Chapter 5
Housing Element

A Housing Element consisting of:

(a) Standards and programs for the elimination of substandard dwelling conditions
(b) Improvement of housing quality, variety, and affordability
(c) Provision of adequate sites for housing
(d) Identification and analysis of existing and forecasted needs
(e) Make equal provision for the housing needs of all segments of the community regardless of race, color, creed or economic level

(Arizona Revised Statutes, Section 9-461.05 D 6)

5.1 Introduction

The availability and affordability of a variety of housing options is critical for the continued growth and success of any community, and Prescott Valley is no exception. From studio apartments to spacious single family homes, most housing needs can be met within the boundaries of the town. The Housing Element outlines a framework for the development of a range of housing opportunities in The Town of Prescott Valley.

In addition to analyzing the existing supply of dwelling units, projections for new construction of single family housing, further development of new multi-family housing, special needs housing, and revitalization of existing housing stock will be considered in this portion of the General Plan.

Many factors are considered in determining demand for housing in a given market. Population and affordability are the two most important; the supply of available housing units must be numerous enough to accommodate the population, and the population must be able to afford the dwelling units that are available to them. When those elements are not balanced, affordability and availability are most often negatively impacted. The number of owner occupied versus renter occupied units, the number of single family versus multi-family, and the number of site built versus mobile/manufactured housing units are also considered in determining whether current housing needs are being met, and what future demand might be.

In order to determine potential future growth, it is important to review the historical progression of housing development in Prescott Valley. A discussion of current trends will also help in outlining what existing demand for housing is currently being unmet and how that need can be met within the confines of Tier 1 and Tier 2 development areas. Finally, a projection of future housing needs will examine both population projections and potential entitlement under existing Land Use designation.

While The Town of Prescott Valley was formally incorporated on August 22, 1978, development in the area known as Lonesome Valley began more than ten (10) years prior, with the platting of Lynx Lake Estates and the first unit of Prescott Valley in 1966. Growth continued rapidly, with a total of twenty (20) platted units of the Town recorded by 1972; platting of Castle Canyon Mesa and Prescott East subdivision accounted for over 1,300 additional lots immediately east of the yet-to-be-incorporated town.

5.2 Demographic Analysis

5.2.1 Age of Housing Stock, Occupancy, and Tenure

Residential development in the area actually began prior to 1939, as demonstrated in Table H1: Age of Housing Stock. A total of eight (8) housing units were built before 1939; an additional twenty-six (26) units were added in the decade following, and only fourteen (14) units were constructed in the 1950's. The cumulative number of units jumped over 90% from the 1950's to the 1960's, which began an era of rapid housing construction that would not slow significantly until the housing crash of 2008.

Table H1: Age of Housing Stock

Year Structure Built	No. of Units	% Total	Increase	% Increase	Cumulative
1939 or earlier	8	0.05%			
1940 to 1949	26	0.15%	18	225%	34
1950 to 1959	14	0.08%	14	54%	48
1960 to 1969	158	0.90%	144	1029%	206
1970 to 1979	1,833	10.48%	1,675	1060%	2,039
1980 to 1989	4,031	23.04%	2,198	120%	6,070
1990 to 2000	6,115	34.95%	2,084	52%	12,185
2000 to 2010	5,309	30.35%	806	13%	17,494
Total	17,494	100.00%			

Source: US Census Bureau

Residential construction reached its zenith in the 1990's, adding 6,115 dwelling units or 35% of all currently existing housing stock. This rate fell slightly in the 2000's, adding 5,309 or an additional 30% of all currently existing housing stock. Of the 17,494 units of housing available in The Town of Prescott Valley, almost all have been constructed since 1990; fully 90% or 15,455 of the total 17,494 dwelling units have been built in the last thirty (30) years. While the majority of the housing stock is relatively new, the remaining 10% of dwelling units are forty (40) years old or older. That portion represents 3,886 housing units that could potentially benefit from substantial repair or rehabilitation services, or in terms of mobile home units, replacement of functionally obsolete dwelling units.

The number and rate at which new housing units have been developed slowed from 2000-2010. Generally, slowing construction can be an indication of buildout, meaning there are fewer and fewer available parcels upon which new dwelling units can be built. While this may hold true for the older subdivided units in town, there are a number of newer master planned communities that have both land and infrastructure available for ready development.

Table H1A: Median Year Structure Built

	United States	Arizona	Prescott Valley
Total:	1975	1987	1996
Owner occupied	1976	1989	1995
Renter occupied	1973	1985	1996

Source: ACS Estimate, US Census

The age of housing stock in Prescott Valley is significantly younger than the state of Arizona and the United States, with the median year built for occupied structures at 1996 for the Town, compared to 1987 for Arizona and 1975 for the balance of the United States. (Table H1A: Median Year Structure Built)

Rates of owner- and renter- occupancy help determine demand in the marketplace for two distinct styles of housing, and the degree to which the local population is transitory. Higher rates of homeownership indicate a stable, non

transitory population and can indicate demand for owner-occupied housing units as well as a higher degree of affordability. Conversely, higher rates of renter-occupied dwelling units can indicate a more transitory population, or a lower degree of affordability in terms of homeownership. To better understand that demand, a review of historical trends by tenure (owner occupied vs. renter occupied) is helpful.

Table H2: Housing Units and Tenure

	1990		2000			2010		
	number	%	number	%	% Change	number	%	% Change
Total	6,115		12,185		99%	17,494		43%
Occupied	5,300	87%	11,249	92%	112%	15,364	88%	37%
Owner	4,025	66%	8,119	67%	102%	10,104	58%	24%
Renter	1,275	21%	3,130	26%	145%	5,260	30%	68%
Vacant	815	13%	936	8%	15%	2,130	12%	128%

Source: US Census Bureau

In Table H2: Housing Units and Tenure, existing Census data demonstrates that while the rates of development of rental and owner occupied housing over time are similar, the number of owner occupied housing units has consistently been at least twice that of rental housing. Of the total 15,364 occupied units, 10,104 units or 66% are owner-occupied, while 5,260 or 34% are renter-occupied. The ownership rate in Prescott Valley is consistent with the statewide rate of 66% and the national rate of 65.1%. The overall occupancy rate was highest during the 1990's, as reflected in the 2000 Census data; interestingly, the occupancy rate for renter occupied units has continued to grow, while the owner occupancy rate declined from 2000 to 2010, and the overall vacancy rate increased during that same period. The owner occupancy rate declined by 4% from 92% in 2000 to 88% in 2010, while both the renter occupancy and vacancy rates increased by 4% each.

The Town of Prescott Valley enjoyed a relatively low vacancy rate for both owner- and renter-occupied housing units from 1990 to 2000. In 1990, 5,300 or 87% of the 6,115 total housing units were occupied. Occupancy remained relatively stable from 1990 to 2000 amongst those in owner-occupied units, increasing only 1%. The number of owner-occupied units increased by 37% from 2000 to 2010, but the owner occupancy rate decreased to 58%, almost 10% below the rate found prior to the housing boom in the 1990's.

The increase in occupancy for those in renter-occupied housing increased from 21% of all occupied units in 1990, to 26% of all occupied units in 2000, an increase of 5%. That rate carried forward to the 2000 to 2010 period, with a 4% increase to 30% of all occupied units. The number of renter-occupied units continued to increase from 2000 to 2010, with a net gain of 2,130 units or a 68% increase in the number of rental units on the market, and accounted for nearly one-third of all occupied rental units in 2010. This shift can be attributed to two factors: an increase in construction of multi-family housing units between 2000 and 2010, and an increasing number of single family rentals as homeowners who can no longer afford their mortgage payments rent their units and move to less expensive housing.

The number of housing units increased dramatically from 1990 to 2000, doubling the overall number of units in the market, from 6,115 to 12,185, or a 99% increase. The number of owner occupied units more than doubled, from 5,300 units to 11,249 units, or a 112% increase. Renter occupied units were built at an even greater rate, increasing the supply nearly one and a half times or 145%. In real numbers, the supply of rental dwelling units increased from 1,275 to 3,130 between 1990 and 2000.

Table H3: Vacancy Status										
	Prescott Valley						Arizona		US	
	1990	%	2000	%	2010	%	2010	%	2010	%
Total Housing Units	6,115		12,185		17,494		2,825,789		131,210,606	
Total Vacant Units	815	13%	936	8%	2,130	12%	492,617	17%	16,613,679	13%
For rent	144	2%	158	1%	635	4%				
Rented, not occupied	47	1%	163	1%	16	0%				
For sale only	201	3%	163	1%	346	2%				
Sold, not occupied	0	0%	25	0%	72	0%				
Seasonal/recreational	317	5%	514	4%	724	4%				
For migrant workers	0	0%	11	0%	1	0%				
Other vacant	106	2%	65	1%	336	2%				
Source: U.S. Census										

The overall vacancy rate decreased from 13% in 1990 to 8% in 2000; with a total of 12,185 housing units, 11,249 or 92% were occupied in 2000. It is likely that vacant units were absorbed by demand in the rental market as the occupancy rate for renter-occupied units increased by 5% during that same time period, matching the decrease in vacant units. From 2000 to 2010, the number of vacant units more than doubled, from 936 to 2,130 units. Much of this increase can be attributed to the crisis in the housing market; anecdotal evidence suggests that households have relocated for employment opportunities elsewhere and are attempting to rent their dwelling units; those units that have been vacated due to foreclosure likely account for the majority of "other vacant" units. When considering the total number of housing units increased by 43% to 17,494, the increase in vacant units represents a 12% vacancy rate. This rate is similar to the ACS estimated national vacancy rate of 13%, but below the ACS estimated vacancy rate for the state of Arizona of 17%. (Table H3: Vacancy Status)

Table H4: Tenure by Year Structure Built, Occupied Housing Units compares the relative age of both owner- and renter-occupied dwelling units. Because the 2010 Census did not include a count of occupied dwelling units by tenure and year structure built, the data has been extrapolated from the available 2010 Counts using rates from the American Community Survey 3-Year Estimate data sets. The numbers for the total number of occupied housing units and the numbers of owner- and renter-occupied units are actual counts from the 2010 Census. Data representing decennial counts by tenure were extrapolated from the actual Census counts by determining the percentages for each decade for the ACS 3 Year estimates, and applying those percentages to the actual counts from the 2010 Census.

As expected, the construction of both owner- and renter-occupied structures has increased dramatically since the Town's incorporation in 1978. While the number of owner-occupied structures constructed has held steady from 1990 to 2010, the number of renter-occupied structures constructed has nearly doubled in that same time period. During the 1990's and 2000's, the number of owner-occupied structures built dropped by only 43 units, while the number of structures occupied by renters increased by nearly two-thirds, from 1,206 structures built to 2,039 structures.

The continuity in the construction rates for owner-occupied units is somewhat remarkable, given the upheaval in the residential housing marketplace during the last two years of the decade, and reflects consistent demand for owner-occupied units in Prescott Valley. Likewise, the increasing rate at which rental housing is being built indicates growing demand for those types of units. While that demand may be in part related to the shift of foreclosed households from owner- to renter-occupied units, the lack of a commensurate decline in owner-occupied constructions indicates steady demand for housing in the town for both tenures.

In comparing the 2010 occupancy and tenure rates in Prescott Valley with the balance of the state of Arizona and the United States as a whole, it can be seen that the Town falls between the national averages and the averages found for the state of Arizona, as illustrated in Table H 5: Housing Occupancy and Tenure for US, Arizona, and Prescott Valley Compared. While the occupancy rate for all housing units in the United States is 88.6%, the town's average is marginally higher at 87.8%, a difference of less than 1% (0.8%), but 4.1% higher than the state average of 83.7% occupancy. Similarly, the vacancy rate for the Town is slightly higher than that of the nation as a whole with rates of 12.2% and 11.4% respectively, while the statewide average is higher by 4.1%, representing a 16.3% vacancy rate for all housing units.

H4: Tenure by Year Structure Built, Occupied Housing Units									
	ACS Estimate	% OO	% Total	2010 Census		ACS Estimate	% RO	% Total	2010 Census
Total:	15,167			15,364					
Owner occupied:	10,229		67%	10,104	Renter occupied:	4,938		33%	5,260
Built 2000 to 2009	3,438	34%	23%	3,396	Built 2000 to 2009	2,039	41%	13%	2,172
Built 1990 to 1999	3,481	34%	23%	3,438	Built 1990 to 1999	1,206	24%	8%	1,285
Built 1980 to 1989	2,068	20%	14%	2,043	Built 1980 to 1989	843	17%	5%	898
Built 1970 to 1979	1,089	11%	7%	1,076	Built 1970 to 1979	662	13%	4%	705
Built 1960 to 1969	47	0.5%	0%	46	Built 1960 to 1969	139	3%	1%	148
Built 1950 to 1959	106	1%	1%	105	Built 1950 to 1959	49	1%	0%	52
Built 1940 to 1949	0	0%	0%	0	Built 1940 to 1949	0	0%	0%	-
Built 1939 or earlier	0	0%	0%	0	Built 1939 or earlier	0	0%	0%	-
Source: 2008-2010 American Community Survey 3-Year Estimates									

The frequency with which owner-occupied and renter-occupied units are found shows very little variation when comparing the national and statewide averages with the rate found in Prescott Valley. In fact, for both owner- and renter-occupied housing units, the differences between the national, state, and town rates is less than 1%.

This data quantifies the comparative impact that the housing crisis has had on the town; while Arizona on the whole has been harder hit than the national average, the Town has fared better than most communities in Arizona and appears to be poised to recover more quickly than most communities in the state.

