



# PRESCOTT VALLEY

## ATTAINABLE HOUSING REPORT 2023

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## Executive Summary

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Many individuals and families can no longer afford to live in Prescott Valley because of the cost of housing. This is a growing issue impacting the town and the greater region. As established in the goals set forth in Prescott Valley's General Plan 2035 (General Plan), housing is an essential component of the community. The type, cost, quality, affordability, and availability of housing are key factors in the current health and future prospects of the town. Therefore, housing attainability is critical for the long-term health and economic growth of the community.

To begin addressing this issue, Prescott Valley Mayor Kell Palguta created the Prescott Valley Attainable Housing Task Force (Task Force) to examine the current status of housing in the community and provide recommendations that would move the Town closer to meeting the goals and objectives established in the General Plan. The goal of the Task Force:

*"Make recommendations to the Town Council to increase the supply of attainable housing".*

The Mayor's intent was for Task Force activities to include, but not be limited to the following:

- Make policy recommendations to the Town Council regarding attainable housing.
- Develop materials and resources for the attainable housing section of the Town website.
- Track the revamping of our Town Code including zoning.
- Determine ways to support private sector attainable housing and engage with developers to encourage their investment and partnership on projects.

Nine volunteer Task Force members, with an array of experience ranging from legislation to construction, met on a regular basis from October 2022 through May 2023. Task Force members conducted meetings, analyzed data, and researched ways that the Town can create more attainable housing. As a result, a wide variety of resources are included in support of the recommendations.

In order to obtain a clear picture of the interior and exterior forces impacting this goal, the Task Force conducted a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. Multiple barriers and assets identified in the process inform the final recommendation.

Using data gathered during SWOT analysis, the Task Force identified three broad categories to serve as a framework for recommendations and foundation of this report. Task Force members examined issues the Town could focus on and achieve in the short term, mid-term and long term to increase access to attainable housing. The categories include:

- Impediments limiting attainable/affordable housing creation and sustainability.
- Incentives for creating attainable housing and generating additional projects.
- Models providing successful strategies creation and sustainment of attainable housing.

Task Force Members formed 57 topics into cohesive recommendations, creating the Town of Prescott Valley Attainable Housing Strategy (Strategy), specific initiatives divided into four areas of impact focused on immediate, short- and long-term gains. These four impact areas include initiatives that will build organizational capacity; identify existing resources to expand the community knowledge base; foster community partnerships; and provide incentives for the preservation and development of attainable housing.



October 3, 2022

HOUSING SUPPLY STUDY COMMITTEE

Rep. Steve Kaiser [skaiser@azleg.gov](mailto:skaiser@azleg.gov)

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Sen. Martin Quezada [mquezada@azleg.gov](mailto:mquezada@azleg.gov)

Dear Honorable Members:

I first would like to start out by thanking each of you for your commitment to trying to solve Arizona's Housing Supply problem. As Mayor of Prescott Valley, I appreciate you taking the time to convene the Housing Supply Study Committee in Sedona this past week. I was out of the country celebrating my 10-year wedding anniversary otherwise I would have been in attendance. My Vice Mayor, Lori Hunt, was present at the meeting and spoke briefly during the call to the panel as to our housing needs and challenges in Prescott Valley which I am sure are very similar to numerous other communities throughout the state.

One question that was raised was, what is the current status of housing in Prescott Valley, and our Vice Mayor commented that it is currently too costly for the average Prescott Valley family to afford. These are individuals who teach our kids, are first responders, work in trades as well as overall general labor jobs. One example of the challenges that we as a community face, is that when our public school district, Humboldt Unified make job offers each year to teachers, the candidates quickly realize there is no affordable housing available and they can't afford to take the position, and ultimately do not accept the teaching offer.

Another question that was asked was, what are the setbacks for affordable housing in our area. To be brief the biggest issue currently is the high cost to construct a traditional stick-built home that makes purchasing a home unattainable for many. We appreciate the legislature's earmark to the Housing Trust Fund and the \$60M was a great start, but many at the meeting many agreed more is needed.

The inventory of new construction homes vs starter homes is at a point in Prescott Valley where in a normal market we would see the families who bought a home when they were first married now wanting to start a family and get a larger home. However, these couples are not able to afford to upsize in today's market of high home prices, high interest rates, and the inability to compete with out-of-state home buyers paying cash for a home.

Currently the multifamily market in Prescott Valley is starting to increase with approximately 2000 units which are in some stage of the building permit process and currently under construction. A problem that comes along with this is that many of these projects are luxury apartments starting in the low to mid 2k's

for a 2 bed 2 bath apartment. Still not attainable for our workforce residents looking to work and live in their community.

The question is what has Prescott Valley done to help towards a solution on this matter? In August of this year, we held an attainable housing forum. We were fortunate to have Thomas Simplot from the state as our keynote speaker and Joan Serviss as a speaker and panel member. Many great conversations were had at this meeting some of which developers cited the need to have more cooperation amongst state agencies and developers in the expediting process, much like what we do locally in our fast tracking of permits. We agree with the City of Cottonwood Mayor, who mentioned to the committee, that infrastructure grants would be a great incentive to affordable housing developers.

Another attempt at a solution is that I just recently appointed an Attainable Housing Task Force which will develop a strategy that addresses, but is not limited to, the following items:

- Make policy recommendations to the Town Council regarding attainable housing.
- Develop materials and resources for the [www.prescottvalley-az.gov](http://www.prescottvalley-az.gov) attainable housing section of the Town's website.
- Track the revamping of our Town Code including Zoning. Our zoning code hasn't had major changes for over 20 years. We have hired a consultant who has already begun the process for a total rewrite. One of the primary focuses will be to develop attainable housing guidelines and other innovative approaches to encourage development.
- Set a culture of supporting private sector affordable housing and engage with developers to encourage their investment and partnership on projects.

Prescott Valley is also currently exploring attainable housing projects that are unique to not only our community but the state. We are currently working with a developer and the manufacturer of modular type, 1 bedroom casita apartments. However, to move forward to see if this type of home will be successful the State must first deem the product as an approved modular type of housing. Once this occurs the Town of Prescott Valley along with other communities can then start to explore creating more inventory and housing options in the hope of helping to drive the rental prices down to an affordable level.

We recognized there is no overnight fix to this large issue in our state, however, we are committed to do whatever it takes to slowly take on the challenge. I would like to thank each of you once again for your efforts and dedication to public office and the desire to help all residents of the great state of Arizona. Whatever you can do to help lead Arizona in the attainable housing direction we here in Prescott Valley are in full support.

Respectfully,



Kell Palguta

Mayor, Town of Prescott Valley, Arizona

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## Introduction

Many individuals and families can no longer afford to live in Prescott Valley because of the cost of housing. In recent years, the price of housing in the Town of Prescott Valley has increased significantly, as it has throughout the State of Arizona. As the cost of housing continues to increase at a faster rate than household incomes, so too have concerns over affordability expressed by residents, employers, and elected officials. It is feared that the Town of Prescott Valley is on its way to becoming a community in which young professionals, wage-earners, families, persons on fixed and/or lower-than-average incomes and others will be unable to afford a home.

This is a growing issue impacting the town and the greater region. As established with the goals set forth in Prescott Valley's General Plan 2035 (General Plan), housing is an essential component of the community. The type, cost, quality, affordability, and availability of housing are key factors in the current health and future prospects of the town. Therefore, housing attainability is critical for the long-term health and economic growth of the community.

To begin addressing this issue, Prescott Valley Mayor Kell Palguta created the Prescott Valley Attainable Housing Task Force (Task Force) to examine the current status of housing in the community and provide recommendations that would move the town closer to meeting the goals and objectives established in the General Plan.

### **Purpose**

The Prescott Valley Attainable Housing Report (Report) has been developed to offer insights into the region's housing market, examine factors contributing to the market, and provide recommendations for future policy and programs to address housing needs in the town.

The Report contains Task Force findings and recommendations along with background research, vital statistics, and tools that can be leveraged into future work.

### **The Task Force**

The Task Force was created to take an in depth look at the housing market, and needs within the town and across the region and advise Mayor and Council on policy and programs consistent with General Plan goal and objectives.

The Mayor's intent was for Task Force activities to include, but not be limited to the following:

- Make policy recommendations to the Town Council regarding attainable housing;
- Develop materials and resources for the attainable housing section of the Town website;
- Track the revamping of our Town Code including zoning; and
- Determine ways to support private sector attainable housing and engage with developers to encourage their investment and partnership on projects.

Nine volunteer Task Force members, with an array of experience ranging from legislation to construction, met on a regular basis from October 2022 through May 2023. Task Force members conducted meetings, analyzed data, and researched ways that the Town can create more attainable housing.

Members met with civic and business leaders from multiple industries, private for- and non-profit developers, and, most importantly, individuals and families who call Prescott Valley home, to listen and share information.

As a result, a wide variety of resources have been included as part of this report to support the recommendations.

## **Defining Attainable Housing**

In this report, the term “attainable” is used to describe housing that is within reach or achievable in terms of affordability and availability. Attainable housing can take various forms, including apartments, townhouses, and single-family homes, with the common factor being a price at the level considered affordable to people with moderate incomes.

Simply stated, attainable housing options allow a family with a moderate income to spend 30% or less of their gross household income on rent or mortgage payments. Examples and the formal definition of attainable housing are included in the glossary.

Attainable housing initiatives may vary depending on the local housing market, median incomes in the area, and other factors that influence affordability. Attainable housing programs are typically targeted towards individuals or families who may not qualify for traditional affordable housing programs, but still struggle to find market-rate housing options within established income cost ratios.

## **Supporting the General Plan**

The General Plan is the community’s blueprint for future development representing the community’s vision for the future. One General Plan goal is for Town to provide for a fully balanced residential mix, including a wide range of housing by location, type of unit, and price, to accommodate various income levels, family size, age, and physical restraints, addressing both owner and rental households.

