

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Sitting/Acting as Housing Authority of Clackamas County**

**Policy Session Worksheet**

**Presentation Date:** 11/13/24

**Approx. Start Time:** 10:00 am

**Approx. Length:** 30 minutes

**Presentation Title:** Clackamas Heights Redevelopment and Hillside Park Redevelopment Concept Endorsements

**Department:** Health, Housing & Human Services / Housing Authority of Clackamas County

**Presenters:** Rodney Cook, Director and Devin Ellin, Housing Development Director

**WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

Staff requests Concept Endorsements for a preliminary award of Regional Affordable Housing Bond funds to both Clackamas Heights Redevelopment and Buildings D & E of the Hillside Park Redevelopment.

**EXECUTIVE SUMMARY:**

The Housing Authority of Clackamas County (HACC) requests approval to move forward with two projects using Regional Affordable Housing Bond (“Housing Bond”) funds.

HACC requests Concept Endorsement approval to provide a preliminary commitment of \$15 million in Housing Bond funds to the Clackamas Heights Redevelopment and \$5.5 million to Hillside Park Buildings D & E.

Concept Endorsement provides a preliminary commitment of Housing Bond funds to projects that is conditioned upon the final project’s achievement of the unit production targets, compliance with the Local Implementation Strategy (LIS), and final approval from Metro and the Housing Authority Board. With approval of these two projects, Clackamas County’s total allocation of Affordable Housing Bond funds will be committed.

**BACKGROUND:**

**What is affordable?**

Area median income (AMI) is used for determination of regulated affordable housing tenant eligibility. Most homes created through the County’s affordable housing bond program are available to people making 60% AMI or less, which is \$47,400 for a household with one person and \$67,680 for a household with four people. Almost half of all bond-funded homes will be “deeply affordable,” meaning they are available for households at 30% AMI or less (\$23,700 per year for a household of one or \$33,840 for a household of four).

Rents are regulated to be affordable for people at different income levels (between zero to 80% AMI), but specific rent amounts vary from project to project. Some of the homes have Project-Based Section 8 Vouchers that enable households to pay only 30% of their income for rent (households with zero income pay zero rent).

<b>Percent of Area Median Income</b>	<b>Family of 1 Person Annual Income Limit</b>	<b>Family of 4 People Annual Income Limit</b>
30%	\$23,700	\$33,840
60%	\$47,400	\$67,680

