



City of Prescott

Workforce Housing Committee

November 1, 2023 | 10:00 AM

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

MINUTES

1. CALL TO ORDER

Chair Fann called the meeting to order at 9:59am.

2. ROLL CALL

Mike Fann - Chair

Jonathan Rocha - Vice Chair

Nicole Kennedy - Member

Randy Goodman - Member

Arnold Urias - Member

Anthony Teeters - Member

3. DISCUSSION & ACTION ITEMS

- A. Approval of the October 4, 2023 Workforce Housing Committee Meeting Minutes.

Recommended Action: MOVE to approve the minutes as presented

MOTION BY COMMITTEE MEMBER KENNEDY TO APPROVE OCTOBER 4, 2023 MEETING MINUTES; SECONDED BY COMMITTEE MEMBER TEETERS: PASSED (6 - 0)

- B. Approval of the October 16, 2023 Workforce Housing Committee Study Session Meeting Minutes.

Recommended Action: MOVE to approve the minutes as presented

MOTION BY COMMITTEE MEMBER URIAS TO APPROVE OCTOBER 16, 2023 MEETING MINUTES; SECONDED BY VICE CHAIR ROCHA: PASSED (6 - 0)

- C. Discussion and Presentation Regarding the Workforce Housing Survey Results.

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

Staff Liaison Fraser gave an overview of the organizational survey results.

Member Kennedy asked what percentage of the workforce the 9 organizations that submitted were.

Staff Liaison Fraser stated that the survey was sent to 15 stakeholders and it was asked that they forward them on as well, so it's unknown how many organizations actually received the survey, just that 9 filled it out.

Chair Fann asked how many employees each organization that responded had.

Staff Liaison Fraser stated that staff would reach out and request that

information from the responding organizations.

Vice Chair Rocha asked if there was any timeframe associated with the question about total units needed.

Staff Liaison Fraser stated it did not specifically ask.

Vice Chair Rocha stated that it's likely the immediate need.

Staff Liaison Fraser gave an overview of the employee survey results.

Chair Fann asked what the \$1474 average monthly payment included.

Staff Liaison Fraser stated that some submitters put in a number that they mentioned included utilities but that the question didn't specify whether it included utilities or not.

Council Liaison Cantelme stated that in a previous meeting with several stakeholders, the total number of units needed was 1,200.

Staff Liaison Fraser stated that the 700 units are just from the organizations that filled out the survey, which did include the hospital and Prescott Unified School District. She stated that there weren't any healthcare employees that completed the employee survey.

Member Urias asked how many employee surveys were sent out.

Staff Liaison Fraser stated that the survey was sent to the organizations and asked to be distributed to their employees but there wasn't any response from the organizations confirming that they would be sending it out.

Member Urias asked if the organizations that responded could be contacted and asked for their employee's average income to be considered with the AMI as a base analysis on the capacity to qualify for certain programs.

Staff Liaison Fraser stated that the employee's family and household gross monthly income was one of the questions and that there was a large range. Staff Liaison Fraser said the detailed results would be provided to the committee via email.

D. Presentation & Discussion Regarding the Housing Element for the General Plan.
Recommended Action: This item is for discussion only. No formal action will be taken.

Staff Liaison Walton gave an overview of the General Plan Housing Element and asked if the committee had specific comments and asked for broad goals to incorporate.

Council Liaison Cantelme asked if any work had been done to look at the pros and cons of a housing authority.

Staff Liaison Walton said staff is looking at it but there are budget constraints

and it would be beneficial to look at 3rd party structures since it isn't likely feasible for the City at this time.

Council Liaison Cantelme stated she's not advocating for that but would like to learn more about the ins and outs.

Staff Liaison Walton said she'd like to put out a high level document about different options with the impacts and pros and cons.

Council Liaison Cantelme stated the members should look it up because it's very in depth and involved.

Staff Liaison Walton recommended looking at Flagstaff as it is very in depth.