Other goals call for:

- zoning sufficient buildable land for residential development to accommodate Prescott Valley’s share of regional household growth.
- enforcing fair housing laws prohibiting arbitrary discrimination in the sale or rental of housing regarding race, color, religion, natural origin, sex, familial status, and handicap.
- locating affordable housing close to employment centers, including housing for seasonal workers.

## **Recommendation**

Task Force members unanimously moved to share this Report and forward the following Attainable Housing Strategy (Strategy) as a priority recommendation to the Prescott Valley Mayor and Council.

Developed as a complement to the General Plan, the Report offers a series of recommendations brought together in the Strategy, expanding on the land development and housing elements and providing direction for the development of policy, the use of federal, state, and local funding to develop and deploy housing partnerships and programs reflective of the community and in alignment with the resolutions and ordinances of the Town Council.

# TOWN OF PRESCOTT VALLEY ATTAINABLE HOUSING STRATEGY

The Town of Prescott Valley developed this Strategy as a guiding document for the development of policy and practices to address growing housing needs. The Strategy supports a singular goal:

The community of Prescott Valley offers a variety of attainable housing regardless of income to meet the needs of current and future residents, promote neighborhood stability, and support economic growth.

Strategies have been divided into four areas of impact with initiatives focused on immediate, short-, mid- and long-term gains. These four impact areas include initiatives that will build organizational capacity; identify existing resources to expand the community knowledge base; foster community partnerships; and provide incentives for the preservation and development of attainable housing.

## Impact Area I. Organizational Capacity

The Town of Prescott Valley is taking a leadership role to encourage and incentivize the development of attainable housing units to meet the needs of the community. The following strategies focus on building the organizational capacity needed to develop and implement strategies outlined in this document.

Organizational Capacity							
Strategy	Short-term	Mid-term	Long-term	On-going	Responsibility	Resources	Status
1. Fund at least a half-time Housing Coordinator to implement Strategy	•				Town Council (Council) and Town Management (Management)		
2. Develop, present, and adopt Attainable Housing Strategy	•				Management Marketing	Town website	
3. Contract with Housing Consultant to develop mechanisms to implement this strategy and work towards recruitment of housing staff.	•				Management		
4. Amend the Town Code, including zoning and building sections to address occupancy and development standards, timing, incentives, density overlays, and other items that will attract private and nonprofit developers to encourage housing for households earning less than the area median income.	•	•			Council, P & Z Commission, Management, Dev Serv, Zoning Code – Short Term Building Code – Mid Term	Zoning Code Building Code	
5. Develop a PV Town Attainable Housing webpage.	•				Council, Management		
6. Add an Attainable Housing goal to the Town's Strategic Plan: Expand the incentives available to Attainable Housing developers within two years.	•						
7. Encourage legislators to forward legislation to fast-track attainable housing projects, increase and normalize trust fund funding, provide incentives, grants, and loans for private and nonprofit developers to encourage housing for households earning less than the area median income.				•	Council, Management, Town Lobbyist		
8. Develop a plan to address the housing needs of Town Employees.	•				Council, Management, Housing Consultant		
9. Consider acquiring roll-over units for Town Employees.			•		Council, Management		
10. Process Town owned lots out of flood plain for development.			•		Council, Management	Habitat for Humanity, CCJ	

## Impact Area II. Knowledge Base

It is vital in the design and implementation of an effective housing program to understand the gaps (community need) and resources available. Through the collection, maintenance, and distribution of housing related data, the Town is promoting community partnership and transparency. The following strategies focus on building and sharing a knowledge base to support the strategies outlined in this document, public-private partnerships, and private investment.

Knowledge Base							
Strategy	Short-term	Mid-term	Long-term	On-going	Responsibility	Resources	Status
11. Distribute a survey to industries (police, fire, school district, construction trades, and medical) to determine the need of Attainable Housing.	•				Management, Marketing, Task Force		Complete
12. Develop a list and map of public owned properties including but not limited to School District, Town, Dignity Health, and County available for attainable housing.	•				Management, IT, Marketing, Deve Serv	Town website	
13. Clarify where stick built, manufactured homes (mobile homes), recreational vehicles, and modular homes (tiny homes) can be built/placed.	•				Management, Marketing, Deve Serv	Zoning Code IBC, the Act of 1974 , HUD.	
14. Use information collected by Attainable Housing Task Force for public outreach campaigns to educate on the need for housing for individuals earning less than the area median income.				•	Marketing	Attainable Housing Report, Strategy, 2023 Area Market Analysis and WF demographics -	
15. Contact the AZ Housing Coalition to determine the number of Section 8 vouchers in PV.				•	Council, Management, Marketing, Deve Serv	AZ Housing Coalition	Complete
16. Create and maintain availability of PV vacant parcels between two and four acres in size to market to private and nonprofit developers to encourage housing for households earning less than the area median income.				•	Management, IT, Marketing, Deve Serv		
17. Continue to update the number of infill units in the Core of Town and market to private and nonprofit developers to encourage housing for households earning less than the area median income.				•	Management, IT, Marketing, Deve Serv		
18. Continually research what works in other jurisdictions including but not limited to joining attainable housing professional organizations.				•			

### Impact Area III. Partnership

Community partnerships are critical in the design and implementation of effective housing programs. The following strategies focus the Towns intention to support the strategies outlined in this document by serving as the catalyst and connector for public-private partnerships, and private investment.

Partnership							
Strategy	Short-term	Mid-term	Long-term	On-going	Responsibility	Resources	Status
19. Present the overall findings and strategy of the Attainable Housing Strategy to nonprofit and private developers as well as state and federal elected officials.	•				Council, Management, Deve Serv		
20. Work with neighboring jurisdictions and Yavapai County to define areawide and regional needs, projects, and responsibilities		•			Management Towns of Chino and Dewey Humboldt, City of Prescott, AZ Department of Housing, AZ Housing Coalition, Community Services,	CC	
21. Encourage partnerships with financial institutions to develop a local loan pool targeted to the development of housing for the direct benefit of households earning less than the area median income.		•			Management Marketing		
22. Consider development emergency shelter for those who are temporarily homeless.		•			Management, Deve Serv	Agape, A Safe Place	
23. Continue to support developers making application for state and federal housing funding and resources when such applications are compatible with PV Attainable Housing Strategy				•	Council, Management, Deve Serv		
24. Continue to provide support and meeting space for Catholic Charities and CCJ, to meet with individuals experiencing homelessness, for a coordinated entry in Homeless Management Information System for referral to services				•	Management, Marketing, Library	CCJ, Catholic Charities	
25. Encourage partnerships between property owners and private or nonprofit developers to investment in the development, redevelopment, rehabilitation, and adaptive reuse of land and building for housing for households earning less than the area median income.				•	Development Services	CCJ, Agape, PASS, Habitat for Humanity, Stepping Stones, other developers	
26. Partner with local and state organizations to implement a rehab and homeownership assistance program for households earning less than the area median income.				•	Management, Deve Serv		
27. As part of Developer Agreements, negotiate spaces in new RV parks for temporary housing for homeless, and for entry level teachers, medical, public safety, contractors as an alternative until they can find permanent housing.				•	Management, Deve Serv		
28. Make information available to private and nonprofit developers on new overlay designation in Town Zoning Code that encourages redevelopment and higher density housing for households earning less than the area median income.				•	Management, Marketing	New Zoning Code	

## Impact Area IV. Incentives

To foster the development of attainable housing units the Town may offer in-kind, service, or financial support to help make a project feasible. These incentives are intended to fill or partially fill the gap between the cost of development and the developer’s ability to sell or rent a unit to a lower-income occupant. The following strategies focus on possible tools that may be used to incentivize new attainable housing units.

Incentives							
Strategy	Short-term	Mid-term	Long-term	On-going	Responsibility	Resources	Status
29. Encourage, with Overlay Zoning, the development of higher-density, and multi-family housing within the Town Entertainment Center, medical/hospital ownership, and along major arterial routes (SR 69, Glassford Hill, and Robert Road)	•				Town Council, Management, Dev Serv, P&Z	Zoning Code	
30. Provide incentives such as reduced/delayed impact fees, density bonuses, modular and manufactured construction, alternative energy, diverse housing types, and others for developments that set aside at least 10% of units exclusively for long-term occupancy by households earning less than the area median income.	•				Council, Management, Dev Serv, Legal, P&Z	Zoning Code, Town website	
31. Develop a trust fund account for use by attainable housing builders for qualifying costs.	•				Management, Dev Serv, Legal, Finance		
32. Create Development Agreement Standards, for market rate housing developers, which require 10% attainable housing units or contribution to trust fund.	•				Management, Dev Serv, Legal		
33. Seek proposals from nonprofit and/or private organizations to develop homeownership housing on public owned property for households earning less than the area median income and/or rental housing for the very-low-income families and seniors. Focus on specific households, identify Town resources, household income, type of development, and others.		•			Council, Management, Dev Serv, Legal		
34. Link economic development incentives for job generating manufacturers who invest in housing for employees who will purchase or rent in Prescott Valley				•	Council, Management Econ Dev, Dev Serv, Legal		
35. Create and maintain the for private and nonprofit developers looking to develop Attainable Housing in Prescott Valley: manufactured, modular, mobilomes and RV Parks.				•	Town Management, IT Dev Serv		
36. Create and maintain availability of Prescott Valley vacant parcels between two and four acres in size.				•	Management, IT Dev Serv		

## Conclusion

Housing affordability is a key measure of the economic health and viability of a community. From the standpoint of housing affordability, a community is economically healthy when income is adequate to afford quality housing with sufficient resources available for basic goods and services.

When housing is not affordable, local businesses are impacted in three primary ways. First, households with excessive housing costs have less disposable income for basic goods and services. Second, households that work in one community but live in another community experience higher transportation costs, have less disposable income; and may purchase fewer basic goods and services in the community where they live.

