

# Town Hall Meeting Minutes

January 30, 2025

5:30 P.M.

Stanley Community Center, 510 Eva Falls, Stanley, ID 83278

## Call to Order: (Mayor Botti)

Mayor Botti calls the meeting to order at 5:34 PM.

## Roll Call:

Mayor Botti: Present; Councilor Gadwa: Present; Councilor Cron: Present; Councilor Cardoso: Present; Councilor Hernandez: Present. Also present for the City: City Clerk, Clare Vergobbi and Mayor's Assistant, Jennifer Folsom. Community members present: Charlie, Christie, Gary Gadwa, Russel Clark, Keith Reese,

## TOWN HALL MEETING:

### Timeline:

Mayor Botti presents an expected timeline for the workforce housing project:

**March 9, 2024:** Congress approved \$4 million for workforce housing.

**August 27, 2024:** City officially notified of grant award.

**August 31, 2032:** Grant funds expire.

**April 2025:** Select development company for building. The City has just released a Request for Qualifications for potential developers. The City is seeking out a company that works on projects similar to this one and have experience with federal funding and grants. The City is required to go through this process as part of the development process. The City plans to chose a development company that will then manage the project and manage the housing once it is completed, overseen by the city.

**June 2025:** Complete housing preliminary design to determine infrastructure requirements. This will help determine where electricity hookups, wells, and other infrastructure needs to go. The City can't get a cost estimate on these infrastructure products until we have a preliminary design approved.

**July 2025:** Environmental analysis completed (must be complete before any construction can begin). HUD has designated Idaho Housing and Finance as the entity in charge of completing this process for Idaho grantees. There are designated wetlands in the building site area and the 100 year floodplain covers some of the site. HUD requires us to build based on the 500 year floodplain. The City also must complete a wetlands survey and a phase one ESA. The City is in the process of hiring a firm to complete these steps. It is possible to construct without touching the wetlands or floodplain, but excluding these areas gives the City about 3 acres of buildable land rather than the total 4 acres.

**July 2025:** Pass ordinance to annex and zone property. The City must survey the area that will be annexed, and is currently accepting bids from contractors do to so.

**August 2025:** Begin infrastructure work

**November 2025:** City will apply for \$500,000 Community Development Block Grant for infrastructure. HUD money can be used for infrastructure buildout, but another \$500,000 to make the HUD funds go farther.

**January 2026:** Developer selects contractor for entire project which will be partly funded with HUD grant and partly with federal low income tax credits.

**March 2026:** Final development plan submitted to HUD for approval of design/build requirements. HUD requires an assessment of everything the City will put on the site, not just what HUD funding will go towards. If the City plans to complete this project in steps, all steps must be laid out in this development plan regardless of when they are planned to occur.

**April/May 2026:** Begin construction.

**July 2027:** Complete construction.

## Site Overview:



The site is largely to the right side of the road. The road is a county road, which could either be moved or improved. If the road is moved to maximize space on the right it will impact the wetlands. Some of the initial drawings and renderings include buildings on both sides of the road, while others visualize the road moved. Moving the road is an open question that depends on a few factors. The legislation that transferred the land said that Custer County was obligated to move the road if the City asked, but the County does not want to move the road. If the road was moved it would be moved along the south boundary of the property and would impact some wetland areas which would require mitigation. Two years ago, the County budgeted \$80,000 to improve the road but the improvements never happened. The wetlands impacted by moving the road could be transferred to the City-owned parcel west of town that also contains designated wetlands. If the building or moving the road impacts less than 1/10 of an acre of wetlands the City would not have to do any mitigation.

The flat bench area to the right used to have USFS housing into the 60s. That area is currently flattened and buildable without a lot of development preparation. Beyond that, the slope is 20-25 degrees. It could be built on but would require more development.

The road could serve as a natural barrier between types of housing, RV pads and apartments, etc.

Gary Gadwa notes that the entire floodplain was under water in the 1950s and still floods regularly so building on the south side of the road may not be wise.

