

The Springs Apartments  
McCall, Idaho

### **Introduction**

Valley County Commissioners watched as their children, service workers, and municipal workforce had to move further and further from what had been their home in order to find any reasonably priced housing. As the national economy changed, the supply of affordable rental housing disappeared and it became increasingly difficult to keep, find, and retain a sustainable workforce for the school system and emergency response sector of the county and local city governments. Due to the rich recreational amenities that the County had to offer, second home demand had driven the average home values to levels that were no longer affordable to a large number of the local families who have lived in the County for generations. The Commissioners tried to achieve affordable housing through inclusionary zoning and land leases for workforce housing but the numbers were small and did not produce multi-bedroom family sized units deemed as a priority.

The Springs Apartments in McCall, Idaho is an excellent example of how elected officials, IHFA, and non-profit organizations can work together to create unique and meaningful affordable housing options in a typically difficult to develop area. By donating underutilized land within the city limits, the Commissioners were able to attract IHFA and a non-profit housing developer to build a new community within walking distance to jobs, services, and both the elementary and secondary schools.

### **Challenge**

In most cases, the challenge of providing affordable housing is location and land costs. If land is located close to where jobs and services originate, then that land is worth more to the owners who maximize their investment with highest and best use development patterns. This in turn creates a situation that warrants higher densities or that drives the prices even higher. In rural recreational areas, this problem is compounded by several factors. In rural areas, the ability to develop affordable housing is hindered by the limited utility services network and the costs to expand such services. It is very difficult to develop multifamily properties with wells and septic systems. In addition, the land available for development is often limited by topographical extremes.

The specific challenge for the Valley County Commissioners was to find a way that would provide a mechanism to achieve affordable housing and to guarantee that the housing produced would be permanent in its affordability. Previous experiences that incorporated 99 year land leases had not produced the intended results for the community. The Commission members were looking for something new and innovative that would produce results and benefits for its residents. One additional challenge for any McCall development was the weather. The average snow fall is over 174 inches per year, it is not atypical for it to start snowing in October and continue through April.

### **Partnership**

During their analysis period, the Commissioners worked with IHFA to document their need and what funding sources were available to them for development. IHFA could provide HOME loans and the possibility of Low-Income Housing Tax Credits (LIHTC) through the competitive allocation process. During the course of analysis, the Commissioners were challenged by IHFA to look at its own resources to see what it could bring to the table. By thinking outside the box, the Commissioners decided that what they could bring to the table was the land. What was typically the most difficult

obstacle to overcome, the land, was in their control. This approach realized several parcels of land within the city limits of McCall that could be reallocated to an affordable housing project.

One site in particular was chosen for its central location. A County recycling center was located on one corner of a seven and one-half acre site. By moving the recycling center across the street, the entire site was available for affordable housing. Once the site was selected, the non-profit developer had to come up with a plan to develop the property. The developer wanted ownership of the land to facilitate the LIHTC application process. Several Commissioners and members of the community had concerns about the long term affordability and guarantees of such if they donated the land for the project. The developer and County attorney were able to draft a reversion clause in the covenant that is recorded in the County land records. If for any reason the developer changes the use or affordability, the entire property with improvements reverts back to Valley County.

### **Project**

Originally part of an old gravel pit, the site's last use was industrial. Phase One of two phases, includes 36 units of studio, one, two and three bedroom units in three buildings with a community building containing the rental office, exercise room, laundry room and community space. The buildings are clustered around a central courtyard with a playground, built-in barbeques, and picnic tables. All of the units have interior and exterior storage areas. As part of the City of McCall permitting process, the developer agreed to build a bus stop onsite and continue a community bike path that now traverses the property and connects the existing neighborhood with the larger path system.

Using SIPS panel construction proved to be the best choice for several reasons. After the foundations were poured, each of the three residential buildings was erected in less than 10 days. This quick construction approach ensured that all of the buildings would be up and weather tight before the snows started to accumulate. After the first building was assembled, the cement based siding that is manufactured for extreme cold and wet winters was installed. As the third building was being assembled, the siding crew moved on to the second building and so on. This assembly line approach was efficient and provided cost savings for the project.

Several innovative products were used at The Springs. Innovus light poles provide light to the courtyard in the evenings. These poles are manufactured in Boise, Idaho and are covered in photovoltaic cells that absorb sun energy, convert that energy into electricity and send that electricity into the local energy grid. In the evening the energy that is used is offset by that electrical energy produced during the day. Mini-split HVAC systems are installed in each unit. These ductless heating and air conditioning units operate at a very high efficiency rating and cost little to operate.

The Springs has achieved a LEED score of 90.5, enough to earn a platinum rating. This will be the first all electric LEED platinum multi-family property built in Idaho. Another milestone for IHFA.

### **How Does this Project Respond to the Judging Criteria?**

Innovative: Creative partnerships and out of the box thinking were used to develop a new energy efficient long-term affordable housing property in a difficult and expensive recreational area.

Idaho Housing and Finance Association  
Affordable Green Housing

Replicable: Any local branch of government can use the reversion covenants to donate land to developers who will provide affordable housing for long-term benefit. Several neighboring communities of less than 1,000 inhabitants are now working with IHFA and developer to bring a similar project to their community.

Responds to an important state housing need: Affordable housing in small rural communities is always difficult to undertake. This creative project helps to bring long-term quality affordable housing to an area designated by IHFA as an area in need.

Demonstrates measurable benefits to IHFA targeted customers: The new 36 units, 6 of which are three-bedroom with two bathrooms, are affordable to households earning up to a maximum 60% of area median income with some units available at no more than 40% of area median income.

Has a proven track record of success in the marketplace: The success of The Springs is evidenced by the excitement of its residents to have a quality, energy efficient place to call home. Further evidence of its success is the interest of other communities to use The Springs as a model for like development projects.

Provides benefits that outweigh costs: Many new residents are very enthusiastic about living in the energy efficient buildings. The average monthly electric bill for the three-bedroom units is in the \$75 range. Many of the new residents indicate they used to pay in excess of \$400 per month for electric and propane for heating and electrical use in their old apartments.

Demonstrates effective use of resources: By utilizing the components for construction that were used, the siding is guaranteed for 20 years, the roof for 50 years, and the HVAC units for 8 years. This should dramatically decrease the replacement reserve needs. The air exchange results should guarantee that the monthly utility bills for the residents are between \$40 and \$80 per month.

Effectively employs partnerships: The Valley County, IHFA, and developer partnership proved that public, non-profit, and IHFA can work together to respond to the needs of the community. The development team, developer, architect, and general contractor were able to design, value engineer, and build a project that is an asset to the community both in quality of living and aesthetic appeal.

Achieves strategic objectives: Creating affordable housing in a town of 2,000 people is a challenge as well as an IHFA objective. Rural development and equitable distribution of limited LIHTC resources has been achieved with The Springs.