Finally, if housing costs are too high (or poor quality), employers have difficulty attracting and retaining quality employees. For major employers, housing affordability is often a key factor in choosing a location.

## Task Force Activities

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The nine-member Task Force, appointed by the Mayor, began meeting in October 2022, quickly establishing a goal to “Make recommendations to the Town Council to increase the supply of attainable housing.”

Volunteer members took on a variety of tasks and projects offering initiatives they integrated into the Strategy. These activities allowed members to look broadly at the issue and speak directly with community members, developers, and residents. Presentations were offered by medical services providers and others. Projects presented ranged from tiny to family in terms of size of units, families served, and community impact. Those activities and relevant information is provided in the following pages.

Members deployed a variety of tools in gathering the information used during discussions and in the formation of the Strategy. The Task Force defined the market area as the Towns of Prescott Valley, Chino Valley, Dewey-Humboldt and the City of Prescott. Adjacent unincorporated areas of Yavapai County and the nearby communities of Paulden, Mayer, Spring Valley and Cordes Lakes impact the market area but are not included in the study area. All actions and policies are specific to the Town of Prescott Valley.

### Defining Attainable Housing

The Task Force discussed the working definition of “attainable housing” with consensus on two different meanings or uses. In a narrow sense, attainable housing conforms to the standard definition of affordable housing. This definition holds that housing is affordable (attainable) when it consumes no more than 30% of a household’s gross, pre-tax income. The definition makes use of the term “core housing need”. A household is determined to be in a state of core housing need when it is required to spend in excess of 30% to secure (attain) housing that is safe, in a reasonable state of repair and large enough to accommodate the members of the household.



Households that choose to spend more than 30% of their income on housing are not considered to be experiencing core housing needs. Households that receive non-market (subsidized) housing are also not considered to be in core housing need (rents for this type of housing are typically capped at a percentage of incomes). The definition of affordable housing, both owned and rental, refers specifically to market housing.

### Strategic Plan Input

In addition, the Task Force was asked by the Town Manager to come up with a goal for the Town Strategic Plan. The recommended goal: To expand the incentives available to Attainable Housing Development within two years. The Goal would be under “Prosperous Community” defined as creating an environment where Prescott Valley residents can thrive for a lifetime via job opportunities, a variety of housing options, and a safe and healthy lifestyle with a diversified and growing economy.

## SWOT Analysis

One tool that was used in the early stages of this Task Force study was a SWOT analysis of Strengths, Weaknesses, Opportunities and Threats associated with pursuing a program of attainable Housing in Prescott Valley. A summary of those qualities influencing the study and recommendation follows.

The graphic features a blue outline of a house roof at the top. Inside the roof, the text "Attainable Housing SWOT 2023" is written in a bold, green, sans-serif font. Below the roof, the content is divided into two vertical green panels. The left panel is titled "Strengths" and contains five bullet points. The right panel is titled "Weaknesses" and contains ten bullet points. At the bottom of the graphic, there is a white line-art illustration of three houses with gabled roofs and windows.

### Attainable Housing SWOT 2023

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Resource rich with community partners that provide services/counseling for buyers and renters.</li></ul>	<ul style="list-style-type: none"><li>• Missing demographic information to determine housing needs in Prescott Valley.</li></ul>
<ul style="list-style-type: none"><li>• Progressive industry and community partners with willingness to understand and take attainable housing seriously.</li></ul>	<ul style="list-style-type: none"><li>• Confirm terminology and number of Section 8 units in Prescott Valley.</li></ul>
<ul style="list-style-type: none"><li>• Innovative and progressive Council, Planning and Zoning Commission and staff to address issues related to attainable housing.</li></ul>	<ul style="list-style-type: none"><li>• The lack of supply of available and shovel ready land that is owned by the Town to use as an incentive.</li></ul>
<ul style="list-style-type: none"><li>• Willingness to be creative with housing while working with all sectors of the workforce who need housing including but not limited to teachers, medical professionals, contractors, firefighters, and police officers.</li></ul>	<ul style="list-style-type: none"><li>• Lacking partnerships with existing nonprofit organizations such as: CCJ, Habitat, and others who provide Attainable Housing.</li></ul>
<ul style="list-style-type: none"><li>• Availability of resources to families such as a safe community; friendly neighbors; expanding infrastructure; parks, recreation, arts, trails, and events; transit; clean air; and available shopping and dining. All to market our area to attainable housing developers to the area.</li></ul>	<ul style="list-style-type: none"><li>• Antiquated Zoning and Town codes. Including zoning for density bonuses/overlay.</li></ul>
	<ul style="list-style-type: none"><li>• Lack of available incentives to attract attainable housing developers.</li></ul>
	<ul style="list-style-type: none"><li>• Lack of attainable housing trust fund in the Town.</li></ul>
	<ul style="list-style-type: none"><li>• Lots in the flood plain, owned by the town and individuals, need to be made shovel ready.</li></ul>
	<ul style="list-style-type: none"><li>• Wages/jobs need to be more competitive to attract more workers.</li></ul>
	<ul style="list-style-type: none"><li>• Lacking a planner with expertise in attainable housing.</li></ul>

# Attainable Housing SWOT 2023

## Opportunities

- Research what has worked in other areas state and nationally to attract attainable housing developers.
- Ability to facilitate a list of incentives for attainable housing developers.
- Focus on a process to educate residents on why attainable housing is important and necessary.
- How do we get to YES with progressive processes.
- Involve public and private partnerships to make attainable housing a reality.
- Rally support of various types of housing - tiny homes, manufactured, modular and RV communities to name a few.
- Focus on business attraction that brings higher wages for Prescott Valley workforce.
- Availability of shelf-ready plans for single family affordable infill development.



## Threats

- Local, state, and national stigma of affordable housing and lowering property values.
- Inflationary construction costs making affordability a challenge.
- Lack of available funding at local, state, and federal level to support attainable housing. Such as tax credits, grants, and trust funds.
- Cost of land, fees, infrastructure, utilities, materials, and labor.
- Bureaucratic state agencies who have lengthy time frames and regulations.
- Difficulty of predicting the market.



**PRESCOTT VALLEY**

Undertaken by Task Force members as an internal exercise, many of the factors identified were reflected in the community surveys and conversations discussed below. Elements from each of the analysis areas in the SWOT have been integrated into the Strategy.

## Community Survey – Needs Assessment

The Task Force sent out a survey to gauge what the need is and evaluate those working in Prescott Valley as it pertains to their housing status. This survey was sent to the Prescott Valley workforce including first responders, healthcare workers, educators and construction industry workers.

More than 900 individual responses were received and reviewed. Survey data showed that that many Prescott Valley residents are cost burdened.

Although a majority of those polled owned a home, the survey showed that 57% of respondents had difficulty finding housing in the Prescott Valley area, and that 35% of those polled were not living in an area that they would like to live in.

Interest in attainability of homes in the area generated a split response 50/50. At least half of those polled were having a hard time affording housing in Prescott Valley and 38% would not be interested in seeking attainable housing options because they had secured housing.

When asked about housing types, respondents' top picks were manufactured or condominium options.

## *“What is your current monthly housing cost?”*

When asked about housing costs, 50% of respondents reportedly paying more than 30% of their income on monthly rent or mortgage. Of the 900 responses, 745 reported an average rent of \$1,614.

This information is significant. The median individual income in Prescott Valley is \$28,057 (United States Census Bureau). If an individual earns \$15 per hour and works full time, their gross monthly income is \$2,400. Nearly 65% of this income is for rent. This would seem to indicate that many Prescott Valley residents are cost burdened.

Households that spend more than 30% of their income on housing costs are considered cost-burdened. Cost-burdened households may struggle to make rent or mortgage payments and make trades between essential needs such as utility bills, groceries, healthcare, transportation, and childcare.

## Housing Types

Making a distinction between housing types is important when examining factors influencing the cost of housing. Based on building-cost discussions with developers, the Task Force examined various construction methodologies, trending tiny houses, and manufactured housing which includes any housing units that are manufactured off site and then installed on vacant or improved building sites. Such manufactured housing includes mobile homes, tiny homes and modular homes. Definitions for each are provided in the glossary.



## Partner Conversations

While reviewing documents and sources, a member of the Task Force came across the 2003 Town of Prescott Valley Attainable Housing Strategy. The document had not been implemented, however, after review, the Task Force agreed that much of the information, especially the strategy, would be applicable to the current report to Council.

The Task Force began by reviewing maps of town- and Humboldt Unified School District-(HUSD) owned property, understanding that parcels owned by public jurisdictions, as small as two acres, could be used for attainable housing.

In conversations with the school superintendent, the Task Force learned that the district owns two vacant acres at Granville Elementary with more acreage available at the District Office (HUSD Ownership - Map 1). Although the District Office property is Arizona State Trust Land. School Districts locally have looked at building attainable housing units for teachers on school district property to assist with affordability.

A map of the Town owned properties (Map 2) shows multiple small lots in the northeastern part of the Core. These lots are currently in the flood plain but are of a size, with grading modification, that would be appropriate for attainable housing partnerships with organizations like Habitat for Humanity. Removing these lots from the flood plain as part of the Town's larger drainage study project, is recommended in the Strategy. Further inventory review indicates that there are over 600 vacant lots in the Core of Prescott Valley. The Strategy suggests that these lots could be marketed for attainable housing.

A survey of best practices identified the “A Home of My Own” program established in Yavapai County. The program offers free house plans in response to the current workforce housing crisis. The Task Force review found three single family home plans are available for anyone to use to build a home. Members included a Strategy encouraging the Town to adopt the ability to use these plans on vacant lots in Prescott Valley.

