



CITY OF STANLEY

City Council Workshop Minutes

February 11, 2026 @ 5 pm

Stanley Community Center, 510 Eva Falls Stanley, ID 83278

ORIGINAL IN RED

APPROVED

Call to Order: (Mayor Botti) 5:07 pm

Roll Call: Councilmember Cardoso - Present, Councilmember Hernandez - Present, Councilmember Thompson – Present, Councilmember Cron – Present, Mayor Botti - Present

Also present from the City: Clerk Hannah Fake, Treasurer Savannah Pedersen, Attorney John McDevitt

Also present: John Vance, Carissa Connelly

11 members of the public present

Agenda Amendments: none

Mayor/Council Comments:

Mayor Botti – Thanked everyone for coming.

Councilmember Cardoso – Reported that he thought many community members were skipping the meeting because the letter made it seem like a done deal. So, they didn't think there was anything else to discuss.

Mayor Botti – The letter didn't say it was a done deal but provided more information. The letter was in response to many of the community's concerns.

Cardoso – Feels undermined by the discussion of completion by 2027 because that is just a pipe dream.

Mayor Botti – We have a few guests here tonight. This will not be a town hall format, so discussion won't be as free as it is in a town hall. I will give 5 minutes to speak at the beginning of the meeting.

- John McDevitt is an attorney with Skinner Faucet LLP and is an expert on Idaho Housing and Finance Law and serves as the general council for Idaho Housing Council and the City has engaged his services to provide legal review moving forward on the option to lease and lease agreement which are the focus right now.
- Carissa Connelly is the Ketchum Housing Director and has been in the position for 4 years, prior to that she was the director of the Blaine County Housing Authority for 3 years. In Ketchum she manages a team of 6 people who deal with housing issues and has extensive expertise in the types of issues this community is dealing with. We have been working with Carissa over the last year or more and that has been very helpful. She is here to provide her expertise.
- Jade Riley is on Zoom and is the Ketchum City Administrator. Prior to that he worked for the City of Boise, and he has also been helping the City out with this project.
- Morgan Landers is also on zoom, and she has experience with planning and land use issues.
- We have brought in and engaged with outside expertise which was one of the things that was suggested at the last meetings, and we have been doing that, but we also brought people to this meeting.

Cardoso – Did we invite anyone from Challis? The county commissioners?

Mayor – We did not specifically invite to this meeting, but I have attended Custer County Commissioners meetings periodically at their request to provide updates on the project.

We also have Pete Prekeges here who is the Mayor of Ketchum and he is just here as a member of the audience.

Presentations/Citizen Participation: None

Workshop Topic:

- Workforce Housing Presentation from consultant(s) & attorney(s)
- Workforce Housing

Mayor – We will share some of the things that have changed since the last meeting that have changed in response to community input and concern. This includes changes to the preliminary plans that reduced size, removing some of the unit's garages, and rents have decreased. This will be presented by John Vance. We have engaged with John McDevitt about providing additional legal review and he can explain some of the work he has done so far. These things have been happening as the community has requested them because they wanted to see some outside review. We have been consulting with outside experts. We have been discussing the project with several entities and will discuss it with others and we haven't engaged with anyone specifically yet but we will at the appropriate time.

Cardoso stated he would like to read Congressman Simpson's letter dated March 14, 2024 because this is where it all started. (The Press Release is attached to the meeting minutes)

- Mayor Botti – Without Congressman Simpson's efforts we would not be where we are today. Without his efforts to get the land transferred and secure the congressional appropriation.
- Cardoso – This letter seemed to indicate the short tourist season, and I am inferring that he meant to have low-cost housing for seasonal workers because they support the tourist town.
- Mayor Botti - The plan is still to have housing for seasonal workers. We want to address as many workers as we can. Seasonal housing has been discussed in later phases. Also, I was misquoted in that article. We have a water right for 80 people, not a plan to house 80 workers.
- Cardoso – On that note, doesn't the land transfer state 20 units.
 - o Mayor Botti responded – Yes, at this time that is correct.
 - o Cardoso – So phase 2 isn't even possible.
 - o Mayor Botti – For phase 2, we will need to go back to Congressman Simpson or Congress to make a change, but I don't foresee that being a challenge or an impediment to future development. We can show we can develop more housing on that site.

Clerk Fake read letters that are attached to the meeting minutes.

- Mayor – We really appreciate everyone's comments; they are all important. We know it took a while to read all the letters, but it is important to share them all if someone took the time to write.

Mayor: We will now move into reviewing the plans that John Vance from Northwest provided. I believe there were handouts if you wanted one.

Cardoso - Before we begin, this is going to sound worse than I mean it to. I want to remind everyone when the community wasn't showing up to these meetings. The day we chose Northwest every council member was on the phone except for me, I was in the office and we were trying to pick between 3 plans. One was horribly outdated, the other was more expensive than Northwest, the other was Northwest. And that is how we arrived at Northwest. So take that for what it is. I don't know how well we reached out, I don't know why other people didn't bid on this. Again, one was horribly outdated and expensive, and the

next one was quite a bit more expensive than what John had. Thank goodness John applied otherwise I don't know where we would be without John's. Those were the choices we had on that day.

- Councilmember Thompson – The RFQ was about tax subsidized affordable housing. When we decided that was not what the project was going to be there was not an updated RFQ. The process was flawed in my opinion.
- Mayor – The RFQ stated the expectation that the tax credits would be used because at that time it seemed the most feasible route. However, it wasn't required or exclusive that they had to be used.

Councilmember Cron – I reached out to the City of Driggs last week and talked with their Community Development Director. Driggs has worked with Northwest on housing projects they are doing. I would like to read a letter from the City of Driggs that I received. (This email is included in the minutes.)

Cardoso – Did they hire a project manager? I also heard they (Northwest) did a great job.

Cron – From what I gathered, no, Doug Self acted in that role because they have a bigger staff than we do.

Cardoso – What is status of Challis?

- John Vance – Challis wasn't funded in this round. I am working with Thompson Creek to try and go with a second funding opportunity for August of next year.

Cardoso – Why weren't they invited to this, it seems like we invited Ketchum, and we are hearing from Driggs, Challis has a similar project. It would have been very helpful to have them here.

- John Vance - Challis wasn't a public private partnership. It is with Thompson Creek Mine (Centerra Gold), We did similar visual preference survey. And Jolie has been here numerous times representing the County.

Cardoso – You told us that the County Commissioners urged community support. But we never really elaborated on what they said and none of us were invited to present to the County Commissioners. I feel like meetings of that magnitude we should have one councilmember attend alongside.

Mayor – We certainly can do that in the future. At their request I tried to provide them with periodic updates. There are issues that concern the County like the county road that goes through parcel. I will make a note of that for the next meeting for them.

Treasurer Pedersen – Gabe, Doug Self is listed on Driggs website as the Community Development Director so he must be their staff person.

John Vance – He (Doug Self) is extremely knowledgeable as well. We have 3rd parties do a lot of review. Construction testing happens. The State will have their inspector come in. Inspectors are less concerned with costs than the actual building and materials and they are concerned that the design built matches the design in the plans. As part of funding mechanism, the bank will be sending out their inspector and they will make monthly visits, go through materials, they are more concerned that the project progress matches the project budget in all ways so that we aren't asking for 50% of the loan and are only 30% done. There are 3rd parties involved in the project overall, if the city wants to hire one more we aren't opposed to that idea. We can talk about this moving forward. Specialized knowledge is going to be key if someone is hired.

- Cardoso – We are just getting the professionals involved now. We haven't met any of these people before. We are getting letters from Commissioners who don't elaborate but don't show up, or I am hearing about them anyway.
- Cron – That's not true Gabe. We met with Ketchum staff about a year and a half ago. We went down, with Charlie, and Kim, maybe before you were on the council. We started the process and met with Carissa and Jade and they offered their expertise from the get-go

- Cardoso – Well what about the lease. I spent so much time reading this lease and then most of it was taken out. I didn't get an expert there until the end. I was forced to wade through this larger document and figure out all these terms and then they were removed. Rightly so – did you do that (speaking to John McDevitt). Fantastic work. I was researching concerns that were no longer applicable.

Mayor – So we are making progress, yes, there are a lot of terms we still need to work out on the lease. He has improved on the option to lease for sure. Could you elaborate a bit more on what you think about the documents.

