

June 13, 2024

BCC Agenda Date/Item: _____

Board of County Commissioners
 Clackamas County

Approval of Resolution Authorizing the Issuance of Revenue Bonds by the Housing Authority of Clackamas County in a principal amount not to exceed \$39,000,000 to finance the construction of Hillside Park Building C. No fiscal impact. No County General Funds are involved.

Previous Board Action/Review	May 9, 2024 – Inducement Resolution Approved by Housing Authority Board 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: On behalf of the Housing and Community Development Division (HCDD), Health, Housing & Human Services requests approval of a resolution authorizing the Housing Authority to issue up to \$39 million in Revenue Bonds for the development of Hillside Park Building C and acknowledging that the Housing Authority of Clackamas County (HACC) held a Tax Equity and Fiscal Responsibility Act of 1892 (TEFRA) hearing as required to allow jurisdictions to provide feedback regarding the issuance of bonds for the Hillside Park Redevelopment project Building C.

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.

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.

TEFRA Hearing and Resolution

HACC held a Tax Equity and Fiscal Responsibility Act of 1982 hearing as part of the bond approval process. The Internal Revenue Service (IRS) mandates this hearing as a way of informing the affected governmental units of a proposal to issue

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bonds within their jurisdiction and providing a reasonable opportunity for residents and interested individuals to express their views on the issuance of bonds and the nature of the improvements and project for which the bond funds will be allocated. The TEFRA hearing was publicized in the Oregonian on May 13th, 2024. The hearing was held by telephone and video conference on May 21st, 2024. No member of the public came forward with comments or submitted comments in writing.

The Resolution presented here is an “official action” by the Clackamas County Board of Commissioners acknowledging that the TEFRA Hearing was held and that the Board approves the HACC’s intent to issue bonds for Hillside Park, Building C. The Bond amount included in the TEFRA notice and resolution has been increased by 10% from the original loan amount to allow for cost fluctuation during construction. This adjustment is meant to safeguard against fluctuations during construction that could prevent the project from passing the 50% test. The 50% test is required for every project that receives 4% Low Income Housing Tax Credits (LIHTC) by financing acquisition and construction costs with volume cap tax-exempt bonds. The test is to verify that 50% or more of the tax-exempt bond proceeds are used to finance the aggregate basis of any building and the land on which the building is located.

RECOMMENDATION: Staff respectfully recommend the Board approve the Resolution acknowledging the required TEFRA hearing was conducted and authorizing the Issuance of Revenue Bonds by the Housing Authority of Clackamas County in a principal amount not to exceed \$39,000,000, to finance the construction of Hillside Park Building C.

Respectfully submitted,



Rodney A. Cook
Director of Health Housing and Human Services

**BEFORE THE BOARD OF COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of the Providing Approval for Purposes of Section 147(f) of the Internal Revenue Code of the Issuance of Revenue Obligations by the Housing Authority of Clackamas County in a principal amount not to exceed \$39,000,000, to finance the construction and equipping of a multifamily housing facility to provide housing for low-income persons

RESOLUTION NO. []

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WHEREAS, Clackamas County, Oregon (the “County”), is a county duly organized and existing under and virtue of the Constitution and laws of the State of Oregon (the “State”);

WHEREAS, as provided in ORS 456.075, the County previously activated the Housing Authority of Clackamas County (the “Authority”) pursuant to a Resolution Declaring the need for a Housing Authority in the County of Clackamas, State of Oregon, and the Appointment of such Authority, adopted on May 4, 1938;

WHEREAS, ORS 456.055(3) and ORS 456.175 together provide that a housing authority may issue bonds, notes or other obligations for any of its corporate purposes;

WHEREAS, ORS 456.120(18) provides that a housing authority may, among other things and if certain conditions are met, “loan money to an individual, partnership, corporation or other association to finance, plan, undertake, construct, acquire, manage or operate a housing project”;

WHEREAS, the Authority has advised the County that the Authority intends to issue certain obligations (the “Obligations”) in the maximum aggregate principal amount of \$39,000,000 pursuant to ORS 456.005 through 456.235 and a plan of financing (the “Plan of Financing”) with respect to the construction and equipping of an approximately 100-unit multifamily housing facility to be located on an approximately 1.28-acre site located South of E Hillside Court and West of SE D Street in Milwaukie, Oregon to provide housing for low-income persons (the “Project”) that will be owned for federal tax purposes by Hillside Park Building C Housing Partners Limited Partnership (the “Borrower”), an Oregon limited partnership;