Table H 5: Housing Occupancy and Tenure for US, Arizona, and Prescott Valley Compared						
	United States		Arizona		Prescott Valley	
Total housing units	131,704,730	100%	2,844,526	100%	17,494	100
Occupied housing units	116,716,292	88.60%	2,380,990	83.7	15,364	87.8
Owner-occupied housing units	75,986,074	65.1	1,571,687	66	10,104	65.8
Renter-occupied housing units	40,730,218	34.9	809,303	34	5,260	34.2
Vacant housing units	14,988,438	11.40%	463,536	16.3	2,130	12.2
Source: US Census						

In considering housing and tenure, the differences in household size can indicate demand for different types of housing. Information regarding trends in average household size can indicate need for larger single family dwellings or smaller rental units, or both. Table H 6: Average Household Size of Occupied Units by Tenure tracks the average household size for both owner- and renter- occupied units for 1990, 2000, and 2010.

The average household size has remained relatively stable over the past twenty years; the overall average household size has increased only 1/10th of 1% from 1990 to 2010. The change in average household size for households that own

their dwelling unit decreased from 2.48 in 2000 to 2.42 in 2010, compared to a slight increase in size for households that rent, from 2.63 in 2000 to 2.68 in 2010. The increased average size for households that rent may be in part from a greater number of family households that may have previously owned their own dwelling unit but now rent as a result of the downturn in the economy.

Table H 6: Average Household Size of Occupied Units by Tenure

	1990	2000	2010
Average Household Size	2.5	2.52	2.51
Owner Occupied	2.47	2.48	2.42
Renter Occupied	2.61	2.63	2.68

Source: US Census

The types of units that are present in the housing market are an important consideration in planning for future development. Preferences for specific housing types (e.g., single family detached, multi-family) and structures will help determine absorption of those units and help project future demand. Table H 7: Tenure By Units in Structure, All Occupied Units, tracks the supply of occupied dwelling units according to size and type and offers additional insight into demand trends in the marketplace.

Table H7: Units in Structure, All Occupied Units

	1990		2000			2010		
	number	%	number	%	% change	number	%	% change
All Occupied	5,300		11,249			17,494		
1, detached	3,101	59%	7,146	64%	130%	11,595	66%	62%
1, attached	56	1%	249	2%	345%	397	2%	59%
2	204	4%	875	8%	329%	1,084	6%	24%
3 or 4	294	6%	534	5%	82%	770	4%	44%
5 to 9	42	0.79%	53	0.50%	26%	333	2%	529%
10 to 19	27	0.51%	10	0.10%	-63%	198	1%	1884%
20 or more	-	0.00%	46	0.40%	460%	499	3%	985%
Mobile home	1,563	29.5%	2,319	21%	48%	2,536	14%	9%
Boat, RV, van, etc.	13	0.25%	17	0.20%	31%	81	0%	379%

Source: US Census 1990 and 2000, ACS Estimates

Single Family detached units account for the greatest number of housing units in The Town of Prescott Valley, accounting for nearly two-thirds of all housing units. In 1990, 3,101 of the 5,300 occupied housing units were single family detached units. That number more than doubled by 2000, with single family detached units accounting for 7,146 of the 11,249 occupied dwelling units, or 63.5%. It increased again by 4,449 units or 62% by 2010, representing 66% of all occupied housing units.

Mobile homes represent the next most frequently found type of housing in Prescott Valley, accounting for nearly one-third of all occupied dwelling units in 1990, which represents 1,563 units or 29.5% of all occupied dwelling units. The number of mobile homes increased by nearly 50% between 1990 and 2000, increasing in number to 2,319, or 20.6% of all occupied units. Growth in the number of mobile homes used as dwelling units slowed considerably from 2000 to 2010, increasing by only 217 units or 9%, and accounted for 14% of all occupied housing units in 2010.

Multi-family housing with fewer than 5 units represented the third most frequently found type of housing in the Town. In 1990, structures with 3 or 4 units accounted for 294 units, or 6% of all occupied housing units. This same type of structure increased in number to 534 units, but declined slightly on a percentage basis to 5% of all occupied units by

2000. In 1990, there were 204 two-unit structures occupied, representing 4% of all occupied housing structures. By 2000, the number of two-unit structures had more than tripled to 875, constituting 8% of all occupied structures, an increase of 329%. By 2010, the number of multi-family structures with fewer than 5 increased again; there were 1,084 two-unit housing units representing 6% of all occupied housing units, and 770 units in structures of 3 or 4 units, representing 4% of all housing units; together these two categories account for 10% of the occupied housing units in the town.

Single Family: *Structures in which only one family resides.*

Multi Family: *Structures in which more than one family resides and contain more than one dwelling unit. Multi Family units include duplex, triplex, apartments and some condominiums.*

Condominium: *A form of ownership where generally the dwelling unit is owned separately from common areas such as green space, parking areas, and so forth. It can be a single family, site built unit or a multifamily unit.*

The greatest rate of increase can be seen in the number of units in structures of 5 units or greater. In 1990, only 42 units could be found in structures of 5 to 9 units and 27 units in structures of 10 to 19 units; there were no structures of 20 or more units. Dwelling units with 20 or more units first appeared in the 2000's, with 46 such units available for the first time. The number of occupied units in structures with 5 to 9 units increased to 53, but the number of units in structures with 10 to 19 units decreased to 10 during the same time period. By 2010, all three categories of multi-family housing had increased exponentially. The number of units available in structures of 5 to 9 units increased sixfold, from 53 units to 333 units or 2% of all occupied housing units. The number of occupied units in structures of 10 to 19 units increased by nearly 20 times the previous count of 10 units to 198 units, or 1% of all occupied dwelling units. The number of occupied dwelling units in structures with 20 or more units increased tenfold, from 46 to 499 units, or 3% of all occupied housing stock.

Examining the tenure of residents by units in any given residential structure gives insight into the demand for both owner-occupied and renter-occupied housing units as well as the more specific type of dwelling unit most frequently occupied by both tenure groups. Occupancy and vacancy rates indicate gaps in market availability for residential units and may represent a shift in need for specific types of dwelling units. Table H8: Tenure by Units in Structure sets forth the types of dwelling units most frequently occupied by owners and renters.

Table H8: Tenure by Units in Structure

	1990		2000		2010			1990		2000		2010	
Owner occupied:	number	%	number	%	number	%	**Renter occupied:**	number	%	number	%	number	%
	4,025	**76%**	**8,119**	**72%**	**10,104**	**66%**		**1,275**	**24%**	**3,130**	**28%**	**5,260**	**34%**
1, detached	2,709	67%	6,213	77%	8,426	83%	1, detached	392	31%	933	30%	1,896	36%
1, attached	35	0.90%	39	0.50%	109	1%	1, attached	21	2%	210	7%	434	8%
2	18	0.40%	74	0.90%	29	0.28%	2	186	15%	801	26%	674	13%
3 or 4	11	0.30%	40	0.50%	-	0%	3 or 4	283	22%	494	16%	722	14%
5 to 9	1	0.00%	-	0.00%	-	0%	5 to 9	41	3%	53	2%	399	8%
10 to 19	1	0.00%	-	0.00%	-	0%	10 to 19	26	2%	10	0%	118	2%
20 or more	-	0.00%	-	0.00%	-	0%	20 or more	-	0%	46	1%	278	5%
Mobile home	1,241	31%	1,736	21%	1,432	14%	Mobile home	322	25%	583	19%	720	14%
Boat, RV, van, etc.	9	0.20%	17	0.20%	109	1%	Boat, RV, van, etc	4	0.10%	-	0%	-	0%
Source: US Census, ACS													

Of the 5,300 housing units occupied in 1990, 76% were owner occupied and 24% were renter occupied. Those rates saw a 5% shift by 2000, with 72% owner occupancy and 28% renter occupancy of the total 11,249 occupied dwelling

units. In 2010, that trend continued, with owner-occupied units representing 66% of all occupied dwelling units, while renter-occupied units accounted for 34% of all units.

Single family detached dwelling units were found with the greatest frequency for both owner- and renter-occupied units; in 1990, the rates were 67% or 2,709 units and 31% or 392 units respectively. By 2000, the number of owner occupied single family detached units more than doubled from 2,709 units to 6,213 units, while the rate increased from 67% to 77% of all owner-occupied units. Renter-occupied units also more than doubled in number, from 392 to 933 units, while the rate held relatively steady at 30%. By 2010, the number of single family detached units doubled again to 1,896 units, representing 36% of all renter-occupied units. Similarly, the number of owner occupied units of the same type increased by 2,213 to 8,426 or 83% of all owner occupied dwelling units.

For both owner-occupied and rental units, mobile homes comprised the second most frequently found category of housing. In 1990, owner occupied mobile homes accounted for nearly one-third, or 31% of all owner occupied structures, accounting for 1,241 of the 4,025 owner occupied dwelling units. By 2000, that number had decreased to 21.4%, a decline in the rate of almost 10% (9.4%); however, the actual number of units increased to 1,736 units of a total 8,119 owner-occupied structures. In 2010, both the number and rate had decreased to 1,432 units or 14% of all owner-occupied units.

Mobile homes occupied by renters saw a decline in the occupancy rate from 25% in 1990 to 19% in 2000; however, the number of units increased from 322 in 1990 to 583 in 2000, an increase of just over 80%. This trend continued into 2010, with the number of units increasing by 137 to 720, while the rate decreased from 25% to 14% of all renter-occupied units.

For 1990, single unit attached dwelling units represent the third most frequently occurring type of owner-occupied housing structures. By definition, a single unit attached dwelling unit is one in which one or more dividing or common wall goes from ground to roof; townhouses and row houses are the most frequently found example of a single unit attached structure. Of the 4,025 owner occupied dwelling units found in the Town in 1990, just under 1% were of this type, or a total of 35 structures. An additional four (4) structures were added to the housing stock by 2000, for a total of 39 structures or 0.5% of the 8,119 owner occupied structures. By 2000, two unit structures overtook single unit attached dwelling units for the third most frequently occurring type of owner-occupied housing structure, increasing from 18 units in 1990 to 74 units in 2000, representing 04% and 0.9% of the occupied units respectively, and a more than 300% increase in the number of structures of this type.

Structures with 3 to 4 units were the third most frequently occurring form of occupied rental housing found in the market in 1990; the 283 renter-occupied units found in 1990 represent 5.3% of the total 1,275 occupied rental structures. As with owner-occupied structures, two unit structures overtook the 3 to 4 unit structures as the third most frequently occurring form of occupied rental housing by 2000. While the rate doubled from 3.5% to 7%, the actual number of units more than tripled, increasing from 186 in 1990 to 801 in 2000.

The growth in the number of multi-family housing units is likely the result of a convergence of factors. First, the population grew rapidly from 2000 to 2010, creating additional demand for housing overall. Secondly, the increasing cost of homeownership from 2005-2008 outpaced gains in income and priced some households out of the owner-occupied market, adding to the demand for rental units. Thirdly, the availability of LIHTC (Low Income Housing Tax Credit) units has fostered a supply of affordable multi-family housing units for the community that were previously not available. This availability has likely absorbed the decline in the rate of mobile home occupancy, as the number of rental units in structures with 5 or more units represented only 3% of the overall renter occupied market in 2000, they represent 15% of the renter occupied dwelling units in 2010, while the rate of renter occupied mobile homes has declined by 5% from 2000 to 2010 and 11% from 1990 to 2010.

5.2.2 Population and Households

Careful planning for housing growth must also consider population growth and demographic shifts as they relate to household composition and the population as a whole. This is important to determine the needs of specific demographic groups for housing; an adequate supply of single and multi family housing units need to be available to absorb growth and changes in the population of the community. An aging population would require different housing options than one in which younger families predominate; if trends point to growth amongst families with children, planning for housing options that can accommodate families becomes more important; likewise, if the population shows growth in one person households, a different type of housing will likely be necessary.

Chart H-1: Age Distribution 200 -2010 illustrates the overall gains in the total population as well as the distribution of those increases across a number of age groups. It can clearly be seen that the largest age cohort continues to be those under the age of 18 years, while the age groups for those 45 to 55 years and 55 to 64 years also showed marked growth from 2000 to 2010.

