

## WORKFORCE HOUSING REGULATORY AGREEMENT

### Bluebird Bend

### Stanley, Idaho

This Workforce Housing Regulatory Agreement (this “**Agreement**”) between City of Stanley, Idaho, an Idaho municipal corporation (“**City**”) and Northwest Real Estate Capital Corp., an Idaho nonprofit corporation (“**Northwest**”) is entered into and dated \_\_\_\_\_, 2026 (“**Effective Date**”).

#### RECITALS

- 1.1. City owns the real property located at [insert here] that is legally described in Exhibit A (the “**Property**”).
- 1.2. City wants to develop the property for workforce housing and selected Northwest as the developer.
- 1.3. City and Northwest
- 1.4. Northwest will develop a 20-unit multi-family housing project on the Property commonly known as the Bluebird Bend (the “**Project**”).
- 1.5. The parties intend the Project to be used exclusively for Local Workers and agree to enter into and record this Agreement to set forth the covenants that govern the Project.

#### AGREEMENT

The parties agree as follows:

## 2. DEFINITIONS

In addition to the terms defined above, the following terms shall have the meanings set forth below.

- 2.1. **Commencement Date** – The date of first occupancy of the Project.
- 2.2. **Dependent** – As defined by the Internal Revenue Service.
- 2.3. **First Responder** – A person whose occupation is one of the following: emergency medical technician, search and rescue volunteer, law enforcement, or firefighter that responds to incidents within Stanley and its Environs.
- 2.4. **Household** – Includes two or more people related by birth, marriage, or adoption living together and/or two or more people who are living together and sharing finances.
- 2.5. **Local Employee** – A Permanent Employee, Temporary Employee, or First Responder as defined herein.
- 2.6. **Local Employer** - A business, agency, or non-profit whose business or operation activity is primarily located within Stanley and its Environs, whose business employs person(s) physically working within Stanley and its Environs. Employers that create and manage short-term rentals or who have online or remote businesses are not Local Employers.

- 2.7. **Permanent Employee** - A person who is employed or offered employment and is working for a minimum of 1,500 hours per calendar year (average of 30 hours per week) for one or more Local Employers or is self-employed. Exceptions to the minimum work hours include teachers and active-duty military personnel. An employee is considered a Permanent Employee if the employee experiences a temporary break in employment due to a personal or family health issue that would entitle the employee to leave under the Family and Medical Leave Act, regardless of eligibility requirements.
- 2.8. **Primary Residence** - The sole and exclusive place of residence for at least 9 out of every 12-month period.
- 2.9. **Roommate** – Two or more people living together that do not meet the definition of a Household as defined herein.
- 2.10. **Stanley and its Environs** – The area that includes the City of Stanley, extends along the corridor of Hwy 75 east to the City of Clayton and south to the 4th of July Road (Forest Rd 209), and extends along the Highway 21 corridor northwest to Cape Horn and Lola Creek Road (Forest Rd 083). A map of Stanley and its Environs is attached as Attachment B.
- 2.11. **Temporary Employee** – A person who is employed and is working less than 1,500 hours per calendar year or working for 8 months or less of the calendar year.

**3. TERM**

- 3.1. The “Term” of this Agreement shall be for a period of 65 consecutive years commencing on the date of the first certificate of occupancy (the “Commencement Date”), the word “Term,” shall mean the initial term and any extensions.
- 3.2. The Term may be extended by written agreement of the parties.
- 3.3. Upon the expiration of the Term, City and Northwest will execute and record an instrument terminating this Agreement. Execution and recording of such instruments shall not be necessary or a prerequisite to the termination or expiration of this Agreement according to its terms.

**4. OCCUPANCY**

Northwest represents, covenants and agrees as follows:

- 4.1. that the Project is being developed to provide residential rental property, and that Northwest shall hold, manage and operate the Project as a project comprised of residential dwelling units and facilities functionally related and subordinate thereto;
- 4.2. that none of the housing units shall be leased for a period of less than 1 year, unless a tenant requests to be let out of a lease early;
- 4.3. that at all times during the Term, the housing units will be leased only to Local Employees.

**5. APPLICANT PRIORITIES**

- 5.1. Northwest shall prioritize leasing to applicants using a tiered system, with Tier 1 having the highest priority and Tier 5 the lowest priority.