Council Liaison Cantelme asked how many people Flagstaff had in their housing division.

Staff Liaison Walton stated there were around 6.

Member Goodman asked if Prescott Valley had a similar board to the WHC and is staff talking to them.

Staff Liaison Walton stated they did have a workforce board but not a standing committee.

Sandy Griffis from YCCA stated that she was on the Prescott Valley's Mayor-appointed Ad Hoc Housing Committee and it was a 7-8 month process where they met once a month for 3 hours and they created a document that showed the strengths and weaknesses of Prescott Valley. She stated that Prescott Valley had hired an individual to keep that housing moving along. She said they are working with the County on A Home of My Own program as low hanging fruit. She stated they are looking to move lots out of floodplains and making adjustments for manufactured housing. She stated the average salary for general construction labor is about \$41,000. She also included that she forwarded the survey to over 400 companies, so she was disappointed that only 9 organizations responded.

Member Goodman asked if there was a possibility of getting involved with projects outside the city limits if they are working with other workforce committees.

Chair Fann stated that the committee should be corroborating with regional committees as they are all working on the same issue.

Member Urias stated that the Williamson Valley Fire Chief is looking to adjusting schedules to assist with commuting. He said the essence of success will be in how the committee works with the County. He stated that there needs to be more than just the A Home of My Own program. He said the message needs to

be unified to the County. He stated a rehabilitation effort would be beneficial within the City and that neighborhoods should be identified to determine if they would qualify for an incentive. He said getting the message to the County and revitalization within the City should be focuses.

Staff Liaison Walton stated that the general plan does address some of that.

Member Goodman asked how the committee can reach out to other committees.

Staff Liaison Walton stated that it's on the short term goal list to reach out as a committee to stakeholders including other municipalities. She stated that in the general plan they could include regional partnerships.

Member Goodman asked how the committee could do the outreach.

Staff Liaison Walton stated that meetings can be organised with municipalities.

Member Goodman asked if there is funding within the City, could that funding be taken outside of the area?

Staff Liaison Walton stated that revenue streams would be a long term goal but that's not generally going to be the City's contribution. The City's contribution will be as a leader in the region.

Member Goodman asked if there is a land lease option with developers.

Chair Fann asked that the committee stay on the topic of the general plan at this point. He stated that they need to be discussing contributions to the general plan and that the general plan is dated and was going in the wrong direction. He recommended setting up a subcommittee to spend 2-3 hours going through the document and red lining it.

Staff Liaison Walton stated that staff would like to update the outdated information first and that staff had information that would assist in the updating. She asked if the committee could discuss the big goals today, such as regional collaboration and rehabilitation efforts. She stated that they can look at ways to remove barriers for developers and that they can look at the general plan as a tool.

Council Liaison Cantelme stated that the County is working on this issue as well and they are researching additional homes for A Home of My Own program. She stated it would be beneficial for the committee to know what units are coming up and that they are on the website. She stated there is a variety of housing options coming open in the next year and a half.

Staff Liaison Walton stated that all of those projects would be market rate and wouldn't help the affordability focus. She then went through her presentation on goals for the committee to consider.

Vice Chair Rocha stated he liked all of the ideas Staff Liaison Walton presented and that the committee does need to impact the General Plan and it's low

hanging fruit. He stated the problems are still the same, and they weren't meeting the needs then and the City isn't meeting the needs now. He said that there hasn't been a dent made in the affordable housing need. He stated that ADU's are low hanging fruit and they could be put into the General Plan. He would like to get into the weeds of the ADU verbiage. He stated that if they come up with verbiage then they should also put in stipulations of how they can look and be built. He stated an overlay district with strong stipulations for manufactured housing should be discussed for the General Plan as well. He stated that the place to start is with zoning and the General Plan is the document to get all of the elements in.

Chair Fann asked for any additional comments.

Council Liaison Cantelme asked what the status was of the ADU verbiage.

Staff Liaison Walton stated that they took the WHC input and used that to create the general verbiage to take to the Planning and Zoning Committee.

