

City of Prescott

Workforce Housing Committee



April 17, 2025 | 3:00 PM
201 N. Montezuma Street
Legal Conference Room, 3rd Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

Chair Kennedy called the meeting to order at 3:08pm.

2. ROLL CALL

Nicole Kennedy - Chair
Luther Kraxberger - Vice Chair
Randy Goodman - Member (Arrived at 3:42pm)
Anthony Teeters - Member
Arnold Urias - Member
Mike Fann - Member (Excused)

3. DISCUSSION & ACTION ITEMS

A. Approval of Minutes from the April 2, 2025 Workforce Housing Committee Meeting.

**MOTION BY MEMBER URIAS TO APPROVE APRIL 2, 2025 MINUTES;
SECONDED BY VICE CHAIR KRAXBERGER: (4 - 0)**

4. UPDATES

A. Staff Announcements & Discussion Regarding Future Agenda Items.

Chair Kennedy moved item 4.A before 3.B since there was a guest presenter.

Rick Merritt with Elliott D. Pollack & Company gave an overview of the initial data summary from the Prescott Affordable Housing Assessment.

Member Urias asked what the source of the data was.

Mr. Merritt stated that most of it was from the U.S. Census and Yavapai County Assessor's Office and continued reviewing the data.

Staff Liaison Michael McInnes asked about Prescott Valley's citizen survey.

Mr. Merritt discussed the response to Prescott Valley's survey.

Member Urias requested a copy of the presentation and asked how broad Mr. Merritt's research will be in regards to the county.

Mr. Merritt reviewed regional issues being seen throughout the county and that his company has been retained by Yavapai County to conduct a housing study as well which is expected to be completed in approximately 6 months.

Vice Chair Kraxberger asked if Mr. Merritt came across anything that was implementable to fix the housing problem.

Mr. Merritt discussed the challenges and said that it would take a lot of effort and funding.

Vice Chair Kraxberger asked if Mr. Merritt knew of any other municipalities countrywide that had come up with any creative solutions.

Mr. Merritt discussed concepts that have been done by Flagstaff and Sedona that are aggressive, but they haven't had any confrontation regarding the concepts at this point.

Member Urias asked if there was a projected cost of what the issue is costing the city if they don't address it.

Mr. Merritt stated that he could look into that and see how they could approach researching it.

Member Goodman stated that he would also like data showing what it would cost the city to not do anything.

Mr. Merritt stated that it goes back to economics and there are examples of consequences in other municipalities.

Member Goodman stated that having a financial number would help prioritize the issue.

Council Liaison Cantelme stated that Council has analyzed this and that putting money into it may lead to cutting other services.

Vice Chair Kraxberger stated that looking at city-owned land first is a good start.

Council Liaison Cantelme stated that land negotiations would be up to a developer to discuss with the city.

Member Goodman stated that taking all of the data and coming up with a number that it will cost the city will be important.

Council Liaison Cantelme stated that a theoretical number could be used and look at the real costs.

Mr. Merritt reviewed regional issues regarding housing. He discussed looking into a land trust if land is available.

Chair Kennedy asked Mr. Merritt about density bonuses.

Mr. Merritt stated that density bonuses can work effectively.

Member Goodman discussed his theoretical project from last year and the challenges of building workforce.

Mr. Merritt stated that those challenges are being seen all over the state.

Council Liaison Cantelme asked if Mr. Merritt had received any feedback from developers regarding funding for high density. She discussed Gorman's projects and how they receive funding.

Mr. Merritt stated that he doesn't have that data but he is aware that projects like Gorman's usually have a variety of different funding sources.

Member Goodman discussed funding through the federal government.

Mr. Merritt reviewed the timeframe for his presentation to council in June or July and that any support from the committee at those meetings would be appreciated.

DISCUSSION & ACTION ITEMS

3.

B. Presentation, Discussion & Possible Action Regarding the City of Prescott Workforce Housing Policy.

Staff Liaison Fraser reviewed the policy and updates from the last meeting.