**Bond Award and Allocation Update:**

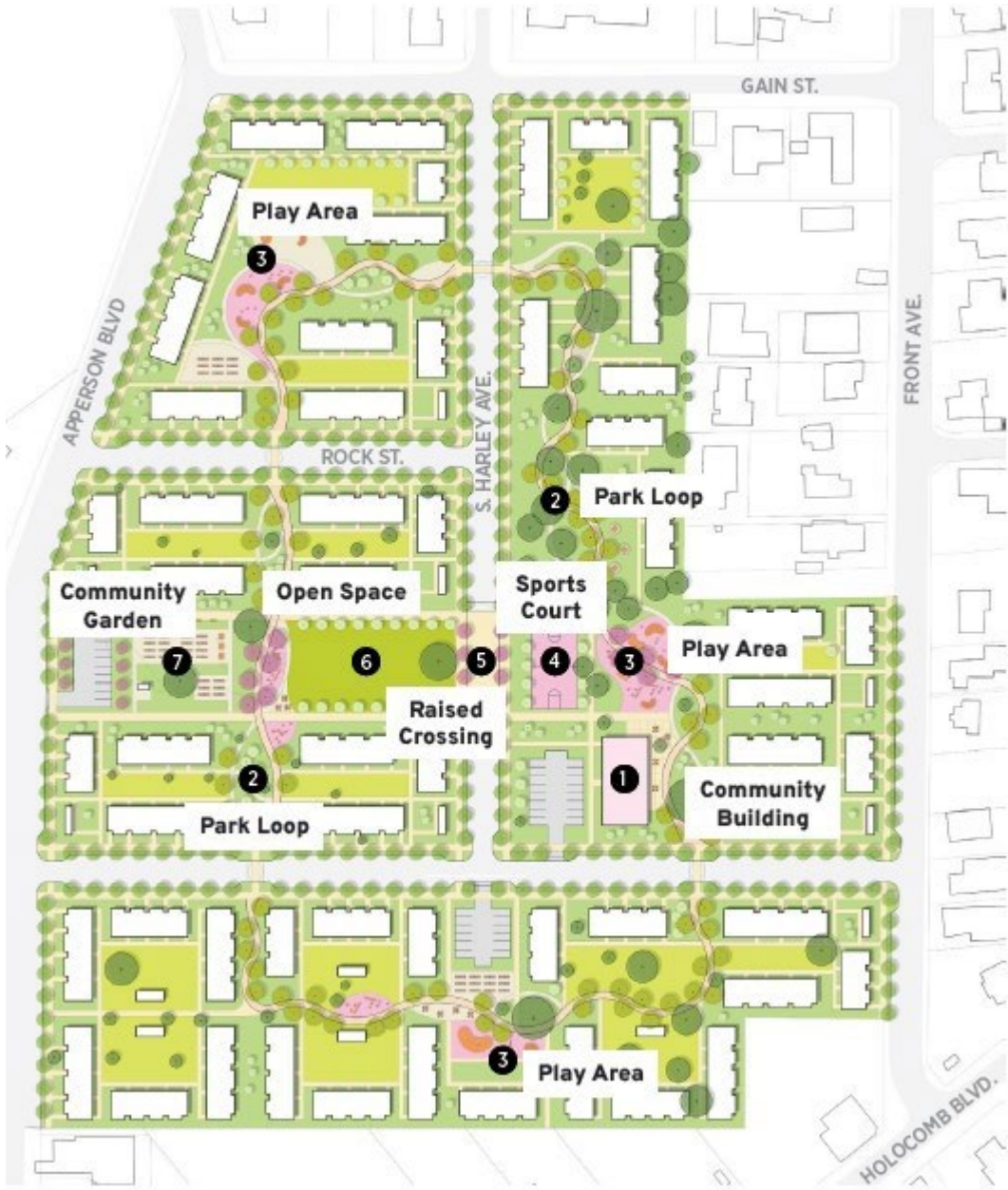
Clackamas County currently has 560 Bond-funded units in operation, 356 units in construction, and 54 units in pre-development. Approval of the two projects seeking Concept Endorsement will add another 245 units to the pipeline, producing a total of 1215 Bond-funded units, and exceeding Clackamas County's Housing Bond production goal of 812 units by 150%. With the approval of these 2 projects, Clackamas County's total allocation of Affordable Housing Bond funds will be committed.

<b>AFFORDABLE HOUSING BOND PRODUCTION</b>	<b>Bond Funded Units</b>	<b>30% AMI or below</b>	<b>Family Size (2BR+)</b>
<b>Clackamas County Production Goals</b>	<b>812</b>	<b>333</b>	<b>406</b>
Tukwila Springs - <b>COMPLETE</b>	48	48	0
Fuller Station Apartments - <b>COMPLETE</b>	99	30	82
Good Shepherd Village - <b>COMPLETE</b>	142	58	79
Las Flores - <b>COMPLETE</b>	171	70	129
Mercy Greenbrae Apts (fka Marylhurst Commons) - <b>COMPLETE</b>	100	40	83
Hillside Park Redevelopment - Phase 1 - Bldg C - <b>IN CONSTRUCTION</b>	78	68	53
Vuela (fka Wilsonville TOD) - <b>IN CONSTRUCTION</b>	120	35	79
Shortstack Milwaukie- Homeownership - <b>IN CONSTRUCTION</b>	15	0	15
Hillside Park Redevelopment - Phase 1 - Bldg A/B - <b>IN CONSTRUCTION</b>	143	40	14
El Nido (fka Lake Grove) - <b>CLOSING MAY 2025</b>	54	20	28
Hillside Park Redevelopment - Buildings D&E	120	14	51
Clackamas Heights Redevelopment	125	77	59
<b>Total Unit Production</b>	<b>1215</b>	<b>500</b>	<b>672</b>
<b>Percent of Total Production Goals</b>	<b>150%</b>	<b>150%</b>	<b>166%</b>

