Fact Sheet

Workforce Housing in Prescott

Introduction: Prescott, Arizona, a picturesque city nestled in the heart of Yavapai County, boasts a rich history, stunning natural beauty, overall excellent quality of life, and a vibrant active and engaged community. However, the availability of affordable and attainable workforce housing is a critical issue requiring urgent attention.

For this reason, the City of Prescott has established a Workforce Housing Committee, with local stakeholders and industry experts, to learn about the issue, establish short and long-term goals, and make recommendations to City staff and elected officials for future policies and programs

This fact sheet outlines the importance of affordable and accessible workforce housing in Prescott and provides compelling reasons for its implementation. This document also outlines the City of Prescott Workforce Housing Committee Mission, Vision, short- and long-term goals.

What Is Workforce Housing?

Workforce housing refers to residential properties, such as apartments or homes, that are designed to be affordable for individuals and families who are employed within a specific area. This is different from a government subsidized housing program that supports a lower income bracket.

The term "workforce" implies that these properties cater to people who work in jobs, like teachers, nurses, police officers, firefighters, as well as those within the hospitality and retail service industries, and other professions that are critical to a community's functioning such as construction workers.

The goal of workforce housing is to provide affordable housing options for individuals and families who face challenges in finding housing that is reasonably priced within their means. This type of housing often targets a specific income range, making it more accessible for individuals who are part of the local workforce but might be priced out of the broader housing market.

Generally, based on HUD and ULI definitions plus local statistics and research, we define workforce as those that earn about 60%-120% of the area's median income. Based on our current area median income (FY23) of $76,000 for a family of four, this scale would start at $46,020 and go to $92,040. This will provide the target monthly workforce housing rent/mortgage amount of $1,150 (not including utilities).

Governments, non-profit organizations, and private developers may be involved in creating and managing workforce housing initiatives. These projects can take various forms, including rental apartments, condominiums, or single-family homes, and they often involve partnerships between public and private sectors to address the housing needs of a community's workforce.

Compelling Reasons for Establishing Workforce House Availability and Accessibility in Prescott.
Workforce housing plays a crucial role in creating diverse, vibrant, and sustainable communities. Here are several compelling arguments for how it enhances a community without negatively affecting home values:

- Stabilizes the Workforce: Workforce housing ensures that service workers, such as teachers, healthcare professionals, and first responders, can live near their workplaces. This reduces commuting times, increases job satisfaction, and ultimately leads to a more stable and reliable workforce. This, in turn, benefits local businesses and institutions.
- Promotes Economic Growth: A stable, well-housed workforce is vital for economic development. When workers have affordable housing options, they are more likely to remain in the area, reducing turnover costs for employers. Additionally, when employees have more disposable income due to lower housing costs, they tend to spend more in the local economy, thus stimulating economic growth.
- Fosters a Diverse Community: A mix of income levels and backgrounds enriches the fabric of a community. Workforce housing allows for a diverse population, contributing to a more inclusive and dynamic neighborhood. This diversity can lead to a stronger sense of community and a wider range of perspectives and talents.
- Supports Educational Systems: Teachers and other education professionals are essential to a thriving community. Having affordable housing options near schools helps to attract and retain high-quality educators, which in turn leads to improved educational outcomes for children.
- Supports Healthcare Systems: Doctors, nurses, and other healthcare professionals provide an important service to our community. Providing affordable housing options near medical facilities helps attract and retain high-quality medical professionals, which in turn leads to improved healthcare delivery.
- Encourages Civic Participation: When people live close to their workplaces, schools, and community amenities, they are more likely to engage in local activities and events. This fosters a sense of belonging and encourages civic participation, leading to a more engaged and active community.
- Maintains Property Values: Well-maintained, thoughtfully designed workforce housing can actually have a positive impact on property values. Studies have shown that when affordable housing developments are properly integrated into neighborhoods, they do not necessarily lead to a decrease in surrounding property values. In fact, they can help stabilize property values by reducing blight and vacancy rates.
- Mitigates Traffic and Environmental Impact: When workers can live close to their workplaces, there is a reduction in traffic congestion, which leads to fewer environmental impacts as well as reduced stress on the public safety infrastructure.
- Addresses Housing Shortages: Many communities face housing shortages, which can lead to inflated home prices and limited availability. Workforce housing initiatives can help alleviate some of this pressure by increasing the overall supply of housing options.
- In summary, workforce housing is not only a social imperative but also an economic and community-building asset. When thoughtfully planned and integrated into a community, it can enhance the quality of life for all residents without negatively affecting property values. It contributes to a more inclusive, economically vibrant, and sustainable community for everyone involved.

Without acting on the Workforce Housing issue, recruitment and retention of quality service providers will continue to erode. Prescott residents will experience longer wait times, reduced service levels and,

in some cases, have to go outside of the area for services. There may also be an overall increased cost of services locally. Prescott may experience less diversity in population, and service providers will be disconnected from the community.

The City of Prescott's Workforce Housing Committee

Mission:

Plan and Preserve Workforce Housing Solutions to Promote a Healthy and Vibrant Community for All.

Vision:

Facilitate Housing Solutions to Attract and Retain Quality Employees and Lead to Improved Service Delivery and Quality of Life for our Residents and Workforce.

Short Term Goals (1-3 years):

1. Pursue Match Funding for a Full-Time Workforce Housing Facilitator Position OR Engage a Third Party to act in this role.
2. Formalize a Third-Party Stakeholder Organization Group
3. Finalize the General Plan Housing Element Draft
4. Create Two Separate Incentive Packets: One to Encourage Developers/Builders and the other to Help the Workforce Know What Options (i.e. Financial Programs, Housing Programs, etc.) Are Available
5. Research the Best Financial Program Solutions for the City and Stakeholders
6. Accessory Dwelling Unit ("ADU") Code Revision: Work with Planning Staff to Propose Code Modification that Encourages and Incentivizes ADU Construction to Increase Supply for Long-Term Rentals that can Serve Workforce Housing
7. Create a Workforce Housing Policy for Council Consideration: Research Ways to Prioritize Workforce Housing Projects within Current City Policies (I.e. Water Management Policy), as well as in Current City Codes (I.e. Building and Wildland Urban Interface Codes), and Research Voluntary Contributions from New Commercial and Other Development Projects (i.e. Housing Projects include percentage of Workforce Housing, Hotels include Housing Options for Employees, or other Contribution)
8. Create a City Program similar to the Yavapai County Home of My Own Program
9. Community Outreach: create a communications plan
10. Set Up a Fund Account for Workforce Housing: Similar to "Change for the Better;" recommend that Council Direct Staff to Create Account and Explore Ways to Seek Out Funding such as Donations Pursue Match Funding for a Full-Time Workforce Housing Facilitator Position OR Engage a Third Party to act in this role.

Long Term Goals (3-5 years):

1. Facilitate or Partner in Creating a Tangible Product
2. Create a Regional Workforce Housing Strategic Plan
3. Identify the Number of Units Needed

For additional information and resources on workforce housing in Prescott, go to _____.