

March 2, 2023

BCC Agenda Date/Item: _____

Housing Authority Board of Commissioners
 Clackamas County

Approval to apply for a Local Innovation and Fast Track Grant for Phase 1 of the Hillside Park Redevelopment Project. Anticipated Grant value is \$6,653,696, funded through the Oregon Department of Housing and Community Services. No County General Funds are involved.

Previous Board Action/Review	2/28/23 – Briefed at Issues 9/22/22 – Approval of the Related Northwest Exclusive Negotiation Agreement for the redevelopment of Hillside Park 8/15/21 – Approval of Resolution 1956 Authorizing the Housing Authority’s Submittal of a Section 18 Demolition and Disposition Application for Hillside Park Public Housing Complex 10/03/19 – Approval of Hillside Park Master Plan Design Concept		
Performance Clackamas	This funding aligns with the County’s strategic priority to ensure safe, healthy, and secure communities by increasing the inventory of affordable housing units in Clackamas County.		
Counsel Review	No	Procurement Review	No
Contact Person	Devin Ellin, Director of Housing Development, HACC	Contact Phone	971-227-0472

EXECUTIVE SUMMARY: The Housing Authority of Clackamas County requests approval to apply, in partnership with Related Northwest, for \$6,653,696 in Local Innovation and Fast Track (LIFT) funds from the Oregon Department of Housing and Community Services (OHCS) for the Phase 1 redevelopment of Hillside Park. Phase 1 will replace 54 units of near-obsolete public housing with 275 units of newly constructed housing affordable to households with incomes at or below 60% of the Area Median Income (AMI). Applying for this funding opportunity will allow the Housing Authority and Related NW to further the redevelopment project and ensure the projects viability.

OHCS released a Notice of Funding Opportunity seeking applications for the new construction of affordable, multifamily rental housing development projects serving low-income households earning at or below 60% of area median income (AMI). The source of LIFT funds in the NOFA are primarily Article XI-Q bond proceeds for the Local Innovation and Fast Track (LIFT) program but also include options to also award Oregon Affordable Housing Tax Credits (OAHTC), federal 4% Low-Income Housing Tax Credits (LIHTC) and Private Activity Bonds (PAB) to qualified projects; however, the Housing Authority is only

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pursuing LIFT funding through this application. The redevelopment of the Hillside Park project is a good fit for the priorities of this funding opportunity, and a LIFT award applied to Hillside Park could be instrumental to the entire project's success by providing much-needed gap funds to finance the redevelopment.

The Housing Authority would be a co-applicant on the application submission, and if awarded, the grant recipient would be the limited partnership entity for the project. The funds would not flow through HACCC to the project; instead, they would flow directly to the project from the state.

Given the scale and level of infrastructure required to complete this project, braiding already committed funds, including \$40M in Affordable Housing Bond Funds and \$4M in congressionally directed spending, with other funding opportunities, is necessary. In addition to this request, the Housing Authority will request approval to apply for additional grant funds, including but not limited to City of Milwaukie Affordable Housing Construction Grant funds, Capital Magnet Funds, and Permanent Supportive Housing Funds.

RECOMMENDATION: Staff recommends that the Board approve the request to apply as a co-applicant for a \$6,653,696 LIFT grant from OHCS and accept if awarded, the Hillside Park redevelopment project.

Respectfully submitted,



Rodney A. Cook
Director of Health Housing and Human Services

Financial Assistance Application Lifecycle Form

Use this form to track your potential award from conception to submission.

Sections of this form are designed to be completed in collaboration between department program and fiscal staff.

If renewal, complete sections 1, 2 & 4 only. If direct appropriation, complete page 1 and Dept/Finance signatures only.

If Disaster or Emergency Relief Funding, EOC will need to approve prior to being sent to the BCC

****CONCEPTION****

Section I: Funding Opportunity Information - To Be Completed by Requester

Award type: Direct Appropriation (no application) Subrecipient Award Direct Award

Award Renewal? Yes No

Lead Fund # and Department:	40 - H3S - Housing Authority
Name of Funding Opportunity:	NOFA #2023-2: Local Innovation and Fast Track (LIFT) Rental Program

Funding Source: Federal – Direct Federal – Pass through State Local

Requestor Information: (Name of staff initiating form)	Devin Ellin - HACC Director of Development
Requestor Contact Information:	dellin@clackamas.us; 971.227.0472
Department Fiscal Representative:	Darren Chilton
Program Name & Prior Project #: (please specify)	Hillside Park Redevelopment - Clackamas County Housing Authority/Development

Brief Description of Project:

The Hillside Park site in Milwaukie, Oregon is being redeveloped to create a safe, healthy, and secure community by replacing 100 units of near-obsolete public housing with up to 500 units of newly constructed affordable housing. Phase 1 of the Hillside Park Redevelopment project will replace 54 units of deteriorating public housing with 275 units of newly constructed housing affordable to households with incomes at or below 60% of the Area Median Income (AMI).

