

City of Prescott
Workforce Housing Committee



November 6, 2024 | 10:00 AM

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

MINUTES

1. CALL TO ORDER

Vice Chair Kennedy called the meeting to order at 10:02am.

2. ROLL CALL

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

3. DISCUSSION & ACTION ITEMS

A. Approval of Minutes from the October 2, 2024 Workforce Housing Committee Meeting.

**MOTION BY MEMBER FANN TO APPROVE OCTOBER 2, 2024 MINUTES;
SECONDED BY MEMBER URIAS: PASSED (4 - 0)**

B. Presentation & Discussion Regarding the City's Water Policy and Workforce Housing.

Staff Liaison Fraser introduced item but water team was running late. She briefly reviewed additional staff updates such as a hybrid Town Hall on January 30th.

Water Resource & Environmental Services Manager Brian Ruiz reviewed a possible outline of an approach. He discussed workforce housing income ranges and how to keep the rental and housing rates within the range. He stated there should be see conservation measures and his team will come up with strategies and recommendations. He stated he would recommend conservation efforts for the whole project, not just the portion including workforce housing. He said they'll create indoor and outdoor requirement recommendations. He discussed looking at gallons per capita targets and putting a pool of water aside for workforce housing and the process of doing that. He stated that there could be an incentive of administratively moving the water through the process faster as well as looking at impact fee credits. He stated that depending on the percentage of workforce housing in a project, the Council could cover a certain amount of impact fees as an incentive.

Vice Chair Kennedy asked how the process of the 100-year assured water supply works.

Mr. Ruiz reviewed the process and how it applies to the water policy as well as how the process could include administrative approval.

Council Liaison Cantelme asked Mr. Ruiz to explain how water is the City's currency. She discussed the Water Recourse Management Model (WRMM). She stated there is value to each water credit.

Mr. Ruiz stated that it is about \$300 per acre foot for 100 years, so approximately \$30,000 an acre foot to purchase water. This would be to supply water to areas outside the water service areas. He discussed what ADWR needs to know and how it's discussed in their process and planning for the next 100 years. He said they have to show ADWR their expected demands and their supplies and then ADWR grants the city the assured water supply. If an area does not have an assured water supply, they have to go to market to try to find water to purchase. He reviewed the WRMM and how it tracks water compared to the assured water supply.

Council Liaison Cantelme discussed the different aspects of a project that could take from the bank of water such as a swimming pool, lush landscaping, etc.

Member Urias asked if Code Enforcement and Fire had been contacted to discuss firewise techniques and how firewise aspects can save water too and how that can be calculated. He asked if Code could address inoperable vehicles and piles of brush to also integrate into the waterside and how that would be beneficial.

Mr. Ruiz stated that they may not be reasonable to include into the WRMM but that they could be implemented as secondary components that don't directly impact water but could impact resilient water response. He said he could work with Code and Fire to include those into the program.

Member Fann stated that at some point recommendations will need to be recommended to Mayor and Council. He stated the numbers would change monthly and discussed how to enforce them. He stated that there are guardrails that need to be established.

Mr. Ruiz stated that, in water resources, they can work on requirements for a water program for workforce housing and that they will also look at water policies from other communities and internal data. He stated that he will work with Public Works on the impact fees. He stated that the income ranges are not his expertise but that there other sources that can establish that.

Member Fann stated that a baseline needs to be established and how developers must meet the requirements.

Mr. Ruiz stated that he asked his staff to start gathering resources and

information and can provide a rough draft for the next meeting.

Council Liaison Cantelme stated that HUD guidelines have been provided and so the wheel doesn't need to be reinvented.

Member Fann stated that a number needs to be put onto houses and whether there is an interest rate, downpayment, etc. He stated that the City needs to establish a baseline to create a monthly baseline.

Council Liaison Cantelme stated that there is a tool that could be found to provide those numbers.

Member Urias stated that there are moving external variables that need to be kept in mind. He stated that if a range of home prices is established, there are external variables that could affect that range. He stated that an exception policy should be established to assist income ranges that may be out of the normal range but are in greater need.

Council Liaison Cantelme stated that a range of categories may need to be created.