- John McDevitt – Thank you council, mayor and public, I am an attorney in Boise, serve as general counsel to Idaho Housing. I have helped municipalities around the state finance public projects. I have worked with IHFA structuring financing and building affordable housing. I was asked to review the legal structure between the City and developer. To begin the process, I start at the beginning, look at federal legislation conveying land, the HUD grant, proposed documents, and look at all the aspects. I am trying to get a lay of the land to figure out a good, efficient process going forward. These projects have a lot of nuances and variables. What I am good at is process and systems and bringing a concept to a closing which is what I do every day as part of my work.
- When looking at the proposed lease option and proposed ground lease, and development agreement, city contribution of LOT and HUD grant. There are steps in this process. Right now, you have a developer who has been selected by the city, the developer has designed the project, the developer needs to fund the project which is a huge aspect. The option to lease is one way for the developer to evidence to its lenders to show it has an interest in the land. There are a lot of things to do on the ground lease. If the developer wants to get started to get started this spring, city wants to start this spring, the developer needs to get funding soon. So an option to lease can assist the developer to show they have an interest in the land.
- With the City and Developer's involvement I have made the Option to lease streamlined. It shows that the City has selected Northwest to develop this project and it is willing to grant Northwest a ground lease to show interest in the land and that ground lease will be subject to certain restrictions. Lots of conditions will be included in the ground lease but those aren't put in right now, but they will be in the ground lease. Next is to negotiate and determine the aspects of the ground lease.
- The Option to Lease is streamlined to give the Developer what it needs to get funding while we get all the requirements in the ground lease, so that we don't have to figure them out now and they don't have to be part of the Option to Lease. First step is the lease option, then will be negotiating what the aspects are in the ground lease.

Cardoso – Do you frequently get draft copies that have different City names or addresses? I saw front street, different cities all together that you are contemplating asking me to sign. I know you removed a lot of the Cities vulnerabilities. I wish I had known you were removing so much, it was so hard to read.

- John McDevitt – Yes, they can be dense documents.
- Clerk Fake – Gabe the first document we sent out was a template draft. That was what Northwest sent out as a template to work from that came from another project. That was to show the council, this is a starting point, changes will need to be made. But we provided an example of what the document might look like.

Cardoso – Can you explain what you removed from this lease option?

- John McDevitt - In the previous form of the lease option there was contemplation of city funding mechanisms, that's what the exhibits were governing, what the basic cost outlays were. To me that detail doesn't belong at this point in the process, it comes later. On the structuring side of it, you have a ground lease that conveys a leasehold interest to the developer to develop the housing

subject to the restrictions. Separately there are funding mechanisms to construct the projects that are separate standalone documents. So, with the HUD grant, you want to convey any restrictions that come with it and that will need to be part of a subrecipient agreement.

Cardoso – So that's the big thing, you gave us security against vulnerabilities because the cities restrictions weren't transferred over to the builders, and that was in the language as of yesterday. In the ground lease what does Northwest LLC XXXXX mean. The things they are asking me to research. Is that a for profit entity at this point?

- John McDevitt – What Northwest will do is create a separate standalone entity to be the lessee and operate the project. The XXX is a place holder and it will be created. Northwest will be the sole member of that entity.

Cardoso – Is that standard?

- John Vance, John McDevitt, and Councilmember Hernandez all replied yes.

John Vance – Provided clarification that what we generally do is the special purpose entity is geared towards the project name, so we didn't want to put anything else in there yet.

Cardoso – The other thing I looked up was cognitive biases to see if there were any. Before anyone beats me to the punch line you can say Dunning-Kruger or imbeciles are too imbecilic to know they are imbeciles. I came across quite a few of these cognitive biases. Shared information bias, we are all talking about the same things over and over again, rental rates, size of units, but very few people are talking about specific information like the contract language, and we are just hearing about this today. The new designs came in yesterday. We are not talking about the right things. The letter ended with yes pets are going to be allowed and I just laughed at that.

Mayor Botti – John McDevitt, you said this would be an iterative process that we would need to work through getting the final ground lease signed etc. When we first saw the draft lease provided by Northwest, it was portrayed as a form of the lease, and this is an example and we knew way back then that this would take a long time to negotiate the final terms of the lease. I know some people have expressed concerns that once we signed that lease the city would cede all control over the land and the project and the city won't have any way to control what goes on there. Could you comment on that?

- John McDevitt – You are talking about a 65-term lease. That is the time that Northwest would have the lease hold interest in the property, build the property, operate the property and occupy the property. What the City can do to protect itself in that process is have the occupancy restrictions and have any other oversight restrictions that the city wants in the ground lease. The City, and community have a vision for what the project looks like, the ground lease will help make sure that project comes to fruition in the way the community wants with the people living there, essential workers, workforce, etc.. There are not a lot of limits on what the City can ask so long as it complies with comply with state and federal laws. The City has broad discretion to negotiate what the ground lease is.

Thompson – I am not in favor of phase 2 in this project being part of this lease. I don't think we have agreed that the whole four acres should go to this project with Northwest. Where are we protecting that, what is in this lease option that decides what the dollar amount will be and what position is on the ground lease.

- John McDevitt – There are two answers, the lease option that you reference does not contain those restrictions, it just says that the city will agree to lease the land to the developer subject to the terms in the negotiate provisions. Those provisions will be in the ground lease. That is important because this is just the first step. You are not giving up anything by entering that option to lease, you are just saying you agree to negotiate to lease to Northwest.

- Thompson – So if we want to knock off negotiations in 2 days we have that option after signing this, or no?
- McDevitt – You want to negotiate in good faith. That lease option has a term of December 31 2026 or the date the ground lease is signed whichever is earlier.

Thompson – Give us an example of bath faith of the City’s part.

- McDevitt – That lease option is entered, for example, on February 13th and on Monday the City decides we’re sorry, we are not doing this, we are out and going in a different direction and we are not considering entering a ground lease with the developer.

Mayor Botti – John McDevitt, in previous conversations I believe you had said that the lease could specify that a portion of the ground lease could be released under certain circumstances.

- John McDevitt – That is correct,
- Thompson – Does Northwest have any legal standing if we sign this to the entire 4 acres?
- John McDevitt – No, you are signing that you are agreeing to negotiate a legal interest in those 4 acres. On what the Mayor’s commenting on, and to address your question, there are numerous ways to negotiate the ground lease. You could negotiate the ground lease for two acres. That takes work because you would need to get a legal description and you may have to subdivide but yes, you could do that. You can enter into a ground lease for the full 4 acres and if phase one is built to the standards that the City has expected and Northwest is performing as expected under the ground lease than phase 2 could be continued. But you could condition into the ground lease, the release of 2 acres or whatever is needed to build phase two. So, the City has discretion to negotiate that at the direction of the city council.
- Thompson – Would it be clearer to identify that now? All these other ground lease option agreements had a lot more conditions and I am looking to protect the City’s rights. I feel with this new plan I would just assume that we didn’t put all our option tax money in. Is that up for negotiation? You are leaving us hanging out here without clarification as we enter this. It all has to be negotiated rather than clarified after signing this right?
- John McDevitt – That is correct.
- Carissa Connelly – I fully agree with what John McDevitt is saying. You want this to give the confidence to the developer that you will negotiate. If you can’t come to an agreement on the ground lease, then nothing happens. It’s just that you are saying you will try to negotiate, you are entering into negotiations. There are certain things that would be in the ground lease as well. Say the developer doesn’t fulfill the things that were negotiated like if he doesn’t build the buildings then the ground lease wouldn’t hold.

Thompson – Why would we negotiate on that and sign something when I want to work on phase 1 only. Why would we start negotiating on something tomorrow whether phase 2 is on the table?

- John McDevitt – That is a policy decision. If the City wants to limit the ground lease to phase 1, you have the ability to do so. Just to be clear, in the lease option it is broad, it conveys a message to the developer that the City will agree to negotiate. It doesn’t bind the city to say this ground lease is for phase 1 and 2 or four acres vs three acres. It does not provide those specificities. It just stays its going to negotiate. The ground lease is where you pick up where the city council and what the public wants the city to do.

Cardoso – Just to clarify if we had signed the draft lease option that I had read the city’s rules would not have transferred to the developer, it was a bad document the one I read? We were legally exposed, I believe, because the duties and obligations weren’t transferred to the developer in this copy.

