

August 20, 2020

Housing Authority Board of Commissioners
Clackamas County

Members of the Board:

In the Matter of Approving Delegation of Budget Authority for Fiscal Year 2020-2021

Purpose/Outcomes	Approval of Delegation of Budget Authority for Fiscal Year 2020-2021
Dollar Amount and Fiscal Impact	N/A
Funding Source	N/A
Duration	July 1, 2020 – June 30, 2021
Previous Board Action	Previous Delegation of Authority was approved on July 18, 2020
Strategic Plan Alignment	1. Efficient & effective services 2. Build Public Trust through good government
Counsel Review	N/A
Procurement Review	N/A
Contact Person	Jill Smith, HACC Executive Director (503) 742-5336
Contract No.	N/A

BACKGROUND:

The Housing Authority of Clackamas County (HACC), a Division of the Health, Housing and Human Services Department, requests approval to execute the delegation of budget authority for fiscal year 2020-2021.

The Delegation of budget authority authorizes identified staff authority to approve expenditures at or below their listed dollar threshold. The delegation of authority differs from contract signing authority, in that individuals can approve budgeted expenditures under existing agreements but not obligate HACC under a new contract. Contract signing authority is outlined in HACC's Procurement Handbook.

RECOMMENDATION:

HACC recommends the approval of the Delegation of Budget Authority for fiscal year 2020-2021 and have Chair Bernard sign the form as the elected official.

Respectfully submitted,



Richard Swift, Director
Health, Housing and Human Services



DELEGATION OF BUDGET AUTHORITY
FISCAL YEAR 2020-2021

Department Name:	Housing Authority of Clackamas County	Entity:	HA	Date:	8/20/2020
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Primary Signer Acknowledgement

By signing below, I acknowledge that I have read and understand the applicable policies and procedures as referenced. I assume full responsibility for delegation of budget authority to the employees as indicated below.

Name & Title of Director/Elected Official (TYPE): Jim Bernard, Housing Authority of Clackamas County Board Chair

Signature and Initials:

Authorized Signers Acknowledgement

By signing below, I acknowledge that I have read and understand the applicable policies and procedures.

Employee Name & Title (TYPE)	Fund (Required)	Dept. ID (Required)	Program (if applicable)	Dollar Limit (Required)	Employee Signature	Employee Initials
Jill Smith, Executive Director	HACC			<input type="checkbox"/> \$5,000 <input type="checkbox"/> \$50,000 <input checked="" type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited	<i>Jill Smith</i>	<i>JS</i>
Jason Kirkpatrick, Deputy Director - Finance	HACC			<input type="checkbox"/> \$5,000 <input type="checkbox"/> \$50,000 <input checked="" type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited	<i>Jason Kirkpatrick</i>	<i>JK</i>
Stephen McMurtrey, Director of Housing Development	HACC			<input type="checkbox"/> \$5,000 <input type="checkbox"/> \$50,000 <input checked="" type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited	<i>Stephen McMurtrey</i> <small>Stephen McMurtrey (LW 20, 2020-10-19 PPT)</small>	<i>SM</i>
Toni Karter, Housing Services Manager	HACC			<input type="checkbox"/> \$5,000 <input checked="" type="checkbox"/> \$50,000 <input type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited	<i>Toni Karter</i>	<i>TK</i>
Elizabeth Miller, Administrative Services Supervisor	HACC			<input type="checkbox"/> \$5,000 <input checked="" type="checkbox"/> \$50,000 <input type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited	<i>Elizabeth Miller</i>	
Deborah Greene, Human Services Supervisor	HACC			<input type="checkbox"/> \$5,000 <input checked="" type="checkbox"/> \$50,000 <input type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited	<i>Deborah Greene</i>	<i>DG</i>
Housing Developers: Devin Ellin, Angel Sully	HACC			<input checked="" type="checkbox"/> \$5,000 <input type="checkbox"/> \$50,000 <input type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited	<i>Devin Ellin</i> <small>Devin Ellin (LW 22, 2020-11-03 PPT)</small> <i>Angel Sully</i> <small>Angel Sully (LW 19, 2020-12-06 PPT)</small>	<i>DE</i> <i>AS</i>
Property Managers: Allison Coe, Craig Beals	HACC			<input checked="" type="checkbox"/> \$5,000 <input type="checkbox"/> \$50,000 <input type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited	<i>Craig Beals</i>	<i>CB</i>
Capital Fund Coordinator Josh Teigen	HACC			<input checked="" type="checkbox"/> \$5,000 <input type="checkbox"/> \$50,000 <input type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited	<i>Josh Teigen</i>	<i>JT</i>
Human Services Coordinator II Jemila Hart	HACC			<input checked="" type="checkbox"/> \$5,000 <input type="checkbox"/> \$50,000 <input type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited	<i>Jemila Hart</i>	<i>JH</i>
				<input type="checkbox"/> \$5,000 <input type="checkbox"/> \$50,000 <input type="checkbox"/> \$150,000 <input type="checkbox"/> Unlimited		