Member Urias stated that a range would be beneficial as well as an exception policy.

Member Kraxberger asked what the most efficient incentives would be.

Mr. Ruiz said impact fees would be the largest incentive. He stated the administrative approval could be streamlined but not as much influence as the impact fees.

Member Kraxberger said that there could be a part that states it could go around the water issues subcommittee if it fits into the process.

Mr. Ruiz said there could be a process and some type of cap but it'll be up to Council.

Council Liaison Cantelme stated that most of them would need to be allocated on a case-by-case basis. She stated that the impact fees still have to be paid but if the developer doesn't have to pay them then the City does but it could be a large incentive.

Member Kraxberger stated cutting down time is beneficial.

Member Fann stated there is a monetary incentive and a bucket of water set aside and both of those are large incentives and help bridge the gap in costs.

Vice Chair Kennedy asked if Mr. Ruiz could send the language the week prior to the meeting.

Howard Mechanic from the audience discussed the past water policy and

workforce housing and that none of the allocated water was used in 2016. He stated that there was enough water in the general water allocation for the demand that developers wanted to build market rate and there weren't incentives. He stated that the workforce water pool needs to be large enough, and the general pool needs to be small enough that people are more encouraged to build workforce so they can access more water. He stated that there is a market for grandfathered water credits and the process of those credits, and he suggested that the City buy some of those credits before they are gone. He discussed that outside of City limits should be considered as well.

Vice Chair Kennedy asked Mr. Ruiz to discuss the credit method discussed by Mr. Mechanic.

Mr. Ruiz said it is an opportunity and when those opportunities arise, the Council is informed, and they decide whether to pursue them. He said it's a small component of making sure there's assured water.

C. Presentation & Discussion Regarding the City of Prescott Workforce Housing Policy.

Staff Liaison Fraser provided an overview of the policy and how the committee would be going through it for review and input.

Member Urias said outreach needs to be included for surrounding issues and that revitalization and infill may need to include an expanded footprint.

Vice Chair Kennedy stated that preapproved plans should be under incentives.

Member Urias stated that there is some redundancy in the employee eligibility and could be rephrased and needs to be clearer and more direct so it can be enforced to only be used directly for the workforce population.

Ms. Fraser asked Deputy City Attorney Podracky how strong the language could be to be able to enforce but not cause issues with inclusionary restrictions.

Mr. Podracky stated that the working should be stricter.

Ms. Fraser went through the remaining slides on eligibility and stressed the importance of the committee members reading through the policy prior to the next meeting as to keep the conversation flowing efficiently.

Vice Chair Kennedy discussed a sliding scale for projects that are doing more workforce housing and how they could be given larger incentives the more workforce housing they include.

4. UPDATES

A. Staff Announcements & Discussion Regarding Future Agenda Items.

Ms. Fraser gave an overview of a town hall planned for January 30, 2025.

Communications Director John Heiney gave an overview of the Participate Prescott Website.

Vice Chair Kennedy asked about naming URL.

Mr. Heiney said yes it can be renamed.

Member Urias asked what the vision for the site is. He sees that it could be a site to show what stakeholders are doing as well.

Mr. Heiney stated that community workforce activity could be included as well.

Vice Chair Kennedy discussed that the town hall would be a hybrid engagement session of virtual and in-person to give a high-level overview of workforce housing and the committee.

Ms. Fraser reviewed housing needs assessment and Council's decision on a consulting firm or contract employee.

Member Fann asked about the housing organization in Flagstaff and if they could help with things such as downpayment assistance programs.

Ms. Fraser said that the organization is a resource but they don't currently have the bandwidth to help build a program for downpayment assistance for this jurisdiction but they could be used as a resource when the consulting company looking into those options.

Ms. Fraser then reviewed the progress on the committee's short-term and long-term goals.

Vice Chair Kennedy stated that more than half of the goals have been completed or are in progress.

5. ADJOURNMENT

Vice Chair Kennedy adjourned the meeting at 11:20am.


NICOLE KENNEDY, Vice Chair

ATTEST:


MICHAEL MCINNES, Staff Liaison