- McDevitt – With the current lease option,

- Cardoso – But I have your corrections and you removed a lot of stuff, what grade would you have given that original copy? Because I feel like we were at legal risk somehow and it was full of holes and I was being asked to sign it.
- McDevitt – One distinction to make is the initial form of the lease option and the current form of the lease option, neither one pass on the city’s obligations under the HUD grant. That is to be a separate document. If the City, at the direction of the city council, wants to enter into that ground lease.
- Cardoso – You made it very small compared to what it was.
- McDevitt – Just to be clear the ground lease is a separate document.

Cardoso – Did Challis sign a similar lease option? You weren’t able to get funding was that a full year?

- Treasurer Pendersen clarifies with Cardoso that it is Thompson Creek, the mine, not the City of Challis.
- John Vance – It is actually a donation agreement; they are donating the land. The specifics of the language is that we have through the end of next year that to get funding. It is voidable on their part in a couple of respects. The biggest respect being, if they wanted to start developing some of it they could switch us around basically.
- Cardoso – I am not an expert on this.
- John Vance – Yes, that is why you brought John McDevitt into this. Yes, some of the things that were in there probably shouldn’t have been in there, but we added them because we were trying to provide comfort to the council on a couple of issues. Those issues being things like the amount of option tax you would provide any year. We will still stick with the 1.265 maximum allotment of option tax. Those are still things that we want in that final document because we have agreed to them. Those are really for the ground lease and not here in the option to lease. Annual increases in rent will be tied to CPI unless approved by council.

Cardoso – I read 4% that would be a big increase each year.

- John Vance – It depends on what CPI is, right now it is about 2.8%. Those are things that we will make sure we adhere to in the future. Part of the budget includes \$450,000 ish of contingency. This is a just in case fund. We will not use the contingency unless required, if it is a condition we can’t avoid. We won’t use it for elected changes without council approval. Because we know that contingency directly affects the rents at the end of the day.

Cardoso - Why are we being asked to build infrastructure for phases that, by the mayor’s own admission, most likely will never happen?

- Mayor Botti - Well the basic infrastructure of the public water system, sewer, electrical, and some of the access roads have to be built for phase one. Some of the infrastructure would have to be extended if we developed the rest of the 4 acres.
- Cardoso - If we went with the split model of breaking up the lease, would the future developer kick in for the infrastructure that we are going to be donating to them essentially?
- John Vance – That is part of the problem with doing the split model. If we design the well and cistern to serve say, 50 units, that does pose an issue because the tenants would be the ones to bear the cost, not me. As you bring on other tenants that will help bring down the rents overall. There will be some requirements to add or extend infrastructure for future development, so future phases will have some infrastructure costs.

Cardoso – We would have to go back to Congress to get approval to build any more than 20 units correct?

- Mayor Botti – I think we will have to do that. It is my understanding that we would have to have that conversation.

Cardoso – Just to clarify quickly, the reason why I don't believe the 2027 is not viable is because we still have to deal with the Army Corps of Engineers. I heard the sewer board might have problems. We've got all these infrastructure things. Anyone who still believes that 27 is an accurate date is providing false information at this point. There is just so much to do.

Thompson – Is that 20 units, that is new to me tonight, is that brick and mortar? Could we temporarily put RVs on that in the summer? Is that a question that can be answered in that bill or are we just talking about brick and mortar?

- John McDevitt – The federal legislation is stating the city will do something, it will construct 20 units. It doesn't say it shall, or it may only, so when I read that, I thought it was soft language and it is not an affirmative language on the city to really do anything so it doesn't really limit the construction of 20 units. I don't know the answer to your question, but that stood out to me. When you go down further in that paragraph it talks about designing and constructing the project with consultation with the secretary so if there is a desire to build more units, is that just an agreement with the Secretary or does it require legislation? I think it is probably just an agreement with a department rather than congress making a determination that you can build more than 20 units. That is an open question.
- Mayor Botti – I agree. We haven't gotten to a point where we need to go back and discuss this. We can go back and talk to Congressman Simpson and talk about congressional intent and what John McDevitt said. It is hard for me to imagine that congress intended to absolutely prohibit the building of more than 20 units if we had the financing and capability to do it. If there are some loose ends there, we have to go tie them up.

Cardoso – Will there be language in the ground lease that will prevent them from selling, or will that always be an option?

- John McDevitt - Under the ground lease structure, there can be, it's not uncommon for there to be a provision to provide for assignment (to take over), to assign to another owner or property owner. This is a provision that may be negotiated in the ground lease. The City can decide if they don't want it to be assigned.
- Carissa Connelly - You can also add that it can be assigned later with Council approval. So at a later date, if Northwest no longer wanted to, or wasn't able to operate, it could be transferred.

Mayor – The key is to figure out what constraints the City actually puts into the ground lease we are not at that point yet. The option to lease lets that process begin. All these concerns are valid, but we need to get to the point to be able to negotiate those. I would like to get into some of the proposed changes and rents.

John Vance – Based on what was discussed at the last workshop, we went through and made some changes. We reduced the overall size and provided more units that have lower rents because they do not have garages. There is building 1, with 2 3-bedroom, and 4 2-bedroom units. There are still the same concepts. All units have a half bath on the ground floor and a full bath on the bedroom floor. We removed the master bath from the 3-bedroom. We have washers and dryers in the units because we heard that was important. The garage is sized down. It will be a 1+ car garage unless both your cars are very small, but it does give you a lot of room for storage. The reduction there is because the bottom floor transfers up to the other stories. The next building is the same layout just no garage on the bottom floor. The other building is 1-bedroom units that we also reduced in size some. 4 units have a garage and 4 do not. We have designed the 2 1-bedroom units on the first floor to be ADA compliant to meet what was discussed at the last workshop. These reductions reduce the overall project budget from even the last one to have rents

start at \$1000, each bedroom adds about \$500 per month and each garage about \$300 per month. These numbers will fluctuate as we get through design and engineering. We will have actual bids from contractors and sub-contractors. We only will spend contingency if required or approved by council. If the contingency is not spent, then rent will be lower by about \$75 dollars. The lenders require us to have a contingency.

Cardoso - What costs of infrastructure are going to future phases?

- John Vance – It is hard to put a number on it. The cistern wouldn't need to be increased. What would be different would be sizing of water piping and the depth of the well and size of the pumps in the cisterns. The increase is not so much that it is doubling the infrastructure, probably a 5-10% increase overall. If phase 2 starts, we would have to put in a new well. It would be better to spend a little more now than a lot later.

Cardoso – Is the land undervalued? I've heard it's valued at \$300,000. I am curious when that might change and how much it will go up to and if it factors in.

- John Vance – We had it appraised in the thought we would go for low-income tax credits because the City's contribution to us adds points in the system, so we had to show a value for it. That number will fluctuate year to year, up and down. It depends on the market, if interest rates go up the value of the land goes down. It is hard to evaluate a 4-acre parcel of land when there aren't many available in this area to give a baseline for value.
- Clerk Fake – That land can never be sold so in essence it doesn't really have a value we can get from it by selling.
- John Vance – We could have another appraiser come look at it and we would get a different value.

Thompson – The number I find odd is the \$375/month for 4 acres.

- Clerk Fake – That number came from splitting the value of the land over the 65-year lease. If the City charges \$100 a year for rent then the difference is what the City is putting into the project as well. That was a very rough estimate to put value tag on what the City is contributing.

Thompson – For me individually I want phase 2 removed from the project. I would like to see some locals involved in the project. With locals we could generate capital. I would like to see the geothermal and mineral rights reserved for the City of Stanley and I would like to reserve \$300,000 or more from the option tax that is being talked about for financing the project. I would also like to ask you this question. The mayor said that the community wanted townhomes. If we remove the townhome situation could you build more efficiently or effectively and provide a different outcome for the workers. On the previous plan you reduced the plan by 40% and the cost has gone down 7% it sounds like we should have bought the first plan. How do we negotiate the finances with you?

- John Vance - Negotiate what finances?
- Thompson - The community spoke and said they wanted smaller units and possibly remove garages. You removed 40% of the space. You have only cut down your estimate by 7%. I can see a range, but this is a broad range so how do we negotiate these figures.
- John Vance – You had this same question last time, what does a 30% reduction mean. The reduction you are talking about includes garages, that is unfinished space, we didn't reduce any concrete because the floor just transfers down. It doesn't equate to a dollar for dollar decrease.
- Thompson – I understand that but 7 to 40 is a big difference.
- John Vance – Most of what we removed was empty space. The infrastructure didn't change. We had the contractor provide us with the numbers. They looked at drawings and came up with numbers. I didn't come up with these numbers. Once we go through full design and engineering there will be better information and changes. We haven't started any of those meetings yet because

we don't have any way to show we have rights to build on this land. Once we have the option to lease, we will meet with the architect, engineer, general contractor and myself every 2 weeks or so to go through the design and talk about things and make changes as we go through. There may be things that the engineer has a different option about than the architect. We are hoping that in 2 months we will have a design that we can submit to the state to get approval.