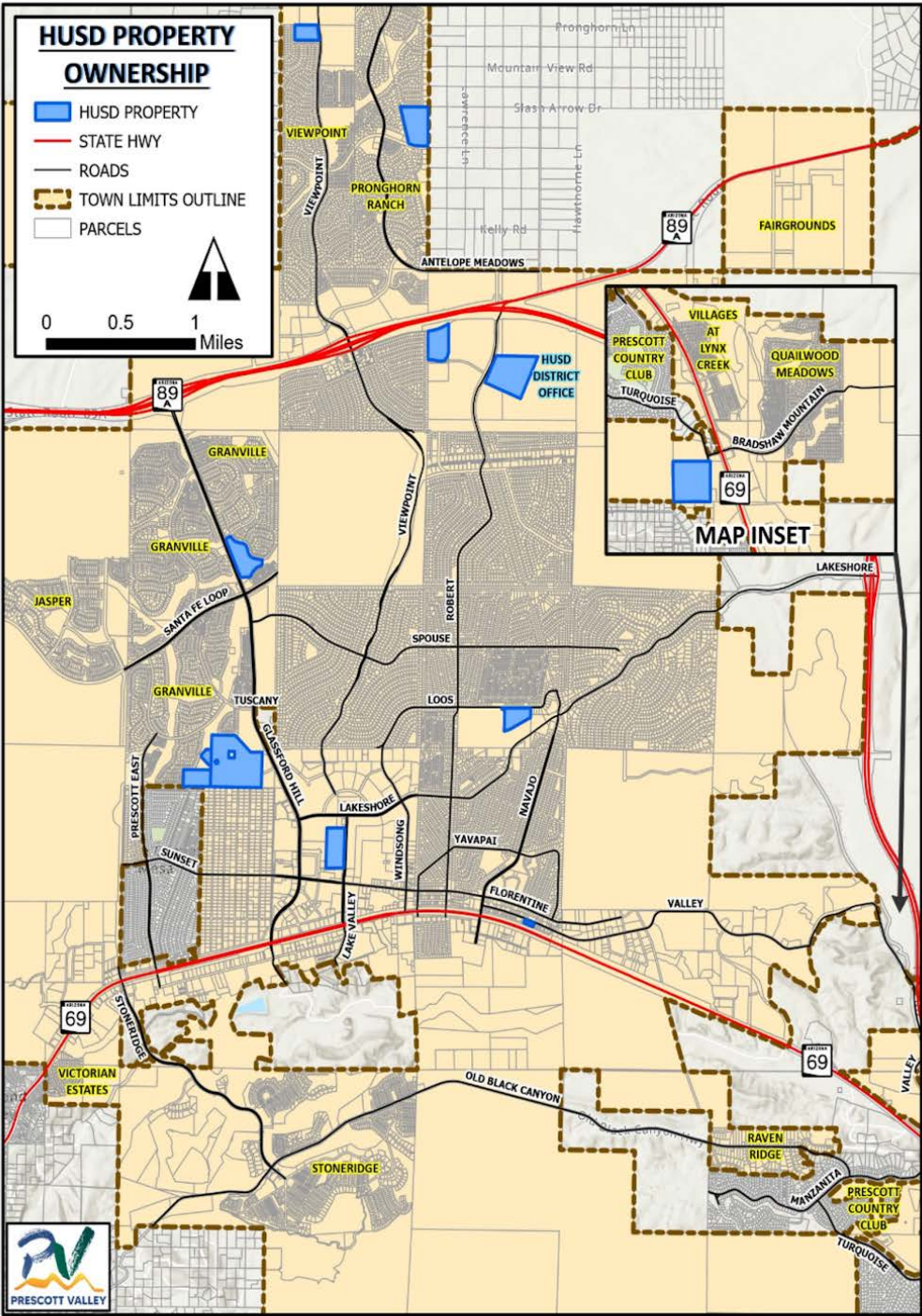
The Strategy recommends that the new zoning code specifically identifies where manufactured, mobile, and modular homes can be placed in Town, which could include broadening zoning classifications. Map 3 indicates current zoning for manufactured and multi-family uses.

The Task Force heard a presentation regarding a proposed tiny home project in Prescott Valley consisting of 120 casitas (600 square feet). Reduced construction cost and size make the units more affordable. Although delayed, once completed the units rent of \$1,200/month will qualify attainable housing.

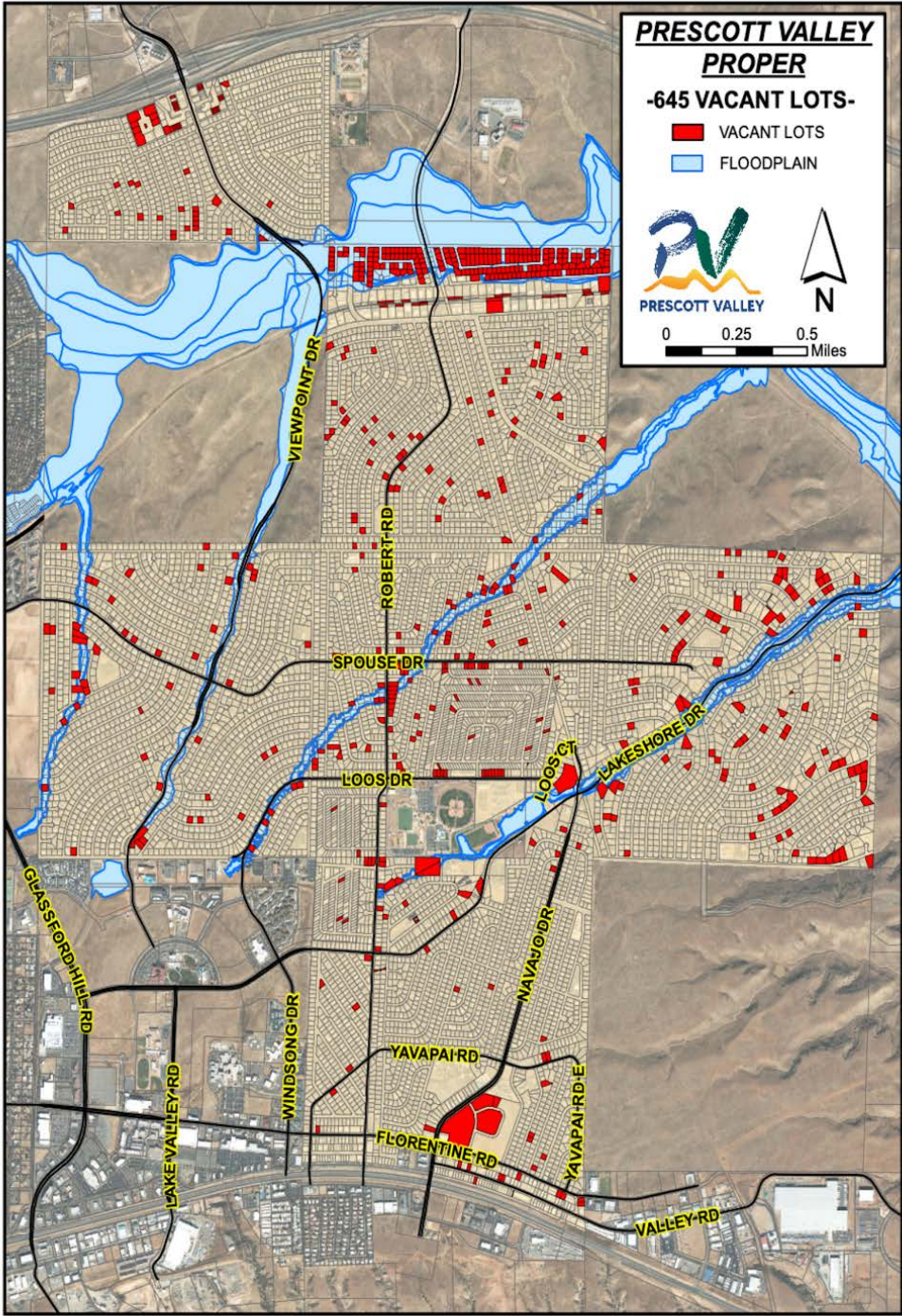
Task Force members welcomed Dignity Health Care for a presentation on staff shortages and the disparities between wages and the cost of housing. Dignity shared a 40% turnover rate; 200 nursing vacancies; difficulty hiring service employees (nutrition services and housekeeping) earning \$15-17/ hour without available affordable housing; and the need to house “traveling nurses” used to fill the employment gap. Dignity is working with developers to set aside future units for staff, hoping they become vested in the community and want to stay.

Dignity has requested that a medical district with more flexible zoning uses including attainable housing densities and modular units be established during a future zoning code amendment.