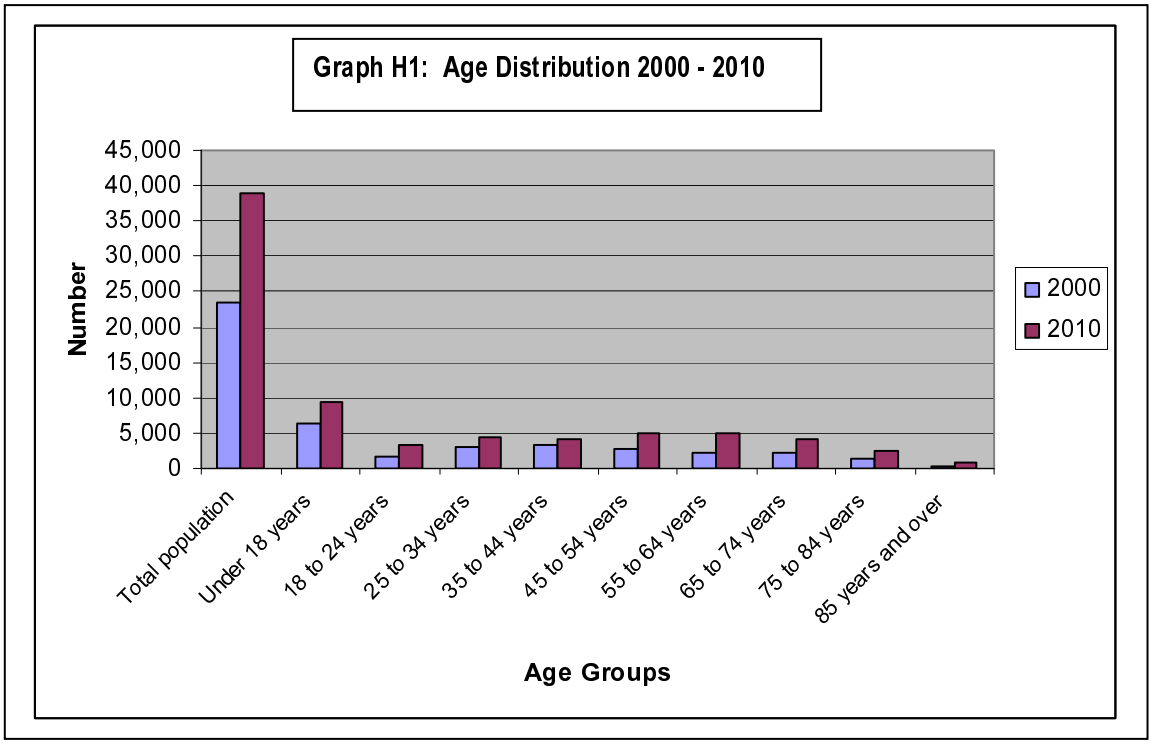


Table H9: Age Distribution demonstrates in greater detail the changes in the population by age for both sexes aggregated. The population of the town increased from 23,597 to 38,822 individuals from 2000 to 2010, an increase of 15, 225 people or 65%. In terms of larger age groups, the age group of persons 18 to 64 years accounted for 56% of the population in 2000, representing 13,191 persons. It grew by 8,854 persons or 67% by 2010, to 22,045 persons or 56.8% of the total population. Among the statistical subsets of this age group, the 25 to 44 year group represented 27.4% of the population in 2000, but declined by 4.8% to 22.6% of the total population by 2010. In terms of real numbers, however, this age group increased by 2,299 persons, an increase of 36%.

Again, the age group seeing the greatest increase in number is the group comprised of persons under the age of 18, increasing by 3,048 persons from 2000 to 2010. For that group, the population in 2000 was 6,299 persons, representing

26.8% of the population; it increased to 9,347 persons by 2010, but decreased in frequency, accounting for 24.1% of the population. Despite the 2.9% drop relative to the total population, it still represents the largest age cohort in the population as a whole.

The age group seeing the second greatest increase in number from 2000 to 2010 is the 55 to 64 years cohort, with an increase of 2,807 individuals; this group more than doubled in size from 2,243 persons in 2000 to 5,050 persons in 2010, which represents a 125% increase. Relative to the entire population, this age cohort represented 9.5% of the population in 2000, increasing to 13% in 2010.

Table H9: Age Distribution

	2000		2010		Change	
	Both sexes	Both sexes %	Both sexes	Both sexes %	Change	% Change
Total population	23,535	100	38,822	100	15,287	65%
Under 5 years	1,788	7.60%	2,674	6.9	886	50%
Under 18 years	6,299	26.80%	9,347	24.1	3,048	48%
18 to 64 years	*13,191*	*56%*	*22,045*	*56.8*	*8,854*	67%
18 to 24 years	1,714	7.30%	3,223	8.3	1,509	88%
25 to 44 years	*6,459*	*27.40%*	*8,758*	*22.6*	*2,299*	*36%*
25 to 34 years	3,009	12.8	4,504	11.6	1,495	50%
35 to 44 years	3,450	14.7	4,254	11	804	23%
45 to 64 years	*5,018*	*21.3*	*10,064*	*25.9*	*5,046*	*101%*
45 to 54 years	2,775	11.8	5,014	12.9	2,239	81%
55 to 64 years	2,243	9.5	5,050	13	2,807	125%
65 years and over	*4,045*	*17.2*	*7,430*	*19.1*	*3,385*	*84%*
65 to 74 years	2,305	9.8	4,156	10.7	1,851	80%
75 to 84 years	1,420	6	2,418	6.2	998	70%
85 years and over	320	1.4	856	2.2	536	168%

Source: US Census

An increase of 2,239 persons in the 45 to 54 year old age group represents the third largest increase in number between 2000 and 2010. In 2000, 2,775 persons or 11.8% of the population fell into this category; by 2010, it had increased to 5,014 persons or 12.9% of the population. At the time of the 2000 Census, this population would have been in the 35 to 44 year old group which totaled 3,450 persons; the increase to 5,014 persons in the 45 to 54 year old age group represents an influx of 1,564 persons in that age bracket between 2000 and 2010.

A closer review of the information provided in Table H9: Age Distribution indicates interesting trends in the local population Given that the 55 to 64 age group would have comprised the 45 to 54 year age group in 2010, the 125% increase of 2,087 demonstrates an influx of new residents in addition to those aging in place. Interestingly, the 18 to 24 year age group also saw an increase in its overall share of the population, increasing from 1,714 or 7.3% of all persons in Prescott Valley to 3,223 or 8.3% of all persons in Prescott Valley; an increase of 1,509 persons or 88% growth. This may indicate that more young adults are staying in Prescott Valley after high school rather than leaving the area. An increasing number of post-high school educational opportunities available in Prescott Valley may be influencing this age cohort to remain in place while pursuing college degrees, others may be taking advantage of expanded employment offerings. While lack of employment or educational opportunities elsewhere may be causing some of the members of this age group to remain in Prescott Valley, the increases in nonfamily households described below indicate that there is a detectable change in the retention of the 18-24 year old age group.

As illustrated in Table H 10: Household by Type of Relationship, almost all of the total population resided in a household rather than in group quarters, at a rate of 99% to 1% respectively. Between 2000 and 2010, the number of persons residing in households increased by 65%, from 23,398 to 38,613, remaining consistent in accounting for 99% of all persons in Prescott Valley.

Table H10: Household Type by Relationship

	2000	% total	2010	% total	Change	% Change
Total:	23,597		38,822		15,225	65%
In households:	23,398	99%	38,613	99%	15,215	65%
In family households:	20,504	87%	32,384	83%	11,880	58%
Householder:	6,714	28%	10,591	27%	3,877	58%
Male	5,443	23%	7,643	20%	2,200	40%
Female	1,271	5%	2,948	8%	1,677	132%
Parent	112	0%	324	1%	212	189%
Other relatives	278	1%	397	1%	119	43%
Nonrelatives	680	3%	1,180	3%	500	74%
In nonfamily households:	2,894	12%	6,229	16%	3,335	115%
Male householder:	1,024	4%	2,133	5%	1,109	108%
Living alone	725	3%	1,504	4%	779	107%
Not living alone	299	1%	629	2%	330	110%
Female householder:	1,235	5%	2,640	7%	1,405	114%
Living alone	1,038	4%	2,164	6%	1,126	108%
Not living alone	197	1%	476	1%	279	142%
Nonrelatives	635	3%	1,456	4%	821	129%
In group quarters:	199	1%	209	1%	10	5%
Institutionalized population	139	1%	158	0%	19	14%
Noninstitutionalized population	60	0%	51	0%	-9	-15%
Source: US Census						

Those residing in family households comprised 87% of the total population in 2000, or 20,504 individuals, while 12% or 2,894 persons resided in non-family households, and 1% was in group quarters. By 2010, the number of individuals in family households increased by 11,880 persons, but decreased on a percentage basis from 87% of all persons to 83% of all persons, a decrease of 5%.

Household: *All persons occupying a housing unit.*

Family Household*: a household that has at least one person related to the householder by birth, marriage, or adoption.*

Non-family Household*: people living alone and households with no persons related to the householder.*

There was a slight shift in the number of persons in a male versus female head of household between 2000 and 2010. In 2000, 23% or of all persons resided in a male headed household, while only 5% lived in a female headed household, representing 5,443 and 1,271 individuals respectively. By 2010, 20% or 7,643 individuals resided in male headed households, while 8% or 2,948 individuals resided in female headed households.

In terms of non-family households, female headed households accounted for 5% of the population in 2000 and 7% in 2010, or 1,235 and 2,640 individuals respectively. The 1,405 person increase represents a 114% increase in this population group. The next largest group is those living in male headed households; they accounted for 1,024 individuals in 2000 and 2,133 in 2010, or 4% and 5% respectively. The increase of 1,109 persons represents an overall increase of 108%. Non-relatives living together account for 3% of the population in 2000, or 635 persons; that number more than doubled by 2010 to 1,456 persons but still accounted for only 4% of the total population.

In further examining the composition of family households, it is interesting to note the changes in demographics in terms of who is living with whom. Of those residing in family households, the number of parents living in a household where they were not the householder (e.g., living with adult children) nearly tripled from 2000 to 2010. In 2000, only 112 persons were parents living with an adult child; by 2010, that number increased by 212 to 324. While this group constitutes 1% of the total population, it is a trend worth watching, given the overall aging of the population. The increasing cost of congregate care for the elderly may be influencing this rate as well. The number of other relatives living in a family household not headed by that individual increased by 119 persons or 43% from 2000 to 2010, while the number of non-relatives residing in a family household headed by someone else increased from 680 persons to 1,1180 persons; that 500 person increase represents a 74% change. Much of this can be attributed to the downturn in the economy; however, as the baby boomer population in the United States continues to age, it is likely that the number of parents residing with adult children may continue to increase, especially given the lack of increase in the number of persons residing in group quarters, which would reflect populations living in assisted living and congregate care settings. The negative impact that the declining economy has had on retirement savings and investments may also contribute to this change.

Because 99% of the population of Prescott Valley resides in households, it is important to further examine the composition of those households. While Table H 10 set forth the distribution of the population as found in different types of households, Table H 11: Household Size, Type and Presence of Own Children better illustrates the details regarding the types of households found in the community.

Table H 11: Household Size, Type, and Presence of Own Children

	2000		2010		Change	% Change
Total:	8,964	%	15,364	%	6,400	71%
1-person household:	**1,776**	**20%**	**3,668**	**24%**	**1,892**	**107%**
Male householder	746	8%	1,504	10%	758	102%
Female householder	1,030	11%	2,164	14%	1,134	110%
2 or more person household:	**7,188**	**80%**	**11,696**	**76%**	**4,508**	**63%**
Family households:	*6,631*	*74%*	*10,591*	*69%*	*3,960*	*60%*
Married-couple family:	5,334	60%	8,066	52%	2,732	51%
With own children under 18 years	2,149	24%	2,793	18%	644	30%
No own children under 18 years	3,185	36%	5,273	34%	2,088	66%
Other family:	*1,297*	*14%*	*2,525*	*16%*	*1,228*	*95%*
Male householder, no wife present:	374	4%	771	5%	397	106%
With own children under 18 years	240	3%	465	3%	225	94%
No own children under 18 years	134	1%	306	2%	172	128%
Female householder, no husband	923	10%	1,754	11%	831	90%
With own children under 18 years	596	7%	1,001	7%	405	68%
No own children under 18 years	327	4%	753	5%	426	130%
Nonfamily households:	**557**	**6%**	**1,105**	**7%**	**548**	**98%**
Male householder	342	4%	629	4%	287	84%
Female householder	215	2%	476	3%	261	121%

Source: US Census Bureau

Of the total 15,364 households in Prescott Valley in 2010, the majority were two- or more person households, accounting for 76% of all households, or 11,696 households. This represents a 63% increase from 2000, when this type of household accounted for 7,188 households in Prescott Valley. The percentage of households of two or more person

households declined from 2000 to 2010, from 80% to 76% of all households; the increase in the percentage of one person households from 20% to 24% of all persons appears to absorb that shift.

The second most frequently occurring type of households are those with only one person. In 2000, those households accounted for 1,776 or 20% of all households; by 2010, that number had increased to 24%, or 1,892 households. This represents a net increase of 1,892 households, or a 107% increase. Of the one person households, females outpaced males for both 2000 and 2010. In 2000, female headed single person households accounted for 11% of the total number of households, but well over half (57%) of all single person households; that percentage increased slightly by 2010 to 14% of all households or 59% of all single person households.

Nonfamily households comprise the smallest group of households, accounting for less than 10% of all households. Nonfamily households are defined as those with only one person, or one in which one or more unrelated persons live together. In this instance, the number of male headed nonfamily households was greater in both 2000 and 2010 than female headed nonfamily households, but the rate of increase between 2000 and 2010 was greater among female headed nonfamily households. In 2000, 342 or 4% of all households were male headed nonfamily households, increasing to 629 households or 4% of all households in 2010, an 84% increase. Female headed nonfamily households accounted for 2% of all households in 2000 and 3% in 2010, representing 215 and 476 households respectively.

5.2.3 Income and Employment

While demographic considerations such as population distribution, household size, and age of housing stock are all mitigating factors in determining housing needs in a given community, the ability to afford different housing options is the single most important factor in planning for future housing growth and meeting market demand. By examining household income and employment trends, a range of affordable housing options can then be designed to fit the income earned by householders in the community.

