



City of Prescott

City Council - Special Meeting

March 24, 2026 | 3:00 PM
201 N Montezuma Street
Council Chambers, 1st Floor
Prescott, AZ 86301

AGENDA

The following Agenda will be considered by the **Prescott City Council** at its **Special Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of the meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending the meeting through the use of a technological device.

This Agenda was amended at 2:45 p.m. on Monday, March 23, 2026 adding Item 3.A.

Viewing & Participation

This meeting may be viewed on Channel 64, Facebook Live or on the City's website: [City of Prescott Live Meeting Feed](#)

Public comments for Council may be submitted through the City website: [Public Comment Form](#)

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PROCLAMATIONS**
 - A. Repeat Proclamation for Vietnam War Veterans Day - March 29 (Mayor Request)
4. **DISCUSSION & POSSIBLE ACTION**
 - A. Presentation, Discussion & Direction Regarding the City's Workforce Housing Strategy and Implementation Plan.
Recommended Action: This item is for discussion and direction only. No formal action will be taken.
 - B. Presentation, Discussion & Possible Action Regarding a Development Agreement with Woda Cooper Development, Inc., and City Commitments in Support of the Developer's Low-Income Housing Tax Credit Application, Including Potential Fee Waivers, Infrastructure Participation, or Other City Support.
Recommended Action: MOVE to approve the Development Agreement with Woda Cooper Development, Inc., approve City commitments in support of the developer's Low-Income Housing Tax Credit application, and authorize the City Manager to execute the agreement and related documents.
5. **ADJOURNMENT**

Upon a public majority vote of a quorum of the City Council, the Council 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 3/23/26 at 3:00 p.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: March 24 Special City Council Meeting
DATE: March 24, 2026
DEPT: Community Development
ITEM #: 4.A
SUBJECT: Presentation, Discussion & Direction Regarding the City's Workforce Housing Strategy and Implementation Plan.

ITEM SUMMARY

This item is for Council to provide direction to staff regarding next steps related to the Workforce Housing Strategy and Implementation Plan. On March 10, the City Council approved the Workforce Housing Strategy and Implementation Plan and provided preliminary direction on several initiatives to prioritize. Staff is now seeking confirmation that this direction reflects the majority of Council's desired focus areas for the near-term use of remaining State Housing Trust Fund grant dollars. This item provides an opportunity to reaffirm that direction so that staff can move efficiently into implementation to effectively put the City's Workforce Housing Policy Framework into action.

BACKGROUND

In Spring 2024, the City of Prescott was awarded a \$200,000 State Housing Trust Fund grant from the Arizona Department of Housing (Contract No. 911-24) to develop a Local Jurisdiction Affordable Housing Plan in accordance with SB1162. On February 25, 2025, Council approved the selection of Elliott D. Pollack & Company (City Contract No. 2025-139) to complete the grant deliverables, consistent with the City's option to use a consulting firm rather than hire a permanent Workforce Housing Program Manager.

The consultant completed a comprehensive Housing Needs Assessment supported by a community forum on January 30, 2025, a survey open through March 31, 2025, and stakeholder interviews in summer 2025. Findings were presented to Council on September 9, 2025, followed by approval of the Workforce Housing Policy Framework on November 4, 2025. Staff and the consultant presented draft initiatives in January 2026 and refined the Plan after follow-up discussions with Council members to ensure alignment with emerging priorities.

On March 10, 2026, City Council approved the Workforce Housing Strategy and Implementation Plan and provided preliminary direction to prioritize the following initiatives:

- Initiative 1: Amend the Prescott Land Development Code to Implement the Workforce Housing Policy Framework
- Initiative 3: Prepare Workforce Housing Proposal Documentation
- Initiative 4: Establish a Community Land Trust
- Initiative 5: Explore the Creation of an Infill Incentive District
- Initiative 7: Explore Housing Resources for City Employees

Staff is now seeking confirmation that these initiatives reflect Council's consensus for allocating the remaining State Housing Trust Fund grant dollars and moving into implementation. Staff will also be requesting direction on the ongoing role of the Workforce Housing Committee to support an efficient and aligned transition from planning to execution.

FINANCIAL IMPACT

Funding for implementation is available through Arizona Department of Housing (ADOH) State Housing Trust Fund (SHTF).

RECOMMENDED ACTION

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

ATTACHMENTS

1. Prescott Workforce Housing Strategy and Implementation Plan
2. Strategy and Implementation Presentation



Workforce Housing Strategy & Implementation Plan

March 10, 2026

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Prescott Workforce Housing Strategy & Implementation Plan

1.0 Introduction

Over the last five years, the city of Prescott has experienced declining housing affordability, similar to that occurring across Arizona. In total, about 29.2% of households in the community are currently burdened by their housing costs (spending more than 30% of income on housing), including 46.6% of all renters. The city is projected to experience moderate growth for the foreseeable future, and affordability challenges will continue. Solutions are needed for current residents burdened by housing costs and to plan for the housing needs of future residents.

The Prescott City Council established the Workforce Housing Committee with the purpose of researching, reviewing and proposing recommendations to Council regarding attainable housing options and solutions for the workforce of Prescott. The term “Workforce” includes those employed in occupations considered essential to a community’s functioning including those in education, healthcare, public safety (police officers and firefighters), construction, and other key services. The cost of housing in Prescott has created difficulty for the City, colleges, medical centers, and local businesses to hire and retain essential personnel. The work of the Committee resulted in the adoption of the Prescott Workforce Housing Policy Framework in November 2025. This important groundbreaking document provides an initial directive for increasing the availability of attainable workforce housing in Prescott. This Implementation Plan and Strategy outlines the actions that will be required to move the City forward to solutions that will meet the goals of the Workforce Housing Policy Framework.

Prescott has a wide range of housing affordability needs. Workforce housing is an area that the city can impact at the local level through various incentives. A workforce household is defined as earning between 60% and 120% of the area’s median income. Median income is determined by family size as shown on the following chart. For the Prescott metro area in 2025, this equates to a family of four earning between \$54,360 and \$108,720.

Table 1

FY 2025 Multifamily Tax Subsidy Project Income Limits Yavapai County, AZ								
Area Median Family Income \$87,300								
% of Median Income	Persons in Family							
	1	2	3	4	5	6	7	8
120%	\$76,060	\$86,980	\$97,850	\$108,720	\$117,420	\$126,120	\$134,810	\$143,510
80%	\$50,720	\$58,000	\$65,200	\$72,500	\$78,300	\$84,100	\$89,900	\$95,700
60%	\$38,040	\$43,500	\$48,920	\$54,360	\$58,740	\$63,060	\$67,440	\$71,760

Source: Department of Housing & Urban Development

Affordable workforce housing costs for households ranging in size from one to four persons are shown in Table 2. Costs range from \$751 for a one-person household earning 60% of AMI to \$2,518 for a four-person household earning 120% of AMI (after deducting \$200 per month for utilities).

Table 2

2025 Affordable Workforce Housing Costs Prescott Workforce Housing Policy						
Household Size	Income Range			Housing Cost Range		
	60%	80%	120%	60%	80%	120%
1 person	\$38,040	\$50,720	\$76,060	\$751	\$1,068	\$1,702
2 people	\$43,500	\$58,000	\$86,980	\$888	\$1,250	\$1,975
3 people	\$48,920	\$65,200	\$97,850	\$1,023	\$1,430	\$2,246
4 people	\$54,360	\$72,500	\$108,720	\$1,159	\$1,613	\$2,518

Note: Cost range includes \$200 per month estimate for utilities

Prescott is in a strong position to address the affordability needs of its growing community. Given its size, Prescott has a broad economy that is built on a variety of industries including manufacturing, government, media (publishing and entertainment), healthcare, education, retail, and telecommunications. The city’s unemployment rate stood at 5.0% as of September 2025, an increase from 4.0% one year earlier and slightly above the September state-wide average of 4.7%. While unemployment has increased in the city and state, the rate is still an indicator of robust employment.

However, the primary concerns with the Prescott economy are (1) a labor force participation rate for Prescott of 42.4% which is well below the state average of 60.1% and (2) the median age of the Prescott population at 60 years (40.5% of the population is over the age of 65

compared to 18.6% for the state). This raises questions about the ability of the local labor force to continue to provide services for the aging population. In order to ensure the availability of a qualified workforce, housing needs to be available for service and essential workers.

Table 3

Labor Force Participation 2023			
	Prescott	Yavapai County	Arizona
Population 16 year and over	42,149	209,074	5,862,117
Civilian Labor Force	17,870	100,945	3,522,511
Employment	17,041	96,693	3,340,327
Unemployment	829	4,252	182,184
Labor Force Participation Rate	42.4%	48.3%	60.1%
Source: ACS2023 5-year estimate			

Workforce Housing Need

Households are considered burdened by the cost of housing if rent and other housing costs total more than 30% of total household income. For a homeowner, the cost of housing typically includes a mortgage, property taxes, and insurance (often wrapped into one payment) plus utilities. For a renter, the cost of housing is rent and utilities. According to data from the American Community Survey of the U.S. Census, 1,996 workforce households in Prescott earning between 60% and 120% of AMI are currently burdened by housing costs including 771 renters and 1,225 owners (Table 4).

Table 4 also estimates the growth in workforce households over the next 15 years totaling 1,104 households. Based on the current percentage of workforce households burdened by housing costs today, about 214 future households may find a similar situation as they search for affordable housing. However, this estimate is viewed as conservative since many workforce households entering the Prescott market in the future will likely find it difficult to find affordable housing due to the increase in construction costs over the past five years. The total current and future workforce that may be burdened by housing costs is conservatively estimated at 2,210 households.

Table 4

Existing & Future Workforce Housing Demand City of Prescott		
	Households	%
Existing Renter Workforce Households 60%-120% AMI		
\$50,000 to \$74,999:	1,565	
30 percent or more spent on housing	506	32.3%
\$75,000 or more:	1,918	
30 percent or more spent on housing	265	13.8%
Total Burdened Renter Households	771	22.1%
Existing Owner Workforce Households 60%-120% AMI		
\$50,000 to \$74,999:	2,839	
30 percent or more spent on housing	690	24.3%
\$75,000 or more:	8,479	
30 percent or more spent on housing	535	6.3%
Total Burdened Owner Households	1,225	10.8%
Total Existing Burdened Workforce Households	1,996	13.5%
Future Workforce Households 60%-120% AMI		
\$50,000 to \$74,999	661	
30 percent or more spent on housing	180	27.2%
\$75,000 to \$99,999	443	
30 percent or more spent on housing	34	7.7%
Total Potential Workforce Households	214	
Total Potential Workforce Housing Burden	2,210	
Source: ACS 2023 5-year estimate		

2.0 Housing Strategy

2.1 Preface

The Workforce Housing Policy Framework establishes Prescott’s intent to address workforce housing affordability. The following Initiatives, Strategies, and Implementation Plan provide the roadmap for the commitment by the City to establish an investment in workforce housing by using incentives and land use tools that have been shown to be effective. The effort will involve both city staff and Elliott D. Pollack & Company as a third party consultant who will collaborate with the staff on various implementation activities.

There are several different administrative models for establishing a workforce housing program. In order to maintain simplicity and the ability to provide flexibility to amend the program over time, this Workforce Housing Strategy recommends reliance on two primary documents that will provide guidance on administration of Prescott’s Workforce Housing program. Those documents are:

- The Workforce Housing Policy Framework as currently written and amended in the future, and
- Amendments to the Prescott LDC that will be prepared in the next year to ensure the Framework can be implemented in conformance with state law.

The Vision

As outlined in the Workforce Housing Policy Framework, the Workforce Housing Committee’s Vision is to facilitate housing solutions to attract and retain quality employees and lead to improved service delivery and quality of life for residents and the workforce.

The Goal

The overall goal of a Workforce Housing Policy Framework is to create and maintain housing that is affordable for critical, essential workers, ensuring they can live in the communities they serve.

2.2 Strategic Initiatives

The following Strategic Initiatives follow from the Workforce Housing Policy Framework. Strategic Initiatives are actions that need to be taken by the City to implement the Workforce Housing Policy Framework. Strategies outline specific steps that are required to achieve each Initiative.

Initiative 1: Amend the Prescott Land Development Code (LDC) to implement the Workforce Housing Policy Framework

Strategy 1.1: Adopt a new section of the LDC for Workforce Housing

A Workforce Housing text amendment to the LDC needs to be adopted to ensure actions taken by the City Council and staff in implementation of the Workforce Housing Policy Framework are consistent with Arizona State law and current provisions of the LDC. A new “Workforce Housing” section should be amended to the LDC in Section 2.0 or Section 9.0. The amendment should include the following elements.

