

City of Prescott
Workforce Housing Committee



January 7, 2026 | 10:00 AM
201 N. Montezuma Street
Council Chambers, 1st Floor
Prescott, AZ 86301

AGENDA

The following Agenda will be considered by the **Workforce Housing Committee** at their meeting to be held **January 7, 2026**. 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. Introductions: Committee Members and New Council Liaison, Councilman Patrick Grady.
Recommended Action: This item is for discussion only. No formal action will be taken.
 - B. Approval of Minutes from the December 3, 2025 Workforce Housing Committee Meeting.
Recommended Action: MOVE to approve minutes as presented
 - C. Presentation & Discussion Regarding Workforce Housing Impacts on Recruitment, Retention, and Down Payment Assistance.
Recommended Action: This item is for discussion only. No formal action will be taken.
 - D. Presentation & Discussion Regarding a Review of Workforce Housing Committee Goals.
Recommended Action: This item is for discussion only. No formal action will be taken.
4. **UPDATES**
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 12/30/25 at 9:30 a.m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Sarah M. Thornhill

Sarah M. Thornhill, City Clerk



TO: MAYOR AND CITY COUNCIL
AGENDA: January 7 Workforce Housing Committee
DATE: January 7, 2026
DEPT: Community Development
ITEM #: 3.A
SUBJECT: Introductions: Committee Members and New Council Liaison, Councilman Patrick Grady.

ITEM SUMMARY

This item will provide an opportunity for the Committee to conduct brief introductions of members and formally welcome the newly appointed City Council Liaison and to clarify the liaison's role and establish communication expectations between the Workforce Housing Committee and City Council.

BACKGROUND

The City Council has designated a Council Liaison to support effective communication and information sharing between the Workforce Housing Committee and the City Council. The Liaison's role is to serve as an impartial conduit for information, ensuring that committee discussions, activities, and recommendations are accurately conveyed to Council, while preserving the independence and integrity of the Committee's deliberations.

Consistent with City policy, the Council Liaison does not serve as a voting member of the Committee and does not advocate for specific outcomes or direct committee actions. Participation is intended to foster transparency, collaboration, and mutual understanding between the Committee and City Council.

This agenda item allows the Committee to acknowledge the Liaison's appointment, provide context on the Committee's mission and current priorities, and support a productive working relationship moving forward.

FINANCIAL IMPACT

There is no fiscal impact associated with this item.

RECOMMENDED ACTION

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

ATTACHMENTS

None



TO: MAYOR AND CITY COUNCIL
AGENDA: January 7 Workforce Housing Committee
DATE: January 7, 2026
DEPT: Community Development
ITEM #: 3.B
SUBJECT: Approval of Minutes from the December 3, 2025 Workforce Housing Committee Meeting.

ITEM SUMMARY

This item is for the approval of minutes from the December 3, 2025 Workforce Housing Committee Meeting. Staff recommends approving the minutes as presented.

BACKGROUND

None.

FINANCIAL IMPACT

There is no fiscal impact associated with this item.

RECOMMENDED ACTION

MOVE to approve minutes as presented

ATTACHMENTS

1. December 3, 2025 WHC Minutes

City of Prescott
Workforce Housing Committee



December 3, 2025 | 10:00 AM
201 N. Montezuma Street
Council Chambers, 1st Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

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

2. ROLL CALL

Nicole Kennedy - Chair
Randy Goodman - Vice Chair
Mike Fann - Member
Jeffrey Miller - Member
Gregory Riordan - Member
Corey Suttles - Member
Roger Thomas - Member

3. DISCUSSION & ACTION ITEMS

A. Approval of Minutes from the October 1, 2025 Workforce Housing Committee Meeting.

MOTION BY MEMBER RIORDAN TO APPROVE OCTOBER 1, 2025 MINUTES; SECONDED BY MEMBER FANN: PASSED (7-0)

B. Presentation & Discussion Regarding the December 9, 2025 Council Study Session.

Staff Liaison Fraser reported that the Council Study Session originally planned for December 9, 2025 would need to be postponed. The consultant requested additional time to complete the Housing Plan and Implementation Plan, both of which are required under the State Housing Trust Fund grant and are to be based on the Housing Needs Assessment. The consultant had prepared a financial analysis but did not complete the Housing Plan and Implementation Plan in time to meet agenda deadlines, so the study session could not proceed as scheduled.