August 20, 2020

Housing Authority Board of Commissioners
Clackamas County

Members of the Board:

Approval to execute an Intergovernmental Agreement between the Housing Authority of Clackamas County and Health, Housing and Human Services
for the Shelter + Care homeless rent assistance program

Purpose/Outcomes	Approval to execute an Intergovernmental Agreement between the Housing Authority of Clackamas County and Health, Housing and Human Services for the Shelter + Care homeless rent assistance program
Dollar Amount and Fiscal Impact	One-time funding of \$20,000.00
Funding Source(s)	County General Funds through Policy Level Proposal – Affordable Housing & Services Fund
Duration	one-time funding
Previous Board Action	none
Strategic Plan Alignment	1. Sustainable and affordable housing 2. Ensure safe, healthy and secure communities
Counsel Review	Andrew Naylor, July 14, 2020
Procurement Review	Per Resolution No. 1936, HACC adopted the Local Contract Review Board rules for HACC Procurements. HACC conducts its own procurements following its procurement handbook.
Contact Person	Jill Smith, HACC Executive Director (503) 742-5336
Contract Number	Contract No. 9807

BACKGROUND:

The Housing Authority of Clackamas County (HACC), a Division of the Health, Housing and Human Services Department, requests approval to enter into an Intergovernmental Agreement (IGA) with Clackamas County, to enable the gap funding of our rental assistance grant Shelter plus Care. Shelter + Care is a U.S. Housing and Urban Development (HUD) grant funded through the Continuum of Care, to serve disabled homeless individuals and family in Clackamas County.

The Shelter Plus Care grant was provided fulltime case management through ImpactNW and Central City Concern LEAD for all its participants. Having direct case management for 100% of participants for the first time lead to successful housing stabilization. The normal attrition rate for this program has been at 10%, this year we fell to less than 4%. We graduated a record number of families off assistance and took new disabled clients who met the definition of chronically homeless with extremely high barriers. That meant more security deposits and many of the new clients had little to no income, which caused our average housing assistance payment to be 100% of rent. This combined with a tight rental market with ever increasing rents caused the Housing Authority to overspend the grant. We don't plan on adding new participants in the coming year, which will put us on target to spend the entire grant, without overspending

RECOMMENDATION:

Staff recommends the Board approve the Intergovernmental Agreement with Health, Housing and Human Services. Staff also recommends the Board authorize Jill Smith, HACC Executive Director, to sign the IGA on behalf of the Housing Authority Board of Commissioners, and Richard Swift to sign on behalf of the Clackamas County Board of County Commissioners.

