

Housing Needs Assessment

Town of Wickenburg, Arizona



Prepared for: Town
of Wickenburg
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Executive Summary

Purpose of Study

The purpose of the Wickenburg Housing Needs Assessment is to identify the affordability gap for the community - the shortage of units that are needed to provide affordable housing for all segments of the population. Affordability is determined by using the standard that no more than 30% of a household's income is devoted to housing costs. The U.S. Census provides an estimate of the number of cost-burdened owner and renter households that are paying more than 30% of their income on housing. This essentially identifies the size of the housing gap.

Demographic Characteristics of Wickenburg Population

The population of Wickenburg has an extremely high median age of 61 years and a small average household size. A high median age of a community raises questions about the availability of personnel to provide services for the population. Without a younger population, service workers may need to commute long distances to work in businesses in the town.

Household incomes are growing in Wickenburg, likely due to the influx of residents in Wickenburg Ranch. However, the median income for Wickenburg households at \$52,898 in 2020 is 14% below the median income for Arizona households, possibly due to the high level of retired persons living in the community. Median household incomes for renters in Wickenburg at \$30,929 are 29% lower than the typical Arizona renter. This data demonstrates the potential demand for affordable rental units in the community.

Wickenburg is expected to experience moderate growth over the coming decades. It will likely continue to attract a retirement population due to its amenities and lifestyle. Household incomes may continue to rise with the influx of new residents to Wickenburg Ranch and the wealth that may come with those residents who may have second homes in other locations.

Economy

Given its size, Wickenburg has a robust economy that is built on its:

- Location as the economic center of the far northwest part of Maricopa County,
- Tourist destinations,
- Medical facilities, and
- Roping events.

Unemployment in Wickenburg has been very stable and below Maricopa County levels. Historically, the town shows very low unemployment levels, essentially full employment. The



labor force participation rate for Wickenburg in 2021 is well below the state and county averages, reflective of its retirement population. This creates some uncertainty as to where its service sector employment comes from to serve the retirement population.

Despite its small size, Wickenburg's taxable transaction privilege sales on a per capita basis are 81% higher than Maricopa County's.

In summary, Wickenburg has a robust economy with low unemployment levels but a limited labor force. Its core industries include health care, tourism, consumer services, retail, and hospitality. These strengths in the local economy help to generate significant revenue for the town relative to its size.

Housing

The town has a modest assortment of apartment complexes which limits the ability of renters to enter the community. Rents are modest, likely due to the age of the apartment inventory and the number of subsidized units in the inventory. The typical size of apartment units in Wickenburg is small, limiting the options for households with children to rent in the community.

Housing prices are moderate for all housing types within Wickenburg proper. Wickenburg Ranch housing will likely continue to have much higher prices.

The housing burden, particularly for renters, is significant but below statewide trends. Renter incomes are extremely low relative to county averages.

Short-term rentals do not appear to materially impact the housing market. Only 70 units are currently listed on websites and some of those are traditional tourist hotels or guest houses. While these units may be affecting availability for permanent residents, the total number of short-term rentals appears minimal. However, this source of housing should be monitored periodically to determine if they become more of an issue.

Wickenburg's housing gap – those households paying more than 30% of income on housing – is moderate compared to state and county averages. However, the need for affordable housing is still real, totaling more than 200 renter households and more than 500 homeowners. Of those 200 renter households, most are considered extremely burdened, paying more than 50% of their income on housing. Wickenburg's apartment inventory of 417 units as compiled for this study is comprised of 185 affordable units or 44% of all rental apartments. However, with an extremely low vacancy rate near 3%, there are few housing options for renters in the community.



Impact of Bagdad Mine Expansion

The Bagdad copper mine operated by Freeport McMoran is planning a major expansion that will increase the workforce by 80%, from 1,000 workers today to 1,800. In addition to the Freeport employees, there will also be a substantial influx of private contractors that will be employed on the site. Contractor employment will reach about 2,000 workers in 2024 and 2025. Once completed, another 300 contractors will be employed on the site on a regular basis. Freeport will not be providing any housing for the new workers.

The impact of the Bagdad mine expansion has potential positive and negative results.

- On the positive side, the expansion could be significant for Wickenburg from two perspectives.
 - ✓ Providing the accommodations for contractors over the next three years would require the development of hotel and motel accommodations as well as RV parks.
 - ✓ Providing housing for both permanent on-site employees as well as remote workers who will not need to travel to the mine on a regular basis.

These potential visitors/residents would spend their wages in the local economy, producing retail, grocery, and restaurant sales and taxable revenue for the community.

- On the negative side of the mine expansion is the potential impact on the housing market if an adequate number of housing units are not available to satisfy the demand from the employees. This could lead to an increase in short-term rentals as well as causing a rapid increase in monthly apartment rental in the town.

Expansion of the town's housing inventory is the primary way in which to deal with the potential impact of the expansion of the Bagdad mine. Coordination between Freeport and local builders on the plans for the mine expansion is necessary to ensure housing units are available when needed. With the company considering a home purchase voucher as an employee incentive, employees who can work remotely would be prime targets for homeownership.

Priority Areas

Priority Area #1: Apartments

- There are approximately 4,005 total housing units in the Town of Wickenburg. Of those total housing units only 8.5% are apartments; the statewide average is 19.1%.
- Wickenburg apartments have a very low apartment vacancy rate of 3% where 7% is the statewide average.



- With no new apartments built over the last 15-years, apartments are identified as a priority area for Wickenburg's Housing needs.

Priority Area #2: Affordability Housing Payment Range Less Than \$1,250 Per Month

- 21.5% of Wickenburg households (742 households) pay more than 30% of their income on housing. Moreover, 22.3% of Wickenburg renters pay more than 50% of their income towards housing. The monthly housing affordability ranges below are a Priority for Wickenburg's housing needs.

Households Paying More Than 30% of Income Towards Housing		
Income Range	Households	Target Affordability Range
Less Than \$20,000	372	Less Than \$500
\$20,000 - \$34,000	168	\$500 - \$875
\$35,000 - \$49,000	118	\$875 - \$1,250
\$50,000 - \$74,000	49	\$1,250 - \$1,875
More Than \$75,000	35	More Than \$1,875
Total	742	

Housing Implementation Strategies

The following strategies are designed to address the demand for affordable housing in Wickenburg. The strategies are essentially a tool kit of programs and incentives that may promote the development of housing in the near term. The Town may find that some or all of the tools may not fit within financial or policy parameters of the Town, but they are proven methods of promoting housing development.

1. Continue to Improve

- a. Establish partnerships with stakeholders such as USDA.
- b. Coordinate with local employers and stakeholders on the demand for affordable housing.
- c. Promote the development of LIHTC complexes for low and moderate-income households through marketing materials and the identification of incentives that may assist a developer.
- d. Continue to expand and improve the Town's expedited building permit process.
- e. Analyze the impact of short-term rental on the housing market and adopt regulations available to municipalities.
- f. Create marketing material targeting housing developers and continue to promote advantages to developers of no town impact fees.



2. Land Use, Zoning Code, Building Codes, and Approval Requests Considerations

- a. Evaluate and comprehensively update Zoning and Building Codes to encourage affordable and accommodating housing.
- b. Through Zoning Code amendments allow accessory dwelling units opportunities in selected areas.
- c. Through Zoning Code amendments offer density incentives for affordable housing.
- d. Through Zoning Code amendments allow flexible parking requirement for affordable housing developments.
- e. Consider opportunities for tiny homes, 3D construction, and alternative building methods through special zoning requests.
- f. Consider accommodating requests for increased density and affordable housing on a case by case basis.
- g. Encourage “mixed-use” and “housing friendly” categories in the Town’s future land use plan through the General Plan Update.

3. Town Initiatives

- a. Assist with public infrastructure improvements and/or public infrastructure financing to unlock property for affordable housing.
- b. Leverage deed restrictions and community land trusts for generational affordability.
- c. Waive permit fees for affordable housing.
- d. Offer Town owned property for affordable housing through Request for Proposals and/or Public Private Partnerships.
- e. Use Town Boards and Commissions to actively promote affordable housing strategies.

4. Devote substantial financial and resource-intense investment towards progressive affordable housing programs and initiatives.

The above “Housing Implementation Strategies” are widely deployed across the State and are accepted methods to address housing affordability issues. The following Case Studies address more innovative and resource-intensive tools that have been successful in cities and states across the country.

Workforce Housing Program – Philadelphia, PA

The Workforce Housing Program (WHP) identifies and packages parcels of city-owned land in targeted neighborhoods where the average home price exceeds \$300,000, beyond the reach of workforce households. Parcels are offered for sale at a discounted price that generates revenue for the city and ensures that the developer can profitably deliver housing affordable



to purchasers earning 120 percent of AMI or less. The WHP has successfully produced more than 200 new units.

Vail InDeed Program – Vail, CO

Managed by the local housing authority and funded by the Town's General Fund, the Town of Vail purchases deed restrictions from homeowners and developers to permanently limit the occupancy of a given unit to only households with at least one member who is employed within the County limits. This limits increases in housing market prices due to out-of-town buyers. This approach has been applied to dozens of homes and apartments including the Solar Vail apartments.

Micro Estates – Tempe, AZ

Developed in partnership with the City of Tempe by nonprofit land trust Newtown Community Development Corporation, Tempe Micro Estates comprises thirteen 600-square-foot one-bedroom tiny homes that will be sold to people who earn between 80% and 120% of the area median income (AMI). The properties are on a land trust and household incomes are capped. Thus, if the homeowner decides to move, they must sell the residence back to Newtown CDC to ensure the next buyer is under 80% AMI thereby maintaining affordable values in perpetuity.

Town, USDA, and Housing America Corp. Partnership – Wellton, AZ

Ten homes for low-income families were built through a partnership of the Town of Wellton, Housing America Corp. (housing non-profit), and the U.S. Department of Agriculture (USDA). The Town of Wellton allocated a portion of its share of federal Community Development Block Grants to purchase lots and provide infrastructure for the homes. The USDA provided construction loans through their "502 program" and Housing America Corp. served as the administrator for the project.

