

June 21, 2018

Board of County Commissioners
Clackamas County

Members of the Board:

Public Hearing on the Proposed Section 108 Loan Pool Application to the
U.S. Department of Housing and Urban Development (HUD)

Purpose/Outcomes	A Public Hearing before the Board of County Commissioners to accept testimony on the proposed Section 108 Loan Pool application to HUD. Board approval of the Section 108 Application to HUD.
Dollar Amount and Fiscal Impact	Application for \$11,100,000 Section 108 Loan Guarantee funds to establish a loan pool for eligible community development projects.
Funding Source	U.S. Department of Housing and Urban Development Community Development Block Grant (CDBG) Section 108 program No County General Funds are involved.
Duration	NA
Previous Board Action	BCC Policy Session on February 13, 2018
Strategic Plan Alignment	1. Build a strong infrastructure 2. Ensure safe, healthy and secure communities
Contact Person	Chuck Robbins, Community Development Director - (503) 655-8591
Contract No.	N/A

BACKGROUND:

The Housing and Community Development Division of the Health, Housing and Human Services Department requests a public hearing before the Board of County Commissioners (BCC) to receive public testimony and to approve the Section 108 Application. This public hearing will satisfy a U.S. Department of Housing and Urban Development (HUD) requirement that the public be given an opportunity to review and comment on the Section 108 Application. The U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program provides communities with a source of financing for large economic development, housing rehabilitation, public facility, and physical development projects. The funds can be used by a designated public entity to undertake eligible projects, or, alternatively, can be loaned to third party developers to undertake the projects.

HUD requires that current and future CDBG allocations be used as security for the loan. However, the primary goal is to award Section 108 funds to projects that have sufficient cash flow to repay the loan without any need for repayment from CDBG dollars. The size of the loan pool is calculated as 5 times the Clackamas County CDBG annual allocation which would amount to approximately \$11 million.

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The Housing and Community Development Division (HCD) application to HUD for Section 108 funds if approved by HUD would create a loan pool for:

- Acquiring property for affordable housing
- Rehabilitating publicly owned affordable housing projects
- Developing public facilities such as health centers, service centers and foodbanks

The draft Section 108 Application was posted for public review and comment on May 9, 2018 and a public meeting was advertised and held on May 23rd. The comment period will have been open for 42 days on June 21.

Section 108 follows the same regulatory and project eligibility requirements of the CDBG Program which can be found at this website: <https://www.hudexchange.info/programs/section-108/>

Section 108 funded projects/activities must comply with all CDBG rules including:

- At least 70% of funds directed to Low/Moderate Income (LMI) populations
- Environmental review
- Davis Bacon (prevailing wages)
- Uniform Relocation Act
- Office of Management and Budget circulars, as applicable
- Fair housing/equal opportunity
- Lead Based Paint

Each individual project loan that requests funds from the proposed Section 108 Loan Pool would be submitted to the Board of County Commissioners for approval prior to submittal to HUD. Project loans would be funded by the Section 108 Program and loan repayments, including principle, interest and fees would be made by the borrowing entity.

Each project loan would have a 20-year term with an initial interest rate that is variable based on the London Inter Bank Offered Rate (LIBOR) until the loan becomes permanent with a fixed interest rate based on U.S Treasury Yields with a current interest rate of approximately 3%.

RECOMMENDATION:

Staff recommends that the Board of County Commissioners take the following actions:

- 1) Hold a Public Hearing to accept testimony on the Proposed Section 108 Loan Pool Application;
- 2) Direct the Housing and Community Development Division staff to make any changes necessary as a result of the Board's consideration of testimony to the Proposed Section 108 Application to prepare the application for submittal to HUD; and
- 3) Direct the Housing and Community Development Division staff submit the Section 108 Application to HUD.

Respectfully submitted,



Richard Swift, Director
Health, Housing & Human Services Department

Attachments:

Public Notices

Section 108 Loan Pool Application (Draft)

PUBLIC HEARING

The Clackamas County Board of County Commissioners will hold a

PUBLIC HEARING

At the Public Services Building

Hearings Room - 4th Floor, Room 409

2051 Kaen Road, Oregon City, Oregon

Thursday, June 21, 2018 at 10:00 A.M.

Clackamas County ("County") seeks to establish a loan pool of approximately \$11 million under the Section 108 Loan Guarantee Program administered by the U.S. Department of Housing and Urban Development (HUD) under 24 CFR 570, Subpart M – Loan Guarantees.

A Public Hearing with the Board of County Commissioners will be to receive testimony from citizens on the Section 108 Draft Application to HUD. The Section 108 Application is scheduled to be submitted to HUD by June 30, 2018. The draft application is available for review at the posted here: <http://www.clackamas.us/communitydevelopment/>

This Public Hearing will close the public comment period on the Section 108 Application. Any comments received at the public hearing will be included with the County's Section 108 Program application that is submitted to HUD. For more information on the Section 108 Application process contact Mark Sirois at 503-655-8591.

Reasonable accommodation will be provided for any individual with a disability

Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting may request assistance by contacting the Section 504 Coordinator. Determinations on requests for reasonable accommodation will be made on a case-by-case basis. All requests must be made at least 5 days before the meeting date.

Contact: Chuck Robbins, Clackamas County Community Development, 2051 Kaen Road, Suite 245, Oregon City, Oregon 97045. Telephone: (503) 655-8591. E-Mail: chuckrob@co.clackams.or.us.

Clackamas County, Oregon



SECTION 108 LOAN GUARANTEE PROGRAM APPLICATION FOR THE

Housing and Community Development LOAN FUND

(Submittal – June 30, 2018)

Jim Bernard, Chair
Board of County Commissioners

Prepared by:

The Department of Health, Housing and Human
Services, Housing and Community Development
Division.



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Public Comments and Clackamas County Responses

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- Arbor Terrace project Loan Application

SUMMARY

Clackamas County ("County") seeks to establish a loan pool not to exceed \$10 million under the Section 108 Loan Guarantee Program administered by the U.S. Department of Housing and Urban Development (HUD) under 24 CFR 570, Subpart M – Loan Guarantees.