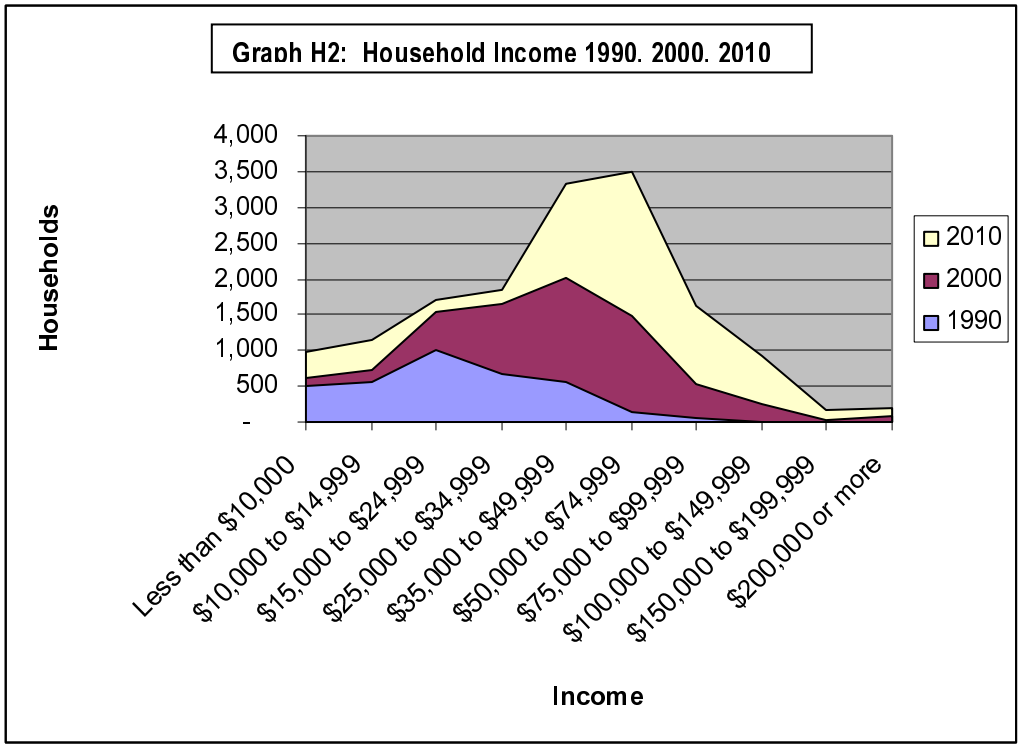
Table H12: Household Income 1990, 2000, 2010

	1990		2000		2010	
	Number	%	Number	%	Number	%
Households	3,506		8,973		15,364	
Less than $10,000	501	14%	614	7%	968	6%
$10,000 to $14,999	565	16%	739	8%	1,137	7%
$15,000 to $24,999	1,005	29%	1,552	17%	1,705	11%
$25,000 to $34,999	676	19%	1,664	19%	1,859	12%
$35,000 to $49,999	552	16%	2,014	22%	3,319	22%
$50,000 to $74,999	138	4%	1,476	16%	3,503	23%
$75,000 to $99,999	69	2%	521	6%	1,613	11%
$100,000 to $149,999	-	0%	264	3%	922	6%
$150,000 to $199,999	-	0%	39	0%	169	1%
$200,000 or more	-	0%	90	1%	184	1%
Median household income	22,504		34,341		43,441	

From 1990 to 2000, the median household income increased from $22,504 to $34,341, an increase of $11,837 or 52%. Assuming 3% annual inflation, the $22,504 would equate to $30,243 in 2000 dollars; thus, the increase in household income increased at a rate greater than inflation by $4,098 or 13%. By 2010, the median household income increased but by fewer dollars, from $34,341 to $43,441, representing an increase of $9,100, or 26%. Adjusting the $34,341 to

2010 dollars, the 2000 median income of $34,341 would equate to $43,269. Thus, for the time period of 2000-2010, household income outpaced inflation by only $171.

The largest income bracket in 1990 was those whose incomes ranged from $15,000 to $24,999 which represented 29% of all housholds; the second largest income bracket was the $25,000 to $34,999, representing 19.3% of all households, or 676 households. The third largest income bracket was those whose incomes ranged from $10,000 to $14,999, representing 16.1% of all households, or 565 households. In 2000, the largest income bracket was those whose income ranged from $35,000 to $49,999, followed by those in the $25,000 to $34,999 bracket, accounting for 19% of all households, or 1,664 households. Those with incomes between $15,000 and $24,999 were the third largest bracket, accounting for 17% or 1,552 households.



Further comparison of the distribution of household incomes from 1990 to 2000, the downward trend in lower income brackets is apparent, as is the upward trend in the higher income brackets. As would be expected, household incomes shifted upward in 2000. The median household income rose to $34,341, boosted in large part by dramatic gains in higher income brackets. Those households earning $35,000 to $49,000 accounted for 15.7% of all households in 1990, but increased to 22.4% by 2000. Similarly, those households with income in the $50,000 to $74,999 bracket accounted for only 3.9% of households in 1990, but jumped to 16.4% by 2000. (Chart H2: Household Income 1990, 200, 2010)

Conversely, while those households in the $25,000 to $34,999 bracket accounted for 19.3% of all households in 1990 and declined only slightly to 18.5% in 2000, the balance of the income brackets below the median showed significant changes. In 1990, 28.7% of all households had income totaling $15,000 to $24,999; by 2000, that percentage dropped by 10 points to 17.3% of all households. Households with incomes between $10,000 and $14,999 accounted for 16.1% of all households in 1990, but fell by half to 8.2% by 2000; those with household incomes less than $10,000 saw a similar rate of reduction, falling from 14.3% of all households in 1990 to 6.8% in 2000.

Upward movement in both the median household income and distribution of household earnings continued in 2010, as demonstrated by the data in Table H12. The $50,000 to $74,999 bracket accounted for 23% of all households with income, or 3,503 households, followed closely by the $$35,000 to $49,999 bracket, accounting for 22% of all households with income, or 3,319 households; nearly half (45%) of all households fell in to these two income brackets. Those with incomes between $25,000 and $34,999 composed the third largest income group, representing 12% or 1,859 households.

In comparison to the household income distributions in 2000, the progression to higher income brackets continued in 2010. The greatest number of households with income were those with income between $50,000 and $74,999, accounting for 3,503 households or 23% in 2010; in 2000, this bracket accounted for only 16% or 1,476 of all households – while the number of households nearly doubled, the rate increased by less than 10%. Those with household incomes between $35,000 and $49,000 accounted for 22% of all households with income in both 2000 and 2010; however, the number of households more than doubled, from 1,476 to 3,503, an increase of 2,027 households.

Between 2000 and 2010, households in the lowest two income brackets increased in number but held relatively steady on a percentage basis. Those households with less than $10,000 in annual household incomes increased by about 50%, from 614 households or 7% to 968 households or 6% of all households with income. Similarly, those households with incomes from $10,000 to $14,999 also increased by about 50%, from 739 or 8% to 1,137 or 7% of all households with income. In fact, the bottom four tiers of income brackets saw numerical increases of less than 50%, as well as declines in rates of all households on a percentage basis. For those income brackets that declined in terms of percent distribution, the cumulative decline represented 15% of all households with income. Those households were absorbed by the increase in the distribution of population in the income brackets at or above $50,000, which represented a gain of 16%.

For the first time, the income bracket with the greatest number of households exceeded $50,000; In 1990, only 6% of all households earned in excess of $50,000, and only 25% earned in excess of that amount in 2000. Each income bracket was also represented by at least 150 households for the first time as well, distributing households across all brackets used by the Census Bureau. This broadening of household income distribution is evidence of the efforts to widen the local economic base, both in terms of industry and income.

The changes in income previously discussed can be attributed to shifts in the types of employment in the Quad City area. As demonstrated in Table H: Employment by Industry 1990, 2000, 2010, the advent of industries like Information and Information Technology, coupled with the growth of other sectors such as education, health care, and hospitality, have helped The Town of Prescott Valley grow both in size and in economic stability.

Much of the growth can be attributed to the development of the Town Center area that began in the early 2000's and continues today. The establishment of the Entertainment District (ED) launched a number of businesses that have contributed to the employment base in the town. Development of the Yavapai Regional Medical Center East (YRMC-East) has created a number of well-paying healthcare jobs both at the hospital and in the private practices of medical professionals associated with the hospital. Employment opportunities in Education have increased as well, resulting from the addition of Yavapai College, Northern Arizona University, and Humboldt Unified School District.

Table H 13: Employment by Industry 1990, 2000, 2010 sets forth data regarding the industries in which residents of The Town of Prescott Valley were employed and not the jobs available within the boundaries of the Town. For instance, a person working in the Health Care industry may live in Prescott Valley but the physical place of work may be located in Prescott.

In 1990, the population of persons over the age of 16 in The Town of Prescott Valley was 6,824 persons; of that, 3,387 or 49.6% were employed. The number of persons over the age of 16 that were employed nearly tripled from 3,387 in 1990 to 9,583 in 2000, an increase of 6,196 persons or 183% growth. In 2010, there were 29,615 persons over the age of 16; of those, 16,589 or 56% were employed. For 2010, the number of persons over the age of 16 that were employed

more than doubled from 2000 to 2010, increasing to 16,589, an increase of over 10,000 persons or 108%. From 1990 to 2010, the size of the workforce residing in Prescott Valley has nearly quadrupled, increasing from 3,387 to 16,589 persons, a growth rate of 390%.

Table H13: Employment by Industry 1990, 2000, 2010

	1990		2000		Change		2010		Change	
	Number	%	Number	%	Number	%	Number	%	Number	%
Total:	3,387		9,583		6,196	183%	16,589		7,006	73%
Agriculture, forestry, fishing/hunting, mining	53	1.6%	189	2%	136	257%	128	1%	(61)	-32%
Construction	286	8.4%	1,344	14.0%	1,058	370%	1,675	10%	331	25%
Manufacturing	424	12.5%	963	10.0%	539	127%	825	5%	(138)	-14%
Wholesale trade	48	1.4%	395	4.1%	347	723%	808	5%	413	105%
Retail trade	704	20.8%	1,581	16.5%	877	125%	2,800	17%	1,219	77%
Transportation, warehousing, utilities	203	6.0%	291	3.0%	88	43%	683	4%	392	135%
Information	-	0.0%	199	2.1%	199	1999%	238	1%	39	20%
Finance, insurance, real estate	154	4.5%	482	5.0%	328	213%	1,088	7%	606	126%
Professional, Management, and Administrative Services	183	5.4%	514	5.4%	331	181%	1,013	6%	499	97%
Education, Health Care and Social Assistance	724	21.4%	1,705	17.8%	981	135%	3,924	24%	2,219	130%
Arts, Entertainment, Recreation, Accommodation and Food Services	22	0.6%	878	9.2%	856	3891%	1,884	11%	1,006	115%
Other services (except public administration)	330	9.7%	579	6.0%	249	75%	780	5%	201	35%
Public administration	256	7.6%	463	4.8%	207	81%	743	4%	280	60%

Source: US Census *for all employed persons 16 and over

In 1990, the majority of the residents of Prescott Valley were employed in the Education, Health Care, and Social Assistance industries, accounting for 21.4% of all employed persons, or 724 persons. This industrial cluster has continued to employ the most residents in the town, accounting for 1,705 persons or 17.8% of the workforce residing in the town. The increase in this cluster between 1990 and 2000 represents a 135% growth rate, or 981 additional persons. By 2010, those employed in Education, Health Care, and Social Assistance industries accounted for 24% of the workforce residing in Prescott Valley, or 3,924 persons. Expansion in this sector between 2000 and 2010 represents a 130% growth rate, or 2,219 persons.

Retail Trades composed the second largest employment sector for residents of The Town of Prescott Valley in 1990, a trend that has continued through 2010. In 1990, Retail trades employed 704 persons, or 20.8% of the workforce residing in the town. By 2000, that number more than doubled to 1,581 persons, or 16.5% of the workforce, an increase of 877 persons or 125% growth. Expansion of this sector continued through 2010, accounting for 17% of the workforce, or 2,800 persons, a growth rate of 73%, or 1,219 persons.

Different industries have constituted the third largest employment sector during the last three decades. In 1990, the Manufacturing sector provided jobs for 12.5% of the population, or 424 persons. This industry reached its peak in the 2000's, providing employment for 963 persons, but was ranked fourth, employing 10% of the workforce residing in Prescott Valley. By 2010, it shrank by 138 persons to 825, falling in rank to seventh, and employed 5% of the workforce residing in the town. This trend is not unique to Prescott Valley; manufacturing nationwide has been on the decline for quite some time.

Construction jumped to the third largest industry for residents in 2000, employing 1,344 residents or 14% of the workforce residing in the Town. In 1990, it had been ranked fifth, offering employment to 286 residents; the gain of 1,058 residents represents a 370% growth rate. That growth would be short lived; by 2010, the Construction industry employed 1,675 persons or 10% of the workforce residing in the town, ranking it fourth among all industries.

By 2010, Arts, Entertainment, Recreation, Accommodation, and Food Services constituted the third largest industry employing residents of the town. This industry was ranked second to last in 1990, employing only 22 residents or .6% of the workforce. Its ranking jumped from twelfth to fifth from 1990 to 2000, a clear sign of the impact of the growing Entertainment District on employment in the community. Growth in this sector increased by 856 persons to 878 residents of the town, an increase of 3,891% during the decade, and employed 9.2% of the workforce in 2000. The number of residents employed in this sector more than doubled from 2000 to 2010, employing 1,884 persons in 2010, or 11% of the workforce residing in the town. This represents 115% growth, which equates to an additional 1,006 residents employed in this industry.

In establishing growth trends, it is useful to look at the percent of change in employment by industry between 2000 and 2010. Transportation, Warehousing, and Utilities showed the greatest rate of growth at 135%, followed by Education, Health Care, and Social Assistance at 130%, and Finance, Insurance, and Real Estate at 126%. The Arts, Entertainment, Recreation, Accommodation, and Food Services industries ranked fourth in growth between 2000 and 2010, while Wholesale Trades ranked fifth. All of these industries saw growth rates of better than 100% for the decade.

