

June 12, 2025

BCC Agenda Date/Item: _____

Housing Authority Board of County Commissioners
Clackamas County

Approval of a Resolution to authorize loans for predevelopment activities at Lots D/E and G of the Hillside Park Redevelopment Project and the termination of certain easements affecting the property. Resolution Value is \$1,700,000. Funding is through Affordable Housing Construction Excise Tax Grant funds. No County General Funds are involved.

Previous Board Action/Review	<ul style="list-style-type: none"> Approval of Affordable Housing Construction Excise Tax Grant funding from the City of Milwaukie, June 29, 2023. Approved the HACC-Related Northwest Exclusive Negotiation Agreement for Redevelopment of Hillside Park, September 29, 2022. Approved the Authority's submittal of Section 18 Disposition application to HUD on August 15, 2021. Approved the Hillside Park Master Plan Design Concept, October 3, 2019. Policy Session Presentation Update, June 3, 2025 		
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, Allison Schwartzman, Foster Garvey	Procurement Review	No
Contact Person	Devin Ellin	Contact Phone	971-227-0472

EXECUTIVE SUMMARY: The Housing Authority of Clackamas County (HACC), a component unit within the Housing and Community Development Division of the Health, Housing and Human Services Department, requests approval of a resolution for 1.7M in loans utilizing the Affordable Housing Construction Excise Tax Grant funds from the City of Milwaukie for predevelopment activities at the Hillside Park Redevelopment for Lots D/E and G, the termination of certain easements affecting the Hillside Park property and the authorization of designated officers to execute and deliver all necessary documents for the loans and adjustments to easements. Authorized officers include the Executive Director of the Housing Authority, Shannon Callahan, the Deputy Director of the Housing Authority, Melissa Sonsalla, and the Director of Development, Devin Ellin.

HACC is currently redeveloping the Hillside Park Public Housing property as the master-planned development of approximately 500 new homes to be completed in multiple phases. HACC was awarded a \$1.7 million grant of Construction Excise Tax (CET) proceeds from the City of Milwaukie to fund development costs associated with Phase 1 of the Hillside Park Redevelopment project. HACC loaned these funds to the respective tax credit partnerships

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formed to develop Hillside Park Buildings A/B and C. The funds were used to support predevelopment activities associated with the Redevelopment, and the loans were repaid during the financial closing of the respective projects.

HACC is seeking authorization to re-loan these CET funds to finance predevelopment costs associated with two affordable housing projects located in Phase 2 of the Hillside Park Redevelopment Project: Lots D/E, developed by Related NW, consisting of approximately 164 affordable units and Lot G, developed by Shortstack Development, consisting of approximately 15-20 affordable homeownership units.

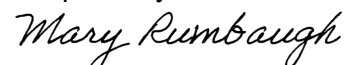
HACC is requesting approval to loan up to \$1.55 million to the Hillside Park Buildings D&E Housing Partners Limited Partnership to finance predevelopment activities related to Lots D/E and up to \$150,000 to Shortstack Developer LLC to finance predevelopment activities related to Lot G of the Hillside Park Redevelopment Project.

In addition, HACC is seeking to terminate some existing easements associated with the Hillside Park property that conflict with the newly established property and lease lines that will house the new buildings.

The Authority is seeking approval for Authorized Officers, which include the Authority's Executive Director, Deputy Director, or Housing Development Director, to execute and deliver any documents authorized by this resolution necessary to fulfill the Authority's duties and obligations under the predevelopment loans and to terminate certain existing easements affecting any portion of the Hillside Park property.

RECOMMENDATION: Staff respectfully requests that the Housing Authority Board approve Resolution 1998 to authorize loans totaling \$1.7 million to finance predevelopment activities related to the Redevelopment of Lots D/E and Shortstack of the Hillside Park Redevelopment Project, to approve the termination of certain easements affecting the Hillside Park property and to designate authorized officers to execute and deliver all necessary documents.

Respectfully submitted,



Mary Rumbaugh
Director of Health Housing and Human Services

ATTACHMENTS: Authorizing Resolution #1998

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

In the Matter of Authorizing Loans to Finance
Predevelopment Costs Incurred in Connection
with Lots D&E and Lot G of the Hillside Park
Redevelopment Project, Authorizing the
Termination of Certain Easements Affecting the
Hillside Park Property, and Determining Related
Matters

RESOLUTION NO. 1998

Page 1 of 5

**BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY
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)); (iii) “sell, mortgage, lease, rent, transfer, assign, pledge or otherwise dispose of any real property or any interest therein” (ORS 456.120(11)); (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) “accept advances, loans or grants or any other form of financial assistance or any combination of these forms of assistance from the federal government, state, county or other public body, or from any sources, public or private, for the purpose of undertaking and carrying out housing projects” (ORS 456.120(17)); (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)), “mixed income housing” means “a housing project that houses tenants with a mixture of income levels, including those not of lower income, for the purpose of reducing the rents for tenants whose incomes are no greater than 60 percent of the area median income” (ORS 456.055(10)), and “person of lower income” or “family of lower income” means a person or a family residing in the State of Oregon “whose income is not greater than 80 percent of area median income, adjusted for family size” (ORS 456.055(14)).