Thompson – So let me ask you again, if we get rid of the town home concept can you reduce costs?

- John Vance – When I first came here it was made very clear by the community and council that they did not want apartments or dormitories so those were rejected. That was probably the easiest way to go but not what the community wanted. One major thing was parking cars for all units, and that is where we chose town homes too, because they had garages. We came up with this design because it could realistically meet what the community wanted and hit the rents. It gives us a viable product for workers at a reasonable price.

Thompson – I am asking is this the only viable product. If you went back to your designers, could they offer another option?

- John Vance - An apartment building concept would cut down on costs, yes.
- Thompson – No, I mean a condominium concept where it is not stacked but spread.
- John Vance – We had this discussion before, when you spread it all out on one floor...
- Thompson – I am not suggesting one floor.

Cardoso – I have a question for Carissa, would you agree with this part of the letter from Jade Riley “in addition it might be prudent to hire a project manager or planning expert to represent Stanley’s interests process entitlements...” Would you agree with that?

- Carissa Connelly – Yes, I would. I very much admire the City’s efforts and how far they have got but when you have those skills to rely on as a city, things can be a bit smoother.
- Treasurer Savannah Pedersen – Do you have a description of that position or cost?
- Carissa Connelly – I don’t but Jade Riley probably would. Driggs and Ketchum both have staff on that can handle that. You have a small team, so you don’t have a staff member to do that. One specific position would be helping with the entitlement process.
- Mayor Botti – That’s what I was speaking to earlier. We have already been looking into that. We have spoken to several firms that provide those kinds of services. We need to look at the critical things we need help with.
- Clerk Fake – I have reached out with Doug Self, Teton Valley Housing Authority, based on recommendations from them, the Mayor and I have had a meeting with two private consultants who offer expertise and expertise in these fields but we are continuing to investigate other entities and services that may be beneficial for the City in this process. I think it is important to remember that both Steve and I are spending a lot of time working through all the information and various steps and we can’t relay every little bit of information to the council so you may miss some of the steps but we are trying to provide you with the most correct, and relevant information as we receive it.
- Cardoso – Bias of transparency, that came up in my list, sometimes people assume they understand thoughts we have been working out.

Mayor – We try to be inclusive as much as practical and wanted by the council, which is why we have been scheduling these meetings as often as we are. Any council members are welcome to come and talk to me, if you have questions or don’t understand what’s going on. But I also don’t want to overburden the council with 3 meetings a week.

- Thompson – I would like John to talk about parking and approaches to garages.
 - o John Vance – This has been designed by the architect, and it will change as we have not engaged the civil engineer so things may move. The road will likely move and turns change slightly. We anticipate having some distance between building and road that is not show in the drawing now. I can't engage civil engineers until I have the option to lease
 - o Thompson – Where are those buildings going to go? If we can't negotiate at this point how are we going to negotiate down the road.
 - o John Vance – It isn't about negotiation. I don't want to engage engineers until I have a right to build on this property. What you are asking for is what we will have when we sign the ground lease. It will have a plan then. Between now and what you want to discuss has about 50 steps. Those answers will be answered before the ground lease is signed by the City.
 - o Thompson – So your architects presented a plan today, but they are prepared to go back to the drawing room and do it over?
 - o John Vance – What we have is a viable building plan with a budget, what will change is the location layout and infrastructure because currently is designed by architects and not civil engineers so when they get involved things may change some in terms of layout.
 - o Thompson – Are you prepared to go back to square 1 if that plan doesn't work. I have been on that property, and it is simply impossible to have those buildings where you say. Because you are below the roof line and you can't go in the wetlands. I don't care what your engineers say, it can't be built.
 - o John Vance – If they aren't able to come up with a viable plan then we will have to re look at the whole thing, but I don't want to go back to square 1 because we have already come up with this plan with a lot of community input and time of what the community would like to see. At this point we need to start putting more definition behind the plan.
- Carissa Connley – There is a lot going on and a lot that people want to see surety of but you won't see that until you get to the next step. You want everything final now and John's team has already invested a lot of time and money in this project with the hopes that it will go through. I believe what he is asking for is some commitment that you will negotiate on these things going forward and without that it would be imprudent of him to continue spending money and doing the design and looking at these things that you are asking. You want to know what the finished product is before you commit, but right now you have the option to continue negotiating which gives him surety to engaging with more people and it buys time to negotiate and put in all the policies etc that you want to see. This is all a step by step process but it takes a long time. This is really hard to do middle income development, and it is hard to develop in Stanley. I was surprised to hear that even 3 people responded to the RFQ. And I was surprised that John was willing to work in this space. In Ketchum no one was willing to do a project like this.

Cardoso - Wont projects like these turn a profit after 5 years? With the HUD grant and the City of Stanley funds wouldn't Northwest turn a profit on day 1?

- Carissa Connelly – Northwest is a not for profit.
- Cardoso – Both entities even the one that isn't created yet?
 - o John Vance – The entity is a subsidiary and is in essence us. It is a not-for-profit entity and it creates the limit of the liability, and it doesn't tie up other projects if there is an issue with this one.

- Cardoso – Your investors, someone is turning a profit immediately, right? It seems like it would be attractive to me to other bidders.
- John Vance – We are showing a profit after year 1 but
 - o Cardoso – But aren't all projects showing a profit after 5 years.
 - o John Vance – It depends on what type of project you are doing. Each project has its own timeline. Residential is longer. The easier the building the quicker the profit. We are committed to giving 50% of the processes back to the community. So, at the end of year 1 if we get \$40,000, \$20,000 is going to the City or reduce the next year's option tax obligation.
- Cardoso – Doesn't this give your company more value because you can show you have a steady revenue stream for 65 years? So, you are getting revenue.
 - o Clerk Fake – That revenue is about \$20,000 annually.
 - o John Vance – That is not much over the course of the planning period.
 - o Cardoso – Can you not borrow against that for another project?
 - o John Vance – Most likely not. Reputable lenders, no. Those kinds of cash flow loans rate of return are not good for us long term. We are not trying to capitalize this project to do other projects except maybe Phase 2. I used to work for a for-profit developer in Denver and for for-profit developers our turn period was 3 years, we want to make sure we sold it after 3 years. There was a lot of short-term thinking because we only were thinking about it for 3 years, here we are doing long-term thinking because we are holding it for 65 years. Our organization is set up as a non-profit because we wanted to make sure these projects were affordable for people long term. We are not trying to maximize profits overall. We are trying to find a viable project that works for both Northwest and the City over a long period of time.
 - o Carissa Connelly – I would add viable means being able to finance it. He needs to be able to show what the projected revenue will be going forward.
- Charlie Thompson - I want John to understand the difficult of working in Stanley. The most precious thing we have in Stanley is land. Land is scarce. You have an exceptional piece of property to work with. Speaking to the business community. Currently there is nothing left for the summer employees in this part of the project. I have a business and I have housed employees in my personal space, I have put campers on space. I have been waiting for 30 years for a project that will house summer employees. Essential employees, I am 100% behind the essential employees but in 12 weeks 80% of our business comes into town, 70% of the budget of the City comes from that time frame and none of that is going to take care of those summer people so now I have to go back and start working on a project. I have to get the land, the capital, and city approval. If I had had the city come up to me 3 years ago and say Charlie, I will give you land, and 60% of the cost of putting it up, I would have a property now through my own enterprise that would house 10-15 people. I would be leasing to workers at local rental rates. I am going to be a hard negotiator because you have the land. We have to put up the housing. We have standards in America that 30% has to go to housing and all these things but there is no standard in America that says, if you are a business man you have to provide housing for all your employees.
 - o John Vance - When we started this process 1 year ago, the essential workers were top priority above all else because without them you can't operate the City. The council wanted to ensure we went about this in phases over time, we have come up with this plan of 20 units and got rents down because infrastructure cost split. There are options to work with businesses to help seasonal workers get housing. We want to ensure we can first serve

essential workers if we build these and 16 lease up, we can reach out to business community and get seasonal workers in the housing. Trying to finance housing with a 50% vacancy rate is darn near impossible, so that's where that comes from. We could do dorms in a later phase but need to get community support behind that.