<b>AFFORDABLE HOUSING BOND ALLOCATION</b>	<b>Metro Bond</b>	<b>% of Total</b>
<b>Clackamas County Metro Bond Allocation</b>	<b>\$117,854,094</b>	
<b>Clackamas County Site Acquisition Program (SAP)</b>	<b>\$12,909,788</b>	
<b>PSH Pilot Funds</b>	<b>\$4,164,000</b>	
<b>TOTAL BONDS FUNDS AVAILABLE</b>	<b>\$134,927,882</b>	<b>100%</b>
Tukwila Springs - HACC	\$5,548,542	4%
Fuller Station Apartments - Geller Silvis & Associates, Inc. & Guardian	\$8,570,000	6%
Good Shepherd Village - Caritas Housing Corp & Catholic Charities	\$18,330,000	14%
Las Flores - Community Development Partners & Hacienda CDC	\$15,903,000	12%
Mercy Greenbrae Apartments - Mercy Housing NW	\$3,000,000	2%
Hillside Park Redevelopment - Building C - Related NW & HACC	\$18,190,693	13%
Vuela - Palindrome (\$3.836MM AHB + \$4.164MM PSH Pilot \$)	\$8,000,000	6%

Shortstack Milwaukie - HomeWork, Sister City, Proud Ground	\$700,000	1%
Hillside Park Redevelopment - Building A&B - Related NW & HACC	\$23,509,307	17%
El Nido - Hacienda (SAP funds: \$2.5MM Acq, \$10MM RFP, \$123,642 Metro DD exp)	\$12,676,340	9%
Hillside Park Redevelopment, Buildings D&E- Related NW, Centro Cultural & HACC	\$5,500,000	4%
Clackamas Heights Redevelopment - HACC	\$15,000,000	11%
<b>Percent of Total Allocation Utilized</b>	<b>\$134,927,882</b>	<b>100%</b>

**Clackamas Heights Redevelopment - preliminary allocation of \$15 million:** Clackamas Heights, Oregon City - 225 units (125 are bond eligible)



The Clackamas Heights Redevelopment will transform the 16-acre, 100-unit public housing complex, originally built in the 1940s, into a revitalized mixed-income community with up to 225 homes.

Clackamas County has the oldest public housing in Oregon and among the oldest in the country. Like public housing programs across the country with an aging public housing portfolio, the HACC is struggling to maintain and operate these units. Typically, when a property owner needs to make improvements or repairs to their property, they refinance or take out a loan. HACC has no mechanism to refinance or incur debt on a property under the Public Housing program. Under Public Housing, the Housing Authority is solely reliant on annual appropriations from the federal government (administered through HUD) to maintain and operate its public housing program. However, since the 1970s, there has been a trend of decreasing federal investment in public housing programs. In place of investing in public housing, the federal government has increased its investment in affordable housing programs that rely on the private sector, such as rental assistance vouchers and tax credits.

Recognizing this, HUD has made a variety of strategies available to housing authorities to reposition their public housing developments. Repositioning moves families from a public housing platform under HUD's Section 9 program to a rental assistance platform under HUD's Section 8 program. Unlike Section 9 programs, housing that is subsidized with Section 8 funding can be combined with other affordable housing funding resources like the Low-Income Housing Tax Credit (LIHTC) program and state and local sources like State Local Innovation and Fast Track (LIFT) and Metro Affordable Housing Bonds. These repositioning strategies enable housing authorities to provide better maintained units while creating opportunities to leverage public and private resources, ease administrative burdens, and preserve affordable housing.

HACC plans to reposition and redevelop Clackamas Heights through the Section 18 disposition program. In late June, HACC submitted a Section 18 application to HUD seeking approval to convert the property from Public Housing to the Section 8 program. HUD approved HACC's disposition application in October of 2024, giving HACC the opportunity to receive a Section 8 voucher for every public housing unit it repositions. These vouchers will provide residents with more flexibility and housing choice options than public housing assistance where the rental subsidy is tied to the public housing unit itself. Tenant-based Section 8 voucher holders can take their voucher and lease safe, decent, and affordable privately-owned rental housing in a location of their choice.

The passing of the 2018 Metro Affordable Housing Bond provides the Authority with a unique opportunity to utilize its existing public housing to leverage public and private resources to increase affordable housing opportunities in Clackamas County. As outlined in Clackamas County's Metro Affordable Housing Bond LIS, HACC set aside roughly half of its bond revenues to reposition its public housing portfolio. This provides an incredible opportunity for the Housing Authority to improve its existing assets, build more affordable housing, and create a sustainable platform for the Housing Authority that is responsive to the realities of funding opportunities and congressional appropriations.