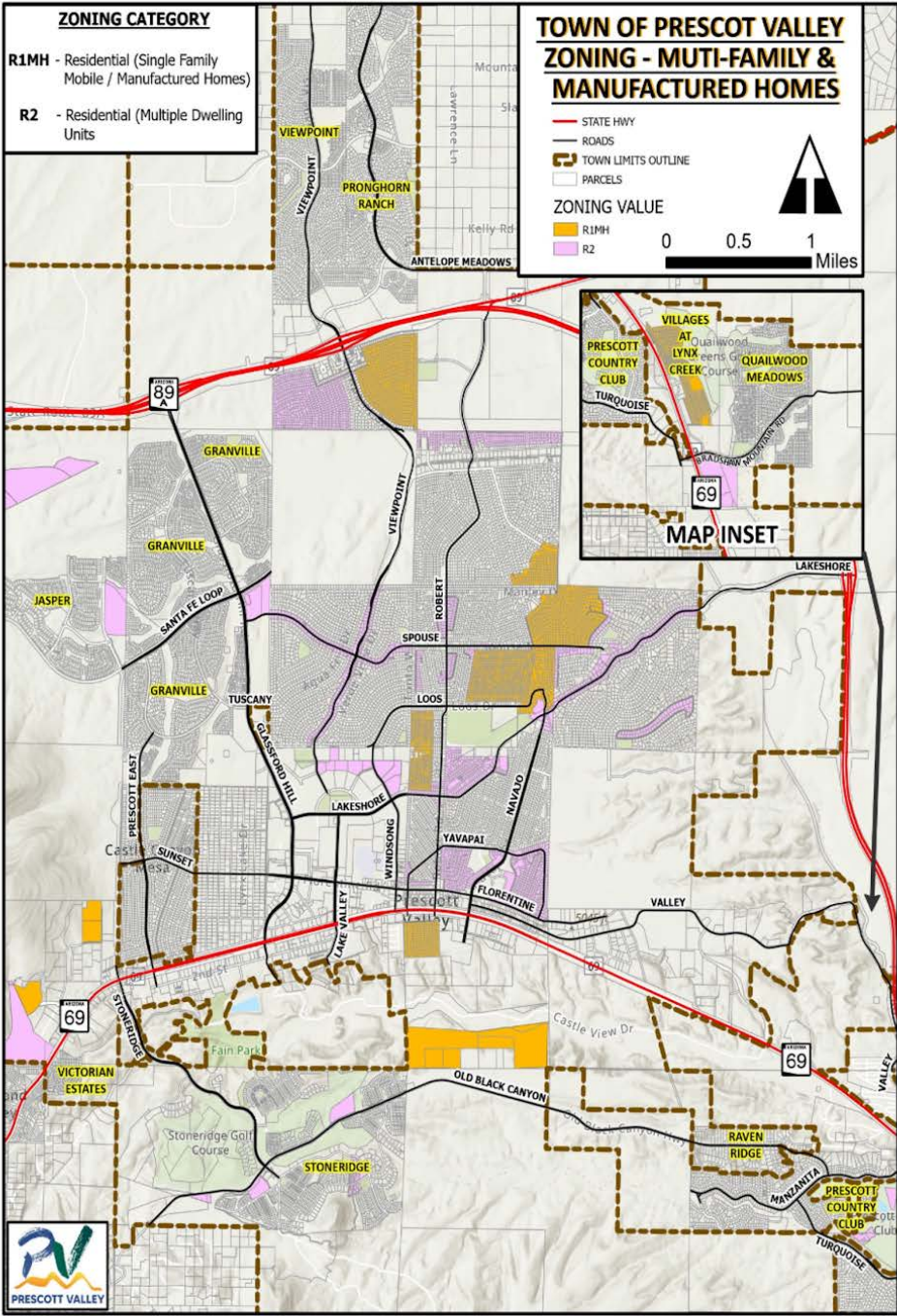
Map 1



Map 2



Map 3



## **Exploring Housing Insecurity and Homelessness**

While moving to a more affordable location could be a viable endeavor for some, it's not always possible for all. Many households are currently doubled up with family, friends or couch-surfers who do not have the means to leave their current position to obtain work elsewhere in order to better afford housing. By definition, these individuals and families are experiencing homelessness.

With homelessness on the rise, according to the Point in Time Count, those who are unsheltered or housing-insecure are taking to the streets, alleys and forests to secure a place to camp, park or sleep. This causes complaints from the community and often police are called out to respond. Anyone sleeping/camping on municipal property cannot be issued tickets from law enforcement if there are no shelter beds available (Ninth Circuit Court decision). Asking officers to transport someone needing shelter to Prescott takes them off the streets of Prescott Valley and is a waste of officer resources.

Currently in the Prescott, Prescott Valley, and Chino Valley area there are 50 emergency shelter beds open in the winter, and 25 beds all other times. These shelters are located in Prescott, are often full and can only accommodate men, women, and dogs. There is nowhere for a family with children to go to find shelter together if experiencing homelessness. With the completion of the new jail facility in Prescott, the need for a shelter in Prescott Valley grows. Those being released from custody will need a place to reside. Without adequate alternatives, more campsites, tents, and car-sleeping will occur.

Although the need for a shelter may not currently be presenting itself, proper foresight involves planning ahead. Often shelters are only considered when the population of those experiencing homelessness increases, but by then it's too late. Proactiveness is key to providing a safe, legal and dignified place for those who are experiencing homelessness or housing insecurity. Shelters also decrease the strain on law enforcement and hospital resources, especially in winter months when the weather does not permit sleeping outdoors or in cars.

For all of the above reasons, the Task Force included partnership initiatives as a part of the Strategy and recommends that the Town Council should begin conversations about a shelter in Prescott Valley.

## **Overcoming Neighborhood Resistance (NIMBY)**

While exploring barriers to the creation of attainable housing, Task Force members discussed NIMBYism. NIMBY, an acronym for "Not In My Backyard," describes the phenomenon in which residents of a neighborhood designate a new development (e.g. attainable housing project) or change in occupancy of an existing development as inappropriate or unwanted for their local area.

The key to overcoming NIMBY opposition is to educate people as to what affordable housing really is and what it is not. When people hear the term 'affordable housing,' they tend to think of the worst-looking public housing project in the worst neighborhood. Or worse yet, the dreaded Section 8 term which is US Development of Housing and Urban Development funds providing rental housing assistance to private landlords on behalf of low-income households. According to Prescott Valley Development Services there currently is only one housing complex that accepts Section 8 vouchers.

Strategies for addressing these concerns are included in the recommendation to include traditional and new resources for dissemination of information, specifically the addition of an attainable housing webpage of the Town's website.



### Developer Input

As the housing crisis in America continues, it's more evident than ever that Prescott Valley needs more attainable housing. However, the process of developing attainable housing can be long and complex, and because of this, it can cause challenges for developers. Task Force members surveyed local contractors to get their input. Local builders have shared the challenges they face when developing attainable housing:

The cost of construction was listed as a major factor. There are many costs involved in developing housing that may preclude building attainable units including acquisition fees, developer fees, and construction costs. Most obvious is the amount of money it costs to build the housing unit. From the material to the labor, building housing units can be costly. While developers can make some construction decisions to lower the costs (i.e. using less-expensive materials), ultimately most of these costs are out of their control.

Builders also noted that policies and regulations that make it difficult for developers to move forward with building attainable housing units are almost as limiting as cost. These policies and regulations can be on a federal, state, and even local level. The local building industry mentioned building codes, energy efficiency standards, historic preservation, and environmental regulations just to name a few.

*In Yavapai County, nearly half of renter households – or 19,276 households – are cost-burdened (U.S. Census Bureau. “Tenure by Housing Costs” 2020 American Community Survey). With affordable housing stock being low, the Prescott Valley survey reflects that 61% of those polled would consider leaving Prescott Valley if offered a job with similar pay in a more affordable community.*

In many areas high-density housing is excluded, making it difficult for developers to find land that allows for the building of multiple units rather than single-family homes. In order for developers to continue building in these excluded areas, zoning variances are needed and not easy to obtain because of neighborhood resistance. Developers/Builders are seeing an impasse when it comes to land planning duplexes or adding separate living quarters Accessory Dwelling Units (ADUs) in the community.

Following are highlights from the Comments provided by Local Developers:

- We are faced with zoning conflicts with neighbors when trying to add density of any type.
- We need to be creative. Professionally planned new communities need a mix of single-family, ADU's and duplexes.
- With material costs on the rise and material in short supply, this leads to higher labor rates, which is a pass through to the cost of the home.
- We need higher density developments.
- The first thing is the amount of fees paid to the municipalities; they are enormous and seem to keep going up. In Yavapai County labor (or lack of) and our materials are just so expensive I am not sure how anyone could build affordable housing. The only way would be through manufactured homes, I do not see any way a contractor can build a site-built home that hits anything close to affordable.
- The subdivisions we are building right now are up 35% in cost from 12 months ago due to diesel fuel pricing. Aggregates, concrete, asphalt, pipe materials, etc., are all based from petroleum, they either contain fuel or run on fuel and are just out of site and do not look like they are going to back down anytime soon, probably increase if anything... subdivisions are only costing more money and to start a new one for affordable housing is just not in the cards for anyone.
- Municipalities should use taxpayer funds and partner with developers to start purchasing old run-down areas and revitalize into new homes that can use the old existing infrastructure, so they don't have to pay new water meter fees, build new infrastructure, reduce, or remove all impact fees, permit fees, etc.
- The single greatest contributor to affordable pricing is the land and development costs.
- The largest factors contributing here are almost always: (a) philanthropy - discounting or gifting land, (b) inexpensive property at a great distance from urban areas (problem generally being services -sewer water utilities etc.), (c) Planned communities with zoning and density to afford small, lesser priced/smaller sq ft density housing units & the consideration given to requirements needed in the Design Guidelines of a such a community to allow the desired goal, (d) foreclosed or repossessed property, typically from a failed (b) or (c) as described above after a major economic downturn.
- High-density zoning, compact single family lot size (30 to 40 ft wide), and zero lot line type zoning can help a great deal. Example: 6- to 8 units to the acre, detached housing allows for cost-efficient construction designs. The density allows for quite affordable infrastructure costs on a per-foot basis.
- Product Design and efficient designs utilizing mass production basis and two or three simple and similar designs keep construction costs and subcontractor's costs more affordable – just like Yavapai County, Home of MY Own.
- Municipal Code Requirements and overly burdensome local and federal code requirements create affordable hardships. Requiring 2x6 vs. 2x4, R-49 vs. R-38, air exchange units, and foam at the slab are examples of unnecessary burdens affordable homes cannot absorb.



## Housing by the Numbers

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Housing affordability is a key measure of the economic health and viability of a community. From the standpoint of housing affordability, a community is economically healthy when income is adequate to afford quality housing with sufficient resources available for basic goods and services.

Understanding regional housing data is important in determining the current status and planning for the future. Task Force members used census data and information gleaned from a variety of sources while formulating this report. Below are some of the data points used and a summary of key facts.

The proportion of occupied units and the vacancy status of units reflect both demand for housing in general and the primary uses of housing units. The tenure (owner or renter) of occupied units is another indicator of demand and further defines the local housing market. General occupancy and tenure data serve as the bases by which other housing data related to quality, variety and affordability may be assessed.

