COUNCIL SUBCOMMITTEE ON APPOINTMENTS MEETING
THURSDAY, APRIL 13, 2023
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE COUNCIL SUBCOMMITTEE FOR APPOINTMENTS HELD ON APRIL 13, 2023, IN CITY COUNCIL CONFERENCE ROOM, LOCATED AT 201 NORTH MONTEZUMA STREET, PRESCOTT, ARIZONA.

1. Call to Order

Chairman Goode called the meeting to order at 1:00 p.m.

2. Roll Call

Present:
Chairman Goode
Member Sischka
Member Moore

Staff Present:
Jennifer Wiita, Deputy City Clerk
Joseph Young, City Attorney

3. Workforce Housing Committee Finalist Interviews

Chairman Goode announced that the Subcommittee on Appointments would be interviewing five applicants, the first being Nicole Kennedy.

Nicole Kennedy

Member Moore asked Ms. Kennedy how she would define workforce housing and what the difference is between workforce housing, affordable housing and low-income housing.

Ms. Kennedy replied that workforce housing is housing that benefits the working class and makes the City of Prescott go around. She stated that the HUD definition for affordable housing is when the occupant pays no more than 30% of their income for housing and utilities. Low-income housing is subsidized housing and Section 8 housing for those making 80% or less of the average median income for the area.

Chairman Goode asked Ms. Kennedy which talents, knowledge, and professional experience she has on the subject matter of workforce housing.

Ms. Kennedy replied that she has a mortgage and related financial background that would help people understand affordability. She also has experience managing capital construction projects with CDBG-funded projects with the Boys and Girls Clubs.

Chairman Goode asked Ms. Kennedy how she sees the current conditions in financing development related to construction and how it might impact workforce housing.

Ms. Kennedy replied that she does not have specific commercial lending experience but has good community connections. The market is cyclical, and there are a lot of options in terms of how to procure funds.

Member Sischka asked Ms. Kenndy to describe how she sees the government and developers working together on workforce housing.

Ms. Kenndy responded that it would require an excellent partnership, and she is unaware of zoning allowances for tiny homes and incentives for ADUs but would like to learn more. The city could help by ensuring zoning abilities allow creativity and that the private sector could support the effort with development and financing.

Member Moore asked Ms. Kennedy to describe her leadership abilities and how she collaborates with others to achieve an actionable goal and to provide an example.

Ms. Kennedy replied that a recently achieved goal is related to the construction of the Boys and Girls Club – they wanted to serve more kids in the community and working families. A capital campaign was launched a few years ago, and working with the City of Prescott, investors, the board, and other parties, they completed the Prescott Valley Club. As a result, they can now serve 50% more children than previously capable.

Chairman Goode asked Ms. Kennedy what the end result of this process looks like to her and what her expectation on the timing of having workplace housing available for occupancy is.

Ms. Kennedy stated the result would be to have a variety of housing options, and she feels that the City of Prescott is behind in relation to other communities around the country. How long it takes to catch up will depend on funding, permitting times, and construction times. To put a time frame on it is tough – she would hate to over-promise and under-deliver. One solution is a community land trust to preserve existing land in town in perpetuity. With the land value removed from the equation, the financing would be much more affordable.

Chairman Goode asked Ms. Kennedy to expand on her experience and understanding of a community land trust.

Ms. Kennedy replied that anyone, public or private, could put a parcel of undeveloped land into a community land trust, protecting the land in perpetuity and providing the understanding that the intention for building on the land would be for something like a workforce housing development. The occupants would only own the homes, not the land, making the property more affordable.

Member Sischka asked Ms. Kennedy about the variety of housing options she mentioned earlier, her thoughts on financing options and how she sees herself working with fellow committee members to get this started.

Ms. Kennedy replied that there are options in the form of a foundation and cited the City of Flagstaff as an example. She sees the Committee as long-term and feels that Prescott will always be an unaffordable community, adding that developing long-term partnerships and sustainability is vital.

Chairman Goode asked Ms. Kennedy what her choice of terms would be and if she had any questions or closing comments.

Ms. Kennedy replied that she is open to the two-year term and that, with or without her, she is glad that workforce housing is being addressed. She asked the Subcommittee about zoning for tiny homes.

City Attorney Joe Young stated that her ideas about ADUs and tiny homes are what Council would look to the Workforce Housing Committee to suggest. ADUs are currently allowable under city code, depending on location and usage. However, under the International Building Code, there is currently no way to make tiny homes work. Therefore, it would be up to the Workforce Housing Committee to suggest changes to the building code.

