

June 13, 2024

BCC Agenda Date/Item: _____

Housing Authority Board of Commissioners
 Clackamas County

Approval of Resolution 1988 Authorizing Multifamily Housing Revenue Bond Documents for the Hillside Park Building C Redevelopment Project. Bonds to be issued not to exceed \$39,000,000. Funding through Bond Proceeds. No County General Funds are involved.

Previous Board Action/Review	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 was 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 9, 2024 – Inducement Resolution Approved at Business Session. June 11, 2024 – Item Presented at Issues.		
Performance Clackamas	This item aligns with the strategic priority to ensure safe, healthy, and secure communities by providing sustainable and affordable housing.		
Counsel Review	Yes	Procurement Review	No
Contact Person	Devin Ellin	Contact Phone	971-227-0472

EXECUTIVE SUMMARY: The Housing Authority of Clackamas County (HACC), a component unit of Clackamas County within the Housing and Community Development Division of the Health, Housing, and Human Services Department, is requesting board adoption of resolution 1988 authorizing the

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execution, acknowledgment, and delivery of the Multifamily Housing Revenue Bond Documents for the Hillside Park, Building C Redevelopment project. The resolution approves the designation of authorized officers to finalize and execute all Bond documents. The authorized officers include the Chair of the Board, the Housing Authority's Executive Director, and the Director of Housing Development of the Authority.

Overview of the 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 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.

Related Northwest is developing this project in partnership with HACC. Building C will consist of 100 units of affordable rental housing for households earning 60% AMI or below. The development will include (3) Studio units, (22) 1 Bedroom/1 Bath units, and (75) 2 Bedroom/1 bath units. These units are required to remain affordable for a period of 60 years and the land will remain bound by affordability restrictions for 99 years.

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 will be the first of the three buildings to break ground with construction expected to commence in July 2024.

Bond Documents

The bond documents summarized in the resolution authorize HACC to issue and sell its Series 2024 Multifamily Housing Revenue Bonds for an amount of not to exceed \$39,000,000. The proceeds will be used to construct the multifamily affordable housing complex Hillside Park, Building C, located at 2889 SE Hillside Court Milwaukie, OR 97222.

The principal bond documents include the Bond Loan Agreement which is a document between a bond issuer (HACC) and the underwriter establishing the terms of a bond sale and the Regulatory Agreement which is a land use restriction agreement ensuring multi-family housing revenue bond issues are used for the construction of affordable housing.

HACC has retained Foster Garvey PC to act as Bond Counsel, with Allison Schwartzman preparing and reviewing the Bond Documents for this project.

RECOMMENDATION: Staff respectfully recommend the Board approve the adoption of Resolution 1988 authorizing the execution, acknowledgment, and delivery of the Bond Documents for the Hillside Park, Building C Redevelopment project.

Respectfully submitted,

Rodney A. Cook

Rodney A. Cook
Director of Health Housing and Human Services

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

In the Matter of Providing for the Issuance of the Housing Authority of Clackamas County Revenue Bond, 2024 (Hillside Building C Project) in a principal amount not to exceed \$39,000,000, the proceeds of which will be lent to Hillside Park Building C Housing Partners Limited Partnership to finance the construction and equipping of an approximately 100-unit affordable housing project; providing for the determination of terms and covenants of the Bond; authorizing execution and delivery of documents; providing for the sale of the Bond to Umpqua Bank; amending Resolution No. 1985 of the Board of Commissioners of the Housing Authority of Clackamas County to increase the principal amount of the obligations contemplated thereby; and determining related matters

RESOLUTION NO. 1988

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

Section 1. Recitals and Findings. The Board of Commissioners (the “Board”) of the Housing Authority of Clackamas County (the “Authority”) finds and determines:

(a) Statutory Authorization. The Authority is a public body corporate and politic of the State of Oregon and a housing authority authorized by the Housing Authorities Law (ORS 456.005 to 456.235) to, among other things, to: (i) “[p]repare, carry out, acquire, lease and operate housing projects” (ORS 456.125(5)) and [p]rovide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof” (ORS 456.125(6)); (ii) “lease or rent any housing, land, buildings, structures or facilities embraced in any housing project and, subject to the limitations of the Housing Authorities Law, to establish and revise the rents or charges therefor” (ORS 456.120(8)) and “sell, mortgage, lease, rent, transfer, assign, pledge or otherwise dispose of any real property or any interest therein” (ORS 456.120(11)); (iii) “form, finance and have a nonstock interest in, and to manage or operate, partnerships . . . in order to further the purposes of the housing authority” (ORS 456.120(20)) and “enter into a partnership agreement with or loan money to an individual, partnership, corporation or other association to finance, plan, undertake, construct, acquire, manage or operate a housing project” (ORS 456.120(18)); (iv) “finance, develop, own, operate or manage a mixed income housing project” if certain requirements are met (ORS 456.120(19), ORS 456.153); (v) “issue bonds . . . for any of its corporate purposes” (ORS 456.175), which “bonds” include “any bonds, notes, interim certificates, debentures or other obligations” (ORS 446.055(3)), and in connection therewith “pledge all or any part of its . . . revenues to which its right then exists or thereafter comes into existence” (ORS 456.200(1)), “mortgage its real or personal property” (ORS 456.200(2)), and “make any covenants and do any acts and things necessary or convenient to secure its bonds, or, in the absolute discretion of said authority,

tending to make the bonds more marketable” (ORS 456.200(22)); (vi) “make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority” (ORS 456.120(4)); and (vii) “delegate to one or more of its agents or employees such powers or duties as it deems proper” (ORS 456.135). As used in the Housing Authorities Law, “housing project” includes any work or undertaking “[t]o provide decent, safe and sanitary urban or rural housing for persons or families of lower income” which may include “buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances” (ORS 456.065(2)).

(b) The Project. The Authority is undertaking the first phase of the redevelopment of the Authority’s Hillside Park property, including the construction of Hillside Park Building C to contain approximately 100 units of housing and related infrastructure and other improvements (the “Project”). Pursuant to the authority set forth in Resolution No. 1972 adopted by the Board on September 29, 2022, the Authority entered into an Exclusive Negotiation Agreement with the Related Companies of California LLC (“Related”), pursuant to which the Authority and Related agreed to negotiate in good faith an agreement regarding the portions of the Authority’s Hillside Park Project. Pursuant to the authority set forth in Resolution No. 1981 adopted by the Board on April 4, 2024, the Authority entered into a Development Agreement dated as of May 4, 2024 pertaining to the Project with Related/Hillside Park Building C Development Co., LLC (the “Administrative General Partner”). In connection with the financing of the Project, the Authority will grant a leasehold interest in the land on which the Project will be located to the Borrower (as hereinafter defined), the Authority will be provided with an option to acquire the Administrative General Partner’s interests in the Borrower, and the Authority will be provided with an option and right of first refusal to acquire the Borrower’s interest in the Project and/or the limited partners’ interests in the Borrower. The Borrower has applied to the Authority for financial assistance for the purpose of providing part of the funds with which to construct and equip the Project to provide housing for low-income persons within the Authority’s area of operation.

(c) The Borrower. Related has caused Hillside Park Building C Housing Partners Limited Partnership (the “Borrower”) to be formed in connection with the development of the Project.

(d) Issuance of Bond Necessary and Advisable and in the Best Interests of the Authority. The Borrower has requested that the Authority issue a revenue bond in a principal amount of not to exceed \$39,000,000 for the purpose of assisting the Borrower in financing the Project. It is necessary and advisable, important for the feasibility of the Project, and in the best interest of the Authority to issue a bond in an original principal amount of not to exceed \$39,000,000, the proceeds of which will be used to make a loan to the Borrower for the purposes described herein.

(e) Resolution No. 1985. The Board previously adopted Resolution No. 1985, declaring its intention to issue revenue bonds or other obligations in a principal amount of not to exceed \$35,000,000 for the purpose of making a loan to the Borrower to finance the Project. The expected cost of constructing and equipping the Project has increased since the date of adoption of Resolution No. 1985 and, as a result, the Board has determined that it is necessary

and advisable and in the best interest of the Authority to modify Resolution No 1985 to increase the amount of the contemplated bond financing.

