

July 25, 2024

BCC Agenda Date/Item: \_\_\_\_\_

Housing Authority Board of Commissioners  
 Clackamas County

**Approval of Resolution 1992 authorizes a grant of up to \$700,000 in Affordable Housing Bond funds for the Shortstack Milwaukie affordable home-ownership project and delegates authority to Authorized Representatives to finalize, execute, and deliver documents as necessary. Funding is Affordable Housing Bond funds. No County General Funds are involved.**

<b>Previous Board Action/Review</b>	September 13, 2023 – Allocation of Regional Affordable Housing Bond Funds was Approved by the Housing Authority Board July 16, 2024 – Item Presented at Issues		
<b>Performance Clackamas</b>	This item aligns with the strategic priority to ensure safe, healthy, and secure communities by providing sustainable and affordable housing.		
<b>Counsel Review</b>	Yes	<b>Procurement Review</b>	NA
<b>Contact Person</b>	Devin Ellin	<b>Contact Phone</b>	971-227-0472

**EXECUTIVE SUMMARY:** The Housing Authority of Clackamas County (HACC), a component unit of Clackamas County within the Housing and Community Development Division of the Health, Housing, and Human Services Department, is requesting approval of Resolution 1992 to grant up to \$700,000 in Affordable Housing Bond funds for the Shortstack Milwaukie affordable home-ownership project and delegate signature authority to Authorized Representatives to finalize the terms, execute, acknowledge, and deliver documents and actions as reasonably may be required in connection with the financial closing of the Shortstack Milwaukie affordable home-ownership project. Authorized Representatives included the Executive Director and the Director of Housing Development of the Housing Authority, and the Director of the Health, Housing, and Human Services Department.

**Project Background:**

Shortstack Milwaukie represents Clackamas County’s first Metro Affordable Housing Bond funded home-ownership project. This project will create 15 affordable homes priced for households earning 80% AMI through higher-density cottage cluster housing. Oregon House Bill 2001 made the project possible, allowing for up-zoning middle housing neighborhoods.

The 24,300 square-foot site in the Ardenwald neighborhood is well-connected to Milwaukie’s thriving downtown commercial center, quality schools, and major employers. The site is located within ½ mile of the MAX yellow line, less than ¼ mile from several Tri-Met bus lines (the nearest stop is only a block away), and within walking distance to Providence Hospital, Safeway, Ardenwald Elementary School, downtown Milwaukie, and other amenities.

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The two-story cottages will be approximately 900 square feet with 2 bedrooms and 1.5 baths. They include a compact and cost-efficient design that provides a modern open floor concept that can serve a mix of small families, couples, and individuals.

The development team partnered with the Proud Ground Community Land Trust to ensure the long-term affordability of these homes. Shortstack Milwaukie presents an avenue for home-ownership for “middle-income” families and allows first-time homebuyers to build wealth through home equity.

### **Project Financing**

On September 13, 2023, the Board approved allocating \$700,000 in Regional Affordable Housing Bond funds to this project. It has also been awarded State Local Innovation and Fast Track (LIFT) funds, a United States Department of Agriculture (USDA) Wood Innovation Grant and a Construction Excise Tax (CET) grant from the City of Milwaukie. Total funding includes:

- \$700,000 Metro Bond grant
- \$2.7 million in LIFT and LIFT Supplemental funds
- \$250,000 USDA Wood Innovation Grant
- \$300,000 City of Milwaukie CET Grant
- \$75,000 Proud Ground Subsidy

Financing for this project is projected to close in August 2024, and construction completion is expected in April 2025.

This resolution is requesting approval to enter into a Metro Affordable Housing Bond grant agreement totaling \$700,000 and delegation of signing authority to Authorized Representatives who will finalize the terms of, execute, acknowledge, and deliver the actions and documents as reasonably may be required for the grant to the Shortstack Milwaukie affordable home-ownership project.

**RECOMMENDATION:** Staff respectfully recommends the Board approve the adoption of Resolution 1992 granting up to \$700,000 in Metro Affordable Housing Bond funds to the Shortstack Milwaukie affordable home-ownership project and delegating of signing authority to carry out actions and documents as reasonably may be required.

Respectfully submitted,



Rodney A. Cook  
Director of Health Housing and Human Services

### **ATTACHMENTS:**

*Healthy Families. Strong Communities.*

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[www.clackamas.us](http://www.clackamas.us)

- Resolution #1992 Authorizing Grant of Regional Affordable Housing Bond Funds for Shortstack Milwaukie.
- Project Information Sheet: Shortstack Milwaukie.



## At a glance

**Total unit count:** 15

**Regional Affordable Housing Bond funds:** \$700,000

**Bond funds per unit:** \$47,000

**Project type:** New construction

**Developer:** Shortstack Developer

**Sponsor:** Proud Ground  
Community Land Trust

**Architect:** Works Progress  
Architecture

**General contractor:** GSI

**Funding:** OHCS LIFT, City of  
Milwaukie CET, USDA Wood  
Innovation Grant, Proud Ground  
Subsidy, conventional construction  
debt

**Construction begins:** Q2 2024

**Anticipated completion:**  
Q2 2025

# Shortstack Milwaukie

*3736 SE Harvey St - Milwaukie – Shortstack + Proud Ground*

Shortstack Milwaukie represents Clackamas County's first Housing Bond-funded home-ownership project. It will deliver 15 affordable homes, priced for households earning 80% AMI, through smart densification at the "missing middle" scale.

The cottages utilize mass timber to deliver beautiful, replicable homes, featuring a compact, open floorplan concept that is desirable and marketable for home buyers. These ~900sf cottages are 2-bedroom, 1.5 bath, two-story structures clustered together utilizing the City of Milwaukie's recently adopted cottage cluster zoning provision. The units are intended to serve a mix of small families, couples, and individuals – all of whom are constituents in need of more affordable home buying options.

The all-electric homes are designed to standards that exceed the energy efficiency requirements set forth by the City of Milwaukie building code. The team is pursuing Energy Trust of Oregon's Pathway to Net Zero Program.

The 24,300-sf site, located in the Ardenwald neighborhood, is well-connected to Milwaukie's thriving downtown commercial center, good schools, and major employers. The site is within ½ mile of the MAX yellow line, and less than ¼ mile from several tri-met bus lines (the nearest stop is only a block away) and within walking distance to Providence Hospital, Safeway, Ardenwald Elementary School, Downtown Milwaukie, and many other public amenities. Water Tower Park is a block away and the larger Mintorn North Natural Area is ½ mile.

To execute Shortstack Milwaukie, the development team is requesting gap financing of \$700,000 in Housing Bond funds. The project was awarded OHCS LIFT funds covering 90% of its funding needs and is seeking Regional Affordable Housing Bond funds to close the remaining financing gap. Other primary sources include a USDA Wood Innovation Grant and a Construction Excise Tax grant from the City of Milwaukie.



# Development program

Shortstack Milwaukie includes 15 units of new affordable homeownership housing.

Unit size (no. of bedrooms)	No. of units	AMI%	Square feet/ unit	Sales Price Per Unit
Two bedrooms	15	80%	~900	\$245,000

## Amenities

- Transit within 1/4 mile
- Ardenwald Elementary School within 1 mile
- Milwaukie High School within 1 1/2 miles
- Grocery store within 1/2 mile
- Downtown Milwaukie within 1 mile
- Multiple parks and recreation areas within 1/2 mile
- MAX Light Rail connections to Portland
- Pursuing Energy Trust Pathway to Net Zero