- Define eligibility for incentives such as the minimum percentage of workforce housing units to be included in a project, the location of workforce housing projects relative to community amenities, and the types of acceptable housing units.
- Outline how the program would be administered by the city and the requirements to be placed upon the developer to ensure compliance with the program.
- Define LDC development standards modifications such as density bonuses, eligible/potential parking reductions, and other code requirements.
- Utilize the Planned Area Development provisions of the LDC, Section 9.5, to provide flexibility in site design, property development standards, and increased density for incentivized workforce housing complexes.
- Determine if the maximum densities of the PAD section of the LDC can be exceeded with the granting of a density incentive for a workforce housing complex.

Strategy 1.2: Adopt Additional LDC and City Code Amendments

- Amend the Guest Quarters and ADU section of the LDC (Section 2.5.6) to permit the rental of a Guest Quarters or ADU separately from the principal dwelling unit.
- Consider amending the Guest Quarters and ADU section of the LDC to conform to the principles of HB 2720 (A.R.S. § 9-461.18).

Recommendations for LDC Workforce Housing Amendment

- **Recommendation:** Establish the minimum percentage of workforce units planned for any project at 10%.
- **Recommendation:** Provide a sliding scale of density bonus to the percentage of workforce housing units proposed for a project. The adjacent chart is a suggestion for density bonuses.
- **Recommendation:** Parking may be reduced based on a traffic and parking study and proximity to community amenities.
- **Recommendation:** Building height and setbacks may be modified from LDC standards through a PAD designation.

Percentage of Affordable Units & Density Bonus	
% of Affordable Units	% Density Bonus
10%	15%
12%	18%
14%	21%
16%	24%
18%	27%
20% plus	30%

Initiative 2: Develop Incentive Programs for Workforce Housing

Strategy 2.1: Use Development Agreements (DA) as the Primary Instrument to Document the Conditions and Requirements of a Workforce Housing Award

- Develop a standardized Development Agreement that will outline all conditions and requirements imposed by the City on approved Workforce Housing projects including fee waivers, impact fee deferral, density incentives, deed restrictions, maintenance of units, reporting requirements, performance bonds, and other inducements.

Strategy 2.2: Implement Non-Impact Fee Waivers for Building, Planning, Engineering, and Utility Fees

- Fee waivers would be granted based on the percentage of workforce housing units in a project (for example if 25% of the total units in a project are designated as workforce housing, then 25% of eligible fees may be waived or reimbursed). Fees subject to waiver could include Building Permit Fees, Planning and Zoning Fees, Site Plan Review Fees, Subdivision Fees, Building Plan Review and Inspection Fees, Utilities Department Fees (connection, service initiation), and other development-related fees as determined by the City.

Strategy 2.3: Explore In-Lieu Alternatives for the Provision of Workforce Housing

- As an alternative to including workforce housing in a project, establish a formula for a “payment in-lieu of development”. In-lieu fees would be deposited into a dedicated affordable housing fund.
- Evaluate options for the use of in-lieu revenue for workforce housing purposes such as a down payment assistance program, land acquisition for workforce housing, low-interest gap loans, and similar options.

Strategy 2.4: Provide Standards for Expedited Review

- Provide accelerated review slots for qualified workforce housing projects with an approved Workforce Housing Certification.
- Provide outreach to qualified developers early in the process to establish a review schedule for qualified projects.

Initiative 3: Prepare Workforce Housing Proposal Documentation

Strategy 3.1: Prepare a Workforce Housing Certification Form

- Prepare a Workforce Housing Certification form that ensures compliance with program standards including targeting household earning between 60% and 120% of AMI, the percentage of workforce housing units in the project, and commits the developer to maintain affordability for 30 years. The status of the developer as a viable candidate for workforce housing development is also established.

Strategy 3.2: Develop a Standardized Review Framework

- Prepare a standardized review framework for workforce housing proposals that will allow for evaluation of Land Development Code modifications, fee waivers, density incentives, and other inducements to ensure fairness and consistency among proposals.

Initiative 4: Establish a Community Land Trust (CLT)

An important element of promoting homeownership for workforce households is a Community Land Trust (CLT) that owns the land and leases the land to a buyer on a 99-year term. The workforce household owns only the improvements and therefore the value of the home price is reduced by 15% to 25%. When the home is sold, the price is capped so it can be sold to another workforce household. The CLT retains ownership of the land, and the seller retains a portion of the equity that can be used to purchase another unit. CLTs can be used for a variety of purposes including infill development as well as for new home subdivision development.

Strategy 4.1: Consider Options for Establishing a CLT

- A CLT is often operated by a non-profit organization but can also be administered directly by a municipality. A non-profit organization that already manages a CLT may prove to be an efficient way in which to initiate a CLT as well as providing home-buying counseling for buyers, assisting with qualifying candidates for purchase, and helping with resale of workforce units.

Initiative 5: Explore the Creation of an Infill Incentive District

Arizona Revised Statutes (“ARS”) § 9-499.10 enables cities and towns to establish infill incentive districts and adopt an infill incentive plan to encourage redevelopment in the district. Under the plan, a city may provide a variety of redevelopment incentives including expedited zoning or rezoning procedures, expedited processing of plans and proposals, waivers of municipal fees for development activities, financial assistance, and relief from development standards.

Strategy 5.1: Establish an Infill Incentive Plan to Expand Workforce Housing Opportunities

- The Plan will facilitate intensifying residential development in existing developed areas of Prescott, effectively using existing infrastructure. Such development will positively impact commercial development in the infill district and assist with adaptive reuse of commercial and historic buildings that are vacant or underutilized.

Initiative 6: Explore Options for Workforce Housing Funding

The commitment to support development and expansion of workforce housing in Prescott will require significant financial resources.

Strategy 6.1: Explore Creation of a Workforce Housing Trust Fund

- The fund would serve as a repository of revenue for workforce housing purposes that could come from voluntary contributions as well as dedicated revenue streams. The fund could be used to leverage private investment in workforce housing, including gap financing, down payment assistance programs, and other purposes.

Strategy 6.2: Explore Sources of Funding for the Trust Fund

- Consider funding the Trust Fund on a routine basis from City revenue sources to support the Workforce Housing program. Potential funding could come from a combination of a General Fund allocation, state or federal funding, a transient

occupancy tax allocation, proceeds from excess land sales, a dedicated sales tax allocation, and G.O. Bond proceeds.

Strategy 6.3: Consider the Use of Industrial Development Authority (IDA) Bonds for Workforce Housing Financing

- IDA financing at the county and city levels in Arizona has been used for direct financing and gap financing of workforce housing projects. Prescott’s IDA could serve the same purpose.

Initiative 7: Explore Housing Resources for City Employees

The city is committed to the recruitment and retention of qualified employees and will consider a variety of strategies to support a skilled workforce.

Strategy 7.1: Explore Programs that Provide Assistance to City Employees

- Integrate housing support programs into the City’s overall benefits package that may include downpayment assistance, rent subsidies, housing stipends, and other programs, particularly for those employees in key public service roles that require extensive training at a cost to the City.

Strategy 7.2: Provide Housing Resource Support to Employees

- Provide information to employees on housing opportunities and assistance programs. Work with workforce housing developers to reserve a portion of workforce housing units for City employees.

Initiative 8: Conduct an Inventory of Surplus City-Owned Land

Strategy 8.1: Identify City-Owned Properties that may be Suitable for Workforce Housing Opportunities

- Through the surplus land inventory, identify property that may be suitable for workforce housing based on access, utility availability, proximity to community assets, and neighborhood integration.

Strategy 8.2: Identify City-Owned Property that may be Suitable for a Land Trade

- As part of the surplus land inventory, identify properties that could be leveraged as a land swap for property with better workforce housing opportunities.

Initiative 9: Provide Resources for Implementation of the Workforce Housing Policy Framework

Strategy 9.1: Identify Staffing Resources and Consultant Contracts for on-Going Program Management of the Workforce Housing Policy Framework

- The staffing resources required to continue the Workforce Housing program management are significant. Just some of the initial implementation tasks to establish a workforce housing program as outlined in the Policy Framework and this Strategy document, which will be the responsibility of City staff and consultants, include:
 - Drafting LDC amendments.
 - Developing a standardized financial analysis and scoring system for evaluation of workforce housing projects.
 - Preparing a Workforce Housing Certification form that ensures compliance with program standards.
 - Developing a Workforce Housing Guidebook and a Developer Guidebook.
 - Establishing incentive programs for workforce housing units.
 - Coordinating with program participants to ensure alignment with City's housing goals.
 - Conducting outreach to the community.

Once the workforce housing program is established and operating, on-going program maintenance and management responsibilities will include:

- Providing developer and stakeholder support.
 - Monitoring the progress of workforce housing projects, coordinating with developers/owners on qualifying applicants for housing units, and reporting on compliance with adopted policies.
 - Ensuring developer accountability and identifying those who do not meet performance benchmarks.
- In conjunction with City management, identify available staff and contractors to initiate the Workforce Housing Program and additional staffing requirements as the program becomes fully implemented and workforce housing projects come online. Consider retaining private and non-profit organizations that may assist with management of certain elements of the program.

Strategy 9.2: Develop Workforce Educational Guidebooks

- Prepare (1) the Workforce Guidebook for households seeking workforce housing including educational information for City residents on the benefits of workforce housing and (2) the Developer Guidebook providing an overview of the workforce housing incentives, certification process, and accountability standards.

Strategy 9.3: Conduct a Public Outreach Campaign

- Ongoing outreach to the community and collaboration between the Workforce Housing Committee, stakeholders, residents, businesses, developers, and housing advocacy groups is vital to the success of the workforce housing program. Opportunities to engage the public will be identified to build community support for workforce housing.

Initiative 10: Consider Expanding the Tools Available to Implement the Workforce Housing Policy Framework

Strategy 10.1: Consider the Use of the Government Property Excise Lease Tax (GPLET)

- The GPLET is a primary tool available to cities to incentivize development and redevelopment of areas of the community. The GPLET allows ownership of a property to be transferred from a private entity to the municipality and leased back to the original owner. Since the government owned property is not subject to a property tax, the GPLET instead imposes an excise tax on the property which is lower than the normal property tax. The excise tax can be abated for eight years if property is situated within a Central Business District (CBD) and a Redevelopment Area (RDA).

The GPLET can help reduce the financial gap for workforce housing, infill development, and redevelopment challenges by reducing a project’s operating cost. In exchange for imposing the GPLET on a residential property, some cities require a minimum percentage of units to be reserved in the project for workforce households. Alternatively, the developer may opt to pay an in-lieu fee to the community that will be used for housing development purposes.

Strategy 10.2: Consider the use of a Construction Sales Tax Rebate as a Workforce Housing Incentive

- Prescott’s construction sales tax is 2.95% of construction cost, subject to certain adjustments. A rebate or reimbursement of all or a portion of the sales tax would be a significant financial incentive for workforce housing developers.

Strategy 10.3: Consider Initiating a Land Banking Program

- Land banking is focused on public entities purchasing vacant, abandoned, and deteriorated properties in order to return them to productive use. The simple acquisition of a deteriorated property can often improve the surrounding neighborhood. Sites are often suitable for workforce housing, often in infill locations.

Strategy 10.4: Work With the School District to Identify Excess Property Which May Provide Opportunities for Workforce Housing

Strategy 10.5: Work With Local Church Groups to Identify Excess Land That Could Support Workforce Housing Development

Strategy 10.6: Conduct a Comprehensive Review of the City's LDC and Development Standards to Reduce or Eliminate Barriers to Workforce Housing

Initiative 11: Promote and Support Missing Middle Housing Types

Strategy 11.1: Ensure Missing Middle Ownership Housing Products can be Accommodated within the LDC

- Following are examples of several types of ownership housing products that may serve to provide options for affordable workforce housing units. The products include six-pack cluster courts, small lot single family units, and townhomes. Product types should be evaluated to determine if the provisions of the LDC and PAD can accommodate similar units.