These funds, if approved, will be utilized throughout Clackamas County under a range of eligible activities targeted to support affordable housing and community development projects to support low/moderate-income households and to deliver positive economic benefits for the County. Funding decisions will be guided by the 5-Year Consolidated Plan and the HUD approved Assessment of Fair Housing (AFH) Plan.

A Section 108 Loan Guarantee Program in Clackamas County will provide a valuable resource to ensure future projects of benefit to the County, particularly those where funding may otherwise be unavailable. The flexibility of a loan pool will allow the County to capitalize on the goals and objectives contained in our Consolidate Plan and AFH Plan as well as on the strengths and innovation of our residents and businesses.

This document, consisting of a narrative as well as required attachments, constitutes the formal application to HUD for Section 108 Loan Guarantee funds.

APPLICATION NARRATIVE

ADMINISTERING AGENCY

The Housing and Community Development Division administers the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnerships Program (HOME) funding on an annual entitlement basis from the U.S. Department of Housing and Urban Development (HUD). The County is governed by the Board of County Commissioners who approve all HUD-funded projects including proposed Section 108 Loans. The Community Development Policy Advisory Board (PAB) consisting of representatives from each county jurisdiction, also reviews and approves proposed CDBG projects and any Section 108 loans prior to Board review. The Department of Health, Housing and Human Services, Housing and Community Development Division is the designated agency administering HUD funds on behalf of Clackamas County.

The Board of County Commissioners has adopted a strategic plan titled Performance Clackamas which is modeled on a process known as Managing for Results. Performance Clackamas focuses on measurable goals encompassed by five strategic priorities:

- Build public trust through good government
- Grow a vibrant economy
- Build a strong infrastructure
- Ensure safe, healthy and secure communities
- Honor, utilize, promote and invest in our natural

The mission of the Department of Health, Housing and Human Services is "promoting and assisting individuals, families, and communities to be healthy, safe, and to thrive.

The Housing and Community Development Division focuses on projects and activities that promote decent housing and suitable living environments, increase the availability of affordable permanent housing, help homeless persons and those at risk of homelessness to obtain appropriate housing, preserve the affordable housing stock, improve the safety and livability of neighborhoods, and increase access to public

facilities and services.

GEOGRAPHIC AND DEMOGRAPHIC CHARACTERISTICS

Clackamas County is an urban and rural county within the Portland/Vancouver metropolitan statistical area (MSA) with a population of 401,515 people with a median age of 41.5 and a median household income of \$69,629. The County includes 14 cities and large areas of unincorporated residential areas. Between 2014 and 2015 the population of Clackamas County grew from 394,972 to 401,515, a 1.66% increase and its median household income grew from \$65,316 to \$69,629, a 6.6% increase.

Clackamas County is one of the most economically diverse counties in Oregon by being home to the 3 highest per capita income cities in the state as well to 2 of the lowest per capita income cities. The median property value in Clackamas County is \$336,200, and the homeownership rate is 69.3%.

The population is 82.7% White, 8.52% Hispanic, and 4.3% Asian. The largest universities in Clackamas County are Clackamas Community College, with 1,216 graduates, Pioneer Pacific College, with 643 graduates, and Marylhurst University, with 487 graduates.

Several areas in the County are recognized under the Hamlets and Villages program, which is a grassroots, citizen-driven program developed by the County. The hamlets are Beaver Creek, Molalla Prairie, Mulino and Stafford and the single village is the Villages at Mt. Hood. Clackamas County is a mixture of urban and rural. Agriculture is an important industry occupying much of the County. Eastern Clackamas County is dominated by Mt. Hood and the Mt. Hood National Forest.

While many of the cities have been long-established, areas of the County, particularly in the northwest, share the regional opportunities for employment and housing, which spill across geographic boundaries. Commuting is a fact of life for many people who live or work in Clackamas County. At present commuting is dominated by cars, but the region's light rail system has been extended into the County's northwest edge and will extend further in years to come. The County encourages transit-oriented development, but the ease of commuting has impacted development in the County, as elsewhere.

Clackamas County Housing and Community Development Division (HCD) consults directly with local governments (14 cities and towns in Clackamas County) regarding public facilities and infrastructure projects through the Community Development Policy Advisory Board (PAB). Adjacent governments including City of Portland, Multnomah County and Washington County are contacted regularly regarding public meetings and community development policy.

SECTION 108 STRATEGY: PRIMING THE COUNTY'S HOUSING AND COMMUNITY DEVELOPMENT PUMP

Introduction

The County will use the Section 108 Loan Pool, in accordance with 24 CFR 570, Subpart M – Loan Guarantees, to fund projects located within Clackamas County that provide clear housing and community development benefits to low- and moderate-income persons and their communities. The Section 108 Loan Pool will represent a new tool that the County can use to support housing and community development projects. Funds will be utilized to support a wide range of CDBG-eligible activities contingent upon evolving local needs, and available resources.

The Section 108 Loan Guarantee, if HUD-approved, will result in lending for housing and community development in Clackamas County. In doing so the loan fund will further the Clackamas County HCD's affordable housing preservation and permanent supportive housing goals within the 2017-2021 Consolidated Plan and the 2018-2019 Action Plan. The County will employ the loan fund to further these goals:

Priority Need #1: Affordable Housing

- Goals: Development of New Affordable Units
- Preserve existing affordable housing units
- AFH Goal: Increase accessibility to housing

Priority Need #2: Homelessness

- Goals: Increase Resident Services in affordable housing complexes
- Homeless Assistance

Priority Need #3: Non-housing Community Development

- Goals: Development of public facilities available to low- and moderate-income families
- Encourage mixed use development

- Goals: Community Facility Improvements and Economic Development
- Assist with the development of job-creating activities and facilities
- Increase employment opportunities for low and moderate income persons

Funding Request

Clackamas County may apply for Section 108 Loan Guarantee funds in an amount of up to five times its current approved Community Development Block Grant (CDBG) entitlement allocation. The County is currently requesting \$11,100,000 million in Section 108 Loan Guarantee funds, in accordance with 24 CFR 570, Subpart M – Loan Guarantees, to establish a housing and community development loan pool.