Accessory Dwelling Units – Tucson, AZ

The City of Tucson updated its Zoning Regulation to allow Accessory Dwelling Units (ADUs) on single-family lots throughout the city. The maximum size of the ADU is 1,000 square feet for lots over 7,000 square feet and 750 square feet on lots under 7,000 square feet. One parking space would be required per ADU, which could be waived for sites that are within one-quarter mile of transit or a bike boulevard.

The Case Studies are innovative and resource-intensive tools that have proven successful. They will require a commitment (perhaps financial as well as additional staff) on the part of local



government to address housing affordability. In some cases, additional staff resources may be required to monitor the programs, ensure a unit is rented to a qualified person, and ensure the rent is affordable. Working with a non-profit partner in the implementation of these programs could help to reduce the impact of these programs on staff resources.



1.0 Introduction

The purpose of the Wickenburg Housing Needs Assessment is to identify the affordability gap for the community - the shortage of units that are needed to provide affordable housing for all segments of the population. In order to determine the affordability gap, data from a variety of sources are evaluated including the U.S. Census, the American Community Survey, and the Maricopa County Assessor. Unfortunately, due to Wickenburg's population size, data from the U.S. Census is limited to what the Census calls 5-Year estimates which are based on 60 months of collected data. The most up-to-date data for Wickenburg is the 2020 5-Year estimates which are subject to variability and in some cases a high margin of error. To compensate for this shortcoming, the Maricopa County Assessor's office was contacted for its housing database which provides up-to-date information on housing values.

As part of this report, a variety of demographic and housing information on Wickenburg will be collected from the U.S. Census. This data will include the homeownership rates, types of housing units, household income, and similar metrics.

The ability of the residents of Wickenburg to afford housing will be compared to typical housing rents and values currently in the market. This will lead to the identification of the "gap" or shortage of units at various income levels. Affordability is determined by using the standard that no more than 30% of a household's income is devoted to housing costs. The U.S. Census provides an estimate of the number of cost-burdened owner and renter households that are paying more than 30% of their income on housing. This essentially identifies the size of the housing gap.



2.0 Demographic Characteristics of Wickenburg Population

According to the Arizona Office of Economic Opportunity (OEO), Wickenburg had a population of 7,715 persons as of July 2021. Estimates for 2022 will be released later this year. An estimated 6,687 persons live in the Maricopa County portion of the town with another 1,028 persons living in Wickenburg Ranch in Yavapai County. Over the last eleven years, 75% of the growth of the town has been in the Yavapai County portion of the community.

Wickenburg Population History												
County	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Maricopa County	6,354	6,342	6,369	6,381	6,423	6,448	6,576	6,589	6,595	6,602	6,622	6,687
Yavapai County	-	-	18	18	18	17	142	336	535	769	899	1,028
Total	6,354	6,342	6,386	6,399	6,441	6,466	6,718	6,925	7,131	7,372	7,521	7,715
Population Change	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Maricopa County		(12)	27	13	42	25	128	13	7	7	20	65
Yavapai County		-	18	(0)	(0)	(0)	125	194	199	234	130	129
Total		(12)	45	13	41	25	253	207	205	241	149	194
Source: AZ OEO												

The population of Wickenburg has an extremely high median age of 61 years and a small average household size. A high median age of a community raises questions about the availability of personnel to provide services for the population. Without a younger population, service workers may need to commute long distances to work in businesses in the town.

Alternatively, the educational attainment of the resident population is equal to the statewide average where 30% of the population has a bachelor's degree or higher. This is an unusual finding for a non-urban community in Arizona. The education level of Wickenburg residents is consistent with the community's retirement demographic.

Age & Household Size			
	Arizona	Maricopa County	Wickenburg
Median Age	37.9	36.6	61.2
Average household size	2.66	2.76	2.23
Average household size of owner-occupied unit	2.69	2.78	2.13
Average household size of renter-occupied unit	2.59	2.64	2.34
Source: ACS 2020 5-Year Estimates			



Educational Attainment						
	Arizona		Maricopa County		Wickenburg	
	Persons	% of Total	Persons	% of Total	Persons	% of Total
Population 25 years and over	4,846,056		2,952,370		6,404	
Less than 9th grade	248,570	5.1%	155,179	5.3%	264	4.1%
9th to 12th grade, no diploma	339,349	7.0%	187,725	6.4%	179	2.8%
High school graduate	1,151,988	23.8%	659,883	22.4%	1,731	27.0%
Some college, no degree	1,208,298	24.9%	705,816	23.9%	1,692	26.4%
Associate's degree	429,153	8.9%	257,177	8.7%	606	9.5%
Bachelor's degree	911,228	18.8%	621,592	21.1%	1,014	15.8%
Graduate or professional degree	557,470	11.5%	364,998	12.4%	918	14.3%
Bachelor's degree or higher	1,468,698	30.3%	986,590	33.4%	1,932	30.2%

Source: 2015 - 2019 American Community Survey 5-Year Estimates

Household incomes are growing in Wickenburg, likely due to the influx of residents in Wickenburg Ranch. However, the median income for Wickenburg households at \$52,898 in 2020 is still 14% below the median income for Arizona households, possibly due to the high level of retired persons living in the community. The average income for Wickenburg in 2020 grew dramatically to a level above the Arizona average. The large difference between median and average household incomes in the town is likely due to new Wickenburg Ranch residents. The median income is the mid-point of the range; the average income is usually higher and typically skewed by high income households.

Household Income Comparison			
2019 & 2020			
	Arizona	Maricopa County	Wickenburg
Median income			
2019	\$58,945	\$64,468	\$47,270
2020	\$61,529	\$67,799	\$52,898
% Change	4.4%	5.2%	11.9%
Average income			
2019	\$80,779	\$89,019	\$73,072
2020	\$84,380	\$93,108	\$85,173
% Change	4.5%	4.6%	16.6%

Source: ACS 2020 5-Year Estimates



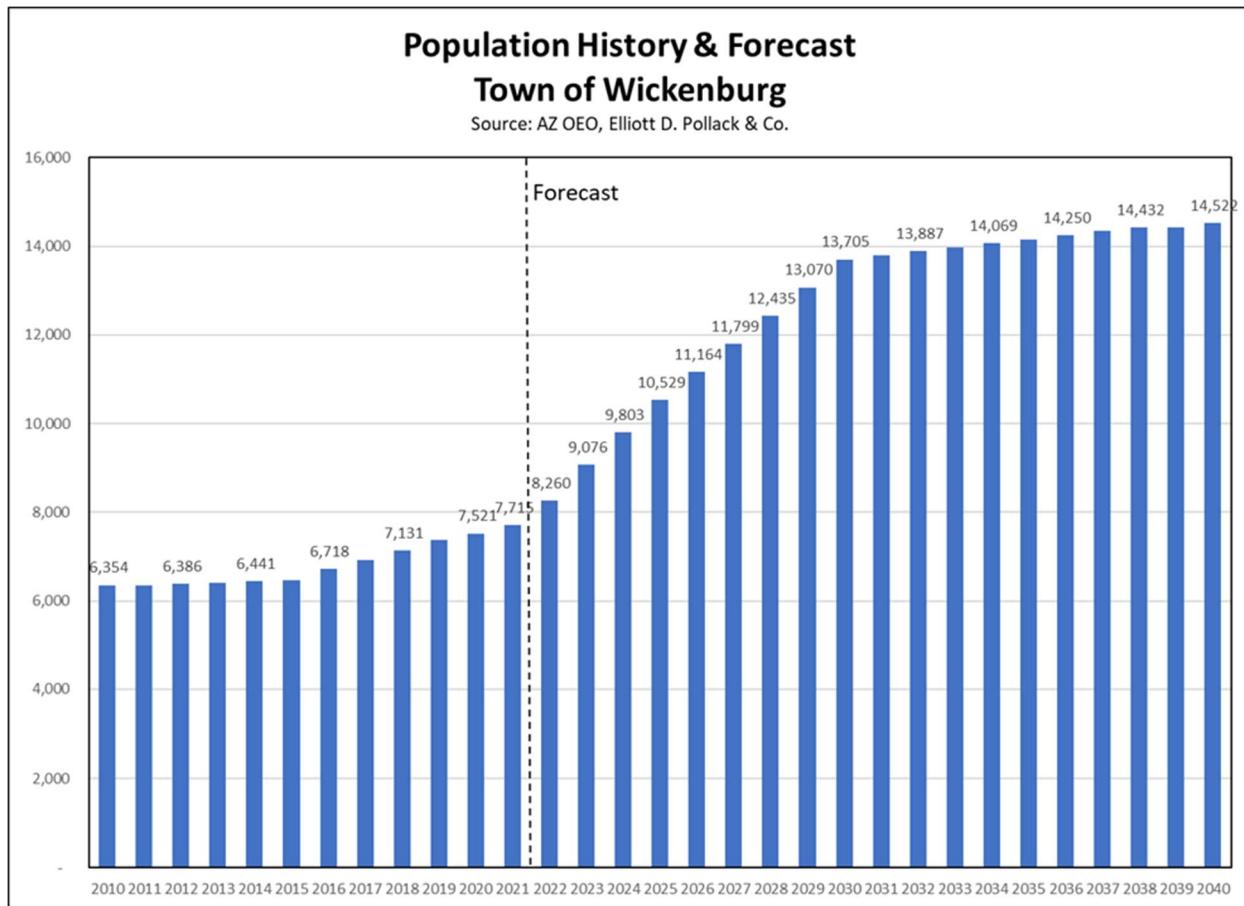
Median household incomes for renters in Wickenburg at \$30,929 are 29% lower than the typical Arizona renter. Incomes of Wickenburg owner-occupant households are twice the renter income, but still below the statewide median. This data demonstrates the potential demand for affordable rental units in the community.