Arnold Urias

Chairman Goode asked Mr. Urias how he would define workforce housing and the difference between workforce housing, affordable housing, and low-income housing.

Mr. Urias replied that workforce housing is a solution for attracting and maintaining essential community operation workers. Examples are city and county employees, teachers, firefighters, EMS, and healthcare workers. The difference between workforce housing and low-income housing is that workforce housing has a measurable return to economic well-being and the efficiency of community operations. Workforce housing has a quantifiable result versus low-income and affordable housing; an example is the new jail facility. If that becomes understaffed due to a lack of an affordable housing sector with a reasonable commute, then it will hinder the performance of the community.

Member Sischka asked Mr. Urias which talents, knowledge, and professional experience he has on the subject of workforce housing.

Mr. Urias replied that he has 25 years of mortgage banking experience in mountain resort communities, where the clients have typically been affluent second-home investors. Those communities have also struggled with upward pricing pressure and issues housing the workforce. He also has a background in facilitating homeownership education workshops and helping first-time homebuyers and those in the workforce housing sector become rooted in a community. In addition, he has experience in getting community members to collaborate and is currently working on involvement with the union and financial fitness for firefighters in Baghdad.

Member Moore asked Mr. Urias how he sees the role of government and developers in making workforce housing a reality in Prescott.

Mr. Urias responded that the government's responsibility is to identify the community's needs, adding that by forming Committees like this Workforce Housing Committee, the city is pathfinding and identifying challenges.

Chairman Goode asked Mr. Urias to describe his leadership abilities and how he collaborates with others to achieve an actionable goal and to provide an example.

Mr. Urias replied that he always seeks to understand before he seeks to be understood. His commitment is to promise to listen and come up with solutions. For example, he has chosen to be a certified firefighter and EMT when he could make much more money as a mortgage banker. Being certified for his neighbors if they need him is important to him.

Member Sischka asked Mr. Urias how important it is to him that the workforce housing issue be solved as soon as possible.

Mr. Urias resonded that he expects the City of Prescott to devise a solution to keep more of its heroes and workforce members rooted in the community. His vision of a successful end is that there is no end. He would like to see the program adopted by the county and pushed to areas that have a reasonable commute to Prescott.

Member Moore asked Mr. Urias how quickly he believes housing units will be available for occupancy for qualifying candidates.

Mr. Urias stated that he feels it is presently available and a matter of creativity, adding that the city could accomplish housing in a year. Homeownership could be more attainable in Prescott if the city targets areas to revitalize and incentivize. Immediate solutions would be incentives for renovations.

Member Moore asked Mr. Urias how long he has lived in the Kirkland area.

Mr. Urias replied five years.

Sandy Griffis

Member Sischka asked Ms. Griffis to define workforce housing, and to describe the difference between workforce housing, affordable housing, and low-income housing.

Ms. Griffis replied that apart from low-income housing, there is no difference between the definitions and that the city needs to build housing for all income levels. Workforce housing cannot be pinned to a particular group of individuals; workforce housing, affordable housing, and attainable housing are nothing but housing with price points.

Member Sischka asked if that was possible.

Ms. Griffis responded yes; she believes it is possible. Currently, the median price point is $450,000 when ten years ago it was $200,000; if it happened back then it can surely happen again.

Member Sischka asked for confirmation that Ms. Griffis sees no division in what she calls housing, just that the city needs more of it.

Ms. Griffis confirmed that the city needs stable housing for all price points – from multi-million-dollar homes to $150,000 structures. However, she added that low-income housing should be strictly for senior citizens, voucher programs, and Section 8 housing.

Member Moore asked Ms. Griffis which talents, knowledge, and professional experience she has on the subject of workforce housing.

Ms. Griffis replied that she has been in the industry for 17 years, is a doer, and understands the challenges of building and the rise in material costs and pricing fluctuations. She is familiar with zoning, regulations, and use permits and understands development, how it works, where it should work or not work, and infrastructure challenges. She added that she has a phone-a-friend index across the state.

Chairman Goode asked Ms. Griffis to explain how she sees the role of government and developers in making workforce housing a reality.

Ms. Griffis responded that it is a dual role, and the primary function begins with the government which oversees zoning and land use regulations. The local cities and towns' zoning codes are archaic and

outdated and must be reviewed and revamped. She suggested that the City of Prescott should lessen some building code restrictions. Private partners could consider making housing more affordable by using different materials and exploring and designing different types of homes. She also stated that it is important to be careful not to downzone as that could create a problem. She closed by saying that the government is the first line of defense; they can make and modify the rules and regulations to implement more affordable housing for all income levels.