Council Liaison Cantelme stated that there is a lot to look into and discuss to work out issues with the verbiage.

Vice Chair Rocha stated that he is proposing that there be some proof requirement showing that a person living in an ADU is part of the workforce.

Planning Manager George Worley stated that focusing and limiting ADUs to workforce housing related uses is much harder than just allowing ADUs. He stated the goal with ADUs is usually just to add housing to the market, which would in turn lower housing costs. He stated there could be deed restrictions but every restriction adds more layers of bureaucracy. He said it must be balanced to have regulations but also make people still want to build them. He stated that having something in the General Plan will give the community something to encourage the Council to focus on the items in the General Plan. He stated that the element should be very explainable to the public of the importance of the element. He stated they are looking into the ADUs and overlay districts but there is a lot to them, but they are working on it and hope to bring it back to the committee within the next month, or two, or possibly beginning of next year.

Vice Chair Rocha asked if they could bring something for ADUs and an overlay within that timeframe.

Manager Worley stated that they could do that.

Member Urias stated that when the implementation phase occurs it's important to think of the underwriting guidelines because it is important to not have conflicts between aggregators and the element.

Chair Fann stated that the units would likely go at market rate.

Member Urias stated that there could be flexibility if there are reasonable incentives. He discussed different possible incentive options.

Chair Fann stated that all of that information goes back to enforcement and monitoring. He stated it's going to take a commitment from the City to say it is a priority and that they will invest, at least, staff time. He stated that this all starts with the General Plan.

Member Goodman stated that if there is a land lease, then whoever is leasing the land would be responsible for making sure it stays affordable.

Manager Worley stated that it is fairly easy to do during a development agreement and discussed details. He stated that it usually needs to have someone willing to work with the City on a situation like that. He said it's not something the City can initiate but everything is in place to do something like that.

Member Goodman stated that there would be pride of ownership.

Chair Fann stated that it sounds similar to a program in California through a land trust. He stated it's been going on for about 30 years but it starts with money. He said there needs to be outside resources.

Member Goodman asked if a manufactured home could be bought for \$200,000.

Vice Chair Rocha stated that land lease communities are becoming more popular. He stated that the payments are still over \$2,200. He stated there are still things that can be done internally to encourage workforce housing but there needs to be a third party entity involved.

Member Goodman asked how much the land leases were.

Vice Chair Rocha stated that it ranges from \$450 for no amenities to \$850-\$950 a month with a dog park and other amenities.

Council Liaison Cantelme stated that developers won't step up to provide a product if they aren't going to make money. She stated that there could be subsidies but that would be a decision that a private owner would have to choose to make.

Member Goodman stated it would be long term money not money up front.

Council Liaison Cantelme stated that it would be up to the developer if they wanted the profits up front or over time.

Chair Fann stated that, regarding the General Plan, there should be a subcommittee.

Member Kennedy stated that, if possible, it would be beneficial to have ADUs as a smaller footprint. She asked if there could be conditional use verbiage regarding workforce housing that would cause conflict with short-term rentals.

Deputy City Attorney Podracky stated that it would have to be specific to workforce housing or a traditional lease beyond a one-month period.

Manager Worley said it would need to be limited to long term housing and that short-term rentals wouldn't benefit workforce housing.

Mr. Podracky stated he would be interested to see how the Council addresses it and if they are willing to tie it to workforce housing.

Manager Worley said most entities don't try to control ADUs as specifically, but they just see them as additional housing.

Mr. Podracky stated it just allows for more opportunity within the market if people choose to rent them.

Member Urias stated that unintended consequences need to be paid attention to. He stated that Prescott is more likely to attract short-term rentals than Phoenix. He said that short-term rentals in a resort town like Prescott could actually drive the housing costs up.

Staff Liaison Walton asked for a commitment from committee members to be a part of a subcommittee.

Vice Chair Rocha asked if the purpose of a subcommittee's purpose was just for the General Plan.

