

May 9, 2024

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

Housing Authority Board of Commissioners  
 Clackamas County

**Approval of Resolution 1985 authorizing the Housing Authority to issue and sell revenue bonds in an amount not to exceed \$35,000,000 to support the development of Hillside Park Building C. Funding is through bond purchasers. No County General Funds are involved.**

<b>Previous Board Action/Review</b>	October 2019 – Board approval of the Hillside Park Master Plan Design Concept July 2021 – Board approval of Resolution authorizing submittal of Section 18 disposition application January 2022 – Notification to the Board of intent to release Request for Expressions of Interest from developers August 2022 – Related Northwest selected as the developer September 2022 – Approval of an Exclusive Negotiation Agreement with Related Northwest September 2023 – Approval to provide Housing Authority Board endorsement of the concept and preliminary commitment of Regional Affordable Housing Bond funds March 20, 2024 – Policy Session on Hillside Park Redevelopment, where the Board unanimously approved bringing the Resolution back for formal adoption at a future business meeting. April 4, 2024 – Development Agreement Approval May 7, 2024 – Item present 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>	Yes
<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 Housing Authority Board approval of an Inducement Resolution authorizing the issuance and sale of revenue bonds in an amount not to exceed \$35,000,000 to assist in financing the construction of Building C in Phase 1 of the Hillside Park Redevelopment Project.

**Overview of Hillside Park Redevelopment**

Built in 1942, Hillside Park is a public housing project consisting of 100 single-family units and duplexes dispersed over a 13.7-acre site in Milwaukie. The vision for this redevelopment project is over five years in the making and is based on extensive input from community stakeholders and an approved master plan. As

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part of its public housing repositioning, the Housing Authority of Clackamas County will be redeveloping this aging affordable housing at Hillside Park into up to 500 units of new affordable housing in two phases.

Construction of Phase 1 is scheduled to start this summer. Phase 1 consists of 275 units located in three buildings referred to as Buildings A, B, and C. Building C includes 100 units and will be the first of the three buildings to break ground with construction expected to commence in July 2024.

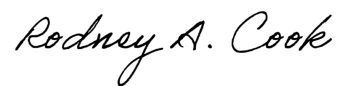
**Bond Inducement Resolution #1985**

The Housing Authority is a public body corporate and politic of the State of Oregon and is empowered by ORS 456.005 to 456.235 to issue revenue bonds for the purpose of financing housing projects. Through this Bond Inducement Resolution, the Housing Authority will issue and sell the revenue bonds not to exceed \$35,000,000. The Housing Authority will then lend the sale proceeds to the Hillside Park Building C Housing Partners Limited Partnership to assist in securing financing for the construction of the 100 new units in Building C.

With the approval of County Counsel, HACC has contracted with independent Bond Counsel, Foster Garvey PC. This outside counsel has reviewed and approved the attached Bond Inducement Resolution.

**RECOMMENDATION:** Staff respectfully recommend the Board approve the Inducement Resolution authorizing the issuance and sale of revenue bonds in an amount not to exceed \$35,000,000 to assist in financing the Hillside Park Redevelopment Building C, which will provide 100 units of newly constructed affordable housing for vulnerable residents.

Respectfully submitted,



Rodney A. Cook  
Director of Health Housing and Human Services

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

In the Matter of Declaring an Intent to Issue  
of Revenue Bonds Not to Exceed \$35,000,000 for  
Hillside Park Building C



RESOLUTION NO. 1985  
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WHEREAS, the Housing Authority of Clackamas County (the "Authority") is a public body corporate and politic of the State of Oregon and is empowered by ORS 456.005 to 456.235 (the "Act") to issue revenue bonds for the purpose of financing housing projects; and

WHEREAS, the Authority seeks to encourage the provision of long-term housing for low-income persons residing within Clackamas County, Oregon (the "County"); and

WHEREAS, Related Companies of California LLC ("Related") has formed Hillside Park Building C Housing Partners Limited Partnership (the "Borrower") as an Oregon limited partnership; and

WHEREAS, the Borrower has requested that the Authority issue and sell its revenue bonds (the "Bonds") in an amount not to exceed \$35,000,000 pursuant to the Act, to assist the Borrower in financing the construction and equipping of an approximately 100-unit apartment complex to be located in the Hillside Park area of Milwaukie, Oregon, to provide housing for low-income persons (the "Project"); and

WHEREAS, the use of the proceeds of the sale of the Bonds by the Borrower will permit the Borrower to finance the Project, thereby providing decent, safe, and sanitary housing for persons and families of lower income (as defined in the Act) for a period of not less than 15 years, and otherwise promoting the general health and welfare of the inhabitants within the jurisdictional limits of the Authority; and

WHEREAS, the Authority the Authority desires to provide such financial assistance if certain conditions are met; and

WHEREAS, Treasury Regulations Sections 1.103-8(a)(5) and 1.142-4(b) provide that that if an expenditure for an exempt facility is made before the issue date of bonds issued to provide financing for that facility, in order for such expenditure to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse such expenditure from the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of such regulations; NOW, THEREFORE,

**BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF CLACKAMAS COUNTY, as follows:**

Section 1. To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to issue and sell its revenue bonds or other obligations (the "Bonds"), in one or more series, in a principal amount of not to exceed \$35,000,000, to use the proceeds of the sale of the Bonds to make a loan (the "Loan") to the Borrower, and to reimburse itself or to permit the Borrower to reimburse itself, as applicable, from proceeds of the Bonds for expenditures for the Project made by the Authority or the Borrower before the issue date of the Bonds.

Section 2. The proceeds of the Bonds will be used to assist in financing the Project and may also be used to pay all or part of the costs incident to the authorization, sale, issuance and delivery of the Bonds.

Section 3. The Bonds will be payable solely from the sources specified by resolution of the Board of Commissioners of the Authority. The Bonds may be issued in one or more series, shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by resolution of the Board of Commissioners of the Authority.

Section 4. The Bonds shall be issued subject to the conditions that (a) the Authority, the Borrower and the purchaser(s) of the Bonds shall have first agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the loan or other agreement for the Project, and (b) all governmental approvals and certifications and findings required by laws applicable to the Bonds first shall have been obtained. The Executive Director of the Authority or his or her designee is authorized to cooperate with Related and the Borrower to seek an allocation of volume cap for the Bonds from the Private Activity Bond Committee of the Debt Management Division of the Oregon State Treasury and/or a suballocation of volume cap for the Bonds from Oregon Housing and Community Services.

Section 5. For purposes of applicable Treasury Regulations, the Authority and/or the Borrower are authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issue of the Bonds authorized herein. However, the adoption of this resolution does not constitute a guarantee that the Bonds will be issued or that the Project will be financed as described herein. The Board of Commissioners of the Authority shall have the absolute right to rescind this resolution at any time if it determines in its sole judgment that the risks associated with the issuance of the Bonds are unacceptable.

Section 6. It is intended that this resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of the Bonds, for the purposes of Treasury Regulations Sections 1.103-8(a)(5), 1.142-4(b), and 1.150-2.

Section 7. Any actions of the Authority or its officers prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 8. Any action required by this resolution to be taken by the Executive Director of the Authority may in the absence of such person be taken by the Housing Development Director of the Authority.

Section 9. This resolution shall be in full force and effect from and after its adoption and approval.

Dated this \_\_\_\_\_ DAY OF \_\_\_\_\_, 2024.

BOARD OF COMMISSIONERS OF THE  
HOUSING AUTHORITY OF CLACKAMAS COUNTY

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Chair

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Secretary