5.2.4 Cost of Housing and Affordability

Generally accepted standards in the mortgage and residential rental markets suggest that housing costs not exceed 28% of household income, and the purchase price of a home should not exceed three times annual household income. A household earning the 2000 median of $34,341 could afford approximately $801.29 per month in rent or mortgage payments, which would equate to a purchase price of approximately $103,173. This amount is just slightly below the median home value for Prescott Valley of $108,100.

Table H14: Median Mortgage Expense and Income 1990, 2000, 2010 compares the median household income with the median mortgage cost for 1990 and 2000. In 1990 the median mortgage cost was $583, which represented 31% of the $1,875 monthly median household income. That cost more than doubled by 2000, when the median mortgage cost increased by $726 to $1,309 per month, representing 46% of the $2,861 monthly median household income. This data reveals an affordability gap of 3% in 1990 and 18% by 2000. The upward trend reversed itself somewhat by 2010, with the median mortgage cost actually falling by $63 to $1,246, or a 5% decline in cost. That decline, however, did not

erase the affordability gap, which stood at 6%. This decline in mortgage cost is likely due to downward pressure on prices as foreclosures began to depress the market in 2008.

Table H 14: Median Mortgage Expense and Income 1990, 2000, 2010

	1990		2000		Change	% Change	2010		Change	% Change
Median Household Income	$22,504		$34,341		$11,837	53%	$43,441		$9,100	26%
Median Mortgage cost	583	31%	1,309	46%	$726	125%	$1,246	34%	$ (63)	-5%
Source: US Census										

The data presented in Table H 15: Mortgage Status and Monthly Costs 1990, 2000, 2010 illustrates the changes in housing cost and affordability between 1990, 2000, and 2010. Noteworthy is the increasing number of households with mortgages; the number of mortgaged homes more than doubled each decade. Also of note is the significant reduction in the number of households spending less than $500 per month in mortgage costs and increases in the number of mortgages with monthly costs in excess of $1,000.

Monthly mortgage costs generally equal 28% of household income, according to generally accepted lending processes. During the 1990's, the median household income of $22,504 would have resulted in $525 in monthly mortgage costs; because that amount falls within the Census Bureau's $500 to $699 range for monthly mortgage costs, data in that bracket will be used for comparative purposes. In 1990, three-quarters (78%) of the households with a mortgage paid less than $700 per month in mortgage costs while the remaining 22% paid between $700 to $1,499 per month. The median household income of $34,341 in 2000 would equate to $801 in monthly mortgage costs. At that time, 70% of household with a mortgage had mortgage costs less than $999 (the range in which the $801 cost would fall), while 30% had monthly mortgage expenses in excess of $1,000. By 2010, the median household income had increased to $43,441, which would render a monthly mortgage expense of $1,013. Interestingly, the ratios found in 1990 and 2000 had inverted; of the households with monthly mortgage expenses, 71% had monthly mortgage expenses in excess of $1,013, while 30% had monthly mortgage costs below the median household income allotment for mortgage expense.

An analysis of monthly owner costs as a percentage of household income is also helpful in determining affordability of housing in Prescott Valley. While the previous table set forth mortgage status and monthly costs for those households with a mortgage, Table H16: Monthly Owner Costs As A Percentage of Household Income represents owner occupied households reporting mortgage costs and other related costs such as taxes and insurance, as well as those with no mortgage cost but tax and insurance expenses.

Table H15: Mortgage Status and Monthly Costs 1990, 2000, 2010

	1990			2000			1990-2000	2010			2000-2010
	4,025	% Total	% Mtg	8,119	% Total	% Mtg	% change	15,364	% Total	% Mtg	% change
With a mortgage :	1,114	28%		3,503	43%		214%	11,216	73%		220%
Less than $300	59	1%	5%	16	0.2%	0.5%	-73%	224	1%	2%	1302%
$300 to $499	232	6%	21%	137	2%	4%	-41%	336	2%	3%	146%
$500 to $699	580	14%	52%	654	8%	19%	13%	785	5%	7%	20%
$700 to $999	222	6%	20%	1621	20%	46%	630%	2,019	13%	18%	25%
$1,000 to $1,499	21	1%	2%	950	12%	27%	4424%	4,150	27%	37%	337%
$1,500 to $1,999	0	0%	0%	106	1%	3%	1060%	2,580	17%	23%	2334%
$2,000 or more	0	0%	0%	19	0.2%	1%	190%	1,234	8%	11%	6393%
Source: US Census	Median Hhld Income: $22,504			Median Hhld Income: $34,341				Median Hhld Income: $43,441			

The number of households with selected mortgage costs nearly tripled from 1990 to 2000. In 1990, 1,686 households paid some form of selected mortgage cost, increasing dramatically to 4,812 households in 2000, a 285% increase. In contrast, the number of owner occupied dwelling units doubled during that same time period, increasing from 4,025 to 8,119 by 2000, a 102% increase. This indicates greater demand for mortgage financing of dwelling units for households who wanted to own their own homes and a diminished ability on the part of households to pay cash for dwelling units. This trend continued from 2000-2010, albeit at a slower pace. The number of households with mortgage costs more than doubled, increasing to 10,229, paralleling the increase in owner-occupied dwelling units.

Table H 16: Monthly Owner Costs as Percentage of Household Income 1990, 2000, 2010

	1990		2000		2010	
Total Households with Mortgage and related expenses	1,686	%	4,812	%	10,229	%
Less than 15% (2000/10)			1,617	34%	2,547	25%
Less than 20% (1990) 15 to 19% (2000/2010)	778	46%	721	15%	1,135	11%
20 to 24 %	269	16%	665	14%	1,928	19%
25 to 29%	194	12%	516	11%	853	8%
30 to 34%	82	5%	379	8%	787	8%
35% or more	329	20%	893	19%	2,859	28%
Not Computed	34	2%	21	0%	120	1%

Source: US Census

While the number of households that paid less than 15% of monthly costs was not calculated in 1990, it represented 1,617 households in 2000, or 34% of all households with monthly costs. It is likely that this group had only tax and insurance costs and no mortgage payment to a lender. From 2000 to 2010, the number of households in this group increased to 2,547, but decreased as a percentage of all households with mortgage expenses, falling nearly 10% to 25%. In 1990, those paying less than 20% of their monthly income for selected mortgage costs totaled 778 households or 46%, and again likely comprised those homeowners with tax and insurance obligations only. By 2000, 721 persons paid 15 to 19% of their monthly income in selected mortgage costs, a decrease of 57 households; in 2010, the number increased to 1,135 households but decreased to only 11% of all households with mortgage costs.

The percent of those paying 30 to 34% of their income in mortgage expenses held relatively steady from 1990 – 2010, increasing from 5% in 1990 to 8% in 2000 and 2010, while the number of households grew four and a half times, increasing from 82 households to 379 households, and doubled again to 787 households in 2010.

Those paying 35% or more of their income on mortgage expenses showed the greatest increases from1990-2010. From 1990 to 2000, the number of households in this bracket nearly tripled, increasing from 329 to 893, and held relatively steady in terms of percent of all households with mortgage expenses at 20%. From 2000 to 2010, the number of households in this bracket more than tripled, increasing from 893 to 2,859 households, or 28% of all households with mortgage expenses.

Between 1990 and 2000, the distribution of households amongst the cost ranges remained fairly consistent while the numbers in each range increased dramatically, mirroring the increase in the number of households with mortgages and the increase in the number of owner occupied dwelling units in the Town. Those households paying less than 20% of their monthly income for housing costs represented the largest group for both 1990 and 2000. The next largest concentration of households can be found in the 35% or more range, accounting for 20% or 392 households in 1990, falling slightly to 19% but increasing to 893 households in 2000. This again is an indication that one in five households

spent more than one-third of its income on housing expenses, indicating a consistent gap in housing affordability by 2000. The trend continued in 2010, with 36% of all households with mortgage expenses spending more than 30% of their monthly income on those expenses, or one in three households.

It is anticipated that the crash of the housing market that began in 2008 will have an impact on the demographic information provided regarding affordability. As the price of housing deflates, households that previously could not purchase a dwelling unit may now be able to do so. However, uncertainty related to household income and employment may keep some residents from purchasing a home. The inability to qualify for a mortgage in the aftermath of a foreclosure or short sale may also negatively impact a household's ability to finance the purchase of a dwelling unit. FHA financing is not available for three years after foreclosure or bankruptcy; assuming that all other credit issues have been resolved, households whose homes were foreclosed in 2008 would not be able to obtain a mortgage until 2011. Fannie May and Freddie Mac require a five year waiting period after foreclosure and two years after a short sale; those seeking mortgages with loan guarantees from either organization that were foreclosed in 2008 would not be eligible for a mortgage until 2013, or 2010 for those who sold homes via short sale. Despite these difficulties, demand for owner-occupied housing in Prescott Valley has not been as negatively impacted as other areas in Arizona or the US.

Table H 17: Value of Selected Owner Occupied Housing Units

	1990		2000		2010	
	Number	%	Number	%	Number	%
Total Occupied Units	2631		4812		10104	
<39,999	69	3%	14	0%	493	5%
$40,000 to $59,999	926	35%	56	1%	19	0%
$60,000 to $99,999	1340	51%	1891	39%	764	8%
$100,000 to $124,000	125	5%	1375	29%	606	6%
$125,000 to $149,999	69	3%	841	17%	780	8%
$150,000 to $174,999	49	2%	331	7%	1446	14%
$175,000 to $199,999	21	1%	137	3%	1378	14%
$200,000 to $249,000	19	1%	114	2%	1654	16%
$250,000 to $299,000	8	0.30%	45	1%	1603	16%
$300,000 and up	5	0.19%	8	0.20%	1486	15%
Source: US Census						

The data in Table H 17: Value of Selected Owner Occupied Housing Units clearly illustrates the increasing value of owner occupied housing units in Prescott Valley between 1990, 2000, and 2010.

The upward progression in mortgage costs and those associated costs as a percentage of income previously discussed are likely a result of the increase in value of owner occupied dwelling units. Almost all of the owner occupied dwelling units in 1990 were valued under $100,000; of the 2,631 owner occupied dwelling units in 1990, 2,335 or 89% had values of $99,999 or less. By 2000, that percentage had fallen by more than half; owner occupied units in that same value range accounted for 1,961 of the 4,812 total owner occupied housing units, or 40%. The number of owner occupied dwelling units valued between $125,000 to $149,999 exploded from 125 or 5% of the total to 1,375 or

29% of the total 4,812 owner occupied housing units. The upward trend in owner-occupied home values advanced even more rapidly between 2000 and 2010, with the greatest number of owner-occupied dwelling units in the $200,000 to $249,999 range. The distribution of dwelling units by value found in 1990 had completely inverted by 2010, with 88% of all homes valued at $100,000 or more, and only 12% valued at $99,999 or less.

The cost and affordability of rental housing should also be considered in determining potential demand for different types of rental housing. As with owner occupied housing, the amount of rent paid as a percentage of household income

determines the affordability of rental housing in the community. Gross Rent as defined by the US Census Bureau includes contract rent, utilities that are not included in the contract rent amount, insurance, taxes, and any other expense incurred as a result of renting a dwelling unit.

It should be noted that the 2000 Census did not provide new data for costs related to renting dwelling units; most of the data available is derived from 3- and 5-year ACS estimates. Because residential rental rates are for shorter contract terms, the information is far more sensitive than mortgage data and better reflects immediate changes in the marketplace.

The Median Gross Rent for dwelling units in Prescott Valley has been rising since 1990, but not at the same rate as monthly mortgage costs. Between 1990 and 2006-2010 estimate, the median gross rent increased only 7%, rising $43 from $657 per month to $700. The estimate for the 2008-10 time period reflects a much faster rise in rent and related expenses, increasing by $157 per month or a 22% increase. (Table H18: Median Gross Rent, 1990, 2006-10, 2008-2010)

Table H18: Median Gross Rent, 1990, 2006-2001 (5 year), 2008-2010 (3 year)							
	1990	2006	Change	% Change	2010	Change	% Change
Median Gross Rent	657	700	43	7%	857	157	22%
Source: 2000 Census, ACS 5 year and 3 Year Estimates							

TABLE H19: GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME 2000 - 2010						
	2000		2010		change	% change
Occupied units paying rent	3130	%	5260	%	2,130	68%
Less than 15.0 percent	331	11%	450	9%	119	36%
15.0 to 19.9 percent	452	14%	788	15%	336	74%
20.0 to 24.9 percent	403	13%	852	16%	449	112%
25.0 to 29.9 percent	379	12%	504	10%	125	33%
30.0 to 34.9 percent	383	12%	431	8%	48	13%
35.0 percent or more	1,096	35%	2,235	42%	1,139	104%
Not computed	108	3%	181	3%	73	68%
Source: US Census						

Like owner-occupied housing, gross rent should not exceed 28% of household income. The percentage of renters paying more than 30% of their income for gross rent expenses has remained fairly consistent; in 2000, 47% of all households fell into that category, which increased to 50% by 2010. In fact, the number of households paying more that 35% of their household income for gross rent expenses doubled from 2000 to 2010, increasing by over 1,000 households, and representing 42% of all households that rent rather than own their dwelling units. This indicates that there may be demand for additional rental housing targeted to low-to-moderate income households in the marketplace. (Table H19: Gross Rent as a Percentage of Household Income 2000 -2010).

