

MEMORANDUM

TO: Clackamas County Board of County Commissioners (BCC)
Sitting/Acting as the Housing Authority Board

FROM: Mary Rumbaugh, Director, H3S and Melissa Sonsalla, Service Division Manager

RE: HACC Approval of Resolution 2008 authorizing all actions related to the Shortstack Hillside Community Land Trust affordable home-ownership project. Funding is from local sources. No County General Funds are involved.

DATE: October 6, 2026

REQUEST: Forward Resolution 2008 authorizing actions related to the Shortstack Hillside Community Land Trust affordable home-ownership project to the next BCC Business Meeting.

BACKGROUND: Shortstack Development, in partnership with HACC and DevNW, are planning to develop the northwestern parcel of the Hillside Park Redevelopment with permanently affordable, single-family homes. Shortstack Hillside will bring the first affordable homeownership opportunities to Hillside Park. These family-sized homes will serve households with incomes at or below 80% of AMI, made permanently affordable through a community land trust structure administered by DevNW.

The 20 unit development will include 8 two-bedroom, and 12 four-bedroom detached two-story homes with designated parking for each unit. Utilizing volumetric modular cross-laminated timber (CLT) construction, Zaugg Timber Solutions will produce the finished modules at their Portland facility. Shortstack Hillside will be the first volumetric modular CLT single-family project in the United States.

This resolution authorizes a grant of up to \$500,000 in Metro Affordable Housing Bond funds to support the development of the project, a seller loan of up to \$478,176 to support the transfer of the property into the land trust, and delegating authority to Authorized Representatives to finalize, execute, and deliver related matters and documents as necessary. While the other parcels at Hillside remain under HACC ownership with long-term ground leases, HACC proposed to transfer the Shortstack property in fee to the community land trust administer by DevNW.

These resources help ensure that these homes can be made affordable to low-income households and that the affordability is preserved, not just for the first homeowner, but for future generations as well.

RECOMMENDATION: Staff respectfully recommends the Board forward Resolution 2008 authorizing all actions related to the Shortstack Hillside Community Land Trust affordable homeownership project, to the next appropriate Board Business meeting.

Healthy Families. Strong Communities.

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Respectfully Submitted,

Mary Rumbaugh

Mary Rumbaugh, Director, H3S

Attachments:

Resolution 2008

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

In the Matter of Authorizing Actions in
Connection with the Shortstack Hillside
Redevelopment Project, Including Execution of
a Development Agreement, the Making of
Loans and/or Grants, the Transfer of Property,
and Determining Related Matters

RESOLUTION NO. 2008

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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) "sell, mortgage, lease, rent, transfer, assign, pledge or otherwise dispose of any real property or any interest therein" (ORS 456.120(11)); (iii) "finance, develop, own, operate or manage a mixed income housing project" if certain requirements are met (ORS 456.120(19), ORS 456.153); (iv) "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)); (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)), "mixed income housing" means "a housing project that houses tenants with a mixture of income levels, including those not of lower income, for the purposes of: (a) Reducing the rents for tenants whose incomes are no greater than 80 percent of the area median income; and (b) Meeting the housing needs of tenants" (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 and the Project. The Authority is currently redeveloping the Hillside Park property ("Hillside Park"), which is being carried out in multiple phases. Shortstack Developer LLC, an Oregon limited liability company (the "Shortstack Developer") and Corvallis Neighborhood Housing Services, Inc., an Oregon nonprofit corporation doing business as DevNW ("DevNW"), are expected to undertake the development of approximately 20 affordable homeownership cottages (the "Project") on a portion of the Hillside Park property described as Lot 4, Hillside Community (the "Land").

(c) Existing Predevelopment Loan. Pursuant to the authority set forth in Resolution No. 1978 of the Board, the Authority (i) 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”); and (ii) 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 redevelopment project. Each of the Phase I Predevelopment Loans was repaid in full by the applicable borrower. The Authority used a portion of the amounts received in repayment of the Phase I Predevelopment Loans to make a loan to the Shortstack Developer in the original principal amount of \$150,000 (the “Predevelopment Loan”) for the purpose of providing a portion of the funds with which to finance predevelopment activities related to the Project. In connection with the development of the Project it may be necessary and desirable to revise the terms of the Predevelopment Loan to provide that some or all of the Predevelopment Loan may remain outstanding on a permanent basis and that the obligations with respect to such Predevelopment Loan (as it may be modified) may be assigned to assumed by DevNW and/or its designee.