In 2020, over one third of vacant Prescott Valley units were for rent or for sale and an additional 55% for seasonal use. In the balance of the market area, with the exception of Chino Valley, more than one-half of vacant units are for seasonal, occasional or recreational use.



A vacancy rate of 7.9%, nearly a full percentage above the 7% industry standard and a high percentage for seasonal use reflects a housing market with limited choices. Yavapai County had a rental vacancy rate of 4.2%, the lowest rental vacancy rate since 2010. Households have fewer alternatives if their current housing is inadequate or not attainable. Although there are resources available for those experiencing homelessness these resources are usually not offered till someone has become un-housed.

Prescott Valley's homeownership rate increased slightly during the past decade to 72%. Twenty-seven percent of all homeowners are cost burdened paying more than 30% of their household income for housing. Nearly 77% of homeowners earning less than \$19,999 and 57.8% of homeowners earning between \$20,000 and \$34,999 paid more than 30% of their household income for housing.

In 2020, Prescott Valley had the highest median rent in the market area. A survey of available rentals from 2015 to 2020 concluded that the median monthly rent in was \$1,061. Overall Prescott Valley renters pay a higher percentage of income on housing than homeowners. Forty-seven percent of renters pay more than 30% of their income for housing with cost burden hitting lower income households the highest rate. Ninety percent of renters earning less than \$34,999, 35% earning between \$25,000 and \$49,999 paying more than 30% of their income for housing.

## Housing Affordability

Understanding what is affordable in terms of real-live numbers is critically important. Local solutions must be based on local needs in a true and meaningful way. Using housing and income numbers from 2020, the Task Force looked at the question of affordability – attainability for Prescott Valley residents.

Household incomes are not keeping up with the rising cost of housing. From 2010 - 2020, Prescott Valley housing costs increased 1.08 times household income. In other words, for every additional dollar earned the cost of purchasing a housing unit increased \$1.08. In 2020, Prescott Valley had the highest median rent in the market area. Ninety percent of Prescott Valley renters earning less than \$34,999 pay more than 30% of their household income for housing.

### Home Ownership Cost Scenario based on 2020 data

	New Manufactured	Resale (Existing Home)	New Construction
Unit Cost	\$125,000	\$345,000	\$425,000
Closing Costs (estimated minimum)	2,400	6,900	9,500
Down Payment (min 3%)	4,375	12,075	16,625
Estimated Mortgage Amount	\$120,625	\$332,925	\$458,375
Estimated Monthly Payment (6.25% for 30 years, principal, interest, taxes, insurance, MIP)	\$907	\$2,505	\$3,450
Approx. Annual Income Needed	\$36,280	\$100,200	\$138,000
Approx. Hourly Wage Needed (Full -Time)	417.44	\$48.17	\$66.35
Estimated Monthly Payment (6.25% for 30 years, principal, interest, taxes, insurance, MIP)	\$907	\$2,505	\$3,450

### General Assumptions

1. Purchased manufactured housing unit placed on owned land.
2. Existing housing unit, including single-family attached, single-family detached and manufactured housing.
3. Moderately priced new housing unit in planned development.
4. Purchaser pays downpayment and closing costs at time of purchase.

Cost Comparison	2010	2020
Median Unit Cost – Existing Housing	\$206,500	\$260,400
Closing Costs (estimated minimum)	4,130	5,208
Down Payment Required (min. of 3.5%)	7,228	9,114
Estimated Mortgage Amount	\$199,272	\$251,286
Estimated Monthly Payment at 6.25% for 30 years, including principal, interest, taxes, insurance, MIP	\$1,499	\$1,892
Approx. Annual Income Needed to Purchase	\$59,960	\$75,680
Approximate Hourly wage needed (full-time)	\$28.83	\$36.38

## Rental Trends

From 2010 to 2020, median Prescott Valley rent increased 55% and median market area rent increased 35%. Prescott Valley median income increased 24% during the same period.

	<u>Prescott Valley</u>		<u>Market Area</u>	
	<b>2010</b>	<b>2020</b>	<b>2010</b>	<b>2020</b>
Median Gross Rent	\$868	\$1,061	\$710	\$959
Approximate Monthly Income Needed	\$2,883	\$3,537	\$2,367	\$3,197
Approximate Annual Income Needed	\$34,729	\$42,440	\$28,400	\$38,360

## Housing Quick Facts

- Housing costs rose 25% from 2010 to 2020 and an additional estimated 25% from 2020 to 2030.
- Assuming median value is consistent with median cost, the median cost of existing housing increased \$51,900 or 25% from 2010 to 2020. During the same period Prescott Valley median income increased an estimated \$10,645 or 23%.
- The most affordable homeownership housing type is manufactured housing placed on owned land. This figure does not include land or the cost of utilities and other infrastructure required, two of the costs noted by developers as berries to building attainable housing.
- A survey of available rentals from 2015 to 2020 concluded that the median monthly rent was \$1,061. .
- Overall, 90% of Prescott Valley renters earning less than \$34,999 pay more than 30% of their household income for housing. Thirty-five percent of Prescott Valley renters earning between \$25,000 and \$49,999 pay more than 30% of their income for housing.
- Forty-seven percent of Prescott Valley renters pay more than 30% of their income for housing.
- In 2020, there was a need for one hundred seventy (170) rental units renting for less than \$1,875/month and made available to renters earning \$74,999/year or less.
- From 2020 to 2030, an additional five hundred fifty-four (554) rental units will be needed.
- In 2020, single-family detached housing was the most prevalent housing type in Prescott Valley at 67%. Seventy percent of the growth in housing units during the 2010s and through 2020 was among single-family detached.
- Two-thirds of market area duplex units are located in Prescott Valley. As a percentage of the Prescott Valley housing stock, duplex units grew from 5% in 1990 to nearly 12% in 2000. Twelve percent of housing units added since 1999 are duplexes.
- In 2020, there was a need for 170 rental units renting for less than \$1,875/month and made available to renters earning \$74,999/year or less.
- In 2020 and based on income alone, 32% of households could afford the median value housing unit. By 2030 and based on income alone, 42% of households could afford the median priced for-sale housing unit.



## Housing Tables

Detailed housing data and key findings are provided in the tables H-1 thru H-16. Data was sourced from the American Community Survey (ACS 2016-2020 & ACS 2010-2015) and the 5 Year Survey (S1901). Additional citations are noted.

The housing data reflected in Tables H-10, H-15 and the Rental Affordability Analysis of the Market Area Research/Census Data section of the Strategy document is based upon U.S. Census data from 2010 to 2020. While reviewing census data and preparing the enclosed tables, the Task Force realized that the “market” experienced exterior factors between 2020 and 2023, including, but not limited to, high interest rates, housing bidding wars and the COVID pandemic, such that the 2020 census data related to median home values and median rental costs may not reflect current conditions. The 2020 census data was left in the analysis to reflect market trends.

	No. of Units		Change	% Change
	2010	2020		
Prescott Valley	16,751	20,609	3,858	23.0%
Prescott	22,712	22,826	1,114	5.1%
Dewey-Humboldt	1,447	1,775	328	22.7%
Chino Valley	5,012	5,539	527	10.5%

	2020		2030		
	Owner	Renter	Total	Owner	Renter
Total					
20,609	13,597	5,380	26,356	16,706	6,619

Notes: Housing Unit projections based upon 2010-2020 trends and include a 7% - 8% vacancy rate.

	Total Housing Units	Occupied Housing Units	Percent of Housing Units Occupied	% of Market Area Occupied Units	% of Market Area Vacant Units
Prescott Valley	20,609	18,977	92.1%	41.8%	30.3%
Prescott	22,826	19,797	86.2%	43.7%	56.2%
Dewey-Humboldt	1,775	1,549	87.3%	3.4%	4.2%
Chino Valley	5,539	5,037	90.1%	11.1%	9.3%

	Prescott Valley			Prescott			Dewey-Humboldt			Chino Valley		
	No.	% of vac.	% of mkt	No.	% of vac.	% of mkt	No.	% of vac.	% of mkt	No.	% of vac	% of mkt
For Rent	225	14%	4%	360	12%	7%	0	0%	0%	0	0%	0%
For Sale only	87	5%	2%	65	2%	1%	0	0%	0%	36	7%	1%
Rent/Sold UO	249	15%	15%	250	9%	5%	0	0%	0%	43	8%	1%
Seasonal	897	55%	17%	1,874	62%	35%	147	65%	3%	215	43%	4%
Migrant workers	0	0%	0%	0	0%	0%	0	0%	0%	0	0%	0%
Other	174	11%	3%	474	15%	9%	79	35%	2%	208	42%	4%
Total	1,632			3,029			226			502		

	Prescott Valley		Owner-Occupied			Renter-Occupied		
	Total	%Mkt Area	Total	%	% Mkt Area	Total	%	% Mkt Area
Prescott Valley	18,977	42%	13,597	72%	42%	5,380	28%	42%
Prescott	19,797	44%	13,897	70%	42%	5,918	30%	46%
Dewey-Humboldt	1,549	3%	1,372	88%	4%	177	11%	2%
Chino Valley	5,037	11%	3,798	75%	12%	1,239	25%	10%
Market Area	45,360		32,664	72%		12,714	28%	

Age in Years	Prescott Valley			Balance of Market Area			
	No. Households	% Households	% mkt Households	% owner	Number	% households	% owner
15 to 24	500	2.6%	1.5%	29.8%	639	2.4%	0.4%
25 to 34	2,630	13.9%	8.1%	51.2%	1,517	5.7%	1.8%
35 to 44	1,932	10.2%	5.9%	54.3%	1,884	7.1%	4.5%
45 to 54	2,560	13.5%	7.8%	66.2%	3,172	12.0%	7.5%
55 to 64	2,911	15.3%	8.9%	79.7%	5,753	21.8%	16.6%
65 to 74	4,581	24.1%	14.0%	81.5%	7,699	29.2%	25.0%
75 & older	3,863	20.4%	11.8%	85.6%	5,719	21.7%	16.5%
Total	18,977		58.1%		26,383		

