

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Sitting/Acting as:
Board of Commissioners of the Housing Authority of Clackamas County

Study Session Worksheet

Presentation Date: July 14, 2020 **Approx. Start Time:** 2:45 PM **Approx. Length:** 30 min

Presentation Title: Omnibus Resolution – Webster Road Redevelopment Project

Department: Housing Authority of Clackamas County (HACC)

Presenters: Stephen McMurtrey and Jill Smith

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Authorization to Seek Approval of Resolution No 1948 Authorizing the Execution, Acknowledgement and Delivery of Documents for the Webster Road Redevelopment Project

EXECUTIVE SUMMARY:

Background:

The Housing Authority of Clackamas County (HACC), a Division of the Health, Housing and Human Services Department will bring forward for approval Resolution 1948, authorizing the execution and delivery of documents in connection with funding applications and predevelopment documents for the rehabilitation of the Webster Road site through an Omnibus Resolution.

This is a rehabilitation project for the Housing Authority of Clackamas County of a single-story wood-framed building originally constructed in the mid 1960's. It was previously used as a nursing facility and most recently as a teen rehabilitation facility. The building has been vacant since 2017 and will be converted into permanent supportive housing for low income residents age 55 and older. The program consists of a mix of studios and SRO units, as well as shared kitchen and laundry facilities, offices and other support spaces. The site is currently developed with vehicle access, parking, sidewalks, and wooded surroundings. As much as possible, existing trees and asphalt paving areas shall be retained and protected.

Project scope includes full abatement of hazardous materials; building code and accessibility upgrades; new insulation, weatherproofing, windows, exterior doors, roofing membrane, and exterior cladding; interior renovation work consists of all new flooring, wall and ceiling finishes; and all new plumbing fixtures, lighting, and HVAC systems; site work consists of demolition, earthwork, landscaping, and parking lot modifications. Work in the public right-of-way will include replacing the sidewalk and drive pans along the Webster Rd street frontage to comply with ADA requirements, and potential street lighting upgrades pending a photometric assessment of the existing conditions. The scope also includes any demolition that will be necessary for the extents of the building rehabilitation.

- Site area: 95,830 SF (2.2 acres)
- Gross floor area: 28,672 SF
- Zoning: R-7.2 – Low Density Residential
- Bicycle parking: 4 short-term spaces, 8 long-term spaces
- Vehicle parking: 26 spaces - 2 accessible, 16 standard, 7 compact, and 1 loading
- Units: 48
- OHCS Sustainability Path: Earth Advantage Multi-family Home (2012), Gold Certification

Some **key** components of the Resolution are as follows:

- Provides HACC authorization to enter into the following agreements in relation to funding sources HACC either has or intends to apply for in support of this project:
 - Application to OHCS for an allocation of private activity bond volume cap to gain 4% low income housing tax credits;
 - Application to Clackamas County Community Development Department for a HOME Loan;
 - Application to Metro for Housing Bond Funds;
 - Application to OHCS for permanent supportive housing; and
- Provides Delegation of Authority to the Director of Health, Housing and Human Services, the Executive Director of the Authority and the Director of Housing Development as an Authorized Representative, to act on behalf of the Authority in its own capacity as the Special Limited Partner, and as the sole member of the General Partner to finalize the terms of, execute, acknowledge, and deliver the actions and documents authorized.

Key Components further explained

Omnibus Agreements are standard practice and are used to provide one point of execution for funding applications, financing documents and authorizations to act on regulatory agreements associated with financing documents on behalf of a Limited Partnership. Omnibus Resolutions have most recently been used in conjunction with Easton Ridge, Rosewood Terrace, and for the formation of Hillside Manor's Limited Partnership and closing.

Delegation of Authority is also standard practice in complex real estate transactions to grant authority for various members of a development team to execute authorized documents in order to initiate closing of the transaction or to authorize construction draws from construction proceeds during rehabilitation of the project.

The Housing Authority has retained Robert Sullivan as outside counsel on the Webster Road rehabilitation. Rob Sullivan is the author of this resolution and has acted as representation for HACC in all matters related to the acquisition and predevelopment of this project. All documents referenced in the Omnibus or agreements entered into by an Authorized Representative will be reviewed and approved by Rob Sullivan acting as independent third-party counsel for HACC.

To the extent practical, as may be requested, all documents referenced within the Omnibus Resolution will be provided to the board prior to execution.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the funding source?

As currently contemplated, funding sources would include 4% Low Income Housing Tax Credits (LIHTC), PSH Capital Funds (OHCS), Metro Bond Funding, Perm Loan and County HOME Funds among others

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
 - Sustainable and Affordable Housing
 - Efficient & effective services

- How does this item align with the County’s Performance Clackamas goals?
 - By seeking authorization to enter into this Resolution, HACC will be able to access funds to pay for additional development of affordable housing throughout Clackamas County, which aligns with the board priority of ensuring safe, healthy and secure communities.