The objective of the Local Innovation and Fast Track (LIFT) Housing Program is to build new affordable housing for low-income households, especially families.

Name of Funding Agency: Oregon Housing and Community Services (State of Oregon)

Notification of Funding Opportunity Web Address: <https://www.oregon.gov/ohcs/development/Documents/2023%20LIFT%20Rental%20NOFA%20FINAL.pdf>

OR

Application Packet Attached: Yes No

Completed By:

Date:

**** NOW READY FOR SUBMISSION TO DEPARTMENT FISCAL REPRESENTATIVE ****

Section II: Funding Opportunity Information - To Be Completed by Department Fiscal Rep

Competitive Application Non-Competing Application Other

Assistance Listing Number (ALN), if applicable:		Funding Agency Award Notification Date:	TBD
Announcement Date:	1/18/2023	Announcement/Opportunity #:	#2023-2
Grant Category/Title	State of Oregon - OHCS	Funding Amount Requested:	6,653,696
Allows Indirect/Rate:	Developer Fees based on project size	Match Requirement:	No
Application Deadline:	March 30, 2023 - 4pm PST	Total Project Cost:	160,430,000 (approx)
Award Start Date:	at construction closing	Other Deadlines and Description:	Pre-application - February 1, 2023 at 11:59PST
Award End Date:	at construction completion		
Completed By:		Program Income Requirements:	N/A
Pre-Application Meeting Schedule:	Meeting with Related NW, HACC Development team & HACC Finance Team		

Additional funding sources available to fund this program? Please describe:

Low Income Housing Tax Credits (LIHTC), Private Activity Bonds, State and Local funding sources, Grants, Affordable Housing Bonds

How much General Fund will be used to cover costs in this program, including indirect expenses?

No County General Funds are involved

How much Fund Balance will be used to cover costs in this program, including indirect expenses?

N/A

In the next section, limit answers to space available.

Section III: Funding Opportunity Information - To Be Completed at Pre-Application Meeting by Dept Program and Fiscal Staff

Mission/Purpose:

1. How does the grant/funding opportunity support the Department and/or Division's Mission/Purpose/Goals?

The redevelopment of Hillside Park aligns with the Housing Authority and the County's Performance Clackamas goal of ensuring safe, healthy and secure communities by replacing 100 units of near-obsolete public housing with up to 500 units of newly constructed affordable housing. Phase 1 of the Hillside Park Redevelopment project will replace 54 units of deteriorating public housing with 275 units of newly constructed housing affordable to households with incomes at or below 60% of the Area Median Income (AMI).

2. Who, if any, are the community partners who might be better suited to perform this work?

N/A

3. What are the objectives of this funding opportunity? How will we meet these objectives?

The objective of the Local Innovation and Fast Track (LIFT) Housing Program is to build new affordable housing for low-income households, especially families. The redevelopment of Hillside Park aligns well with this objective in replacing 100 units of near-obsolete public housing with 400 units of newly constructed affordable housing, including units for families.

4. Does the grant/financial assistance fund an existing program? If yes, which program? If no, what is the purpose of the program?

This is grant funding would contribute to the overall financing package for the Hillside Redevelopment Project

Organizational Capacity:

1. Does the organization have adequate and qualified staff? If no, can staff be hired within the grant/financial assistance funding opportunity timeframe?

Yes

2. Are there partnership efforts required? If yes, who are we partnering with and what are their roles and responsibilities?

The recipient of the LIFT funds will be the limited partnership established for the project. LIFT funds will not flow through HACC but directly to the project. The LIFT program is funded using proceeds from the sale of Article XI-Q bonds which require the State of Oregon to hold an appropriate operational interest in each Project funded. This is satisfied, in part, by execution of an Operating Agreement, Declaration of Restrictive Covenants, and a Project Management Agreement.

3. If this is a pilot project, what is the plan for sun setting the project and/or staff if it does not continue (e.g. making staff positions temporary or limited duration, etc.)?

N/A

4. If funded, would this grant/financial assistance create a new program, does the department intend for the program to continue after initial funding is exhausted? If yes, how will the department ensure funding (e.g. request new funding during the budget process, supplanted by a different program, etc.)?