WHEREAS, the Authority also has advised the County that the proceeds of the Obligations will be used to make one or more loans to the Borrower to finance the costs of the Project, and that the Authority intends that the interest on the Obligations will be eligible for exclusion from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”);

WHEREAS, Section 147(f)(2) of the Code and related Treasury Regulations provide that one of the eligibility requirements for such exemption of interest on the Obligations for federal income tax purposes is approval of the Obligations by the governmental unit under the auspices of which the Authority was activated, which is the County, and a governmental unit having jurisdiction over the area in which the Project is located, which also includes the County;

WHEREAS, the Authority has advised the County that, following timely notice thereof being published in a newspaper of general circulation throughout Clackamas County, Oregon, a telephonic public hearing was held on May 21, 2024, on the proposed issuance of the Obligations pursuant to the Plan of Financing for the Project, in accordance with the requirements of Section 147(f) of the Code and Internal Revenue Procedure 2022-20;

WHEREAS, the Authority has provided the County with a written summary of any public testimony and any written comments received at such public hearing;

WHEREAS, the proposed Obligations, Plan of Financing, and Project are further described below:

Project Description:	Construction and equipping of a multifamily housing facility, to contain approximately 100 dwelling units
Maximum Principal Amount of Obligations:	\$39,000,000
Project Principal User:	Hillside Park Building C Housing Partners Limited Partnership
Project Location:	An approximately 1.28 acre site located South of SE Hillside Court and West of SE D Street in Milwaukie, Oregon

WHEREAS, the Authority has advised the County that (a) the Obligations to be issued by the Authority for the Project pursuant to the Plan of Financing may consist of a line of credit and/or one or more issues (including refunding issues) of revenue bond anticipation notes to provide interim financing for the Project and one or more issues (including refunding issues) of long-term revenue bonds to provide permanent financing for the Project; (b) the Obligations to be issued by the Authority for the Project pursuant to the Plan of Financing will be issued in accordance with a schedule such that the first issue of Obligations for the Project will be issued no later than one year after the date of this approval and any subsequent issue for the Project will be issued no later than three years after the issue date of the first such issue for the Project; (c) the approval requested is for the issuance of not more than \$39,000,000 in aggregate principal amount of Obligations (plus an insubstantial deviation); and (d) in calculating the maximum aggregate principal amount of Obligations issued for the Project pursuant to the Plan of Financing, the principal amount of any issue of Obligations used to currently refund a prior issue of Obligations will be disregarded to the extent that the principal amount of such refunding issue does not exceed the outstanding principal amount of such prior issue;

NOW, THEREFORE, BE IT RESOLVED BY THE CLACKAMAS COUNTY BOARD OF COMMISSIONERS as follows:

Section 1. The County approves the Plan of Financing for the Project, and each issue of Obligations that is timely issued by the Authority for the Project in accordance with the Plan of Financing. This approval is intended solely to comply with the requirements of Section 147(f) of the Code in order to permit the issuance of the Obligations.

Section 2. This approval is not intended to imply that the County is under any obligation to repay the Obligations. In so approving the issuance of Obligations, the Board of County Commissioners does not assume any responsibility with respect to any payments due thereunder. The County is not obligated to pay the principal of or the interest on the Obligations; no tax funds or governmental revenue of the County may be used to pay the principal of or the interest on the Obligations; the Obligations do not directly or indirectly constitute a debt or liability of the County; and neither the faith and credit nor the taxing power of the County is pledged to the payment of such principal or interest.

Section 3. This approval is not intended to serve as any land use, permit, occupancy, zoning or other approval for the Project not expressly set forth in this resolution.

Section 4. This resolution shall take effect immediately upon its passage and approval.

Motion was made by _____ and seconded by _____

DATED this _____ day of _____ 2024

**BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, OREGON**

Chair

Recording Secretary

CERTIFICATION

I, the undersigned, the duly chosen, qualified and acting Clerk of the Board of County Commissioners of Clackamas County, Oregon (the "County") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. ____ (the "Resolution") is a true and correct copy of the resolution of the Board of County Commissioners (the "Board") of the County, as finally adopted at a meeting of the Board held on _____, 2024, and duly recorded in the minute books of the County.

2. That such meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a majority of the members of the Board of County Commissioners of the County present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2024.

Clerk of the Board of County Commissioners