2020 Household Income By Tenure				
	Arizona	Maricopa County	Wickenburg	% Difference to Arizona
Median income	\$61,529	\$67,799	\$52,898	-14.0%
Owner occupied (dollars)	\$74,539	\$84,575	\$61,394	-17.6%
Renter occupied (dollars)	\$43,578	\$47,482	\$30,929	-29.0%

Source: ACS 2020 5-Year Estimates

The Town of Wickenburg is forecasted to grow rapidly over the next ten years according to the Maricopa Association of Governments (MAG) and then slow thereafter. While the forecast does not indicate the division between Maricopa County and Yavapai County growth, the majority of the growth of the area will likely occur in Yavapai County with the development of Wickenburg Ranch. By 2030, Wickenburg should reach a population of 13,705 persons, increasing to 14,522 persons by 2040.





Overall, Wickenburg is expected to experience moderate growth over the coming decades. It will likely continue to attract a retirement population due to its amenities and lifestyle. Household incomes may continue to rise with the influx of new residents to Wickenburg Ranch and the wealth that may come with those residents who may have second homes in other locations.

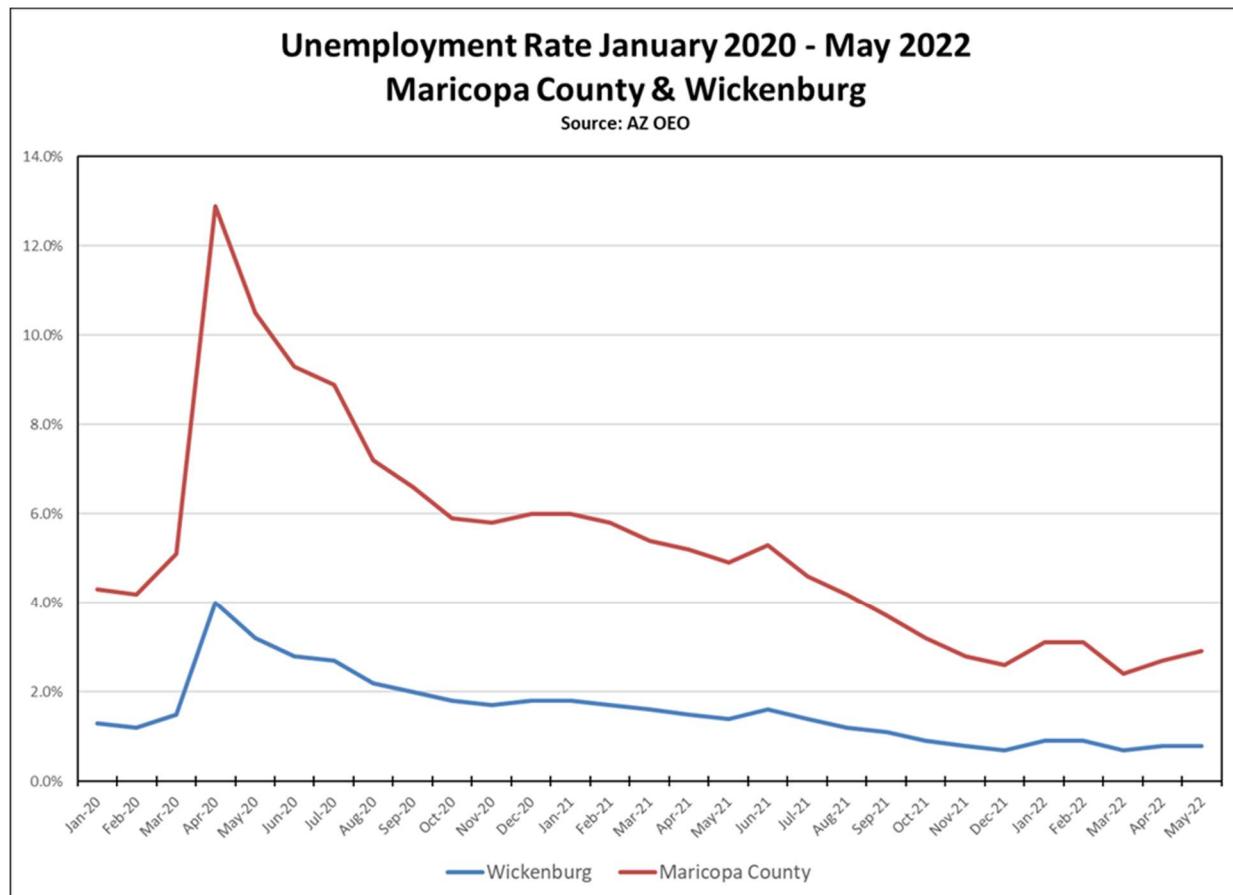


3.0 Economy

Given its size, Wickenburg has a relatively robust economy that is built on its:

- Location as the economic center of the far northwest part of Maricopa County,
- Tourist destinations,
- Medical facilities, and
- Roping events.

Unemployment in Wickenburg has been very stable and below Maricopa County levels. Even during the pandemic which started in March and April 2020, unemployment never rose above 4% compared to the County average of 13%. Historically, the town shows very low unemployment levels, essentially full employment, which is indicative of a community that needs a larger labor force.



In fact, the labor force participation rate for Wickenburg in 2021 is well below the state and county averages, reflective of its retirement population. This creates some uncertainty as to



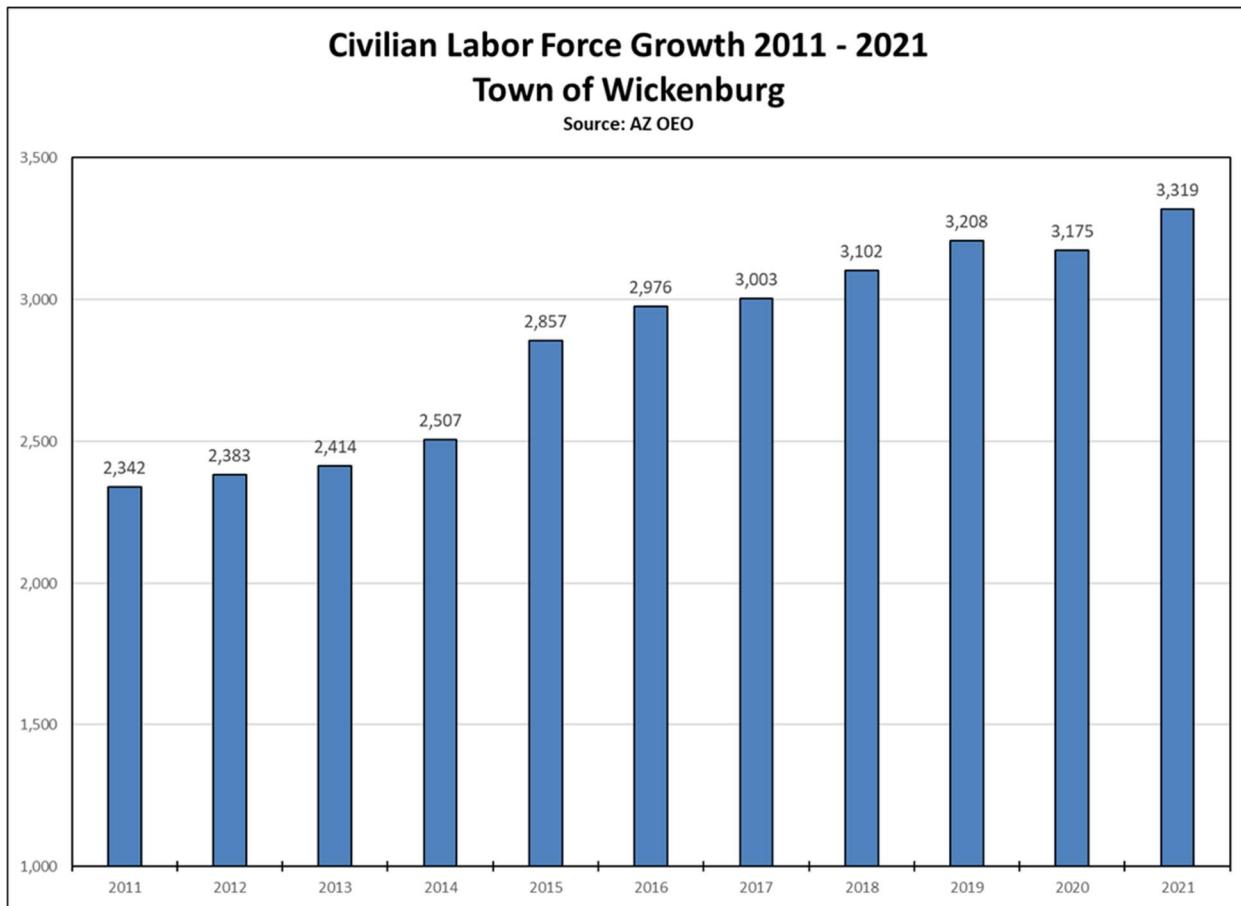
where its service sector employment comes from to serve the retirement population. In order for an economy to operate efficiently, it must have employees to provide the daily needs of its residents without forcing those employees to commute long distances to work. The availability of affordable housing for those workers is essential and an important economic development issue.

Labor Force Participation 2021			
	Arizona	Maricopa County	Wickenburg
Population 16 years and over	5,899,855	3,633,301	6,704
Civilian Labor Force	3,518,425	2,311,889	3,319
Employment	3,346,319	2,208,858	3,276
Unemployment	172,106	103,031	43
Labor Force Participation Rate	59.6%	63.6%	49.5%

Sources: ACS 2020 5-Year Estimates, AZ OEO

Despite the low labor participation rate, the town's labor force has been increasing over the past decade according to the Arizona Office of Economic Opportunity. Coming out of the Great Recession, the labor force increased in 2015 and has been rising since except for 2020 due to the pandemic. However, based on unemployment trends, the labor force is not keeping up with the demand for jobs in the area.





The strengths and weaknesses of a local economy can be illustrated by a very simple metric known as the “Location Quotient” or LQ. The LQ compares the percentage of jobs in each industry in a community to a larger economy, such as the state. An LQ over 1.0 indicates that a particular industry has a greater presence in the local economy compared to the state – hence a strength of the local area. An LQ less than 1.0 shows the potential weaknesses of an economy.