Respectfully submitted,



Richard Swift, Director
Health, Housing and Human Services

**INTERGOVERNMENTAL AGREEMENT
BETWEEN HOUSING AUTHORITY OF CLACKAMAS COUNTY
AND CLACKAMAS COUNTY**

THIS AGREEMENT (this "Agreement") is entered into between the Housing Authority of Clackamas County ("HACC") and Clackamas County, through its Health, Housing and Human Services Department, Administration Division ("County"), for the shortfall funding of Shelter plus Care program, collectively referred to as the "Parties" and each a "Party." HACC is a Public Corporation, established under the Federal Housing Act of 1937 and the provisions of Chapter 456 of the Oregon Revised Statutes.

RECITALS

Oregon Revised Statutes Chapter 190.010 confers authority upon local governments to enter into agreements for the performance of any and all functions and activities that a party to the agreement, its officers or agencies have authority to perform.

In consideration of the mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

TERMS

1. **Term.** This Agreement shall be effective upon execution, and shall expire after one (1) year following the execution date.
2. **Scope of Work.** The County will pay HACC for the costs of the funding gap for the Shelter + Care program.
3. **Consideration.** The County agrees to pay HACC, from available and authorized funds, a sum not to exceed twenty thousand dollars and zero cents (\$20,000.00) to pay for the rent assistance dollars that were spent in excess of the grant. Payment shall be made on a one-time basis.
4. **Payment.** Unless otherwise specified, HACC shall submit annual invoices for work to be performed as part of the Shelter + Care program for the upcoming year. Payments shall be made to HACC following the County's review and approval of invoices submitted by HACC. HACC shall not submit invoices for, and the County will not pay, any amount in excess of the maximum compensation amount set forth above.
5. **Representations and Warranties.**
 - A. *HACC Representations and Warranties:* HACC represents and warrants to County that HACC has the power and authority to enter into and perform this Agreement, and this Agreement, when executed and delivered, shall be a valid and binding obligation of HACC enforceable in accordance with its terms.
 - B. *County Representations and Warranties:* County represents and warrants to HACC that County has the power and authority to enter into and perform this Agreement, and this Agreement, when executed and delivered, shall be a valid and binding obligation of County enforceable in accordance with its terms.
 - C. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided.
6. **Termination.**
 - A. Either the County or HACC may terminate this Agreement at any time upon thirty (30) days written notice to the other party.

- B. Either the County or HACC may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination however, the Party seeking the termination shall give the other Party written notice of the breach and of the Party's intent to terminate. If the breaching Party has not entirely cured the breach within fifteen (15) days of deemed or actual receipt of the notice, then the Party giving notice may terminate the Agreement at any time thereafter by giving written notice of termination stating the effective date of the termination. If the default is of such a nature that it cannot be completely remedied within such fifteen (15) day period, this provision shall be complied with if the breaching Party begins correction of the default within the fifteen (15) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. The Party giving notice shall not be required to give more than one (1) notice for a similar default in any twelve (12) month period.
- C. The County or HACC shall not be deemed to have waived any breach of this Agreement by the other Party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach is of the same nature as that waived.
- D. Either Party may terminate this Agreement in the event that Party fails to receive expenditure authority sufficient to allow it, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement, or if federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the Work under this Agreement is prohibited or a Party is prohibited from paying for such work from the planned funding source.
- E. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.

Indemnification. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the County agrees to indemnify, save harmless and defend HACC, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the County or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which the County has a right to control.

Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, HACC agrees to indemnify, save harmless and defend the County, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of HACC or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which HACC has a right to control.

- 7. **Insurance.** The County is self-insured and HACC is insured by the Housing Authority Risk Retention Pool (HARRP). The Parties agree to maintain levels of insurance, or self-insurance, sufficient to satisfy their obligations under this Agreement and all requirements under applicable law.
- 8. **Notices; Contacts.** Legal notice provided under this Agreement shall be delivered personally, by email or by certified mail to the individuals identified below. Any communication or notice so addressed and mailed shall be deemed to be given upon receipt. Any communication or notice sent by electronic mail to an address indicated herein is deemed to be received 2 hours after the

time sent (as recorded on the device from which the sender sent the email), unless the sender receives an automated message or other indication that the email has not been delivered. Any communication or notice by personal delivery shall be deemed to be given when actually delivered. Either Party may change the Party contact information, or the invoice or payment addresses by giving prior written notice thereof to the other Party at its then current notice address.