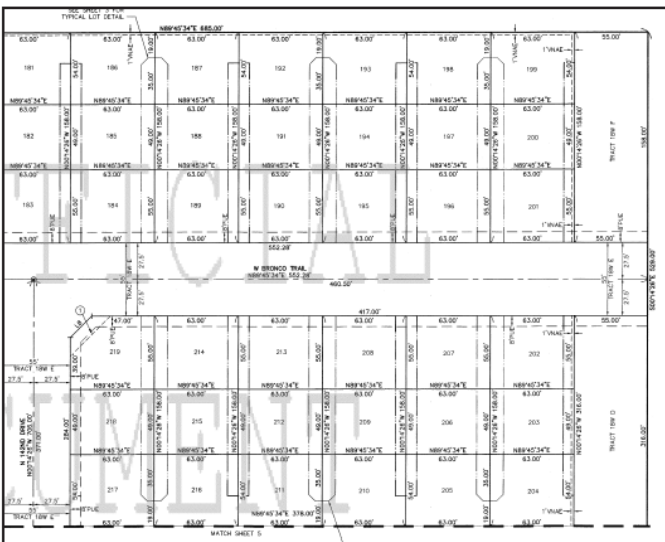
RANCHO MERCADO SURPRISE, AZ

AN EXISTING RESIDENTIAL DEVELOPMENT
BUILT BY TAYLOR MORRISON

NORTHEAST OF HAPPY VALLEY ROAD
AND RANCHO MERCADO PARKWAY

6-PACK AUTOCOURT / CLUSTER HOME

- BUILDING HEIGHT: 2-STORY
- TYPICAL DENSITY: 6-8 DU/AC
- MIN. LOT SIZE: 49'X63'
- MIN. LOT AREA: 3,087 SF
- FRONT DOORS ON COMMON OPEN SPACE TRACT OR PUBLIC STREET



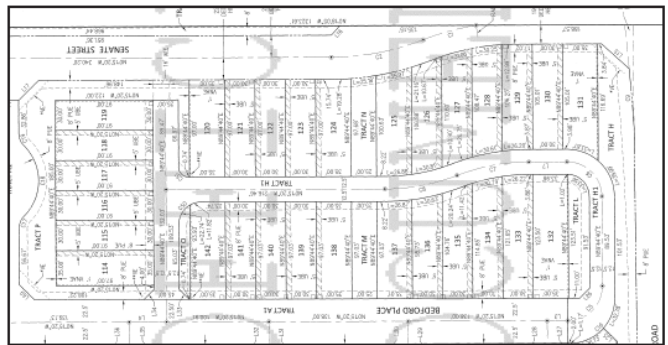
HORIZON CHANDLER, AZ

AN EXISTING RESIDENTIAL DEVELOPMENT
BUILT BY LENNAR

NORTHEAST OF GERMANN ROAD AND
MCQUEEN ROAD

DETACHED, ALLEY-LOADED PRODUCT

- BUILDING HEIGHT: 2-STORY
- TYPICAL DENSITY: 6-8 DU/AC
- MIN. LOT SIZE: 30'X97'
- MIN. LOT AREA: 2,910 SF
- SIDE SETBACKS: 0' & 10' WITH 5' U.B.E.
- DOORS ON OPEN SPACE OR STREET



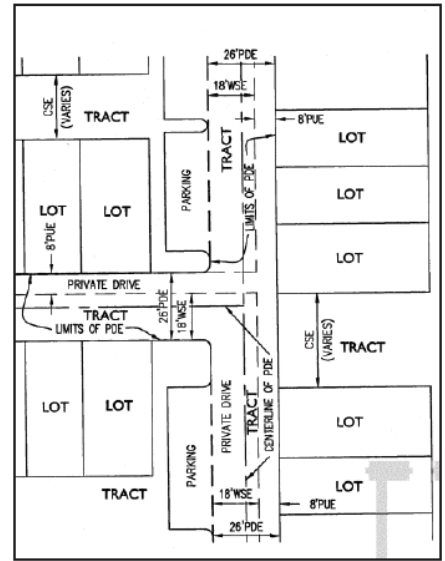
FINCHER FIELDS GILBERT, AZ

AN EXISTING RESIDENTIAL DEVELOPMENT
BUILT BY LENNAR

NORTHWEST OF WILLIAMS FIELD ROAD
AND RECKER ROAD

ATTACHED, ALLEY-LOADED TOWNHOMES

- BUILDING HEIGHT: 2-STORY
- TYPICAL DENSITY: 12-18 DU/AC
- MIN. LOT SIZE: 22'X70'
- MIN. LOT AREA: 1,540 SF
- FRONT DOORS ON COMMON OPEN SPACE TRACT OR PUBLIC STREET



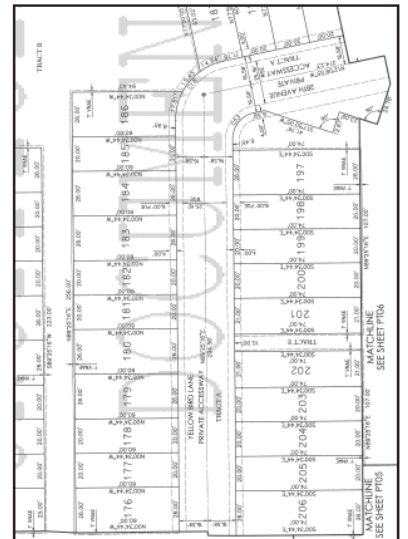
23 & 17 NORTH PHOENIX, AZ

TWO RESIDENTIAL DEVELOPMENTS BY
K. HOVNANIAN HOMES

23: NE OF NORTHERN RD AND 23RD AVE
17: NE OF INTERSTATE 17 AND JOMAX RD

FRONT-LOADED, ATTACHED TOWNHOMES

- BUILDING HEIGHT: 2-STORY
- TYPICAL DENSITY: 10-15 DU/AC
- MIN. LOT SIZE: 20'X60' WITH 3' APRON
20'X74' WITH DRIVEWAY
- MIN. LOT AREA: 1,200 SF OR 1,480 SF
- FRONT DOORS ON PUBLIC STREET



2.3 Summary of the Impact of Incentives on Workforce Housing Costs

Development incentives and workforce housing programs each affect three of the major elements of the cost of development – land cost, soft costs, and hard costs. The extent of the impact is dependent on the cost element with soft cost incentives likely resulting in the smallest impact relative to the overall cost of the project. Land costs can be effectively reduced by the use of Community Land Trusts (CLTs), use of city-owned land, and density bonuses, often in combination. Hard costs (labor and materials) are associated with financing, assistance with infrastructure improvements, and waiver of construction sales taxes. Overall, any incentives and assistance that the City can offer to a workforce housing project will help to bring the complex to fruition.

Table 5

Workforce Housing Development Tools	
Costs of Development	Tools
<p style="text-align: center;">Land Costs 15%-20% of total costs</p>	<ul style="list-style-type: none"> Community Land Trust Use of City-owned land Land Bank Density bonuses Zoning/General Plan policies GPLET City contribution to lower private land cost (Housing Trust Fund)
<p style="text-align: center;">Soft Costs 15%-20% of total costs (Design, Entitlement, Permits)</p>	<ul style="list-style-type: none"> Waiver of permit fees Waiver/reimbursement of impact fees Expedited review of plans Flexible design standards Streamlining of development requirements & processes
<p style="text-align: center;">Hard Costs 60%-70% of total costs (Labor & Building Materials)</p>	<ul style="list-style-type: none"> Waiver of construction sales tax Reduced parking requirements City assistance with infrastructure improvements Direct capital funding of development costs (Gap Financing) Industrial Development Authority Bonds Partnerships with private developers & non-profits

3.0 Implementation Plan

The Implementation Plan addresses the timeline for executing the Initiatives and Strategies outlined in the Workforce Housing Policy. The Implementation Plan identifies (1) the expected timeline for each strategy ranging from short-term (less than 1 year) to long-term (more than 2 years) and (2) the party responsible for acting on the specific strategy, whether the primary lead is a consulting firm, the City, or a joint effort between the city and its consultant. It is anticipated that a consulting firm will be involved to some extent in all actions taken in executing the Implementation Plan with transition of responsibility over time as the City gains experience in reviewing and approving workforce housing projects.

The timeline for the Implementation Plan considers the following elements:

- The time commitment on the part of staff and consultant to achieve the strategies.
- Whether a strategy depends on another strategy's completion before it can be started or completed.
- Whether parts of this strategy will require City Council approval for implementation (such as amendments to the LDC).
- Funding commitments, including staffing, that may require significant budget analysis.
- City Council priorities.
- Resources of the staff to undertake the strategy.

3.1 Key Strategies

Several strategies are key to the initial implementation of the Workforce Housing Policy Framework, without which the Framework cannot be executed. The strategies listed below are focused on a few critical tasks to establish the workforce housing program which include both ongoing activities and short-term actions completed in less than one year.

- Adopting an amendment to the LDC for workforce housing (short-term 1-year task).
- Preparing a form of Development Agreement that will outline the responsibilities of the City and developer for a workforce housing project (ongoing task).
- Preparing workforce housing documentation such as the certification form and standardized review framework (short-term 1-year task).
- Establishing a Community Land Trust (short-term 1-year task).
- Exploring housing resources for City employees (ongoing task).
- Providing resources to implement the Workforce Housing Policy Framework (short-term 1-year task).

The Implementation Plan should be reviewed and updated annually as the City gains experience in implementing the Workforce Housing Policy Framework. Strategies will likely change along with timing of implementation based on the response to the Policy from the community and working through workforce housing proposals. Implementing the Workforce Housing Policy should be viewed as a long-term effort to improve affordability in the City that will need constant review and adjustment.

3.2 Implementation Process

The process of executing this Implementation Plan is expected to involve several steps to ensure community acceptance of workforce housing concepts and conformance with the vision of the Workforce Housing Policy Framework. The process will include:

- Drafting of workforce housing documents in accordance with this Implementation Plan.
- Review of documents by the Workforce Housing Committee with recommendations forwarded to Council.
- Presentation to and review of draft documents by City Council.
- Revision of documents and final presentation of recommendations to City Council.

Throughout the implementation process, **community engagement** will be a vital step to gaining feedback from the general public, business interests, and community organizations on workforce housing. Some of that engagement has already occurred. As part of the Housing Needs Assessment prepared in 2025, an online survey was conducted regarding the public's opinions on housing affordability. A total of 252 responses were collected. This firm also conducted personal interviews of 12 stakeholders as part of this study to gather further opinions workforce housing, barriers, and affordability. Further community engagement efforts will include:

- Building coalitions among community organizations,
- Fostering relationships with major employers and the Chamber,
- Coordinating engagement efforts with the Workforce Housing Committee, and
- Identifying opportunities to engage the public in workforce housing dialogue and discussion.

Coordinating with City and department leaders on initial strategy implementation and community engagement will be an ongoing effort.

The Implementation Plan is shown below with the expected timeline for each strategy and the lead party responsible for acting on the specific strategy,

Prescott Workforce Housing Strategy & Implementation Plan

Implementation Plan Prescott Workforce Housing Policy Framework							
Policy Initiative & Strategy	Timeline				Lead Responsible Party		
	Short Term 1 year	Medium Term 1 - 2 Years	Long Term 2 Years+	Ongoing	Consultant	City	Joint Effort
Initiative 1: Amend the Prescott Land Development Code (LDC) to Implement the Workforce Housing Policy Framework							
Strategy 1.1: Adopt a new section of the LDC for Workforce Housing	✓				X		
Strategy 1.2: Adopt Additional LDC and City Code Amendments		✓				X	
Initiative 2: Develop Incentive Programs for Workforce Housing							
Strategy 2.1: Use Development Agreements (DA) as the Primary Instrument to Document the Conditions and Requirements of a Workforce Housing Award				✓	X		
Strategy 2.2: Implement Non-Impact Fee Waivers for Building, Planning, Engineering, and Utility Fees		✓			X		
Strategy 2.3: Explore In-Lieu Alternatives for the Provision of Workforce Housing			✓				X
Strategy 2.4: Provide Standards for Expedited Review		✓				X	
Initiative 3: Prepare Workforce Housing Proposal Documentation							
Strategy 3.1: Prepare a Workforce Housing Certification Form	✓				X		
Strategy 3.2: Develop a Standardized Review Framework	✓				X		
Initiative 4: Establish a Community Land Trust (CLT)							
Strategy 4.1: Consider Options for Establishing a Community Land Trust (CLT)	✓						
Initiative 5: Explore the Creation of an Infill Incentive District							
Strategy 5.1: Establish an Infill Incentive Plan to Expand Workforce Housing Opportunities		✓				X	
Initiative 6: Explore Options for Workforce Housing Funding							
Strategy 6.1: Explore Creation of a Workforce Housing Trust Fund			✓				X
Strategy 6.2: Explore Sources of Funding for the Trust Fund			✓				X
Strategy 6.3: Consider the Use of Industrial Development Authority (IDA) Bonds for Workforce Housing Financing		✓				X	
Initiative 7: Explore Housing Resources for City Employees							
Strategy 7.1: Explore Programs that Provide Assistance to City Employees				✓		X	
Strategy 7.2: Provide Housing Resource Support to Employees				✓		X	
Initiative 8: Conduct an Inventory of Surplus City-Owned Land							
Strategy 8.1: Identify City-Owned Properties that may be Suitable for Workforce Housing Opportunities				✓		X	
Strategy 8.2: Identify City-Owned Properties that may be Suitable for a Land Trade		✓				X	

