

City Talk for Jan. 25, 2023  
Housing Program, City Manager's Office  
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## **Housing program updates**

The city of Sedona's Housing program is now just over a year old. The program's primary goal is to ensure the availability of safe, decent and affordable housing for all residents. While affordability has been an issue for many years, the proliferation of short-term vacation rentals combined with nationwide housing shortages, rapidly exacerbated the housing problem. In 2019 the city commissioned a comprehensive Housing Needs Assessment and accompanying action plan. The following year, the Verde Valley Regional Economic Organization commissioned a similar study for the entire Verde Valley. One of the first recommendations from those plans was to hire staff dedicated to housing. Sedona and Cottonwood partnered to hire a shared Housing Manager in late 2021.

As Housing Manager, I was tasked with not only creating housing programs where there were none, but figuring out a solution to what the Housing Needs Assessments identified as a shortage of over 3,700 housing units in the Verde Valley, with about 1,600 of those attributed to Sedona. The Arizona legislative environment and limited land availability add to the complexity of a housing problem which has been brewing for many years, so creating effective strategies to address the problem takes not only time, but partnerships, public participation and funding. But from day one, I've been asked "What is the city doing about affordable housing?" Even though it isn't always apparent, there is a lot going on in the Housing office!

In January, the city of Sedona partnered with Housing Solutions of Northern Arizona to implement Down-Payment Assistance Programs to make homeownership affordable for more residents. The programs are available to anyone who works in Sedona. In September we launched the Rent Local program, a program to incentivize some short-term rental owners to provide a one-year lease to a local worker. The program received some criticism for funding the property owners instead of the tenants, but what people didn't understand was that simply providing rent assistance is useless in a market where there are no available properties.

These small programs are just one piece of a larger strategy, which is why getting housing built is also important. But this is of course complicated. First, what needs to be built? The housing assessments pointed to a dire lack of apartments across the Verde Valley. In Arizona as a whole, apartments make up about 16% of all housing units, but in Sedona, only about 4% of our housing units are apartments. So, building apartments became a key part of the overall strategy. But, there are many options between large-lot single-family homes and apartments, and a diversity of housing options – including tiny homes, duplexes, accessory dwelling units, etc. – is critical to meeting the diverse wants and needs of any community.

But where? Of the limited spaces remaining to build in Sedona, most are zoned for single-family housing. And even after finding a site and a product the public might support, who would build the housing? Traditionally, in the Verde Valley, building is the realm of for-profit developers. With a growing population of wealthy retirees and investment buyers, limited supply of housing, low interest rates and rapidly increasing home values, builders and developers had no reason to build affordable housing. So another piece of the strategy became determining how to incentivize or partner with the development community to build for existing residents priced out of the market. Simultaneously, identifying nonprofit development partners is key.

So, the biggest piece of the housing puzzle involves sitting down with dozens of developers, identifying those who might build affordable housing and helping them with funding, site selection, optimal product/unit mix, public engagement and all of the other pieces that are needed to bring a project to fruition. This stage of development takes months, and sometimes years. So, while it's frustrating, building

housing is slow, and all the work that goes into that isn't often apparent. Currently, we are working on six projects in development.

While I focus on development and new strategies to address housing, the new Housing Coordinator will work on current programs, public outreach and engagement. Housing staff also advocates for funding and political support at state and federal levels, and works to identify any local policies or city codes which inadvertently create impediments to affordable housing, all the while closely monitoring data and public input which guide future planning.

With a little luck, and a lot of hard work, I remain optimistic that bit by bit we will make a positive impact on our complex housing challenge.