Jaymi Stark or their designee will act as liaison for the County.

Contact Information:

Health, Housing and Human Services, 2051 Kaen Road, Oregon City, OR 97045
jstark@clackamas.us, 503-650-5692

Elizabeth Miller or their designee will act as liaison for HACC.

Contact Information:

Housing Authority of Clackamas County, PO Box 1510, Oregon City, OR 97045
emiller@clackamas.us, 503-655-8279

9. General Provisions.

- A. Oregon Law and Forum.** This Agreement, and all rights, obligations, and disputes arising out of it will be governed by and construed in accordance with the laws of the State of Oregon and the ordinances of Clackamas County without giving effect to the conflict of law provisions thereof. Any claim between County and HACC that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Clackamas County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this section be construed as a waiver by the County of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court. HACC, by execution of this Agreement, hereby consents to the in personam jurisdiction of the courts referenced in this section.
- B. Compliance with Applicable Law.** Both Parties shall comply with all applicable local, state and federal ordinances, statutes, laws and regulations. All provisions of law required to be a part of this Agreement, whether listed or otherwise, are hereby integrated and adopted herein. Failure to comply with such obligations is a material breach of this Agreement.
- C. Non-Exclusive Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies expressly afforded under the provisions of this Agreement shall not be deemed exclusive, and shall be in addition to and cumulative with any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach, or for any other default or breach, by the other Party.
- D. Access to Records.** HACC shall retain, maintain, and keep accessible all records relevant to this Agreement ("Records") for a minimum of six (6) years, following Agreement termination or full performance or any longer period as may be required by applicable law, or until the conclusion of an audit, controversy or litigation arising out of or related to this Agreement,

whichever is later. HACC shall maintain all financial records in accordance with generally accepted accounting principles. All other Records shall be maintained to the extent necessary to clearly reflect actions taken. During this record retention period, HACC shall permit the County's authorized representatives' access to the Records at reasonable times and places for purposes of examining and copying.

- E. **Debt Limitation.** This Agreement is expressly subject to the limitations of the Oregon Constitution and Oregon Tort Claims Act, and is contingent upon appropriation of funds. Any provisions herein that conflict with the above referenced laws are deemed inoperative to that extent.
- F. **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the Parties.
- G. **Integration, Amendment and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the Parties on the matter of the Project. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by such Party of that or any other provision.
- H. **Interpretation.** The titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- I. **No Third-Party Beneficiary.** HACC and County are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.
- J. **Subcontract and Assignment.** HACC shall not enter into any subcontracts for any of the work required by this Agreement, or assign or transfer any of its interest in this Agreement by operation of law or otherwise, without obtaining prior written approval from the County, which shall be granted or denied in the County's sole discretion. County's consent to any subcontract shall not relieve HACC of any of its duties or obligations under this Agreement.
- K. **Counterparts.** This Agreement may be executed in several counterparts (electronic or otherwise), each of which shall be an original, all of which shall constitute the same instrument.
- L. **Necessary Acts.** Each Party shall execute and deliver to the others all such further instruments and documents as may be reasonably necessary to carry out this Agreement.
- M. **Successors in Interest.** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective authorized successors and assigns.

N. **Force Majeure.** Neither HACC nor County shall be held responsible for delay or default caused by events outside of HACC or County's reasonable control including, but not limited to, fire, terrorism, riot, acts of God, or war. However, HACC shall make all reasonable efforts to remove or eliminate such a cause of delay or default and shall upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement.

IN WITNESS HEREOF, the Parties have executed this Agreement by the date set forth opposite their names below.

