

Home Economics

36-unit Northwest Passages Apartments open in Donnelly

BY PHILIP A. JANQUART

The Star-News

An \$8 million, 36-unit apartment complex intended to dent the area's affordable housing shortage opened last week in Donnelly.

Northwest Passage Apartments offers reduced rents for individuals and families with qualifying incomes up to \$36,000 per year.

Rents range from \$422 to \$725 per month for a one-bedroom apartment, \$508 to \$850 per month for a two-bedroom, and \$660 to \$950 per month for a three-bedroom.

Two units are fully accessible for tenants with disabilities, and another is designed for tenants who are visually and hearing impaired.

Apartments include dishwashers and large laundry/utility rooms with washer/dryer hookups.

The complex has a Community Building that includes a laundry for general use, a lounge/flex space, internet access, computer center, kitchenette, fitness room and an on-site manager's office.

There is no shortage of tenants, Northwest Passage Regional Property Manager Teresa Johnson said.

"They are filling up fast, but there

are still plenty apartments left to rent," Johnson said.

Some of the new tenants include contractors and service industry workers, she said.

Co-developers Northwest Real Estate Capital Corporation and VCD hosted a ribboncutting last week, marking the opening of the project located on Idaho 55 in downtown Donnelly.

The developers used the federal government's Low-Income Housing Tax Credit program to build the Donnelly project. The program offers federal tax credits equal to a percentage of the costs for development of the low-income units.

High Prices

The apartments will go a long way in providing needed housing for people who cannot yet afford to buy housing.

The median price of homes sold so far in 2017 is \$314,013 in McCall, \$254,500 in New Meadows, \$187,500 in Cascade and \$187,250 in Donnelly, according to the Mountain Central Association of Realtors.

Donnelly Mayor Brian Koch said he would have welcomed a project like Northwest Passage when he moved to Donnelly 12 years ago.

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Progress seen in providing worker housing

More projects are under study by developers

BY PHILIP A. JANQUART

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The opening of the Northwest Passage Apartments in Donnelly will go a long way to help solve the lack of affordable worker housing the area, Valley County's economic development director said.

The opening last week of the 36 apartments in Donnelly will "put a significant dent" in the demand, said Andrew Mentzer, executive director of the West Central Mountains Economic Development Council.

"These 36 units should take care of roughly 10 percent to 20 percent of the demand for local housing stock in the McCall and Donnelly area based on feedback we've heard from industry and government," Mentzer said.

The Donnelly project, designed for qualified households making \$36,000 or less per year, is the second apartment complex to open in Valley County that is tailored to working families.

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Andrew Mentzer



Photo for The Star-News by Melissa Shelby

Jess Giuffré with Northwest Real Estate Capital Corporation examines one of the newly opened units at Northwest Passage Apartments in Donnelly.

Passage

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Koch and his family were forced to live in a motel for two months before finding a rental house.

"My wife and I know first-hand what housing, or a lack of housing, does to an individual or a family that wants to live and work somewhere beautiful like this," said Koch, who currently is an officer with the McCall Police Department.

He notes that Donnelly's population of 154 would surge once tenants have filled the complex.

One Donnelly business owner said the added population should result in a boost to the local economy.

"Locals keep the lights on during mud seasons, fall and spring," said Jeff Selmer, owner of Cougar Dave's. "We're hoping added population leads to more business and maybe some employees."

The city as a whole has already benefited from the Northwest Passage project.

Donnelly has received about \$850,000 in infrastructure improvements, including \$300,000 in improvements to Idaho 55 to extend the center turn lane, and add sidewalks and street

amenities, Northwest Senior Property Developer Jess Giuffré said.

The developers also spent \$90,000 for storm drains and \$150,000 in water and sewer infrastructure, Giuffré said.

Another \$180,000 was spent improving and extending Old Street and Hafferty streets adjacent to the project.

Progress

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The Springs apartments, located off Deinhard Lane in McCall, opened 36 units in 2010 and another 36 units last year.

The Springs has a 96.3 percent occupancy rate and a waiting list of prospective tenants, said Kathryn Almberg, director of The Housing Company, which manages the complex.

Turnover is about 25 percent per year for the apartments, which are occupied under one-year leases, Almberg said.

Occupations of residents of The Springs include food service workers, clerks, small business owners and retirees, she said.

Both The Springs and Northwest Passage were made possible through the federal government's Low-Income Housing Tax Credit program, which offers developers federal tax credits equal to a percentage of the costs for development of the low-income units.

Projects To Come

More projects are on their way, Mentzer said.

"There are several developers doing due diligence right now for additional units," he said. "Some are condo/apartment type products, and some would be smaller single-family products."

One of the obstacles developers face is building costs in the current market, Mentzer said.

"With costs per square foot hovering in the \$200 to \$300 realm, it makes price-conscious projects challenging," he said. "That said, some developers are

getting creative to bring costs down while delivering a quality outcome, and some are doing a great job leveraging tax incentives and federal dollars."

More housing could eventually lead to a healthier work force, Mentzer said.

"We see folks moving here and staying in hotels for extended periods of time who have jobs, but can't find places to live," he said."

A larger variety of housing is needed to help solve the housing problem, McCall Community Development Director Michelle Groenevelt said.

"Every housing unit helps, but there is still significant demand for housing for locals and seasonal workers," Groenevelt said. "We need all kinds of housing types at different price points so people can work and live in McCall."

The West Central Mountains Housing Trust hopes to meet some of that demand. The trust, created about a year ago, plans to acquire and demolish three homes in New Meadows to pave the way for the construction of single family houses, Director Chance Hobbs said.

The trust's approach is to buy or rehab single-family homes that fill the need for families looking to buy instead of rent, Hobbs said.

Limited funding sources make building more projects a challenge, said Hobbs, who is a partner in Northwest Passage. He predicts more federal tax credits will not be available in Valley County for several years.

"The trust is the only effort going forward right now that is getting units on the ground and into the affordable housing pool," he said.

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