Table H20: Gross Rents Paid 2000 - 2010						
	2000		2010		Change	% Change
	3130	%	5260	%		
Less than $100	23	0.7%	0	0	(23)	-100%
$100 to $149	30	1.0%	0	0	(30)	-100%
$150 to $199	47	1.5%	16	0.3%	(31)	-65%
$200 to $249	12	0.4%	15	0.3%	3	30%
$250 to $299	0	0.0%	21	0.4%	21	2061794%
$300 to $349	23	0.7%	166	3.2%	143	610%
$350 to $399	27	0.9%	140	2.7%	113	420%
$400 to $449	125	4.0%	53	1.0%	(72)	-58%
$450 to $499	146	4.7%	86	1.6%	(61)	-41%
$500 to $549	316	10.1%	194	3.7%	(122)	-39%
$550 to $599	290	9.3%	175	3.3%	(115)	-40%
$600 to $649	429	13.7%	551	10.5%	122	28%
$650 to $699	414	13.2%	237	4.5%	(178)	-43%
$700 to $749	99	3.2%	441	8.4%	341	343%
$750 to $799	310	9.9%	239	4.5%	(71)	-23%
$800 to $899	376	12.0%	524	10.0%	149	40%
$900 to $999	257	8.2%	571	10.9%	313	122%
$1,000 to $1,499	126	4.0%	1,555	29.6%	1,429	1131%
$1,500 to $1,999	0	0.0%	247	4.7%	247	24742627%
$2,000 or more	0	0.0%	29	0.6%	29	2929960%
No cash rent	77	2.5%	99	1.9%	22	28%
Source: US Census						

An evaluation of gross rents paid for 2000 and 2010 can help establish trends in rents charged and the distribution of different rental amounts. As with owner-occupied housing values, the rents charged are migrating upward as well, as illustrated in Table H19: Gross Rents Paid 2000 – 2010.

In 2000, there were rental units available in all brackets except for $250-$299 and the uppermost brackets, representing rents in excess of $1,500. The greatest number of units fell within the $600 to $649 bracket, accounting for 429 or 13.7% of all occupied rental housing units, followed by units in the $650-$700 range, which accounted for 414 units or 13.2% of all occupied rental housing units. These two brackets represent 25% of the occupied rental housing market for 2000. The median gross rent for 2000 was $700; 37% of all occupied rental units charged more than that amount, while 63% charged less. The median gross rent for 2000 is likely skewed upward by the 24% of all units that charged gross rent at $800 or above.

Gross rents shifted upward by 2010, leaving no units available in the lowest two brackets of less than $100 and $100 to $149. The greatest number of units could be found in the $1,000 to $1,499 bracket, accounting for 1,555 or 30% of all rental units. Those units with rents between $900 and $999 were the second most frequently found, accounting for 11% or 571 rental units. Together, these two gross rent brackets account for 40% of all occupied rental housing units. The median gross rent for 2010 was $857; 56% of all occupied rental units charged more that that amount, while 44% charged less. For all gross rent brackets, nine saw net decreases in distribution, while twelve saw net gains.

Summary

Despite the current challenges in the housing market, The Town of Prescott Valley is well positioned for recovery from the downturn. Available data demonstrates that while demand for both owner- and renter-occupied housing units may have slowed, there is still room for growth in the marketplace. The impact of the housing crisis on affordability is not yet quantifiable, but downward pressure on prices and stable household income should position the local market for a faster recovery over the next decade than many other communities in Arizona and the nation.

Population growth comes from three sources: in-migration of households to the area, growth in existing households, and a lack of out-migration of households. An analysis of Census data related to population clearly shows not only growth and a lack of out-migration of households, but in-migration of households to the area. Not only is more of the population aging in place, there is sustained growth across all age cohorts, signaling future demand for housing options. Continuing growth in population will create continuing demand for housing.

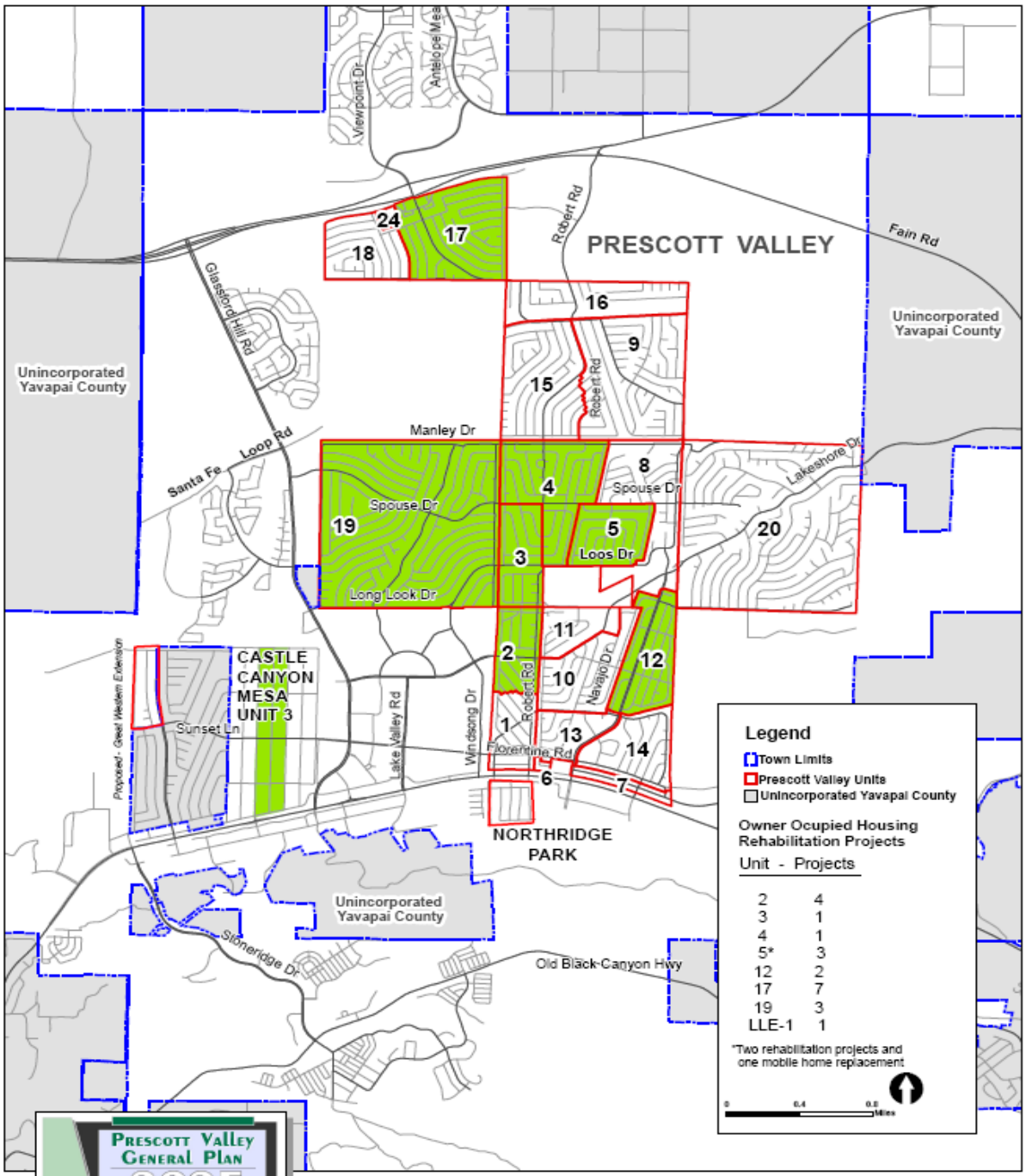
In theory, the 12% vacancy rate for all housing units should be able to absorb initial growth in demand. However, not all households will be able to find adequate housing in the stock of vacant units, as the units that are available may not be affordable, correctly sized for the household, or available in the tenure (rent vs. own) desired. Furthermore, some potential homeowners may prefer new construction to existing stock. These factors will drive demand for new construction of both owner- and renter-occupied units; in fact, anecdotal building permit evidence suggests continued demand for both single- and multi-family housing for both owner- and renter-occupation.

5.3 Neighborhood Revitalization

5.3.1 Owner Occupied Housing

In setting forth a plan for housing development for the Town, more than new construction opportunities must be considered. Rehabilitation of existing housing stock can help revitalize mature neighborhoods, slowing the decline of property values and fostering a sense of pride among the residents. For that reason, the Town has undertaken an Owner Occupied Housing Rehabilitation (OOHR) program that targets older neighborhoods in the community, in addition to low/moderate households that are physically or financially unable to repair or maintain their properties. Funding for this project is available from the HOME (find the spelled-out version) funds distributed to the Arizona Department of Housing (ADOH) from the US Department of Housing and Urban Development.

Prior to 2009, the OOHR program was managed by NACOG on behalf of the town. Town staff applied for and was awarded $250,000 for rehabilitation of owner occupied site built and mobile homes, as well as for the replacement of obsolete mobile homes within the corporate boundaries of the Town. Having successfully fulfilled its obligations under the 2009 award, staff applied for and was awarded $300,000 in 2011. To date, this program has successfully resolved code and energy efficiency deficiencies in twenty-one homes and replaced one mobile home.



Owner Occupied Rehabilitation Projects, 2009-2011

Exhibit H-1

5.3.2 Renter Occupied Housing

Rental properties may benefit from a Rental Rehabilitation program that would offer landlords financial incentives to repair and update their properties in exchange for guaranteeing below-market rate rents for low/moderate income households for a period of ten (10) years. Due to the transitory nature of rental housing, neighborhoods with concentrations of rental units tend to have more code enforcement issues as the residents in the structures have no real vested interest in the continued maintenance of the units. Landlords have no incentives to maintain the units beyond what can be funded/paid for from the rental income stream and keep the unit minimally compliant with building codes. Instituting a Rental Rehabilitation program would help ensure rental housing that is safe and affordable to residents of the community, and help stabilize neighborhoods with concentrations of mature rental units that may be declining. (Table showing % of income dedicated to gross rent; reiterate age/structure for rental units). It could also increase the absorption rate of vacant foreclosed homes as it would provide additional funding for repairs to neglected dwelling units.

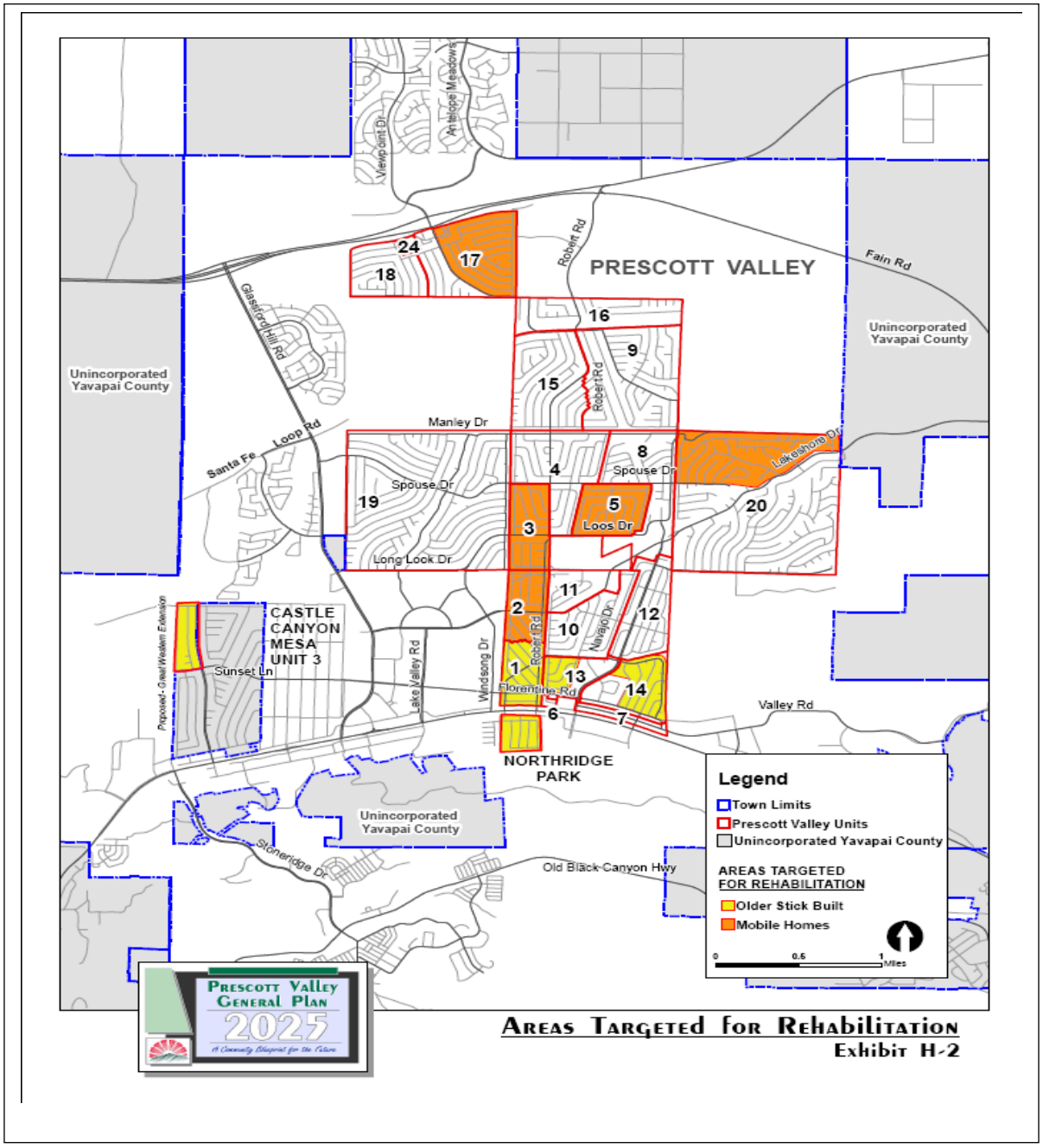
Prescott Valley is somewhat unique in the number of mobile homes within its boundaries. While this form of housing is generally economical to build, they have a limited effective lifespan. As previously discussed, mobile homes accounted for almost 1/3 of all occupied dwelling units in 1990 (29.5%), or 1,563 of a total 5,300 occupied units. That number increased to 2,319 units by 2000 and represented 20.6% of all occupied dwelling units. Thus, there are 1,563 mobile homes that have reached or nearly reached the end of their effective lifespan of 25 years, with an additional 756 at or near the halfway point in their effective lifespan.