Ms. Fraser explained that the earliest potential rescheduled date is a January 2026 study session if another item is canceled; if not, the next available study session date would be in May 2026. She noted that staff will be meeting with the consultant and the state to clarify expectations, timelines, and grant requirements, and will update the Committee as more information becomes available.

Committee members expressed concern that the delay could diminish the impact of the Committee's work, particularly regarding the assignment from Council to compare the costs of employee turnover against the cost of housing incentives. Members emphasized a desire to provide this information to Council in a timely manner rather than waiting until May.

Ms. Fraser noted that staff compiled turnover and related cost data for key City positions (including police, fire, public works, and other representative classifications) and provided it to the consultant. The consultant is preparing a professional financial analysis that includes both projected implementation costs of the Workforce Housing Policy Framework and the current costs of turnover and recruitment for critical positions. Staff received preliminary material from the consultant but did not receive the full package in time to bring it forward with the study session.

The Committee discussed options for providing the financial analysis sooner, including: distributing the analysis to the Committee and Council via email once it is finalized, even if the formal study session is delayed, placing the item on a future voting meeting agenda as a shorter presentation, if appropriate, and asking Council to consider a special meeting or a joint Workforce Housing Committee–Council meeting, subject to the consultant's readiness.

Members also questioned why the financial analysis was being completed by the consultant rather than fully in house. Ms. Fraser clarified that staff gathered the internal data but requested the consultant's assistance to complete a comprehensive financial analysis due to workload and the consultant's subject-matter expertise. She also noted that staff will review the consultant's work for completeness and ensure it met the requests of the committee and council.

Several members stressed the importance of including the cost of turnover for a broad range of City staff (police, fire, public works, and other key classifications) as well as the impact on private businesses, particularly small employers who face significant training and recruitment costs when employees move away due to housing affordability. Member Miller offered to compile an example analysis of turnover costs for his firm to illustrate the private-sector impacts.

Ms. Fraser stated that staff will prepare the City's turnover and incentive-related cost information in a presentable format for the Committee's January 2026 meeting, regardless of the study session date and that staff will share the information with Council via email once it is ready so Council can see that the work has been completed and is not being delayed pending the study session. She will report back to the Committee by email after her meeting with the consultant regarding updated timelines and deliverables.

The Committee reaffirmed its commitment to continue work despite the postponement, noting that the Workforce Housing Policy was approved by Council as the 2025 Workforce Housing Policy Framework, which provides a roadmap for future ordinances, programs, and incentives. The Housing Plan and Implementation Plan are on a separate track as third-party consultant products tied to the state grant.

Members discussed additional areas of focus the Committee can pursue while the Housing Plan and Implementation Plan are pending, such as developing educational materials and outreach tools, continuing to refine and prioritize the Committee's goals and work plan, and exploring potential incentives such as down payment assistance programs for City employees and other workforce populations.

During discussion, Member Thomas suggested exploring a possible incentive under which materials purchased for qualifying workforce housing projects from local Prescott businesses might be exempted from sales tax to encourage use of local suppliers.

Ms. Fraser noted that any such proposal would require further analysis on the concept and the possible impacts to Proposition 478 for public safety. Ms. Fraser agreed to seek clarification from appropriate staff on whether a sales-tax-based incentive is legally and operationally feasible and what potential consequences might exist.

Committee members reiterated that urgency remains high due to the cost of losing employees in critical positions and the ongoing challenges small businesses face in recruiting and retaining a professional workforce. They encouraged staff and the consultant to prioritize completion of the financial analysis and related materials as soon as possible.

4. UPDATES

A. Staff Announcements & Discussion Regarding Future Agenda Items.

Ms. Fraser reported that four new members of the City Council were recently sworn in and are participating in onboarding. Councilmember Patrick Grady will serve as the new liaison to the Workforce Housing Committee, although he could not attend this meeting due to onboarding commitments. He is expected to join future meetings and brings significant experience in municipal economic and community development.