A 2040 Planning and Development Grant awarded by Metro funded the development of the initial concept design and community engagement that kicked off in early 2024. The Housing Authority plans to redevelop the site with cluster housing, which includes groups of 4 to 12 smaller dwellings clustered together around a common green space. The dwellings themselves can be individual detached structures-often called cottages; attached structures such as townhouses, duplexes, and 3- to 4-plexes. The dwellings are clustered together facing each other across a courtyard, rather than arranged in a traditional grid along public streets. Dwellings share common amenities such as green space, parking areas, and community buildings.

The redevelopment will transform the site into a vibrant affordable housing community with walking trails, new roads and infrastructure, mature trees, green spaces, and a variety of community amenities. This new community will be able to accommodate all residents currently residing at the Clackamas Heights and Oregon City View Manor public housing communities who are interested in staying in the Park Place neighborhood

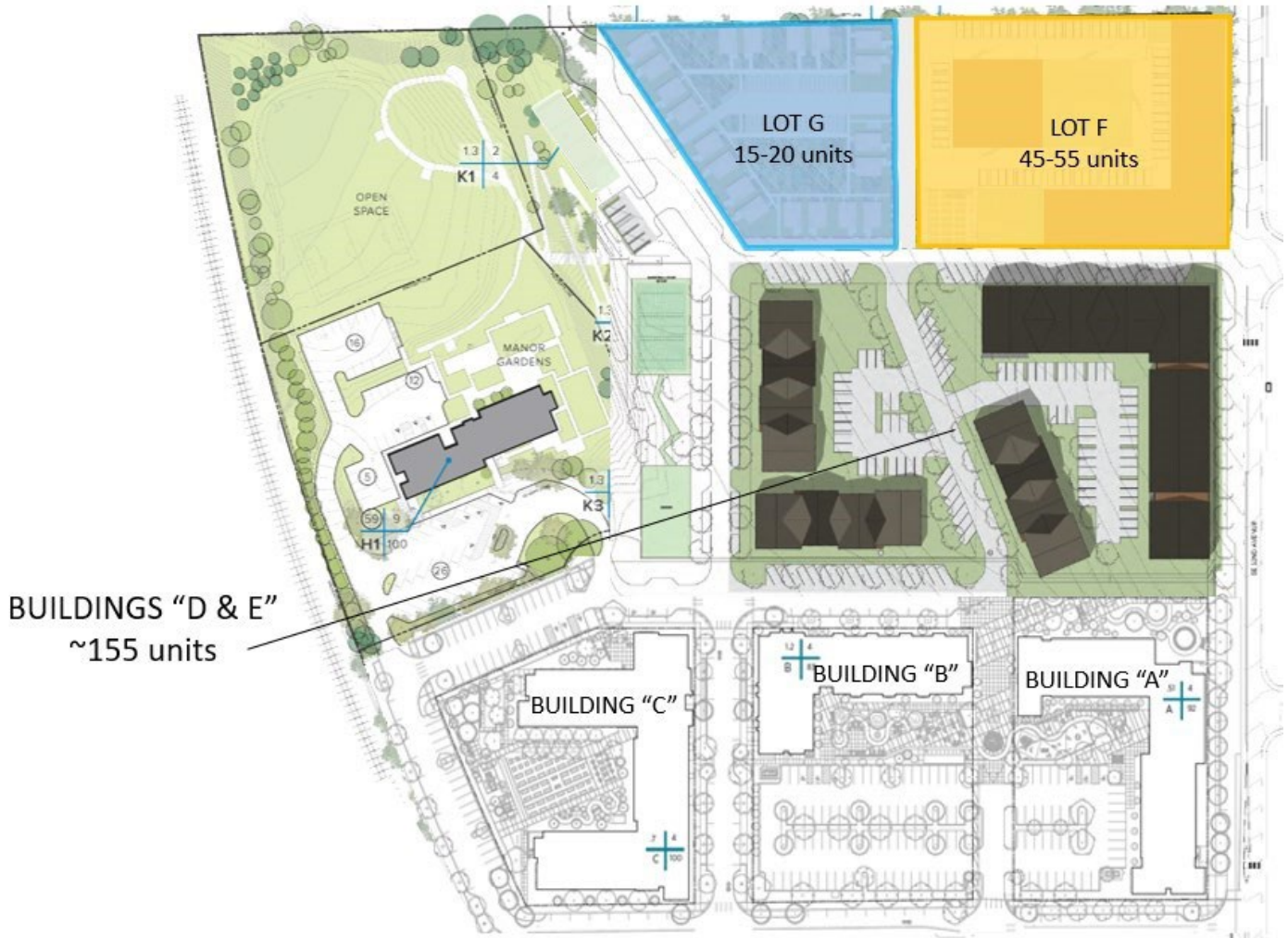
HACC recently selected Truebeck Construction as General Contractor and the design team, along with Bora Architecture, is working together on programming and schematic design.