Target Area

Section 108 Loan Guarantee funds will be for projects throughout the County for the benefit of Clackamas County low and moderate-income residents. However, program area Requests for Proposals may target specific low income neighborhoods and recently identified Opportunity Zones in Clackamas County.

National Objectives and Public Benefit Standards

In accordance with HUD's CDBG regulatory requirements at 24 CFR 570 including 24 CFR 570, Subpart M- Loan Guarantees, all Section 108 funded activities will be based upon the "benefit to low- and moderate-income persons" or "LMI" national objective, also known as the "primary" national objective. As such, at least eighty (80) percent of CDBG funds including Section 108 dollars will be utilized to the benefit of low- and moderate-income persons. The County will employ one to three of the following allowable national objective activity subcategories as applicable by eligible activity type:

- Low/Mod Area Benefit (LMA) - Activity will benefit all residents in a particular area, where at least

- 51 percent of the residents are LMI persons
- **Low/Mod Limited Clientele (LMC)** - At least 51 percent of the beneficiaries of the activity have to be LMI persons
- **Low/Mod Job Creation/Retention (LMJ)** – Activity will create or retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by LMI persons

Performance Measurement Framework

In accordance with HUD’s performance measurement framework, all Section 108 funded activities will be based upon all three national objectives as well as the related outcome of “improved availability/accessibility” as noted below:

<i>Objectives</i>	<i>Goals</i>	<i>Outcome</i>
		<i>Availability</i>
Creating a suitable living environment	Development of public facilities Increase services for low income persons	\$4,100,000
Providing decent housing	Develop new affordable housing, preserve existing affordable housing	\$6,000,000
Creating economic opportunities	Increase employment opportunities	\$1,000,000

Proposed Activities and Eligible Uses

The County is proposing a broad use of Section 108 financing based upon various eligible activities that will meet the requirements of 24 CFR 570 including 24 CFR 570, Subpart M – Loan Guarantees. The County understands that guaranteed loan funds may not be used to reimburse the CDBG program account or line of credit for costs it has previously incurred and paid with CDBG grant funds or program income.

The Section 108 loan pool investment strategy will be built around five forms of housing and community development. In doing so the loan fund will further the Clackamas County HCD's affordable housing preservation and permanent supportive housing goals within the 2017-2021 Consolidated Plan. An additional goal of job creation activities would be added to the Consolidated Plan once this Section 108 application is approved by HUD. The County will employ the loan funds to assist projects that further one or more of these five forms of housing and community development activities:

1. Acquisition of real property.
2. Housing rehabilitation - Publicly owned affordable housing projects.
3. Mixed-Use Commercial and Retail and Multi-Family Rental Development, are known as livable and walkable “places” with a high quality of life and revenue producing capabilities.
4. Development of public facilities such as health centers, service centers and foodbanks.
5. Job Creation Activities.

Following are descriptions of these five project types that the County expects to include in a Section 108

Loan Pool. Any projects selected by the County shall meet underwriting criteria including project readiness, proven development capacity, and anticipated completion within a reasonable time frame from the approval date.

1. Acquisition of real property. The County has developed a Housing Advisory Board as well as a Housing Leadership Committee to address the housing affordability crisis, propose policies and guide housing development planning. The Housing Authority of Clackamas County has begun the process of re-developing 2 public housing developments. The County has identified that over 20,000 low income persons are at risk of losing their homes due to being severely rent burdened. The County is working with non-profit and for-profit housing developers to build more affordable, rent restricted housing units to ease the rent burdens on low income households. Development of new housing units requires the purchase of buildable land which is also in high demand by private housing developers and investors. The County will use Section 108 loan funds to more quickly purchase land when it becomes available for purchase to build affordable housing units. Eligible activity citations: 570.703(a) (acquisition); 703(b) (rehabilitation of real property); 703(e) (clearance, demolition) and 703(f) (site preparation).

2. Housing Rehabilitation. Both private low income affordable housing units and public housing units are facing a backlog of deferred maintenance and needed property upgrades to secure the financial viability of these housing units. Preservation of existing affordable housing stock is one the most cost effective uses of public investments to maintain housing stability for low-income and elderly households. As private housing units once built with public funding to ensure affordability become available for sale in the private market, affordable (rent restricted) units may be lost to the private housing market unless these units are purchased by a non-profit housing agency or a private agency with public funding to preserve the housing as affordable (rent restricted) to low income individuals, elders and families. Eligible activity citations: 570.703 (b) (rehabilitation of real property); 703(d) (relocation) 703(h) (housing rehabilitation); and 703(l) (public facilities).

3. Mixed Use Commercial/Retail/Multi-Family Rental Development: Prospective mixed use developers working in opportunity zones and low income communities may need Section 108 guarantee assistance to become financeable for traditional debt providers. The County will encourage these projects in anticipation of commercial/retail developers being large job generators, particularly of non-professional positions generally held by low to moderate income persons. By financing commercial and retail development simultaneously with residential units, affordability is enhanced without 100 percent subsidized housing which generally requires greater public investment and is less sustainable over time. Eligible activity citations: 570.703 (a) acquisition); 703(b) (rehabilitation of real property); 703(e) (clearance, demolition); 703(f) (site preparation) (h) (housing rehabilitation); and (l) (public facilities).

4. Development of Public Facilities: Health centers, service centers and foodbanks often have gaps in funding for capital improvement projects or initial construction. Clackamas County has a large population living in unincorporated areas with a need for public facilities and services. Public facility needs identified during the community needs assessment for Clackamas County include Homeless Facilities, Domestic Violence (services) Facilities, Mental Health Facilities, Senior Centers and Abused/Neglected Children Facilities. Eligible activity citations: 570.703 (a) acquisition); 703(b) (rehabilitation of real property); 703(e) (clearance, demolition); 703(f) (site preparation) (h) (housing rehabilitation); and (l) (public facilities).