Continued on following page

Implementation Plan Prescott Workforce Housing Policy Framework							
Policy Initiative & Strategy	Timeline				Lead Responsible Party		
	Short Term 1 year	Medium Term 1 - 2 Years	Long Term 2 Years+	Ongoing	Consultant	City	Joint Effort
Initiative 9: Provide Resources for Implementation of the Workforce Housing Policy Framework							
Strategy 9.1: Identify Staffing Resources for Workforce Housing Policy	✓						X
Strategy 9.2: Develop Workforce Educational Guidebooks	✓				X		
Strategy 9.3: Conduct a Public Outreach Campaign	✓				X		
Initiative 10: Consider Expanding the Tools Available to Implement the Workforce Housing Policy Framework							
Strategy 10.1: Consider the Use of the Government Property Excise Lease Tax (GPLET)		✓					X
Strategy 10.2: Consider the use of a Construction Sales Tax Rebate as a Workforce Housing Incentive		✓					X
Strategy 10.3: Consider Initiating a Land Banking Program		✓					X
Strategy 10.4: Work With the School District to Identify Excess Property Which May Provide Opportunities for Workforce Housing			✓			X	
Strategy 10.5: Work With Local Church Groups to Identify Excess Land That Could Support Workforce Housing Development			✓			X	
Strategy 10.6: Conduct a Comprehensive Review of the City's LDC and Development Standards to Reduce or Eliminate Barriers to Workforce Housing		✓				X	
Initiative 11: Promote and Support Missing Middle Housing Types							
Strategy 11.1: Ensure Missing Middle Ownership Housing Products can be Accommodated within the LDO		✓					X

Workforce Housing Strategy & Implementation Plan

March 24, 2026 City Council Special Meeting

Initiative Overview

- **Initiative 1:** Amend the Prescott Land Development Code (LDC) to Implement the Workforce Housing Policy Framework
- **Initiative 2:** Develop Incentive Programs for Workforce Housing
- **Initiative 3:** Prepare Workforce Housing Proposal Documentation
- **Initiative 4:** Establish a Community Land Trust (CLT)
- **Initiative 5:** Explore the Creation of an Infill Incentive District
- **Initiative 6:** Explore Options for Workforce Housing Funding
- **Initiative 7:** Explore Housing Resources for City Employees
- **Initiative 8:** Conduct an Inventory of Surplus City-Owned Land
- **Initiative 9:** Provide Resources for Implementation of the Workforce Housing Policy Framework
- **Initiative 10:** Consider Expanding the Tools Available to Implement the Workforce Housing Policy Framework
- **Initiative 11:** Promote and Support Missing Middle Housing Types

Council Discussed Priorities

- **Initiative 1:** Amend the Prescott Land Development Code (LDC) to Implement the Workforce Housing Policy Framework
- **Initiative 3:** Prepare Workforce Housing Proposal Documentation
- **Initiative 4:** Establish a Community Land Trust (CLT)
- **Initiative 5:** Explore the Creation of an Infill Incentive District
- **Initiative 7:** Explore Housing Resources for City Employees

Next Steps

- Begin drafting the Workforce Housing section and related LDC updates. (Consultant)
- Develop the Workforce Housing Certification form and standardized review process. (Consultant)
- Request for Qualifications (RFQ) for a Community Land Trust. (Staff)
- Outline the framework for an Infill Incentive District. (Staff/Consultant)
- Continue research and early implementation of employee-focused housing tools. (Staff)

Workforce Housing Committee

Council direction on Workforce Housing Committee's ongoing role.

A poll sent to the Committee to receive feedback on possible options now that the work is largely moving into implementation handled by staff and the consultant:

- Continue to meet monthly for updates and input **(1 vote)**
- Meet as needed to review projects or programs **(1 vote)**
- Meet twice a year for updates, as required by the resolution
- The work of the Committee is largely completed

Questions?

Thank You



TO: MAYOR AND CITY COUNCIL
AGENDA: March 24 Special City Council Meeting
DATE: March 24, 2026
DEPT: Community Development
ITEM #: 4.B
SUBJECT: Presentation, Discussion & Possible Action Regarding a Development Agreement with Woda Cooper Development, Inc., and City Commitments in Support of the Developer's Low-Income Housing Tax Credit Application, Including Potential Fee Waivers, Infrastructure Participation, or Other City Support.

ITEM SUMMARY

This item is for review of requests from Woda Cooper Development, Inc. for a Development Agreement and related City commitments in support of the developer's application for the Low-Income Housing Tax Credit (LIHTC) program administered by the Arizona Department of Housing.

Council consideration of this item would authorize approval of the Development Agreement and City commitments necessary for the developer to include in its LIHTC application.

BACKGROUND

The Low-Income Housing Tax Credit program is the primary federal program used to finance the construction and rehabilitation of affordable rental housing. LIHTC allocations are awarded on a competitive basis by the Arizona Department of Housing, and applications are evaluated based on a variety of criteria including project readiness, financial feasibility, and evidence of local government support.

Woda Cooper Development, Inc. is pursuing LIHTC financing for a proposed affordable housing development within the City of Prescott. In order to strengthen the project's application and demonstrate municipal support, the developer has requested that the City consider entering into a Development Agreement and providing documentation of potential City commitments associated with the project.

The proposed Development Agreement establishes the framework for cooperation between the City and the developer and identifies potential forms of support that may be provided by the City, subject to Council approval. Approval of this item would allow the developer to include the agreement and documentation of City commitments as part of its LIHTC application to the Arizona Department of Housing.

Elements of the Agreement:

- 82 apartment workforce housing units for tenants whose annual gross income is 80% or below the average median income ("AMI") for Yavapai County;
- Developer agrees to maintain rents for the 82 units of workforce housing for at least 50 years;
- City loan and fee waiver offset by "Community Development Contribution"

- Loan Amount: \$100,000.00, term 15 years, interest rate proposed by staff of 4.75% - this interest rate is "below market", which is required for points within the LIHTC application;
- Fee Waiver Amount: \$50,000.00;
- Community Development Contribution from Developer to the City: \$150,000.00

FINANCIAL IMPACT

Loan Amount: \$100,000.00, term 15 years, interest rate proposed by staff of 4.75%. Payment of no less than \$777.83 per month until the sum of \$140,009.75 is reached; Fee Waiver Amount: \$50,000.00; Community Development Contribution from Developer to the City: \$150,000.00

RECOMMENDED ACTION

MOVE to approve the Development Agreement with Woda Cooper Development, Inc., approve City commitments in support of the developer's Low-Income Housing Tax Credit application, and authorize the City Manager to execute the agreement and related documents.

ATTACHMENTS

1. Lakeview Grove Architectural Package
2. Lakeview Grove_Draft City Commitment Letter_3.16.26
3. Lakeview Grove_Draft City Fee Waiver Letter_3.16.26
4. Lakeview Grove_Draft Development Agreement_3.16.26
5. Lakeview Grove Presentation



BUILDING INFORMATION

NET BUILDING AREA:

1ST FLOOR:

RESIDENTIAL: 15,150 SF
COMMON: 4,210 SF

2ND FLOOR:

RESIDENTIAL: 16,850 SF
COMMON: 2,510 SF

3RD FLOOR:

RESIDENTIAL: 16,850 SF
COMMON: 2,510 SF

4TH FLOOR:

RESIDENTIAL: 16,850 SF
COMMON: 2,510 SF

TOTAL NET: 77,440 SF

TOTAL GROSS: 87,940 SF (21,985 PER FLOOR)

LOT COVERAGE: 16.1%

IMPERVIOUS COVERAGE: 38.2%

UNIT MIX:

1BR: 40 650SF = 26,000 SF

2BR: 22 850SF = 18,700 SF

3BR: 20 1050SF = 21,000 SF

TOTAL: 82 65,700 SF

PARKING COUNT

PARKING:

REQUIRED PARKING: 144

NEW PARKING: 144

SITE LEGEND

 NEW BUILDING

 SIDEWALKS

 DRIVES

 PLAY GROUND

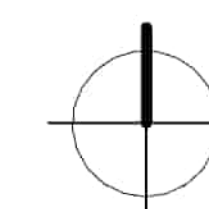
 DECOMPOSED GRANITE

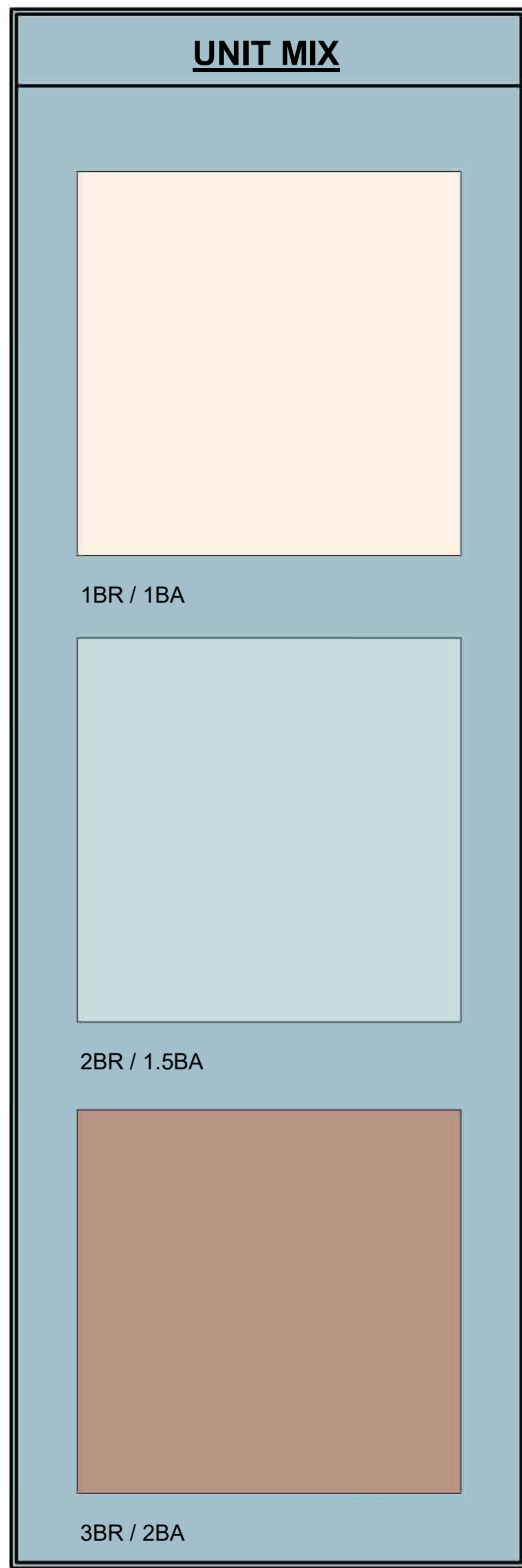
 TREE NATIVE TO REGION

 TREE NATIVE TO REGION

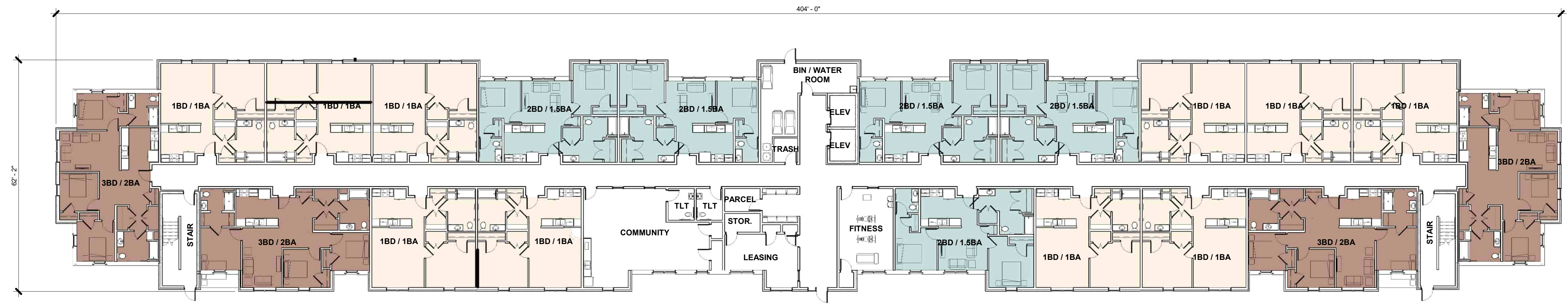
 TREE NATIVE TO REGION

 SHRUB NATIVE TO REGION





TYPICAL OVERALL SECOND - FOURTH FLOOR PLAN
1/16" = 1'-0"



OVERALL FIRST FLOOR PLAN
1/16" = 1'-0"



NORTH ELEVATION



SOUTH ELEVATION



EAST ELEVATION



WEST ELEVATION



PHOTO ABOVE: SOUTHEAST ELEVATION FROM PARKING LOT



PHOTO ABOVE: NORTHWEST ELEVATION FROM PARKING LOT

PHOTO BELOW: SOUTHWEST ELEVATION FROM PARKING LOT



PHOTO BELOW: NORTH ELEVATION FROM PARKING LOT



EXTERIOR RENDERINGS | PR-4

LAKEVIEW GROVE APARTMENTS

3111 LAKEVIEW PLAZA LN, PRESCOTT, AZ, 86301

MARCH 10, 2026

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City of Prescott Letterhead

March 16, 2026

Lakeview Grove Limited Partnership
c/o Mr. Omer Sarig
Woda Cooper Companies, Inc.
500 South Front Street, 10th Floor
Columbus, OH 43215

Dear Mr. Sarig,

The City of Prescott acknowledges receipt of your request seeking financial support for the development of **Lakeview Grove**, a new construction of an eighty-two (82) unit community for individuals and families. We understand the development is to be located at 3111 Lakeview Plaza Lane in Prescott, south of the Ocean Blue Car Wash. The site will also have an integrated clubhouse as well as on-site management, a playground, and outdoor seating area.