Section 2. Definitions. As used in this resolution, the following capitalized terms have the following meanings:

“Access Laws Certificate and Indemnity” means the Access Laws Certificate and Indemnity to be executed by the Borrower and The Related Companies, L.P., for the benefit of the Bank relating to accessibility claims and conditions with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Administrative General Partner” means the entity designated by the Borrower as its administrative general partner, initially Related/Hillside Park Building C Development Co., LLC, a California limited liability company, and its successors and assigns as the administrative general partner of the Borrower.

“Assignment for Security of Tax Credit Collateral” means the Assignment for Security of Tax Credit Collateral to be executed by the Borrower, the Administrative General Partner, and the Authority (in its capacity as a general partner of the Borrower) for the benefit of the Bank relating to assignment to the Bank of certain rights of the Administrative General Partner, the Authority and the Borrower under the Borrower’s governing documents, including any supplements or amendments thereto made in conformity therewith.

“Assignment of Contracts, Agreements, and Permits” means the Assignment of Contracts, Agreements, and Permits to be executed by the Borrower, relating to assignment to the Bank of certain of the Borrower’s rights under certain contracts, permits, escrows, licenses, documents, certificates and other agreements relating to the Project, together with applicable consents to assignment of the assigned agreements, including, in each case, any supplements or amendments thereto made in conformity therewith.

“Assignment of AHAP Contract” means the Assignment for Security of AHAP Contract to be executed by the Borrower, relating to assignment to the Bank of certain of the Borrower’s rights under the agreement to enter into a Section 8 project-based housing assistance payment contract relating to the Project, together with the Consent to Assignment of AHAP Contract and HAP Contract as Security for Financing to be executed by the Authority and the Borrower, including, in each case, any supplements or amendments thereto made in conformity therewith.

“Assignment of Loan Documents” means the Assignment of Loan Documents (Collateral Assignment in Part and Absolute Assignment in Part) to be executed by the Authority and acknowledged by the Borrower, relating to assignment to the Bank of certain of the Authority’s rights under certain of the Loan Documents, including any supplements or amendments thereto made in conformity therewith.

“Authority” means the Housing Authority of Clackamas County, a public body corporate and politic duly organized and existing under and by virtue of the laws of the State of Oregon.

“Authorized Officers” means the Chair of the Board, the Authority’s Executive Director,

the Director of Housing Development of the Authority, and their respective designees.

“Bank” means Umpqua Bank, as Registered Owner of the Bond, and any subsequent Registered Owner thereof.

“Bank Loan Agreement” means the Construction and Term Loan Agreement between the Authority and the Borrower, and assigned by the Authority to the Bank, setting forth certain covenants and conditions relating to the Loan, including any supplements or amendments thereto made in conformity therewith.

“Board” means the Board of Commissioners of the Authority.

“Bond” means the Revenue Bond, 2024 (Hillside Building C Project), of the Authority, issued pursuant to, under the authority of and for the purposes provided in this resolution.

“Bond Loan Agreement” means the Loan Agreement between the Authority and the Borrower providing for, evidencing and securing the obligation of the Borrower to repay the Loan, including any supplements or amendments thereto made in conformity therewith.

“Bond Registrar” means the Executive Director of the Authority.

“Borrower” means Hillside Park Building C Housing Partners Limited Partnership, an Oregon limited partnership.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issue of the Bond or as it may be amended to apply to obligations issued on such date of issue, or any successor federal income tax statute or code.

“Deed of Trust” means the Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing under which the Borrower will be the grantor and the Bank will be the beneficiary, encumbering the Borrower’s interests in the real property and improvements and personal property constituting the Project, including any supplements or amendments thereto made in conformity therewith.

“Draws” means incremental draws on the Bond.