5. Job Creation Activities: County residents that are in low income households need opportunities to increase their wages to maintain secure homes and increase their self-sufficiency. Section 108 loan funds may be made available for the purposes of increasing employment opportunities for low- and moderate-income residents of the County. Eligible activity citations: 703 (i) (economic development); 570.203 and 204 (community economic development).

Identified Projects

- Arbor Terrace Apartments Project Loan for Rehabilitation
- 2 property acquisition for public facilities

Administrative Capacity

As a long-term HUD formula grantee, Clackamas County has significant experience managing affordable housing and community development programs and projects. The Housing and Community Development Division along with the County as a whole, continues to work to strengthen internal and external capacity.

Clackamas County – Housing and Community Development Division (HCD) will administer the fund and evaluate each loan proposal prior to submitting the loans to HUD. HCD managers and staff have extensive experience with HOME program loan agreements, home rehabilitation loans and Community Development Block Grant project management including conducting environmental reviews and monitoring Davis Bacon Act labor standards. HCD staff currently manage over \$8 million dollars in loan funds through HCD’s Housing Rehabilitation Program using the Community Development Manager (CDM) data base as well as HUD’s Integrated Disbursement Information System (IDIS). HCD staff also coordinate with County finance department staff to set up projects, track expenditures, record payments and to draw down funds from HUD.

All administrative costs associated with the Section 108 Loan Guarantee will be supported by a combination of Clackamas County CDBG administrative funds (within the regulatory cap) as available and eligible, loan origination fees as well as receipted program income will also support administrative costs only as allowable under the program.

Resources Leveraged

The Section 108 Loan Pool will be another tool to continue to leverage private investments and support public-private partnerships that benefit low income communities and the County as a whole. Where possible, Clackamas County will leverage existing Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships Program (HOME) and local government funds to ensure successful completion of projects.

Additionally, the County aims to support and supplement ongoing community, housing, and economic development efforts, active funding resources, and other existing assets throughout urban and rural areas of Clackamas County.

Project Selection

Similar to the existing process for CDBG funding, prospective funding applications will be reviewed upon the basis of weighted scoring criteria and related funding recommendations will be submitted for review and

approval by both the Policy Advisory Board (PAB) and Board of County Commissioners. The Housing and Community Development Division has several proposed projects identified that are in preliminary stages of development. A formal Request for Proposals (RFP) for each of the 5 program areas may be released upon HUD approval for additional proposed projects if needed. Contingent upon the volume and quality of responses as well as the availability of funding, additional applications may be accepted on a rolling basis at the County's discretion. Depending upon timing, notice of funding recommendations will be transmitted to HUD either via a Substantial Amendment to the Consolidated Plan.

At a minimum, Clackamas County will evaluate Section 108 loan pool funding requests based upon the following criteria:

- Project costs are reasonable;
- All sources of project financing are committed;
- To the extent practicable, funds are not substituted for non-federal financial support;
- Project is financially feasible;
- To the extent practicable, the return on the owner's equity investment will not be unreasonably high; and
- To the extent practicable, funds are disbursed on a pro rata basis with other finances committed to the project.

Financing via the County's Section 108 loan pool will be restricted to 15 percent or less in gap financing per project based upon the total development cost (TDC).

Underwriting

In evaluating proposed projects Clackamas County HCD will use the following criteria:

Proposed Costs

The analysis will compare estimated development costs to costs of similar properties. Also, the analysis will determine whether estimated development costs have been prepared by a credible third party such as a contractor or other cost estimator. Finally, the County's loan commitments for financing construction or rehabilitation will be conditioned on a final guaranteed maximum price (GMP) contract for development within the proposed budget.

Commitment of Funds

Projects seeking Section 108 loans should have conditional or firm commitments of construction and permanent financing. If private financing includes a right to adjust the interest rate after a certain point in time, the County may not permit the loan. Loan documents should contain adequate lender protections (e.g., default and cure privileges) for the County, subject to reasonable conditions of other lenders having priority over the Section 108 loan.

Need for Loan Fund Assistance

The analysis will determine whether the project can be developed feasibly with private financing alone or, in fact, requires public (Loan Fund) financial assistance to make the development feasible. The County will examine the reasonableness of a for-profit developer's fee compared to market rates and will cap at ten percent. If the for-profit developer has an ownership stake in the project, the County will also examine the reasonableness of the developer's return under cash on cash return and internal rate of return ("IRR"). Cash on cash return measures the developer's cash return on a cash investment (i.e., cash flow ÷ equity). IRR measures the rate at which the developer's investment grows over a long term period, taking into account periodic cash flows and property appreciation.

As part of such analysis, an excessive developer fee/return may be put back into the project in the form of additional equity and/or additional reserves.

Financial Feasibility- Ability to Repay

The analysis will identify the primary, secondary and, where considered necessary, tertiary sources of repayment for the loan. Key repayment risks will be analyzed in detail, including an analysis of project financial assumptions compared to actual market conditions. In the case of real estate, the analysis will compare the anticipated lease rate to similar properties. Also, the analysis will compare anticipated vacancy rates to similar properties. The analysis will also describe the projected leasing time frame to achieve project stabilization and whether reserves exist to guard against delay. If there is a balloon payment at the end of the loan term, the analysis will describe the financial condition of the property on the maturity date, the project's ability to make final payment and efforts to mitigate risk (e.g., replacement reserves to maintain the physical condition of the property).

In the case of operating business financing, the analysis will consider cash flow available for repayment after all business operating expenses. A 1.2 projected debt coverage ratio is desired, however a debt coverage ratio of may be considered if the project's financial condition supports such a lower ratio (e.g., project has commitment of financially strong tenant(s) under long term lease). Debt service reserves may also be required.