No, this will add to other funding sources to further the redevelopment of Hillside Park.

Collaboration

1. List County departments that will collaborate on this award, if any.

H3S - Housing Authority of Clackamas County & Housing and Community Development

Reporting Requirements

1. What are the program reporting requirements for this grant/funding opportunity?

Standard LIFT reporting requirements and compliance monitoring. Compliance monitoring will be sufficient to cover due diligence of OHCS. Payment of a compliance monitoring charge of \$25 per LIFT Rental unit will be required annually. This charge may be adjusted over time by OHCS. Additional monitoring charges may apply depending upon OHCS funding supplemental to LIFT Rental. Monitoring will address elements of Project operation including but not limited to:

- 1. Initial household income verification
- 2. Annual income verification, including through self-certification
- 3. Risk-based physical inspections every 1-3 years based on Project condition. If other public capital or operating subsidy will be used from any source, relevant compliance

2. How will performance be evaluated? Are we using existing data sources? If yes, what are they and where are they housed? If not, is it feasible to develop a data source within the grant timeframe?

Project completion and beginning of lease up.

3. What are the fiscal reporting requirements for this funding?

TBD - see above the reporting requirements currently known in answer #1. As HACC would be a co-applicant. The funding will flow directly to the limited partnership for the project directly and will not flow through HACC.

Fiscal

1. Are there other revenue sources required, available, or will be used to fund the program? Have they already been secured? Please list all funding sources and amounts.

Affordable Housing Bonds \$40M, congressionally directed spending \$4M, CET ~ \$1.7M, LIFT from OHCS ~\$6.65M, other funding sources as identified through the project will be used. This project will require a braiding of many funding sources to ensure affordability and viability of the project.

2. For applications with a match requirement, how much is required (in dollars) and what type of funding will be used to meet it (CGF, In-kind, local grant, etc.)?

No

3. Does this grant/financial assistance cover indirect costs? If yes, is there a rate cap? If no, can additional funds be obtained to support indirect expenses and what are those sources?

Developer fees are allowed depending on project size.

Other information necessary to understand this award, if any.

HACC will be a co-applicant on this grant and the recipient will be the limited partnership for the project. The funding will flow directly from the state to the project and will not flow through HACC finance.

Program Approval:

Devin Ellin

Feb 21, 2023


Devin Ellin (Feb 21, 2023 15:12 PST)

Name (Typed/Printed)

Date

Signature

**** NOW READY FOR PROGRAM MANAGER SUBMISSION TO DIVISION DIRECTOR ****

****ATTACH ANY CERTIFICATIONS REQUIRED BY THE FUNDING AGENCY. COUNTY FINANCE OR ADMIN WILL SIGN****

Section IV: Approvals

DIVISION DIRECTOR (or designee, if applicable)

Toni Karter

Feb 22, 2023

Toni Karter

Toni Karter (Feb 22, 2023 08:18 PST)

Name (Typed/Printed)

Date

Signature

DEPARTMENT DIRECTOR (or designee, if applicable)

Adam Brown

Feb 23, 2023

Adam Brown

Adam Brown (Feb 23, 2023 17:01 PST)

Name (Typed/Printed)

Date

Signature

FINANCE ADMINISTRATION

Elizabeth Comfort

Feb 26, 2023

Elizabeth Comfort

Name (Typed/Printed)

Date

Signature

EOC COMMAND APPROVAL (WHEN NEEDED FOR DISASTER OR EMERGENCY RELIEF APPLICATIONS ONLY)

Name (Typed/Printed)

Date

Signature

Section V: Board of County Commissioners/County Administration

(Required for all grant applications. If your grant is awarded, all grant awards must be approved by the Board on their weekly consent agenda regardless of amount per local budget law 294.338.)

For applications less than \$150,000:

COUNTY ADMINISTRATOR	Approved: <input type="checkbox"/>	Denied: <input type="checkbox"/>
Name (Typed/Printed)	Date	Signature

For applications under \$150,000 email form to Christina Fadenrecht at CFadenrecht@clackamas.us for Gary Schmidt's approval.

For applications \$150,000 and above, email form with Staff Report to the Clerk to the Board at ClerktotheBoard@clackamas.us to be brought to the consent agenda.

BCC Agenda item #: Date:

OR

Policy Session Date:

County Administration Attestation

County Administration: re-route to department at

and

Grants Manager at financegrants@clackamas.us

when fully approved.

Department: keep original with your grant file.