- Cardoso - Do design elements dictate we need four 3-bedroom units? I have mentioned this several times before. Does that work out with the design? Or is someone still insisting that we need 4 3-bedroom units. Right now, we don't need any and 2 seems to be a compromise.
 - o John Vance – Well, you want to have at least 1 with a garage.
 - o Cardoso – You will have 18 river guides living in them.
 - o John Vance – You can't design up, if you build a 2 bedroom you can't have a family of 5 living in there.
 - o Cardoso – My theory is that they are being put in place because we are assuming phase 2 will never happen and certain people are very vocal about families. I have been asking for that to be cut down for a while. There is no need in this community for 4 family units.
 - o Austin Clegg – That is not true. (Comment echoed by other members of audience)
 - o Cardoso - What is the most pressing need?
 - Austin Clegg - There has been seasonal happening for decades here, but what you don't see is family housing.
 - o Cardoso – If we build 2 3-bedrooms and then in phase two build more luxurious family housing. It can be as luxurious as you want to make it. We are leaning heavier on higher income people when the HUD grant was to provide housing for lower income people. Some people in community are asking us to take that money from poor people to apply it to professional families exclusively so businesses can make a profit. That is not the intention of a HUD grant that is for private housing.
 - o Treasurer Pedersen – Most essential workers or year-round workers have families or will have families.
- Clerk Fake – Carissa, what has Ketchum generally used for a breakdown of unit size because that housing that has been built is for the local workforce of the community.
 - o Carissa Connelly – Historically, we have not done a good job for planning for families, and have lost so many families. In Ketchum, have 40% fewer kids under five in 2025 than 2010. Only 7% of restricted housing in the north valley has three beds which would explain why the median age in Ketchum went up by 10 years.
 - o Cardoso – That is not what Congressman Simpson outlined in his press release.
 - o Carissa Connelly – I think there are some assumptions of what familial status different types of workers have. We have the same debate in Ketchum, Blaine County and around the state. There are many essential workers who have a family or might soon want to have a family. If they want to have a family, they might have to leave the area which is what has happened down south.
- Cardoso – Let me ask you, isn't it easier to get private outside funding for 3-bedroom family apartments and use the HUD money for seasonal lower income because we aren't going to get outside income source for lower temporary workers ever. Isn't the order incorrect?
 - o John Vance – This isn't a HUD grant. This is a congressional appropriation that is administered by HUD. HUD grants have a lot of strings attached.

- Cardoso – I am asking the intention, not the strings. Housing and Urban Development is designed for the lower 30% not the upper margins.
 - John Vance – It is 80 AMI and less. There is no other entity at the federal level that has money for housing so it makes sense to give the money through HUD because it wouldn't make sense to give it through the transportation department. We don't want to think of this as HUD money because there are a lot of stipulations that come with it, and stigmas.
 - Mayor – That is correct. It was a congressional economic development appropriation, and they used HUD as the vehicle. We did have to apply through HUD and fill out their forms but that was just part of the process.
- Cardoso – Okay, but isn't it easier to get outside funding for Phase 2 for a nicer place than for seasonal place.

Thompson – Phase 2 you could bring in the local business community to help cover the cost and be financial cost.

- Cardoso - So you are asking for the smaller businesses to pitch in for the seasonal housing? Because in the letter from Simpson it says temporary workers at least 3-4 times so we are ignoring half his letter if we don't try to get phase 2, try to incorporate more of that original vision into the plan instead of leaning exclusively to families and professionals.

Botti – There is no way we are going to hit the perfect target. The community weighed in and said essential workers were the priority and we wanted to satisfy at least part of that need, if not all of it. Some of them have families, and I think we would be more permanent workers with families if there was somewhere for them to live. That is why there are so many single people because they can squeeze in and find a place to live, whereas a family of 4 or 6 can't and so they aren't here. But if we provide the housing those people with families could become part of the community and become essential workers. So that was the philosophy behind the 20 units focused on the permanent workers, not forgetting about the seasonal temporary workers. I am still determined that phase 2 will happen, that is not forgotten. We just can't take care of all the needs up front. We presented what the community wanted to Northwest as the marching orders. They gave us some options to meet those needs. It isn't perfect, but we won't ever find something perfect for everyone.

Lori Mitchell – I am data driven, if you are that concerned about the number of three bedrooms, ask how many people have families. If there are people who need it – you should put three bedrooms in the design. You need to listen to the community, I know that everyone has their own options, but the council represents the people. John, it is very true that in a long process there will be unknowns, but you won't find them out unless you take the next step.

Harvey Dale – If there is going to be a special purpose entity, is there an opportunity to make sure there is enough equity in it for a guarantee from the member so the financial liability will remain. I looked at the I90 of Northwest, and they have quite a lot of equity in assets which is comforting but if it is shielded by a special purpose entity it isn't quite as rewarding.

- John Vance – Northwest will be the guarantor, and Northwest will be standing behind that loan.
- Cardoso – Is that the same thing as a bond?
- John McDevitt – It is a guarantee to pay.

Jonathon Mitchell- Some of the people who will be moving into these apartments are already living in Stanley and when they move out, there will be more housing that will be available for seasonals as they will vacate where they are living. Some of these houses will be filled with new employees but you might see 10-15 houses or bully barns open up for summer workers. That isn't a huge number but that does alleviate some of it. I applaud the work you do for people to stay in this community.

Clerk Fake – Lori asked for data on families. In the survey of 20 essential workers. Currently there are 5 people among those workers who have families, and there are 2 other workers that have had families in the past. That would be 7 workers out of the 20 in this community who have or have had families. I assume that it is a smaller number than in other communities due to the housing constraints.

Mayor Botti – I think that is true. We have had workers here who have tried to make it work here and couldn't and so left. We had a city worker who had a family of 4 and couldn't make it work and left even though he wanted to stay. Other people have given me examples of the same type of things. I think more people with families would live here when they found out they could.

- Cardoso – You are also skewing the info because all the data and job creation data would be from seasonal workers, so you are cherry picking a detail when you are ignoring the economic data of supporting seasonal workers. We can't cherry pick,
- Mayor – We still intend to take care of the seasonal workers.
- Cardoso – This is gentrification without a viable phase 2 if this is the only step we ever do.

John Vance – It is not my intention to do a one and done. I think it is wise and prudent not to build 48 units at once. I think the 20 units is a good idea. We may need to pivot based on if people stay in units or not. The first phase will inform us on future phases. The one thing on seasonal workers, again, is the 50% vacancy rate and so we need to address that with the business community because it will be hard to get private funding behind for seasonal workers if they have a high vacancy rate.

- Cardoso – You just admitted to what I was asking. It proves my point that the HUD grant should be spent on those seasonal workers because we will never get that funding.
- John Vance – It's not a HUD grant. The bankability of those businesses will be put to the test. If a business wants to rent those seasonal units year-round the bank will check into the businesses and so the bigger business would have advantage because they have better bankability and credit to sign leases. This is a discussion we should start having now because it will take some time to figure out the details.

John Vance – Anecdotally, Depot square in Driggs did 4 3-bedroom units out of 34 units they had, about 12 percent. Those 3-bedroom units have the highest waitlist of any others. It is a different community and there is pressure from Jackson. When we start our modeling, we have 25% 1 bedroom, 50% 2 bedroom, 25% 3 bedroom to start and then make changes based on community. Stanley is hard to get good data because Stanley is part of Custer County. The best way to get data is to do what we did and ask essential workers if they have a family. We are starting at 20% of three bedrooms, which is lower than we would normally, but I think it is a good starting point for this community.

Thompson – Was that low-income housing or affordable housing, how was it funded?

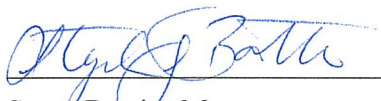
- John Vance It was low-income housing funded by the low-income tax credits. There are 4 units that are unrestricted and they were not put at market rate but are at about 83% AMI rent.

John Vance - Is there more comfort around 65-year term?

- All the council members nodded.

Mayor – Any further comments from council or others? Thank you all for coming.