### **Housing Needs Survey (a copy is attached to these minutes for reference):**

Survey was sent out in December, as of January 30 the City has received 15 responses. This is the third survey the City has sent out but since the last was from a few years ago and circumstances/needs may have changed there was a need for a new one. Some questions were added, changed, or refined. The City knows this project is still high priority for the community. Over all of the surveys, 80% of respondents said they were limited on who they could hire because of housing issues.

Based on the most recent survey, about 120 employees need to be housed during the summer season, with numbers varying for year-round needs. It is unlikely that 120 individuals can be housed on the 4 acre site.

Many responses said that studios for single employees would be the most helpful with 1-3 bedroom apartments for year-round, essential workers or families. A need for RV hookups and separate facilities with bathrooms, laundry, and storage was also identified. There are employees that need a bathroom or kitchen and laundry facilities but not housing. Almost half of the responses said that some employees do not need housing but do need other facilities.

About fifty percent of the responses said that essential workers should be a priority for housing. There is a need to identify what exactly counts as an "essential" worker—teachers, clinic staff, firefighters, city police, city staff, first responders, were all suggested.

### Housing Design Examples

Keith Reese volunteered to produce some conceptual drawings of types of housing that could work on the site. The City has **not** hired Keith or decided on any of these designs. Keith will not be the contractor for this project. This is just to visualize some of the options. The City wants feedback on this.



Option 1: 15 tiny homes at 432 square feet each. These could house 30 people total, assuming 2 people/home. Across the road, 6 homes at 240 square feet each, for single occupants. Total housed: 36. This plan does not include garages or any separate shower/laundry/kitchen/storage facilities.

The red circle denotes the public water system well, which requires a 50 foot radius around it with no development.

The empty spaces on the rendering denote the wetland areas, a road that goes up to the upper row of houses wide enough for fire trucks and emergency vehicles, and space farther up the hill where it will be difficult to build. The blue contour lines are 10 feet of elevation. The height of the buildings is 32 feet. Keith also notes that these renderings were created with outdated topographical maps. New topos will be completed along with the survey of the site, which will be completed in the spring.



# COST ESTIMATES:

## 767 Stanley Workforce Housing

Notes: This is very rough estimate no subs/suppliers were consulted.  
 Government regulations/inspections could add time/cost  
 This assumes you can place well and cistern in wetlands as shown in site plan.  
 Topo map requires survey: the one used for concept drawings subject to error.  
 No disturbance of wetland: yes to buildings in floodplain

Time frame Ready for occupancy spring 2028

TINY HOME CONCEPT				\$4 M build out (To hit initial target)			
Complete build out							
Description	Quantity	Cost	Ext. Cost	Description	Quantity	Cost	Ext. Cost
<b>17 Design/development</b>				<b>17 Design/development</b>			
architect/engineering/planning	1	250,000	250,000	architect/engineering/planning	1	250,000	250,000
well	1	100,000	100,000	well	1	100,000	100,000
power distribution 1300 lf	1,300	30	39,000	power distribution 1300 lf	1,300	30	39,000
power hook up	21	2,500	52,500	power hook up	21	2,500	52,500
water distribution 1300 ls	1,300	30	39,000	water distribution 1300 ls	1,300	30	39,000
water hook up 21 units	21	5,000	105,000	water hook up 21 units	21	5,000	105,000
sewer main	1,100	40	44,000	sewer main	1,100	40	44,000
sewer hookup 21 units	21	2,500	52,500	sewer hookup 21 units	21	2,500	52,500
cistern for fire 20,000 gallon	1	100,000	100,000	cistern for fire 20,000 gallon	1	100,000	100,000
fill 10,000 yards site fill	10,000	40	300,000	fill 10,000 yards site fill	10,000	30	300,000
road work 16000 sf	16,000	5	80,000	road work 16000 sf	16,000	5	80,000
remodel barn/pump house	1	200,000	200,000	remodel barn/pump house	1	200,000	200,000
landscaping	1	150,000	150,000	landscaping	1	150,000	150,000
general contractor/manager	1	241,000	241,000	general contractor/manager	1	241,000	241,000
<b>General site development Costs</b>			<b>1,753,000</b>				<b>1,753,000</b>
	# buildings	\$/bdlg	Total		# bldings	\$/building	Total
<b>Tiny home concept</b>							
Plus buildings placed 6 @ 240 sf	6	150,000	<b>900,000</b>	Plus buildings placed 6 @ 240 sf	6	150,000	<b>900,000</b>
Plus buildings placed 15 @ 432 sf	15	200,000	<b>3,000,000</b>	Plus buildings placed 6 @ 432 sf	6	200,000	<b>1,200,000</b>
Full build out 21 units			<b>5,653,000</b>	Build out for 12 units	12 UNITS		<b>3,853,000</b>
	21 UNITS		<b>269,190 per unit</b>		12	<b>321,083</b>	per unit
<b>Apartment concept</b>	# buildings	SF	\$/sf	Total	# units		SF/unit
apartment building	1	22,320	250	5,580,000	45	124,000 \$/unit	384
plus cost for 6 tiny homes				900,000	6	150,000	240
plus development costs				1,753,000			
<b>TOTAL</b>				<b>8,233,000</b>	51	<b>161,431 \$/unit</b>	
<b>Homes for 2 people w some garages concept</b>							
homes no garage	4	672	500	1,344,000	4	336,000 \$/unit	672
homes with garage	8	1,344	400	4,300,800	8	537,600 \$/unit	1344
plus development costs				1,753,000			
				<b>5,644,800</b>	12	<b>470,400 \$/unit</b>	