Household Size	Prescott Valley			Balance of Market Area			
	Number	% of households	% of mkt area	% owner	Number	% of households	% owner
1 person	5,315	28.0%	37.9%	22.3%	8,695	33.0%	19.6%
2 persons	7,612	40.1%	37.7%	41.0%	12,570	43.6%	39.2%
3 persons	2,618	13.8%	52.5%	11.0%	2,365	9.0%	6.6%
4 persons	1,950	10.3%	54.7%	7.8%	1,613	6.1%	4.0%
5 persons	1,088	5.7%	55.4%	4.2%	875	3.3%	2.2%
6 persons	252	1.3%	65.1%	1.0%	135	0.5%	0.3%
7+ persons	142	0.8%	52.2%	0.7%	130	0.5%	0.2%
Total	18,977		41.8%		26,383		

Household Type	Prescott Valley				Balance of Market Area		
	Number	%	% of Area	% Owner	Number	%	% Owner
<b>Total:</b>	<b>18,977</b>		<b>41.8%</b>		<b>26,383</b>		
Owner occupied:	13,597	71.6%	41.6%		19,049	72.2%	
Family households:	9,355	68.8%	41.9%	68.8%	12,952	49.1%	68.0%
Married-couple family:	7,269	38.3%	38.5%	53.5%	11,605	44.0%	60.9%
With own children of the householder under 18 years	1,783	9.4%	51.8%	13.1%	1,660	6.3%	8.7%
No own children of the householder under 18 years	5,486	28.9%	35.6%	40.3%	9,945	37.7%	52.2%
Other family:	2,086	11.0%	60.8%	15.3%	1,347	5.1%	7.1%
Male, no spouse present:	677	3.6%	63.7%	5.0%	385	1.5%	2.0%
With own children of the householder under 18 years	407	2.1%	72.4%	3.0%	155	0.6%	0.8%
No own children of the householder under 18 years	270	1.4%	54.0%	2.0%	230	0.9%	1.2%
Female, no spouse present:	1,409	7.4%	59.4%	10.4%	962	3.6%	5.1%
With own children of the householder under 18 years	434	2.3%	77.8%	3.2%	124	0.5%	0.7%
No own children of the householder under 18 years	975	5.1%	53.8%	7.2%	838	3.2%	4.4%
Nonfamily households	4,242	22.4%	41.0%	31.2%	6,097	23.1%	32.0%
Renter occupied:	5,380	28.4%	42.3%	39.6%	7,334	27.8%	38.5%
Family households:	3,005	15.8%	51.4%	22.1%	2,840	10.8%	14.9%
Married-couple family:	2,090	11.0%	57.3%	15.4%	1,560	5.9%	8.2%
With own children of the householder under 18 years	1,097	5.8%	67.0%	8.1%	541	2.1%	2.8%
No own children of the householder under 18 years	993	5.2%	49.4%	7.3%	1,019	3.9%	5.3%

Type of Structure	2010		2020		Change	
	Number	Percent of Structures	Number	Percent of Structures	Number	Percent of change
1, detached	9,907	67.1%	14,053	68.1%	4,146	71.1%
1, attached	380	2.5%	1,072	5.2%	692	11.9%
2 units	840	5.7%	1,005	4.9%	165	2.8%
3 or 4	698	4.7%	739	3.6%	41	0.7%
5 to 9	278	1.9%	309	1.5%	31	0.5%
10 to 19	151	1.0%	181	0.9%	30	0.5%
20 to 49	230	1.6%	96	0.5%	-134	-2.3%
50 or more	139	0.9%	343	1.6%	204	3.5%
Manufactured	2,074	14.0%	2,798	13.6%	724	12.4%
Other	78	0.6%	13	0.1%	-65	-1.1%
<b>Total</b>	<b>14,775</b>		<b>20,609</b>		<b>5,834</b>	

Community	2010	2020	Change Value (2010– 2020)	% Change (2010– 2020)
Prescott Valley	\$208,500	\$260,400	\$51,900	24.9%
Prescott	\$310,000	\$362,300	\$52,300	16.9%
Chino Valley	\$185,300	\$266,800	\$76,500	41.3%
Dewey-Humboldt	\$145,200	\$217,500	\$72,300	49.8%

Annual Household Income	Prescott Valley		Prescott		Chino Valley		Dewey- Humboldt	
	No.	%	No.	%	No.	%	No.	%
< \$20,000	1,285	76.8%	893	5.8%	227	69.2%	129	84.3%
\$20,000 – 34,999	991	57.8%	548	2.8%	246	3.0%	145	53.1%
\$35,000 – 49,999	693	30.9%	721	8.9%	199	5.6%	56	33.7%
\$50,000 - \$74,999	593	19.1%	444	5.0%	56	7.6%	30	12.6%
\$75,000 +	80	1.7%	215	3.4%	52	4.4%	17	3.1%
Total:	3,641		2,821		733		377	

	Mobile Home	Tiny Home	Modular Home
Median Lot Price (36 lots in sample)	\$81,500	\$81,500	\$81,500
Median Unit Investment	\$75,000	\$65,000	\$215,000
Estimated site development cost	\$3,000	\$15,000	\$25,000
Median Lot + Unit Investment	\$159,500	\$161,500	\$321,500

Source: Yavapai County Assessor; Town of Prescott Valley

Annual Household Income	Prescott Valley		Prescott		Chino Valley		Dewey-Humboldt	
	No.	%	No.	%	No.	%	No.	%
< \$20,000	<b>966</b>	<b>91.4%</b>	1,334	95.3%	217	100.0%	51	100.0%
\$20,000 – 34,999	<b>1,040</b>	<b>90.8%</b>	850	69.3%	194	64.5%	35	100.0%
\$35,000 – 49,999	<b>237</b>	<b>35.0%</b>	286	30.8%	124	59.9%	9	18.4%
\$50,000 - \$74,999	<b>170</b>	<b>18.0%</b>	203	21.3%	0	0%	0	0%
\$75,000 +	<b>14</b>	<b>1.0%</b>	57	5.2%	0	0%	0	0%
Total:	<b>2,427</b>		2,730		535		95	

Source: American Community Survey (ACS) 2016-2020, 5 Year Survey B25106

Monthly Rent	Prescott Valley			Balance of Market Area	
	Number	Percent	% of Mkt Area	Number	Percent
Less than \$500	300	8.8%	2.3%	553	7.5%
\$500 to \$999	1,972	36.8%	15.5%	3,445	47.0%
\$1,000 to \$1,499	1,870	34.8%	14.7%	1,640	22.4%
\$1,500 to \$1,999	852	10.6%	6.7%	955	13.0%
\$2,000 to \$2499	159	3.0%	1.2%	200	2.7%
\$2,500 to 2,999	20	0.4%	0.2%	42	0.6%
\$3,000 or more	0	0	0	123	1.7%
No Cash Rent	207	3.8%	1.6%	378	5.1%
Total Units	5,380		42.3%	7,336	57.7%

Community	Median Gross Rent (2010)	Median Gross Rent (2020)	Change in Median Gross Rent 2010 -2020	
			Amount	%
<b>Prescott Valley</b>	<b>\$868</b>	<b>\$1,061</b>	<b>\$193</b>	<b>22%</b>
Prescott	\$781	\$904	\$123	16%
Chino Valley	\$704	\$944	\$240	34%
Dewey-Humboldt	\$647	\$1,030	\$383	59%

Income up to	2020		2030	
	Renters	Cumulative Units Needed	Renters	Cumulative Units Needed
\$14,999	202	216	222	237
\$24,999	426	456	470	503
\$34,999	1,203	1,287	1,323	1,416
\$49,999	1,739	1,861	1,913	2,047
\$74,999	1,424	1,524	1,566	1,676
\$75,000+	179	192	197	211
	5,173	5,536	5,691	6,090

Source: American Community Survey (ACS) 2016–2020, 5 Year Survey B25063

Note: Projected rental units needed based upon 2010–2020 trends and allows for 8% vacancy rate



## Key factors extracted from the data tables.

With the exception of Dewey-Humboldt, Prescott Valley housing median values are the lowest in the market area.

- Prescott Valley has a large proportion (24%) of market area households aged 25 to 44 years.
- Households headed by a person under the age of 44 years are more likely to be homeowners in Prescott Valley than in the balance of the market area.
- Prescott Valley is both attractive to and affordable to younger persons and households headed by people age 34 or younger.
- Prescott Valley population growth is greatest among those 14 years and younger. As these individuals age, additional housing in cost ranges consistent with income levels of younger people will be required.
- Half of the population growth in Prescott Valley is among persons 34 years and younger. Regardless of in-migration, natural population growth will increase demand for housing.
- Households consisting of two people are the most prevalent in Prescott Valley.
- Households consisting of three or more persons are more likely to reside in Prescott Valley than in the balance of the market area.
- Five, six and seven person households were more likely to be homeowners in Prescott Valley than in the balance of the market area.
- Three quarters of PV households are family households.
- In 2020, there were 941 single parent households with children under 18 years of age in Prescott Valley, 434 headed by single females.
- Single-parent households are more likely to reside in Prescott Valley than in the balance of the market area.
- Single-parent households are less likely to be homeowners both in Prescott Valley and in the balance of the market area.

# Related Data

Demographic, economic and housing data reflected in the Market Area Research/Census Data section of the Strategy document is based upon U.S. Census data from 2010 to 2020. The “market” experienced exterior factors between 2020 and 2023 raising concerns that the 2020 census data may not reflect current conditions. The 2020 census data is presented in the Report to reflect market trends. More current market data has been noted where applicable.