- a. Priority within tiers shall be given to the applicant who has been on the waitlist the longest.
  - b. Applicants will be placed in the highest tier for which they qualify.
  - c. Priority shall be associated with the type of unit an applicant requests. I.e. If a Tier 1 applicant only requests a 1-bedroom unit and there are vacant 2-bedroom units, the applicant won't be offered the 2-bedroom unit. Instead, the next in priority applicant for a 2-bedroom unit will be offered the 2-bedroom unit.
  - d. An applicant will be removed from the waitlist of a specific unit type if they turn down an offer for that type of unit. They may remain on the waiting list for other types of units.
  - e. Leases will be renewed based on the tenant's Tier qualification at time of renewal. Tier 1 and Tier 2 will be group together for lease renewal priority. Tenants will not have leases ended early if a higher priority applicant is looking for housing.
  - f. If a current tenant wants to change to a different size or location of unit they may apply as a new applicant. This will not jeopardize any part of their current lease or their ability to renew their lease.
  - g. Applicants with Dependents:
    - 1) For 3-bedroom units will have priority within their tier regardless of how long they have been on the waitlist.
    - 2) Will have priority over a renewing tenant of the same tier. That renewing tenant will be offered another unit immediately at the end of their lease or the option to extend the lease until another unit is available provided there are no other tenants with higher priority.
- 5.2. Tier 1 Essential – This tier shall be assigned to Permanent Employees in the following professions:
- a. Teacher at Stanley School
  - b. Salmon River Clinic Medical Employee
  - c. Stanley City Government Employee
  - d. Sawtooth Valley Rural Fire District Fire Chief
  - e. Stanley Post Office Postal Worker
  - f. Stanley Sewer Association Employee
- 5.3. Custer County Law Enforcement with the primary duty area of Stanley and its Environs
- a. Local Employer providing housing for an employee that meets Tier 1 requirements.
- 5.4. Tier 2 Essential – This tier shall be assigned to Permanent Employees in the following professions:

- a. Stanley School Worker
  - b. Salmon River Clinic Worker
  - c. State or Federal Employee with duty station listed within Stanley and its Environs. A remote duty station does not qualify. A maximum of 3 workers per agency may qualify in Tier 2.
  - d. Stanley Community Library Employee
  - e. Stanley-Sawtooth Chamber of Commerce employee
  - f. First Responder
  - g. Local Employer providing housing for an employee that meets Tier 2 requirements.
- 5.5. Tier 3 Worker – This tier shall be assigned to Permanent Employees in the below professions. A maximum of 2 employees per business/organization may qualify in Tier 3.
- a. Skilled Laborer (mechanic, plumber, electrician, equipment operator, builder etc.)
  - b. Essential local business worker (manager)
  - c. Non-profit employee
  - d. State & Federal Employee with duty station listed as Stanley and its Environs. A remote duty station does not qualify.
  - e. Local Employer providing housing for an employee that meets Tier 3 requirements.
- 5.6. Tier 4 Worker – This tier shall be assigned to Permanent Employees or Local Employers providing housing for a Permanent Employee. There are no maximum number of employees per business in this tier.
- 5.7. Tier 5 Worker – This tier shall be assigned to Local Temporary Employees or Local Employers providing housing for a Local Temporary Employee.

## **6. QUALIFIED RESIDENTS**

- 6.1. Northwest shall only lease units to tenants that meet the following criteria:
- a. At least one adult is a Local Employee.
  - b. No tenant, member of the tenant’s Household, or Roommate may own developed residential real estate or a mobile home, in Stanley or its Environs (including shared inheritance of more than 50% ownership). If an applicant currently owns a home but plans to sell, the applicant must provide adequate proof of marketing and a listing agreement with an agent.
  - c. The applicant/applicant Household must confirm that they will occupy the unit as their Primary Residence and will physically reside in the unit at least 9 out of any consecutive twelve 12-month period.

- d. Tenants may not sublet their unit. Roommates are allowed but must be named on the lease.
- 6.2. Local Employers may lease a unit for their employees. Subtenants of a Local Employer must meet the criteria in Section 6.1 above.
- 6.3. Should the tenants of a unit lose qualifying employment, the lease shall remain in effect through the end of the lease term.

## 7. RENT LIMITATIONS

The monthly rent for the first year of each lease is set forth in the table below:

# of Units	Unit Type	Garage	Est. Living Space	Est. Garage Space	Rent per month
2	1 bedroom ADA	none	734	-	\$1,000
2	1 bedroom	none	876	-	\$1,000
4	1 bedroom	garage	809	426	\$1,300
4	2 bedroom	none	1,271	-	\$1,500
4	2 bedroom	garage	1,271	730	\$1,800
2	3 bedroom	none	1,345	-	\$2,000
2	3 bedroom	garage	1,345	730	\$2,300

- 7.1. Northwest may increase rents on an annual basis. Any rent increases shall be based on the Consumer Price Index. Any rent increases above 4%, even if based on the CPI, must be approved by the City.
- 7.2. Northwest's net profit may not exceed 130% of all expenses, including loan payments, and operations and maintenance costs ("Profit Threshold"). If Northwest exceeds the Profit Threshold, each unit's rent will be proportionately reduced in the next calendar year such that Northwest's expected net profit will be less than or equal to the Profit Threshold.

4/1/26

**EXHIBIT B**  
**MAP OF STANLEY AND ITS ENVIRONS**



4/1/26