A review indicates the development is eligible and will be considered for funding as a gap loan. You requested funding in the amount of \$100,000.00. The City's investment would be in the form of a loan for fifteen (15) years at four point seventy-five percent (4.75%) interest. Repayment would be twenty-five percent (25%) of cash flow with a balloon payment at the maturity of the loan. Anticipated lien position is second behind the permanent first mortgage. No origination or loan fees are associated with this loan, and the City does not anticipate any reserve requirements.

This commitment is conditioned upon the receipt of a 2026 reservation of Section 42 9% Low Income Housing Tax Credits from The Arizona Department of Housing (ADOH) by Lakeview Grove Limited Partnership. Underwriting will continue to determine the cost reasonableness of the development and to complete due diligence documentation. The development would be funded as a 2027 commitment. The City's participation is contingent upon completion of all necessary documentation to the satisfaction of the City, compliance with all Federal and City regulations and policies, and completion of a HUD environmental review as necessary. The election of average income is acknowledged and affirmed.

Sincerely,

Cathey Rusing Mayor
City of Prescott

[City of Prescott Letterhead]

March 16, 2026

Lakeview Grove Limited Partnership
500 South Front Street, 10th Floor
Columbus, OH 43215

RE: City of Prescott – Lakeview Grove Local Fee Waivers

To Whom It May Concern,

The City of Prescott has the authority to waive certain application fees for qualifying projects. The City of Prescott, in partnership with Woda Cooper Development, Inc., is committed to supporting the development of affordable housing within the Prescott community through the construction of Lakeview Grove (the “Project”). The City agrees to pay certain development impact fees or waive fees in the total amount of \$50,000.00 for the Project.

The fee waiver may include, but not be limited to, paying for impact fees, utility connection fees, plan review fees, permit fees, and/or other development related fees customarily assessed in connection with the Project. This commitment is for the express purpose of supporting the Project’s application for Low Income Housing Tax Credits administered by the Arizona Department of Housing (“ADOH”) and satisfy local government financial support for projects located in Rural / Balance of State areas. This commitment is conditioned upon the receipt of a 2026 reservation of Section 42 9% Low Income Housing Tax Credits from the ADOH.

The fees to be waived and the timing of such waivers shall be determined in the discretion of the City and in accordance with applicable City ordinances, resolutions, policies, and administrative procedures; provided, any fees not able to be waived or covered under City ordinance, resolution, policies and administrative procedures, or in substantial excess of the \$50,000.00 amount, are the responsibility of Lakeview Grove Limited Partnership.

Please contact me if you have any questions.

Sincerely,

Cathey Rusing
Mayor
City of Prescott

WHEN RECORDED RETURN TO:

City of Prescott
Attn: _____
201 N Montezuma Street
Prescott, AZ 86301

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“Agreement”) is made as of the ____ day of _____, 2026, between the CITY OF PRESCOTT, ARIZONA, an Arizona municipal corporation (the “City”) and Woda Cooper Development, Inc., an Ohio corporation (the “Owner/Developer”). The City and Owner/Developer or their successors or assigns, are sometimes referred to in this Agreement collectively as the “Parties,” or individually as a “Party.”

RECITALS

As background to this Agreement, the Parties recite, acknowledge, and confirm the following, each of which shall be a material term and provision of this Agreement:

A. Developer intends to construct and operate a no less than eighty-two (82) unit multi-family development on the property described on Exhibit A (the “Property”), with no less than eighty-two (82) units set aside for workforce housing for tenants with annual gross family income at 80% or below the average median income (“AMI”) for Yavapai County (the “Project”). The Project is described and depicted in Exhibit B.

B. Owner/Developer will apply for an award of federal tax credits from the Arizona Department of Housing.

C. City and Owner/Developer desire to enter into this Agreement to define the terms under which the Project will be developed and operated, including the City providing the incentives as set forth herein.

AGREEMENT

1.0 DEFINITIONS

1.1 “A.R.S.” means the Arizona Revised Statutes as now or hereafter enacted or amended.

1.2 “Agreement” means this Agreement, as amended and restated or supplemented in writing from time to time and includes all exhibits and schedules hereto. References to Sections or Exhibits are to this Agreement unless otherwise qualified. Any exhibit attached hereto shall be deemed to have been incorporated into this Agreement by this reference with the same force and effect as if fully set forth in the body of this Agreement. The Recitals set forth above and the introductory paragraph preceding the Recitals are incorporated herein by reference into this Agreement, and the Parties hereby confirm the accuracy of the Recitals.

1.3 “Project” means the no less than eighty-two (82) unit apartment complex being constructed by the Developer on the Property as well as any public improvements on the nearby adjacent public streets that are required to be constructed prior to the issuance of a Certificate of Occupancy.

1.4 “Certificate of Occupancy” means issuance by the City of a certificate allowing occupancy of one or more structures on the Leased Premises. A Certificate of Occupancy shall include a temporary Certificate of Occupancy issued by the City with no outstanding life safety corrections, so long as Developer is diligently undertaking the non-life safety items necessary to obtain a final Certificate of Occupancy.

1.5 “Owner/Developer” means Woda Cooper Development, Inc., an Ohio corporation.

1.6 “City” means the City of Prescott, an Arizona municipal corporation.

1.7 “City Approvals” means approval or permitting by the appropriate City department, administrator, or body for each Project related activity.

1.8 “City Code” means the Prescott City Code and Land Development Code of Prescott, Arizona, as amended from time to time.

1.9 “City Council” means the duly elected Council of the City of Prescott.

1.10 “City Manager” means the person designated by City Council as its City Manager or the designee of that person.

1.11 “City Street Improvements” means public right-of-way improvements including public utilities.

2.0 GENERAL PLAN AND ZONING

2.1 General Plan. The Parties agree that the current General Plan supports the development of the Project. To the extent any amendment to the General Plan is required as the development proceeds, the Parties agree to act in good faith to process any general plan amendments in accordance with law and the Developer agrees to ensure all documents are available to proceed with necessary public notices and hearings to allow the City Council to act on such application. Any such general plan amendment shall be in the sole discretion of the City Council in accordance with state law.

2.2 Zoning. The Parties agree that the zoning permits development of the Project. The Parties further agree that if the Project changes such that modifications to the underlying zoning are required, the Developer may submit a request for a zoning amendment which application shall be processed subject to the public hearing requirements of Arizona Revised Statutes, Title 9, Chapter 4, Article 6.1, and subject to the sole discretion of the City Council. Developer agrees to cooperate with the City and act in good faith to ensure all documents are available for any rezoning ordinance that may be required.

3.0 CONSTRUCTION OF PROJECT

3.1 Developer will construct the Project as generally described and shown on Exhibit B. The Parties agree that although the Project shall be constructed in general conformance with the City of Prescott General Engineering Standards and all other applicable codes and standards, that the Developer may make adjustments to address public input and finalize the Project for construction, with approval of the City to such modifications and in accordance with local codes and building requirements.

3.2 Developer will ensure that the Project is constructed by a licensed contractor with the appropriate license classification to perform the work, as issued by the Arizona Registrar of Contractors.

3.3 Developer will construct the Project in accordance with Prescott City Code, Land Development Code, Administrative Policy, and other applicable standards adopted by the City.

3.4 Developer agrees to pay the City's adopted plan review fees, inspection fees and other fees associated with the construction of the Project. If outside consultants are required, Developer shall pay actual consultant fees incurred by the City.

3.5 Off-Site Improvements. City and Developer agree that the ultimate development of the Project may require the construction of off-site improvements. Such off-site improvements shall be designed and constructed at Developer's cost and shall be constructed in accordance with this Agreement. All infrastructure requirements shall be constructed in a manner and under the terms and conditions of all applicable standards, codes, rules or regulations of City or other governmental agencies as they exist at the time this Agreement is entered. If required by the City Engineer, a traffic study shall be submitted showing impacts on full build-out of the Project. Based on the traffic study, the City Engineer may modify the required off-site improvements. Upon permit approval, City grants Developer the right to enter and remain upon and cross any City easements or rights-of-way, within or immediately adjacent to the Project Area, to the extent reasonably necessary to facilitate the construction of additional infrastructure or to perform any necessary maintenance or repairs of said infrastructure provided that Developer shall not impede or adversely affect City or the public's use and enjoyment thereof and provided that Developer shall restore such easements and rights-of-way to their prior condition upon completion of construction, repair or maintenance.

3.6 Dedication and Maintenance of Public Right-of-Way. Ownership of all completed portions of the public right-of-way improvements shall be dedicated to City by instrument in form and content acceptable to City. So long as such infrastructure improvements are constructed in accordance with plans and specifications approved by City, as verified by inspection of the completed improvements by City's Engineer, City shall accept such dedications and shall, beginning twelve (12) months from the date of acceptance, at its own cost and expense, maintain, repair, and operate such public right-of-way improvements in accordance with its customary standards. From the date City accepts the improvements and for a period of one (1) year thereafter Developer shall, at its sole cost and expense, maintain and repair such improvements. Notwithstanding the above, Developer shall be responsible for and pay the costs of repair of any damage to improvements caused by Developer or Developer's contractors.

3.7 Regulation of Development. City and Developer agree and acknowledge that the ordinances, rules, regulations, and policies of City applicable to and governing the development of this Project shall be those ordinances, rules, regulations and officially adopted policies (with current interpretation and practices) which are in existence and in force for City as of the date of permit issuance. City shall not impose or enact any additional ordinances, conditions, dedications, rules, regulations, or policies applicable to or governing the development of this Project except as follows:

- a. Future land use ordinances, rules, regulations, and policies of City which are consistent with and not contrary to the zoning and land use regulations set forth in the Land Development Code and which are consistent with the vesting of the zoning as provided herein; or
- b. Future land use rules, regulations and official policies of City enacted as necessary, but only to the extent necessary, to comply with State and Federal laws and regulations, provided that in the event that the rules and regulations prevent or preclude compliance

with this Agreement, such provisions of this Agreement shall be modified as necessary in order to comply with the new laws or regulations wherever possible.

- c. Rules of City which Owner may agree in writing shall apply to the development of the Project.
- d. Future updates of and amendments to existing building, construction, plumbing, mechanical, electrical and similar construction and safety related codes, such as the International Building Code which updates and amendments are generated by a nationally recognized construction/safety organization, such as the International Conference of Building Officials, or by the county, state, or federal governments, provided such code updates and amendments shall be applied uniformly and throughout City.
- e. Rules of City reasonably necessary to alleviate legitimate, severe threats to public health and safety, in which event, any rules imposed in an effort to contain or alleviate such legitimate, severe threat to public health and safety shall be minimal and the least intrusive alternative practicable and, except in a bona fide emergency, may not be imposed arbitrarily.
- f. Future imposition of filing permit, development fees, or review fees, or modifications thereto, so long as such fees are imposed or charged uniformly by City to all entities or properties with similar situations.

4.0 OPERATION OF PROJECT ONCE COMPLETED

4.1 In consideration of the incentives provided by the City to the Developer, Developer agrees to the following conditions:

4.1.1 No less than eighty-two (82) apartment units will be set aside as workforce housing for tenants whose annual gross family income is below eighty percent (80%) of AMI for Yavapai County. A minimum of 18 units will be set at rental rates serving 70% and 80% of AMI earning tenants.

4.1.2 The Project will be completed, and a certificate of occupancy shall be obtained not more than twenty-four (24) months from date of Low-Income Housing Tax Credit (LIHTC) program award from the Arizona Department of Housing or upon one twelve-month extension by the Community Development Director. If ADOH has not awarded the necessary LIHTC program award by July 15, 2026 to the Project, this Agreement shall automatically terminate. If the Community Development Director denies the twelve-month extension, the request may be presented to the City Council to approve or deny the extension in its sole and absolute discretion. This Agreement terminates if the City Council chooses not to approve the extension.

4.1.3 Owner agrees to maintain rents for the no less than eighty-two (82) units as workforce housing (below 80% of AMI) for at least fifty (50) years, and Owner shall submit an affidavit of proof of compliance annually.