The Housing Authority plans to use the requested \$15 million in Housing Bond funds to leverage other resources including, LIFT funds, Low Income Housing Tax Credit equity, Private Activity Bonds, County HOME

funds, Section 18 disposition proceeds, and permanent debt to support the development of new housing at Clackamas Heights.

**Hillside Park Redevelopment Buildings D&E - preliminary allocation of \$5.5 million:**

Hillside Park, Milwaukie - 155 units (120 are bond eligible)



Hillside Park is the master-planned redevelopment of HACC’s existing public housing site that contains 100 housing units across 13.7 acres. Like Clackamas Height, the existing project was built in the early 1940s and after 80+ years in operation, the aging buildings have exceeded their useful life. The project vision is based on early input from community stakeholders and an approved master plan.

In 2022, Related Northwest (“Related”) was selected through a competitive procurement process to redevelop Hillside Park. In partnership with HACC, Related Northwest kicked off the redevelopment effort with two distinct projects (Building C and Buildings A&B), which are actively under construction and will create 275 new units of affordable housing.

Related will work in partnership with HACC, the property owner, to redevelop the second phase consisting of a 6.2-acre portion of the site. The phase will bring at least 225 units of amenity-rich affordable housing in separate parcels to households with incomes at or below 60% AMI.

Hillside Park – Buildings D&E marks the third development to be completed at the site and is a partnership between Related and Centro Cultural, a culturally specific non-profit affordable housing owner and service provider. The project will bring approximately 155 units of amenity-rich affordable housing in four adjacent buildings to households with incomes at or below 60% AMI. In order to meet community needs for family-sized

housing, over half of units are expected to include two or more bedrooms. The proposed buildings include one four-story elevator served building, and three three-story walk-up buildings.

Building amenities will include on-site management offices, resident service offices, parcel lockers, multipurpose community rooms, bike rooms, and communal laundry rooms. Anticipated community amenities include a sports court, community garden, and large internal courtyard, as well as roughly 136 stalls of both on- and off-street parking. This project will also continue the extensive public improvements and infrastructure work associated with the site, including extending the expected greenway along 29<sup>th</sup> and 30<sup>th</sup> Avenues and building out 31st Ave and SE Dwyer St. In doing so, the project team will seamlessly integrate into Hillside Park's first two projects and advance the master plan's goals of realizing a pedestrian-friendly affordable housing community.

Centro Cultural (Centro) brings a wide breadth of culturally specific services to the project to enhance resident wellbeing. Founded in 1972 in Washington County, Centro's foundation is equity and belonging. Their team is deeply connected and invested in the communities they serve, providing programs and services that continue to evolve to meet the needs of communities, removing barriers to health, well-being, and economic mobility. Centro's programs focus on youth empowerment, community and senior wellness, career and education mobility, and civic leadership. Moreover, Hillside Park – Buildings D&E anticipates onboarding an additional partner that will lead regular afterschool and summer youth programming.

The project team is committed to delivering a highly energy efficient project to reduce energy use and operating costs. Hillside Park – Buildings D&E anticipates utilizing all electric building systems, including Heating, Ventilation, and Air Conditioning (HVAC) systems via heat pump technology. This project includes plans for energy efficient infrastructure and rooftop solar, which will make it eligible for energy certification.

This project will continue the vital work already underway at Hillside Park, while expanding the supply of affordable family housing and broadening the array of services of onsite services. This project meets the unique housing and service needs of low-income households, enhances the public realm, and creates longterm affordable housing in a well-resourced, high-opportunity community.

Related plans to use the requested \$5.5 million in Housing Bond funds to leverage other resources including, LIFT funds, Low Income Housing Tax Credit equity, Private Activity Bonds, and permanent debt equity to support the development of 155 units of amenity-rich affordable housing in Buildings D&E at Hillside Park.