As shown on the following chart, Wickenburg has a number of strengths in its local economy that benefit the community including:

- Construction
- Consumer Services (restaurants, dry cleaners, etc.)
- Health Care
- Hospitality, Tourism, Recreation
- Media, Publishing, Entertainment
- Metal & Transportation Manufacturing
- Retail
- Telecommunications



In particular, Wickenburg is known for its addiction and mental health treatment facilities along with the northwest county's largest medical hospital, the Wickenburg Community Hospital. The hospitality, tourism, and retail industries are also significant contributors to the economy of the town. Recreation opportunities also are found in the outlying areas of Wickenburg. Business services, finance, government, and manufacturing are weaknesses in the local economy but not unexpected for a small, non-urban community.

Industry Cluster	Location Quotient				Location Quotient
	Wickenburg		Arizona		
	Employees	% of Total	Employees	% of Total	
Business Services	100	3.0%	289,530	11.4%	0.27
Construction	330	10.0%	169,730	6.7%	1.50
Consumer Goods Manufacturing	10	0.3%	29,610	1.2%	0.26
Consumer Services	440	13.3%	283,740	11.1%	1.19
Education	220	6.6%	209,280	8.2%	0.81
Finance, Insurance, & Real Estate (FIRE)	210	6.3%	193,610	7.6%	0.83
Government, Social, & Advocacy Services	230	6.9%	268,310	10.5%	0.66
Health Care	890	26.9%	281,590	11.1%	2.43
High Tech Manufacturing & Development	-	0.0%	103,930	4.1%	-
Hospitality, Tourism & Recreation	170	5.1%	109,740	4.3%	1.19
Media, Publishing & Entertainment	30	0.9%	20,440	0.8%	1.13
Metal Inputs & Transportation-Related Manuf.	50	1.5%	29,350	1.2%	1.31
Non-Metallic Manufacturing	20	0.6%	28,200	1.1%	0.55
Resource-Dependent Activities	10	0.3%	44,070	1.7%	0.17
Retail	450	13.6%	296,710	11.6%	1.17
Telecommunications	50	1.5%	28,130	1.1%	1.37
Transportation & Distribution	100	3.0%	161,880	6.4%	0.48
Total	3,310		2,547,850		

Source: MAG

Despite its small size, Wickenburg also has an above average level of per capita taxable sales, well above the Maricopa County average. Wickenburg's taxable sales on a per capita basis are 81% higher than Maricopa County's. And the town's taxable retail and restaurant sales are 44% higher than the county's. Much of these sales are generated from its tourism industry based on the town's reputation for dude ranches and roping events and ultimately translate into above average retail and restaurant sales. Construction activity also contributes significant taxable sales.



Net Taxable Sales by Transaction Privilege, Use & Severance Tax		
	Maricopa County	Wickenburg
Estimated Taxable Sales	\$109,467,350,317	\$339,403,818
Population	4,507,419	7,715
Per Capita Taxable Sales	\$24,286	\$43,993

Source: AZ Dept. of Revenue

Net Taxable Retail & Restaurant/Bar Sales		
	Maricopa County	Wickenburg
Estimated Taxable Sales	\$71,506,781,325	\$176,784,045
Population	4,507,419	7,715
Per Capita Taxable Sales	\$15,864	\$22,914

Source: AZ Dept. of Revenue

In summary, Wickenburg has a robust economy with low unemployment levels but a limited labor force. Its core industries include health care, tourism, consumer services, retail, and hospitality. These strengths in the local economy help to generate significant revenue for the town relative to its size.



4.0 Housing

Wickenburg's housing inventory is comprised of 4,005 units according to the American Community Survey with 3,450 of those units occupied on a year-round basis. It has a high percentage of single family detached units and a low percentage of multifamily units which is typical for a non-urban community. Only 8.5% of all housing units are considered apartments or multifamily compared to 19.1% statewide (three or more units within a building). This housing mix in effect may restrict renters from living in the community. If renters do desire to live in the community, alternatively they must rent single family homes or mobile homes which usually have higher rents.

Housing Units						
	Arizona		Maricopa County		Wickenburg	
	Units	% of Total	Units	% of Total	Units	% of Total
Total housing units	3,040,595		1,765,880		4,005	
1-unit, detached	1,947,438	64.0%	1,137,473	64.4%	3,015	75.3%
1-unit, attached	149,295	4.9%	96,131	5.4%	199	5.0%
2 units	39,131	1.3%	18,399	1.0%	17	0.4%
3 or 4 units	103,572	3.4%	67,973	3.8%	84	2.1%
5 to 9 units	120,123	4.0%	87,198	4.9%	101	2.5%
10 to 19 units	127,453	4.2%	92,235	5.2%	20	0.5%
20 or more units	228,117	7.5%	172,356	9.8%	137	3.4%
Mobile home	313,906	10.3%	90,970	5.2%	375	9.4%
Boat, RV, van, etc.	11,560	0.4%	3,145	0.2%	57	1.4%
Multifamily Units (3+ Units)	579,265	19.1%	419,762	23.8%	342	8.5%

Source: ACS 2020 5-Year Estimates

At the time of the Census survey, about 13.9% of the housing units in Wickenburg were vacant or 555 units. Some of these were vacant and for sale but most are considered seasonal or for recreational use. Another 174 units were categorized as "other vacant" which is undefined but could include short-term rentals. According to the data, Wickenburg does not have an unusually high inventory of seasonal housing units compared to the statewide average and to the Maricopa County average. However, some of the "other vacant" units could be for seasonal use.

In some tourist communities, short-term rentals of homes and apartment units offered on platforms such as VRBO or Airbnb have impacted the availability of homes for permanent residents. Short-term rental websites were accessed to determine the number of rentals that may be available in the Wickenburg area over the past few months. The data indicates that somewhere around 70 rentals are offered in Wickenburg on the various platforms. Virtually all



of these units are whole house with only nine or ten described as a room rental. While these units may be affecting availability for permanent residents, the total number of short-term rentals appears minimal. However, this source of housing should be monitored periodically to determine if they become more of an issue.

Housing Occupancy						
	Arizona		Maricopa County		Wickenburg	
	Units	% of Total	Units	% of Total	Units	% of Total
Total housing units	3,040,595		1,765,880		4,005	
Occupied housing units	2,643,430	86.9%	1,596,784	90.4%	3,450	86.1%
Vacant housing units	397,165	13.1%	169,096	9.6%	555	13.9%
For Rent	53,207	1.7%	30,961	1.8%	-	0.0%
Rented, Not Occupied	13,186	0.4%	7,637	0.4%	-	0.0%
For Sale Only	28,681	0.9%	15,080	0.9%	9	0.2%
Sold, Not Occupied	16,380	0.5%	9,877	0.6%	42	1.0%
For Seasonal, recreational, occasional use	198,985	6.5%	70,714	4.0%	249	6.2%
For Migrant Workers	961	0.0%	122	0.0%	-	0.0%
Other Vacant	85,765	2.8%	34,705	2.0%	174	4.3%

Source: ACS 2020 5-Year Estimates

4.1 Wickenburg Apartment Inventory

The town's inventory of apartment units is comprised of small complexes. The two largest complexes, Bradshaw Vista and Coronado Glen, were built as LIHTC projects for low and moderate-income families and seniors. Bradshaw Vista may have a 20-year contract for affordable units ending in 2024 at which point they could transition to market rate units. According to information from the Town, the complex is quoting rates for non-subsidized units that are much higher than the LIHTC rates. By 2024, that could increase the average rent from \$732 to more than \$1,500 per month. Bradshaw Vista was built with large units for families. It has 30 three-bedroom units, 12 two-bedroom units, and only six one-bedroom units.

The transition of apartment complexes in the town from subsidized to market rate units is an issue to monitor. Typically, subsidized complexes have contracts with governmental agencies requiring units are reserved for low and moderate-income households for at least 30 years. With the age of some of Wickenburg's subsidized complexes, the potential transition to market rate rents could impact moderate income households.

Coronado Glen is also listed as a USDA complex with 28 family units, 23 of which are subsidized and 16 subsidized senior units. They have not indicated they will transition to a market rate complex. Rancho Vista is listed as a USDA subsidized project as well. USDA income limits are



higher than the LIHTC program. A family of four under USDA programs can qualify for a unit with a maximum income of \$76,150. The Phoenix Metro Area incomes and rents for LIHTC projects is shown below.

ARIZONA LOW INCOME HOUSING TAX CREDIT PROGRAM - INCOMES/ALLOWABLE RENTS								
Phoenix Metro Area (Maricopa & Pinal Counties)								
Area Median Income: \$88,300		Persons in Household						
% of Median Income	1	2	3	4	5	6	7	8
60	\$37,140	\$42,420	\$47,700	\$52,980	\$57,240	\$61,500	\$65,700	\$69,960
50	\$30,950	\$35,350	\$39,750	\$44,150	\$47,700	\$51,250	\$54,750	\$58,300
40	\$24,760	\$28,280	\$31,800	\$35,320	\$38,160	\$41,000	\$43,800	\$46,640
30	\$18,570	\$21,210	\$23,850	\$26,490	\$28,620	\$30,750	\$32,850	\$34,980
20	\$12,380	\$14,140	\$15,900	\$17,660	\$19,080	\$20,500	\$21,900	\$23,320
Rent								
% of Median Income	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm		
60	\$928	\$994	\$1,192	\$1,377	\$1,537	\$1,695		
50	\$773	\$828	\$993	\$1,148	\$1,281	\$1,413		
40	\$619	\$663	\$795	\$918	\$1,025	\$1,130		
30	\$464	\$497	\$596	\$688	\$768	\$847		
20	\$309	\$331	\$397	\$459	\$512	\$565		