“Environmental Indemnity Agreement” means the Hazardous Materials Certificate and Indemnity to be executed by the Borrower and The Related Companies, L.P. in favor of the Bank relating to environmental claims and conditions with respect to the Project, including any supplements or amendments thereto made in conformity therewith.

“Ground Lessor’s Consent” means the Ground Lessor’s Consent to Leasehold Deed of Trust to be executed by the Authority for the benefit of the Bank relating to the lease of the Property by the Authority to Borrower, including any supplements or amendments thereto made in conformity therewith.

“Guaranty” means the Repayment and Completion Guaranty, to be executed by The Related Companies, L.P., guaranteeing certain of the Borrower’s obligations with respect to the

Loan, including any supplements or amendments thereto made in conformity therewith.

“Loan” means the loan from the Authority to the Borrower of the proceeds of Draws on the Bond.

“Loan Documents” means, collectively, the Access Laws Certificate and Indemnity, the Assignment for Security of Tax Credit Collateral, the Assignment of Contracts, Agreements, and Permits, the Assignment of AHAP Contract, the Assignment of Loan Documents, the Bank Loan Agreement, the Bond Loan Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Ground Lessor’s Consent, the Guaranty, the Note, the Priority Agreement, the Reserve Agreement, the Security Agreement, any related UCC Financing Statements and any other documents relating to the Loan to be executed by the Borrower, a general partner of the Borrower (in such capacity), or any guarantor with respect to the Loan.

“Note” means the promissory note evidencing the Loan.

“Priority Agreement” means a priority and subordination agreement to be among the Authority, the Borrower, the Bank, and other parties named therein, including any supplements or amendments thereto made in conformity therewith.

“Project” means, depending upon the context, (a) the construction and equipping of a housing complex consisting of 100 dwelling units and functionally related and subordinate facilities, to be located on the Property, to provide housing for low-income persons, or (b) the housing complex located on the Property.

“Property” means the real property described on Exhibit A of the Bond Loan Agreement.

“Registered Owner” means the Bank, as registered owner of the Bond, registered as such on the registration books maintained by the Bond Registrar.

“Regulatory Agreement” means the Regulatory Agreement to be executed by the Borrower and the Authority, governing the use of the Project, including any supplements or amendments thereto made in conformity therewith.

“Reserve Agreement” means the Reserve and Security Agreement to be executed by and between the Borrower and the Bank, relating to the creation and funding of a replacement reserve and an operating reserve for the Project, including any supplements or amendments thereto made in conformity therewith.

“Security Agreement” means the Security Agreement (Pledge of Partnership Interests) to be executed by the Administrative General Partner and the Authority (in its capacity a general partner of the Borrower) providing for assignment to the Bank of certain rights of the Administrative General Partner and the Authority with respect to the Borrower, including any supplements or amendments thereto made in conformity therewith.

“Tax Certificate and Agreement” means the Tax Certificate and Agreement to be executed by the Borrower and the Authority in connection with the Bond, including any

supplements or amendments thereto made in conformity therewith.

“Term Sheet” means the Term Sheet noted to have been revised as of April 19, 2024, prepared by the Bank setting forth certain of the terms under which the Bank may purchase the Bond, as it may be amended and supplemented, and any commitment letter issued pursuant or supplemental thereto.

All other capitalized terms used but not defined herein shall have the meanings assigned to them in the Bond Loan Agreement.

Section 3. Authorization of Bond and Application of Proceeds. The Authority shall issue and sell the Bond in a principal amount not to exceed \$39,000,000 for the purpose of making a loan to the Borrower to provide financing for a portion of the costs of the Project and, at the option of the Borrower, costs of issuing the Bond. All proceeds from Draws on the Bond shall be lent to the Borrower for those purposes. The Authority and the Borrower intend that the proceeds of the Bond be allocated, or deemed allocated, on a pro rata basis, to each building in the Project so that each building and the land on which it is located will have been financed 50% or more by the proceeds of the Bond for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however, that this intended, or deemed, allocation does not limit the Borrower’s obligations under the Bond Loan Agreement and Tax Certificate and Agreement.

