



CITY OF STANLEY

December 29, 2025

Workforce Housing Update

Dear Stanley Community Members,

MOVING FORWARD WITH THE VISION: Stanley's workforce housing project has come a long way in the past year. We have hired a developer, completed environmental and historic impact assessments, and developed a site plan. The community has provided periodic review of housing designs, amenities, and set priorities for occupancy through meetings and surveys. After ten years of work, we are finally on a path to see attractive, comfortable townhomes occupied by the summer of 2027. Construction is scheduled to begin in the spring of 2026.

As we move into the final steps of financing and constructing this housing community, we will continue to solicit your ideas and comments. The City plans to have additional public meetings in January. Those who are not able or do not wish to attend these meetings in person are welcome to provide input on the City's website, on Facebook, or by letter. In order to better evaluate appropriate rental rates, the City also will solicit information on current Stanley rental rates individually with business owners and employees.

THE PHASE 1 HOUSING TARGET: Housing surveys over many years have consistently identified that over 100 workers are housing deficient. Although most of these are seasonal workers, businesses and community functions like the school, clinic, sewer association, and City government also experience difficulty in housing permanent, essential workers.

The community recognized long ago that the \$4 million HUD grant, even augmented with the City's option tax funds, would be insufficient to adequately address the housing deficiency for even the essential workers, and certainly not for up to 100 total workers. The City would be able to construct only 4 or 5 apartments using the \$4 million by itself. Leasing the land to the Developer, and combining the \$4 million HUD grant and option tax savings with about \$5 million in capital raised by the Developer will greatly increase the amount of housing available by 2027.

Through town hall meetings and other input, the community identified occupancy priorities for Phase 1 of the workforce housing development. The current plan is that essential workers will be offered units on a first-come first-served basis and the remaining units will be available for other permanent and temporary workers as space allows. The council, with the input of the community and advice from Northwest, will further develop the next set of preferences to determine how remaining units are offered to workers.

The community also provided preferences for housing design, a site plan, and desired amenities associated with the housing. Phase 1 will consist of eighteen, 1, 2, and 3-bedroom townhomes designed to provide comfortable, quality housing for both single workers and families. However, if there are not 18 essential workers wanting to rent at this time, Northwest will rent to other workers. We will not let units sit vacant. Eighteen units is good start for the housing project, leveraging the grant and option tax funds available with outside financing from the Developer. Phase 2 will require additional non-HUD funding and will serve remaining permanent employees and temporary employees. Phase 2 planning will begin after occupancy of Phase 1.



C I T Y O F S T A N L E Y

LAND LEASE AND FINANCIAL AGREEMENTS TO BEGIN CONSTRUCTION: Implementing Phase 1 on schedule for construction to begin in the spring of 2026 and occupancy in 2027 will require the City to approve an option for a ground lease with the Developer and a plan that defines financial commitments by the City and the Developer. This needs to occur in early January in order for the Developer to raise capital and engage contractors in a timely manner. Leasing the 4-acre housing site to the Developer will not give the Developer the right to construct housing without approval by the City. The proposed lease clearly states that the Developer will construct the 18-unit townhome community for workers subject to approval by the City, and that a second phase of construction at a later time also will require approval by the City. The City will always own the land, and the housing development will become property of the City at the end of the lease. Although the City plans to sign a housing management agreement with the Developer, neither the lease nor the management agreement turns control of the housing over to the Developer. The City will ensure that its ordinances are enforced, that the housing remains dedicated only for workers in Stanley and nearby areas (per Congressional law), and that the housing remains attractive and comfortable, serving the priorities and needs of the Stanley community.

PROPOSED RENTAL RATES FOR THE TOWNHOMES: A goal of the housing project is to establish rental rates within the affordable housing standard from the U.S. Department of Housing and Urban Development and the Idaho Housing and Finance Association. The standard is that the cost of rent plus utilities should not exceed 30% of a household's gross income. In Stanley, as reported by surveyed permanent essential workers, household incomes average \$57,000 for a single person, \$84,000 for a 2-person household, and \$96,000 for a 3-person household. The townhomes proposed for Phase 1 are designed to serve these workers. Based on these income levels, the 30% standard translates to rental rates of \$1,425/month for 1-person household, \$2,100/month for a 2-person household, and \$2,400 /month for a 3-person household.

The projected rental rates for Phase 1 are: \$1350-\$1425/month for a 1-bedroom townhome with garage; \$2000/month for a 2-bedroom townhome with garage; and \$2400/month for a 3-bedroom townhome with garage. These projected rates were not established to maximize rental income under the 30% standard, but to ensure that the housing project is both affordable and sustainable. Rental rates must be adequate to ensure that the financing, operations, and maintenance of the project are economically viable.

The fact that some permanent employees currently are paying less than these rental rates needs to be viewed in the context of value for the money. The workforce housing townhomes are being designed to be comfortable with attractive amenities and livable space. They include garages and storage. The estimated sizes of the townhomes are: 1107-1273 sq. feet for 1-bedroom units; 1697 sq. feet for 2-bedroom units; and 1774 sq. feet for 3-bedroom units. This does not include the sq. footage of garages. Water, sewer, trash, snow plowing utilities are included in the rent. Electric is not included.

Also, some businesses are subsidizing or providing below-market-rate rental rates for their employees. Some have indicated that they might be interested in subsidizing rents for their employees in the workforce housing. Appropriate and existing rental rates, and possible subsidies, will be explored in more detail through individual surveys and in an upcoming town hall meeting.



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STATUS OF THE HOUSING DEVELOPER/MANAGER: In the spring of 2025 the City Council evaluated and ranked the qualifications of several interested developers. Northwest Real Estate Capital Corp. was selected as the most capable firm. Northwest is a highly respected and capable developer with great experience in constructing high-quality, affordable housing throughout Idaho and the Pacific Northwest. It is a non-profit corporation that is not in the business of maximizing profits.

In the past nine months Northwest has demonstrated that it understands the challenges of building affordable workforce housing in Stanley, and how to incorporate the ideas, needs, and desires of the community into the housing project design. It has solicited public and City Council input through town hall meetings and various surveys. Northwest's expertise has proved invaluable in understanding how to create a public/private partnership with the City to finance and manage the housing project. There is every reason to believe that Northwest will remain a reliable partner with the City throughout the construction and management of the project as provided for in the lease and management agreements.

NEXT STEPS: We look forward to continuing engagement with the community on the final design and construction of the townhomes, and on the issues of rental rates and financial commitments. It is likely that the housing project will be significantly delayed if the City does not approve an option for a ground lease and a financial plan commitment for joint financing of the project with Northwest by early January. Community residents and the City Council will continue to have opportunities to provide project guidance and input throughout the construction phase and management of the project.

We hope that all of you have great Christmas and New Years holidays and are ready to enjoy the Stanley winter (if we have one). I invite you to contact me or City Clerk, Hannah Fake, or any City Councilmember with any questions, concerns, or additional information that you need. You can also find more detailed information on the City website.

With best regards,

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