**HOUSING AUTHORITY OF
CLACKAMAS COUNTY BOARD**

Commissioner Jim Bernard, Chair
Commissioner Sonya Fischer
Commissioner Ken Humberston
Commissioner Paul Savas
Commissioner Martha Schrader
Resident Commissioner Ann Leenstra

Signing on Behalf of the Housing Authority Board

Jill Smith, Executive Director
Housing Authority of Clackamas County

Date

CLACKAMAS COUNTY

Commissioner Jim Bernard, Chair
Commissioner Sonya Fischer
Commissioner Ken Humberston
Commissioner Paul Savas
Commissioner Martha Schrader

Signing on Behalf of the Clackamas County Board

Richard Swift, Director
Health, Housing and Human Services Department

Date

August 20, 2020

Housing Authority Board of Commissioners
Clackamas County

Members of the Board:

Approval of Resolution No. 1950 Authorizing the Execution, Acknowledgement, Delegation and Delivery of Contract Documents for the Predevelopment Line of Credit from Enterprise Community Loan Fund

Purpose/Outcomes	Approve Resolution No. 1950 authorizing the execution, acknowledgement, delegation and delivery of contract documents for the Predevelopment line of credit from Enterprise Community Loan Fund (ECLF) through a special partnership with Kaiser Permanente and its Rx Loan Fund (KP)
Dollar Amount	\$750,000.00
Funding Source	Interest-only payments will be made through HACC's pool of unrestricted funds.
Duration	36 month term which can be extended for up to an additional 12 months.
Previous Board Action	4/14/2020 – Study session in which the Board directed Authority Staff to engage with ECLF and KP, to obtain a predevelopment line of credit in the amount of \$750,000. 8/11/2020 – Issues meeting to discuss the need for an authorizing resolution to satisfy the underwriting requirement from ECLF.
Strategic Plan Alignment	1. Sustainable and affordable housing 2. Ensure safe, healthy and secure communities
Counsel Review	Drafted and approved by outside counsel. Andrew Naylor from County Counsel's office has represented HACC through closing call and negotiations.
Procurement Review	Per Resolution No. 1936, HACC adopted the Local Contract Review Board rules for HACC Procurements. HACC conducts its own procurements following its procurement handbook.
Contact Person	Jill Smith, HACC Executive Director Stephen McMurtrey, HACC Director of Housing Development
Contract No.	N/A

BACKGROUND:

Affordable housing predevelopment lines of credit (LOC) are an industry best-practice and provide necessary financial capacity to mission-oriented affordable housing developments. LOC's provide financial capacity to organizations that embark on affordable housing development in order to keep pace with the cost of predevelopment design and due diligence

expenses necessary to move these projects to an eventual construction financial closing. As an organization builds up its development pipeline, access to a predevelopment LOC allows it to maintain its organizational liquidity. The timing of affordable housing development is uncertain and delays are typical, so if an organization relies solely on its own balance sheet to pay for predevelopment, then delays in multiple projects could put a severe strain on overall organizational health. Additionally, predevelopment costs continue to grow as projects grow more complex and there are public finance and development regulations that developers must deal with. One way to ease the financial strain on an organizations balance sheet is to engage the financial community in a predevelopment loan source.

Predevelopment lines of credit are typically issued through mission-driven financial institutions specifically for the furtherance of affordable housing investment in communities throughout the country. These are short duration loans (typically three years with renewal options) or revolving loans that can be reissued upon payback. The increasing costs and complexity of affordable housing has made it imperative that organizations have flexible funds to cover these costs for predevelopment; costs that can on a per project basis exceed \$500k per project.

In an effort to move our public housing portfolio forward through the RAD and Section 18 programs (both being used at Hillside Manor and Hillside Park respectively) as well as capitalize on the resources set aside for our portfolio through the Metro Affordable Housing Bond, HACC issued a Request for Proposal (RFP) in December of 2019 seeking relationships with mission-driven banks and community development financial institutions (CDFI) for the purposes of providing predevelopment financing options to HACC.