Section 4. Description of Bond. The Bond shall be called the Housing Authority of Clackamas County Revenue Bond, 2024 (Hillside Building C Project); shall be in a principal amount not to exceed \$39,000,000; shall be dated its date of delivery; and shall be numbered R-1. At the maturity date, the remaining outstanding principal balance and accrued interest on the Bond shall be due and payable in full. The Authorized Officers, and each of them acting alone, are authorized to determine and approve the final terms of the Bond. The Bond shall bear interest payable on such dates and at such rates (which may include variable rates based on the Secured Overnight Financing Rate, the prime rate, or other index rate, and/or a fixed rate or rates), shall mature at such times and in such amounts, shall have such prepayment and/or redemption provisions and shall have such other provisions consistent with the purposes of this resolution as are set forth in the Bond and the Loan Documents. The authentication of the Bond by the Bond Registrar and the execution of the Loan Documents by any Authorized Officer shall be conclusive evidence of approval by the Authority of the terms set forth therein.

Section 5. Draws on the Bond Draws on the Bond shall be made in accordance with the terms and provisions set forth herein, in the Bond and in the Loan Documents. Draws shall be recorded in such form as the Borrower and the Bank may agree. Draws on the Bond shall be limited to an aggregate principal amount set forth in the Bond, not to exceed \$39,000,000. In the event that the Authority determines that it is in the best interest of the Authority or the Borrower to convert the Bond into a fully funded obligation, Draws that have not been drawn to such date (the “Remaining Authorized Amount”) on the Bond may be drawn, with the consent of the Bank, and the Authority may take any other action and execute such other documents as may be required to be taken or executed by the Authority, on behalf of itself or as a general partner of the Borrower, in connection therewith (including, without limitation, execution of agreements relating to the deposit and investment of such Remaining Authorized Amount prior to application to pay costs of the Project).

Section 6. Bond Register; Registration and Transfer of Bond. The Bond shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained for the Bond by the Bond Registrar (the "Bond Registrar"). The Executive Director of the Authority shall serve as Bond Registrar for the Bond. The Bond Register shall contain the name and mailing address of the Registered Owner of the Bond. The Bond Registrar is authorized, on behalf of the Authority, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this resolution, to serve as the Authority's paying agent for the Bond and to carry out all of the Bond Registrar's powers and duties under this resolution.

The Bond may not be transferred by the Bank without the prior written consent of the Authority (which consent shall not be unreasonably withheld), except that the Bank may assign or transfer the Bond to a successor to the business and assets of the Bank or to an affiliate of the Bank, in any such case upon completion and delivery to the Authority of the assignment form and certificate of transferee attached to the Bond. The Bond Registrar shall not be obligated to exchange or transfer the Bond during the five days preceding any principal or interest payment date, prepayment date or the maturity date.

Section 7. Payment of Bond. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America and shall be paid by check mailed to arrive on or before each payment date, or in immediately available funds delivered on or before each payment date, to the Registered Owner at the address appearing on the Bond Register on the date payment is mailed or delivered. Upon the final payment of principal of and interest on the Bond, the Registered Owner shall surrender the Bond at the principal office of the Bond Registrar in Oregon City, Oregon, for destruction or cancellation in accordance with law.

Section 8. Security for the Bond. The Bond shall be a special, nonrecourse obligation of the Authority, payable solely from amounts owed or paid by the Borrower under the Loan Documents. Payment of the Bond shall be secured by the Loan Documents.

Upon the issuance of the Bond, the Authority shall assign certain of its rights under certain Loan Documents to the Bank, as security for the Authority's payment of the principal of, premium, if any, and interest on the Bond. The Authority shall retain its rights under the Regulatory Agreement and certain rights under the Bond Loan Agreement as described therein. Upon that assignment, the Bank shall collect, on behalf of the Authority, the principal and interest payments received under the Loan Documents, and shall apply the same to the payment of the principal of and interest on the Bond, and the Authority shall have no obligation to make principal and interest payments on the Bond except from those payments collected by the Bank on the Authority's behalf.

