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Clackamas County
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June 4, 2026

BCC Agenda Item: _____

Housing Authority Board of Commissioners
Clackamas County

Approval of a Resolution authorizing the lease of Housing Authority property to Hillside Park Buildings D & E Housing Partners Limited Partnership and designate Authorized Officer to finalize, execute and deliver all documents and agreement. Funding is through federal, state, local, and private sources including \$7,000,000 in Metro Affordable Housing Bonds. No County General Funds are involved

Previous Board Action/Review:

- October 16, 2025 - Approved Resolution 2001 to negotiate and execute a development agreement, street vacation, and Phase II replat for Buildings D & E of the Hillside Park Redevelopment Project.
- September 29, 2022 - Approved the HACCC-Related Northwest Exclusive Negotiation Agreement for redevelopment of Hillside Park
- August 15, 2021 - Approved the Authority's submittal of the Section 18 Disposition application to HUD
- October 3, 2019 - Approved the Hillside Park Master Plan Design Concept

Performance Clackamas: Safe, Secure, and Livable Communities
Strong Infrastructure.

Counsel Review: Yes: Allison Schwartzman, Foster Garvey
Contact Person: Devin Ellin

Procurement Review: N/A
Contact Phone: 971-227-0472

EXECUTIVE SUMMARY: The Housing Authority of Clackamas County within the Community Development Division (HCDD) of the Health, Housing & Human Services Department requests approval of a resolution (2004) for additional activities involved in continuing the redevelopment of the Hillside Park property.

HACC is pursuing the redevelopment of the Authority's Hillside Park property, including the development of affordable housing on Lots D and E, located in Phase II of the Hillside Park Redevelopment Project. Hillside Park Buildings D & E (the "Project") will be the first project to begin construction in the second phase of the Hillside Park Redevelopment project. The financial closing of the Project is scheduled for June 17, 2026.

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The Project will consist of 164 rental units affordable to households earning between 40% and 60% of the Area Median Income (AMI). The project developer, Related Northwest, has formed a tax credit partnership that will own and operate the newly constructed buildings. The partnership will lease the

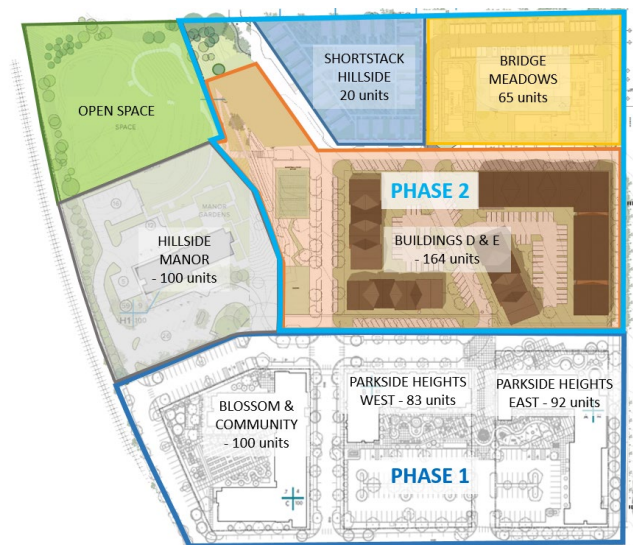
land from HACCC through a capitalized ground lease. In order to meet community needs for family-sized housing, almost half of the units are expected to include two or more bedrooms. The buildings include a single four-story elevator served building, and three walk-up buildings. The site plan includes a sports court, community garden, a large courtyard and resident parking, with new public streets bisecting the site and connecting new infrastructure throughout the campus.

The total development cost of the Project is approximately \$83.1 million. This includes over \$7.5 million in infrastructure-related costs that will serve future projects in Phase II.

Primary sources of funding for the Project include Local Innovation and Fast Track (LIFT) funding (\$32.4 million), Low-Income Housing Tax Credit equity (\$26.2 million), Regional Affordable Housing Bond funds (\$7 million), deferred developer fee (\$4.95 million), and permanent debt (\$12.1 million).

Approval of this Resolution authorizes the following: the lease of Housing Authority property to Hillside Park Buildings D & E Housing Partners Limited Partnership; the loan of up to \$7,000,000 in Metro Affordable Housing Bond Funds to Hillside Park Buildings D & E Housing Partners Limited Partnership, the execution and delivery of documents relating to the Hillside Buildings D & E development project; and determination of matters necessary to consummate the transactions contemplated in the resolution and/or further the acquisition, development, financing, construction, and leasing of the Project.

This Resolution authorizes the loans, agreements, and approvals necessary to close Hillside Park Buildings D & E financing and commence project construction. The documents and agreements expected to be delivered as part of the Hillside Park Buildings D & E transaction are listed in Exhibit A of Resolution.



RECOMMENDATION: Staff respectfully recommend that the Housing Authority Board of Commissioners approve Resolution 2004 and authorize Chair Roberts or his designee to sign on behalf of Clackamas County.

Respectfully submitted,

Mary Rumbaugh
Director of Health Housing and Human Services

Healthy Families. Strong Communities.