Estimates are rough with estimated higher costs due to the standards of federally funded projects and requirements.

The upper section lays out design, development, and infrastructure costs, estimated at \$1.74 million. There is an existing barn structure on the site that could be remodeled and



repurposed as a pump station, assuming a cistern could be buried in the wetlands. If the pump house had to be moved elsewhere it would impact buildable space.

If buildings are built higher up onto the hill, costs will rise for development. The challenge with moving up the hill is it doesn't create that much more buildable space because of access requirements and roads. Buildings need to be higher and driveways steeper, both of which cost more. A deep cut into the hill may also impact the visuals of the site.

For the tiny homes without garages, Keith estimates around \$150k/unit for the smaller units and around \$200k/unit for the larger units. Could build 6 small and 6 larger units for \$4 million. Tiny homes with garages is the most expensive concept; could build 8 units with garages and 4 without for around \$5.6 million.

The apartment complex build would be prefabricated, modular units stacked on top of each other 15 across. Each unit would be about 40'x12'. The build in the concept would cost around 8 million at \$161k/unit. The apartment concept is the most cost effective.

Councilor Cardoso asks about life expectancy between the apartment building and tiny homes. Will they last similar amounts of time?

Keith says the quality of construction will likely be similar in all of the build concepts, but his bigger concern would be winterizing facilities for the tiny homes—the City would likely have to spend more money making sure they don't freeze.

Charlie Thompson asks if there is a reason the City has not considered four-plexes or other concepts set into the hill with garages under them to save space.

Keith says that the single units could be turned into duplexes, or grouped into four-plexes—his designs could be easily modified. All of them rely on foundations with modular structures on top.

Charlie Thompson asks about management contracts; wants to clarify if Mayor Botti sees this project as three different phases with three different contractors: developer, builder, and manager.

Mayor Botti replies no, the City is looking for a development company that would essentially manage the project. They would hire a contractor and, once the facilities are completed, they would collect the rents and manage the property. There are lots of companies that do this type of development and management, especially with federally-funded housing projects like this one, that is the type of company the RFC is looking for.

Charlie asks if that means the City would negotiate three separate contracts—oversight, developer, and builder? Who is writing those contracts, who is providing legal advice, etc.

Mayor Botti notes that HUD lays out very specific bidding and contracting requirements that must be followed, so yes. The first step is bidding from development companies, then a contract with a company. Then the City would enter into another contract with a building contractor, usually one the development company works with. Then the City would enter into a management contract with the development company. The City is working with Altura Development, a company that works with communities and nonprofits on projects like this.

The City attorneys are also heavily involved and counseling on the structure of contracts and contract requirements, and HUD has their own guidelines, requirements, and resources for contracts and developers. Any contracts and agreements must be approved by HUD before they can move forward.