Member Sischka asked Ms. Griffis if a Committee like this one can come to conclusions that are actionable and how she would collaborate with other high-powered individuals on the Committee.

Ms. Griffis replied that there are different components to being a leader and a collaborator. Every leader in any realm needs empathy and compassion and not be afraid to raise her hand to say you disagree respectfully. She has seen the list of applicants and is honored to be considered among these influential individuals.

Member Moore asked Ms. Griffis what the end result of this process looks like to her and what her expectation of how quickly housing units would be available for occupancy for qualifying candidates such as teachers, nurses, firefighters, and police officers is.

Ms. Griffis responded that she had a problem with this question because housing is for everyone, not just teachers, firefighters, nurses, and police officers. She recognizes that this sector needs housing, that they may only be able to afford a home around $215,000, and that there are no homes available in Prescott at that price range. However, Ms. Griffis feels that the city should not be in a hurry to get this done; short, mid, and long-range goals should be considered. Recently she received phone calls from furious public members who believed that the mayor was making a Committee for low-income housing; however, she explained to these individuals that the Committee was to implement housing for all income levels.

Member Moore stated that Ms. Griffis' answers indicate that she does not see a difference in housing types. Still, elected officials see a need for affordable housing for the workforce sector because people need to be able to live in the community they serve. He gave an example of teachers who have turned down job offers at Prescott Unified School District because they cannot find housing and asked Ms. Griffis if she doesn't see the need for affordable housing for certain classes.

Ms. Griffis replied that the city should not build housing for a particular class. Instead, housing should be available at a lower price point for everyone - restaurant workers and construction workers are a class and deserve housing as well; her employees are living in trailers, sleeping in cars and RVs.

Chairman Goode asked Ms. Griffis what term she would be interested in if she were chosen for recommendation to this Committee.

Ms. Griffis replied that she feels the Committee should not have term limits because the Committee could lose stability with the election and new Council members. She pointed out that the resolution states that the terms should have begun in January 2023 and that it indicates that the Committee will update Council annually. She feels this is not often enough and that the resolution section that states "the establishment of the WHC is in the best interest of the city" should be changed to the best interest of Prescott's citizens, not just the city.

<u>Mike Fann</u>

Member Moore asked Mr. Fann to define workforce housing and to describe the difference between workforce housing, affordable housing, and low-income housing.

Mr. Fann replied that workforce housing is specifically for the workforce – teachers, police, firefighters, sheriffs, and the service industry. It is for the employed who do not make enough to live in Prescott and areas like it. As a community, we are obligated to provide housing for them, and they should not have to drive far to get to work because they can't afford to live close.

Chairman Goode asked Mr. Fann which talents, knowledge, and professional experience he has on the subject of workforce housing.

Mr. Fann responded that he has ideas but little knowledge of making workforce housing happen. There is a lot of research that needs to be done and lessons to be learned from other communities.

Member Sischka asked Mr. Fann to explain how he sees the role of government and developers in making workforce housing a reality.

Mr. Fann replied that the city could accomplish it without the private side but shouldn't; it should be a collaborative effort with the development community, the citizens, and the city. There needs to be a trust established such as a 501 (C))(3) or a housing authority, and it needs to be at arm's length from the city and developers. There needs to be money, and the homes should stay within the 60-70th percentile of the market. This means we will need the city's help to make it affordable, the landowner's help to obtain the land, citizens to help fund it and raise money, and a continuation to keep it that way. Additionally, it should be equity building, yet with some controls to keep the workforce housing in perpetuity.

Member Moore asked Mr. Fann to describe his leadership abilities and how he collaborates with others to achieve an actionable goal and to provide an example.

Mr. Fann replied that he does a lot of projects and sits on about five non-profit organizations. Collaboration is key; everyone brings something, and hopefully, he can bring something someone else does not have and vice versa. An actionable goal he is most proud of is the skate park made possible using a coalition of Kiwanis and the City of Prescott after the YMCA dropped out.

Chairman Goode asked Mr. Fann what the end result of this process looks like to him and his expectation on how quickly workplace housing will be available for occupancy.

Mr. Fann responded that timing is a way down the road if we are going to do it right and provide a sufficient number of homes to address the workforce. He added that he had been asked about workforce housing in Prescott Valley and Chino Valley Focus, and his focus is Prescott – adding other towns would only increase the hurdles. He continued stating that it would take at least three years, one to figure out what to do and how to do it, and at least two years to implement. His vision is home ownership – probably with deed restrictions or a long-term lease with sell-back requirements. This is the best option as it will allow ownership and equity building. The next best option is something to rent - something affordable that will provide for the workforce.

