

August 18, 2022

Housing Authority Board of Commissioners
Clackamas County

Members of the Board:

**Adoption of Housing Authority Resolution #1969 delegating authority to finalize the terms of the Marylhurst Commons affordable housing development in Lake Oswego.
No County General Funds are involved.**

Purpose/Outcomes	Approval of Housing Authority Resolution #1969 delegation to finalize the terms of, execute, acknowledge, and deliver the actions and documents in connection with the Marylhurst Commons affordable housing development in Lake Oswego.
Dollar Amount and Fiscal Impact	\$8,900,000 No County General Funds are involved.
Funding Source	Regional Affordable Housing Bond & Supportive Housing Services Funds
Duration	Financial closing scheduled September 15, 2022. Project scheduled to be complete and operational in early 2024.
Previous Board Action/Review	2/2/21 –Board notified of Housing Authority’s intent to award Supportive Housing Services (SHS) subsidy and Project-Based RLRA vouchers. 5/17/22 – Resolution #1965 presented seeking approval of awards. 5/19/2022 - Board adopted Resolution #1965 granted signature authority of all RLRA contracts and ability to negotiate terms of metro bond loan. 8/17/22 – Resolution #1969 presented at Issues discussed final delegation of authority to complete metro bond loan at closing.
Strategic Plan Alignment	1. Sustainable and affordable housing 2. Ensure safe, healthy, and secure communities
Counsel Review	7/21/22 Paul Dagle, Elliott, Ostrander & Preston, P.C.
Procurement Review	1. Was the item processed through Procurement? yes <input type="checkbox"/> no <input checked="" type="checkbox"/> 2. If no, provide brief explanation: This item is a resolution. Selection for Project-Based RLRA vouchers was based on previous competition (LIFT) as allowed per HACC’s Project-Based Voucher (PBV) Policy.
Contact Person	Devin Ellin, Director of Housing Development, HACC (971) 227-0472
Contact No.	HACC Resolution # 1969

Staff is requesting the adoption of Resolution #1969 with the presenting of near final Metro Bond Funds Loan Documents and delegation of authority to finalize the terms of, execute, acknowledge, and deliver the actions and documents as reasonably may be required in connection with the Marylhurst Commons affordable housing project.

BACKGROUND:

This is an opportunity for Clackamas County, through the Housing Authority of Clackamas County (HACC), to support a shovel-ready affordable housing project. The Marylhurst Commons project is located in a high opportunity area and advances the County’s affordable housing unit production target under the Regional Affordable Housing Bond measure.

On May 19, 2022, the Board adopted Resolution #1965, authorizing the allocation of \$3M in Regional Affordable Housing Bond funds and an allocation of 40 project based RLRA vouchers for the Marylhurst Commons project, for a total combined investment value of \$8.9M. Resolution #1965 delegated the signature authority for the 40 project-based RLRA contracts, but provided only limited

approval for the bond loan. That limited approval allowed staff to negotiate the agreement with the assurance that substantially final loan documents would be brought back to the Board for review and approval before assigning delegation authority to finalize and sign the documents. Therefore, this final step is seeking approval of Resolution #1969 requesting Board approval of the substantially final Metro Bond Funds Loan Documents and the delegation of signing authority to an Authorized Representative who, on behalf of HACC, will finalize the terms of, execute, acknowledge, and deliver the actions and documents as reasonably may be required in connection with the financial closing of Marylhurst Commons.

The Marylhurst Commons Affordable Housing project is expected to commence after the financial closing on or around September 15, 2022, and be completed and in full operations by the first quarter of 2024. The project will consist of 17 one-bedroom units, 61 two-bedroom units, and 22 three-bedroom units. The 100 units will consist of 60 units for families earning 60% of AMI (area median income) and below and 40 units for Permanent Supportive Housing (PSH) for families with incomes at or below 30% of AMI who have experienced homelessness or are at risk of becoming unhoused. The PSH units will be supported with 40 Project-Based RLRA vouchers. The cost associated with the RLRA vouchers allotted to this project will come from HACC's RLRA budget. SHS services funding will be contracted separately closer to the beginning of operations and is not included in this resolution. Marylhurst Commons is financed by a combination of public and private funds, including approximately:

- \$4.25 million OHCS LIFT funds
- \$1.2 million from the Sisters of the Holy Names
- \$3 million in Regional Affordable Housing Bond funds
- \$1.5 million in Deferred Developer Fee
- \$17.7 million in 4% Low Income Housing Tax Credit (LIHTC) Equity
- \$1.5 million Mercy Loan Fund
- \$11.3 million permanent amortizing loan

Marylhurst Commons will be an important community asset serving lower-wage, working families who have been excluded from the high-opportunity Lake Oswego community, as well as families who have been housing insecure. Mercy Housing Northwest and Lake Oswego School District have signed an MOU to provide referrals for these units in an effort to reduce the number of families with children who are homeless or at risk of homelessness enrolled in Lake Oswego Schools.

