

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.

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

Rodney A. Cook
Director of Health Housing and Human Services

ATTACHMENTS:

Healthy Families. Strong Communities.

2051 Kaen Road, Oregon City, OR 97045 • Phone (503) 650-5697 • Fax (503) 655-8677

www.clackamas.us

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

**BEFORE THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF CLACKAMAS
COUNTY**

In the Matter of Authorizing the Metro Bond Funds Grant and Related Matters, for the Shortstack Milwaukie Project



RESOLUTION NO. 1992
Page 1 of 4

WHEREAS, the Housing Authority of Clackamas County (“**Authority**”) works to provide affordable housing (“**Affordable Housing**”) for persons and families of lower income pursuant to Oregon Revised Statutes (“**ORS**”) 456.005 through 456.235; and

WHEREAS, the Metro Housing Bond sponsored by Metro was approved by voters in the Metro Region in 2018 to provide funding within the Metro Region for Affordable Housing (“**Metro Bond Funds**”); and

WHEREAS, the Authority acting on behalf of Clackamas County, Oregon (“**County**”) has been designated as the agency for the County to apply for such Metro Bond Funds, and to loan or grant such funds to developers of Affordable Housing; and

WHEREAS, Proud Ground, an Oregon nonprofit public benefit corporation (the “**Company**”), applied to the Authority for a grant of Metro Bond Funds in the amount of up to Seven Hundred Thousand Dollars (\$700,000) in the aggregate to be used in connection with the development of 15 clustered affordable homes to be known as Shortstack Milwaukie, with a property address of 3736 SE Harvey Street, Milwaukie, Oregon 97222 (the “**Project**”); and

WHEREAS, the Authority has applied to Metro to be allocated Metro Bond Funds in the amount of up to Seven Hundred Thousand Dollars (\$700,000) to be granted to the Company to use in connection with the development of the Project; and

WHEREAS, subject to the approval of Metro, the Authority desires to make a grant to the Company of the Metro Bond Funds in an aggregate amount of up to Seven Hundred Thousand Dollars (\$700,000) (the “**Metro Bond Funds Grant**”) to be used in connection with the development of the Project;

NOW, THEREFORE, THE AUTHORITY ADOPTS THE FOLLOWING RESOLUTIONS:

Section 1. Approve Metro Bond Funds Loan to the Partnership.

BE IT RESOLVED, that the Authority is authorized to negotiate, on behalf of the County, the Metro Bond Funds Grant Documents listed on the attached **Exhibit A** (whether bearing the name listed or names to similar effect) and such other documents as reasonably may be required in connection with the Metro Bond Funds Grant all in the form approved by any single Authorized Representative (such approval to be conclusively demonstrated by the signature of any single Authorized Representative on such documents).

Section 2. Approve Signing Authorization of Metro Bond Funds Grant Documents.

BE IT RESOLVED, that, the Executive Director of the Authority, the Director of Health, Housing and Human Services, and the Director of Housing Development is each an Authorized Representative, and each may individually, on behalf of the Authority, and without further action by the Board, finalize the terms of, execute, acknowledge, and deliver the actions and documents authorized herein.

Section 3. General Resolutions Authorizing and Ratifying Other Actions.

BE IT RESOLVED, that any Authorized Representative is authorized to negotiate, execute and deliver on behalf of the Authority such other agreements, certificates, and documents, and to take or authorize to be taken all such other actions any Authorized Representative shall deem necessary or desirable to carry out the transactions contemplated by the foregoing resolutions (such determination to be conclusively demonstrated by the signature of any single Authorized Representative on such document); and

BE IT FURTHER RESOLVED, that to the extent any action, agreement, document, or certification has heretofore been taken, executed, delivered, or performed by an Authorized Representative named in these Resolutions on behalf of the Authority to carry out the transactions contemplated by the foregoing resolutions, the same is hereby ratified and affirmed.

***[The remainder of this page intentionally left blank.
The next page contains the signatures and approval as to form.]***

NOW, THEREFORE, BE IT RESOLVED, that the Chair or one of the Directors may finalize negotiations, execute, acknowledge, and deliver the Documents and any other documents and take any actions that are necessary or desirable to complete the Documents, this Resolution and Order.

DATED THIS ____ DAY OF ____ 2024

BOARD OF COMMISSIONERS FOR THE
HOUSING AUTHORITY OF CLACKAMAS COUNTY

Chair

Recording Secretary

EXHIBIT A

Metro Bond Funds Grant Documents

1. Metro Bond Grant Agreement and Declaration of Restrictive Covenants (Shortstack Milwaukie).
2. Declaration of Affordability Covenants with Refinance and Resale Restriction and Purchase Options related to the 15 residences comprising the Project ("***Declaration of Affordable Covenants***").
3. Shortform Declaration of Affordable Covenants.
4. Priority and Subordination Agreement (Shortstack Milwaukie).

Other Related Documents

1. Any other documents that are necessary or desirable to be executed and delivered in connection with the Metro Bond Funds Grant as determined by the Executive Director of the Authority; and
2. Any documents that are necessary or desirable as determined by the Executive Director of the Authority to be executed and delivered in connection with the closing of the construction loan and term loan for the Project and repayment of the construction loan pursuant to the provisions of the loan documents.



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