Loan to Value

Consistent with customary underwriting practice, loan to value coverage will be determined based on expected value as of project stabilization. Loan to value must be supported by an appraisal prior to funding. Section 108 project loans will target a loan to value ratio not to exceed 80 percent at project stabilization and not to exceed 100 percent of hard costs. The analysis will first use the property being financed as the sole source of value to determine the loan to value ratio. If such a calculation exceeds 80 percent, the project may then be required to include outside collateral to meet the targeted loan to value requirement. The County's security will typically be in the form of a deed of trust. In certain cases, outside guarantees will suffice for additional collateral depending on the resources and financials of the individuals or entities providing such guarantees.

Developer/Owner Commitment

Developer/owner commitment can take many forms. These commitments can include: developer/owner equity, guarantees of completion, guarantees to fund shortfalls or guarantees of minimum cash flow. The developer's financials will also be examined and analyzed.

Pro Rata Disbursement of Section 108 Funds with Other Funding Sources

It shall be the goal of the program to disburse funds on a pro rata basis with other funds being used in specific projects. Where this is not possible, the County will document the need for an alternate approach.

Program Eligibility – Public Benefit

Proposed projects will meet requirements for Section 108 eligible applicant, eligible activity and will clearly identify the public benefit(s) including CDBG national objective to be achieved.

Project Readiness to Proceed – Site Control

Applicants for loans must demonstrate evidence of ownership or site control, such as an executed option or purchase and sale agreement, as well as the readiness of the project to proceed in a timely manner upon loan approval. Such measures may take the form of building permit readiness, commitment of all other financing, development team selection and/or other measures as applicable.

Development Team Capacity and Experience

Projects to be funded should have a development team that has both the capacity and demonstrated experience to complete the project as evidenced by past projects of similar size and scope, as well as financial strength. The analysis will include:

- (i) A review of resumes of development team members,
- (ii) A list of prior comparable projects completed by development team members with a description of project size and cost,
- (iii) Whether such projects were completed on time and on budget, and
- (iv) A description of development team members' experience with public funding sources and accompanying regulations as applicable (e.g., housing tax credits, Davis-Bacon).

Loan Term

Section 108 loans shall not exceed a loan term of 20 years, with no loan to exceed the overall 20 year term of this loan fund and in no event to exceed the useful life of the asset being financed.

Payment/Amortization

Section 108 loans will be amortized over the full term of the loan (e.g., 20 year amortization for a 20 year loan) unless otherwise pre-approved by the County. Amortization greater than the term of the loan may be considered (e.g., 30 year amortization for a 20 year loan), if the anticipated financial condition of the project is sufficient to sustain a balloon payment at the end of the term.

Interest Rate

County notes guaranteed under Section 108 will initially bear a floating rate based on a formula that is presently the 90 day LIBOR (London Interbank Offered Rate) or other HUD accepted scale, as adjusted monthly, plus 20 basis points, and after inclusion in a public offering arranged by HUD, will carry a fixed rate for each maturity of principal pursuant to the public offering. The County may charge the borrower an interest rate that is higher or lower than the rate on the County's note. Any difference in the interest rate will be discussed in the underwriting analysis.

Origination Fee to County

The County may assess an origination fee of 1% of the principal amount as permissible by the program regulations. This fee shall be used to pay for the Clackamas County's direct and indirect costs in underwriting and managing the loan program.

Collateral

The County understands that should the Section 108 project loan borrowers fail to make timely payments and should the County subsequently fail to make required payments, HUD could deduct that payment from the County's annual CDBG allocation. In accepting the Section 108 Guaranteed Loan, the County will pledge

its current and future CDBG funds as security of repayment within twenty years. However, as long as repayment is remitted as agreed by third party borrowers, there is no impact to Clackamas County’s ongoing CDBG allocations. County HCD’s security interest will typically be in the form of a deed of trust. Additional security instruments employed as collateral may include real property, equipment, and other assets created from use of Section 108 financing.

Repayment

Clackamas County will provide Section 108 loan financing to third parties (entrepreneurs, public entities, developers, non- profits, etc.) who will undertake eligible activities. The County will act as the borrower and issue the guaranteed debt obligations. The County intends to issue separate HUD-guaranteed promissory notes with an individual principal repayment schedule for each project funded. The first loan is anticipated to close and receive funds within 6-12 months of formal HUD approval. Clackamas County is requesting a twenty-year repayment term. Repayment of Clackamas County’s Section 108 Loan Guarantee will be based upon remittances from third parties assisted with loan funds.

STAKEHOLDER CONSULTATION AND CITIZEN PARTICIPATION PROCESS

This Application was developed in accordance with Clackamas County’s current Citizen Participation Plan which facilitates public input and comment for all HUD-funded programming. The public consultation process for Program Year 2018 was inclusive of informational community meetings, a Community Development Policy Advisory Board (PAB) meeting, and a Board of County Commissioners (BCC) public hearing. The Draft Section 108 Application was made available to the public on May 10, 2018 via the Clackamas County website as well as on-site at Clackamas County HCD offices. Prior to PAB and BCC review, the County also solicited input from local stakeholders including representatives from local non-profit housing developers and the homeless Continuum of Care. All related public meetings as well as availability of the draft plan for public review and comment were advertised via local newspaper on May 9th and May 10th as well as the Clackamas County website and listservs. The Board of County Commissioners will hold a public hearing on June 21, 2018 to accept testimony and to close the comment period. A summary transcript of the related meetings as well as any written comments received, as available, are enclosed in this packet.

PROGRAM DEVELOPMENT TIMELINE

Clackamas County will fully develop and implement Section 108 loan financing based upon the following preliminary timelines with most tasks contingent upon HUD, Policy Advisory Board, and Clackamas County Board approval.

These milestones and deadlines are subject to change. Please note – the first individual loan application is attached to this Loan Pool application. Additional project loans will be submitted after the Loan Pool application is approved by HUD.