2051 Kaen Road, Oregon City, OR 97045 • Phone (503) 650-5697 • Fax (503) 655-8677

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

In the Matter of authorizing the lease of Authority property to Hillside Park Buildings D&E Housing Partners Limited Partnership, authorizing a loan to Hillside Park Buildings D&E Housing Partners Limited Partnership, approving the execution and delivery of documents relating to the Hillside Buildings D and E development project; and determining related matters

RESOLUTION NO.
[2004]

Page 1 of 5

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) “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) “make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority” (ORS 456.120(4)); and (vi) “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 pursuing the redevelopment of the Authority’s Hillside Park property, including the construction of Hillside Park Buildings D and E to contain approximately 164 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 portions of the Authority’s Hillside Park Project. Pursuant to the authority set forth in Resolution No. 2001 adopted by the Board on October 16, 2025, the Authority entered into a Development Agreement dated as of January 7,

2026 (the “Buildings D&E Development Agreement”) pertaining to the Project with Related/Hillside Park Buildings D & E Development Co., LLC (the “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 Hillside Park Buildings D&E Housing Partners Limited Partnership (the “Partnership”). The Partnership 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) HUD Disposition. In connection with the anticipated redevelopment of the Authority’s Hillside Park property, the Authority received approval to dispose of the Hillside Park property (the “Disposition”) from the United States Department of Housing and Urban Development (“HUD”), subject to certain conditions, including that the transferred property be subject to an ongoing use restriction.

(d) Additional Findings. The Board finds that the loans to be made by the Authority to the Partnership are important for the feasibility of the 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 Project.

Section 2. Approval of Transaction Documents. The Chair of the Board, the Authority’s Executive Director, the Director of Housing Development of the Authority, and each of their designees (each, an “Authorized Officer” and collectively, the “Authorized Officers”), and each of them acting alone, are authorized and directed to negotiate, execute, deliver and, if applicable, file (or cause to be executed and delivered and, if applicable, filed) on behalf of the Authority (i) those documents listed in Exhibit A (collectively, the “Transaction Documents”) in such forms as any Authorized Officer may approve (with the understanding that an Authorized Officer’s signature on a Transaction Document shall be construed as the Authority’s approval of such Transaction Document); and (ii) any other documents reasonably required to be executed by the Authority to carry out the transactions contemplated by the Transaction Documents. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by the Authority under the provisions of or as necessary to carry out the transactions contemplated by the Transaction Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein).

Section 3. Authorization to Obtain and Lend Metro Bond Proceeds. The Authority is authorized to obtain an allocation of Metro bond proceeds in the maximum amount of \$7,000,000 (the “Metro Funds”) from Metro, and to use the Metro Funds to make a loan to the Partnership (the “Metro Loan”) in an anticipated principal amount of not to exceed \$7,000,000 to finance or refinance a portion of the Partnership’s costs of constructing, equipping, and/or furnishing the Project, all pursuant to the terms of the Transaction Documents listed in Exhibit A under the heading “Metro Loan Documents” (collectively, the “Metro Loan Documents”) The Authorized

Officers, and each of them acting alone, are authorized to determine the principal amount and other terms of the Metro Loan (subject to the limitations set forth herein), which terms shall be set forth in the Metro Loan Documents.

Section 4. Approval of Ground Lease and Encumbrances. In furtherance of its statutory authority to provide decent, safe, and sanitary living accommodations for persons of low income, the Authority is authorized to (i) lease to the Partnership, for a term not exceeding 100 years, the land on which the Project is to be located; (ii) encumber the Authority's interest in the Project and the land on which it is to be located (including its fee interest therein) pursuant to the use restrictions and regulatory agreements that are Transaction Documents; (iii) provide a license to the Partnership to access and perform work on certain of the Authority's other properties; and (iv) enter into certain easements and licenses for access, entry and maintenance of portions of the Hillside Park property.

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/or further the acquisition, development, financing, construction, and leasing of the Project; (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 transactions contemplated by this resolution will be consummated 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 transactions described herein and shall have the right to determine not to proceed with any portion of the transactions contemplated hereby for any reason including, if, in their judgment, the available terms or the risks associated with such transaction are unacceptable to the Authority.

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 under the Transaction Documents.

Section 7. Acting Officers Authorized. Any action authorized or directed by this resolution to be taken by the Executive Director of the Authority, may in the Executive Director's absence be taken by a duly authorized acting Deputy Director of the Authority, the Housing Development Director of the Authority, or 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 8. 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 9. 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 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 provision of this resolution and shall in no way affect the validity of the other provisions 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 _____, 2026.

BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF CLACKAMAS COUNTY

Chair

Secretary

EXHIBIT A

Tax Credit Documents

1. Tripartite Agreement, Subordination, and Declaration of Restrictive Covenants
2. Such other documents as required in connection with the LIHTCs

Real Estate Documents

1. Ground Lease Agreement
2. Memorandum of Ground Lease Agreement
3. Priority and Subordination Agreement
4. Permanent public and private utility easements required in connection with the construction and operation of the Project
5. Temporary construction license agreement to permit the Partnership to use land adjoining the Project site for storage and staging during construction of the Project
6. Temporary emergency vehicle access easement to provide access to the Project for emergency vehicles until the infrastructure improvements required in connection with the overall redevelopment are complete
7. Such other real estate documents are required in connection with the transfer of the property to the Partnership and the other transactions contemplated hereby
8. Ground Lessor Estoppel Certificate
9. One or more Use Agreement in favor of HUD pertaining to the property on which the Project will be located and/or other Hillside Park property

Metro Loan Documents

1. Loan Agreement
2. Metro Bond Program Promissory Note
3. Regulatory Agreement
4. Line of Credit Leasehold Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents
5. Replacement Cost and Capital Improvement Reserve Agreement
6. Such other documents as required in connection with the closing of the Metro Loan