Source: AZ Dept. of Housing

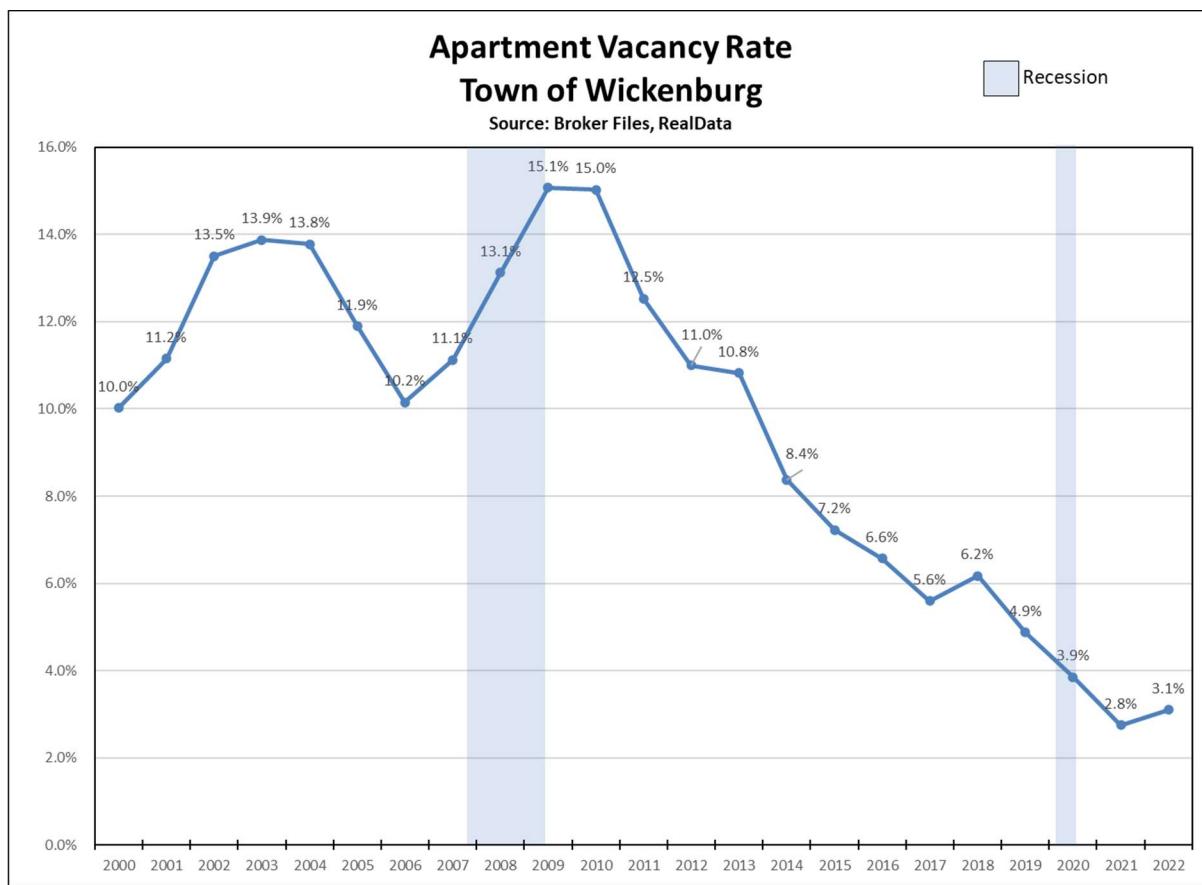
Two additional complexes, Hassayampa Village and Padua Hills, are identified as affordable, built with some type of public support. Hassayampa Village is a senior complex operated by National Church Residences, a nonprofit with 350 communities in the country. The transition to a market rate complex would not be anticipated.

Most notable is the age of the complexes, with an average of 47 years as shown on the following table. No complexes have been built in the town for 15 years. The average size of apartment units at 622 square feet reflects their age. Modern units are typically much larger. The average rent of Wickenburg apartments is \$886 per month, well below the county average. Apartment vacancy rates have fallen dramatically since the effects of the Great Recession when rates hit 15%. The current estimated vacancy rate for the Wickenburg apartment market is 3%, essentially full occupancy.



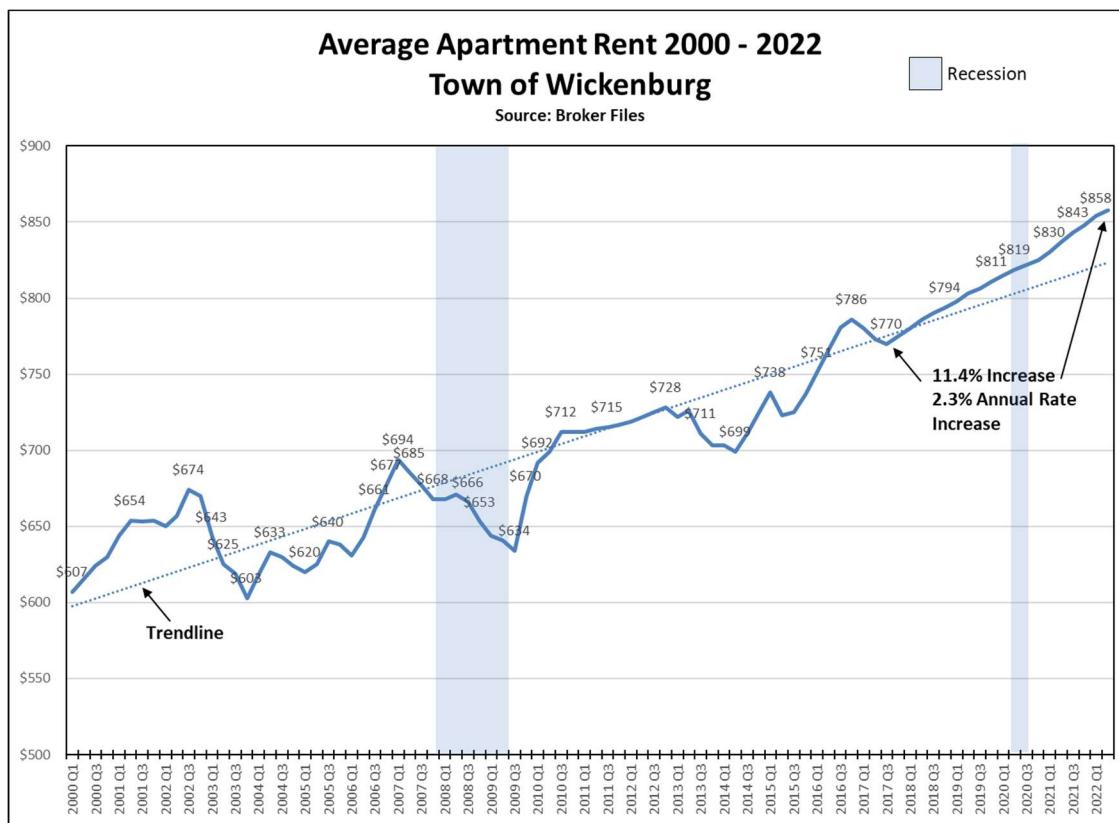
Wickenburg Apartment Inventory							
Complex	Address	Type	Units	Avg. SF	Avg. Rent	Year Built	
Bradshaw Vista Apartments	560 W Penn Ln	Affordable LIHTC (Family)	48	1,023	\$732	2004	
Coronado Glen Apartments	601 S Vulture Mine Rd	Affordable LIHTC (Families/Seniors)	44	664	\$892	1988	
Hassayampa Village Apartments	545 W Penn Ln	Affordable Section 202 (Senior)	40	508	\$954	1987	
Kokopelli Village Apartments	278 S Tegner St	Market	31	619	\$709	1998	
West Haven	540 S West Rd	Market	30			1985	
My Father's Retirement Ranch	400 N Jefferson St	Senior - Assisted Living	30			1979	
Rancho Vista Apartments	475 W Penn Ln	Affordable (Family)	28		\$1,164	1986	
Padua Hills Apartments	460 S West Rd	Affordable Section 8 (Senior)	25	520	\$1,136	1980	
Desert Breeze Apartments	854 W Wickenburg Way	Market	16	431		1956	
Palm Drive apartments	520 Palm Dr	Market	15	850	\$876	1996	
Golden Gate Apartments	80 N Mariposa Dr	Market	14			1970	
Double M Country Club	1885 W Loma Linda Dr # 2	Market	12			1996	
Sylvan Village Apartments	150 Park St	Market	12	637		1949	
Circle J-R Apartments	741 W Wickenburg Way	Market	11	667	\$900	1953	
Jefferson Corner	145 W Wickenburg Way	Market	8			1948	
Yavapai Rentals	158 W Yavapai St	Market	8		\$757	1924	
	430 Palm Dr	Market	8	767	\$1,000	2007	
Salve Maria Cottages	549 W. Wickenburg Way	Market	7	750	\$700	1960	
	320 Cavariness Ave	Market	7			1984	
The Meadows	778 W Wickenburg Way	Market	6	420		1954	
	159 S Jackson St	Market	5	624	\$400	1935	
	490-520 El Recreo Ct	Market	4	650	\$475	1987	
	530 El Recreo Ct	Market	4	700	\$450	1989	
	450 Palm Dr	Market	4	700	\$550	1986	
Total/Average			417	622	\$886	1975	

Source: AZ Department of Housing; Maricopa County Assessor; Various Websites; Town of Wickenburg



The following chart shows the increase in average rents in Wickenburg between 2000 and 2022. As expected, rents have been on an upward trend although there is some volatility. For instance, rents declined in 2009 as the Great Recession occurred. The market, however, recovered quickly. Between 2010 and 2022, the average rent increased by 20.5% or an annual average rate of 1.6%, less than the increase the cost of living which in general averaged about 2.0% per year. In the last few years, rents in Maricopa County have skyrocketed. However, rents in Wickenburg have only increased 11.4% since 2017 or an annual average of 2.3%.

A chart on the following page shows the increase in average rents in Maricopa County since 2017. Rents increased from just over \$1,000 in 2017 to \$1,601 in the second quarter of 2022. This means that the qualifying income for the average apartment unit increased from \$44,300 in 2017 to \$68,600 in 2022, an increase of 55%. Fortunately, Wickenburg does not appear to have experienced the same increase.