Prior to notification of HUD approval and joint execution of written agreements:

<i>Milestone</i>	<i>Deadline</i>
Development of RFP for project loans	2 month
Conduct Outreach and Training on Section 108 Loan Program	2 month

After to notification of HUD approval and joint execution of written agreements:

<u>Milestone</u>	<u>Deadline</u>
Selection of Proposals	3 months
County Board Review and Approval	3 months
Submittals to HUD	6 month
Initial Loan Disbursement	6-12 months

APPENDIX 1 - REQUIRED FORMS

SF 424 Application for Federal Assistance: (To be added after comment period)

Certifications: (To be added after comment period)

APPENDIX 2 - STAKEHOLDER CONSULTATION AND CITIZEN PARTICIPATION

Community Development Public Meeting: (To be added after comment period)

Board of County Commissioners Public Hearing

- Notices: (To be added after comment period)
- Minutes: (To be added after comment period)
- Board Order: (To be added after comment period)

Public Comments and Clackamas County Responses: (To be added after comment period)

APPENDIX 3 – Arbor Terrace Project Loan Application

Attached Project Loan Application

View Burden Statement		OMB Number: 4040-0004 Expiration Date: 8/31/2016
Application for Federal Assistance SF-424		
* 1. Type of Submission: Preapplication <input checked="" type="checkbox"/> Application Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New Continuation Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
* 3. Date Received: <input type="text"/>	4. Applicant Identifier: CLACKAMAS COUNTY SECTION 108	
5a. Federal Entity Identifier: <input type="text"/>	5b. Federal Award Identifier: B-18-UC-41-0001	
State Use Only:		
6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>	
8. APPLICANT INFORMATION:		
* a. Legal Name: CLACKAMAS COUNTY, OREGON		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 93-6002286	* c. Organizational DUNS: 0969926560000	
d. Address:		
* Street1: 2051 KAEN ROAD #245	Street2: <input type="text"/>	
* City: OREGON CITY	County/Parish: <input type="text"/>	
* State: <input type="text"/>	OR: Oregon <input type="text"/>	
Province: <input type="text"/>	Country: USA: UNITED STATES <input type="text"/>	
* Zip / Postal Code: 97045-4035		
e. Organizational Unit:		
Department Name: HEALTH, HOUSING & HUMAN SERVICES	Division Name: COMMUNITY DEVELOPMENT DIVISION	
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: Mr. <input type="text"/>	* First Name: CHUCK <input type="text"/>	
Middle Name: <input type="text"/>	* Last Name: ROBBINS <input type="text"/>	
Suffix: <input type="text"/>	Title: DIRECTOR <input type="text"/>	
Organizational Affiliation: HOUSING AND COMMUNITY DEVELOPMENT DIVISION		
* Telephone Number: 503-650-8591	Fax Number: 503-655-8563	
* Email: CHUCK@CLACKAMAS.US		

Application for Federal Assistance SF-424	
<p>* 9. Type of Applicant 1: Select Applicant Type:</p> <p>B: County Government <input type="text"/></p> <p>Type of Applicant 2: Select Applicant Type: <input type="text"/></p> <p>Type of Applicant 3: Select Applicant Type: <input type="text"/></p> <p>* Other (specify): <input type="text"/></p>	
<p>* 10. Name of Federal Agency:</p> <p>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT <input type="text"/></p>	
<p>11. Catalog of Federal Domestic Assistance Number:</p> <p>14-218 <input type="text"/></p> <p>CFDA Title:</p> <p>CDBG - COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SECTION 108 LOAN PROGRAM <input type="text"/></p>	
<p>* 12. Funding Opportunity Number:</p> <p><input type="text"/></p> <p>* Title:</p> <p><input type="text"/></p>	
<p>13. Competition Identification Number:</p> <p><input type="text"/></p> <p>Title:</p> <p><input type="text"/></p>	
<p>14. Areas Affected by Project (Cities, Counties, States, etc.):</p> <p><input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/></p>	
<p>* 15. Descriptive Title of Applicant's Project:</p> <p>APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SECTION 108 LOAN PROGRAM <input type="text"/></p>	
<p>Attach supporting documents as specified in agency instructions.</p> <p><input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/></p>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="1, 3, 5"/>	* b. Program/Project: <input type="text" value="1, 3, 5"/>
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
17. Proposed Project:	
* a. Start Date: <input type="text" value="07/01/2017"/>	* b. End Date: <input type="text" value="08/30/2018"/>
18. Estimated Funding (\$):	
* a. Federal	<input type="text" value="11,100,000.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="11,100,000.00"/>
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?	
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/>	
<input checked="" type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.	
<input type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes", provide explanation and attach	
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)	
<input checked="" type="checkbox"/> ** I AGREE	
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix: <input type="text" value="Mr."/>	* First Name: <input type="text" value="RICHARD"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="SWIFT"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="DIRECTOR, DEPT OF HEALTH, HOUSING & HUMAN SERV"/>	
* Telephone Number: <input type="text" value="503-650-5696"/>	Fax Number: <input type="text"/>
* Email: <input type="text" value="RSWIFT@CLACKAMAS.US"/>	
* Signature of Authorized Representative: <input type="text"/>	* Date Signed: <input type="text"/>

Add Signed Certifications Here

**HOUSING AUTHORITY OF CLACKAMAS COUNTY (HACC)
13900 S. GAIN ST., OREGON CIYT, OR**

**PROJECT-SPECIFIC APPLICATION
FOR SECTION 108 LOAN GUARANTEE**

FROM

**U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

FOR

**ARBOR TERRACE APARTMENTS
127 N. COLE, MOLLALA, OR 97038**

**IN THE AMOUNT OF
\$265,000**

JUNE, 2018

I. Project Description – Arbor Terrace Apartments

Sponsored by the Housing Authority of Clackamas County, (HACC), Arbor Terrace is an existing 25 unit farm worker housing project located at 127 North Cole Street, Molalla, OR 97038. Molalla is located in the eastern central area of the Willamette Valley region bounded by the Portland Metropolitan area to the north, the Cascade Mountains to the east the Eugene/Springfield Metropolitan area to the south and the Oregon Coast Mountain Range on the west. This is a rich agriculture region where farming operations grow a vast variety of fruits and vegetables. The valley is also one of the premier viticulture regions of the country and home to over 500 wineries.