(b) The Hillside Park Project. The Authority is undertaking the redevelopment of the Authority’s Hillside Park Project (the “Hillside Park Project”), which redevelopment is currently expected to be carried out in multiple phases.

(c) The Buildings D/E Project. Buildings D and E of the Hillside Park Project (“Buildings D/E Project”) are expected to include approximately 160 units of housing and related infrastructure. Hillside Park Buildings D&E Housing Partners Limited Partnership, an Oregon limited partnership (the “Buildings D/E Partnership”) formed by or on behalf of the Related Companies of California LLC, is expected to undertake the development and construction of the Buildings D/E Project on land leased from the Authority.

(d) The Shortstack Lot G Hillside Project. Shortstack Developer LLC, an Oregon limited liability company (the “Shortstack Company”) is undertaking the development of approximately 15-20 single family homes for sale to persons of lower income to be located on Lot G of the Hillside Park Project (the “Shortstack Lot G Hillside Project”).

(e) Grant Funding. Pursuant to the authority set forth in Resolution No. 1978 of the Board, the Authority entered into a Construction Excise Tax Grant Agreement for Affordable Housing with the City of Milwaukie, pursuant to which the Authority received a grant in the amount of up to \$1,700,000 to fund predevelopment costs associated with the Hillside Park Project (the “CET Grant Funds”).

(f) Phase I Predevelopment Loans. Also pursuant to the authority set forth in Resolution 1978 of the Board, the Authority used the CET Grant Funds to make loans (together, the “Phase I Predevelopment Loans”) to Hillside Park Building C Housing Partners Limited Partnership and Hillside Park Building A&B Housing Partners Limited Partnership, each to finance predevelopment costs associated with earlier phases of the Hillside Park Project. Each of the Phase I Predevelopment Loans has been repaid in full by the applicable borrower.

(g) Requested Predevelopment Loans. The Buildings D/E Partnership has requested financial assistance from the Authority for the purpose of providing a portion of the funds with which to finance predevelopment activities related to the Buildings D/E Project. The Shortstack Company has requested financial assistance from the Authority for the purpose of providing a portion of the funds with which to finance predevelopment activities related to the Shortstack Lot G Hillside Project.

(h) Loan Funding Necessary and Advisable and in the Best Interests of the Authority; Determination and Declaration of Need for Additional Housing. It is necessary and advisable, important for the feasibility of the Hillside Park Project, and in the best interest of the Authority to use up to \$1,550,000 of funds received by the Authority in repayment of the Phase I Predevelopment Loans fund a loan to the Buildings D/E Partnership to provide a portion of the funds to finance predevelopment activities related to the Buildings D/E Project. The Board hereby determines that a substantial number of persons of eligible income in the area served by the Authority cannot obtain housing for 30% of less or their income. Based on the foregoing determination, the Board hereby declares, on behalf of the Authority, the need for additional housing for persons or families of lower income that can be addressed by the Authority participating in the financing and development of the Buildings D/E Project, which may be a mixed income housing project.

It is further necessary and advisable, important for the feasibility of the Shortstack Lot G Hillside Project, and in the best interest of the Authority to use up to \$150,000 of funds received

by the Authority in repayment of the Phase I Predevelopment Loans fund a loan to the Shortstack Company or an entity formed by or under common control with the Shortstack Company (the "Shortstack Borrower") to provide a portion of the funds to finance predevelopment activities related to the Shortstack Lot G Hillside Project.