For the January 2026 meeting, the Committee plans to revisit its established goals and priorities, review the upcoming financial analysis on workforce housing and turnover costs, and discuss potential down payment assistance options with input from the Human Resources Director. The Committee also intends to formally introduce Councilmember Grady and continue developing outreach and education efforts that align with the Workforce Housing Policy Framework.

5. ADJOURNMENT

Chair Kennedy adjourned the meeting at 10:29am.

NICOLE KENNEDY, Chair

ATTEST:

AMBER FRASER, Staff Liaison



TO: MAYOR AND CITY COUNCIL
AGENDA: January 7 Workforce Housing Committee
DATE: January 7, 2026
DEPT: Community Development
ITEM #: 3.C
SUBJECT: Presentation & Discussion Regarding Workforce Housing Impacts on Recruitment, Retention, and Down Payment Assistance.

ITEM SUMMARY

This item is for staff to provide the Committee with a presentation and engage in discussion regarding workforce recruitment, retention, and turnover costs, and how these factors relate to workforce housing challenges. The discussion will also introduce down payment assistance concepts as a potential tool to support employee recruitment and retention efforts.

BACKGROUND

Workforce housing availability has been identified as a contributing factor to employee recruitment and retention challenges across multiple City departments. Understanding the costs associated with hiring, training, and turnover provides important context for evaluating potential workforce housing tools and informing future Committee priorities.

Branden Nunez, City of Prescott Human Resources Director, will present available information on workforce impacts, including recruitment and turnover costs, and respond to Committee questions. This combined discussion is intended to inform the Committee's understanding of workforce housing considerations and support future coordination with City Council, without taking action or making recommendations at this time.

FINANCIAL IMPACT

There is no fiscal impact associated with this item.

RECOMMENDED ACTION

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

ATTACHMENTS

1. Flagstaff Community Assistance Homebuyer Program
2. Flagstaff Workforce Initiative Subsidy for Homeownership
3. Flagstaff Affordable Homeownership Program
4. Flagstaff Employer Assisted Housing Program

Community Homebuyer Assistance Program

Up to \$50,000 in Downpayment Assistance



About CHAP

CHAP is intended to educate and serve households that are working towards the purchase of a home within the Flagstaff city limits. Funded by the City of Flagstaff's Housing Bond and administered by Housing Solutions of Northern Arizona, CHAP is a downpayment and closing cost assistance initiative that provides up to \$50,000 in matching loan funds to households that do not have sufficient cash to purchase a home, but are otherwise mortgage eligible based on credit & employment.

Through CHAP, up to \$5,000 of household funds are matched 10 to 1 with up to \$50,000 in assistance. Funds will be provided on an as-needed, first come, first-served basis. This assistance loan also:

- Is secured against the property in second position behind the first mortgage (may subordinate behind another approved assistance program).
- Is NEVER forgiven and is repaid when: (1) home is sold, (2) home is re-financed for cash-out, or (3) home is not owner-occupied.

Eligibility

- Must be first time *Flagstaff* homebuyers. HUD defines "first-time homebuyer" as "an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned with a former spouse while married."
- Home must be located within Flagstaff city limits.
- At least one homebuyer in the household must have lived or worked in the Flagstaff Metropolitan Planning Organization boundary for at least 12 consecutive months prior to purchase.
- Total household income must not exceed 150% of the Area Median Income, as published annually by the City of Flagstaff (see chart on reverse). Income from entire household is counted.
- Close of escrow must be scheduled to allow sufficient time for Housing Solutions to verify eligibility, review first mortgage for affordability, and request funds (typically 45-60 days).
- Homebuyer contribution must be at least \$1,000; remaining buyer contribution can be documented as a gift.
- Completion of Homebuyer Counseling and online Homebuyer Education.
- Household eligibility is solely determined by certified Housing Solutions Counselors, and must be completed prior to entering into a purchase contract, as a 45-60 day close of escrow is required.