Because Willamette Valley's large agricultural industry is predominately labor intensive, the demand for all types of farm workers is high, especially for migrant workers who perform manual labor in the fields. Further, since wages for farm work are typically lower than in other industries, the demand for affordable housing generally far exceeds the supply. Arbor Terrace is critical to filling this need for affordable qualified farm worker housing units.

Arbor Terrace was built in 1992 with financing provided by the United States Department of Agriculture (USDA) Rural 515 Program. The funding mix for these types of projects generally includes a USDA grant for 50% of the project and a loan for the remaining funding. At this point in the project's life the loan has been paid down about \$40,000. For families to qualify to live in farmworker housing, they must be employed in qualified farm work (e.g. USDA defines the array of farm work categories) and earn approximately \$5,500 in annual wages. The project is composed seven buildings: 6 four unit buildings and 1 one story manager's building with a leasing office. The bedroom mix includes 10 two bedroom units, 9 three bedroom units, 4 four bedroom units and two handicap accessible units. One of the two bedroom units is a manager's unit. The site includes a parking lot in the center of the property, a playground and a community garden.

Since Arbor Terrace is now just over 25 years old it is in need of substantial rehabilitation. All major interior and exterior building systems are due for replacement. The general scope of interior work includes replacement of: 1) Kitchen - cabinets countertops, plumbing fixtures (e.g. sinks), appliances, and electrical service outlets; 2) Flooring - vinyl, carpet, subflooring as needed; 3) Doors - all interior doors and entry doors including casings and hardware; 4) Water Heaters; 5) Baseboard heaters throughout. Exterior work includes replacement of: 1) Siding and sheathing as needed; 2) Windows; 3) Roofs and vents; 4) Stairway railings; 5) Parking lot resurfacing; 6) Playground renovation; and 7) Exterior accessibility standards for ramps. The project will be completed in two phases. Phase I will include interior work and some exterior work needed to meet accessibility standards under the Americans with Disabilities Act (ADA). Phase II will include the exterior rehabilitation work. This funding application applies to the interior work. Exterior work will be completed in segments over the next five years.

HOUSING AUTHORITY OF CLACKAMAS COUNTY (HACC)

Established in 1938, as the first housing authority Oregon, HACC is a mission oriented affordable housing provider celebrating its 80th anniversary this year. HACC's portfolio includes 545 public housing units, 264 low income housing tax credit units, and another 100 units that include mental health, transitional, developmentally disabled, and affordable (e.g. income restricted) housing. In addition, HACC administers approximately 1,600 Section 8 rental assistance vouchers.

HACC is currently, working on projects to convert its public housing to a voucher platform through HUD's rental assistance demonstration (RAD) program, is a general partner member in a 212 LIHTC project beginning construction in May of 2018 and is working with an industry partner in developing a 24 unit veterans housing project. In addition, HACC administers a resident services program and is a partner with multiple county divisions that assist with public health, social services, behavioral health and children and families support.

DEVELOPMENT TEAM

The development team for the proposed Arbor Terrace Apartments rehabilitation will include HACC's asset manager, an assistant and project management staff from Clackamas County Community Development Division. HACC has the capability to complete the construction drawings, preparation of bid packet, bidding and construction management in house. HACC completes rehabilitation of 20 or more units per year in its public housing portfolio. HACC also has fiscal management capacity with a finance director that is a Certified Public Accountant and procurement specialist. HACC is experienced in the specific requirements of federal procurement including Section 3 requirements, MBE & DBE contractor solicitation, prevailing wage compliance and income reporting for CDBG low income targeting requirements.

II. Sources and Uses

A. Use of Funds:

Uses of Funds	
Interior Rehab - Construction	597,450
Design - Plans	9,300
Subtotal	606,750
Admin Fee (Community Development)	18,250
Loan Fees	10,000
Total Uses of Funds	635,000

B. Sources of Funds:

Sources of Funds	
Section 108 Loan	265,000

CDBG Grant	250,000
Capital Reserve	120,000
Other	
TOTAL Sources of Funds	635,000

III. Conditions of Approval: Conditions of any commitment will include:

- **Verification of costs** – HACC will review an updated development budget based on the final rehab cost estimates.
- **Debt Coverage Ratio (DCR)** – HACC will confirm that the total amount of debt service from the permanent loan remains within an acceptable debt coverage ratio relative to the project’s stabilized Net Operating Income (NOI). DCR is measured as NOI/Total Debt Service.

IV. Conditions prior to funding:

1. The Borrower (HACC) must provide all requested due diligence documentation including but not limited to final budgets, final plans and specifications, and service agreements prior to closing.
2. Final construction contract acceptable to HACC prior to closing.
3. All conditions for the issuance of required permits met prior to closing.
4. Sponsor (HCD) will execute 20 year regulatory agreements on all projects with new funding. (Note: Declaration of covenants for farmworker housing use is permanent unless the demand or market for affordable farm worker housing ceases)
5. Sponsor (HCD) will execute any required federal regulatory agreements.
6. Completion of HUD Environmental clearance.

V. Section 108 submission requirements:

A. Community Development Objectives

The Arbor Terrace Project Loan proposal will further the Clackamas County HCD's affordable housing preservation and permanent supportive housing goals within the 2017-2021 Consolidated Plan and the 2018-2019 Action Plan. As an affordable housing rehabilitation project, the project loan will meet the following HCD Goal:

Priority Need #1: Affordable Housing

Goals: Development of New Affordable Units

Preserve existing affordable housing units

AFH Goal: Increase accessibility to housing

B. Eligibility under 24 CFR 570.703, Section 108 eligibility and criteria

Each project assisted with Section 108 guaranteed loan funds must meet one of the eligibility requirements listed in 24 CFR 570.703. Each of the projects to be assisted with the Clackamas County Housing and Community Development Loan Fund will be eligible under 24 CFR 570.703. Because the original application was for a loan pool, the individual loans will qualify under several eligible activities: 570.703(a) acquisition; (b) rehabilitation of real property; (d) relocation; (e) clearance, demolition, removal; (f) site preparation; (h) housing rehabilitation; (i) economic development activities; or (l) public facilities.

