

December 3, 2020

Board of County Commissioners
Clackamas County

Members of the Board:

Public Hearing pursuant to Section 147(f) of the internal revenue code of 1986, as amended, for the financing of certain facilities from the execution and delivery of tax-exempt obligations.

Purpose/Outcomes	Provide a public hearing, required by the IRS pursuant to Section 147(f) of the internal revenue code of 1986, as amended (TEFRA-Tax Equity & Fiscal Responsibility Act), before the Board of County Commissioners for the financing of certain facilities from the execution and delivery of tax-exempt debt. The hearing gives the public an opportunity to comment on the use of the tax-exempt funds by the borrowing institution (i.e. Caritas Corporation) to finance its capital needs.
Dollar Amount and Fiscal Impact	Potential loss of property tax revenues in the amount of approximately \$40,000 annually if Caritas applies exempt status. No other foreseen fiscal obligations to Clackamas County
Funding Source	This is a Revenue bond authorized by the State of Oregon through their Private Activity Bond Committee.
Duration	Longevity of bond payback
Previous Board Action	A Study Session was held on November 17 th , 2020 to gain approval to hold the hearing on December 3, 2020 at its Board meeting.
Strategic Plan Alignment	<ol style="list-style-type: none"> 1. Ensure safe, healthy and secure communities 2. Sustainable and Affordable Housing 3. Build public trust through good government
County Counsel Review	Item was reviewed 11/24/20 by county counsel on (date) by AN
Procurement Review	<ol style="list-style-type: none"> 1. Was the item processed through procurement? No 2. If no, provide brief explanation: County finance has referred this TEFRA hearing to H3S to handle
Contact Person	Richard Swift, Director H3S 503-849-2882

BACKGROUND:

The Caritas Corporation is a 501(c)(3) public benefit corporation established in 1996 and is based in Irvine, California. The specific mission of Caritas is to provide affordable housing in a caring and vibrant environment.

To accomplish its purposes, Caritas partners with cities and counties to lessen the affordable housing burden by purchasing and improving existing mobile home parks and controlling the rent rates at such parks. The community benefits by maintaining and increasing the affordable housing stock as well as improving existing neighborhoods. Caritas has used bond financing exclusively to finance the acquisition of its mobile home park communities. Caritas has issued over \$400 million of new and refinancing bonds over the past twenty years. Caritas is currently carrying out its mission through twenty-three communities, approximately 12,000 residents, which it owns throughout the State of California.

Caritas intends to use private activity bonds to fund the purchase of the two properties. A public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended, to be held with respect to the proposed execution and delivery by the National Finance Authority of one or more qualified 501(c)(3) tax-exempt bonds pursuant to a plan of financing or refinancing for various capital facilities as more fully described below, in an aggregate principal amount not to exceed \$39,000,000 (the “Bonds”). The proceeds of the Bonds will be loaned by the Authority to Caritas Acquisitions VII, LLC, a California limited liability company (the “Borrower”), the sole member of which is Caritas Corporation, an organization described in Section 501(c)(3) of the Code (“Caritas”). Proceeds of the Bonds will be used by the Borrower to (i) finance its acquisition and improvement of the mobile home parks and (ii) pay certain expenses incurred in connection with the execution and delivery of the Bonds (collectively, the “Project”).

The two mobile home properties in Clackamas County are:

- 1) Holly Tree Mobile Home Park located at 8951 SE Fuller Road, Happy Valley (57 spaces that rent at \$622/mo.;
- 2) Lone Acre Mobile Park located at 8595 SE Fuller Road, Happy Valley (11 spaces that rent at \$665/mo.).

Caritas’ has committed to preserving the housing for the residents at the most affordable rents. They have no plans to raise rents upon taking ownership and see no significant changes for the current residents.

RECOMMENDATION:

Staff recommends that the Board hold a TEFRA HEARING so that private activity bonds (a tax free loan, no liability to the County) can be used by Caritas for the purchase of stated properties. As well as to approve and adopt the draft order attached hereto. A form regulatory agreement will be executed after approval of the order



Richard Swift, Director
Health, Housing and Human Services

CLACKAMAS COUNTY
NOTICE OF PUBLIC HEARING PURSUANT TO SECTION 147(F) OF THE
INTERNAL REVENUE CODE OF 1986, AS AMENDED, FOR THE FINANCING OF
CERTAIN FACILITIES FROM THE EXECUTION AND DELIVERY OF TAX-
EXEMPT OBLIGATIONS

NOTICE IS HEREBY GIVEN that on December 3, 2020, a public hearing required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), will be held with respect to the proposed execution and delivery by the National Finance Authority (the “Authority”) of one or more qualified 501(c)(3) tax-exempt bonds pursuant to a plan of financing or refinancing for various capital facilities as more fully described below, in an aggregate principal amount not to exceed \$39,000,000 (the “Bonds”). The proceeds of the Bonds will be loaned by the Authority to Caritas Acquisitions VII, LLC, a California limited liability company (the “Borrower”), the sole member of which is Caritas Corporation, an organization described in Section 501(c)(3) of the Code (“Caritas”). Proceeds of the Bonds will be used by the Borrower to (i) finance its acquisition and improvement of the mobile home parks located at 8951 SE Fuller Road, Happy Valley, Oregon 97086 and 8595 SE Fuller Road, Happy Valley, Oregon 97086; and (ii) pay certain expenses incurred in connection with the execution and delivery of the Bonds (collectively, the “Project”).

The Project is located within the territorial limits of Clackamas County (the “County”) and will be owned and operated by the Borrower.

The Public Hearing will be held via webinar accessible at:
<https://clackamascounty.zoom.us/j/93170699228>

Or iPhone one-tap: US: +12532158782, 93170699228# or +13462487799, 93170699228#

Or Telephone:Dial(for higher quality, dial a number based on your current location): US: +1 253 215 8782 or +1 346 248 7799 or +1 408 638 0968 or +1 669 900 6833 or +1 312 626 6799 or +1 646 876 9923 or +1 301 715 8592

Webinar ID: 931 7069 9228

International numbers available: <https://clackamascounty.zoom.us/u/keyGn9EsjJ>

The hearing will commence at 10:00 am December 3, 2020, and the line will be held open for public comment until at least 10:15 am, at which time the Public Hearing will be concluded unless there are additional public comments to be heard. The public hearing is being conducted by the County to comply with the public approval requirements of Section 147(f) of the Code applicable to the Bonds executed and delivered by the Authority to finance the Project.