(d) Transfer of Land. In connection with the development of the Project it is necessary and desirable that the Authority transfer the Land to the Shortstack Developer, DevNW, and/or their respective designee.

(e) Metro Grant. The Housing Authority has received an allocation of funding (the “Metro Bond Funds”) from Metro, a municipal corporation and political subdivision of the State of Oregon (“Metro”) as a local implementation partner under the 2018 Metro Housing Bond for the purposes of encouraging the development of affordable housing by making grants or loans. Shortstack Developer and/or DevNW have applied for grant funding in the amount of \$500,000 to provide a portion of the funding for the Project.

(f) Funding Necessary and Advisable and in the Best Interests of the Authority; Determination and Declaration of Need for Additional Housing. The Board finds that the funding to be made by the Authority to the Shortstack Developer and DevNW for the Project is important for the feasibility of the Project. The Authority wishes to undertake those steps as may be necessary, reasonable and/or advisable to make such funds available to the Shortstack Developer and DevNW. 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% or less of 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, which may be a mixed income housing project.

Section 2. Modification of Predevelopment Loan. The Board hereby delegates to 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, the discretionary authority

to negotiate and approve modifications to the terms of the Predevelopment Loan to allow some or all of the Predevelopment Loan to remain outstanding beyond its current maturity date and/or the obligations with respect to the Predevelopment Loan (as it may be modified) to be assigned to, and assumed by, DevNW and/or its designee. The Authorized Officers, and each of them acting alone, are authorized and directed to negotiate, execute, deliver, and perform on behalf of the Authority any and all documents, instruments, and agreements pertaining to the modification and extension of the Predevelopment Loan. An Authorized Officer's execution of any instrument contemplated by this Section 2 will constitute conclusive evidence of such officer's approval of the terms thereof and the approval by the Authority of such terms.

Section 3. Transfer of Land; Seller Loan. The Authority is authorized to sell or otherwise transfer the Land to Shortstack Developer, DevNW, and/or their respective designee (the "Purchaser") for a sale price of \$478,176 (or such other price as may be approved by the Executive Director of the Authority), and to negotiate the terms of a purchase and sale or other transfer agreement between the Authority and the Purchaser. The Authority is authorized to make a loan (the "Seller Loan") to the Purchaser in a principal amount not to exceed the purchase price of the Land. The Authorized Officers, and each of them acting alone, are authorized to negotiate, approve and, as necessary and appropriate, execute, a loan agreement, a note, a trust deed, and all other documents reasonably required to be executed in connection with the Seller Loan (collectively, the "Seller Loan Documents"). The Authorized Officers, and each of them acting alone, are authorized to determine the principal amount, terms, and source(s) of the Seller Loan (subject to the limitations set forth herein), which terms shall be set forth in the Seller Loan Documents. An Authorized Officer's execution of any instrument contemplated by this Section 3 will constitute conclusive evidence of such officer's approval of the terms thereof and the approval by the Authority of such terms.

Section 4. Metro Grant. The Authority is authorized to make a grant to the Shortstack Developer, DevNW, and/or their respective designee (the "Grantee") in a maximum amount of \$500,000 (the "Metro Grant"), derived solely from Metro Bond Funds, which Metro Grant will fund a portion of the costs of the Project, all pursuant to the terms of a Metro Bond Grant Agreement and Declaration of Restrictive Covenants (the "Grant Agreement"), in substantially the form 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 Grant Agreement and any other documents reasonably required to be executed in connection with the Metro Grant (collectively, the "Metro Grant Documents"). The Authorized Officers, and each of them acting alone, are authorized to determine the amount and terms of the Metro Grant (subject to the limitations set forth herein), which terms shall be set forth in the Metro Grant Documents. The execution of the Metro Grant Documents by any Authorized Officer shall be conclusive evidence of approval by the Authority of the terms set forth therein.

Section 5. Development Agreement. The Board hereby grants to the Authorized Officers, and each of them acting alone, the discretionary authority to negotiate and approve agreements with Shortstack Developer, DevNW, or their respective designees, pertaining to the transfer, financing, development, and/or use of property for affordable homeownership (the "Development Agreements"). The Authorized Officers, and each of them acting alone, are

authorized to execute the Development Agreements and any other documents reasonably required to be executed in connection with the Development Agreements (the "Development Agreement Documents") on behalf of the Authority. The execution of the Development Agreement Documents by any Authorized Officer shall be conclusive evidence of approval by the Authority of the terms set forth therein.

Section 6. 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 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 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 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