Meeting adjourned – 7:39 pm



Steve Botti – Mayor



ATTEST: Hannah Fake- City Clerk

2.11.26 Council Meeting Workshop

Included Letters

Regarding Workforce Housing

Councilmember Cardoso read the Press Release from Idaho Congressman Mike Simpson's office dated March 14, 2024

Councilmember Cron read an email from Doug Self dated Feb 4, 2025

- 1.22.26 – Bruce Coburn
 - 1.22.26 – Dave Muscavage
 - 1.22.26 – Lori Mitchell
 - 1.22.26 – Nancy Weeks
 - 1.23.26 – Cindy Walthall
 - 1.23.26 – Harvey P. Dale & Debra A. LaMorte
 - 1.24.26 – Jeffery Hall
 - 1.25.26 – Gary Gadwa
 - 1.25.26 – Laurii Gadwa
 - 1.28.26 – Karen Shideler Keiski
 - 1.30.26 – Russell Clark
 - 2.9.26 – Jade Riley, City of Ketchum
 - 2.10.26 – Jolie Turek, Executive Director
 - 2.10.26 – Lani Rembelski, Challis School District; Amanda Brady, Stanley School; Sammy Forsgren, Stanley School
 - 2.10.26 – Joanne and Andy Yanchick
 - 2.11.26 – Nancy Weeks
- 



IDAHO'S CONGRESSMAN
MIKE SIMPSON

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Press Releases

REP. SIMPSON SECURES FUNDING FOR STANLEY WORKFORCE HOUSING

Washington, March 14, 2024

WASHINGTON—Today, Idaho Congressman Mike Simpson highlighted the inclusion of \$4,000,000 for the Stanley Workforce Housing Economic Development Initiative in Stanley, Idaho, at his request through Community Project Funding (CPF) in the Fiscal Year 2024 Transportation, Housing and Urban Development, and Related Agencies Bill.

Despite claims that CPF projects are "wasteful earmarks," Community Project Funding gives Members of Congress like Congressman Simpson the opportunity to bring Idaho tax dollars back home for Idaho priorities. These projects fill a clear and present need in communities across Idaho and enjoy broad community support. The federal dollars designated for CPF projects exist within *existing* budget limits. Rather than that money going to fund projects in different states, CPF projects give Idahoans a critical voice in determining where budgeted funding goes.

"Between high construction costs, the short tourist season, and the lack of available land, temporary and permanent employees throughout Stanley have faced a pressing housing challenge," **said Rep. Simpson.** "By prioritizing affordable

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Magic Valley Regional Office

551 Lincoln Avenue West 1000
Twin Falls, ID 83442
Phone: (208) 734-7213

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City Clerk

From: Tim Cron <tim@sawtoothhotel.com>
Sent: Thursday, February 12, 2026 9:40 AM
To: City Clerk
Subject: Fwd: Stanley, Idaho workforce housing development- working with NRECC

----- Forwarded message -----

From: **Doug Self** <dself@driggsideaho.org>
Date: Wed, Feb 4, 2026 at 9:05 AM
Subject: Re: Stanley, Idaho workforce housing development- working with NRECC
To: Tim Cron <tim@sawtoothhotel.com>

Good Morning Council Member Cron,

The City of Driggs has had a good overall experience working with John Vance and Northwest Real Estate Capital Corp. on the 34-unit LIHTC-funded Depot Square project on property leased by the City. The project went through the City's design review process without controversy and was efficiently constructed (on time and budget). The City was generally happy with NWRECC's communication and performance throughout, as well as the quality of the construction. Post-construction, NWRECC has been very responsive on any items that have come up, and the property has been well maintained.

Leasing was an area that our community decided to help with, by having the Community Resource Center of Teton Valley provide additional marketing of units to the community and assist households with their applications. Some applicants experienced what they felt like were extended waiting periods for application review. This was about the only area that the community was not highly satisfied.

City of Driggs and Teton Valley Housing are working with NWRECC again on a 28-unit mixed-use apartment project.

Let me know if there is any additional information I can provide to aid in your decision.

Best regards,
Doug



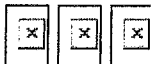
DOUG SELF, AICP
COMMUNITY DEVELOPMENT DIRECTOR

208-354-2362 ext. 2111

dself@driggsideaho.org

driggsideaho.org

60 S. Main St. | PO Box 48 | Driggs, ID 83422



Letter submitted via the website:

Mayor Botti,

I fully support your public/private plan for the workforce housing plan. Thank you for your effort and work.

Bruce Coburn

Via email:

January 22, 2026
City Of Stanley
PO Box 53
Stanley, ID 83278

Dear City of Stanley Council Members and Mayor:

I am writing to encourage the council to move forward with signing a lease with Northwest Real Estate Capital Corp and combining the HUD grant and option tax savings with capital raised by the developer to finance the work force housing project.

Sincerely,

Dave Muscavage

Dear City of Stanley,

1/22/26

I am writing in support of the workforce housing project to go under contract with Northwest. I have spoken to several council members over the last weeks and attended several recent meetings, and since becoming educated in the scope of work, the current design, and what steps are needed to go forward, it makes sense to proceed with Northwest.

There are several reasons.

I do not see a builder with a proposed budget stepping forward. I know that Stanley Construction has offered recently, but to pivot from where the City is to pursue an alternate path would most likely add years to the timeline. The Council is already questioning the validity of Northwest's proposed timeline of completion in 2028. If timing is already an issue, then why would we choose to add more time? The process would need to start over to go under contract with someone else.

I also do not see how the City would be able to build 18-20 units minimum with an alternate builder. There have been many hypothetical proposals thrown out: four, six, eight, twelve. But if I can count in my head at least that many people that need housing, all of which are needed in this community, then I know there are more. And the most important question I have is, since there are more, then how do you make that choice of who'd get the housing? Building the maximum number with Northwest makes the most sense, especially after hearing more about the loan from Northwest, and from the financials from Savannah.

There are important things to consider in a build, especially at this stage. I speak from years of project management experience as an industrial program engineer. The City has someone who is willing to manage, be design responsible, and be financially responsible. However, until Northwest is awarded business, there is only so much they are willing to do. We know that they are willing to change the design. We know the cost will most likely go down due to rough cost estimates by John. But we need to proceed with award of business before any more design/engineering changes will be fleshed out. An important thing to remember, this next step immediately in front of you is to only choose to proceed. Or not. Design will change. For the better. Timing will solidify because Northwest will have a solid kick off date.

I, as a renter, am not concerned with the 55 year lease. If that is what is required, then it is. It cannot be changed. So, you either accept it and move forward, or decline Northwest's help.

I hope you choose to move forward. Please reach out with any questions.

-Lori Mitchell

Sent via email:

Dear City Council,

I was unable to attend the workforce housing workshop yesterday. I wanted to let you know I am in support of signing an agreement with NorthWest. I believe partnering with them is the best option for moving forward. A 65 year lease seems to be industry standard and we can certainly get the most out of the available funds by partnering with them. I believe this path makes the most impact to our severe housing shortage.

I understand there is also concern about the size of the units. That is something that can be adjusted; not a reason to fail to move forward.

I am glad to see this project, hopefully, move forward.

Thank you for the time and energy you give to our town.

Nancy Weeks _____

Received via email:

Dear City of Stanley,

I am writing in support of the workforce housing project in Stanley, as summarized by Mayor Botti's public letter dated 12/29/2025.

I have been a year round resident of Stanley for many years. I have witnessed the challenges of local businesses keeping employees, many good employees and contributing members of our community are being forced to leave due to lack of housing opportunities.

The real estate market has become unaffordable for many who work here and may someday hope to raise their families here.

I support the plan that prioritizes essential workers but also open up options for other local workers as availability allows.

I also support housing units of various size and type.

I support the City Council moving forward by signing a lease with Northwest Real Estate Capital Corporation and combining the HUD grant and option tax savings with capital raised by the developer to finance the project. Their expertise in all areas of development, property management and affordable housing projects only makes sense, financially and in the management of the project.

I applaud and appreciate Mayor Botti and the city council for your tireless efforts to bring this to fruition.

This is a wonderful opportunity for our community, one we should not let slip away.

Sincerely,

Cindy Walthall
P.O. Box 255
Stanley, ID
208-721-0802

Harvey P. Dale & Debra A. LaMorte
445 Boundary Creek Road
P.O. Box 110
Stanley, ID 83278
208-774-2090

January 23, 2026

City of Stanley
510 Eva Falls Avenue
P.O. Box 53
Stanley, ID 83278

Dear City of Stanley:

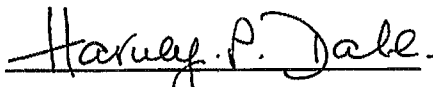
We are writing to express our support for the workforce housing project in Stanley as described in Mayor Botti's December 29, 2025 letter (the "Project").