## Demographics

Population trends and projections are basic descriptors of a community that are critical to quantifying and analyzing social, geographic, environmental, economic, and housing-related conditions. When population grows or declines, an out-of-balance housing market often results. Reviewing these descriptors are, therefore, a step in achieving a balanced housing market, one in which a variety of quality housing is available, attainable, and affordable to all segments of the population.

Household data, like population data, aids in quantifying demand and identifying households with unmet housing needs. Prescott Valley is a fast-growing community with a 2020 population of 46,785, and a potential population of 49,893 or more by 2030. This is a significantly faster rate than other communities in the housing market area, which have seen growth between 11% to 21%, during the past decade. Tables D-1 – D-3 illustrate changes in the demography between 2010 and 2030 and projections.

	2010		2020		Change
	Population	% Market Area	Population	% Market Area	% Change
Prescott Valley	38,822	43%	46,785	43%	20%
Prescott	39,843	43%	45,827	42%	15%
Dewey-Humboldt	3,894	4%	4,326	4%	11%
Chino Valley	10,817	11%	13,020	11%	21%
Market Area	93,376		109,958		18%

	2020 Pop.	% Mkt Area 2020	Est. 2026 Pop based on trends	Est. % Mkt Area 2026	Est. 2030 Pop based On trends	Est. % Mkt Area 2030
<b>Prescott Valley</b>	<b>46,785</b>	<b>43%</b>	<b>48,104</b>	<b>45%</b>	<b>49,893</b>	<b>46%</b>
Prescott	45,827	42%	41,956	39%	41,690	39%
Dewey-Humboldt	4,326	4%	4,225	4%	4,295	4%
Chino Valley	13,020	11%	13,012	12%	13,484	11%
Market Area	109,958		107,297		109,362	

Sources: Arizona DES, Research Administration, Populations Statistics Unit; 2020 US Census.

<b>TABLE D-3 Average Household Size and Number of Households 2020 – Prescott Valley and Market Area</b>			
	Average Household Size	No. of Households	% of Market Area Households
<b>Prescott Valley</b>	<b>2.39</b>	<b>18,977</b>	<b>42%</b>
Prescott	2.07	19,797	44%
Dewey-Humboldt	2.65	1,549	3%
Chino Valley	2.25	5,037	11%

## Economics I

Income trends and projections and economic data contribute to the quantification of demand for various housing types at various price points. Housing that is both attractive and affordable to a variety of people at diverse income levels is necessary to retain and attract diverse quality employment opportunities and to achieve a healthy, balanced community.

- During the last decade, Prescott Valley households earning over \$75,000 were the fastest growing income segment. The next fastest segment was \$15,000 to \$24,000. Similarly, in the balance of the market area, households earning over \$75,000 were the fastest growing, followed by the \$50,000 to \$74,999 segment.
- During the last decade, 27% of Prescott Valley household growth was among households earning less than \$50,000 annually. In the balance of the market area, 44% of household growth was among households earning less than \$50,000 annually.
- Growth among households earning less than \$24,999 continued in Prescott Valley during the last decade but declined in the balance of the market area.
- Both family household income and non-family household income in Prescott Valley increased at a rate less than that of Yavapai County as a whole, yet faster than the State of Arizona and the United States.
- The annualized rate of income growth in Yavapai County is over 2%; the estimated 2020 median household income in Prescott Valley is \$54,315.
- Based on trends, in 2020, Prescott Valley households earning between \$50,000 and \$74,999 will be the largest income segment; by 2030 households earning more than \$75,000 will continue to be the largest income segment.

Community	2010 Median Household Income	2020 Median Household Income	Change in Median Household Income (2010 – 2020)	
			Amount	%
Dewey-Humboldt	\$41,906	\$50,878	\$10,680	38%
Prescott	\$44,278	\$58,562	\$14,284	32%
<b>Prescott Valley</b>	<b>\$43,670</b>	<b>\$54,315</b>	<b>\$10,645</b>	<b>24%</b>
Chino Valley	\$43,515	46,587	\$4,070	10%
Yavapai County	\$43,290	\$53,329	\$10,039	23%
State of Arizona	\$50,448	\$61,529	\$11,081	22%
United States	\$51,914	\$64,994	\$13,080	25%

Sources: American Community Survey (ACS) 2010-2015 and ACS 2016-2020, 5 Year Survey S1901

	Prescott Valley				Balance of Market Area			
	2010	2020	Increase (Decrease)		2010	2020	Increase (Decrease)	
	No.	No.	No.	% of change	No.	No.	No.	% of change
Less than \$14,999	1,936	1,594	-342	-18%	3,170	2,430	-740	-23.4%
\$15,000 to \$24,999	1,655	2,125	470	28%	3,249	2,888	-361	-11.1%
\$25,000 to \$34,999	1,862	2,165	301	16%	2,903	2,385	-598	-20.0%
\$35,000 to \$49,999	2,970	2,922	-48	-2%	4,371	4,004	-367	-8.4%
\$50,000 to \$74,999	3,443	4,061	618	18%	4,228	5,110	882	20.9%
\$75,000 *	2,925	6,092	3,167	108%	6,395	9,577	3,182	49.7%
Total households	14,791	18,957	4,166		24,397	26,394	1,977	

Sources: American Community Survey (ACS) 2016-2020 & ACS 2010-2015, 5 Year Survey S1901

## Supporting Reports

The Task Force reviewed two additional reports offering insight into the local economy and housing market. Data presented in these reports included demographics, regional employment data, a quantitative look at the housing market. These reports are available by clicking the hyperlinks below.

[Prescott Valley Demographics & Workforce](#)

[Home Affordability in the Quad Cities](#)

## Glossary of Terms

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This Glossary is a combination of formal definitions and working descriptions for industry specific terms used in this Report. Many of the terms have been extracted from Department of Housing and Urban Development (HUD) documents and housing documents. Terms are presented to assist the reader and are not the “official” definitions.

**Affordable Housing** - housing in which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.

**Area Median Income (AMI)** - the midpoint of the income distribution of households in a specific area, such as a metropolitan region. HUD calculates AMI annually based on a four-person household. AMI is used by lenders, the IRS, and housing providers to determine eligibility for low-income programs .

**Attainable Housing** - housing that is affordable to those earning the Area Median Income (AMI) or a percentage of it, without spending more than 30% of their income on housing expenses. Attainable housing can include various types of housing, such as single-family dwellings, condos, apartments, duplexes, and social housing.

**Accessory Dwelling Units (ADU)** - small, independent living units that are located on the same lot as a single-family home or as part of a community development. They can be attached to or detached from the main house, or part of the existing living space. They have their own kitchen, living area, bathroom, and bedroom. They can be used for housing family members or renting out for extra income.

**Median Home Price** - is the price in the middle of a data set, with half of the homes priced lower and half higher. It is less biased than the average price, which can be skewed by a few very expensive or cheap homes.

**Median Household Income** - income level earned by a given household where half of the households in the area earn more and half earn less. It is calculated by the U.S. Census Bureau based on the income of all residents of a household age 15 and over. It is a measure of how families are doing financially and is adjusted for inflation. Median household income can vary depending on the source of data, the community, and the factors that affect the income distribution.

**Homeless-** The following are HUD criteria for homeless program eligibility.

1). Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

2) Individual or family who will imminently lose their primary nighttime residence, provided that: (i) Residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; and (iii) The individual or family lacks the resources or support.

3) Unaccompanied youth under 25 years of age, or families with Category 3 children and youth, who do not otherwise qualify as homeless under this definition, but who: (i) Are defined as homeless under the

other listed federal statutes; (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application; (iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; and (iv) Can be expected to continue in such status for an extended period of time due to special needs or barrier.

4) Any individual or family who: (i) Is fleeing, or is attempting to flee, domestic violence; (ii) Has no other residence; and (iii) Lacks the resources or support networks to obtain other permanent housing

**Household** - “all the people who occupy a housing unit”. A household includes both related and unrelated people who share the housing unit. A person living alone and groups of unrelated people sharing a housing unit, such as partners or roomers, are also counted as households.

**Household Income** - the total gross income of all the people who live in one household, whether they are related or not. It includes all money earned or received by anyone who is at least 15 years old. Household income can vary depending on how different programs and agencies define or exclude certain types of income. Household income is used to measure the economic health of an area or to compare living conditions between regions.

**Housing Burdened** - households who spend more than 30 percent of their income on housing costs are identified as housing cost burdened. Keeping housing costs below 30 percent of income is intended to ensure that households have enough money to pay for other nondiscretionary costs.

**Housing Insecurity** - “an umbrella term that encompasses several dimensions of housing problems people may experience, including affordability, safety, quality, insecurity, and loss of housing”.

**Housing Incentive** – 1). a direct contribution by the Government to an individual for the acquisition of housing, 2). a direct or in-kind contribution encouraging the creation of affordable housing.

**Mobile Home** a dwelling structure that is manufactured in a factory, permanently affixed to a chassis and wheels, and intended to be hauled to a site where it is occupied as a home. Mobile homes may be affixed to a parcel of land but retain a description as mobile.

**Modular Home** - a home built off-site, usually in an indoor factory, to a local or international code. It is a prefabricated or prefab structure that is moved to the building site in multiple pieces or sections called modules. It is set on a permanent foundation and completed on-sit.

**Section 8 Housing** - a federal program that helps low-income, elderly, and disabled people find and pay for affordable housing. It is also known as the Housing Choice Voucher Program. The program issues vouchers to eligible renters that they can use to pay part of their rent to landlords who accept them. The vouchers are funded by the U.S. Department of Housing and Urban Development (HUD) and administered by local public housing agencies.

**Tiny House** - a small, portable dwelling with a minimalistic design that has all the fundamentals of a house, such as a kitchen, bathroom, and living area, just on a smaller scale. A tiny home can be built on a mobile platform or a permanent foundation and is typically under 400 or 500 square feet in floor area, excluding loft.