The City is particularly looking for development companies that work on federally-funded low income housing projects. These companies often use federal low income tax credits in order to get the rest of the money required to build. In order for the projects to qualify as low-income, and for the developers to receive those tax credits, the finished project must maintain at least 51% of the units as rent controlled and affordable. The City will set all of this criteria and terms of the contract based on HUD requirements, County low-income qualifications, and City code and zoning requirements.

Councilor Cardoso asks if it's possible that a development company might stipulate that they will only build one of our options—for example, forcing the City into apartment-style housing even if the tiny homes would serve needs better. City has negotiating power to choose the company that will work the best for identified needs and has already received some interested inquiries from companies based on the RFQ.

Charlie clarifies that 51% of the units would be required to be low-income and rent controlled.

Yes, if the development company uses federal low income tax credits, at least 51% of the units must be rent controlled, but not all of them. However, the City could require more be rent-controlled in the final contract.

Councilor Cardoso says it doesn't seem likely that the development company would agree to anything besides what would give them the maximum profit.

Mayor Botti agrees, but notes that most of the affordable housing development companies he has talked to in this process tend to build single family homes because of the way tax credits work. Also, many of these companies are nonprofits that raise and receive money in other ways to subsidize costs.

Councilor Cardoso notes that it is easy to lose control of an apartment complex when it comes to management, and that he has concerns over that model. Councilor Gadwa agrees. Mayor Botti notes that these concerns are why single family homes and tiny homes are being considered.

Christy Thompson asks if there is a definition being used for essential workers. She wonders if the tiny home concept would meet the needs of year-round essential workers or families. Would some of them have two or three bedrooms? The square footage would be small for more than two people. Also, these concepts don't necessarily address the need for seasonal housing. They have had people interested in working with them who have RVs, but nowhere to put them or facilities for showering, laundry, cooking, etc. This plan needs to include some accommodation for RVs or tent camping because many people come to town with a living space but don't plan to stay year round. They may not want to live in and pay rent for a tiny house, and what happens if most of the units are sitting empty in the winter when seasonal workers leave?

Mayor Botti notes that most define “essential” as permanent residents that make the city run: school employees, firefighters, clinic and emergency services employees, business managers, city employees, law enforcement.

Keith Reese notes that the larger tiny home models could be modified to have two stories with two or three bedrooms, and that the tiny home layouts could easily be RV layouts too—they would basically occupy the same space.

Mayor Botti notes that when the community started identifying the need for housing for year round essential workers, affordable housing companies got more interested because that would provide a year-round stream of income. Development companies aren’t as interested in projects primarily housing seasonals because then they only get 4-6 months of rent. There is a second part to the survey that was sent out that concerns these specific questions—who should get priority for housing, how should rent control work, how much should the units cost to rent, should there be a mix of RV spots, apartment or bunkhouse style living, and single family housing, etc, but that we will discuss this more in-depth at another Town Hall in a few weeks because it was too much to cover in one meeting.

Councilor Cardoso notes that the City also needs to consider outside spaces in these conceptual designs. Will pets be allowed in this housing? If so, where will they poop? Who will clean it up? He agrees that there needs to be at least some infrastructure for RVs, and that it will need to end up being a mix of all of these units: some RV spots, some single family homes, some tiny homes, some with garages, some with storage, a laundry facility, etc.

Charlie Thompson brings up the Challis RV park as a good example of an RV park design the City could consider, with separate shower and laundry facilities.

Mayor Botti notes that there are endless varieties to this concept, but that the City just wanted some sort of visualization to start these conversations. The designs Keith made are not at all set in stone.

Charlie asks about seasonal workers and the development company. No one will sign on unless the project is profitable, but we need low-income housing for seasonal workers. Is the City going to control the rent?

The City will set the criteria for affordable rent, which will change through time, but both the State and County have specific rates and formulas to determine this. The City could also require that more than 51% of the units be low income.

Charlie asks how we can be sure that development companies would agree to that if it won’t be profitable? Mayor Botti responds that it will be stipulated in the contract, and that there are federal requirements that development companies working on low income housing have to follow. The City will need a contract for the management of the site that holds the managers accountable for what they are legally obligated to do while also giving the City a way out of the contract if they do not fulfill these requirements.