Of primary importance to HACC is creating financial capacity so that as our properties convert from public housing to public/private partnerships (PPP) we aren't over-taxing our day to day operational financial capacity; our balance sheet. Instead, the predevelopment LOC creates a separate source for all predevelopment expenses, thereby eliminating the need for our operational revenues to wait for significant periods of time to recuperate their expenses at a future financial closing and to better protect the agency's cash position. LOC's are issued at a favorable rate in order to serve a larger public benefit. During the term of the LOC, the payments on any outstanding balance are interest-only; see the attached demonstrated amortization schedule example.

Through our RFP process in December of 2019, HACC looked for partnerships that would help expand our capacity for development while also recognizing the growing importance of health outcomes in the things we do. In response to our RFP we received only one formal proposal. The proposal came from Enterprise Community Loan Fund (ECLF) through a special partnership with Kaiser Permanente (KP). This partnership between ECLF and KP is specifically to provide opportunities to increase housing supply in conjunction with Health Action Plans for projects where predevelopment resources are utilized.

The following is a list of some of the favorable terms involved with this financing; a full term sheet is attached as Exhibit A:

- The line of credit (LOC) is full recourse to the borrower as a Master LOC;
- Up to \$750,000 that can be deployed for up to three projects simultaneously;
 - Each sub-loan can have a maximum \$500,000 amount

- 36 month term which can be extended for up to an additional 12 months;
- LOC is interest-only; principal will be repaid at closing of equity/construction financing;
- The Master LOC and any sub-loans will be unsecured meaning there is no collateral requirement from the borrower HACC.

As we move our portfolio forward it is important that we have readily available financing sources that help us invest in predevelopment activities at multiple sites; primary focus being 18000 Webster Road and Hillside Park. In both cases, significant predevelopment investments will need to be made within the next 36 months. Both properties are directly related to our goals as defined in our Local Implementation Strategy (LIS) and will be financed with Metro Affordable Housing Bonds.

Using the LOC from Enterprise & KP provides greater flexibility than a bank because they won't require collateralized assets or restrictions on HACC taking on other organizational debt without their permission. Traditional bank LOC's frequently have those limitations. The KP partnership and the Rx capital allows Enterprise to provide a lower interest rate than usual, while also providing greater flexibility on loan terms if projects get delayed.

This is a unique opportunity where collaborative partnerships in the health and financial realms have aligned themselves to maximize opportunity for affordable housing investment and development with a focus on health outcomes.

Next Steps for Closing of the Loan and Sub-Loan Agreements

A requirement of our loan closing is to provide an Authorizing Resolution allowing HACC to enter into the loan and sub-loan agreements referenced herein. Authorizing Resolutions are a standard practice that provides authority, granted by the Board, to obligate HACC for a particular purpose.

Some **key** components of the Resolution are as follows:

- Authorization to Execute, Acknowledge and Deliver all associated loan and Sub-Loan Documents as they pertain to this LOC.
- Delegate The Chair of the Board of the Housing Authority of Clackamas County or, the Director of Health, Housing and Human Services, the Executive Director of the Authority or the Director of Housing Development (each of whom is referred to in this resolution as a "Director") may, on behalf of the Authority and without further action by the Board
 - Finalize the terms of, and execute, acknowledge and deliver the Loan Agreement and Promissory Note (collectively the "Documents").
 - Before executing and delivering the Documents, the Director may, after consulting with legal counsel, make changes to the Documents that are reasonable and necessary in the Director's discretion to facilitate the execution and delivery of the Documents.

In addition to review and participation from County Counsel, the Housing Authority has retained Robert Sullivan as outside counsel for the drafting of this authorizing resolution. Rob Sullivan is the author of this resolution and has acted as representation for HACC in many transactions previously. All documents referenced in the resolution or agreements entered into by an

Authorized Representative will be reviewed and approved by Rob Sullivan acting as independent third-party counsel for HACC.

RECOMMENDATION:

Staff recommends the HACC Board approve Resolution No.1950, authorizing the receipt and execution of the Enterprise Community Loan Fund (ECLF) and its Sub-Loan agreements as well as delegation and signing of all accompanying documents associated with this LOC and its Sub-Loans.