The average asking rent for the newest apartment complexes in the county now stands at \$1,985 per month. Part of the reason for the high rent for new complexes is the increase in construction costs, material and supply constraints and the increase in population in the county which translates into a restricted supply of housing units.



Average Monthly Rents Maricopa County			
Year/ Quarter	Average Rent	% Change	Qualifying Income
2017	\$1,034		\$44,314
2018	\$1,100	6.4%	\$47,143
2019	\$1,172	6.5%	\$50,229
2020	\$1,235	5.4%	\$52,929
Q1 2021	\$1,255	1.6%	\$53,786
Q2 2021	\$1,273	1.4%	\$54,557
Q3 2021	\$1,366	7.3%	\$58,543
Q4 2021	\$1,531	12.1%	\$65,614
Q1 2022	\$1,564	2.2%	\$67,029
Q2 2022	\$1,601	2.4%	\$68,614

Source: RealData

4.2 Wickenburg Ownership Housing Market

Wickenburg's ownership housing market is bifurcated between the older part of the community within Maricopa County and the newly built housing in Wickenburg Ranch in Yavapai County. For that part of the town in Maricopa County, prices have increased by nearly 65% since 2016. However, the 2021 average price of a Wickenburg single-family home at \$354,515 is well below the average price of a Maricopa County resale home for 2021 at \$494,200. That average home price has now risen to more than \$600,000 (June 2022) although the market is starting to see prices retreat with the increase in mortgage rates. The median sale price of a home in the county is \$480,000 (June 2022). Within the last month or two, that median price has now reportedly declined to about \$440,000.

Condominium sales in Wickenburg have increased by 111% between 2016 and 2021, more than doubling in price. However, they still represent a less costly housing option at an average price of \$198,775.

Overall, housing prices in Wickenburg are moderate compared to prices in other parts of the county. However, the primary issue is whether there is a sufficient supply of new housing for the growing population.



Wickenburg Maricopa County Housing Sales Trends 2000 - 2021								
Year	Single Family Homes				Condo/Townhome			
	Price	% Change	SF	Price/SF	Price	% Change	SF	Price/SF
2000	\$165,139		1,705	\$97	\$64,875		849	\$76
2001	\$195,192	18.2%	1,758	\$111	\$74,556	14.9%	924	\$81
2002	\$177,678	-9.0%	1,608	\$110	\$72,929	-2.2%	857	\$85
2003	\$183,417	3.2%	1,641	\$112	\$96,600	32.5%	1,048	\$92
2004	\$209,831	14.4%	1,681	\$125	\$140,473	45.4%	1,135	\$124
2005	\$246,028	17.3%	1,690	\$146	\$154,593	10.1%	1,229	\$126
2006	\$284,322	15.6%	1,672	\$170	\$200,113	29.4%	1,261	\$159
2007	\$290,614	2.2%	1,695	\$171	\$126,417	-36.8%	936	\$135
2008	\$242,360	-16.6%	1,597	\$152	\$139,993	10.7%	1,116	\$125
2009	\$200,048	-17.5%	1,681	\$119	\$281,330	101.0%	720	\$391
2010	\$201,378	0.7%	1,765	\$114	\$115,014	-59.1%	1,488	\$77
2011	\$171,938	-14.6%	1,831	\$94	\$93,227	-18.9%	1,241	\$75
2012	\$169,602	-1.4%	1,725	\$98	\$121,650	30.5%	1,477	\$82
2013	\$211,607	24.8%	1,747	\$121	\$88,243	-27.5%	1,087	\$81
2014	\$197,639	-6.6%	1,638	\$121	\$93,400	5.8%	1,018	\$92
2015	\$230,001	16.4%	1,721	\$134	\$103,700	11.0%	1,054	\$98
2016	\$215,409	-6.3%	1,673	\$129	\$94,257	-9.1%	943	\$100
2017	\$272,666	26.6%	1,826	\$149	\$114,049	21.0%	960	\$119
2018	\$272,843	0.1%	1,781	\$153	\$140,230	23.0%	1,089	\$129
2019	\$299,809	9.9%	1,742	\$172	\$145,891	4.0%	1,058	\$138
2020	\$381,823	27.4%	1,927	\$198	\$191,677	31.4%	1,231	\$156
2021	\$354,515	-7.2%	1,650	\$215	\$198,775	3.7%	1,065	\$187
2021 Min Price	\$65,000		480	\$135	\$74,000		608	\$122
2021 Max Price	\$900,000		4,938	\$182	\$302,000		1,842	\$164
% Change 2016-2021	64.6%				110.9%			

Source: Maricopa County Assessor

Two active or recently completed housing projects in the town include Wickenburg Vistas and Arroyo Vistas. Sales of single family homes in Wickenburg Vistas started at the end of 2020 and were completed in early 2022. The average price increased by 69% over that time. Homes average 1,400 square foot in size, keeping the price of the homes under \$300,000 for most of the units.

Arroyo Vistas is a gated duplex complex. Prices have trended upward over the past two years with an overall average price of \$291,400 for a 1,381 square foot unit. Prices have risen dramatically since the end of 2021.



Housing Sales at Wickenburg Vistas			
Quarter	Avg. Price	Avg. Price/SF	Sales
2020 Q4	\$236,934	\$174	9
2021 Q1	\$255,867	\$177	16
2021 Q2	\$278,252	\$199	13
2021 Q3	\$299,401	\$225	12
2021 Q4	\$347,210	\$240	7
2022 Q1	\$399,750	\$284	2
% Change/Total	68.7%	63.0%	59

Source: Maricopa County Assessor

Housing Sales at Arroyo Vistas			
Date	Price	SF	Price/SF
Oct-20	\$265,860	1,270	\$209
Dec-20	\$265,860	1,270	\$209
Jan-21	\$274,905	1,344	\$205
Jan-21	\$274,905	1,344	\$205
Feb-21	\$265,860	1,270	\$209
Jun-21	\$278,990	1,270	\$220
Jun-21	\$307,990	1,700	\$181
Jul-21	\$283,990	1,344	\$211
Jul-21	\$286,490	1,344	\$213
Sep-21	\$296,990	1,700	\$175
Sep-21	\$274,990	1,270	\$217
Sep-21	\$288,990	1,344	\$215
Dec-21	\$278,990	1,270	\$220
Dec-21	\$330,000	1,453	\$227
Jan-22	\$345,000	1,453	\$237
Apr-22	\$342,000	1,453	\$235
Average	\$291,363	1,381	\$212

Source: Maricopa County Assessor

Housing sales prices in the Yavapai County portion of Wickenburg are much higher than in Maricopa County. The average price increased by nearly 10% in one year. These prices are driven by Wickenburg Ranch which is primarily targeting the age-restricted market with the Trilogy brand of Shea Homes. The property offers a wide variety of homes styles and prices. Sale prices of units now start in the \$400,000 range while others exceed \$1 million. The Ranch has numerous amenities including golf, pickleball, restaurants, and other facilities.



Wickenburg Yavapai County Housing Sales 2020 - 2021				
Quarter	No. of Sales	Average Price	Minium Price	Maximum Price
Q1 2020	73	\$493,248	\$274,977	\$1,507,500
Q2 2020	46	\$462,435	\$245,000	\$1,026,912
Q3 2020	53	\$488,734	\$270,000	\$980,000
Q4 2020	37	\$555,602	\$303,871	\$1,350,000
2020 Totals/Average	209	\$496,360	\$245,000	\$1,507,500
Q1 2021	46	\$484,928	\$285,000	\$834,826
Q2 2021	45	\$594,075	\$299,900	\$1,375,000
Q3 2021	55	\$559,113	\$247,591	\$1,150,000
Q4 2021	64	\$542,001	\$268,918	\$1,365,000
2021 Totals/Average	210	\$545,140	\$247,591	\$1,375,000
% Change 2020-2021		9.8%		

Source: Yavapai County Assessor

The above sales data demonstrates the wide differences in the housing market in Wickenburg, between Wickenburg proper and Wickenburg Ranch. New housing sales in the Maricopa County portion of the town are moderate and well below county-wide averages. This may be a reflection of the age of housing in the town, but newly built units are still under \$400,000 and many were sold for quite a bit less. In Yavapai County, sales are more consistent with county averages but reflect a unique housing product that is targeted at a specific segment of the population – the active adult market. These differences will likely persist into the future although prices may flatten or decline due to mortgage interest rate increases.

4.3 Housing Gap

The standard for housing affordability established by HUD is that a household should not pay more than 30% of its income on housing. For rental units, the 30% includes utilities. For homeowners, the 30% includes mortgage(s), property taxes, insurance, utilities, and in some cases a homeowners association fee.

Compared to the state and Maricopa County, Wickenburg has a lower percentage of households paying more than 30% of income – for both owner-occupied and renter-occupied units. The following chart outlines the number of households in Arizona, Maricopa County, and Wickenburg that are burdened by housing costs – paying more than 30% of income on housing.



For owner occupants, the housing burden is slightly lower than the statewide average. Approximately 533 households fall into this category. For renters, 29.3% of Wickenburg households are burdened by housing costs or 209 households. This percentage is much lower than the county or statewide averages at more than 44%.

It should be noted that homeowners typically have more options than renters to address their housing burden. For instance, owners could sell their home and in theory move to a less costly unit if one is available. Similarly, homeowners could have voluntarily increased their housing costs by taking out a second mortgage or home equity loan on the home. These factors all affect the housing burden of homeowners while renters have limited opportunities to reduce their housing burden.

