

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Sitting/Acting as:**  
**Board of Commissioners of the Housing Authority of Clackamas County**

**Policy Session Worksheet**

**Presentation Date:** Tuesday, October 3<sup>rd</sup>, Approx. Start Time: 2:00 PM Approx. Length: 60 Min.

**Presentation Title:** Housing Authority of Clackamas County (HACC) Redevelopment and Disposition Applications: Rental Assistance Demonstration (RAD) and Oregon City View Manor Section 18 Disposition Applications

**Department(s):** Health, Housing and Human Services (H3S)

**Presenters:** Richard Swift, Director H3S, Jill Smith, Deputy Director H3S, Chuck Robbins, Director Housing & Community Development (HCD)

**Other Invitees:** Mary-Rain O'Meara

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

1. Approval to proceed with the completion of the 2 applications.
2. Approval to submit the applications for BCC Approval at an upcoming Business Meeting

**EXECUTIVE SUMMARY:**

Background

The Housing Authority of Clackamas County has an aging public housing portfolio that is becoming increasingly expensive to operate and maintain. Additionally there are significant HUD regulations which add to the problems of managing and preserving this housing.

- Public Housing properties are generally prohibited from incurring debt secured by the property.
- Public Housing is a heavily regulated program with limited flexibility.
- Under the current public housing program, there are no other viable debt financing alternatives available to support a reinvestment/redevelopment of the properties.

HACC has public housing units in three large housing parks, one high-rise, and scattered sites.

- Clackamas Heights, Oregon City – 100 units on 20 acres – Built in 1941
- Oregon City View Manor, Oregon City – 100 units on 20 acres – Built in 1962
- Hillside Park, Milwaukie – 100 units on 20 acres – Built in 1942
- Hillside Manor, Milwaukie – 100 unit high-rise on 2 acres – Built in 1970
- Scattered sites – 145 units

The Housing Authority will seek approval from the U.S. Department of Housing and Urban Development (HUD) under two programs related to disposition and redevelopment of its Public Housing properties.

**Overview: Rental Assistance Demonstration (RAD)**

HACC will apply to convert the majority of its public housing portfolio to a new model of affordable housing subsidy called the Rental Assistance Demonstration (RAD) program. RAD allows Housing

Authorities to convert properties to a project based assistance model under which they can leverage private debt to complete repairs or obtain financing for redevelopment.

HACC will seek approval from the Board of County Commissioners on October 19<sup>th</sup>, 2017 to convert its Hillside Park and Hillside Manor properties to RAD under an October 23<sup>rd</sup> application deadline. The specifics of each application proposal are as follows:

**Hillside Manor:** HACC will ask HUD for permission to convert Hillside Manor to RAD project based assistance and to apply for funding to complete a rehabilitation of the 9 story tower.

**Hillside Park:** HACC will ask HUD for permission to convert Hillside Park to RAD project based assistance and to apply for funding to complete a redevelopment of the site to provide new and increased housing opportunities.

### **Overview: Section 18 Disposition Application for Oregon City View Manor (OCVM)**

HACC will seek permission from the Board of County Commissioners on November 22<sup>nd</sup> to submit a Section 18 application to HUD for disposition of the Oregon City View Manor public housing project. Oregon City View Manor is a 22 acre property located on S Longview Way and Holcomb Blvd. in Oregon City. HACC will ask HUD for permission to sell approximately 19 acres of the site, with retention of 3 acres for the purposes of future redevelopment.

If HUD approves the disposition of the property, HACC will receive Section 8 vouchers for the current residents at the property, and HACC will provide comprehensive relocation assistance to ensure that each tenant finds a new, quality home.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget?  YES  NO

Both programs will change how HACC receives funds for its operation. Under the RAD program HACC will no longer receive HUD Public Housing Operating and Capital funds for these units. HUD will convert these payments to a Project Based rent subsidy which will allow HACC to fund debt service necessary to remodel and redevelop its aging properties. HUD will also pay HACC an Administrative Fee similar to the fee paid under the Section 8 Voucher program. The result should be budget neutral.

Under the Section 18 Disposition Program HACC will permanently lose the Public Housing Operating and Capital funds. The sale proceeds are intended to be used to leverage other investment to develop additional affordable housing projects. HACC expects to make up lost revenue through the administrative fee generated by the 100 Section 8 vouchers that will be obtained through the disposition process. This fee will total \$86,400 annually as operating revenue to the Housing Authority.

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
  - Sustainable and Affordable Housing
- How does this item align with the County's Performance Clackamas goals?
  - Ensure safe, healthy and secure communities

LEGAL/POLICY REQUIREMENTS: N/A

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

For the RAD application:

- HUD requires Housing Authorities, prior to submitting a RAD application, to hold a minimum of 2 resident meetings with each affected property. HACC staff will meet with residents of Hillside Park and Manor in early October to discuss the RAD program, project timelines, and potential relocation under the projects.
- Once the RAD application is approved, HACC will continue to hold regular meetings with Hillside Manor and Park residents to keep them engaged in the process.