This project qualifies under uses for relocation and housing rehabilitation 570.703 (b) and (h). All of the tenants of Arbor Terrace Apartments have incomes at or below 60% of area median income (AMI), with the majority earning 40% to 50% of AMI. Income certification will be required to ensure that the affordability and income targeting restrictions are maintained in the leasing of units for an affordability period that is permanent provided the demand for affordable farm worker housing continues in perpetuity. Incomes will be reviewed and certified on an annual basis in accordance with policies and procedures prescribed by HUD, HACC and Clackamas County Community Development Division.

C. Underwriting Standards for Section 108 Assisted Projects – Project Evaluation

1. Project Underwriting – Housing and Community Development Loan Pool

a. Proposed Project Costs

HACC and HCD Staff has reviewed the proposed project costs which are based on a capital needs assessment conducted by CNA Specialists, an architectural design firm specializing in cost estimating for farm worker housing. The County's loan commitment for financing construction or rehabilitation will be conditioned on a final guaranteed maximum price (GMP) contract for development within the proposed budget.

b. Commitment of all Sources of Funds

HACC has secured a Community Development Block Grant (CDBG) funds, HACC Replacement Reserve funds and the proposed Section 108 loan to complete this project.

c. Need for Assistance

As a housing authority, the project sponsor has limited resources to contribute to the project. Further, under the USDA Rural 515 Farm Worker Housing program, the owner is responsible for operating the project but the owner's income is limited to an annual asset management fee (e.g. for Arbor Terrace the annual Asset Management fee is limited to \$7,500). Any net cash flow is retained by the project and not distributed to the owner.

d. Financial Feasibility – Ability to Repay

The project's feasibility was evaluated by the County using the underwriting guidelines adopted for the loan pool and determined to be feasible with the financing structure proposed. The two key underwriting parameters are Loan to Value (LTV) and Debt Coverage Ratio (DCR).

The project's debt capacity was also reviewed based on current budget projections. Because it is a project targeting households at or below 60% of Area Median Income (AMI), the project's 25 units generate a fairly low Net Operating Income (NOI) as compared to similar market rate projects of this size.

Arbor Terrace currently has a small first mortgage in place where the annual payments are only \$2,500 per year. With the current budget Arbor Terrace has enough projected net operating income to support an additional loan of \$265,000. The current debt service plus adding the Section 108 loan debt service would result in a debt coverage ratio of 1.25 which is acceptable by industry standards. The loan size was calculated based on a 20 year repayment term and a 3.25% annual interest rate.

e. Loan to Value

Consistent with customary underwriting practice, loan to value coverage will be determined based on expected value as of the project. The current tax records indicate a total market value of \$3,600,000. Given a loan of \$265,000 plus the existing loan from the USDA, the loan to value is under 10% of total property value.

f. Developer/Owner Commitment

HCD Housing and Community Development Loan Pool Fund will require HACC to approve a CDBG Section 108 Loan agreement, a promissory note and a trust deed to secure the Section 108 Loan Pool funds. USDA will allow a lien subordinate to their first mortgage which is only \$40,000.

- g. Pro Rata Disbursement of the Section 108 funds**
The County distributes federal funds including CDBG Section 108 and HOME funds on a draw basis.
- h. Project Readiness to Proceed**
HACC has secured a Community Development Block Grant (CDBG) and is ready to proceed with this rehabilitation project as soon as additional funding becomes available through the Section 108 loan pool.
- i. Development Team Capacity and Experience**
The development team for the proposed Arbor Terrace Apartments rehabilitation will include HACC's asset manager, an assistant and project management staff from Clackamas County Community Development Division. HACC and County staff have extensive experience with housing rehabilitation projects and procurement of construction contractors.
- l. Loan Term**
HCD Section 108 loans shall not exceed a loan term of 20 years, with no loan to exceed the overall 20 year term of this loan fund and in no event to exceed the useful life of the asset being financed.
- m. Payment/Amortization**
Section 108 loans will be amortized over the full term of the loan (e.g., 20 year amortization for a 20 year loan) unless otherwise pre-approved by the County. Amortization greater than the term of the loan may be considered (e.g., 30 year amortization for a 20 year loan), if the anticipated financial condition of the project is sufficient to sustain a balloon payment at the end of the term.

Schedule of Principal Repayment

	BALANCE	\$265,000	
Arbor Terrace			
October 1, 2018	264,214	October 1, 2028	152,729
October 1, 2019	254,622	October 1, 2029	139,459
October 1, 2020	244,714	October 1, 2030	125,752
October 1, 2021	234,479	October 1, 2031	111,592
October 1, 2022	223,906	October 1, 2032	96,966
October 1, 2023	212,985	October 1, 2033	81,856
October 1, 2024	201,703	October 1, 2034	66,248

October 1, 2025	190,049
October 1, 2026	178,010
October 1, 2027	165,575

October 1, 2035	50,126
October 1, 2036	33,471
October 1, 2037	16,268

2. Standards for evaluating public benefit

Arbor Terrace Apartments is qualified as eligible under Section 570.703(h) – housing rehabilitation as permitted under 570.202. Specifically, the project meets the requirements at 570.202(a)(1) and (b)(1) as eligible rehabilitation and preservation of “privately owned buildings and improvements for residential purposes.” Therefore, the public benefit standards at 570.209 do not apply.

D. A Description of the Pledge of CDBG Guarantee

Clackamas County understands that if the participants in this Section 108 loan fund fail to make timely payments and as a result the County fails to make a required payment on its Section 108 obligation, HUD will deduct the missed payment from the CDBG Letter of Credit and in accepting this loan guarantee, Clackamas County has pledged its CDBG funds and all other applicable grants as security for the guarantee.

Project Contacts:

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