Member Moore asked Mr. Fann if he has been following the Taylor Hicks housing project.

Mr. Fann replied that it was a great start but barely a start. It is a good incubator that will teach us some lessons, but to do this properly we need to recognize that between the sheriff's office, Prescott PD, the colleges, and the school district, a huge workforce needs homes provided to them. He despises that this is becoming an elitist community that has outpriced a family – we need families and kids here.

Member Sischka asked Mr. Fann how important it is to him that people who work in the community live in the community.

Mr. Fann replied that people should not have to drive half an hour or more to and from work. That is wasted time that takes time away from family and productivity. A good community is a blend of retirees, young families, and older families.

Member Sischka asked how important it is for the private sector to get behind this.

Mr. Fann reiterated that there needs to be a partnership if this will be successful.

Chairman Goode asked Mr. Fann to comment more about the Housing Authority he mentioned.

Mr. Fann replied that if the city successfully gets it there, someone will need to monitor and ensure it is serving the people we want to help, the workforce. This is not for the homeless or low-income citizens but for the working people who cannot afford to live in city limits.

Chairman Goode asked Mr. Fann what his preference for a term is.

Mr. Fann stated that it would be difficult to make it be meaningful for just the remainder of the year, so he prefers the longer term.

Rick Kimery

Chairman Goode asked Mr. Kimery to define workforce housing and to describe the difference between workforce housing, affordable housing, and low-income housing.

Mr. Kimery replied that the public sector workers who help the city run are who workforce housing is designed for. Affordable housing and low-income housing are more geared toward the labor workforce.

Chairman Goode asked Mr. Kimery to contrast low income with his workforce housing definition.

Mr. Kimery responded that low-income are those making below median household income.

Member Sischka asked Mr. Kimery which talents, knowledge, and professional experience he has on the subject of workforce housing.

Mr. Kimery replied that he has no workforce housing experience but has worked with low- and upper-income type housing as a mediator in construction administration between the city and the developer. In addition, he worked on a senior and lower-income housing project with Aero Terra in Phoenix. His talent is that he can look outside the box, foresee issues, and develop solutions to make the project viable. He can think constructively, and it is in his nature to be able to fix and make things functional.

Member Moore asked Mr. Kimery to explain how he sees the role of government and developers in making workforce housing a reality.

Mr. Kimery replied that that is sticky because the public will always have something to say. Those that have lived here forever don't want to see change. A governing body needs incentives such as lower impact fees to get things built.

Chairman Goode asked Mr. Kimery to describe his leadership abilities and how he collaborates with others to achieve an actionable goal and to provide an example.

Mr. Kimery stated that working with community leaders and developers is forefront. For example, working with the Aero Terra project, there were constant meetings between the developer and the city, and he sometimes had to take direction from his bosses to lead the project and make it work.

Chairman Goode asked for clarification on who he worked for on that project.

Mr. Kimery replied that he worked for the city.

Member Sischka asked Mr. Kimery what the end result of this process looks like and what his expectation is of how quickly workplace housing will be available for occupancy.

Mr. Kimery replied that there would be two different types of housing. First, there would be temporary housing for those with temporary jobs who don't want to buy due to fluctuations in the market. This is a quick fix. Then there would be permanent housing for those who stay long term, like peace officers, teachers, principals, and those who want to make Prescott home permanently.

Member Sischka noted that Mr. Kimery is soft-spoken and asked him how he would interact with the other outspoken members of the Committee.

Mr. Kimery stated that he is just nervous now and would adjust, adding that he is an introvert but can adapt.

Member Moore asked Mr. Kimery to tell the Subcommittee about himself.

Mr. Kimery responded that he had lived here twice for two years at a time. He moved back from Wyoming to return to his previous job but was let go. Has now owns an architecture firm in Prescott and has bought a home here. He thanked the Subcommittee for the opportunity to interview for a position, and he would like to add to the Committee by helping this grow correctly.

Member Moore asked if he had applied to other Board Commissions & Committees.

Mr. Kimery replied that he is on the Advisory and Appeals Board.

4. Call to enter into Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an executive session that is not open to the public for the purposes set forth below. When the executive session ends, Council may adjourn or return to open session.

MOTION BY MEMBER SISCHKA TO CONVENE INTO EXECUTIVE SESSION; SECONDED BY MEMBER MOORE: PASSED [3-0].

The City Council Subcommittee for Appointments convened into Executive Session at 2:41 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Council Appointment Committee held on the 13th day of April 2023. I further certify the meeting was duly called and held and a quorum was present.

Dated this 24th day of April, 2023.

Jennifer L. Wnta, Deputy City Clerk