Section 18 Disposition application,

- HACC has met with local stakeholders to discuss our plans for the property. This included, a local church, the neighborhood association, the local elementary school and the school district.
- Beginning in July, 2017, HACC has hosted 2 meetings a month with the residents of Oregon City View Manor to discuss plans for the potential sale of the property and relocation assistance. In addition, a monthly project newsletter is sent to each household to keep them informed of the application timeline and other news.
- Residents have been notified of the process to submit formal comment on the disposition proposal and all collected comment will be submitted with the application to HUD.
- A relocation contractor has been brought on board and is interviewing residents on September 27th and 28th to begin planning for each family's preferred relocation strategy in the case of approval from HUD to sell the property.
- HACC staff have engaged with service providers such as Rent Well to bring these classes out to the Oregon City View Manor community for an additional resource.
- HACC has been in communication with the City of Oregon City and will request a letter of support for the project.
- HACC has been in contact with our federal delegation and will request a bicameral letter of support for the project.

**OPTIONS:**

- Approval to proceed with both applications.
- Approval to proceed with one application
- Reject both applications

**RECOMMENDATION:**

We recommend that the HACC Board of Commissioner approve completion of the RAD Application and the Section 18 Applications and request these documents be presented at a later Business Meeting for final review.

**ATTACHMENTS:** Aerial Photos of the Hillside Park, Hillside Manor and OCVM sites

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_  
 Department Director/Head Approval \_\_\_\_\_  
 Department Director/Head Approval \_\_\_\_\_  
 County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact Chuck Robbins @ 503-655-8591
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# Hillside Park

## 1942 - Operations Began



<u>Size of Unit</u>	<u>Number of Units</u>
1-Bedroom Duplex	20
1-Bedroom House	5
2-Bedroom House (small)	12 (1 ADA)
2-Bedroom House (large)	39 (9 ADA)
2-Bedroom Duplex	8
2-Bedroom House w/connecting carports	16

Elderly Residents	31% (48)
Disabled Residents	47% (73)
Residents under 18	24% (38)
Households with 1+ children	27% (26)
Single Person Households	39% (38)

# Oregon City View Manor 1962 - Operations Began



<u>Size of Unit</u>	<u>Number of Units</u>
Efficiency 1-Bedroom	12
1-Bedroom Duplex	24 (2 ADA)
2-Bedroom Duplex	30 (2 ADA)
3-Bedroom House	24
4-Bedroom House	10 (1 ADA)

Elderly Residents	9% (18)
Disabled Residents	31% (59)
Residents under 18	45% (86)
Households with 1+ children	45% (44)
Single Person Households	43% (42)

# Hillside Manor

## 1970 - Operations Began

### HILLSIDE MANOR

ADDRESS: 2889 SE HILLSIDE CT, MILWAUKIE, OR 97222

BUILT: 1970

LAST UPDATED/MODERNIZED: N/A

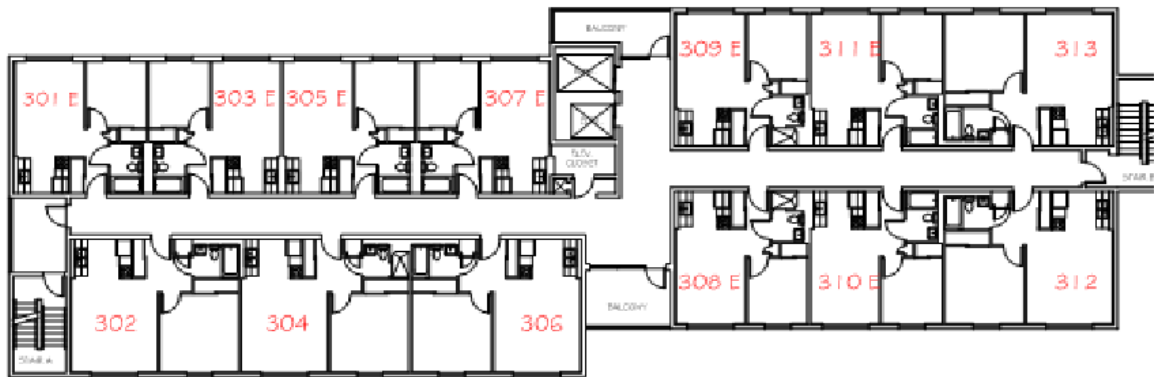
CENSUS TRACT: 209 - 100 UNITS



SECOND LEVEL - FLOOR PLAN  
SCALE: NTS



SOUTH SIDE ELEVATION (FRONT)  
SCALE: NTS



THIRD THRU NINTH LEVEL - FLOOR PLAN  
SCALE: NTS

<u>Size of Unit</u>	<u>Number of Units</u>
1-Bedroom Efficiency Unit (smaller)	60 (2 ADA)
1-Bedroom Unit	36 (2 ADA)
2-Bedroom Unit	4 (2 ADA)

Elderly Residents	34% (37)
Disabled Residents	79% (87)
Residents under 18	3% (3)
Households with 1+ children	3% (3)
Single Person Households	88% (88)