Respectfully submitted,



Richard Swift, Director
Health, Housing & Human Services

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF THE HOUSING AUTHORITY OF CLACKAMAS COUNTY, OREGON**

In the Matter of Authorizing the Execution,
Acknowledgement and Delivery of
Documents Relating to the Enterprise
Community Loan Fund Predevelopment Line
of Credit and providing for related matters



Resolution No. 1950
Page 1 of 2

WHEREAS, the Housing Authority of Clackamas County (“Authority”) works to provide affordable multifamily housing for persons and families of lower income pursuant to Oregon Revised Statutes (“ORS”) 456.005 through 456.235; and,

WHEREAS, the Authority issued a Request For Proposals in December of 2019 seeking relationships with mission-driven banks and community development financial institutions for the purpose of providing predevelopment financing options to the Authority; and

WHEREAS, the Authority received a proposal from Enterprise Community Loan Fund, Inc. (“ECLF”) to provide predevelopment resources for specific opportunities to increase housing supply in conjunction with promoting healthy outcomes; and

WHEREAS, on or about April 14, 2020 in a study session, the Board directed Authority Staff to engage with ECLF, to obtain a predevelopment line of credit in the amount of \$750,000; and,

WHEREAS, the Authority and ECLF have agreed to enter into a predevelopment line of credit evidenced by the execution, acknowledgement, and delivery of a Loan Agreement, Sub-Loan Promissory Note(s) and other documentation evidencing same.

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY

Section 1. Authorization to Execute, Acknowledge and Deliver the Applications and Contract Documents. The Authority is authorized to execute, acknowledge and deliver the Loan Agreement, Sub-Loan Promissory Note(s) and other documentation to evidence the predevelopment line of credit.

Section 2. Delegation. The Chair of the Board of the Housing Authority of Clackamas County or, if the Chair is not available, the Director of Health, Housing and Human Services, the Executive Director of the Authority or the Director of Housing Development (each of whom is referred to in this resolution as a “Director”) may, on behalf of the Authority and without further action by the Board:

Finalize the terms of, and execute, acknowledge and deliver the Loan Agreement and Promissory Note(s) and other documentation to evidence the predevelopment line of credit (collectively the “Documents”). Before executing and delivering the Documents, the Director may, after consulting with legal counsel, make changes to the Documents that are reasonable and necessary in the Director’s discretion to facilitate the execution and delivery of the Documents. However, the changes authorized by the preceding sentence shall not materially change the Documents.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF THE HOUSING AUTHORITY OF CLACKAMAS COUNTY, OREGON**

In the Matter of Authorizing the Execution,
Acknowledgement and Delivery of
Documents Relating to the Enterprise
Community Loan Fund Predevelopment Line
of Credit and providing for related matters



Resolution No. 1950
Page 2 of 2

NOW, THEREFORE, BE IT RESOLVED, that the Chair or one of the Directors may finalize negotiations, execute, acknowledge and deliver the Documents and any other documents and take any actions that are necessary or desirable to complete the Documents, this Resolution and Order.

DATED this 20th day of August, 2020

**BOARD OF COUNTY COMMISSIONERS OF THE
HOUSING AUTHORITY OF CLACKAMAS COUNTY, OREGON**

Chair

Recording Secretary



April 17, 2020

Stephen McMurtrey
Director of Housing Development
Housing Authority of Clackamas County
PO Box 1510
Oregon City, OR 97045
SMcMurtrey@clackamas.us

Re: Terms of financing for HACC Predevelopment Line of Credit

Dear Mr. McMurtrey,

Enterprise Community Loan Fund, Inc. ("ECLF") is pleased to provide you with this proposal for financing for the above-referenced project. This does not constitute a commitment to lend and shall not create a binding or legally enforceable obligation on ECLF. The terms contained herein are of a summary nature and are not all-inclusive. All of the below is conditioned on approval of the loan committee of ECLF, and the receipt, review and approval of applicable due diligence documentation. Final terms are subject to full underwriting of the transaction and review and approval by the ECLF Loan Committee.