Through the redevelopment and repositioning of Hillside Park and Clackamas Heights, HACC will deliver over 600 new affordable homes, replacing 200 units of obsolete public housing, to meet the growing need of Clackamas County's residents. This reflects a broader commitment to ensuring that affordable housing remains accessible to all, preserving HACC's legacy while looking toward a more sustainable future.

#### FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget?  YES  NO

What is the funding source?

- Regional Affordable Housing Bond Funds. No County General Funds are involved.

#### STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
  - This item aligns with the following Department strategic priorities:
    - Provide sustainable and affordable housing.
    - Assist individuals and families in need to be healthy and safe.
    - Increase self-sufficiency.

- Increase community safety and health.
  - Continually improve the efficiency and effectiveness of services.
- How does this item align with the County's Performance Clackamas goals?
    - This item aligns with the following strategic priorities:
      - Ensure safe, healthy and secure communities.
      - Grow a vibrant economy.
      - Build a strong infrastructure.
      - Build public trust through good government.

**LEGAL/POLICY REQUIREMENTS:**

This action adheres to the terms of the Housing Bond Intergovernmental Agreement with Metro.

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

These projects are made possible by the voter-approved Regional Affordable Housing Bond. The Local Implementation Strategy and the Intergovernmental Agreement for Housing Bond funding were approved by the Housing Authority of Clackamas County Board and Metro Council.

Public/community engagement was carried out as part of the development of the Local Implementation Strategy and there is a separate, comprehensive engagement process required for each project.

**OPTIONS:**

1. Approve the request for Concept Endorsement approval to provide a preliminary commitment of \$15 million in Housing Bond funds to the Clackamas Heights Redevelopment and \$5.5 million to Hillside Park Buildings D & E.
2. Direct staff to make changes to the recommended projects and bring back for review at a future Issues or Policy session.
3. Reject the request for Concept Endorsement approval to provide a preliminary commitment of \$15 million in Housing Bond funds to the Clackamas Heights Redevelopment and \$5.5 million to Hillside Park Buildings D & E.

**RECOMMENDATION:** Staff respectfully recommends that the Board choose Option #1: Approve the request for Concept Endorsement approval to provide a preliminary commitment of \$15 million in Housing Bond funds to the Clackamas Heights Redevelopment and \$5.5 million to Hillside Park Buildings D & E.

**ATTACHMENTS:**

Project Information Sheets

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_  
 Department Director/Head Approval Rodney A. Cook  
 County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact _____ @ 503-_____
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## At a glance

**Total unit count:** 225

**Regional Affordable Housing Bond funds:** \$15 million

**Bond funds per unit:** \$66,667

**Project type:** New construction

**Sponsors:** HACC

**Architect:** Bora Architects

**General contractor:** Truebeck Construction

**Funding:** Low Income Housing Tax Credits, OHCS LIFT, Regional Affordable Housing Bond, OR-MEP, Project-based vouchers

**Construction begins:** Nov 2025

**Anticipated completion:** November 2027

# Clackamas Heights Redevelopment

*13900 Gain Street – Oregon City, OR – Housing Authority of Clackamas County*

The Clackamas Heights Redevelopment is the redevelopment of a low-density public housing site comprised of 100 units across 16 acres. Built in the early 1940s, the existing property is one of Oregon's oldest public housing communities. After 80+ years in operation, the aging buildings have exceeded their useful life and require repositioning and redevelopment in order to provide safe housing and sustainable operations.

The Housing Authority plans to redevelop the site with approximately 225 units of cluster housing. Utilizing Oregon City's recently adopted cottage cluster zoning, the concept plan aims to make more efficient use of the site while supporting each household's independence and privacy. Oregon City's cluster zoning permits the development of up to 12 homes clustered around a common green space, allowing for more efficient land use and more affordable housing options to accommodate a growing population and rising housing costs.

The Clackamas Heights redevelopment will be comprised of 18-20 cottage clusters, each containing up to 12 units arranged around a shared courtyard. The dwellings themselves will be attached structures that will include a mix of townhouses, duplexes, and 3- to 4plexes. Each cluster will have its own open space and shared amenities like mail and laundry.

Four to six clusters will be arranged into blocks, opening to broader green spaces, activity zones, gardens, and play areas. Together these blocks will create a site-wide, pedestrian-centered network, linking residents and neighbors to gathering areas and neighborhood amenities.