Monthly Housing Costs as a Percentage of Household Income						
	Arizona		Maricopa County		Wickenburg	
	Households	% of Total	Households	% of Total	Households	% of Total
Owner Occupied Total	1,727,176		1,008,487		2,737	
Less than 20.0 percent	1,009,373	58.4%	580,356	57.5%	1,715	62.7%
20.0 to 24.9 percent	199,986	11.6%	121,633	12.1%	247	9.0%
25.0 to 29.9 percent	131,347	7.6%	80,466	8.0%	194	7.1%
30.0 to 34.9 percent	85,694	5.0%	50,161	5.0%	86	3.1%
35.0 percent or more	280,851	16.3%	166,924	16.6%	447	16.3%
Not computed	19,925	1.2%	8,947	0.9%	48	1.8%
Paying More Than 30%	366,545	21.2%	217,085	21.5%	533	19.5%
Renter Occupied Total	916,254		588,297		713	
Less than 15.0 percent	112,143	12.2%	67,338	11.4%	162	22.7%
15.0 to 19.9 percent	113,558	12.4%	74,616	12.7%	48	6.7%
20.0 to 24.9 percent	119,621	13.1%	81,825	13.9%	151	21.2%
25.0 to 29.9 percent	102,306	11.2%	69,026	11.7%	121	17.0%
30.0 to 34.9 percent	76,093	8.3%	50,600	8.6%	-	0.0%
35.0 percent or more	329,168	35.9%	213,564	36.3%	209	29.3%
Not computed	63,365	6.9%	31,328	5.3%	22	3.1%
Paying More Than 30%	405,261	44.2%	264,164	44.9%	209	29.3%

Source: ACS 2020 5-Year Estimates

Housing cost burden, to no surprise, falls upon those households with the lowest incomes. This is true for both owner-occupied and renter-occupied units. About 70% of households earning less than \$20,000 in income pay more than 30% of income towards housing. Some of these households could be retired on fixed incomes. In some cases, even without a mortgage some retired households could be burdened by normal utility costs and property taxes. In communities



with an older population, many residents desire to age in place in their home rather than in a retirement facility. For Wickenburg, most of the housing burdened households earn less than \$50,000 in income.

Monthly Housing Costs as a Percentage of Household Income Town of Wickenburg						
Income Range	Total Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Households	% of Total	Households	% of Total	Households	% of Total
Less than \$20,000 Income	528		269		259	
Paying More Than 30% of Income	372	70.5%	181	67.3%	191	73.7%
\$20,000 to \$34,999 Income	511		411		100	
Paying More Than 30% of Income	168	32.9%	168	40.9%	-	0.0%
\$35,000 to \$49,999 Income	447		375		72	
Paying More Than 30% of Income	118	26.4%	100	26.7%	18	25.0%
\$50,000 to \$74,999 Income	644		456		188	
Paying More Than 30% of Income	49	7.6%	49	10.7%	-	0.0%
\$75,000 or More Income	1,250		1,178		72	
Paying More Than 30% of Income	35	2.8%	35	3.0%	-	0.0%
Zero or negative income	62		48		14	
No cash rent	8				8	
Total Occupied Housing Units	3,450		2,737		713	
Total Paying 30% or more	742	21.5%	533	19.5%	209	29.3%

Source: ACS 2020 5-Year Estimates

While the housing cost burden standard is based on 30% of income devoted to housing, the chart below shows that the greatest percentage of renters, across all geographic areas, pay more than 50% of their income on housing. These households are known as “severely” cost burdened and comprise the greatest housing need. For Wickenburg, of the 209 renter households considered burdened by housing costs, 76% of those households (159) pay more than 50% of their income on housing. This data demonstrates the depth of the lack of affordable housing in the community for the lowest income renter households.



Rent as Percent of Household Income						
	Arizona		Maricopa County		Wickenburg	
	Households	% of Total	Households	% of Total	Households	% of Total
Total	916,254		588,297		713	
Less than 10.0 percent	35,156	3.8%	18,587	3.2%	88	12.3%
10.0 to 14.9 percent	76,987	8.4%	48,751	8.3%	74	10.4%
15.0 to 19.9 percent	113,558	12.4%	74,616	12.7%	48	6.7%
20.0 to 24.9 percent	119,621	13.1%	81,825	13.9%	151	21.2%
25.0 to 29.9 percent	102,306	11.2%	69,026	11.7%	121	17.0%
30.0 to 34.9 percent	76,093	8.3%	50,600	8.6%	-	0.0%
35.0 to 39.9 percent	57,641	6.3%	37,523	6.4%	33	4.6%
40.0 to 49.9 percent	77,777	8.5%	50,829	8.6%	17	2.4%
50.0 percent or more	193,750	21.1%	125,212	21.3%	159	22.3%
Not computed	63,365	6.9%	31,328	5.3%	22	3.1%

Source: ACS 2020 5-Year Estimates

The lack of affordable housing primarily falls upon those in service jobs that have moderate wages. The following chart shows the median wages for a variety of occupations, some of which are considered critical service jobs such as firefighters, paramedics, and police officers. The monthly affordable rent for each occupation is compared to average monthly rent for Greater Phoenix in 2021. For most occupations on the list, the market rent exceeds the affordable rent. Only occupations with wages over \$60,000 show a positive number.

However, the chart only compares 2021 wages to the average market rent recorded during 2021. The current market rent as of the second quarter of 2022 now stands at \$1,601. This increases the wage necessary to qualify under the 30% of income housing standard to more than \$64,000.

The wage data displayed below does not take into account that a household may have two wage earners. However, for single person households or families where only one person works, the availability of affordable housing is a critical need. Without such housing, persons or households must find roommates or double up in rental units.

Research conducted for the study indicates that the average apartment rent in Wickenburg is \$955 per month, substantially less than the metro-wide average. The lower rent is likely due to the number of subsidized units in the community and the age of the housing stock. Most apartment complexes indicate they have a waiting list for units. However, a low vacancy rate is often interpreted by landlords as an opportunity to raise rents. A shortage of rental units and low vacancy rates across Maricopa County will likely impact Wickenburg in the near term as it has other communities.



Housing Affordability By Occupation				
Occupation	2021 Median Wage	Monthly Affordable Rent (30% of Income)	Avg Greater Phoenix Rent 2021	Greater Phx. Rent Minus Affordable Rent
Hotel, Motel, and Resort Desk Clerks	\$29,450	\$736	\$1,356	(\$620)
Retail Salespersons	\$29,690	\$742	\$1,356	(\$614)
Restaurant Cooks	\$30,460	\$762	\$1,356	(\$595)
Nursing Assistants	\$36,770	\$919	\$1,356	(\$437)
Waiters and Waitresses	\$37,060	\$927	\$1,356	(\$430)
Pharmacy Technicians	\$37,250	\$931	\$1,356	(\$425)
Paramedics	\$46,690	\$1,167	\$1,356	(\$189)
Firefighters	\$47,690	\$1,192	\$1,356	(\$164)
Construction Workers	\$47,890	\$1,197	\$1,356	(\$159)
Elementary & Middle School Teachers	\$48,650	\$1,216	\$1,356	(\$140)
High School Teachers	\$60,040	\$1,501	\$1,356	\$145
Licensed Practical Nurses	\$60,370	\$1,509	\$1,356	\$153
Police Officers	\$77,150	\$1,929	\$1,356	\$573
Registered Nurses	\$78,670	\$1,967	\$1,356	\$611

Note: The average rent in the second quarter of 2022 is \$1601.

Source: AZ Office of Economic Opportunity; U.S. Department of Labor, Bureau of Labor Statistics, May 2022

In summary, Wickenburg's housing gap – those households paying more than 30% of income on housing – is moderate compared to state and county averages. However, the need for affordable housing is still real. Wickenburg's apartment inventory of 401 units as compiled for this study is comprised of 185 affordable units or 46% of all rental apartments. However, with an extremely low vacancy rate near 3%, there are few housing options for renters in the community. The shortage of housing is apparent in Wickenburg and across the county. As noted earlier in this report, affordable housing for service workers is an economic issue that could affect the viability of the town.



5.0 Impact of Expansion of Bagdad Mine on Wickenburg

The Bagdad copper mine operated by Freeport McMoran is planning a major expansion that will increase the workforce by 80%, from 1,000 workers today to 1,800. In addition to the Freeport employees, there will also be a substantial influx of private contractors that will be employed on the site. Contractor employment will reach about 2,000 workers in 2024 and 2025. Once completed, another 300 contractors will be employed on the site on a regular basis.

Bagdad Mine Expansion Employment				
Job Type	2023	2024	2025	2026
Contractors	700	2,000	1,800	300
Equipment Assembly	100	100	50	-
Operations	400	400	600	800
Total	1,200	2,500	2,450	1,100

Source: Freeport

The mine is situated approximately 60 miles northwest of Wickenburg on US Highway 93 (a one-hour drive). Wickenburg is the closest major community to the mine; the town of Congress is 50 miles from the mine. Wickenburg and other small communities in the area could see an impact on the housing stock from the mine expansion.

Contractors for the mine expansion will likely require temporary accommodations for the three-year mine expansion program. Freeport's permanent workforce will require housing resources somewhere in the vicinity of the mine. Like many mining operations, Freeport has invested heavily in providing housing at the mine site for its workers. Much of the housing is modest single family housing that is rented to workers at very low rates. However, the company is not providing any housing for the expanded workforce.

Freeport McMoran has been contemplating their investment in housing over the past few years. For the Morenci mine in eastern Arizona, the company has some 2,000 units on site and has purchased upwards of 60 homes in a new subdivision in Safford about 45 miles from the mine. The company provides transportation for the workers or the workers carpool. But similar to the Bagdad mine, Freeport has determined they will no longer provide housing for new workers.

For the Bagdad mine expansion, Freeport is considering as an incentive for its worker a home purchase voucher and transportation service. The median wage for the workers with bonuses and overtime is estimated at about \$65,000 per year. The company estimates that 35% to 40%

of the new workers could work remotely or a hybrid of remote and on-site work. Remote workers will not be given the option of obtaining housing in Bagdad as it becomes available.

The impact of the Bagdad mine expansion has potential positive and negative results.

- On the positive side, the expansion could be significant for Wickenburg from two perspectives.
 - ✓ Providing the accommodations for contractors over the next three years would require the development of hotel and motel accommodations as well as RV parks.
 - ✓ Providing housing for both permanent on-site employees as well as remote workers who will not need to travel to the mine on a regular basis.