The Bonds are payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower. Neither the full faith and credit nor the taxing power, if any, of the County, the Authority and its members, the State of Oregon (“State”) or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest on the Bonds, nor shall the County, the Authority and its members, the State, or any other political corporation, subdivision or agency of the State, nor any official or officer of any of the foregoing, be liable or obligated to pay the principal of, premium, if any, or interest on the Bonds.

Those wishing to comment on the proposed financing of the Project may participate in the webinar to comment at the public hearing or submit written comments, which must be received prior to the public hearing, to the Clackamas County Board of Commissioners, 2051 Kaen Road, Suite 450, Oregon City, OR 97045 or by email to BCC@Clackamas.us. The written comments need to reference the TEFRA public hearing for Caritas and what portions the written comments the commentator would like read at the meeting. The Board of Commissioners will consider written comments and the information obtained at the public hearing and take appropriate action that it may deem warranted.

DATED: November 25, 2020

CLACKAMAS COUNTY

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

By and Between

**COUNTY OF _____,
as County,**

and

**CARITAS ACQUISITIONS VII, LLC,
a California nonprofit public benefit corporation,
as Borrower**

Dated as of December __, 2020

Relating to

**[\$[Par Amount]*
National Finance Authority
Revenue Bonds
(Caritas Oregon Projects)
Series 2020A**

**[\$[Par Amount]*
National Finance Authority
Revenue Bonds
(Caritas Oregon Projects)
Series 2020-T**

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (as supplemented and amended from time to time, the “**Regulatory Agreement**”) is made and entered into as of December ____, 2020, by and between the **COUNTY OF _____** (“**County**”) and **CARITAS ACQUISITIONS VII, LLC**, a California limited liability company (the “**Borrower**”), with respect to the land and related improvements and infrastructure described in Exhibit A attached hereto.

WITNESSETH:

WHEREAS, pursuant to New Hampshire Revised Statutes Chapter 331, RSA 162-S (the “**Act**”), the NATIONAL FINANCE AUTHORITY, a component unit of the Business Finance Authority of the State of New Hampshire, a body politic and corporate created and existing under New Hampshire Revised Statutes, Chapter 331, RSA 162-A (the “**Issuer**”), proposes to issue its \$ _____ National Finance Authority Revenue Bonds (Caritas Oregon Projects), Series 2020A (the “**Series 2020A Bonds**”) and its \$ _____ National Finance Authority Revenue Bonds (Caritas Oregon Projects), Series 2020-T (the “**Series 2020-T Bonds**,” and collectively with the Series 2020A Bonds, the “**Bonds**”) pursuant to a Trust Indenture, dated as of December 1, 2020 (the “**Indenture**”), by and between the Issuer and Wells Fargo Bank, National Association, as trustee (the “**Trustee**”);

WHEREAS, the proceeds of the Bonds will be used to fund a loan (the “**Loan**”) to the Borrower pursuant to a loan agreement, dated as of December 1, 2020, between the Issuer and the Borrower (as supplemented and amended from time to time, the “**Loan Agreement**”), to provide, in part, financing for the acquisition of: (a) a _____-space mobile home park known as _____, located at _____, _____, Oregon, on the real property site described in Exhibit A-1 hereto; (b) a _____-space mobile home park known as _____, located at _____, _____, Oregon, on the real property site described in Exhibit A-2 hereto; and (c) a _____-space mobile home park known as _____, located at _____, _____, Oregon, on the real property site described in Exhibit A-3 hereto (collectively, the “**Project**”);

WHEREAS, in order to satisfy certain Borrower restrictions on Borrower’s ownership of real property, certain limits on the occupancy of Spaces in the Project need to be established and certain other requirements need to be met;

NOW, THEREFORE, in consideration of the County’s approval of the issuance of the Bonds by the Issuer and the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the Borrower hereby agree as follows:

Section 1. Definitions and Interpretation. Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings assigned to them in the recitals hereto, in this Section 1, or in the Indenture.

“Adjusted Income” means income calculated in the manner prescribed pursuant to Section 8 of the United States Housing Act of 1937, or, if said Section 8 is terminated, as prescribed pursuant to said Section 8 immediately prior to its termination or as otherwise required under Section 142 of the Code and the Housing Act.

“Area Median Gross Income” means the gross income for the area in which the Project is located as determined under Section 8 (or, if such program is terminated, under such program as in effect immediately before such termination).

“Borrower” means CARITAS ACQUISITIONS VII, LLC, a California limited liability company, organized and existing under the laws of the State of California and registered to do business in the State of Oregon, and its successors and assigns.

“City” means the City of _____, Oregon.

“Closing Date” means the date the Bonds are issued and delivered to the initial purchaser thereof.

“Code” means the Internal Revenue Code of 1986, as amended.

“County” means the County of _____, Oregon.

“Housing Law” means the United States Housing Act of 1937, as amended, or its successor.

“Issuer” means the NATIONAL FINANCE AUTHORITY, a component unit of the Business Finance Authority of the State of New Hampshire, a body politic and corporate created and existing under New Hampshire Revised Statutes, Chapter 331, RSA 162-A, and New Hampshire Revised Statutes Chapter 331, RSA 162-S.

“Loan Agreement” means the Loan Agreement, dated as of December 1, 2020, by and between the Issuer and the Borrower, as it may be amended from time to time.

“Manager” means the property manager for the Project. Birtcher Anderson Realty Management, Inc., a California corporation doing business as Birtcher Anderson Properties (“BAP”) shall be the initial Manager.

“Project” means the _____-space mobile home park known as the _____ Mobile Home Park, located on the real property site described in Exhibit A hereto, consisting of those facilities, including real property, structures, buildings, fixtures or equipment situated thereon, as it may at any time exist, the acquisition of which facilities is to be financed, in whole or in part, from the proceeds of the sale of the Bonds or the proceeds of any payment by the Borrower pursuant to the Loan Agreement, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of the facilities described in the Loan Agreement.

