

Northstar employee apartments in default

By Bob Shallit, Sacramento Bee

Here's the latest sign of trouble in Lake Tahoe's battered economy: a \$25 million apartment complex built to house resort-area employees is now in default and will be sold for pennies on the dollar.

The 96-unit Sawmill Heights apartment project was completed in 2006 at the base of the Northstar Resort.

It's nearly full in the busy winter months, says Gerry Flynn, who manages the complex. But occupancy falls below 50 percent the rest of the year, he says.

The result: Its owner – the Northstar Community Housing Corp. of Truckee – has been unable to meet debt obligations to project lender US Bank.

Read the whole story