ATTACHMENTS:

- Resolution #1969
- Substantially final Metro Bond Funds Loan Documents

RECOMMENDATION:

HACC staff recommends the approval of HACC Resolution #1969 approving of near final Metro Bond Funds Loan Documents and delegating signing authority to the Executive Director of HACC, the Director of Health, Housing and Human Services, and the Director of Housing Development as Authorized Representatives to, on behalf of HACC, finalize the terms of, execute, acknowledge, and deliver the actions and documents as reasonably may be required in connection with the Marylhurst Commons affordable housing development in Lake Oswego.

Respectfully submitted,

Denise Swanson

Rodney A. Cook, Director
Health, Housing and Human Services

Healthy Families. Strong Communities.

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

In the Matter of Approving the Metro Bond Funds Loan Documents for the Marylhurst Commons Project



RESOLUTION NO. 1969

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WHEREAS, on May 19, 2022, the Board of Commissioners (the “**Board**”) of the Housing Authority of Clackamas County (the “**Authority**”) adopted Resolution No. 1965, which authorizes the Authority to make a loan to MHNW 20 Marylhurst Limited Partnership (the “**Partnership**”) of Metro Bond Funds, as the term is defined in Resolution No. 1965, in the amount up to Three Million Dollars (\$3,000,000) (the “**Metro Bond Funds Loan**”) to be used in connection with the development of Marylhurst Commons, with a property address of 17600 Pacific Highway, Lake Oswego, Oregon (the “**Project**”); and

WHEREAS, pursuant to Resolution No. 1965, the Board has requested, been provided with, and approved the substantially final versions of the following documents in connection with the Metro Bond Funds Loan:

1. Loan Agreement (Marylhurst Commons);
2. Metro Bond Program Promissory Note (Marylhurst Commons);
3. Line of Credit Leasehold Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents (Marylhurst Commons);
4. Regulatory Agreement (Marylhurst Commons);
5. Replacement Cost and Capital Improvements Agreement (Marylhurst Commons); and
6. Priority and Subordination Agreement (Marylhurst Commons).

(collectively, the “**Metro Bond Funds Loan Documents**”).

NOW, THEREFORE, THE AUTHORITY ADOPTS THE FOLLOWING RESOLUTIONS:

Section 1. Approve Substantially Final Metro Bond Funds Loan Documents.

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority the substantially final Metro Bond Funds Loan Documents listed in 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 Loan 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 Loan 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, as that term is used in Resolution 1965, 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.

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 ____ 2022

BOARD OF COMMISSIONERS FOR THE
HOUSING AUTHORITY OF CLACKAMAS COUNTY

Chair

Recording Secretary

APPROVED AS TO FORM

C. Paul Taylor

COUNSEL FOR HOUSING AUTHORITY
OF CLACKAMAS COUNTY, OREGON

EXHIBIT A

Metro Bond Funds Loan Documents

1. Loan Agreement (Marylhurst Commons)
2. Metro Bond Program Promissory Note (Marylhurst Commons)
3. Line of Credit Leasehold Trust Deed, Security Agreement, Fixture Filing and Assignment of Leases and Rents (Marylhurst Commons)
4. Regulatory Agreement (Marylhurst Commons)
5. Replacement Cost and Capital Improvements Agreement (Marylhurst Commons)
6. Priority and Subordination Agreement (Marylhurst Commons)

Other Related Documents

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

COVER SHEET

- New Agreement/Contract
- Amendment/Change/Extension to _____
- Other _____

Originating County Department: _____

Other party to contract/agreement: _____

Description:

After recording please return to: _____

- County Admin
- Procurement

If applicable, complete the following: _____

Board Agenda Date/Item Number: _____