Chair Fann stated yes, it is to red line the General Plan and bring it back to the committee.

Vice Chair Rocha and Members Teeters and Kennedy volunteered to be part of the subcommittee.

E. Presentation & Discussion Regarding the Definition of Workforce Housing.

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

Staff Liaison Walton reviewed the resolution that created the Workforce Housing Committee and the definitions of workforce housing from HUD and ULI. She also reviewed what the average take home annually is for City employees and from the Bureau of Land Statistics.

Vice Chair Rocha asked what year the statistics were from.

Staff Liaison Walton stated this data came from this year.

Chair Fann stated that the City of Prescott looks above average but that the monthly affordable rent or mortgage would be around \$1200.

Staff Liaison Walton stated that the point of this discussion is to give the community a sense of what the goal is and what workforce housing means.

Member Kennedy asked Member Urias about subsidizing low income rentals.

Member Urias stated that isn't his area of expertise, but he said it's important

that the workforce housing definition not be confused by affordable housing. He said that the definitions are important but the committee needs to be careful that it does not define their goal. He said they need to look at how many units and what the target demographics are and take those details into consideration or eligibility.

Chair Fann stated that there are different ways to help the situation between physical housing and downpayment assistant programs and the committee doesn't need to limit their scope. He stated that there are two ways to look at helping and that is from the supply side and the consumer side. He said he isn't sure that the committee is ready to define workforce housing. He asked the committee go home and to research on what a committee definition for workforce housing could be.

Member Goodman stated that this is the purpose of the mission statement.

Staff Liaison Walton stated that the committee will be discussing the mission statement and goals and review the definition at the next Study Session.

Chair Fann stated he is not ready to address those now.

Member Urias asked if a City of Prescott email for the WHC would be possible.

Staff Liaison Fraser stated that staff can look into that but there are concerns of open meeting law issues.

Member Urias stated that it would seem more legitimate if emails came from a City email rather than the committee's personal emails.

Chair Fann stated that this was getting off topic.

Member Goodman asked if citizens wrote in about workforce housing would staff send them out to the committee.

Staff Liaison Walton stated yes.

Chair Fann asked the committee to work at home on the definition.

Staff Liaison Walton stated staff would add in definitions at the top of the document with the mission, vision, and goals.

F. Discussion Regarding Possible Future Agenda Topics.

Staff Liaison Walton stated that for the Study Session the committee will review and refine short-term goals.

Staff Liaison Fraser stated that dates were sent out to the committee and the best date for the Study Session would be November 8th from 2:30pm-4:30pm.

Chair Fann stated that he may have to leave early but would be able to attend.

4. UPDATES

A. Staff Announcements

Member Goodman asked what the timeline was for the vacancy on the committee to be filled.

Staff Liaison Fraser reviewed the City process to fill a vacancy.

Staff Liaison Walton recommended that the committee reach out to anyone in the community that they feel would be an asset and have them submit an application.

Member Goodman asked if it would be between 60 or 90 days.

Staff Liaison Walton stated that it would likely be around 60 days depending on how the subcommittee decides to choose. She then discussed wanting Mike McInnes to present information he gathered from a Housing Summit he attended and to also discuss CBDG options that may be available.

Chair Fann asked if we could touch base with John Heiney on if he'd like to attend a voting meeting or a study session.

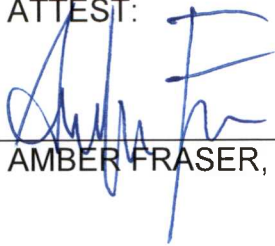
Staff Liaison Walton asked if Mr. Heiney could be at the top of the agenda for the study session.

Chair Fann stated that the sooner the better, so whatever the next available time was for Mr. Heiney.

5. ADJOURNMENT

Chair Fann adjourned the meeting at 11:48am.

ATTEST:



AMBER FRASER, Staff Liaison



MIKE FANN, Chair

Jonathan Rocha for Mike Fann
Vice-Chair