilman Gambogi said that the city doesn't have to do this, it could continue on the way it is but the way it is, isn't working and won't continue to work in the future for our community. This is a good effort and needs to be even more global in it's integration with other entities. He has a problem with the ADU option because the HOA communities could have issues with that, and should start with creating starter homes in areas where there are opportunities.

Councilwoman Fruhwirth stated that she is supportive of this effort, but she reiterated her concerns with the ADU option and feels it needs to be flushed out more.

Mayor Goode commented that he is in support of developing these options for the community, code revisions and legitimate enforcement are important. Funding and grant opportunities are certainly necessary and would like to see the Committee take a look at other opportunities that are being put into place in other jurisdictions in the state. He added that a Regional Plan related to this is critical as well, so that it is Strategic and goes beyond just the city. This is a big ask and a long term commitment, but being able to show the importance of this will help.

Member Goodman commented that the Committee was looking at the ADUs as a quicker solution for public safety staff recruitments, and would hope that a percentage of those could be available for the workforce that is in need. It will take awhile to get a strong Workforce Housing option in place and those could potentially provide a short-term opportunity to fill a need right now.

Community Development Director Chelsea Walton added that the HOA cannot be less restrictive than the city. The code now states that if you have an existing ADU it cannot be rented long term and state allows short term rentals, so the concept was to begin with baby steps like allowing long-term rentals. Staff has already had citizens approach them to ask about this, there is already the impact

of the short-term rentals, so opening it up to a person who is willing to rent to a traveling nurse or new officer etc is a good thing. There is certainly a lot of research to be done on this topic though.

Chairman Fann thanked Council for their input and will move forward based on this direction and return with more specific recommendations in the future.

This item was for discussion only, no formal action was taken.

4. ADJOURNMENT

There being no further business to discuss, Chairman Fann adjourned the meeting at 11:36 a.m.

ATTEST:

MIKE FANN, Chairman

AMBER FRASER, Staff Liaison



TO: MAYOR AND CITY COUNCIL
AGENDA: February 7th Workforce Housing Committee Meeting
DATE: February 7, 2024
DEPT: City Manager
ITEM #: 3.C
SUBJECT: Presentation & Discussion Regarding Workforce Housing Developments.

ITEM SUMMARY

Pennrose Regional Vice President Shannon Cox Baker will provide a presentation to the Committee regarding workforce housing developments including: what would incentivize them to build in Prescott, what they need to build workforce and still be profitable, and what products they utilize for workforce housing.

BACKGROUND

Member Goodman has previously requested a speaker from a workforce housing developer come to speak to the committee regarding what workforce housing developers need to bring their developments to Prescott and how the committee can work with them to bring additional workforce to the area.

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: February 7th Workforce Housing Committee Meeting
DATE: February 7, 2024
DEPT: City Manager
ITEM #: 3.D
SUBJECT: Discussion and Possible Action Regarding the Workforce Housing Committee's Recommendations to City Council.

ITEM SUMMARY

The Council Recommendations have been updated based on Council input from the January 17th Joint Meeting. This item, if approved, will be brought to a future Council Meeting for approval.

BACKGROUND

At the December 6, 2023 Workforce Housing Committee Meeting, the Committee discussed possible Council Recommendations regarding their short term and long term goals, along with the Mission, Vision, and definitions. On January 17, 2024, the Workforce Housing Committee and Council had a joint Study Session where Council provided input and guidance. Staff took that information and updated the recommendations to bring back to the committee.

FINANCIAL IMPACT

None at this time.

RECOMMENDED ACTION

MOVE to approve the Workforce Housing Committee recommendations to Council as written

ATTACHMENTS

1. Council Memo with Council Updates

**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 VA, Prescott Chamber of Commerce, Yavapai County, YCSO, other regional partners, 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~~Educational 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~~Workforce Housing Development

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, Residential, and Other Development Projects (i.e. Housing Projects include percentage of Workforce Housing, Landscaping Code Adjustments, Hotels include Housing Options for Employees, or other Contribution)

Objective 3: Revitalization Incentives Policy and Adaptive Reuse Strategy

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

Task 3: Maintain Neighborhood Integrity with Consistent and Compatible Housing Types

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



TO: MAYOR AND CITY COUNCIL
AGENDA: February 7th Workforce Housing Committee Meeting
DATE: February 7, 2024
DEPT: City Manager
ITEM #: 3.E
SUBJECT: Discussion Regarding Future Agenda Items.

ITEM SUMMARY

Staff and Committee members will discuss potential future agenda items as follows:

- One recommended item from Vice Chair Rocha is to review the current City zoning map to identify areas that can be opened up to MH housing types. He requested this as it may benefit future revitalization discussions.
- Discuss how to compensate speakers who the committee wants to hear from that need to travel.

BACKGROUND

City Legal staff has recommended putting a discussion item on each agenda for future agenda item discussions.

FINANCIAL IMPACT

None.

RECOMMENDED ACTION

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

ATTACHMENTS

None



TO: MAYOR AND CITY COUNCIL
AGENDA: February 7th Workforce Housing Committee Meeting
DATE: February 7, 2024
DEPT: City Manager
ITEM #: 4.A
SUBJECT: Announcements & Updates from City Staff.

ITEM SUMMARY

- Staff Liaisons are working with the City of Flagstaff to have a staff member come to discuss housing authorities.
- Staff's proactive work with local partners such as the Chamber of Commerce.

BACKGROUND

None

FINANCIAL IMPACT

None

RECOMMENDED ACTION

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

ATTACHMENTS

None