The Registered Owner shall not charge the Authority, in its capacity as issuer of the Bond, and, in such capacity, the Authority shall not be obligated to pay to the Registered Owner, any fees for or costs of collection and application of principal and interest payments under the Loan Documents or the Bond, including any fees for or costs of collecting such payments or exercising the power of sale or any other power under the Deed of Trust, nor shall the Authority be obligated to pay for the application of such payments to the payment of principal of and interest and premium, if any, on the Bond. If the Bond is assigned and transferred to a new

Registered Owner, the security interest in the Loan Documents shall be assigned to such new Registered Owner, and such new Registered Owner shall have the rights to carry out all of the duties of the prior Registered Owner as set forth in this resolution, including the duty to collect principal, interest and premium, if any, payments under the Loan Documents and apply the same to the payment of principal of, and interest and premium, if any, on the Bond.

The Bond shall not be a debt of Clackamas County, the State of Oregon or any political subdivision thereof, and the Bond shall so state on its face. Neither Clackamas County nor the State of Oregon or any political subdivision thereof (except the Authority from the sources described herein) shall be liable for payment of the Bond. Nor, in any event shall the principal of and interest on the Bond be payable out of any funds or properties other than those of the expressly pledged thereto. The Bond shall not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Authority has no taxing power.

Neither the Authority nor any of the Commissioners, officers or employees of the Authority shall be personally liable for the payment of the Bond.

Section 9. Form and Execution of Bond. The Bond shall be in a form consistent with the provisions of this resolution and state law, shall bear the manual or facsimile signatures of the Chair of the Board and the Executive Director of the Authority and shall be impressed with the seal of the Authority or shall bear a facsimile thereof. A Bond shall not be valid or obligatory for any purpose, or entitled to the benefits of this resolution, unless the Bond bears a Certificate of Authentication manually signed by the Bond Registrar stating: "This Bond is the fully registered Revenue Bond, 2024 (Hillside Building C Project), of the Authority described in the Bond Resolution." A minor deviation in the language of such certificate shall not void a Certificate of Authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose facsimile signature appears on the Bond ceases to be an officer of the Authority authorized to sign bonds before the Bond bearing such officer's signature is authenticated or delivered by the Bond Registrar or issued by the Authority, the Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be binding on the Authority as though that person had continued to be an officer of the Authority authorized to sign bonds. A Bond also may be signed on behalf of the Authority by any person who, on the actual date of signing of the Bond, is an officer of the Authority authorized to sign bonds, although such person did not hold the required office on the date of issuance of the Bond.

Section 10. Lost, Stolen or Destroyed Bond. In case the Bond shall be lost, stolen or destroyed after delivery to the Registered Owner, the Bond Registrar may execute and deliver a new Bond of like date and tenor to the Registered Owner upon the Registered Owner paying the expenses and charges of the Authority and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond was actually lost, stolen or destroyed and of the Registered Owner's ownership thereof, and upon furnishing to the Authority with indemnity reasonably satisfactory to the Authority.

Section 11. Preservation of Tax Exemption for Interest on Bond. The Authority covenants that it will take all actions necessary to preserve the status of interest on the Bond as excluded from gross income for federal income tax purposes, except for any period during which the Bond is held by a “substantial user” of the Project or a “related person” within the meaning of Section 147(a) of the Code. The Authority also covenants that, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bond, it will take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bond, including the calculation and payment of any penalties that the Authority has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Bond from being included in gross income for federal income tax purposes.

The Borrower will agree in the Bond Loan Agreement to reimburse the Authority for all costs to the Authority of its compliance with the covenants contained in this section, and the Authority shall not be required to expend any funds, other than such reimbursement or other money received under the terms of the Bond Loan Agreement, in so complying.

Section 12. Approval of Sale of Bond to Bank. It is anticipated that the Bank will offer to purchase the Bond under the terms and conditions contained in this resolution and the Term Sheet. The Board finds that such offer is in the best interest of the Authority, and therefore approves the offer to purchase the Bond under the terms and conditions in this resolution and the Term Sheet. The Bond will be delivered to the Bank with the approving legal opinion of Foster Garvey P.C., municipal bond counsel of Seattle, Washington, regarding the Bond.