LEGAL/POLICY REQUIREMENTS:

HACC has retained Rob Sullivan as outside legal counsel on this project. Mr. Sullivan is the author of this resolution and has acted as representation for HACC in all matters related to the acquisition and predevelopment of this project. All documents referenced in the Omnibus or agreements entered into by an Authorized Representative will be reviewed and approved by Rob Sullivan acting as independent third-party counsel for HACC.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Metro, an Oregon municipal corporation (“Metro”) proposed and voters approved an affordable housing bond measure in November 2018. Metro created the Affordable Housing Program Work Plan to implement the funding. Metro required the development of a local implementation strategy. The HACC local implementation strategy was approved by the Board in the fall of 2019. HACC staff has been assembling the team and acquiring property in compliance with the local implementation strategy. This work has resulted in the acquisition of the Webster Road building and the first Clackamas County project using Metro Housing Bond funding

OPTIONS:

1. Approve the request to allow HACC to move forward with requesting approval of Resolution #1948 on the July 16th consent agenda;
2. Request additional information, ask staff to make edits and place amended resolution #1948 on consent agenda for upcoming July 16 business meeting;
3. Request substantial changes and ask staff to bring amended report and resolution #1948 to the board for consideration and approval at a later date.

RECOMMENDATION:

Staff recommends that the Board select option 1 and approve the request to allow HACC to move forward with requesting approval of Resolution #1948 on the July 16th consent agenda.

ATTACHMENTS:

1. DRAFT Omnibus Resolution # 1948

SUBMITTED BY:

Division Director/Head Approval _____
 Department Director/Head Approval _____
 County Administrator Approval _____

For information on this issue or copies of attachments, please contact Jill Smith @ 503-742-5336

BEFORE THE BOARD OF DIRECTORS
OF THE HOUSING AUTHORITY OF CLACKAMAS COUNTY

In the Matter of Authorizing the Execution,) RESOLUTION
Acknowledgement and Delivery of)
Documents Relating to the Webster Road) NO. 1948
Apartments Project and providing for
related matters) Page 1 of 3

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

WHEREAS, on or about April 18, 2019, the Authority formed HACC Webster Road, LLC, an Oregon limited liability company (“HACC Webster Road”) to act as the Developer for the development, financing, construction and operation of the Webster Road Apartments project (the “Project”); and,

WHEREAS, on or about June 10th, 2019, the Authority received funding from Metro, an Oregon municipal corporation, (“Metro”) to acquire a 27,000 square foot building on a 2.2 acre site at 18000 Webster Road, Gladstone Oregon (the “Property”) to renovate for the Project; and

WHEREAS, on June 13th, 2019 the Authority acquired the Property pursuant to a Board approved Intergovernmental Agreement (“IGA”) with Metro; and

WHEREAS, on or about January 15, 2020, HACC Webster Road acting as the general partner formed Webster Road Housing Limited Partnership, an Oregon limited partnership (“WRH”); and

WHEREAS, the Project will consist of approximately 48 units of rental housing and related facilities that will be owned by WRH; and,

WHEREAS, the Project, except for staff units, will be rented to persons or families with incomes of 30% of area median or less, and operated as a “housing project” as defined in ORS 456.065; and,

WHEREAS, the Authority entered into a contract with Carleton Hart Architects to design the renovations for the Project; and

WHEREAS, HACC Webster Road acting as the general partner of WRH intends to apply Clackamas County Community Development Division (“CCCDD”) for a \$400,000.00 HOME loan; and

WHEREAS, the Authority intends to apply to the State of Oregon, Housing and Community Services Department (“OHCS D”) for permanent supportive housing funds for the Project; and

WHEREAS, HACC Webster Road acting as the general partner of WRH intends to apply to Metro for a Housing Bond Fund loan; and

WHEREAS, HACC Webster Road acting as the general partner of WRH intends to apply to OHCS D for an allocation of private activity bond volume cap to enable the Project to benefit from federal low income tax credits; and

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY

Section 1. Authorization to Execute, Acknowledge and Deliver the Applications and Contract Documents. The Authority is authorized in its own right or as the sole member of HACC Webster Road acting as the General Partner of WRH to execute, acknowledge and deliver the following:

- 1.1 Application to OHCS D for an allocation of private activity bond volume cap to be awarded to HACC so it may issue bonds to finance the Project and receive 4% federal low income housing tax credits;
- 1.2 Application to CCCDD for a HOME Loan;
- 1.3 Application to Metro for Housing Bond Funding;
- 1.4 Application to OHCS D for Permanent Supportive Housing Funds

for the Project.

Section 2. Delegation. The Chair of the Board of the Housing Authority of Clackamas County or, if the Chair is not available, the Director of Health, Housing and Human Services, the Executive Director of the Authority or the Director of Housing Development (each of whom is referred to in this resolution as a “Director”) may, on behalf of the Authority for itself or acting as the sole member of the General Partner of WRH and without further action by the Board:

Finalize the terms of, and execute, acknowledge and deliver the Applications and Contract identified in sections 1.1, 1.2, 1.3, and 1.4 (collectively the “Documents”). Before executing and delivering the Documents, the Director may, after consulting with legal counsel, make changes to the Documents that are reasonable and necessary in the Director’s discretion to facilitate the execution and delivery of the Documents. However, the changes authorized by the preceding sentence shall not materially change the Documents.

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 JULY, 2020.

BOARD OF COMMISSIONERS FOR THE
HOUSING AUTHORITY OF CLACKAMAS
COUNTY

Chair

Recording Secretary

APPROVED AS TO FORM



COUNSEL FOR HOUSING AUTHORITY
OF CLACKAMAS COUNTY, OREGON.