4.1.4 Tenants of the workforce housing units must meet the following criteria:

- a. Legal U.S. resident(s);

- b. One person in the household employed full-time or full-time equivalent in Yavapai County;
- c. Occupy the unit full-time and not permitted to sublease all or part of the unit; and
- d. Must not own or have any form of ownership in another single-family residence, townhome or condominium.

5.0 LOAN FROM CITY

5.1 Loan Amount. The City agrees to loan Developer One Hundred Thousand Dollars (\$100,000.00) under the terms and conditions set forth in this Agreement.

5.2 Loan Documents. City and Developer agree that the form of promissory note, loan agreement and deed of trust (collectively, the “Loan Documents”) evidencing the loan in the amount of \$100,000.00 from City to Borrower shall be prepared by the City and subject to Developer review and approval prior to any transfer of funds. Said loan shall be contingent upon and subject to Developer obtaining anticipated award from ADOH. Upon confirmation of award from ADOH, City will draft Loan Documents and shall provide said documents to Developer by August 3, 2026. The Loan Documents shall include the following terms and such other provisions as are deemed commercially reasonable and appropriate by the parties:

- a. A term of up to 15 years.
- b. An interest rate of 4.75%.
- c. A payment of no less than \$ 777.83 per month until the sum of \$ 140,009.75 is reached, provided, however, that the documents will provide that the Loan may be prepaid at any time by Developer.
- d. Security will be provided in the form of a Second Priority Deed of Trust (anticipated to be junior in priority to Senior Lender(s)).
- e. The loan will be non-recourse to Borrower and its members.
- f. Developer will provide a completion guaranty to City which will guaranty the completion of the Project. No payment guaranty will be provided.

5.3 Affordability Covenant. The Project will include 82 workforce housing units for tenants making 80% or less of the Yavapai County AMI. The Affordability Covenant shall be recorded against the Property, in the form attached as Exhibit C.

6.0 FEE WAIVER FROM CITY

6.1 Fee Waiver Amount. City hereby commits to waive or pay for development related fees that would otherwise be imposed by the City in connection with the proposed Project in a total aggregate amount of Fifty Thousand Dollars (\$50,000.00).

6.2 Fee Waiver Commitment. The fee waiver described above shall include, but not be limited to, pay for impact fees, utility connection fees, plan review fees, permit fees, and/or other development related fees customarily assessed by the City in connection with the Project. This fee waiver

commitment is made for the express purpose of supporting the Project's application for Low Income Housing Tax Credits administered by the Arizona Department of Housing ("ADOH") and is intended to satisfy local government financial support for projects located in Rural / Balance of State areas. The specific fees to be waived and the timing of such waivers shall be determined in accordance with applicable City ordinances, resolutions, policies, and administrative procedures; provided, however, that the total value of all waived fees shall equal or exceed \$50,000.00. This commitment shall remain in effect through the issuance of all applicable development approvals and permits for the Project, provided that the Project proceeds substantially in accordance with the development plans approved by the City and the requirements of ADOH's Low Income Housing Tax Credit program. City shall determine which fees to waive or pay for.

6.3 LIHTC Award Contingency. The City's obligation to waive the fees described herein is expressly contingent upon the Project receiving an award of Low Income Housing Tax Credits from ADOH. In the event the Project does not receive such an award, the City shall have no obligation to waive any fees under this Agreement.

7.0 COMMUNITY DEVELOPMENT CONTRIBUTION

7.1 Community Development Contribution. Upon Developer's closing of all construction financing sources, Developer shall make a contribution to the City in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) ("Community Development Contribution"). Developer shall pay the Community Development Contribution to the City within thirty (30) business days following such closing. The City shall use the Community Development Contribution solely for broader community growth, neighborhood revitalization, or other public improvement initiatives that promote long-term community wellbeing within the City as determined by City Council. The Parties acknowledge that this contribution is a material component of the consideration supporting this Agreement.

8.0 TERM.

8.1 Contingency. The Parties' obligations under this Agreement are contingent on the Owner/Developer obtaining the LIHTC program funding from the Arizona Department of Housing. No later than three (3) business days after notice from ADOH about the status of the award for this Project, the Owner/Developer shall deliver to the City notice of its funding status.

8.2 Term. Subject to Section 4.1.2, upon approval from ADOH that LIHTC program funding is granted to Owner/Developer for this Project, the term of this Agreement shall commence and shall automatically terminate no earlier than on the fiftieth(50th) anniversary of such date; provided, however, that during the one (1) year period prior to the automatic termination of this Agreement, the Parties shall meet and confer as often as reasonably requested to determine if, and upon what terms, this Agreement should be extended. If the Parties are able to agree upon an extension, an extension agreement between the Parties shall be executed and recorded. If the parties are unable to agree upon such an extension, either Party may record a Notice of Termination of this Agreement to be effective on the fiftieth (50th) anniversary of the date of execution by both parties.

9.0 DEFAULT AND REMEDIES.

9.1 Default. Failure or unreasonable delay by either Party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the "Cure Period") after written notice thereof from the other Party shall constitute a default under this Agreement.

Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. If any such default cannot reasonably be cured within the Cure Period for reasons beyond the defaulting Party's control (financial inability, construction delays and market conditions excepted), then such longer period as may be reasonably required, provided and so long as such cure is promptly commenced within the Cure Period and diligently prosecuted to completion.

9.2 Remedies. In the event such default is not cured within the Cure Period, the non-defaulting Party shall have all rights and remedies that may be available at law or in equity, subject to the limitations set forth herein. The City or Developer, or any successor-in-interest or assignee, may institute a legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation, including but not limited to suits for declaratory relief, specific performance, relief in the nature of mandamus and actions for damages, provided that claims for damages shall be limited to actual damages as of the time of entry of judgment. The Parties hereby waive any right to seek consequential, punitive, multiple, exemplary or any damages other than actual damages.

10.0 NOTICES AND FILINGS.

10.1 Manner of Service. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally, or sent by registered or certified United States Mail, postage prepaid, to their respective addresses set forth below, or at such other address as a Party may designate in writing pursuant to the terms of this paragraph, or by any nationally recognized express or overnight delivery service (e.g., Federal Express or UPS), with all postage and other delivery charges prepaid:

City: City Manager
City of Prescott
201 N Montezuma Street
Prescott, AZ 86301

With a copy to: _____

Developer: Woda Cooper Development, Inc.
500 S. Front Street, 10th Floor
Columbus, Ohio 43215
Attn: Omer Sarig

With a copy to: Woda Cooper Development, Inc.
500 S. Front Street, 10th Floor
Columbus, Ohio 43215
Attn: Andrew Speicher

If either Party changes address, they must give written notice to the other Party. Notice of change of address is deemed effective five (5) business days after mailing by the Party changing address.

10.2 Delivery Effective. All such notices, demands or other communications will (i) if delivered personally or delivered through a same day delivery/courier service be deemed effective upon delivery or refusal to accept delivery by the addressee, and (ii) if delivered by U.S. mail in the manner described above be deemed effective upon the earlier of receipt or three (3) business days after deposit in a post office operated by the United States or with a United States postal officer (in each case regardless of whether such notice, demand or other communication is received by any other person to whom a copy of such notice, demand or other communication is to be delivered pursuant to this paragraph). Any notice sent by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Notwithstanding the foregoing, no payment shall be deemed to be made until actually received in good and available funds by the intended payee.

11.0 INDEMNIFICATION.

To the fullest extent permitted by law, Owner/Developer shall indemnify, defend, pay and hold harmless the City, and its employees, agents, contractors, licensees or assignees (each, individually, an "Prescott Indemnified Party," and collectively, the "Prescott Indemnified Parties") for, from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, judgments and causes of action including, without limitation, reasonable attorneys' fees and disbursements, which may be imposed upon or incurred by or asserted against any one or more of the Prescott Indemnified Parties relating to, arising out of, or alleged to have resulted from negligent or intentional acts, error, mistakes, omissions caused by Owner/Developer, its agents, employees or any subcontractor of Owner/Developer related to the performance of this Agreement or by reason of any statement, information, certificate or other official representation provided by Owner/Developer in this Agreement that is false, inaccurate, misleading or incomplete in any material respect, except to the extent caused by the negligent or intentional misconduct of the Prescott Indemnified Party seeking indemnity hereunder. If any claim, action or proceeding is made or brought against any of the Prescott Indemnified Parties by reason of any of the foregoing events, then Owner/Developer, upon prompt written notice from the Prescott Indemnified Party will, at Owner/Developer's sole cost and expense, resist or defend such claim, action or proceeding, in the Prescott Indemnified Party's name, if necessary, by counsel approved, in writing, by the Prescott Indemnified Party, such approval not be unreasonably withheld or delayed.

12.0 MISCELLANEOUS PROVISIONS.

12.1 Ambiguity. This Agreement is the result of negotiations by and between the Parties. Although it has been drafted by the Developer, it is the result of the negotiations between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

12.2 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, City may cancel this Agreement within three years of its execution and without penalty or further obligation, if any person significantly involved in initiating, negotiation, securing, drafting or creating the Agreement on behalf of City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement. In the event of the foregoing, City further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiation, securing, drafting or creating this Agreement on behalf of City from any other party to the

Agreement, arising as a result of this Agreement. In the event City elects to exercise its rights under A.R.S. § 38-511, as amended, City agrees to immediately give notice thereof to Developer.

12.3 Recordation. This Agreement shall be recorded in the Official Records of Yavapai County no later than ten (10) days after this Agreement is executed by City and Developer, provided however, that the Parties shall not execute this Agreement prior to or during the referendum period set forth in A.R.S. § 19-142.

12.4 Captions. The titles and headings of the paragraphs of this Agreement have been inserted for convenience and reference only and are not intended to summarize or otherwise describe the subject matter or the paragraphs and shall not be given any consideration in the construction of this Agreement. The use of the terms “hereof,” “hereunder,” and “herein” shall refer to this Agreement as a whole, inclusive of the Exhibits, except when noted otherwise. The terms “include,” “includes,” and “including” incorporate the meaning “without limitation.” The use of the masculine or neuter genders herein shall include the masculine, feminine, and neuter genders and the singular form shall include the plural when the context so requires.

12.5 Cooperation. The Parties shall each cooperate with the other and execute such documents as the other party may reasonably require or request so as to enable it to conduct its operations, so long as the requested conduct or execution of documents does not derogate or alter the powers, rights, duties, and responsibilities of the respective Parties.

12.6 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by other electronic means or signing by means of DocuSign shall be equally as effective as personal delivery of a manually executed counterpart of this Agreement. A counterpart electronically delivered displaying a DocuSign, or digital image of the signature of the party shall have the same force and effect as an original “ink signed” counterpart, which has been personally delivered to the recipient.

12.7 Time of Essence and Successor. Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the Parties pursuant to A.R.S. § 9-500.05(D). Notwithstanding the foregoing, Developer’s rights and obligations hereunder may only be assigned by a written instrument, approved by City Council and recorded in the official records of Yavapai County, expressly assigning such rights and obligations. In the event City Council approves a complete assignment of Developer rights and obligations hereunder, Developer’s liability hereunder for acts occurring after the date of the assignment shall terminate effective upon the assumption by Developer’s assignee.

12.8 Dispute Resolution.

12.8.1 The Parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the Parties hereto waives any right to a trial by jury. In the event of litigation, the Parties hereby agree to submit to a trial before the Court. If the Parties elect, nothing herein shall preclude non-binding arbitration in the event of a dispute hereunder.

12.8.2 In the event of commencement of a legal action or proceeding in an appropriate forum by a Party to enforce any covenant, term, provision or requirement of this Agreement, or any of such Party’s

rights or remedies under this Agreement, or in the event of commencement of any action or proceeding seeking a declaration of the rights of any Party or equitable or injunctive relief against any Party, the prevailing Party or Parties in any such action or proceeding shall be entitled to recovery of its reasonable attorneys' fees, court costs and expenses, including, but not limited to, its costs of expert witnesses, transportation, lodging and meal costs of the Parties and witnesses, costs of transcript preparation and other reasonable and necessary direct and incidental expenses associated with such dispute. The award shall be made by the Court and not by a jury.

12.8.3 In the event of default, neither Party shall be liable for incidental, special, or consequential damages.

12.9 No Partnership; Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Developer and City. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a Party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

12.10 Entire Agreement. This Agreement represents the entire and integrated Agreement between the City and the Developer and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Parties.

12.11 Amendments. Written and signed amendments shall automatically become part of the Agreement, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary. City and Developer each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in this Agreement. Within ten (10) days after any amendment to this Agreement, such amendment shall be recorded in the official records of Yavapai County.

12.12 Names and Plans. Subject to the provisions of the "Public Records and Documents" laws of the State of Arizona, Developer shall be the sole owner of all names, titles, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of Developer in connection with the Project; provided, however, that in connection with any conveyance of portions of the Property to City, such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable, to City. Notwithstanding the foregoing, Developer shall be entitled to utilize such materials described herein to the extent required for Developer to construct, operate or maintain improvements relating to the Project.