Chair Kennedy discussed an incentive chart based on percentages rather than units. The committee agreed to utilize the chart presented by Chair Kennedy within the policy. She then discussed density bonuses within the policy.

Member Goodman stated that density bonuses should be in the code rather than addressing it when a developer comes with a project.

Council Liaison Cantelme stated that it needs to be on a case-by-case bases.

Member Goodman and Vice Chair Kraxberger stated it should be in the zoning code. Member Goodman discussed the financial aspect of higher density.

Ms. Fraser reviewed the purpose of the policy and that it should be higher level and not into the weeds at this time.

Vice Chair Kraxberger stated that the policy should state that the land development code needs to have a section that allows for workforce housing and related density bonuses.

Council Liaison Cantelme stated that the policy would supersede the land development code as it would allow exceptions.

Deputy City Attorney Podracky stated that the policy should say that the council will explore policy changes or land development code changes.

Member Goodman stated that fee reductions are important but that density bonuses would be more impactful.

Chair Kennedy discussed the language that would bring opportunities to incentivize.

Member Urias stated that one set of limitations shouldn't supersede another and it should be whichever is to the benefit of achieving higher density bonus.

Council Liaison Cantelme asked if they were asking to streamline the zoning process.

Member Goodman stated that if a project is workforce, they will be able to adjust their project.

Council Liaison Cantelme discussed setbacks along with higher density.

Member Goodman stated that the zoning department should look at changes in the policy at what can and cannot be done.

Council Liaison Cantelme stated that that would be the role of the workforce housing designated staff.

Vice Chair Kraxberger stated that if a project meets the requirements for workforce housing, that project should get specified bonuses.

Mr. Podracky stated that these items could be codified but it may be premature because they haven't received council direction yet.

Audience Member Priscilla Anchondo asked if they were discussing undeveloped land or all land in the city.

Chair Kennedy clarified that they were discussing new proposed projects.

Ms. Anchondo stated that if they changed the coding for current properties, it may incentivize more accessory dwelling units (ADUs).

Member Urias discussed that the ADU discussion is on hold to see what the state is going to do.

Ms. Fraser reviewed the policy changes and that edits will be made and a final draft will be sent out to the committee for a final review prior to it being sent to council. She discussed that the presentation should be given by committee members.

Member Kraxberger requested a statement be put in that Community Development should have one red line opportunity for reviews.

The committee agreed that a statement could be put in showing an example that, if council agrees, city management could direct Community Development to implement a one-time red line review.

Chair Kennedy asked if an income chart would be included in the policy.

Ms. Fraser stated that the chart would be in the educational pamphlets so it wouldn't need to be updated annually in the policy.

Mr. Podracky suggested edits to the fee reimbursement paragraph and the water policy section.

Ms. Fraser continued reviewing edits.

Vice Chair Kraxberger asked for a section regarding deed restrictions be included.

Member Goodman reviewed the penalty section and adding more detail.

Mr. Podracky stated that the phrasing on the policy level is fine but for the procedure it could be addressed in more detail.

Ms. Fraser continued reviewing previous edits and the information that would be included in the educational guidebooks. She stated that the staff or consulting firm would build the guidebooks, and that the policy just provides direction to build the guidebooks.

Member Goodman stated that after the council reviews the policy, the committee should have a meeting with engineers and architects in town to review the policy.

Vice Chair Kraxberger discussed ensuring that developers and the city are held accountable for efficient timeframes.

Mr. Podracky asked if the committee would like to add in verbiage about debt issuance.

The committee agreed. Ms. Fraser included a statement about debt issuance under section 4 about funding.

Ms. Fraser reviewed final edits and discussed that the policy would be sent to the committee for a final review over email prior to it being sent to the council.

Member Urias discussed taxation on tourism and short-term rentals to help pay for incentives.

Member Goodman stated that short term rentals are hard to police.

Member Urias agreed but said it is an option to help pay for incentives.

5 ADJOURNMENT

Chair Kennedy adjourned the meeting at 4:58pm.


NICOLE KENNEDY, Chair

ATTEST:



AMBER FRASER, Staff Liaison