“Project Costs”, “Cost”, “Costs” or “Costs of the Project” means with respect to the Project, the costs chargeable to the Project in accordance with generally accepted accounting principles including without limitation, the cost of acquisition, rehabilitation, construction, restoration, repair, alteration, improvement and extension of any building, structure, facility or other improvement; stored materials for construction work in progress; the cost of machinery

and equipment; the cost of the real property on which the Project is constructed, rights-in-lands, easements, privileges, agreements franchises, utility extensions, disposal facilities, access roads and site development necessary or useful and convenient for the Project or in connection therewith; financing costs, including, but not limited to, costs of issuance of the Bonds, engineering and inspection costs; fees paid to the developer of the Project; organization, administrative, insurance, legal, operating, letter of credit and other expenses of the Issuer or the Borrower actually incurred prior to and during acquisition, construction or rehabilitation; and all such other expenses as may be necessary or incidental to the financing, acquisition, construction, rehabilitation, or completion of the Project, including, but not limited to, interest expense incurred prior to completion of the Project, insurance premiums payable by the Borrower, taxes and other governmental charges levied on the Project.

“Qualified Project Period” means the period commencing on the first day on which at least 10% of the residential units in the Project are first occupied after the Project has been placed in service by the Borrower (or, if later, the date on which the Bonds are issued) and ending on the latest of the following: (i) the date that is 15 years after the date on which at least 50% of the residential units in the Project are first occupied; (ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding; (iii) the date on which any assistance provided with respect to the Project under Section 8 terminates; and (iv) the date that is 30 years from the date of execution of this Regulatory Agreement. At least 50% of the Spaces are occupied as of the Closing Date.

“Regulations” means the Income Tax Regulations of the Department of the Treasury applicable under the Code from time to time.

“Regulatory Agreement” means this Regulatory Agreement and Declaration of Restrictive Covenants, as it may be supplemented and amended from time to time.

“Rental Payments” means the monthly rental payments paid by the occupant of a Space, excluding any supplemental rental assistance to the occupant from the State, the federal government, or any other public agency, but including any mandatory fees or charges imposed on the occupant by the Borrower as a condition of occupancy of the Space.

“Section 8” means Section 8 of the Housing Law.

“Space” means a mobile home space within the Project upon which a mobile home may be placed.

“Tax-Exempt” means with respect to interest on any obligations of a state or local government, including the Series 2020A Bonds, that such interest is excluded from gross income for federal income tax purposes.

“Verification of Income” means a Verification of Income in the Borrower’s customary form or in such other comparable form which Borrower shall use to verify tenant income.

“Very Low Income Residents” means individuals or families whose income does not exceed 50% of the Area Median Gross Income; provided, however, that if all the occupants of a Space are students (as defined in Section 152(f)(2) of the Code) who fail to be described in Section 42(i)(3)(D) of the Code, the occupants of that Space shall in no event be deemed to be “Very Low Income Residents.” The income of individuals and Area Median Gross Income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of

lower income families and Area Median Gross Income under Section 8 (or, if such program is terminated, under such program in effect immediately before such termination). Determinations under the preceding sentence shall include adjustments for family size as prescribed under Section 8.

“Very Low Income Spaces” means the Spaces in the Project designated for occupancy by Very Low Income Residents pursuant to Section 3(a) of this Regulatory Agreement.

Unless the context clearly requires otherwise, as used in this Regulatory Agreement, words of any gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Regulatory Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Regulatory Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Regulatory Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

The parties to this Regulatory Agreement acknowledge that each party and their respective counsel have participated in the drafting and revision of this Regulatory Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Regulatory Agreement or any supplement or exhibit hereto.

Section 2. Qualified Residential Rental Property. The Borrower hereby represents, covenants, warrants and agrees as follows:

(a) The Project will be acquired, improved and operated for the purpose of providing residential rental housing, consisting of one Space for each household, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and the provisions of the Act and the Housing Law, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the mobile homes in the Project will contain separate facilities for living, sleeping, eating, cooking and sanitation, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) All of the Spaces will be available for rental on a continuous basis to members of the general public, and the Borrower will not give preference to any particular class or group in renting the Spaces in the Project, except to the extent that Spaces are required to be leased or rented to Very Low Income Residents.

(d) The Project comprises a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(e) No part of the Project will at any time during the Qualified Project Period be owned by a cooperative housing corporation, nor shall the Borrower take any steps in

connection with a conversion to such ownership or use, and the Borrower will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period.

(f) There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, marital status, ancestry, national origin, source of income (e.g. AFDC or SSI) or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project nor shall the transferee or any person claiming under or through the transferee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Project.

(g) The Very Low Income Spaces shall be intermingled with, and shall be of comparable quality to, all other Spaces in the Project. Residents in all Spaces shall have equal access to and enjoyment of all common facilities of the Project.

(h) The Borrower will accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the Housing Law, or its successor. The Borrower shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective tenants, nor shall the Borrower apply or permit the application of management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of Spaces by such prospective tenants.

(i) No Space in the Project shall be occupied by the Borrower, but this restriction shall not prevent Borrower from owing any coach located on a Space so long as Borrower does not occupy such coach. Notwithstanding the foregoing, one or more resident managers or maintenance personnel any of whom may be the Borrower may occupy a Space; provided that the number of such managers or maintenance personnel is not unreasonable given industry standards in the area for the number of Spaces in the Project.

(j) None of the Spaces in the Project will at any time be used on a transient basis and the Borrower will not rent any of the Spaces for a period of less than thirty (30) consecutive days, and none of the Spaces in the Project will at any time be leased or rented for use as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer court or park.

Section 3. Very Low Income Residents. The Borrower hereby represents, warrants and covenants as follows:

(a) During the Qualified Project Period, no less than twenty percent (20%) of the total number of completed Spaces in the Project shall at all times be Very Low Income Spaces. For the purposes of this paragraph (a), a vacant Space that was most recently a Very Low Income Space is treated as a Very Low Income Space until reoccupied, other than for a temporary period of not more than thirty-one (31) days, at which time the character of such Space shall be redetermined.

(b) No tenant qualifying as a Very Low Income Resident upon initial occupancy shall be denied continued occupancy of a Space in the Project because, after admission, the aggregate Adjusted Income of all residents in the Space occupied by such Very Low Income Resident increases to exceed the qualifying limit for a Very Low Income Space. However,

should the aggregate Adjusted Income of residents in a Very Low Income Space, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the applicable income limit for a Very Low Income Space occupied by the same number of residents, the next available Space of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) Very Low Income Resident(s). The Space occupied by such residents whose aggregate Adjusted Income exceeds such applicable income limit shall continue to be treated as a Very Low Income Space for purposes of the 20% requirement of Section 3(a) hereof unless and until a Space of comparable or smaller size is rented to persons other than Very Low Income Residents.