12.13 Good Standing and Authority. Each of the Parties represents and warrants to the other (i) that it is duly formed and validly existing under the laws of Arizona, (ii) that it is duly qualified to do business in the State of Arizona and is in good standing under the applicable state laws, and (iii) that the individual(s) executing this Agreement on behalf of the respective Parties are authorized and empowered to bind the Party on whose behalf each such individual is signing.

12.14 Interpretation. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. It is the intention of the Parties hereto that all questions with respect to

the construction, enforcement, and interpretation of this Agreement and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the State of Arizona without regard to principles of conflicts of laws.

12.15 Israel. To the extent A.R.S. § 35-393 through § 35-393.03 is applicable, Developer certifies that it is not currently engaged in, and agrees for the duration of this Agreement, that it will not engage in, a boycott of goods and services from Israel, as that term is defined in A.R.S. §35-393.

12.16 Waivers.

12.16.1 No waiver by the City of any default or breach by Developer shall be deemed to be or constitute a waiver of any other or subsequent default or breach. The City specifically reserves and shall have all rights and remedies available to it under the provisions of this Agreement.

12.16.2 No amendment or waiver of any provision of this Agreement nor consent to any departure by the City shall be effective unless the same shall be in writing and signed by the City. Such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

12.16.3 The failure of any Party to enforce against another Party any provision of this Agreement shall not constitute a waiver of that Party's right to enforce such a provision at a later time and shall not serve to vary the terms of this Agreement.

12.16.4 No oral order, objection, claim or notice by any Party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver or modification thereof in writing. No evidence of modification or waiver other than evidence of any such written notice, waiver or modification shall be introduced in any proceeding.

12.17 Warranty Against Forced Labor.

12.17.1 Pursuant to and in compliance with A.R.S § 35-394, Developer hereby agrees and certifies that it does not currently, and agrees for the duration of this Agreement that Developer will not use: (1) the forced labor of ethnic Uyghurs in the People's Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

12.17.2 If the Developer becomes aware during the term of the contract that the company is not in compliance with the written certification, the company shall notify the City within five (5) business days after becoming aware of the noncompliance. If the Developer does not provide the City with a written certification that Developer has remedied the noncompliance within one hundred eighty (180) days after notifying the City of the noncompliance, this Agreement terminates. Developer also hereby agrees to indemnify and hold harmless the City, its officials, employees, and agents from any claims or causes of action relating to the City's action based upon reliance upon this representation, including the payment of all costs and attorney fees incurred by the City in defending such as action.

12.18 Business Days. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on a Friday, Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so it shall end on the next succeeding day which is not a Friday, Saturday, Sunday or legal holiday.

12.19 Individual Nonliability. No shareholder, partner, member, manager, director, officer, official, council member, representative, agent, attorney or employee of either Party shall be personally liable to the other Party, or to any successor in interest to the other Party, in the event of any default by a Party or for any amount which may become due to the other Party or any successor or assign, or with respect to any obligation of City or Developer under the terms of this Agreement.

12.20 Good Faith of Parties. Except where any matter is expressly stated to be in the sole discretion of a Party, in performance of this Agreement or in considering any requested extension of time, the Parties agree each will act in good faith and will not act unreasonably, arbitrarily or capriciously and will not unreasonably withhold, delay or condition any requested approval, acknowledgment or consent.

12.21 Severability. In the event any provision of this Agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the Parties.

12.22 Covenants Running with the Land. The conditions and covenants set forth in this Agreement and incorporated herein by the exhibits shall constitute restrictive covenants and shall run with the land and the benefits and burdens shall bind and inure to the benefit of the Parties. The Owner and every purchaser, assignee or transferee of an interest in the Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a Party thereto, but only with respect to the Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of the Owner contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned or transferred to it.

12.23 Governing Law/Choice of Forum. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce, or construe any provision of this Agreement (whether by a Party, or by a permitted successor or assign to all or any interest of a Party) shall be commenced and maintained in the Superior Court in and for Yavapai County and the Parties (and their successors and assigns) agree and consent to the exclusive jurisdiction of such Superior Court. Developer (and their successors and assigns) waive all right to seek removal of any action to any court (federal or state) other than the Superior Court in and for Yavapai County, Arizona.

12.24 Survival. All agreements and indemnities in this Agreement shall survive the execution and delivery of this Agreement, the consummation of any transaction contemplated herein, and the rescission, cancellation, expiration or termination of this Agreement for the period of the applicable statute of limitations.

12.25 Estoppel Certificate. Upon request by Developer, the City shall, within ten (10) calendar days, respond and certify by written instrument to Developer that (a) this Agreement is unmodified and in full force and effect, or if there have been modifications, that this Agreement is in full force and effect as modified, stating the nature and date of such modification, (b) this Agreement is unmodified and in full

force and effect, or if there have been modifications, that the Agreement is in full force and effect as modified, stating the nature and date of such modification, (c) the existence of any default under this Agreement and the scope and nature of the default, and (d) any other matters that may reasonably be requested in connection with the development of the Project, any financing thereof, or any material aspect of this Agreement.

12.26 Successor Laws. Each reference in this Agreement to a particular City ordinance, Arizona statute or other Applicable Laws shall include any successor City ordinance, successor Arizona statute or successor Applicable Laws.

12.27 Proposition 207 Waiver. Owner/Developer hereby waives and releases City from any and all claims under Arizona Revised Statutes § 12-1134, *et seq.*, including any right to compensation for reduction to the fair market value of the Property or any portion thereof, as a result of City's approval or failure to approve this Agreement, or adoption or failure to adopt the zoning designation, and all related zoning, land use, building and development matters arising from, relating to, or reasonably inferable from this Agreement, including the approval, rejection or imposition of conditions or stipulations upon the approval of the zoning designation. The terms of this waiver shall run with the land and shall be binding upon all subsequent landowner, assignees, lessees and other successors, and shall survive the expiration or earlier termination of this Agreement.

Signature Page to Development Agreement

In witness whereof, the parties have executed this Agreement as of the date first written above.

City of Prescott, Arizona,

an Arizona municipal corporation

By: _____

Print: _____

Title: _____

Developer:

WODA COOPER DEVELOPMENT, INC.

an Ohio corporation

By: _____

Print: _____

Title: _____

ATTEST: _____ APPROVED as to FORM: _____

City Clerk City Attorney

Sarah Thornhill Joseph Young

Exhibit "A"

Property Description

[The Property is in the City of Prescott on the parcels located adjacent to the Goodwill to the west (Parcel Numbers: 106-20-506A, 106-20-507A, 106-20-508, and 106-20-509)]

Exhibit "B"

Narrative and Depiction of the Project

Lakeview Grove is a proposed general-occupancy affordable housing community offering 82 high-quality rental homes for individuals and families. Designed to serve households earning at or below 80% of Area Median Income (AMI), the development will expand access to stable, well-designed, and income-restricted housing in a convenient and connected location. Lakeview Grove will provide safe, durable residences with close proximity to employment, schools, services, and transportation options. By increasing the supply of long-term affordable housing, the community will help ease local housing cost burdens, support resident stability, and strengthen the broader neighborhood.



Exhibit “C”
Affordability Covenant

When recorded mail to:

City Clerk
City of Prescott
201 N Montezuma Street
Prescott, AZ 86301

LAND USE RESTRICTION AGREEMENT

This Land Use Restriction Agreement (the “**Agreement**”) is made and entered into as of _____, 2026, between Woda Cooper Development, Inc., an Ohio corporation (“**Owner**”), and the City of Prescott, an Arizona municipal corporation (“**City**”).

RECITALS:

WHEREAS, Owner intends to construct and operate a no less than eighty-two (82) unit multi-family development on the property that is more particularly described on Exhibit 1 attached hereto (the “**Property**”), with no less than eighty-two (82) of such units set aside for workforce housing for tenants with annual gross family income at 80% or below the average median income (“**AMI**”) for Yavapai County (the “**Project**”).

WHEREAS, Owner has requested that City make a subordinate loan to Owner in the principal amount of One Hundred Thousand (\$100,000.00) (the “**Loan**”) subject to, among other things, the requirements set forth in the Loan Agreement between the Owner and City of even-date herewith, and the terms and conditions of this Agreement;

WHEREAS, Owner has requested that City grant a fee waiver or pay owner impact fees in the amount of Fifty Thousand (\$50,000.00) (the “**Fee Waiver**”) subject to, among other things, the requirements set forth between the Owner and City of even-date herewith, and the terms and conditions of this Agreement;

WHEREAS, the Project will be funded in part through an allocation of federal Low Income Housing Tax Credits (“**Tax Credits**”), and upon completion, Borrower will encumber the Project with a Declaration of Affirmative Land Use Restrictive Covenants Agreement between Borrower and the Arizona Department of Housing establishing certain tenant income and rent restrictions relating to the Tax Credits (the “**ADOH LURA**”); and

WHEREAS, as a condition precedent to the making of the Loan, City requires that Owner enter into this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration the receipt and sufficiency of which are hereby acknowledged, Owner and City hereby agree as follows:

AGREEMENT:

ARTICLE 1

REPRESENTATIONS, WARRANTIES, AND COVENANTS OF OWNER

Owner represents, warrants, covenants, and agrees as follows:

1.1 **Incorporation**. The foregoing recitals are made a part of this Agreement.

1.2 **Authority.** Owner has the full legal right, power, and authority to execute and deliver this Agreement and to perform all the undertakings of Owner hereunder.

1.3 **Use of the Project; Affordability.** The Project shall at all times be used as a multi-family housing development in accordance with this Agreement and other recorded covenants related to affordability, including, without limitation, the ADOH LURA. In addition to the covenants in the ADOH LURA, the Owner agrees that the Project will include no less than eighty-two (82) apartment units set aside as workforce housing for tenants whose annual gross income at 80% or below the average median income (“AMI”) for Yavapai County. A minimum of 18 units will be set at rental rates serving 70% and 80% of AMI earning tenants.

1.4 **Non-Discrimination.** Owner shall comply with all federal, state, and local fair housing laws, rules, and regulations as now or hereafter in effect and shall not discriminate upon any basis prohibited by law in the lease, use, or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project or refuse to lease a unit to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.

1.5 **Notice to City.** Immediately upon discovering any violation of any of the covenants, restrictions, and representations set forth herein, or upon receiving any notice of default or notice of non-compliance under the ADOH LURA, Owner shall notify City in writing of such violation.

**ARTICLE 2
EVENTS OF DEFAULT; REMEDIES;
ENFORCEMENT BY AUTHORITY ONLY**

2.1 **Events of Default.** If City becomes aware of a violation of any of the provisions hereof, it shall give written notice thereof to Owner directing Owner to remedy the violation within a reasonable and specified period of time. If any violation of this Agreement by Owner is not corrected to the reasonable satisfaction of City within the period of time specified by City in the notice described herein, City shall have the right, without further notice, to declare an event of default (“**Event of Default**”) under this Agreement. Any cure of any default or Event of Default made or tendered by any member of Owner shall be deemed to be a cure by Owner and shall be accepted or rejected on the same basis as if made or tendered by Owner.

2.2 **Remedies.** Upon and after the occurrence of an Event of Default and after the expiration of any applicable cure period, City may institute and prosecute any proceeding at law or in equity to abate, prevent, or enjoin any such violation, to compel specific performance hereunder, to recover monetary damages, together with the costs and expenses of any proceedings for the collection thereof (including reasonable attorneys’ fees), caused by such violation or take any other action available to remedy the violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of any party entitled to enforce the same or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

2.3 **Enforcement by City Only.** No person other than City or agents thereof shall be entitled to enforce this Agreement.

**ARTICLE 3
TERM OF AGREEMENT**

3.1 **Term of Agreement.** This Agreement shall become effective immediately and continue in full force and effect for the full term of the fifty (50) year low-income housing tax credit Compliance Period. The term “Compliance Period” means the period specified in Section 42(i)(1) of the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law, with respect to the Project with the beginning being the first period under Section 42(i)(1) to start for any building in the Project and ending with the end of the last period under Section 42(i)(1) to end for any building in the Project.

3.2 **Early Termination.** Notwithstanding the provisions of Section 3.1 above, this Agreement and the restrictions imposed hereby shall terminate upon the date the Project is acquired by foreclosure (or instrument in lieu of foreclosure).

**ARTICLE 4
MISCELLANEOUS**

4.1 **Covenants Run With the Land; Successors Bound.** This Agreement shall be recorded in the real property records of the county where the Project is located. This Agreement shall run with the land and bind Owner and its successors and assigns and all subsequent owners of the Project and all holders of any other interest therein.