Section 13. Authorization of Documents and Execution Thereof. The Board authorizes the Authorized Officers, and each of them acting alone, to negotiate and approve the Regulatory Agreement, the Bond Loan Agreement, the Assignment of Loan Documents, the Tax Certificate and Agreement, the Ground Lessor’s Consent, and the other Loan Documents. The Board authorizes and approves the execution and delivery of, and the performance by the Authority of its obligations contained in the Bond, the Regulatory Agreement, the Bond Loan Agreement, the Assignment of Loan Documents, the Tax Certificate and Agreement, the Ground Lessor’s Consent, the other Loan Documents to which it is a party, and this resolution and the consummation by the Authority of all other transactions contemplated by this resolution in connection with the issuance of the Bond. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to execute on behalf of the Authority and deliver the Regulatory Agreement, the Bond Loan Agreement, the Assignment of Loan Documents, the Tax Certificate and Agreement, the Ground Lessor’s Consent, and the other Loan Documents to which the Authority is a party, and such financing statements and other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bond or required by the Bank as a condition to purchasing the Bond. The Board further authorizes the Authorized Officers, and each of them acting alone, to do everything necessary or appropriate for the issuance, execution and delivery of the Bond to the purchaser thereof, and to execute and deliver any other documents that may be useful or necessary to ensure the proper use and application of the proceeds from the sale of the Bond.

Section 14. Authorization of Borrower Documents and Execution Thereof. The Board authorizes and directs the Authorized Officers, and each of them acting alone, to negotiate, execute and deliver, on behalf of the Authority in its capacity as a general partner of the Borrower, the Loan Documents, the Regulatory Agreement, the Tax Certificate and Agreement, and such other documents, instruments and agreements as may be necessary or desirable in connection with the issuance of the Bond and the Loan to the Borrower.

Section 15. Adoption of Post Issuance Compliance Policies and Procedures. The Executive Director is granted the discretionary authority to approve post-issuance compliance policies and procedures for tax-exempt bonds of the Authority, or amendments to the Authority's current post-issuance compliance policies and procedures.

Section 16. Amendment of Resolution No. 1985. Resolution No. 1985 is amended by replacing each reference to \$35,000,000 with \$39,000,000. Resolution No. 1985 will remain in full force and effect in all other respects.

Section 17. Acting Officers Authorized. Any action authorized or directed by this resolution to be taken by the Executive Director of the Authority, may in such person's absence be taken by any other employee of the Authority that has been designated by the Executive Director or the Board to act in the Executive Director's absence. Any action authorized or directed by this resolution to be taken by the Chair of the Board may, in the absence of such person, be taken by the duly authorized acting Chair of the Board.

Section 18. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority (acting on its own behalf and/or in its capacity as a general partner of the Borrower) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination, cause the Authority not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, applications, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein; (iii) cause the Authority to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution; and (iv) notwithstanding any other Authority resolution, rule, policy, or procedure, to create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records and signatures under any security procedure or platform, as in such Authorized Officer's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein. The adoption of this resolution does not constitute a guarantee or commitment that the Bond will be issued or that the Project will be financed as described herein. The Authorized Officers are granted the discretionary authority to determine whether, when, and (subject to the terms of this resolution) on what terms to proceed with the issuance and sale of the Bond and the other transactions described herein and shall have the right to determine not to proceed with the issuance and sale of the Bond for any reason including, if, in their judgment the final terms of the Bond proposed by the Bank or the risks associated with the issuance of the Bond are unacceptable to the Authority.

Section 19. Changes to Titles or Parties. While the titles of and parties to the various documents described herein may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.

Section 20. Ratification and Confirmation. 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 21. Severability. If any provision in this resolution is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this resolution and shall in no way affect the validity of the other provisions of this resolution or the Bond.

Section 22. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Motion was made by _____ and seconded by _____

Dated this _____ DAY OF June, 2024.

BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF CLACKAMAS COUNTY

Chair

Secretary