(c) For the Qualified Project Period, the Borrower will obtain, complete and maintain on file Verifications of Income for each Very Low Income Resident at least annually.

(d) The Borrower shall make a good faith effort to verify that the income information provided by an applicant in a Verification of Income is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain pay stubs for the three most recent pay periods, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies, or (6) if the applicant is unemployed and does not have an income tax return, obtain another form of independent verification reasonably acceptable to the Borrower.

(e) The Borrower will maintain complete and accurate records pertaining to the Very Low Income Spaces, and will reasonably cooperate with any duly authorized representative of the County, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Very Low Income Spaces.

(f) For the Qualified Project Period, all tenant leases or rental agreements shall be subordinate to this Regulatory Agreement. All leases pertaining to Very Low Income Spaces shall contain clauses, among others, wherein each tenant who occupies a Very Low Income Space: (i) certifies the accuracy of the statements made by such tenant in the Verification of Income; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Borrower, and that the failure to provide accurate information in the Verification of Income or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Borrower has relied on the statements made by such tenant in the Verification of Income and supporting information supplied by the Very Low Income Resident in determining qualification for occupancy of a Very Low Income Space, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with Section 3(c) and that if upon any such certification the aggregate Adjusted Income of tenants in such Space exceeds the applicable income limit under Section 3(b), the Space occupied by such tenant may cease to qualify as a Very Low Income Space and such Space's rent may be subject to increase.

For purposes of this Section 3, no Space occupied by a residential manager shall be treated as a rental Space during the time of such occupation.

Section 4. Additional Requirements. In addition to the other requirements set forth herein, the Borrower hereby agrees that it shall comply with the following:

(a) Not less than twenty percent (20%) of the total number of Spaces in the Project shall be for occupancy on a priority basis by lower income households, which requirement shall be satisfied during the Qualified Project Period by reserving such Spaces for Very Low Income Residents pursuant to Section 3 hereof, and not less than one-half of the Spaces required for occupancy on a priority basis by lower income households shall be for occupancy on a priority basis for Very Low Income Residents, as follows:

(i) where a Very Low Income Resident is both the registered and legal owner of the mobile home and is not making mortgage payments for the purchase of that mobile home, the total rental charge for occupancy of the Space (excluding a reasonable allowance for other related housing costs determined at the time of acquisition of the Project by the Borrower and excluding any supplemental rental assistance from the State, the federal government, or any other public agency to the Very Low Income Resident or on behalf of the Space and the mobile home) shall not exceed one-twelfth of 30 percent of 50 percent of Area Median Gross Income, adjusted for household size in the manner set forth in (iv) below;

(ii) where a Very Low Income Resident is the registered owner of the mobile home and is making mortgage payments for the purchase of that mobile home, the total rental charge for occupancy of the Space (excluding any charges for utilities and storage and excluding any supplemental rental assistance from the State, the federal government, or any other public agency to the Very Low Income Resident or on behalf of the Space and mobile home), shall not exceed one-twelfth of 15 percent of 50 percent of Area Median Gross Income, as adjusted for household size in the manner set forth in (iv) below;

(iii) where a Very Low Income Resident rents both the mobile home and the Space occupied by the mobile home, the total rental payments paid by the Very Low Income Resident on the mobile home and the Space occupied by the mobile home (excluding any supplemental rental assistance from the State, the federal government, or any other public agency to that Very Low Resident or on behalf of that Space and mobile home) shall not exceed one-twelfth of 30 percent of 50 percent of Area Median Gross Income adjusted for household size in the manner set forth in (iv) below;

(iv) in adjusting rents for household size, one person will be assumed to occupy a recreational vehicle, two persons to occupy a single-wide mobile home, and three persons to occupy a multi-sectional mobile home.

Section 5. Modification of Covenants. The Borrower and the County hereby agree as follows:

(a) To the extent any amendments to the Act, the Housing Law, the Regulations or the Code shall retroactively impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Regulatory Agreement, and if such requirements are applicable to the Project and compliance therewith is necessary to maintain the validity of, or the Tax-Exempt status of interest on the Series 2020A Bonds, this Regulatory Agreement shall be

deemed to be automatically amended to impose such additional or more restrictive requirements.

(b) To the extent that the Act, the Housing Law, the Regulations or the Code, or any amendments thereto, shall impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Regulatory Agreement, this Regulatory Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Borrower and County, and only upon receipt by the County of the written opinion of Bond Counsel to the effect that such amendment will not affect the Tax-Exempt status of interest on the Series 2020A Bonds or violate the requirements of the Housing Law, and otherwise in accordance with Section 14 hereof.

(c) The Borrower and the County shall execute, deliver and, if applicable, file of record any and all documents and instruments necessary to effectuate the intent of this Section 5.

Section 6. Consideration. In consideration of County's cooperation with the Bond issuance process, the Borrower has entered into this Regulatory Agreement and has agreed to restrict the use of the Project on the terms and conditions set forth herein.

Section 7. Term. This Regulatory Agreement and all and several of the terms hereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the period provided herein and shall terminate as to any provision not otherwise provided with a specific termination date and shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Bonds and discharge of the Indenture and the Loan Agreement.

The other terms of this Regulatory Agreement to the contrary notwithstanding, this Regulatory Agreement shall terminate and be of no further force and effect in the event of (a) involuntary noncompliance with the provisions of this Regulatory Agreement caused by fire or other casualty, seizure, requisition, condemnation, change in a federal law or an action of a federal agency or a similar event after the Closing Date, which prevents the County from enforcing such provisions, or (b) foreclosure or deed in lieu of foreclosure or a similar event, but only if, within a reasonable period after any such event, either the Bonds are retired or amounts received as a consequence of such event are used to provide a project that meets the requirements hereof; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Borrower hereby agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any such related person as described above will obtain an ownership interest in the Project for federal tax purposes. Upon the termination of the terms of this Regulatory Agreement, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Regulatory Agreement in accordance with its terms.

Section 8. Covenants to Run With the Land. The Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement.

The County and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that on the termination of this Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

No breach of or any of the provisions of this Regulatory Agreement shall impair, defeat or render invalid the lien of any mortgage, deed of trust or like encumbrance made in good faith and for value encumbering the Project or any portion thereof.