How to Apply

- 1 Complete Application Packet, downloadable at: housingnaz.org/prepurchase

- 2 Submit application to Housing Solutions of Northern Arizona's Housing Program Manager, Angela Koder:

- Via email (angelak@housingnaz.org)
- Via mail to Housing Solutions at PO Box 30134, Flagstaff, AZ 86003
- Dropping it off at Housing Solutions' office, located at: 1500 E Cedar Ave Ste 86, Flagstaff, AZ 86004

housingnaz.org/prepurchase | Find us on

Fees

\$14.00 | Credit Report
(per homebuyer - if needed)

\$100.00 | Online Home Buyer
Education Course (discount
coupon for active clients)

Repayment

Repayment is based on the
equity-share formula:

Purchase Price: \$425,000
Assistance Amount: \$50,000

Assistance is 11.76% of
purchase amount

Resale Price: \$450,000
11.76% of Resale Price = \$52,920

Client repays 11.76%
of Resale Value

Contact Us

Phone

(928) 214-7456
711 (Relay service for hearing
impaired)

Email

angelak@housingnaz.org

Physical Address

1500 E Cedar Ave Ste 86
Flagstaff, AZ 86004

Mailing Address

PO Box 30134
Flagstaff, AZ 86003

Documents Required

- 3 most recent (concurrent) paycheck stubs for everyone in the household 18 and over, even if they are not going to be on the mortgage.
- Proof of income for any other income in the household which may include: child support (judgment or print-out from the courts), social security award letters, unemployment, workman's comp, etc.
- 3 months most recent statements for all asset accounts - checking, savings, 401(K), pensions, investments, stocks, bonds, life insurance, with cash value prior to death, lump-sum receipts or settlements.
- Picture ID for everyone living in the home who is 18 years old and over.
- Social Security Cards for everyone in the household. Those who have Social Security Cards with the wording "for work only" must also bring their legal residence card.
- Signed Income Tax Returns for the most recent 2 years including W-2(s), 1099's, 1098's, etc.
- Additional documents may be required by the grant funder.

Loan Requirements

- Arms-length transaction
- Housing Ratio between 30-35%; Debt-to-income ratio not to exceed 45%
- Conforming, fixed interest rate
- Fees must not be excessive based on industry standards.
- CHAP loan must be repaid and is never forgiven. Please see "Repayment" section in the left column for a **repayment example**.

2025 Flagstaff 150% AMI Limits

Family Size	1	2	3	4	5
AMI Limit	\$118,860	\$135,840	\$152,820	\$169,800	\$183,384

Persons requiring language, hearing, visual, mobility, or other accommodations may contact Housing Solutions of Northern Arizona at (928) 214-7456 or TDD 711 to make special arrangements for services.

Housing Solutions does not discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, gender identity, handicap or familial status in employment or program services. Special accommodations will be made for the physically challenged, upon notification.

Workforce Initiative Subsidy for Homeownership



About WISH

The WISH Program is an initiative funded by the FHLBank San Francisco which provides up to \$32,000 in matching funds, through its participating member institutions, to qualified, low-income residents to be used towards downpayment or closing costs (max amount depends on the bank partner and the county where home is located). Funds assist eligible, first-time homebuyers with the purchase of an affordable home in Coconino, Mohave, and Yavapai counties. Through this matching program, up to \$8,000 of an eligible low-income buyer's funds are matched 4 to 1 with up to \$32,000 in assistance.

WISH Assistance is a loan that:

- Is forgiven on a pro-rated basis over a 5-year owner-occupancy period.
- Housing Solutions of Northern Arizona charges a housing counseling fee of \$1,000 at closing.
- Assistance is recorded as a lien behind the 1st mortgage.

Eligibility

- Must be first time homebuyers. HUD defines “first-time homebuyer” as “an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned with a former spouse while married.”
- Household earns under 80% of Area Median Income (see chart on back). Income from all household members is counted.
- Buyer qualifies for a traditional mortgage from a lender or bank.
- Buyer is purchasing a home they can afford based on income and debt ratios.
- Buyer must own and occupy the property as their primary residence for the full-term of the assistance loan and maintain the property in compliance with local laws.
- Purchased home must be a single-family home, condominium, townhome, or manufactured home.
- Purchased home must be located within the program jurisdictional areas of Coconino, Mohave and Yavapai counties.
- Completes the online Homebuyer Education Course (offered in English and Spanish). Course must be completed prior to closing.
(continued on reverse)

About Housing Solutions of Northern Arizona

HSNAZ, a HUD-approved housing counseling nonprofit, helps families prepare for homeownership and navigate the purchase process. We provide financial literacy counseling, online homebuyer education, and financial assistance programs to benefit low to moderate income households. Our collaborative down payment assistance programs provide financial support for the up-front costs of homeownership and reduce mortgage payments to ensure affordability.