This proposal will expire 30 days from the date of issuance

Table with 2 columns: Term/Condition and Description. Rows include Lender, Borrower, Sponsor, Recourse, Guarantees, Purpose, Loan Type, Loan Amount, Term, Interest Rate & Repayment, Principal Repayment, and Prepayment Terms.

Fees:	<p><u>Origination Fee:</u> \$10,000</p> <p><i>Application Fee:</i> \$2,500 due at application. Application fee will be credited towards the origination fee.</p> <p><i>Commitment Fee:</i> Fifty percent (50%) of the origination fee due at the time the signed commitment letter is signed and returned.</p> <p><i>Settlement Fee:</i> The balance of the origination fee is due at the time of closing.</p> <p><u>Legal Fee:</u> Lender's legal fees will be paid by Borrower.</p> <p>Borrower will be responsible for payment of any and all third party costs, as applicable. The loan shall be closed at no cost to Lender.</p>
Disbursement:	<ul style="list-style-type: none"> • Monthly draws based on supporting invoices • There will be no disbursement within three months of the maturity of the Master Line of Credit or the maturity of the extension period.
Collateral:	The Master Line and sub-loans will be unsecured.
Reporting Requirements:	Sponsor/Borrower annual audited financial statements within 150 days of fiscal year end.
Due Diligence:	<ul style="list-style-type: none"> • Three years of Sponsor audited financial statements • Updated cash flow forecast • Updated REO Schedule • Updated schedule of contingent liability

Sub-loan Terms and Conditions:

Sub-loan Term:	Each sub-loan will have a term of up to 24 months. In no case will a sub-loan have a loan term that exceeds the maturity of the Master Line of Credit, and in no case, will a sub-loan have a draw period that exceeds the draw period for the Master Line of Credit.
Sub-loan Approval Process:	<p>Each sub-loan will be subject to underwriting and approval. For each sub-loan, Borrower will provide the following;</p> <ul style="list-style-type: none"> • Project narrative • Development budget including projected take-out financing • Operating proforma • Predevelopment budget • Project Timeline • Any available project due diligence • Evidence of any funding commitments
Sub-loan Covenants:	<ul style="list-style-type: none"> • As part of Lender using capital from Kaiser Permanente as part of the Sub-loans, Borrower agrees to implement Health Action Plans for individual

	<p>Projects, with the content and process to be determined by Lender and Borrower during underwriting.</p> <ul style="list-style-type: none"> • In any event of default by Borrower, Lender may elect to suspend any subsequent disbursements.
Sub-loan Fees:	<p>Disbursement fee of 50 bps on the amount of each sub-loan; payable at closing of individual sub-loans and payable from loan proceeds.</p> <p>Lender sub-loan fees, legal fees and costs shall be invoiced to the Borrower and included in the respective sub-loan closing draw and may be paid from sub-loan proceeds.</p>
Sub-loan Extension Fees:	At Lender's sole discretion, a sub-loan may be extended subject to a 50-bps extension fee.
Sub-loan Repayment Terms:	Sub-loans will be repaid at the earlier of the maturity of the sub-loan or from the closing of construction/equity from respective projects.
Sub-loan Reporting Requirements:	<ul style="list-style-type: none"> • Project status updates - Upon Lender's request • Sponsor annual audited statement with 150 days of FYE. • Project financials for operating properties - Upon Lender's request
Sub-loan Repayment Details:	<ul style="list-style-type: none"> • Monthly interest-only payments. Interest reserve may be included in individual sub-loans.

We look forward to working with you on the financing of this project. You can contact me at 206.223.4516 or jclarke@enterprisecommunity.org with any questions.

Sincerely,



Jon Clarke
VP/Chief Lending Officer
Enterprise Community Loan Fund, Inc.

Agreed and accepted by:
Housing Authority of Clackamas County

By: Jill Smith

Name: Jill Smith

Title: Executive Director

Date: 04/20/2020