4.2 **Reliance by City.** Owner hereby agrees that Owner’s representations and covenants set forth herein may be relied upon by City. City may conclusively rely upon statements, certificates, and other information provided by Owner, and upon audits of the books and records of Owner or the Project.

4.3 **Release.** Owner hereby releases City from any claim, loss, demand, or judgment arising out of this Agreement, the making of the Loan, or the exercise in good faith by City of any rights or remedies granted to City under this Agreement.

4.4 **Amendment.** This Agreement shall not be amended, revised, or terminated prior to the termination of the covenants, representations, and restrictions provided for herein except by an instrument in writing duly executed by City and Owner or their respective successors or assigns and duly recorded.

4.5 **Uniformity.** The provisions of this Agreement shall apply uniformly to the Project.

4.6 **Notices.** All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. City and Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Owner:

Woda Cooper Development, Inc.
500 S. Front Street, 10th Floor
Columbus, Ohio 43215
Attn: Omer Sarig
[tel:\(913\) 396-6310](tel:(913)396-6310)

With a copy to:

Woda Cooper Development, Inc.
500 S. Front Street, 10th Floor
Columbus, Ohio 43215
Attn: Andrew Speicher

City:

City of Prescott
Attn: City Manager
201 N Montezuma Street
Prescott, AZ 86301

With a copy to:

4.7 **Definitions and Interpretation.** Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine gender and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. All the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof. The titles and headings of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall not be considered or given any effect in construing this instrument or any provision hereof or in ascertaining intent, if any question of intent should arise.

4.8 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, without regard to principles of conflicts of law. Any action at law or in equity brought by either party for the purpose of enforcing a right or rights provided for in this Agreement, shall be tried in a court of competent jurisdiction in Yavapai County, State of Arizona. The parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other county. In the event either party shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition in this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs including: all litigation and appeal expenses, collection expenses, reasonable attorneys' fees, necessary witness fees and court costs to be determined by the court in such action.

4.9 **Severability.** The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions thereof.

4.10 **Multiple Counterparts.** This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

[SIGNATURE AND ACKNOWLEDGEMENT PAGE(S) FOLLOWS]

CITY:

City of Prescott, an Arizona municipal corporation

By: _____
Cathey Rusing, Mayor

Attest:

Sarah Thornhill, City Clerk

Approved as to Form:

Joseph Young, City Attorney

ACKNOWLEDGEMENT

STATE OF ARIZONA)
) SS
COUNTY OF YAVAPAI)

This Land Use Restriction Agreement was acknowledged before me on _____, 2026, by _____, the Mayor of the City of Prescott, Arizona.

*

Notary Public, State of Arizona
My Commission expires: _____

Exhibit 1

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF YAVAPAI, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

Parcel No. 1:

Lot 10R and 11R, A REPLAT OF LAKEVIEW PLAZA, according to the plat recorded in Document No. 2021-0008297, records of Yavapai County, Arizona

Parcel No. 2:

Lot 12 and 13, A REPLAT OF LAKEVIEW PLAZA, according to the plat recorded in Document No. 2014-0003538, records of Yavapai County, Arizona.



WODA COOPER COMPANIES

LAKEVIEW GROVE

City of Prescott



WODA COOPER COMPANIES

- Founded in 1990
- Vertically integrated employee-owned company
- 365+ communities
- 18 states
- Over 120 Green Certifications including 10 Platinum Certifications
- Committed to long-term ownership



AWARD WINNING PROJECTS



THE DORIS
WHEELING, WV



**SILVER
LAKES**
MADISON, GA



**SHELBY
COMMONS**
MINNEAPOLIS, MN

HOUSING STATISTICS



HOUSING AFFORDABILITY GAP OF
OVER 6,000 HOUSEHOLDS



70% OF RENTERS ARE COST
BURDENED

**Cost Burdened is defined as spending
more than 30% of income on housing*



\$49,838 MEDIAN INCOME FOR
RENTER HOUSEHOLDS

**Monthly Rent under \$1,246 to avoid cost burden*



(Prescott Housing Needs Assessment)

PRESCOTT EXISTING RENTAL STOCK



**2051
APARTMENTS**

1 BR RENT:\$1,700



**WINFIELD AT THE
RANCH**

1 BR RENT:\$1,749



**HAVENLY
PRESCOTT**

1 BR RENT:\$1,825

LAKEVIEW GROVE ELEVATIONS

3111 LAKEVIEW PLAZA LANE, PRESCOTT, AZ



WORKFORCE HOUSING BREAKDOWN

Workforce Housing Policy

- Workforce Housing Policy defines need for housing serving workforce, individuals earning between 60%-120% of Area Median Income (AMI).

Lakeview Grove Contributing to the Solution

- 18 workforce housing units planned to target 70%-80% Area Median Income, directly supporting local workforce.

Income Band Breakdown	
70% AMI	12 units
80% AMI	6 units
18 Units	

**Source: 2025 Housing Needs Assessment & Workforce Housing Policy*

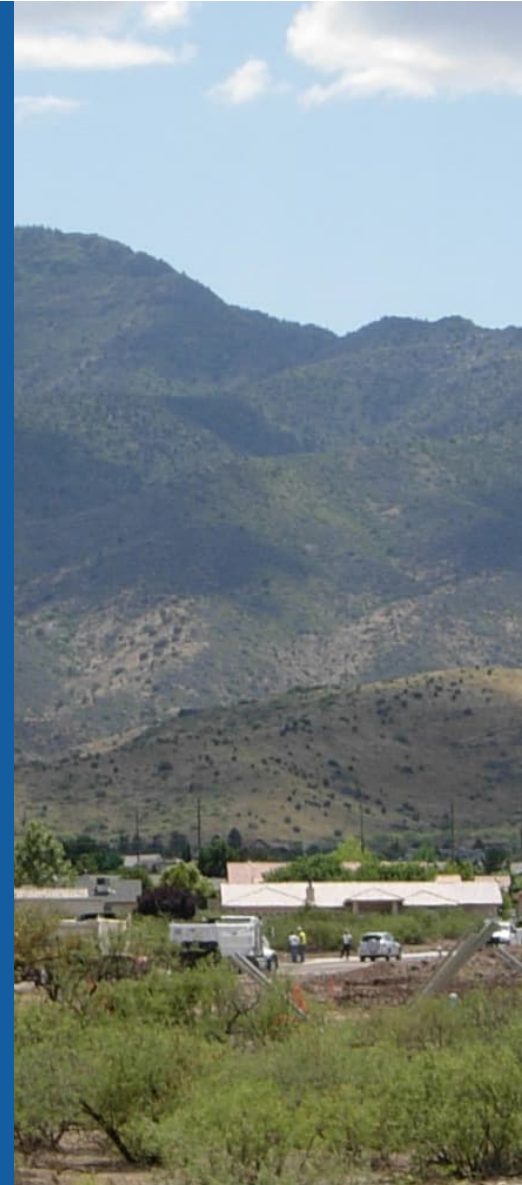
AN ENERGY EFFICIENT COMMUNITY

NGBS Silver

Third-party verified sustainability under the ANSI-approved National Green Building Standard (NGBS), ensuring credible, independently validated performance.

Our Commitments at Lakeview Grove:

- Incorporating energy-efficient systems and design strategies to reduce building energy use.
- Using efficient plumbing fixtures and design features to reduce overall water consumption.
- Selecting products and materials that reduce environmental impact and support resource efficiency.
- Ensuring healthier indoor environments with enhanced ventilation, reduced pollutants, and thoughtful design choices.
- Establishing long-term sustainability practices for building operation, ensuring performance continues beyond construction.



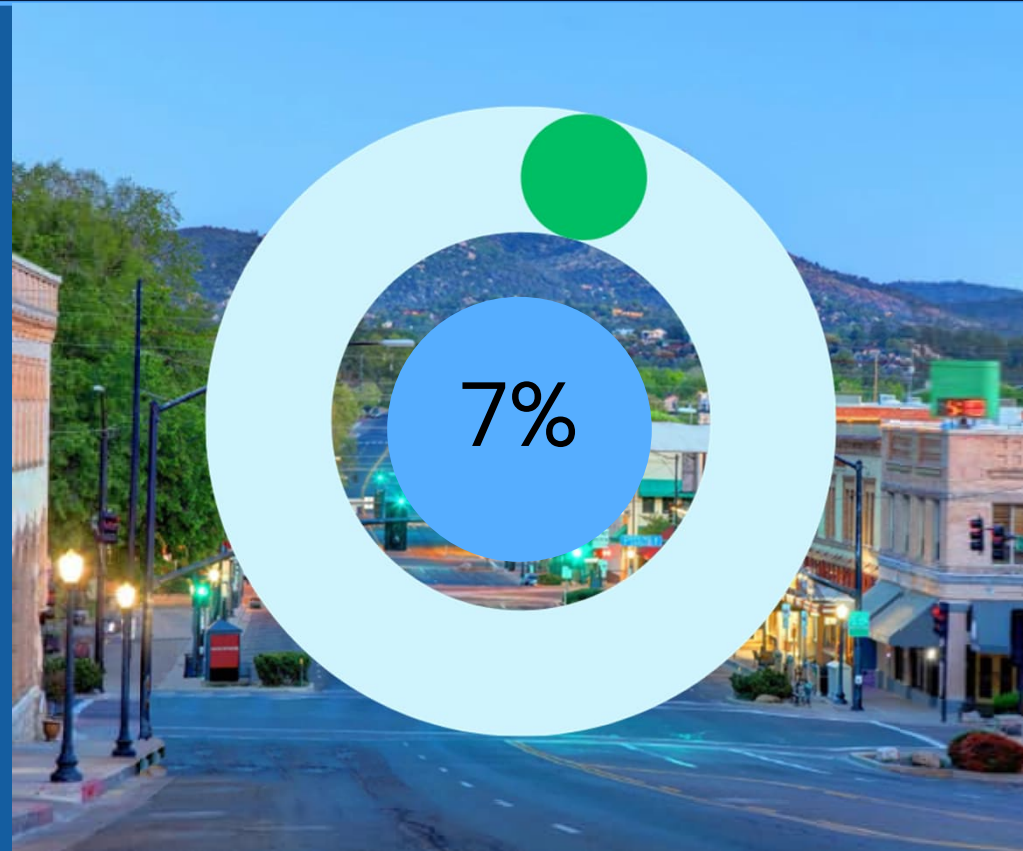
TENANT SELECTION PROCESS

- **Goal: Attract tenants who will be good neighbors and long-term residents**
- Background Check
 - Criminal history
- Credit Committee
 - Credit history
 - Landlord references
 - Appeal process
- **Result: Gives potential residents who have experienced unforeseen circumstances an opportunity to live in high-quality, attainable apartments, while screening out potential trouble tenants.**

Credit Risk	Result
Apartment Debt >\$500 within 36 mo.	Reject - Committee Review Required
Negative Rental History (Write-offs/Collections)	Reject - Committee Review Required
Civil Judgements > \$2,500	Reject - Committee Review Required

THE BENEFIT OF LAKEVIEW GROVE

- The City of Prescott Housing Needs Assessment estimates demand for **1,154** households earning at or below \$50,000 annual income by 2040
- Lakeview Grove will contribute to approximately **7%** of the city's goal as soon as 2028



REQUEST FOR PRESCOTT CITY COUNCIL

- **No less than \$100,000** Below-Market Loan (City-supported soft financing)
- **\$50,000** in Local Fee Waivers (building and/or permit fees)

These commitments directly improve Arizona Department of Housing scoring for local financial participation.

5. BELOW MARKET LOANS AND LOCAL SUPPORT

Maximum of twenty-five (25) points.

LOCAL GAP FINANCING

Loans committed from any of the following sources will receive ten (10) points.

- Community Development Block Grant;
- HOME Investment Partnership (from a non-ADOH source);
- Native American Housing Assistance and Self Determination Act;
- Established Tribal or local government housing programs;
- Public Housing Authority resources;
- Federal Home Loan Bank Affordable Housing Program;
- Other sources from governmental agencies.

Minimum loan amounts required:

- \$500,000 per project for projects located in Metro area
- \$100,000 per project for projects located in Rural/Balance of State and Tribal

For scoring purposes, ADOH:

- may disregard a source affiliated with a Principal (excluding tribes and public housing authorities);
- will reduce the amount from a local government by the cost of any land to be sold to the ownership entity by that local government.

LOCAL FEE WAIVERS

ADOH will award five (5) points for projects in which the local government commits in writing to waive what would have been impact, utility, or other fees totaling at least:

- \$100,000 per project for projects located in Metro;
- \$50,000 per project for projects located in Rural/Balance of State and Tribal.

THANK YOU

Connect with us.

OMER SARIG
(216)316-7224
OSARIG@WODAGROUP.COM

ANDREW SPEICHER
(614)725-6807
ASPEICHER@WODAGROUP.COM