Fees

\$14.00 | Credit Report
(per homebuyer - if needed)

\$99.00 | Online Home Buyer
Education Course (discount
coupon for active clients)

\$1,000 | housing counseling fee
(due at closing)

How to Apply

- 1 Complete and Submit Application Packet available online at housingnaz.org/pre-purchase-assistance
- 2 Gather and submit documents to determine eligibility
- 3 Schedule appointment with housing counselor to explain program details and process

Contact Us

Phone
(928)214-7456 (Relay service
for hearing impaired 711)

Email
angelak@housingnaz.org

Physical Address
1500 E Cedar Ave Ste 86
Flagstaff, AZ 86004

Mailing Address
PO Box 30134
Flagstaff, AZ 86003

Eligibility

- All household members must be legal permanent residents or citizens.
- Household eligibility must be determined by Housing Solutions' counselors prior to entering into a purchase contract, as a 45-60 day close of escrow is required.

Documents Required

- 3 most recent (concurrent) paycheck stubs for everyone in the household 18 and over, even if they are not going to be on the mortgage loan.
- Proof of income for any other income in the household which may include: child support (judgment or print-out from the courts), social security award letters, unemployment, workman's comp, etc.
- 3 months most recent statements for all asset accounts - checking, savings, 401(K), pensions, investments, stocks, bonds, life insurance, with cash value prior to death, lump-sum receipts or settlements.
- Picture ID for everyone living in the home who is 18 years old and over.
- Social Security Cards for everyone in the household. Those who have Social Security Cards with the wording "for work only" must also bring their legal residence card.
- Signed and dated Income Tax Returns for the most recent 2 years including W-2(s), 1099's, 1098's, etc.
- Additional documents may be required by the grant funder.

2025 Coconino County 80% AMI Limits

Family Size	1	2	3	4	5
AMI Limit	\$61,120	\$69,840	\$78,560	\$87,280	\$94,240

2025 Yavapai County 80% AMI Limits

Family Size	1	2	3	4	5
AMI Limit	\$50,720	\$58,000	\$65,200	\$72,480	\$78,320

2025 Mohave County 80% AMI Limits

Family Size	1	2	3	4	5
AMI Limit	\$43,200	\$49,360	\$55,520	\$61,680	\$66,650

Persons requiring language, hearing, visual, mobility, or other accommodations may contact Housing Solutions of Northern Arizona at (928) 214-7456 or TDD 711 to make special arrangements for services.

Housing Solutions does not discriminate on the basis of race, color, religion, sex, national origin, handicap or familial status in employment or program services. Special accommodations will be made for the physically challenged, upon notification.



FAHP

Flagstaff Affordable Homeownership Program

Community Land Trust and Deed Restriction Programs



housingnaz.org | Find us on

About FAHP

The City's Affordable Ownership Programs allow low to moderate income households to access homeownership through a shared equity model. In exchange for an affordable purchase price, homeowners agree to limit their equity so that the next qualified buyer can benefit from an affordable sales price. This agreement is secured through either a ground lease between the City and the homeowner or a deed restriction placed onto the unit.

Loan Requirements

- Loan-to-Value ratio no less than 79% of the purchase price.
- Arms-length transaction.
- Housing ratio between 30-35% of gross monthly income; Debt-to-income ratio not to exceed 45%.
- Conforming, fixed-interest rate loan.
- Loan/lender fees must be reasonable and based on industry standards.

Eligibility

To be eligible for this program you must:

- Be at least 18 years of age.
- Be a citizen of the USA or a registered alien.
- Be a resident of or have employment commitments within the Flagstaff Metropolitan Planning Organization (FMPO) area.
- Meet income eligibility guidelines.
- Have enough income to qualify for the home without being housing-cost burdened, based on projected monthly housing costs. Down payment assistance programs are allowed to defray costs and reduce monthly housing costs.