Christy Thompson notes that more money may come from other sources beyond the grant and developers. She would like to see this develop step by step based on the resources we



have. Could Russell Clark build a few four-plexes to get something on the ground and the city manage it for the time being, until more can be planned and built?

Mayor's Assistant Jennifer Folsom notes the full development plan must be submitted to and approved by HUD before any building can begin. As previously discussed, this plan must include all aspects of planned development on the site, whether or not it is a direct use of the grant money. That means we can't really take this step-by-step—or we can, but those steps still need to be finalized and planned fully before we begin the project.

If the City managed or collected rents it would require more than one more employee to do so. Stanley is not a large enough city and it does not have enough employees currently to manage this kind of workload.

Christy asks what the point of an outside development company is—what service do they provide the city?

Clare Vergobbi notes that she has worked with companies that do this kind of work before. Many of them are nonprofits supported by grants and federal funding themselves, as well as utilizing federal low income tax credits to fund development projects. These organizations work with situations like Stanley's all the time and professionally manage this sort of project from development to contracting to building to management. While the City could decide to contract with a building contractor and then manage the development itself, the City has a very small staff, none of whom have experience working with federal grant funding processes, contracting, building, or property management. Contracting with a development company not only gives the City the services it needs, it also provides project management from a company that does this sort of project all the time.

Christy notes that this still doesn't address the seasonal workers problem. Has the city priced out RV hookups? What about a bathhouse and laundry facilities? What if the first four units in the renderings were taken out and replaced with RV hookups. We could still have multiple stages to the project as long as those stages are planned out early and approved by HUD. We could start with RV spots and later phase them to tiny homes alongside an apartment building, for example.

Charlie asks what the average income of a seasonal worker in Stanley is and wonders if that question could be on a future survey, or a survey sent out to workers rather than business owners?

The low-income cutoff in Custer County is \$41,000/year, which translates to a little under \$3500/month before taxes. If people are paying less than a third of their income in rent per month, then this would cut off rent prices at around \$1200/month. There are people in Stanley who make less than that or do not have stable incomes year round. How to manage those factors? And if the developer is going off a particular number that counts as "low income" but most workers in town are making less than that, are we going to end up with a building of empty units that people can't afford/don't want to pay for? What's considered affordable isn't always what the worker is willing to pay.

Mayor Botti notes that these questions are why the survey contained questions about seasonal workers, rent, rent subsidies, etc. For example, if workers are only in the units for

five months of the year, would businesses that rely on seasonal workers be willing to subsidize rents in the winter? Many businesses said yes.

Charlie asks if the idea with the development companies that use federal tax credits is that the grants and tax credits pay for the entire cost of construction, so rent collection is just for continued maintenance needs rather than for making up the cost of construction. Clare Vergobbi answers that it depends on the company—yes for some, no for others depending on if they're nonprofit or not, where they're getting funding, their organizational structure, etc.

Many of these questions can't be answered right now, or until we have conversations with developers. There need to be some more refined concepts brought to developers of what the City actually wants and needs.

- Who is the target market?
- How many people can reasonably be housed in that small space.
- Can there be different concepts on site without causing management difficulty? What is the most effective for answering the most immediate needs of the community?
- Could the City start with an RV park and migrate to a tiny home development in phases?
- Could it be split into two types of management, under different management? Could there be a camp host for the RV section and a development company or the City managing the buildings?
- What are the most important things for the City to stipulate in any contracts with developers or contractors?

There will be another meeting in a few weeks to talk about rent structures and types of housing that can address the different needs of the community.

### **Adjournment:**

The meeting adjourns at 7:21 pm.

### Takeaways:

- There must be housing solutions both for year-round, "essential" workers and shorter term seasonal workers.
- At least a few RV hookups would be good—perhaps 3-4 hookups would provide enough spaces for folks that want them without causing management issues.
- There is some confusion over numbers and costs.
- There is concern over management of multiple housing types
- There is concern/distrust about an outside development company managing this project, especially in how they would manage renting the property after the project is completed.