The redevelopment will transform the site into a vibrant affordable housing community with walking trails, new roads and infrastructure, mature trees, green spaces, and a variety of community amenities. This new community will serve households with incomes at or below 60% of the Area Median Income (AMI) and will be able to accommodate all residents currently residing at Clackamas Heights and Oregon City View Manor public housing communities who are interested in staying in the Park Place neighborhood.





## Development program

The Clackamas Heights Redevelopment includes approximately 225 units of new affordable housing supported by project-based rental assistance.

Unit Type	No. of units	AMI %	PBVs	SF per Unit	Gross mo. rent/unit
One Bedroom	50	30%	50	600	\$571
One Bedroom	40	60%		600	\$1,235
Two Bedroom	50	30%	50	800	\$679
Two Bedroom	39	60%		800	\$1,476
Three Bedroom	25	30%	25	1,000	\$780
Three Bedroom	11	60%		1,000	\$1,701
Four Bedroom	10	60%		1,250	\$1,888
<b>Total</b>	<b>225</b>		<b>125</b>		

## Amenities

- Community building • Multi-modal park loop
- Multiple outdoor play areas
- Resident gardens
- Mature trees & green spaces
- 1:1 parking
- Onsite management & services offices

- Sports court





## At a glance

**Total unit count:** 155

**Regional Affordable Housing Bond funds:** \$5.50 million

**Bond funds per unit:** \$35,484

**Project type:** New construction

**Sponsors:** Related Northwest & Centro Cultural

**Architect:** Ankrom Moisan Architects & Holst

**General contractor:** WALSH Construction

**Partners:** HACC

**Funding:** Low Income Housing Tax Credits, OHCS LIFT, Regional Affordable Housing Bond, OR-MEP

**Construction begins:** June 2026

**Anticipated completion:** May 2028

# Hillside Park – Buildings D&E

*2889 SE Hillside Ct – Milwaukie, OR – Related Northwest & Centro Cultural*

Hillside Park is a master-planned redevelopment of a low-density public housing site that contains 100 housing units across 13.7 acres. Built in the early 1940s, the existing property is Oregon's oldest public housing community. After 80+ years in operation, the aging buildings have exceeded their useful life and require repositioning and redevelopment in order to provide safe housing and sustain operations. In partnership with HACC, Related Northwest ("Related") kicked off the redevelopment effort with two distinct projects (Building C and Buildings A&B), which are actively under construction and will create 275 new units of affordable housing.

Hillside Park – Buildings D&E marks the third development to be completed at the site. The project will bring approximately 155 units of amenity-rich affordable housing in four adjacent buildings to households with incomes at or below 60% AMI. In order to meet community needs for family-sized housing, over half of units are expected to include two or more bedrooms. The proposed buildings include a single four-story elevator served building, and three walk-up buildings. The site plan anticipates a sports court, community garden, and large internal courtyard, as well as roughly 136 stalls of both on- and off-street parking.

Building amenities will include on-site management offices, resident service offices, parcel lockers, multi-purpose community rooms, bike rooms, and communal laundry rooms. Centro Cultural will bring its breadth of culturally-specific services to the project to enhance resident wellbeing. Moreover, Hillside Park – Buildings D&E anticipates onboarding an additional partner that will lead regular after school and summer youth programming.



## Development program

Hillside Park includes 155 units of new affordable housing.

Unit size (no. of bedrooms)	No. of units	AMI %	SF per Unit	Gross mo. rent/unit
Studio	22	60%	415	\$1,156
One Bedroom	55	60%	600	\$1,235
Two Bedroom	47	60%	880	\$1,476
Three Bedroom	28	60%	1,150	\$1,701
Four Bedroom	3	60%	1,300	\$1,888
<b>Total</b>	<b>155</b>			

## Amenities

- On site community rooms
- Bus stop within 1/8 mile
- Bike parking
- Ardenwald Elementary within 1 mile
- Study lounge
- Grocery store within 1 mile

- On site management and services offices
- Downtown Milwaukie within 1.1 miles
- Outdoor playground and garden beds
- Multiple parks and recreation areas
- Sports court

within 3/4 mile

- Whole-building heating and cooling
- Across street from Providence
- Onsite youth program Milwaukie Hospital
- 136 parking spaces