Maximum/Minimum Income

- Households must have an annual income which does not exceed 80-125% (depending on the home purchased) of the Area Median Income (AMI) for Flagstaff, Arizona, based on household size. AMI percentages are adjusted annually. Some specific housing units will have lower income restrictions (chart below gives income limits).
- Household monthly income, when multiplied by the appropriate debt-to-income ratio, must be sufficient to support the housing costs for the home in question. Households that require a co-signer to obtain a mortgage will not be considered. *(continued on reverse)*

Contact Us

Phone
(928) 214-7456
711 (Relay service for hearing impaired)

Email
angelak@housingnaz.org

2025 125% and 100% Flagstaff AMI Limits

	1	2	3	4	5
125%					
Family Size	1	2	3	4	5
AMI Limit	\$99,050	\$113,200	\$127,350	\$141,500	\$152,820
100%					
Family Size	1	2	3	4	5
AMI Limit	\$79,240	\$90,560	\$101,880	\$113,200	\$122,256

Documents

- 3 most recent (concurrent) paycheck stubs for everyone in the household 18 and older, even if they are not going to be on the mortgage.
- Proof of income for any other income in the household which may include: child support (judgment or print-out from the courts), social security award letters, unemployment, workman's comp, etc.
- 3 months most recent statements for all asset accounts - checking, savings, 401(K), pensions, investments, stocks, bonds, life insurance, with cash value prior to death, lump-sum receipts or settlements.
- Picture ID for everyone living in the home who is 18 years old and over.
- Social Security Cards for everyone in the household. Those who have Social Security Cards with the wording "for work only" must also bring their legal residence card.
- Signed Income Tax Returns for the most recent 2 years including W-2(s), 1099's, 1098's, etc.
- Additional documents may be required by the grant funder.

Eligibility

Minimum Income (Continued from previous page)

- Applicants must not have owned a home within the FMPO boundary during the last three years.
- Households must have proof of history of fulfilling financial responsibilities, and must be able to obtain a mortgage.
- Applicants must complete the City of Flagstaff Permanent Affordability Homeownership Programs orientation and are encouraged to complete homebuyer education through Housing Solutions of Northern Arizona.

What constitutes a household?

- The total number of persons living in the home regardless of marital, familial or legal status.
- Gross income from all household members shall be considered in determining compliance with income eligibility requirements.

Permanent Affordability Details

As an owner of the home, you will agree (at purchase) to restrictions on the use of the home and future resale. Key program details are:

- Future sale of the home is limited to eligible buyers (defined by the City of Flagstaff).
- Future resale price of the home shall be determined by a resale formula, which limits appreciation of the property to ensure it's affordable to future buyers.
- The use of the home/land is limited to residential purposes.
- The home must be occupied by the owner and serve as primary residence.
- Owner may refinance their mortgage, but cannot have additional liens filed against the property.
- Owner is responsible for all maintenance and repairs for the home.
- Owner must obtain and maintain casualty and liability insurance (homeowner's insurance).
- The City of Flagstaff reserves the Right of First Refusal regarding purchase of the home.
- If the home is in the City's Community Land Trust Program, the home is owned by the homebuyer and the land underneath is leased to the homebuyer through a 99-year, renewable ground lease. There is a nominal monthly lease fee. Homeowners are responsible for maintaining the land and landscaping underneath and around their home.
- If the home is Deed Restricted, the owner owns the home, but there are restrictions recorded against the property limiting use and resale. Deed Restrictions are used for condominium properties where there is no land in the home to lease. The City of Flagstaff reserves the Right of First Refusal at resale, which allows them to purchase the home from the homeowner the same way an eligible buyer would.

Persons requiring language, hearing, visual, mobility, or other accommodations may contact Housing Solutions of Northern Arizona at (928) 214-7456 or TDD 711 to make special arrangements for services.

Housing Solutions does not discriminate on the basis of race, color, religion, sex, national origin, handicap or familial status in employment or program services. Special accommodations will be made for the physically challenged, upon notification.