Section 9. Burden and Benefit. The County and the Borrower hereby declare their understanding and intent that the burdens of the covenants set forth herein touch and concern the land in that the Borrower's legal interest in the Project is rendered less valuable thereby. The County and the Borrower hereby further declare their understanding and intent that the benefits of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Very Low Income Residents, the intended beneficiaries of such covenants, reservations and restrictions, and by furthering the public purposes for which the Bonds were issued, including lessening the burdens of the City by providing housing for Very Low Income Residents.

Section 10. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project in order to establish and carry out a common plan for the use of the site on which the Project is located.

Section 11. Default; Enforcement. If the County determines that Borrower is in default of its performance or observance of any covenant, agreement or obligation of the Borrower set forth in this Regulatory Agreement, and if such default remains uncured for a period of sixty (60) days after notice thereof shall have been given by the County to the Borrower, then the County may declare an "Event of Default" to have occurred hereunder; provided, however, that if the default is of such a nature that it cannot be corrected within sixty (60) days, such default shall not constitute an Event of Default hereunder so long as (i) the Borrower institutes corrective action within said sixty (60) days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel, the failure to cure said default within sixty (60) days will not adversely affect the Tax-Exempt status of interest on the Series 2020A Bonds.

Following the declaration of an Event of Default hereunder, the County, may (i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants hereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the County hereunder, and (ii) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project.

The Borrower hereby agrees that specific enforcement of the Borrower's agreements contained herein is the only means by which the County may fully obtain the benefits of this Regulatory Agreement made by the Borrower herein, and the Borrower, therefore, agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Borrower hereunder.

In the event of any action taken to enforce this Regulatory Agreement, each party is solely responsible for its own attorney fees and costs.

Section 12. Recording and Filing.

(a) The Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County. The Borrower shall pay all fees and charges incurred in connection with any such recording.

(b) The Borrower and the County will file of record such other documents and take such other steps as are reasonably necessary, in the opinion of Bond Counsel, in order to insure that the requirements and restrictions of this Regulatory Agreement will be binding upon all Borrowers of the Project.

Section 13. Governing Law; Venue. This Regulatory Agreement shall be governed by the laws of the State of Oregon. Any claim, action, or suit between County and Borrower that arises out of or relates to the performance of this Regulatory Agreement shall be brought and conducted solely and exclusively within the Circuit Court for Clackamas County. Provided, however, that if any such claim, action, or suit may be brought in a federal forum, it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon

Section 14. Amendments; Waivers. This Regulatory Agreement may be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County. The County and the Borrower hereby agree to negotiate, in good faith, a potential amendment to this Regulatory Agreement to the extent required, in the opinion of Bond Counsel, to ensure the Series 2020A Bonds remains Tax-Exempt.

Section 15. Notices. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight delivery, certified or registered mail, postage prepaid, return receipt requested, or by telecopy, in each case at the respective addresses specified in the Indenture, or at such other addresses as may be specified in writing by the parties hereto.

County:

Borrower:

Caritas Acquisitions VII, LLC
c/o The Caritas Corporation
3 Park Plaza, Suite 1700
Irvine, California 92614
Phone: (949) 753-1514
Fax: (949) 753-1535

The parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice shall be deemed given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission; provided that any telecopy or other electronic transmission received by any party after 5:00 p.m., local time of the receiving party, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day.

A copy of each notice sent by or to the Borrower shall also be sent to the Manager at the address of the Manager provided by the Borrower to the County; but such copies shall not constitute notice to the Borrower, nor shall any failure to send such copies constitute a breach of this Regulatory Agreement or a failure of or defect in notice to the Borrower.

The Borrower shall notify the County in writing of any change to the name of the Project or any change of name or address for the Borrower or the Manager or any replacement of the Manager.

Section 16. Severability. If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 17. Multiple Counterparts. This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 18. Limitation on Liability. Notwithstanding the foregoing or any other provision or obligation to the contrary contained in this Regulatory Agreement, (i) the liability of the Borrower under this Regulatory Agreement to any person or entity, including, but not limited to, the County and its successors and assigns, is limited to the Borrower's interest in the Project, the Gross Revenues and the amounts held in the funds and accounts created under the Indenture, and such persons and entities shall look exclusively thereto, or to such other security as may from time to time be given for the payment of obligations arising out of this Regulatory Agreement or any other agreement securing the obligations of the Borrower under this Regulatory Agreement; and (ii) from and after the date of this Regulatory Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Regulatory Agreement, any agreement pertaining to the Project or any other agreement securing the Borrower's obligations under this Regulatory Agreement), shall be rendered against the Borrower, the assets of the Borrower (other than the Borrower's interest in the Project, this Regulatory Agreement, amounts held in the funds and accounts created under the Indenture or the Loan Agreement, any rights of the Borrower under the Indenture or any other documents relating to the Bonds or any rights of the Borrower under any guarantees relating to the Project), its members, successors, transferees or assigns and each of their respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Regulatory Agreement, the Loan Agreement and the Indenture or any agreement securing the obligations of the Borrower under this Regulatory Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding.

IN WITNESS WHEREOF, the County and the Borrower have executed this Regulatory Agreement by duly authorized representatives, all as of the date first above written.

County

COUNTY OF _____

By: _____

Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Borrower

CARITAS ACQUISITIONS VII, LLC, a California limited liability company

By _____
Robert R. Redwitz
Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

EXHIBIT A-1

LEGAL DESCRIPTION OF _____

DRAFT

EXHIBIT A-2

LEGAL DESCRIPTION OF _____

DRAFT

EXHIBIT A-3

LEGAL DESCRIPTION OF _____

DRAFT



Elizabeth Comfort
Finance Director

Department of Finance

Public Services Building
2051 Kaen Road, Suite 490 | Oregon City, OR 97045

December 3, 2020

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Resolution for a Clackamas County
Supplemental Budget for Fiscal Year 2020-2021

Purpose/Outcome	Supplemental budget change for FY 2020-2021
Dollar Amount and Fiscal Impact	The effect is an increase in appropriations of \$32,515,055
Funding Source	Fund Balance, Federal Operating Grants, Local Government and Other Agencies, Charge for Services, Interest Earnings, and Other Financing Sources
Duration	July 1, 2020-June 30, 2021
Previous Board Action/Review	Budget Adopted June 18, 2020
Strategic Plan Alignment	Build public trust through good government
Contact Person	Sandra Montoya, 503-742-5424

BACKGROUND:

Each fiscal year it is necessary to reduce or allocate additional sources of revenue and appropriate additional expenditures to more accurately meet the changing requirements of the operating departments. The attached resolution reflects such changes requested by departments in keeping with a legally accurate budget. These changes are in compliance with Oregon Local Budget Law ORS 294.433 - ORS 294.481, which allows for governing body approval of budget changes under qualified circumstances. The required notice has been published.