Section 2. Loan to the Buildings D/E Partnership. The Authority is authorized to make a loan (the "Buildings D/E Predevelopment Loan") to the Buildings D/E Partnership in a maximum principal amount of \$1,550,000, derived solely from amounts received in repayment of the Phase I Predevelopment Loans, which Buildings D/E Predevelopment Loan will finance or refinance a portion of the Buildings D/E Partnership's predevelopment costs associated with the Buildings D/E Project, all pursuant to the terms of a Secured Promissory Note made by the Buildings D/E Partnership to the Authority and accepted by the Authority (the "Buildings D/E Note") and an Assignment of Contracts and Work Product and Project Documents made by the Buildings D/E Partnership to the Authority (the "Buildings D/E Assignment of Contracts"), each in substantially in the forms on file with the Executive Director of the Authority, with such changes as the Authorized Officers (as hereinafter defined), or each of them acting alone, shall deem necessary or appropriate. The Executive Director of the Authority, the Director of Housing Development of the Authority, and the Chair of the Board of Commissioners of the Authority (each, an "Authorized Officer" and collectively, the "Authorized Officers"), and each of them acting alone, are authorized to approve and, as necessary and appropriate, execute, the Buildings D/E Note, the Buildings D/E Assignment of Contracts, and any other documents reasonably required to be executed in connection with the Buildings D/E Predevelopment Loan (collectively, the "Buildings D/E Predevelopment Loan Documents"). The Authorized Officers, and each of them acting alone, are authorized to determine the principal amount and terms of the Buildings D/E Predevelopment Loan (subject to the limitations set forth herein), which terms shall be set forth in the Buildings D/E Predevelopment Loan Documents. The execution of the Buildings D/E Predevelopment Loan Documents by any Authorized Officer shall be conclusive evidence of approval by the Authority of the terms set forth therein.

Section 3. Loan to the Shortstack Borrower. The Authority is authorized to make a loan (the "Shortstack Predevelopment Loan") to the Shortstack Borrower in a maximum principal amount of \$150,000, derived solely from amounts received in repayment of the Phase I Predevelopment Loans, which Shortstack Predevelopment Loan will finance or refinance a portion of the predevelopment costs associated with the Shortstack Lot G Hillside Project, all pursuant to the terms of a Secured Promissory Note made by the Shortstack Borrower to the Authority and accepted by the Authority (the "Shortstack Loan Note") and an Assignment of Contracts and Work Product and Project Documents made by the Shortstack Borrower to the Authority (the "Shortstack Assignment of Contracts"), each in substantially in the forms on file with the Executive Director of the Authority, with such changes as the Authorized Officers, or each of them acting alone, shall deem necessary or appropriate. The Authorized Officers, and each of them acting alone, are authorized to approve and, as necessary and appropriate, execute, the Shortstack Loan Note, the Shortstack Assignment of Contracts, and any other documents reasonably required to be executed in connection with the Shortstack Predevelopment Loan (collectively, the "Shortstack Predevelopment Loan Documents"). The Authorized Officers, and each of them acting alone, are authorized to determine the principal amount and terms of the Shortstack Predevelopment Loan (subject to the limitations set forth

herein), which terms shall be set forth in the Shortstack Predevelopment Loan Documents. The execution of the Shortstack Predevelopment Loan Documents by any Authorized Officer shall be conclusive evidence of approval by the Authority of the terms set forth therein.

Section 4. Termination of Certain Existing Agreements. In connection with the Hillside Park Project, the Authority has been requested to terminate certain existing easement agreements currently affecting portions of the Hillside Park property including, without limitation easements in favor of TCI Cablevision of Georgia Inc. and Comcast of Oregon II, Inc. The Authorized Officers, and each of them acting alone, are authorized to determine that existing easements affecting any portion of the Hillside Park property are no longer necessary, and to approve and, as necessary and appropriate, execute, and file or record (or cause to be filed or recorded) one or more terminations of such existing easement agreements.

Section 5. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of the Authority 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, 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; and (iii) cause the Authority to expend such funds as are necessary to pay for all costs relating to the actions authorized by this resolution.

Section 6. Execution of Duties and Obligations. The Board authorizes and directs the Authority's Executive Director to cause the Authority to fulfill the Authority's duties and obligations under the Buildings D/E Predevelopment Loan Documents and the Shortstack Predevelopment Loan Documents.

Section 7. Acting Officers Authorized. Any action authorized or required by this resolution to be taken by the Authority's Executive Director may, in such person's absence, be taken by the Deputy Director of the Authority or the Housing Development Director of the Authority.

Section 8. Changes to Titles or Parties. While the titles of and parties to the Predevelopment Loan 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 9. Ratification and Confirmation. All actions of the Authority and its officers and employees prior to the date hereof and consistent with the terms of this resolution are ratified and confirmed.

Section 10. 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 provisions of this resolution and shall in no way affect the validity of the other provision of this resolution. _____

Section 11. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

Dated this _____ DAY OF _____, 2025.

BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF CLACKAMAS COUNTY

Chair

Secretary