EAH

Employer Assisted Housing Program

Up to \$20,000 in Downpayment Assistance



housingnaz.org | Find us on

About EAH

The City of Flagstaff will provide up to \$20,000 (interest free, deferred payment loan) per household to eligible employees to be used for down payment and/or closing costs on the purchase of a home. Funds are matching funds - assistance will match buyer contribution 2 to 1 with up to \$20,000 in assistance.

EAH Program is a loan that:

- Is secured with a promissory note and recorded deed of trust.
- Up to \$10,000 of the loan is forgiven on a pro rata basis during 10 years of employment and owner occupancy. The remaining loan balance is repaid at sale, refinance for cash out, terminated employment with the City of Flagstaff, or lack of owner-occupancy. This is a one-time employee benefit.
- Please note that this is a partially forgivable loan and **the Internal Revenue Service (IRS) classifies forgiveness of debt as taxable income and wages** to you, with few exceptions. If you have questions about this partially forgivable loan, it is recommended you speak to your certified public accountant or a tax consultant.

Eligibility

- At least one homebuyer per household must be employed by the City of Flagstaff and meet the following employment guidelines:
 1. Worked for the City of Flagstaff in a non-temporary position for a minimum of 12 consecutive months.
 2. Most recent performance evaluation demonstrates work performance meeting or exceeding expectations
 3. Not be on a performance work plan.
 - Must not have owned a home within the Flagstaff Metropolitan Planning Organization (FMPO) boundary within the last three years and be a first-time homebuyer in Flagstaff, AZ, as defined by HUD (“an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned with a former spouse while married.”)
 - Must complete the Housing Solutions’ online homebuyer education course and one-on-one housing counseling prior to entering into a purchase contract. There is no cost to the employee for these services.
 - Must occupy the home purchased with EAH funds as their principal residence.
 - If a household consists of more than one eligible city employee, only \$20,000 max is available per household.
- (continued on reverse)*

How to Apply

- 1 Call (928) 214-7456 or email angelak@housingnaz.org to request an application packet
- 2 Complete Application Packet
- 3 Gather and submit documents to determine eligibility
- 4 Schedule appointment with housing counselor to explain program details and process

Eligibility

- Home to be purchased must be located within the Flagstaff Metropolitan Planning Organization (FMPO) boundary.
- Eligible housing types include single family detached, townhouses, and condominiums. Manufactured homes that meet FHA requirements and that are permanently affixed to and purchased with real property are eligible.
- The home must be livable, passing lender guidelines for occupancy and purchase.
- Buyers are required to get a professional, impartial third-party home inspection by a licensed inspector. The buyer will sign a Hold Harmless agreement at the time of purchase, ensuring they will not hold Housing Solutions of Northern Arizona or the City of Flagstaff responsible for the condition of the home.

Assistance Details

- Housing Solutions will determine household eligibility, complete one-on-one homebuyer counseling, and administer funds on behalf of the City of Flagstaff at time of purchase.
- Housing Solutions staff will verify buyer funds toward the purchase of the home - buyer funds must be “seasoned” client contribution - they can be documented as buyer assets for a minimum of three months - or gift funds from an immediate family member.
- Assistance is a 2 to 1 match of buyer funds toward home purchase. Up to a total of \$10,000 in buyer funds can be matched with up to \$20,000 in EAH assistance.
- The home must be livable, passing lender guidelines for occupancy and purchase.
- Households must secure a first mortgage through a bank or traditional mortgage lender. First mortgage must be a 30-year, fixed-rate loan.
- In order to ensure the home payment is sustainable, the household’s housing ratio cannot exceed 35% of gross monthly income and the total debt-to-income ratio cannot exceed 45% of gross monthly income (exceptions for compensating factors may be granted with Housing Assistance Program Committee approval).
- Employee must sign loan documents and be on the title of the home at the time of purchase. EAH Assistance is a loan - it is secured with a promissory note and recorded deed of trust.
- There are no payments and no interest on the loan. Up to \$10,000 of the loan is forgiven (on a pro rata basis) over 10 years if you owner-occupy your home and remain employed with the City of Flagstaff).
- Funds will be repaid immediately to the City of Flagstaff if any of the following occur:
 1. Sale of home or change of title.
 2. Refinance to access equity in the home.
 3. Employment with City of Flagstaff is terminated for any reason.
 4. Home is no longer owner-occupied.