The effect of this resolution is an increase in revenues and appropriations of \$32,515,055.

Item								
1 General Fund 100 - County Administration								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Revenues	2,114,351		0	2,114,351	Operating Expenses	4,357,091	137,708	4,494,799
Interfund Transfer	142,800	137,708		280,508				
General Fund Support	2,099,940		0	2,099,940				
Revised Total Fund Resources			4,494,799	Revised Total Fund Requirements			4,494,799	
Comments: Transferring a position and budget from the Children, Family & Community Connections Fund to the Equity and Inclusion Program.								
2 General Fund 100 - Finance								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Revenues	6,295,963	1,000,000		7,295,963	Operating Expenses	8,118,298	1,360,000	9,478,298
Interfund Transfer	0	360,000		360,000				
General Fund Support	1,822,335		0	1,822,335				
Revised Total Fund Resources			9,478,298	Revised Total Fund Requirements			9,478,298	
Comments: Recognizing bond proceeds premium revenue and an interfund transfer from the Technology Services Fund for PeopleSoft chart of accounts consulting services.								
3 General Fund 100 - Non Departmental								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Revenues	190,390,657	1,300,000		191,690,657	Operating Expenses	11,992,471	0	11,992,471
Interfund Transfer	3,378,427		0	3,378,427	Interfund Transfers	115,844,231	615,267	116,459,498
					Reserve	20,280,112	1,300,000	21,580,112
					Contingency	29,799,837	(615,267)	29,184,570
					General Fund Support	15,852,433	0	15,852,433
Revised Total Fund Resources			195,069,084	Revised Total Fund Requirements			195,069,084	
Comments: Recognizing bond proceeds premium revenue and appropriating in reserves and transferring from contingency to the Sheriff Fund for distribution from the Justice Court ending fund balance.								
4 County Fair Fund 201								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Fund Balance	252,393	138,533		390,926	Operating Expenses	2,169,746	138,533	2,308,279
Revenues	1,617,467		0	1,617,467	Special Payments	1,000	0	1,000
Interfund Transfer	507,454		0	507,454	Contingency	206,568	0	206,568
Revised Total Fund Resources			2,515,847	Revised Total Fund Requirements			2,515,847	
Comments: Recognizing fund balance revenue and operating expenses.								
5 County School Fund 204								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Fund Balance	0	432,009		432,009	Operating Expenses	0	12,000	12,000
Revenues	0	567,991		567,991	Special Payments	0	988,000	988,000
Revised Total Fund Resources			1,000,000	Revised Total Fund Requirements			1,000,000	
Comments: Recognizing federal/state/local and interest revenue and operating and pass-through expenses.								
6 Business and Community Services Fund 208								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Fund Balance	3,329,796			3,329,796	Operating Expenses	3,522,342	200,000	3,722,342
Revenues	3,164,307	1,900,000		5,064,307	Interfund Transfers	63,000	0	63,000
Interfund Transfer	100,000		0	100,000	Contingency	1,220,340	0	1,220,340
					Special Payments	1,788,421	1,700,000	3,488,421
Revised Total Fund Resources			8,494,103	Revised Total Fund Requirements			8,494,103	
Comments: Recognizing Coronavirus Aid, Relief and Economic Security (CARES) funding, Small Business Grants, and Micro Enterprise Services of Oregon (MESO) to fund small business grants and Business Recovery Centers in Clackamas County.								
7 Disaster Management Fund 209								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Revenues	3,214,047	179,628		3,393,675	Operating Expenses	3,214,047	179,628	3,393,675
Revised Total Fund Resources			3,393,675	Revised Total Fund Requirements			3,393,675	
Comments: Recognizing Coronavirus Aid, Relief and Economic Security (CARES) funding to add two Public Information Officer positions and budget for other COVID-19 related costs.								

8 Road Fund 215								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Fund Balance	26,785,682	5,363,317	32,148,999	Operating Expenses	75,084,715	22,133,192	97,217,907	
Interfund Transfers	3,672,243	3,000,000	6,672,243	Interfund Transfers	4,260,000	0	4,260,000	
Revenues	77,233,871	419,875	77,653,746	Reserve	22,551,862	(16,299,299)	6,252,563	
				Contingency	5,795,219	2,949,299	8,744,518	
Revised Total Fund Resources			116,474,988	Revised Total Fund Requirements			116,474,988	

Comments: Two separate and distinct needs will be met with this supplemental budget in Fund 215: A) In order to take advantage of the competitive construction market and reduce overall costs, fund balance, bond proceeds, and an interfund transfer (short-term loan) of \$3M from the System Development Charge (SDC) Fund 223, will be recognized. The SDC loan will be repaid by July 15, 2021, with an interest rate of 1.21% (0.96% latest interest rate on 2020 Full Faith and Credit debt plus 0.25%); B) In order to respond to wildfire emergency cleanup activities in the right of way, reserve funds are being appropriated per ORS 294.481.

9 Sheriff Fund 216								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Revenues	36,568,424		36,568,424	Operating Expenses	101,301,500	0	101,301,500	
Interfund Transfers	65,093,998	615,267	65,709,265	Interfund Transfers	360,922	0	360,922	
				Contingency	0	615,267	615,267	
Revised Total Fund Resources			102,277,689	Revised Total Fund Requirements			102,277,689	

Comments: Recognizing an interfund transfer from the General Fund for Justice Court carryforward fund balance and appropriating it in contingency.

10 System Development Charge Fund 223								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Fund Balance	14,021,678	1,850,965	15,872,643	Operating Expenses	165,755	0	165,755	
Revenues	4,729,500	0	4,729,500	Interfund Transfers	3,123,008	3,000,000	6,123,008	
				Reserve	14,212,415	0	14,212,415	
				Contingency	1,250,000	(1,149,035)	100,965	
Revised Total Fund Resources			20,602,143	Revised Total Fund Requirements			20,602,143	

Comments: Recognizing actual beginning fund balance and budget an interfund transfer (short-term loan) of \$3M to the Road Fund 215 for capital construction projects. The loan will be repaid by July 15, 2021, with an interest rate of 1.21% (0.96% latest interest rate on 2020 Full Faith and Credit debt plus 0.25%).