These potential visitors/residents would spend their wages in the local economy, producing retail, grocery, and restaurant sales and taxable revenue for the community. In particular, mining contractors who would likely be in temporary accommodations such as motels would provide significant fiscal and economic benefits.

Mine employees typically expect to travel long distances to work. While the one-hour drive to Bagdad is not ideal, compressed work schedules can provide for long days off. In addition, company housing at mine locations is often modest with limited amenities. Living at the mine does not provide the worker the option to own his/her own home and build equity over time.

If the Bagdad mine expansion proceeds as anticipated, plans for employee housing need to be started now as the company gears up for major workforce increases by 2024. Housing products similar to those in the Arroyo Vista and Wickenburg Vista developments in Wickenburg would provide entry level housing opportunities for the workforce.

- On the negative side of the mine expansion is the potential impact on the housing market if an adequate number of housing units are not available to satisfy the demand from the employees. This could lead to an increase in short-term rentals that may target mine contractors or even permanent workers leading to the loss of rental units for permanent residents of the community. In addition, with its rental inventory at full capacity, Wickenburg could see a rapid increase in monthly apartment rental rates if Freeport employees begin looking in the area for housing units. As a result, Wickenburg's current moderate rental rates would disappear.



Expansion of the town's housing inventory is the primary way in which to deal with the potential impact of the expansion of the Bagdad mine. However, due to the lengthy timeline to get plats and plans approved, the homebuilding process would need to start now. Coordination between Freeport and local builders on the plans for the mine expansion is necessary to ensure housing units are available when needed. Surveying employees of their desires to live at the mine or in a private residence would also provide some answers on potential housing demand. With the company considering a home purchase voucher as an employee incentive, employees who can work remotely would be prime targets for homeownership.



6.0 Summary Conclusions & Recommended Strategies

Following are the primary conclusions of this analysis and suggested strategies to be considered by the town.

Demographics & Economy

- Relatively slow growth is forecasted for Wickenburg over the next 19 years. An increase of 6,807 permanent residents translates into demand for 3,050 units or 160 units per year on average. Most of this development will likely occur in Yavapai County.
- The Wickenburg population is much older than the Maricopa County average and household sizes are smaller.
- Household incomes are below the County median income. The median income for renters is extremely low at only \$30,900.
- The low labor force participation rate for Wickenburg suggests there is a potential shortage of service workers relative to the community's population size.
- The Wickenburg economy is relatively strong and has an above average level of per capita taxable sales.
- The strength of the Wickenburg economy includes several industries such as construction, health care, tourism, and retail.

Housing

- The town has a modest assortment of apartment complexes which limits the ability of renters to enter the community. Rents are also modest, likely due to the age of the apartment inventory and the number of subsidized units in the inventory.
- Wickenburg's housing gap – those households paying more than 30% of income on housing – is moderate compared to state and county averages. However, the need for affordable housing is still real, totaling more than 200 renter households and more than 500 homeowners. Of those 200 renter households, most are considered extremely burdened, paying more than 50% of their income on housing.
- The typical size of apartment units in Wickenburg is small, limiting the options for households with children to rent in the community.
- Housing prices are moderate for all housing types within Wickenburg proper. Wickenburg Ranch housing will likely continue to have much higher prices.
- The housing burden, particularly for renters, is significant but below statewide trends. Renter incomes are extremely low relative to county averages.



- Short-term rentals do not appear to currently impact the housing market. Only 70 units are currently listed on websites and some of those are traditional tourist hotels or guest houses.

Priority Areas

Priority Area #1: Apartments

- There are approximately 4,005 total housing units in the Town of Wickenburg. Of those total housing units only 8.5% are apartments; the statewide average is 19.1%.
- Wickenburg apartments have a very low apartment vacancy rate of 3% where 7% is the statewide average.
- With no new apartments built over the last 15-years, apartments are identified as a priority area for Wickenburg's Housing needs.

Priority Area #2: Affordability Housing Payment Range Less Than \$1,250 Per Month

- 21.5% of Wickenburg households (742 households) pay more than 30% of their income on housing. Moreover, 22.3% of Wickenburg renters pay more than 50% of their income towards housing. The monthly housing affordability ranges below are a Priority for Wickenburg's housing needs.

Households Paying More Than 30% of Income Towards Housing		
Income Range	Households	Target Affordability Range
Less Than \$20,000	372	Less Than \$500
\$20,000 - \$34,000	168	\$500 - \$875
\$35,000 - \$49,000	118	\$875 - \$1,250
\$50,000 - \$74,000	49	\$1,250 - \$1,875
More Than \$75,000	35	More Than \$1,875
Total	742	

Housing Implementation Strategies

The following strategies are designed to address the demand for affordable housing in Wickenburg. The strategies are essentially a tool kit of programs and incentives that may promote the development of housing in the near term. The Town may find that some or all of the tools may not fit within financial or policy parameters of the Town, but they are proven methods of promoting housing development.

1. Continue to Improve

- a. Establish partnerships with stakeholders such as USDA.
- b. Coordinate with local employers and stakeholders on the demand for affordable housing.



- c. Promote the development of LIHTC complexes for low and moderate-income households through marketing materials and the identification of incentives that may assist a developer.
- d. Continue to expand and improve the Town's expedited building permit process.
- e. Analyze the impact of short-term rental on the housing market and adopt regulations available to municipalities.
- f. Create marketing material targeting housing developers and continue to promote advantages to developers of no town impact fees.

2. Land Use, Zoning Code, Building Codes, and Approval Requests Considerations

- g. Evaluate and comprehensively update Zoning and Building Codes to encourage affordable and accommodating housing.
- h. Through Zoning Code amendments allow accessory dwelling units opportunities in selected areas.
- i. Through Zoning Code amendments offer density incentives for affordable housing.
- j. Through Zoning Code amendments allow flexible parking requirement for affordable housing developments.
- k. Consider opportunities for tiny homes, 3D construction, and alternative building methods through special zoning requests.
- l. Consider accommodating requests for increased density and affordable housing on a case by case basis.
- m. Encourage "mixed-use" and "housing friendly" categories in the Town's future land use plan through the General Plan Update.

3. Town Initiatives

- n. Assist with public infrastructure improvements and/or public infrastructure financing to unlock property for affordable housing.
- o. Leverage deed restrictions and community land trusts for generational affordability.
- p. Waive permit fees for affordable housing.
- q. Offer Town owned property for affordable housing through Request for Proposals and/or Public Private Partnerships.
- r. Use Town Boards and Commissions to actively promote affordable housing strategies.

4. Devote substantial financial and resource-intense investment towards progressive affordable housing programs and initiatives.

The above "Housing Implementation Strategies" are widely deployed across the State and are accepted methods to address housing affordability issues. The following Case Studies



address more innovative and resource-intensive tools that have been successful in cities and states across the country.

Workforce Housing Program – Philadelphia, PA

Philadelphia addressed the housing needs of families earning between 80 and 120 percent of the Area Median Income (AMI), an income group that is unable to afford housing in the Center City District. The Workforce Housing Program (WHP) identifies and packages parcels of city-owned land in targeted neighborhoods where the average home price exceeds \$300,000, beyond the reach of workforce households. Through an underwriting process negotiated with each awarded Request for Proposal (RFP), the WHP offers parcels at a discounted price that generates revenue for the city and ensures that the developer can profitably deliver housing affordable to purchasers earning 120 percent of AMI or less. A locational analysis, conducted by the Philadelphia Land Bank in coordination with the Philadelphia Redevelopment Authority, identifies ideal vacant city properties for development. The WHP has successfully produced more than 200 new units.

Vail InDeed Program – Vail, CO

Managed by the local housing authority and funded by the Town's General Fund, the Town of Vail purchases deed restrictions from homeowners and developers to permanently limit the occupancy of a given unit to only households with at least one member who is employed within the County limits. This limits increases in housing market prices due to out-of-town buyers. This approach has been applied to dozens of homes and apartments including the Solar Vail apartments.

Micro Estates – Tempe, AZ

Developed in partnership with the City of Tempe by nonprofit land trust Newtown Community Development Corporation, Tempe Micro Estates comprises thirteen 600-square-foot one-bedroom tiny homes that will be sold to people who earn between 80% and 120% of the area median income (AMI). For those earning 80% of AMI or less, the homes cost \$170,000, with a down-payment of \$5,500. For those households earning between 80% and 120%, the price increases. The properties are on a land trust and household incomes are capped. Thus, if the homeowner decides to move, they must sell the residence back to Newtown CDC to ensure the next buyer is under 80% AMI thereby maintaining affordable values in perpetuity.



Town, USDA, and Housing America Corp. Partnership – Wellton, AZ

Ten homes for low-income families were built through a partnership of the Town of Wellton, Housing America Corp. (housing non-profit), and the U.S. Department of Agriculture (USDA). The Town of Wellton allocated a portion of its share of federal Community Development Block Grants to purchase lots and provide infrastructure for the homes. The USDA provided construction loans through their “502 program” and Housing America Corp. served as the administrator for the project. This project won the Arizona Department of Housing’s “Housing Hero Award” for 2021.

Accessory Dwelling Units – Tucson, AZ

The City of Tucson updated its Zoning Regulation to allow Accessory Dwelling Units (ADUs) on single-family lots throughout the city. One ADU may be built on any residential lot in the city (meaning a lot with one or two homes). The maximum size of the ADU is 1,000 square feet for lots over 7,000 square feet and 750 square feet on lots under 7,000 square feet. All other dimensional standards, including maximum building height, lot coverage, and setbacks still apply. One parking space would be required per ADU, which could be waived for sites that are within one-quarter mile of transit or a bike boulevard. On-street parking may also be used fulfill the parking requirement.

As noted above, the Case Studies are innovative and resource-intensive tools that have proven successful. They will require a commitment (perhaps financial as well as additional staff) on the part of local government to address housing affordability. In some cases, additional staff resources may be required to monitor the programs, ensure a unit is rented to a qualified person, and ensure the rent is affordable. Working with a non-profit partner in the implementation of these programs could help to reduce the impact of these programs on staff resources.

