



MEMO

TO: Marianne Jiménez, Acting City Manager
Honorable Mayor and Council
Planning and Zoning Commission

FROM: George Gehlert, Community Development Director
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DATE: December 6, 2007

RE: **SUMMARY OF NOVEMBER 15TH JOINT SESSION
Annual Update / Prioritization of General Plan Implementation (Part 1 of 4):
Housing and Economic Development Elements**

Below is a summary of the Joint Session between the City Council and the P&Z Commission on November 15, 2007. The summary is offered as a means to solidify priorities associated with the implementation of the General Plan's Housing and Economic Development elements and the other code related issues we discussed. As part of this process, Staff reviewed the essential statements made by the General Plan regarding these elements, the things we are doing and the things we are not doing. The narrative outlines the directions that were offered for the coming year (please let us know if we missed anything or if you don't agree with the way something was represented):

Housing Element

The Housing Strategy adopted in 2002 illustrated that Cottonwood experiences substantial impacts associated with its role as the regional market center, particularly with regard to housing. The study suggests that the supply of various housing types is way out of skew with the demands for each. Low median incomes paired with high home prices may also be stifling the development of the local labor force, which is also aging and already in short supply. The study asserts that housing variety and affordability is essential to sustaining economic development.

The Housing element recommends the City work toward establishing a balance between supply and demand and that future Planned Development could be a key opportunity to addressing that balance. Our local economy is based heavily on the housing needs of our aging population and the health industry workers that have followed. As you may be aware, the Council is considering establishing a Senior Commission on Aging.

Affordability is a key component of any housing strategy. Although we have taken some steps toward addressing housing objectives, there is much work that still needs to be done. In fact, the study suggests the overall housing problem may be larger than our ability to address it at the local level, therefore regional collaboration is a must.

By staffing the Cottonwood Economic Development Council, the City may be facilitating the attraction of higher wage industries. The General Plan also suggests a high level of pro-activity with regard to housing variety; encouraging alternative housing types which may be more affordable by design. Other suggestions include the establishment of a land trust, education and assistance associated with home ownership; or a program of housing rehab. The Housing Strategy established specific “target neighborhoods” as the focus for revitalization efforts. Since then, we have also adopted a Nuisance Abatement Code, added a code enforcement officer, and a hearing officer; and began the consideration of a property maintenance code, initially for rentals.

The General Plan also recommends the establishment of a local Housing Commission to advise on policy issues, act as a monitoring agency for supply and demand (which can change rapidly), provide education regarding assistance and ownership opportunities; and collaboration with other regional entities. As yet, this has not happened. However, there has been significant involvement by Staff at the State and regional level which has helped to facilitate added methods of assistance (via the recent formation of the Department of Housing); and in the development of the Growing Smarter legislation which authorized regional planning in Arizona; the very mechanism which may facilitate the regional collaboration necessary to address these very complex issues. Staff is also currently participating in the recently formed Verde Valley Housing Task Force.

The following were suggested as priorities for the year ahead:

- Added collaboration at the regional level.
- Explore first time buyer opportunities through NACOG.
- Investigate opportunities for a local land trust.
- Emphasize housing variety and affordability in new development.
- Special area planning to identify opportunities for development of affordable housing.
- Develop design standards to soften impacts of added densities.
- Continue development of property maintenance code for rentals.
- Explore added flexibility in the accommodation of home-occupations.

Economic Development Element

The Economic Development portion of the General Plan was based on the Focused Future Strategic Plan for Economic Development, completed in 2002 in association with APS. As pointed out at the Joint Session, economic development has much to do with creating the right kind of environment for business to prosper and grow, also with an eye toward smart and sustainable growth. The study highlighted collaboration between a variety of primary local agencies in implementing related objectives (i.e., the City, the Chamber, FED / CEDC, Yavapai College and the Old Town Association). Many other secondary agencies were also identified. One of the key recommendations was the hiring of an Economic Development Director to coordinate this process, the necessary collaboration, and monitoring implementation of objectives. This has been accomplished.

Business development was a primary issue identified by the Focused Future study. Essential to this objective is that Cottonwood remain the commercial hub of the Verde Valley, in part by promoting commercial and industrial diversity; and providing support and assistance for existing businesses. Much of that is being facilitated with the re-organization and staffing of the Cottonwood Economic Development Council. This past year, the group has re-established its vision and mission and has set out the process of developing an “asset inventory” to guide planning efforts. They have also reinvented their logos and established their own website, and begun networking local development opportunities with the Arizona Prospector search engine developed by the AZ Department of Commerce; an invaluable tool for marketing manufacturing and retail sites. The Director is also conducting a series of B3 (Building Bridges to Business) interviews with existing local businesses, as outlined by APS, to identify their needs.