Incentivizing the conversion of mobile homes to multifamily attached dwellings may reduce the number of dilapidated, outdated dwelling units in the more mature neighborhoods where they are found. First, increasing density would provide landlords with an incentive to clear obsolete structures from the lots and enable them to construct a site built unit that would be depreciate less rapidly and offer a more energy efficient unit. By combining two adjacent mobile home lots and increasing the density to three units, land can be used more efficiently. Growth can be absorbed by existing infrastructure rather than extending sewer, water, and other infrastructure improvements to currently undeveloped areas in the town. This can be achieved by allowing for multi-story townhome style construction or site condominiums, rather than replacing one mobile home with another. From 1990 to 2000, construction of two unit structures increased over 300% for both renter and owner occupied properties. The number of three and four attached dwelling unit structures increased by 39 structures from 1990 to 2000 among owner-occupied units or a 264% increase, and by 211 structures or a 75% increase for renter-occupied units for the same time period.

Secondly, federal incentives exist for construction of rental properties that are targeted to low/moderate income households. These incentives generally require that units be made available at below market rates for a period of ten (10) years, after which they can convert to market rate rental units or convert to condominiums and sold.

Furthermore, allowing for a site condominium would allow for free standing detached housing structures that share common areas and maintenance. Given the number of single head of household families, this may be an attractive option for those who do not have the time to dedicate to property maintenance.

Finally, most of the existing concentrations of mobile homes are conveniently located near parks, schools, and other amenities that are attractive to families. Clearing the existing obsolete housing units and replacing them with site built structures may make those neighborhoods more attractive to young families, and even allow for adjacent multi-generational dwelling units that are affordable to low to moderate income households.



5.3.4 Areas Targeted for Rehabilitation Services

Exhibit H-2 illustrates the areas within the Town that are targeted for rehabilitation services. These services include but are not limited to include the previously discussed Owner Occupied Housing Rehabilitation Program and the Rental Rehabilitation Program.

Units 2, 3, 5, 17, and a portion of 20 have a high concentration of mobile homes, and would likely benefit from the previously discussed incentivization of converting the structures on these smaller parcels to site-built units. Northridge Park, located south of State Route 69, would likely benefit from this policy as well. Rehabilitating the remaining neighborhoods that are largely populated with site built structures will enable the community to provide a more stable foundation for housing valuations in the community.

5.4 Future Housing Development Policy

Nearly forty years have passed since the beginning of the housing boom in Prescott Valley. A community that was initially promoted as an inexpensive retirement location for Midwesterners has continued to grow beyond the initial expectation, attracting residents from across the United States seeking more than just a place to retire.

While early households in the Town largely consisted of married couples of retirement age, that demographic has changed considerably. The typical household in Prescott Valley in 2010:

- Is three times more likely to own than rent (88% vs. 30%)
- Is comprised of 2.5 persons per household
- Lives in a single family detached structure (58.5%)
- Is seven times more likely to live in a family household than a non-family household (87% vs. 12%)
- Is four and a half times more likely to live in a male headed household than female headed household
- Is three times more likely to live in a married couple household (60%) than a single person head of household or non-family household (20%) or a single person household (20%)
- Pays $857 or 35% or more of income in rent
- Pays $1,246 or 35% or more of income in mortgage payments

These demographics demonstrate clear demand for single family detached structures that will house a family of at least three persons, and will pay, on average $1,246 in mortgage payments or $857 in gross rent.

In planning for future housing development in The Town of Prescott Valley, policies guiding growth should focus on providing a number of housing options for current and future residents. Particular attention needs to be paid to careful expansion new development, encouraging it in areas where costly infrastructure is already provided, and the additional requisite community services do not unduly tax the community's financial resources.

5.4.1 Town Center

The Town of Prescott Valley's Town Center should be a focus of the expansion of medium to high density housing. This area has undergone a rapid transformation - literally from cow pasture to thriving downtown - in a mere ten years. Construction of a 200 bed hospital and expansion of related health care facilities in have provided many jobs to the community; likewise, the growth in the entertainment industry evidenced in Table H: Employment by Industry reflects the impact of the Entertainment District. New educational opportunities in the Town Center include the Northern Arizona University-Yavapai College partnership, and the Arizona Agribusiness and Equine Center.

The aggregation of these uses in one area provides a ready market for residential users in a compact urban setting. The housing demand previously discussed indicates a steady demand for rental housing. Coupled with the population trend toward growth in the 18-24 year old age cohort and the employment, leisure, and educational activities present in the Town Center, development of higher density housing would contribute to the continued growth and success of the area. Furthermore, encouraging high density housing in the urban core would take advantage of readily available infrastructure

and provide infill opportunities for existing undeveloped land, rather than developing a high intensity use on the edges of the community.

Housing development in the Town Center is already underway; the Valley View Apartments provide housing for income qualified individuals and families. The first two phases of SunGate Villa is targeted to income qualified seniors; the third phase will offer units for income qualified individuals and families. As employment opportunities and other amenities continue to expand, demand for market rate rental and owner-occupied housing should grow as well.

Site built: *A dwelling unit that is constructed on the site to which it is attached.*

Stick built: *not pre-fabricated; built using standard stud wall construction.*

Modular: *Dwelling units that are constructed from one or more pre-fabricated portions that are built elsewhere but delivered and assembled on-site.*

5.4.2 Growth Tier and Master Planned Community Development

The Town of Prescott Valley's General Plan segments growth areas into three growth tiers. Tier 1 consists of land that is currently carries land use designations and zoning classifications for residential development, is actively being developed, and has existing infrastructure or infrastructure is readily available. Tier 2 is comprised of those lands on the periphery of Tier 1 that carry broad land use designations and zoning classifications, and may or may not have infrastructure available or readily accessible. Tier 3 is comprised of land that is within the annexation boundary of the Town but may not have been annexed, has holding land use designations and zoning classifications, and generally has no infrastructure available or in close proximity to it. Because of the availability of infrastructure and the supply of undeveloped land in Tier 1 and Tier 2, housing development in those tiers will be discussed in detail.

Chapter 3: Growth Area Elements discusses future growth within the Town in a broad sense. Table H21: Existing Zoned Acreage and Housing Designations further analyzes the data set forth in Table GA-1 Future Land Use Needs Projections in terms of the number of dwelling units per acre as currently zoned, as well as acres and number of dwelling units under three growth scenarios: Current Trends (Trends), More Aggressive, and Aggressive.

Table H21: Existing Zoned Acreage and Housing Designations

	Existing Zoned Acres (2011)			Acres Needed 2000-2025								
Land Use	Acres	Min	Max	**Trends**	Min	Max	**More Aggressive**	Min	Max	**Aggressive**	Min	Max
Single-Family Detached	9,387	8,777	31,916	1,987	1,858	6,756	2,918	2,728	9,921	4,049	3,786	13,767
Multi-Family	741	5,102	9,448	231	1,590	2,945	342	2,355	4,361	478	3,291	6,095
Mobile Home	713	2,485	4,848	318	1,108	2,162	452	1,575	3,074	618	2,154	4,202
TOTAL	**10,841**	16,363	46,212	**2,536**	4,557	11,863	**3,712**	6,658	17,355	**5,145**	9,231	24,064

Single Family Detached		*Multi Family*		*Mobile Home*	
R1L	Single Family Limited	R1M	Single Family Mixed Housing	R1M	Single Family Mixed Housing
RCU	Single Family, Rural	R2	Multiple Dwelling Units	R1MH	Single Family Mobile/Manufactured Homes
RS	Residential and Services	RS	Residential and Services		

Currently, there are approximately 10,841 acres that carry a housing-related zoning designation for Single-Family Detached, Multi-Family, and Mobile Home designation. There are approximately 8,000 additional acres that carry the RCU-70 zoning classification, which serves as a broad holding classification for land annexed into the Town from Yavapai County. The bulk of this land is in the outlying areas of Tier II and all of Tier III; development of this land is likely beyond the horizon of this document.

There are 9,387 acres zoned for Single Family Detached use. Assuming a minimum density of 1.1 dwelling units per acre (du/a) and a maximum density of 4 du/a, existing acreage can support a minimum of 8,777 to a maximum of 31,916 single family detached dwelling units. There are approximately 11,560 single family detached dwelling units in Prescott Valley; by deducting that from the densities in Table H21 it can be determined that there is enough acreage with underlying zoning to support an additional 20,356 such units under the maximum densities allowed. There is an adequate supply of zoned acreage within Tiers I and II to accommodate single family detached housing needs for the Trends and Moderate Growth scenarios at higher densities; however, consideration of zoning additional acreage for this type of housing would likely be necessary to accommodate growth in the Accelerated Growth scenario, or for the Trends and Moderate Growth scenarios at lower densities.

In terms of multi-family housing, there are 713 acres currently zoned for various multi-family uses. Assuming a minimum density of 8.1 du/a and a maximum of 15 du/a, existing acreage can support 5,102 to 9,448 multi-family dwelling units. There are approximately 2,994 multi-family dwelling units in the Town; deducting that amount from the densities in Table H21, it can be determined that there is enough acreage with underlying zoning to support an additional 2,108 to 6,454 multi-family dwelling units. Under the three growth scenarios presented, there is enough zoned acreage to meet demand for both minimum and maximum densities.

Mobile homes provide a low cost alternative to site built housing, and provide many households with an affordable path to homeownership. There are 713 acres currently zoned to accommodate mobile homes in varying densities throughout The Town of Prescott Valley. Assuming densities of 4.1 du/a to 8 du/a, the existing zoned acreage can accommodate 2,485 to 4,848 mobile homes. Deducting the approximately 2,840 units in place throughout the town, available zoned acreage can handle an additional 2,007 mobile home units. The current carrying capacity is ample to meet the minimum densities for all three growth scenarios.

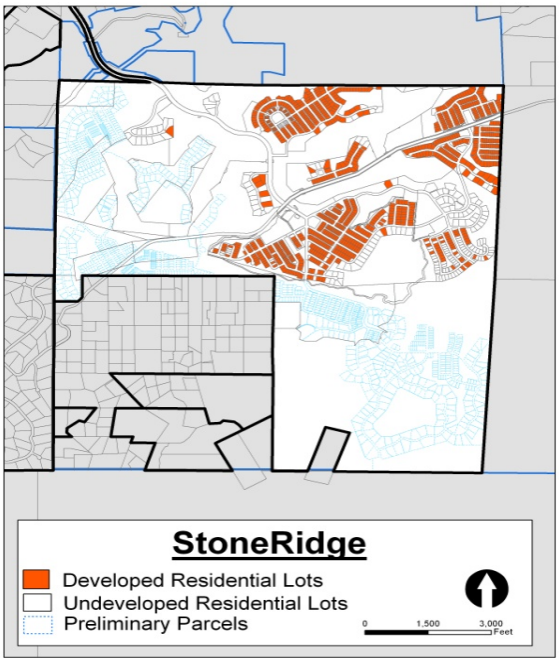
While the Trends and Moderate Growth scenarios can be mathematically achieved within currently zoned acreage, there will likely be circumstances in which zoning land to allow for flexibility in development should be considered and supported. For example, a given Master Planned subdivision may have had a previously zoned unit revert to acreage and "lose" its zoning designation. However, its proximity to public infrastructure and services may make it more practical to rezone that parcel for development than shift the development to an area where the zoning may be in place, but no public infrastructure or services are available. Therefore, rezoning of property for residential purposes should not be categorically denied, but rather considered in light of its congruence to the guiding principles, goals, and policies set forth in *General Plan 2025*.