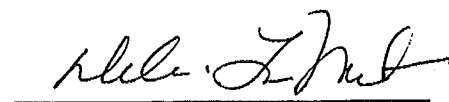
Although we live about 7 miles south of the City of Stanley, we strongly support the Project's goal of providing affordable housing in the City for the workers that staff the various enterprises in the City. Without their efforts, the City's businesses — restaurants, retail stores, hotels and lodging, and more — would not be able to maintain themselves. That, in turn, would ultimately deprive the City of the infrastructure that fosters the tourism that is a major contributor to the financial welfare of the City and its citizens.

An online review of the work of Northwest Real Estate Capital Corp. ("Northwest") demonstrates that Northwest, which is an experienced § 501(c)(3) charity operating in this field, with assets of over \$100 million, has an excellent reputation. Northwest already manages, in nine separate States, more than 100 multi-family low-income projects similar to the Project. The reviews of Northwest's operations are very favorable. That should give the City a great deal of confidence in Northwest's ability to make the Project a success.

We have read the January 16, 2026 letter from the Stanley Community Library in support of the Project (the "Letter"). We agree with the Letter, and we note that it directly addresses any concerns about the cost and affordability of the workforce housing to be developed by the Project: The Letter explicitly states that "it is important for us [as employers in the City] to examine and adjust our budgets so that our staff has a living wage compatible with the local cost of living." We are confident that most of the other establishments in the City agree and will follow that same course of action.

Sincerely,


Harvey P. Dale


Debra A. LaMorte

January 24, 2026

Mayor and City Council
City of Stanley
P.O. Box 64
Stanley, Idaho 83278

Re: Support for Retaining a Professional Third-Party Consulting Firm for the City of Stanley
Workforce Housing Project

Dear Mayor and Members of the City Council:

I am writing to express strong support for the City of Stanley retaining a qualified third-party consulting firm to assist with the planning and execution of the workforce housing project currently under consideration. This project is essential to the long-term sustainability of Stanley's economy, workforce stability, and community vitality. Its success will depend on the City's ability to access specialized expertise across multiple technical disciplines.

A professional consulting firm can provide comprehensive support in the areas of feasibility analysis, financial modeling, land planning, architectural design, engineering, project management, and construction oversight. These are highly specialized fields that require both technical training and extensive project experience. Without this expertise, even well-intentioned projects can encounter costly delays, design flaws, regulatory challenges, or financial inefficiencies.

As a developer, our firm relies on third-party consultants for every major project we undertake. Even with decades of experience, we recognize that no single entity, public or private, possesses all the skills required to manage a complex development from concept to completion. Independent consultants bring objectivity, technical depth, and industry best practices that strengthen decision-making and reduce risk.

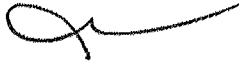
Importantly, even large city governments with full-time professional staff including planners, architects, engineers, and project managers, routinely contract with outside firms to provide oversight, peer review, and specialized services. This is standard practice in the development world because it ensures accountability, accuracy, and efficiency.

The City of Stanley, with its limited staff capacity and absence of in-house technical expertise in these disciplines, faces an even greater need for professional support. Workforce housing is a once-in-a-generation opportunity for the community. To ensure the project is financially viable, properly designed, and successfully executed, it is critical that the City engage qualified professionals who can guide the process from start to finish.

Retaining a third-party consulting firm is not an added expense, it is a safeguard. It protects the City's investment, strengthens public confidence, and increases the likelihood that the final project will meet the needs of residents, employers, and the broader community.

Thank you for your leadership and for your commitment to addressing Stanley's workforce housing challenges. I appreciate your consideration and strongly encourage the City to move forward with securing professional consulting services to support this important initiative.

Sincerely,



Jeffrey Hall, President
Capital Commercial Corp
P.O. Box 197
Stanley, Idaho 83278
P: (208) 794-8020
E: jhall@nwcommercialgroup.com

1/25/2026

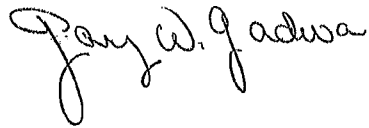
To the Stanley City Council

Please support the Work Force housing project. The Stanley Community has been asking for a solution to the housing shortage for many years and see this project as a viable solution. The land has become available and there is now money to build the housing, so now is the time to move forward. If the City waits the costs of infrastructure and construction will only go up and possibly cripple the ability to build what we need. There is a great need to support those who work in our school, library, clinic, fire department, and city, not to mention the desperate need of local businesses to house permanent employees. No one can live for long in an area where they have to move from house to house every season and never know if they will have housing at all. We need employees who will stay long term and only stable, decent quality housing will make that happen.

From what I have heard about Northwest Real Estate Corp, they have the expertise and the experience to make this project a success. Please go forward this spring and make this housing project a solution for a desperate problem.

Sincerely,

Gary Gadwa

A handwritten signature in cursive script that reads "Gary W. Gadwa". The signature is written in dark ink and is positioned below the typed name.

1/25/26

To the Stanley City Council

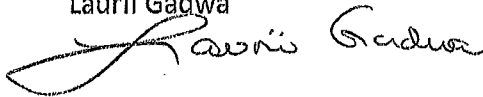
I am writing in support of the Workforce Housing project. The Essential workers of Stanley desperately need housing.

The Council Members are asking many of the right questions concerning this project. However, I believe many of those questions have already been answered. When at the work session when I stated Build it and They will Come, I did not mean the statement to be sarcastic. I meant it to be realistic. The concern has been who will rent the units. But the community has been clear that there are numerous people interested. On the question of the need for families, I have had at least three families ask me about housing and none have questioned the rent. Families, couples and individuals are desperate for stable housing. Housing where they do not have to move every six months and where summer housing is next to impossible to find. There are people who are vital to the stability and continuity of our community. We fought hard to enlarge our school and now we need to house our teachers. The Sewer Association wants to hire a permanent maintenance person but have no housing for them. Your own City Clerk and City Maintenance personnel need housing. You are liable to lose those people if they do not see stable housing in their future. Several businesses have said they would help their permanent employees with rent subsidies. So yes, Build it and They will Come.

As far as the length of the lease, remember, Northwest is responsible for the project throughout the entire time of the lease taking the pressure off the City. The City still has ownership and control of the project.

The fine tuning of the site, the design and other such details can be worked out once the contract has been signed. Northwest has done everything the Council has asked of them and more. It is time to allow them to go forward. If you do not break ground this spring, putting off the project for the future, you are letting the community down, you will lose what progress has been made. Please act promptly and responsibly.

Laurii Gadwa

A handwritten signature in cursive script that reads "Laurii Gadwa". The signature is written in dark ink and is positioned below the typed name.

Received via email:

Dear City of Stanley,

As a long a time resident of the Sawtooth Valley , I would like to offer my support for the workforce housing project that Mayor Botti and Stanley City Council members have been working on for a very long time. Their countless hours and efforts have produced an important planning product that will benefit the City and County residents who depend on and appreciate essential workers and services....

I came here more than 40 years ago. I met and married my husband David , worked hard, and together were fortunate enough to be able to find affordable property and build our house and our lives here in Smiley Creek. Things have changed dramatically over the decades and it just seems like home ownership is completely out of reach of most working people. I feel this project is vital for the City of Stanley to provide essential workers, essential members of the community, a place to live while contributing to the community, the economy, and the vitality of the Stanley Basin and Sawtooth Valley.

It sounds like a worthwhile housing plan and it would be incredibly positive for the city council to sign the lease with Northwest real estate capital corporation and proceed with and build upon the funding options that you have in place and get this going, no need to delay. I feel that prioritizing essential workers is a positive and necessary component of the planning process.

Thank you for taking the time to consider my comments,

Karen Shideler Keiski

1/30/2026

Mayor Botti and City Council
City of Stanley
P.O. Box 64
Stanley, ID 83278

Re: Workforce Housing Project

I am writing to Mayor Botti and the City Council to express my concern in moving forward with any agreements, contracts, MOU's, etc with any developer and/or contractor until the City of Stanley retains an independent professional consultant. The current legal advisor for the City of Stanley appears to know and understand municipal law which carries a different set of background knowledge and expertise than a property development lawyer or developer consultant.