Other issues highlighted by the Focused Future Study as key to economic development in Cottonwood include Youth Development, suggesting the City should support activities which function as attractions (i.e., culture and recreation), as well as other youth-related activities, educational opportunities, and leadership training.

Social issues, housing, transit, healthcare and others relating to environment and “quality of life” were highlighted in support of a Healthy Community. As mentioned, housing affordability remains a challenge. A variety of non-profit, human service agencies are already located in the City (although with no central clearinghouse). In addition, Cottonwood already provides a state of the art fixed route bus system, proximity to a very pristine natural environment and regional-scale recreational facilities. The City has also become a center for medical facilities development (although access to those facilities for low income individuals is another matter).

Job skills and management training associated with labor force development are also priorities; and the development of necessary infrastructure (particularly telecommunications facilities). Yavapai College has made major strides in this regard with the completion of the job training center. The college has recently acquired broad band access to the U of A library. The City is also expanding the public and building an elaborate recreation center; has recently become a municipal water provider and has plans to expand the sewer system, providing the community with a substantial measure of influence over growth issues. Next year the City will also complete the extension of Willard Street south to Monte Tesoro, opening up vast potential for the development of industrial uses adjacent to the City airport. Collector street improvements are also planned for 12th Street and West Mingus Avenue.

The following were offered as directions for this year:

- Provide on-going support to City & CEDC.
- Complete the Asset Inventory.
- Begin establishment of 5-year economic development plan.
- Continue APS B3 program.
- Work with DOC to identify and recruit diverse employer pool.
- Strengthen Manufacturing Assoc. relationship.
- Work with education system to establish pool of qualified workers.
- Improve business infrastructure.
- Put Cottonwood on the map as a good place to do business.
- Develop a marketing video for Cottonwood.

Planned Area Development Zoning: Use, Issues and Illustrations

Staff advised they have received numerous concerns that PAD zoning may have been used ineffectively or inappropriately in the recent past. We've also received comments over time regarding the visual presentation of such proposals, raising concerns as to whether we should be requiring more in the way of graphics.

The City's housing study notes that housing diversity and affordability is critical to the support of economic development. The study also suggests that, to meet these objectives, we may have to take a look at living environments that depart from the more conventional supply of detached, single family residences that have characterized so much of the City's housing stock for so long. The General Plan encourages that more variety and affordability be addressed in new development. Higher densities are often critical to enabling those alternatives. Higher densities located within the City center can also be conducive to further economic development and to the revitalization of aging commercial areas, such as Old Town. For this reason, the General Plan encourages higher densities interior to the City. Planned Area Development zoning may be essential to providing those densities in the most efficient and least impactful manner.

However, requests for higher densities are often thought to be synonymous with higher water usage, regardless that clustered, higher density developments may well result in lower per capita water usage. The political volatility of requests for higher densities (and potentially higher water usage) places Staff at a disadvantage when reviewing such proposals. The General Plan is encouraging us to be more creative. We need to be comfortable with a "creative" proposal early in the process of review, before tens of thousands of dollars are spent on it only to have it quashed at the hearing level over a politically sensitive density and/or water issue that could have or should have been highlighted from the beginning. The Council seemed to generally agree that added densities may be advisable interior to the City, although some expressed concern that recent PAD proposals have not featured a mixture of uses, as intended by the code (by code, this is not a requirement).

Suggestions included:

- Use PADs to address density needs near downtowns and for centrally located projects.
- Establish policy and not negotiate (i.e., density credits for variety and affordability).
- Require a water study early in the process (as part of PAD code) for comparison purposes.
- Enhance codes with regard to water conservation and green building.
- Upgrade the level of graphic representation associated with PAD submittals.

Other Possible Code Amendments

Staff discussed a list of past, present and possible code amendments for review and discussion. We are presently working on revisions to the PAD Code, sign code, landscape code and procedural codes pertaining to the development review process. The discussions above have pointed to several other possibilities (residential overlay for density purposes, associated residential design standards property maintenance code and more flexible home occupation code). The staff memo also highlighted a wide range of other possible code improvements.

The following additional suggestions were made at this point:

- Develop an ordinance to provide greater sensitivity to hillsides / slopes and washes.
- Prohibit grass in new development.
- Staff should suggest other code revisions as need arises.