11 Social Services Fund 242								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Revenues	33,774,014	7,436,532	41,210,546	Operating Expenses	34,199,665	6,241,143	40,440,808	
Interfund Transfers	3,073,266	0	3,073,266	Special Payments	1,068,593	1,195,389	2,263,982	
				Contingency	1,579,022	0	1,579,022	
Revised Total Fund Resources			44,283,812	Revised Total Fund Requirements			44,283,812	

Comments: Recognizing Coronavirus Aid, Relief, and Economic Security (CARES) funding and appropriating COVID-19 response costs.

12 Children, Family & Community Connections Fund 246								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Revenues	7,932,094	0	7,932,094	Operating Expenses	7,749,488	(125,886)	7,623,602	
Interfund Transfers	2,433,379	(33,000)	2,400,379	Special Payments	2,615,985	0	2,615,985	
				Interfund Transfers	0	92,886	92,886	
Revised Total Fund Resources			10,332,473	Revised Total Fund Requirements			10,332,473	

Comments: Reducing an interfund transfer from the Health, Housing and Human Services Administration Fund, and transferring a position to County Administration for the Equity and Inclusion program.

13 Public Health Fund 252								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Revenues	10,451,610	1,476,396	11,928,006	Operating Expenses	11,591,505	1,476,396	13,067,901	
Interfund Transfers	2,122,720	0	2,122,720	Special Payments	598,740	0	598,740	
				Contingency	384,085	0	384,085	
Revised Total Fund Resources			14,050,726	Revised Total Fund Requirements			14,050,726	

Comments: Recognizing Local Active Monitoring revenue related to COVID-19 and transitioning several temporary positions to full-time limited term for additional COVID-19 support.

14 Forestry Management Fund 257								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Fund Balance	3,404,207	0	3,404,207	Operating Expenses	1,686,425	560,000	2,246,425	
Revenues	939,731	560,000	1,499,731	Special Payments	1,000	0	1,000	
Interfund Transfer	45,000	0	45,000	Interfund Transfers	150,829	0	150,829	
				Reserve	2,442,190	0	2,442,190	
				Contingency	108,494	0	108,494	
Revised Total Fund Resources			4,948,938	Revised Total Fund Requirements			4,948,938	

Comments: Recognizing unanticipated salvage timber sales revenue for wildfire contracted services costs.

15 Clackamas Broadband Utility Fund 602								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Fund Balance	15,000	746,786	761,786	Operating Expenses	2,015,200	746,786	2,761,986	
Revenues	2,139,200	0	2,139,200	Special Payments	39,000	0	39,000	
				Contingency	100,000	0	100,000	
Revised Total Fund Resources			2,900,986	Revised Total Fund Requirements			2,900,986	

Comments: Recognizing fund balance to add three full-time Telecommunication Construction Technician positions, and appropriate costs for maintenance and construction.

16 Telecommunications Service Fund 746								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Fund Balance	936,358	720,643	1,657,001	Operating Expenses	3,860,468	720,643	4,581,111	
Revenues	2,924,110	0	2,924,110				0	
							0	
Revised Total Fund Resources			4,581,111	Revised Total Fund Requirements			4,581,111	

Comments: Recognizing fund balance for equipment and maintenance project costs.

17 Technology Services Fund 747								
Resources	Original	Change	Revised	Requirement	Original	Change	Revised	
Fund Balance	1,220,874	4,342,405	5,563,279	Operating Expenses	13,649,970	3,970,583	17,620,553	
Revenues	13,408,854	0	13,408,854	Interfund Transfers	372,800	371,822	744,622	
				Reserve	306,958	0	306,958	
				Contingency	300,000	0	300,000	
Revised Total Fund Resources			18,972,133	Revised Total Fund Requirements			18,972,133	

Comments: Recognizing fund balance to complete several projects postponed or not completed last fiscal year.

RECOMMENDATION:

Staff respectfully recommends adoption of the attached Resolution Order in keeping with a legally accurate budget.

Sincerely,



Elizabeth Comfort
Finance Director

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Providing Authorization
Regarding Adoption of a Supplemental
Budget and Making to Appropriations
for Fiscal Year 2020-21



Resolution Order No. _____

Page 1 of 2

WHEREAS, during the fiscal year changes in appropriated expenditures may become necessary and appropriations may need to be increased, decreased or transferred from one appropriation category to another;

WHEREAS, a supplemental budget for the period of July 1, 2020 through June 30, 2021, inclusive, has been prepared, published and submitted to the taxpayers as provided by statute;

WHEREAS; a hearing to discuss the supplemental budget was held before the Board of County Commissioners on December 3, 2020.

WHEREAS; the funds being adjusted are:

- . General Fund – County Administration
- . General Fund – Finance
- . General Fund – Non Departmental
- . County Fair Fund
- . County School Fund
- . Business and Community Services Fund
- . Disaster Management Fund
- . Road Fund
- . Sheriff Fund
- . System Development Charge Fund
- . Social Services Fund
- . Children, Family & Community Connections Fund
- . Public Health Fund
- . Forestry Management Fund
- . Clackamas Broadband Utility Fund
- . Telecommunications Services Fund
- . Technology Services Fund;

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Providing Authorization
Regarding Adoption of a Supplemental
Budget and Making to Appropriations
for Fiscal Year 2020-21



Resolution Order No. _____

Page 2 of 2

It further appearing that it is in the best interest of the County to approve this change in appropriations for the period of July 1, 2020 through June 30, 2021.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:

Pursuant to its authority under OR 294.433 – ORS 294.481, the supplemental budget be adopted and appropriations established as shown in the attached Exhibit A which by this reference is made a part of this Resolution.