I have been involved in dozens of Public Private Partnerships, Concessionaire's, and traditional Client-Consultant projects throughout my engineering history. The clients for these projects have been Feds, DOTs, City's and Counties, all of which have obtained independent experts to represent and consult them through the process. This is standard practice in development and yet the City of Stanley is currently taking on the biggest project in its history without the advice and leadership of experts.

Everyone in this community is excited about the thought of sustainable workforce housing and the thought of losing momentum sounds tedious at best. In the near term, I encourage the City of Stanley to take a month, hire an independent expert to review all pending contracts and advise them of the risks and rewards involved. In the long term, I would suggest keeping this "expert" on-board through completion of at least the first phase of construction.

I don't believe Mayor Botti, or any City Council member, are experts in contracts, development agreements, or Public Private Partnerships. It is unfair to pressure any council member to sign any document without the assurance from an independent expert they are committing to a properly vetted agreement without prejudice.

Regards,



Russell Clark



CITY OF KETCHUM

Jade Riley | City Administrator
direct: 208.727.5084 | office: 208.726.3841
jriley@ketchumidaho.org
P.O. Box 2315, 191 5th Street West, Ketchum, ID 83340
ketchumidaho.org

February 9, 2026

Dear Stanley City Council,

Congratulations on the tireless work to obtain congressional funding for workforce housing in Stanley. Our town is very familiar with how challenging it can be to move housing developments such as this forward, and I applaud your thoughtfulness and motivation to get it right!

I am writing to formally offer staff support for your efforts. We have been happy to answer informal questions over the past year, but realize your project is reaching some important milestones. We are happy to continue to serve in any resource capacity you find helpful moving forward. There would be no political aim or intent; recognizing these challenges, we're just a neighboring town looking to help. We have experts on staff who can be of assistance to you. Per the suggestion of Mayor Botti, I have attached the names and backgrounds of the applicable team members.

In addition, it might be prudent to hire a project manager or planning expert to represent Stanley's interests, process entitlements, and review the development application, as our team would not be able to fill those roles. Our team is happy to offer ideas on both the scope of work and potential resources.

Carissa Connelly, our Housing Director, will be available in person for questions at your February 11 meeting.

Sincerely,

Jade Riley
City of Ketchum



February 10, 2026

Stanley City Council
P.O. Box 53
Stanley, Idaho 83278

Re: Support for the Stanley Workforce Housing Project

Honorable Mayor and Members of the Stanley City Council,

On behalf of the Board of Directors of the Custer Economic Development Association (CEDA), we write to express our strong support for the proposed Stanley Workforce Housing Project and the City's consideration of approving the Option to Lease with Northwest Real Estate Capital. CEDA's mission is to strengthen the economic vitality of Custer County by supporting workforce stability, business retention, and community sustainability. Access to safe, attainable housing for year-round employees is foundational to that mission. Stanley's current housing shortage for permanent workers is well documented and continues to affect the City's ability to retain teachers, emergency responders, city staff, and other essential employees.

The proposed rent of approximately \$1,100 per month aligns with affordability standards used by Idaho Housing and Finance Association and the Idaho Department of Commerce. These agencies apply the "30 percent rule," which considers housing affordable when rent does not exceed 30% of gross household income. Based on known wage ranges for local permanent employees—including teachers, fire department personnel, and city administrative staff—the proposed rents meet this standard. Additionally, these rents are significantly below current market rates in the Stanley area, where one-bedroom units commonly rent for nearly double the proposed amounts.

CEDA understands concerns related to the proposed 65-year lease term. Based on guidance from Idaho Housing and Finance Association, long-term ground leases of this nature are common for workforce and affordable housing projects that utilize publicly owned land; however, those projects usually provide as much as a 99-year term for the developer. Financing structures frequently require land control that extends beyond the term of primary and deferred loans to ensure long-term stability and refinancing flexibility. In this case, the lease term directly related to the proposed financing structure and cannot be shortened without increasing the monthly rents or jeopardizing project feasibility.

Delays in approving the Option to Lease pose a significant risk to the project's viability. Missing the 2026 construction season could push completion into 2027 and increase costs by an estimated 2–12%, based on current construction inflation trends. These increased costs would directly affect rent levels and could require additional public subsidy to maintain affordability. Timely action by the City is critical to protecting both affordability and fiscal responsibility.

The project team continues to work collaboratively to address infrastructure questions related to water, sewer, fire suppression, and road access. These items are actively being evaluated in coordination with relevant agencies, and potential funding sources such as the GEM grant are being pursued to offset infrastructure costs. Design revisions already made demonstrate responsiveness to community and council feedback.

Workforce housing is not a seasonal issue for Stanley; it is a long-term economic necessity. Without housing for permanent employees, the City risks continued turnover, service disruptions, and challenges in maintaining essential public services. The Stanley Workforce Housing Project directly supports economic resilience by stabilizing the local workforce and reducing pressure on emergency services, schools, and municipal operations.

CEDA respectfully urges the Stanley City Council to approve the Option to Lease and allow this project to move forward. Doing so will demonstrate leadership, fiscal prudence, and a commitment to the long-term health of the Stanley community.

Thank you for your consideration and for your continued service to the community.

Sincerely,



Jolie Turek
Executive Director
Custer Economic Development Association

Custer Economic Development Association
PO Box 758 ~ Challis, ID 83226
ceda@custertel.net ~ www.custereda.org

Dear City of Stanley,

We are writing to express support for the workforce housing project in Stanley, as outlined by Mayor Botti's public letters dated December 29, 2025 and February 9, 2026. The Stanley School greatly appreciates being recognized as essential workers of the community. We are grateful for the opportunity to have potential housing for staff including teachers, paraprofessionals, and a bus driver/custodian.

Currently, we have had an unfilled bus driver/custodian position for seven years. We believe that having housing options would significantly improve our ability to fill this position. We support prioritizing essential workers and ensuring that our community has the staffing and support it needs. For Stanley's long-term growth and sustainability, it is critical to have housing opportunities for workers to become full-time community members, raise families, invest locally, and contribute to the vitality of a small town.

We encourage the City Council to move forward with signing the option to lease with Northwest Real Estate Capital Corp and combining the HUD grant and option tax savings with capital raised by the developer to finance the project. From our experience with the recent school expansion, partnering with this non-profit organization that has expertise in housing projects, financing, and property management provides significant benefits. Their experience can reduce costs, minimize administrative burden, and increase the likelihood of a successful outcome for the city and community.

Based on our experience, we would also like to emphasize the importance of acting promptly. Construction and bid costs can increase significantly in a short period of time. Moving forward sooner rather than later may help lock in lower costs, which ultimately supports the goal of keeping rents affordable.

We agree with public sentiment supporting a mix of unit sizes and types as the design process moves forward. We also support the city retaining oversight and final authority regarding lease terms and rental amounts. Additionally, we would like to suggest considering partial rent subsidies, if feasible through option tax funds, for retired community members who volunteer in essential roles such as EMS, Fire Department and Stanley School for our essential work force. Recommendations from the Salmon River Clinic, Sawtooth Rural Fire Department or Stanley School could be reviewed and evaluated by the City Council. While we do not anticipate this being common, it could be a meaningful way to recognize and support essential volunteers.

To ensure that this housing remains available for essential workers, we suggest six-month leases for non essential workers and one-year leases for essential workers. If no essential workers are on the waitlist, a non essential tenant could renew for an additional six

months. We also recommend that leases include language requiring tenants who are no longer employed as essential workers to secure alternate housing within one month, allowing the unit to be made available for incoming essential staff.

We commend Mayor Botti and the City of Stanley for the time, effort and thoughtfulness invested in this project. We appreciate the city's commitment to addressing the needs of our community and supporting those who serve it.

With sincere hope that this project moves forward,

Lani Rembelski

Superintendent, Challis School District

Amanda Brady

Head Teacher, Stanley School

Sammy Forsgren

Head Teacher, Stanley School

Received via email 2.10.26:

My husband and I have owned a home in Iron Creek for some time now, and we had to take a moment to state how important it is to have housing options for residents who comprise the Stanley workforce. We encourage the Council to vote on moving forward and signing the option to lease with Northwest to support workforce housing for our community. Thank you.

Joanne and Andy Yanchick

55 Sawtooth Way

Stanley, Idaho 83278

Received Via Email 2.11.26:

Hannah,

Thank you for sharing this very informative and thoughtful letter from Mayor Botti.

I fully support moving forward with Northwest and I hope the city council votes in favor of signing the option to lease.

Thanks again,

Nancy