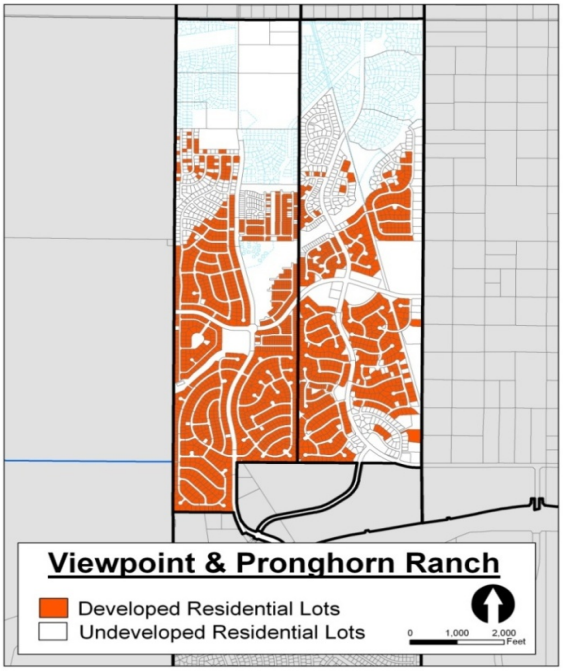
5.4.3: Growth Tier I and Master Planned Community Development

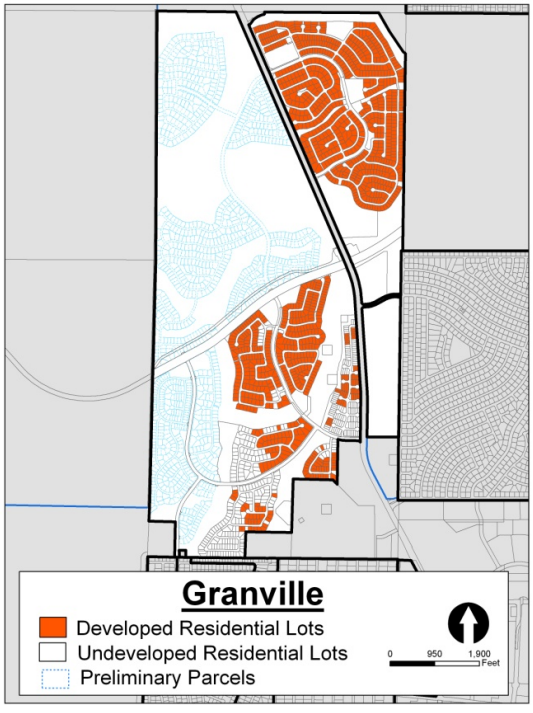
Growth Tier I is comprised of the original townsite and subsequent annexations of land in both Township 14 North Range 1 West and 14 North Range 1 East, as well as the master planned subdivisions of Granville, StoneRidge, Antelope Meadows, Pronghorn Ranch, Yavapai Hills, Glassford Hill Marketplace, and Mingus West. These areas are illustrated in GA-2: Growth and Development Tier I, found in Chapter 3: Growth Areas Element. Roads, utility infrastructure, and public services are readily available in these areas; by focusing future housing development in these areas, existing infrastructure can be used rather than expanding existing systems. In

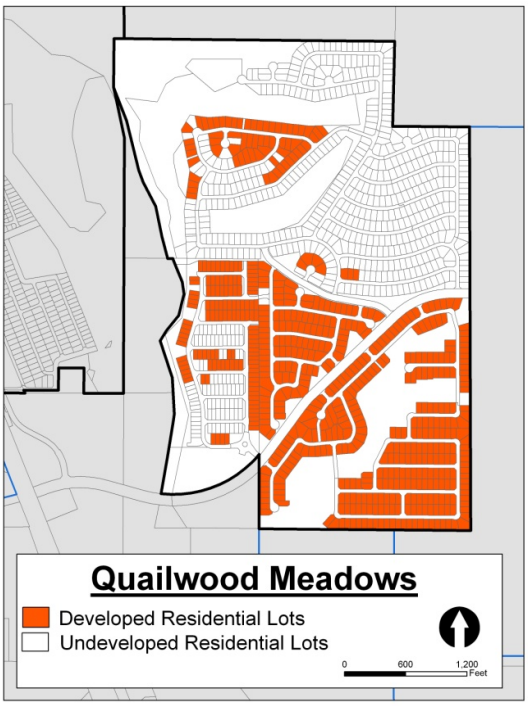
MASTER PLANNED COMMUNITIES	TOTAL ACRES	APPROVED RES. UNITS	APROX. PLATTED LOTS	APROX. DEVELOPED LOTS
StoneRidge	1,880	3,043	1,279	928
Pronghorn Ranch	640	1,440	990	698
Granville	1243	3,400	1,496	1178
Mingus West	297	466	222	103
Prescott Country Club - 6	137	180	180	80
Viewpoint	636	2,600	1,460	1,240
Quailwood Meadows & Townhomes (987+204)	540	1,191	1,191	616

terms of existing capacity in the master planned communities in Prescott Valley, a brief overview of buildout and available land is helpful.

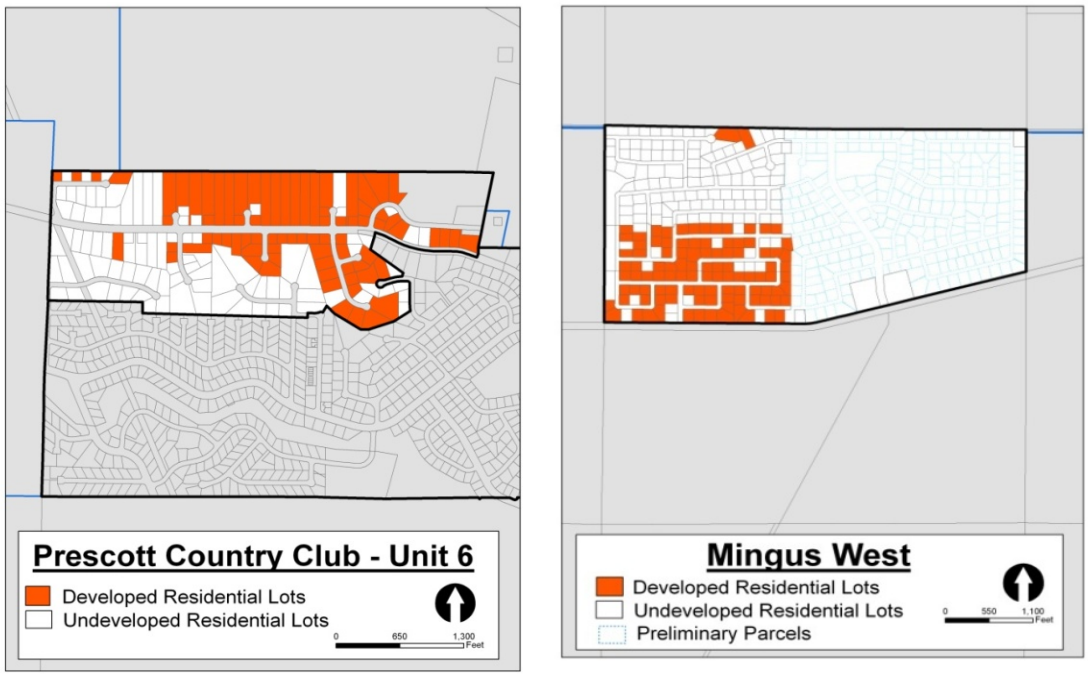








Master Planned Communities
Exhibit H-3



Master Planned Communities
Exhibit H-3

Exhibit H-3 Master Planned Communities provides illustration of the developed and undeveloped portions of the Master Planned developments located in Prescott Valley.

StoneRidge is comprised of 1,880 acres zoned for a variety of residential and limited commercial development. This development has approval for 3,043 residential units; of that total 1,279 have been platted (lots have been created) and 928 residential lots have been developed. This leaves 351 platted lots ready for construction, and an additional 1,764 lots for which there are preliminary plats. Zoning for additional residential development is already in place for both single family detached dwelling units and multi-family housing.

The Viewpoint and Pronghorn Ranch are located north of State Route 89A, and have generally been developed as single family detached dwelling units. Both contain approximately 640 acres each; Pronghorn Ranch consists of 1,440 residential units, while The Viewpoint is approved for 2,600 residential units. Of the 1,440 approved residential units approved for Pronghorn Ranch, 990 have been platted and 698 have been developed, leaving 292 platted lots for immediate development and 450 for final platting and development.

The Viewpoint has approximately 1,240 developed lots, representing almost all of the 1,460 platted lots currently available for development. Approved for 2,600 residential dwelling units, nearly half of that allocation remains available for development as single family detached and multi-family units.

Granville comprises almost two sections of land on the west side of Prescott Valley and is divided by Glassford Hill Road, which runs north/south through the subdivision. This Master Planned community includes 1,243 acres and is approved for 3,400 residential units, which are available as single family detached, single family attached, and multi-family dwelling

units. Approximately 1,496 lots have been platted and 1,178 have been developed, leaving approximately 1,904 dwelling units to be constructed. Currently, 318 platted lots are available for immediate development.

Quailwood Meadows is located at the southern entry area of the Town, east of State Route 69, north of State Route 169 and south of Fain Road. This master planned community is comprised of two types of housing: single family detached houses and single family attached dwelling units in a Townhouse arrangement. This development contains 540 acres and is approved for a total of 1,1919 residential units. All lots have been platted; of the total 1,191 lots available, 616 have been developed, leaving a balance of 575 lots available for development.

Mingus West is located six miles northeast of the Town, and can be found north of State Route 89A east of the Fain Road intersection. The Master Plan for this development calls for the development of 466 residential units on 297 acres. Approximately 222 of those lots are platted and 103 are developed, leaving a balance of 244 lots to be platted and 363 to be developed. Zoning for this development is for single family detached dwelling units.

Unit 6 of Prescott Country Club represents the smallest Master Planned development in The Town of Prescott Valley. Comprised of 137 acres, it has been approved for 180 residential units on 180 platted lots, 80 of which have been developed, leaving a balance of 100 lots available for development as single family detached dwelling units.

5.4.4 Growth Tier II

As illustrated in Exhibit GA-3: Growth and Development Tier II found in Chapter 3: Growth Areas Element, the bulk of Tier II can be found north of State Route 69 and east of the original town site. A portion of Tier II encompasses an area north of State Route 89A, comprised of Sections 24 and 36 of Township 15 North Range 1 East and Sections 19 and 30, Township 15 North, Range 1 West, and the southwest quarter of Section 34, Township 14 North Range 1 West.

While there is a full compliment of spine utility and roadway infrastructure available throughout Tier II, the bulk of available sewer, water, and roads have been constructed in the southern portion of Tier II adjacent to State Route 69 south of Fain Road and north of the State Route 69/169 intersection, and along Fain Road near State Route 69. This tier also encompasses the area commonly known as Prescott Country Club, which is currently an unicorporated portion of Yavapai County.

In keeping with the Principles, Goals, and Policies set forth in *General Plan 2025*, growth of residential development should occur in those areas where infrastructure currently exists. For example, several units of existing master planned subdivisions are development-ready, waiting only for the market to recover. The buildout of existing capacity should be taken into consideration prior to extension of infrastructure to areas not already platted.

Village PAD (Planned Area Development) and PAD designations account for the Land Use Designations for the majority of the real estate found in Tier II. This designation is essential in maintaining flexibility in design and location of a variety of residential uses so that actual demand in the marketplace can be met, allowing for mixed residential uses and orientations rather than more traditional separation of uses.

The portion of Tier II that comprises PAD 7-11 and found north of State Route 89A near the Fain Road/State Route 89A intersection is comprised of larger parcels, generally greater than 5 acres, and used for various agricultural and recreational purposes. This proclivity to a rural residential or estate residential should be encouraged, as it offers a rural fringe to the more urbanized settings to the south and west. This area currently offers both site-built and mobile home options, making it affordable to a variety of household income brackets. Inclusion of multi-use paths/linear parks for non-motorized use should be considered in this area to provide some continuity and expanded recreational opportunities for pedestrian, bicycle, and equestrian use.

5.5 Guiding Principles, Goals, and Policies

The Guiding Principles, Goals, and Policies set forth in this element should serve as a framework for continued growth and revitalization of housing options throughout The Town of Prescott Valley. Housing development efforts should also be congruent with the Principles, goals, and policies set forth in Chapter 3: Growth Areas Element and other Elements of *General Plan 2025*.

GUIDING PRINCIPLE H-A: PROMOTE RESIDENTIAL DEVELOPMENT THAT INFILLS EXISTING CAPACITIES

GOAL: **H-A1** ***Encourage housing development that absorbs existing capacities in infrastructure***

POLICIES:

H-A1.1 Support development that is located adjacent or in close proximity to existing utility and roadway infrastructure.

H-A1.2 Support development that builds out existing neighborhoods and master planned communities.

GUIDING PRINCIPLE H-B: SUPPORT DEVELOPMENT THAT OFFERS ALTERNATIVES TO TRADITIONAL NEIGHBORHOOD DESIGN

GOAL: **H-B1** ***Promote housing development that accommodates the needs of all households, regardless of income***

POLICIES:

H-B1.1 Support new construction projects that meet the needs of targeted populations (e.g., disabled, very low income seniors)

H-B1.2 Offer density bonuses to non-tax incentivized projects that offer site built entry level housing options.

GOAL: **H-B2** ***Incentivize development that offers amenities to encourage alternatives to traditional development patterns.***

POLICIES:

H-B2.1 Incentivize future housing development to provide sidewalks, linear parks, multi-use paths, local neighborhood commercial uses, and transit-oriented design.

H-B2.2 Incentivize replacement of functionally obsolete mobile home units with density bonuses for site built housing that aggregates smaller parcels to accommodate multi-family or multi-generational housing. (Family-oriented design).

H-B2.3 Incentivize interconnectivity of neighborhoods via the Pedestrian/Bicycle System as outlined in Chapter 8: Recreation and Open Space Element.

GUIDING PRINCIPLE H-C: SUPPORT REVITALIZATION OF MATURE NEIGHBORHOODS

GOAL: **H-C1** ***Support homeowner repair and rehabilitation programs targeted for low to moderate income and special needs households***

POLICIES:

H-C1.1 Seek grant funding to assist low to moderate income households in repairing owner-occupied housing units.

H-C1.2 Seek grant funding to support repair and rehabilitation of substandard rental housing in exchange for rent guarantees from landlords.

H-C1.3 Support existing programs and policies that encourage and enforce property maintenance code and zoning code compliance, and expand programs as necessary to maintain a safe and healthy living environment throughout the community.

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