Contact Us

If you’re interested in this program, please call us to complete an initial screening with our housing counselor:

Phone
(928) 214-7456
711 (Relay service for hearing impaired)

Email
angelak@housingnaz.org

Fax (928) 774-6937

Physical Address
1500 E Cedar Ave Ste 86
Flagstaff, AZ 86004

Mailing Address
PO Box 30134
Flagstaff, AZ 86003

Persons requiring language, hearing, visual, mobility, or other accommodations may contact Housing Solutions of Northern Arizona at (928) 214-7456 or TDD 711 to make special arrangements for services.

Housing Solutions does not discriminate on the basis of race, color, religion, sex, national origin, handicap or familial status in employment or program services. Special accommodations will be made for the physically challenged, upon notification.





TO: MAYOR AND CITY COUNCIL
AGENDA: January 7 Workforce Housing Committee
DATE: January 7, 2026
DEPT: Community Development
ITEM #: 3.D
SUBJECT: Presentation & Discussion Regarding a Review of Workforce Housing Committee Goals.

ITEM SUMMARY

This item is for the Committee to review its previously adopted goals and discuss current progress.

BACKGROUND

The Workforce Housing Committee previously established a set of goals to guide its work and support workforce housing initiatives within the City. Since adoption, the Committee has completed several items and advanced others through policy development and coordination with City Council.

This agenda item provides an opportunity for the Committee to revisit its goals, assess progress to date, and ensure alignment with current conditions, available resources, and Council direction. The review is intended to support effective planning and prioritization for future Committee work and agenda development.

FINANCIAL IMPACT

There is no fiscal impact associated with this item.

RECOMMENDED ACTION

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

ATTACHMENTS

1. WHC Goals

SHORT TERM GOALS

Short Term Goals (1 -3 Years)	Priority	Status	Notes
Formalize a Third-Party Stakeholder Organization Group	1	In Process	
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.		Complete	Stakeholders identified. Schedule another stakeholder meeting?
Objective 2: Gauge Interest and Select Organization Type (i.e. Community Land Trust, Regional Housing Authority, etc.)		In Process	
Pursue Match Funding for a Full-Time Workforce Housing Facilitator Position OR Engage a Third Party to act in this role.	2	Complete	Pollack and Company has completed Housing Needs Assessment. Working on Strategic Plan and Implementation. Presenting at January 13th Council Study Session

SHORT TERM GOALS

Short Term Goals (1 -3 Years)	Priority	Status	Notes
Community Outreach	3	In Process	
Objective 1: Create a communications plan including but not limited to: Task 1: 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		In Process	Fact Sheet and Talking Points created and approved by Council Standardized messaging created with engagement beginning Maintaining neighborhood integrity with consistent and compatible housing will take place within the policy
Create a Workforce Housing Policy for Council Consideration	4	Complete	
Research the Best Financial Program Solutions for the City and Stakeholders	5	In Process	
Objective 1: Investigate financial programs including but not limited to Down Payment Assistance, Mortgage Assistance, Rental Assistance and Rent-to-Own Options.		In Process	

SHORT TERM GOALS

Short Term Goals (1 -3 Years)	Priority	Status	Notes
Accessory Dwelling Unit (“ADU”) Code Revision	6	In Process	Revisit item
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		In Process	State legislation regarding ADUs affected population centers over 75,000 people
Create Two Separate Educational Packets	7	Not Started	Incentive Information Packet for Builders/Developers Information Packet for Workforce (i.e. downpayment assistance) To be completed by Pollack and Company
Create a City Program similar to Yavapai County Home of My Own Program	8	Complete	

LONG TERM GOALS

Long Term Goals (3-5 Years)	Priority	Status	Notes
Facilitate or Partner in Creating a Tangible Product		Not Started	<ul style="list-style-type: none"> • Have looked at City-owned land • Have met with different developers and organizations <ul style="list-style-type: none"> ◦ Habitat for Humanity, Gorman, etc.
Create a Regional Workforce Housing Strategic Plan		In Process	<ul style="list-style-type: none"> • Pollack and Company
Identify the Number of Units Needed		In Progress	<ul style="list-style-type: none"> • Will likely be determined by housing needs assessment