DATED this 3rd day of December 2020

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING
 2051 KAEN ROAD | OREGON CITY, OR 97045

Stephen L. Madkour
 County Counsel

Kathleen Rastetter
Scott C. Ciecko
Amanda Keller
Nathan K. Boderman
Shawn Lillegren
Jeffrey D. Munns
Andrew R. Naylor
Andrew Narus
Sarah Foreman
 Assistants

December 3, 2020

Board of County Commissioners
 Clackamas County

Members of the Board:

Ordinance and Board Order Temporarily Amending Clackamas County Code Section 2.05.160.2 to Allow for Vacation Accrual for Non-Represented Employees During Covid 19 Pandemic and Wildfire Emergency

Purpose/Outcomes	<i>Temporary amendment of the County Code to allow for vacation accrual above 280 hour limit.</i>
Dollar Amount and Fiscal Impact	<i>Fiscal impacts should be negligible and included in annual budgets of affected departments</i>
Funding Source	<i>County General Fund</i>
Duration	<i>Temporary until December 31, 2021.</i>
Previous Board Action	<i>The Board of County Commissioners discussed this items on November 17, 2020.</i>
Strategic Plan Alignment	<i>1. How does this item align with your department's Strategic Business Plan goals? This item is generally applicable throughout County operations and is not specific to County Counsel 2. How does this item align with the County's Performance Clackamas goals? Build public trust through good government</i>
Counsel Review	<i>If item is a contract, including IGAs, leases, or other binding agreements, please put in the date of County Counsel Review and the initials of the attorney performing the review) 1. Date of Counsel review: November 30, 2020 Initials of County Counsel performing review. SLM</i>
Procurement Review	<i>1. Was the item processed through Procurement? Yes ___ No <u>X</u> 2. If no, provide brief explanation. No procurement required</i>
Contact Person	<i>Stephen L. Madkour, County Counsel</i>

Background:

Clackamas County employs over 2,000 full-time employees, the majority of which are represented by various bargaining units. Approximately 450 employees are Non-represented.

With the beginning of the Covid 19 pandemic in early 2020, the County work force transitioned to remote working situations. The pandemic in conjunction with the Governor's Executive Orders hindered the opportunity of all residents, including those employed by the County, from travelling and taking regular vacations. An addition basis for employees failing to use vacation was the need for workforce resiliency within the County operations. Some critical county functions were unable to allow employees their regular vacation schedules because of uncertainty and lack of back-up in their workforce. Lastly, in addition to a Covid 19 pandemic, the County, its residents and its employees were also confronted with a Wildfire emergency.

For those non-represented employees who are unable to take vacation and use their accrued vacation hours, those employees face the possibility of forfeiting the use and value of those accrued hours.

County Administration has already agreed to eliminate the cap on accrued vacation hours for all represented employees and allow that policy to exist until December 31, 2021. In order to accommodate non-represented employees who continue to work but cannot take vacation due to Covid-related travel restrictions, and not to penalize those employees and risk them losing the use and value of their accrued vacation hours, the Board of County Commissioners would have to temporarily amend the portion of the County Code to allow for the accrual of vacation hours above the 280 hours through December 31, 2021.

Recommendation:

Staff respectfully recommends reading Ordinance temporarily amending Code Chapter 2.05.160.2 by title only and proceeding to a second reading on December 17, 2020.

Respectfully submitted,



Stephen L. Madkour
County Counsel

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Temporarily
Amending Clackamas County
Code Section 2.05.160.2 to allow
for Vacation Accrual for Non-
represented County Employees
during a Covid19 Pandemic and
Wildfire Emergency



Ordinance and Board Order No.

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Whereas, Clackamas County employs over 2,000 full-time employees. The majority of County employees are represented by various bargaining units. Approximately 450 employees are Non-represented employees; and

Whereas, with the beginning of the Covid 19 pandemic in early 2020, the County work force transitioned to remote working situations. The pandemic in conjunction with the Governor's Executive Orders hindered the opportunity of all residents, including those employed by the County, from travelling and taking regular vacations; and

Whereas, an additional reason employees failing to use vacation was the need for workforce resiliency within County operations and the inability to allow some employees to use vacation leave because of uncertainty and lack of back-up in their workforce; and

Whereas, in addition to a Covid 19 pandemic, the County, its residents and its employees were also confronted with a Wildfire emergency; and

Whereas, Section 2.05.160.2 of the Clackamas County Code provides for Vacation Leave for non-represented county employees. The specific language of the Code section provides:

- B. Non-represented employees hired on or after January 1, 2001, and employees hired prior to that date who elected to enroll in the vacation sellback program when that program was first made available, accrue vacation leave, and may sellback vacation leave, as follows:
 - 1. Vacation leave shall be accrued at the rate of sixteen (16) hours vacation leave per full month of service, regardless of years of service.
 - 2. Such employees who have used at least forty (40) hours of vacation time in a calendar year may elect to sell back 40 hours vacation during that same calendar year. To receive compensation in lieu of time off, the employee must submit a completed "request to sell vacation" form to the payroll office no later than December 31st of that calendar year.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Temporarily
Amending Clackamas County
Code Section 2.05.160.2 to allow
for Vacation Accrual for Non-
represented County Employees
during a Covid19 Pandemic and
Wildfire Emergency



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- C. The maximum vacation accrual shall be 280 hours. Vacation accrual may be accumulated beyond 280 hours during the calendar year (January 1 through December 31) but will be reduced to 280 hours as of January 1. Vacation accrual exceeding 280 hours on January 1 will not be compensated.

Whereas, for those non-represented employees who are unable to take vacation and use their accrued vacation hours, those employees face the possibility of forfeiting the use and value of those accrued hours; and

Whereas, County Administration has already agreed to eliminate the cap on accrued vacation hours for all represented employees and allow that policy to exist until December 31, 2021; and

Whereas, in order to accommodate non-represented employees who continue to work but cannot take vacation due to Covid-related travel restrictions, and not to penalize those employees and risk them losing the use and value of their accrued vacation hours, the Board of County Commissioners would have to temporarily amend the portion of the County Code to allow for the accrual of vacation hours above the 280 hours through December 31, 2021;

NOW THEREFORE, IT IS HEREBY ORDERED That the Clackamas County Board of County Commissioners Orders as follows:

1. The Board finds that a compelling public interest exists based on the facts recited herein to temporarily amend Section 2.05.160.2(B) and (C) of the Clackamas County Code to provide for the accrual of Vacation Leave for non-represented county employees in excess of 280 hours.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

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2. This amendment is temporary and shall expire on December 31, 2021, at which time the amendment will expire and the existing Code language will continue to apply.

DATED this ___ day of December, 2020

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary