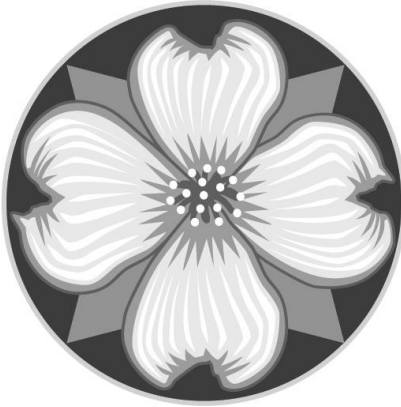




Work Session

WS

Milwaukie City Council

COUNCIL WORK SESSION

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

AGENDA

AUGUST 20, 2019

Note: times are estimates and are provided to help those attending meetings know when an agenda item will be discussed. Times are subject to change based on Council discussion. Page #

1. **Hillside Manor and Park Project – Update** (4:00 p.m.) 1
Staff: Erin Maxey, Housing and Economic Development Coordinator
2. **Adjourn** (4:45 p.m.)

Council Event – Northwest Housing Alternatives Grand Opening

Upon adjournment of the Work Session, members of Council may attend the grand opening of Northwest Housing Alternative's renovated campus located at 2316 SE Willard Street, Milwaukie. Council will conduct no business and take no action at the event. Following the event, at 6:00 p.m., Council will meet in Regular Session at City Hall.

Americans with Disabilities Act (ADA) Notice

The City of Milwaukie is committed to providing equal access to all public meetings and information per the requirements of the ADA and Oregon Revised Statutes (ORS). Milwaukie City Hall is wheelchair accessible and equipped with Assisted Listening Devices; if you require any service that furthers inclusivity please contact the Office of the City Recorder at least 48 hours prior to the meeting by email at ocr@milwaukieoregon.gov or phone at 503-786-7502 or 503-786-7555. Most Council meetings are streamed live on the City's website and cable-cast on Comcast Channel 30 within Milwaukie City Limits.

Executive Sessions

The City Council may meet in Executive Session pursuant to ORS 192.660(2); all discussions are confidential and may not be disclosed; news media representatives may attend but may not disclose any information discussed. Executive Sessions may not be held for the purpose of taking final actions or making final decisions and are closed to the public.

Meeting Information

Times listed for each Agenda Item are approximate; actual times for each item may vary. Council may not take formal action in Study or Work Sessions. Please silence mobile devices during the meeting.



COUNCIL WORK SESSION

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

MINUTES

AUGUST 20, 2019

Mayor Mark Gamba called the Council meeting to order at 4:06 p.m.

Present: Council President Angel Falconer; Councilors Lisa Batey, Wilda Parks, Kathy Hyzy

Staff: Assistant City Manager Kelly Brooks City Attorney Justin Gericke City Engineer Steve Adams City Recorder Scott Stauffer Community Development Director Leila Aman	Housing and Economic Development Coord. Erin Maxey Planning Director Denny Egner Public Works Director Peter Passarelli Senior Planner David Levitan
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It was noted that Council President Falconer was running late and not present.

1. Hillside Manor and Park Project – Update

Ms. Maxey introduced Stephen McMurtrey with the Housing Authority of Clackamas County (HACC) and Lisa McClellan with Scott Edwards Architecture.

Mayor Gamba announced that after the Work Session, Council would attend the grand opening of Northwest Housing Alternative's new facility. He explained that while Council was not taking public comments at this meeting, there would be an audience participation section of the August 20 Regular Session meeting.

Mr. McMurtrey provided background on the Hillside Master Plan. He discussed the homelessness to home ownership housing continuum and explained funding for different types of housing on the continuum. The group discussed the area median income (AMI). **Mr. McMurtrey** provided a chart on who needs subsidized housing and noted that income was not keeping pace with rental housing costs.

It was noted that Council President Falconer arrived at the meeting at 4:13 p.m.

Ms. McClellan provided an overview of the Hillside Manor and Hillside Park sites. She reported that the Manor would remain on the site and would be renovated in the next year, while the Park would be redeveloped. The group discussed the total acreage of the site.

Ms. McClellan explained the master plan development timeline, including the information "gathering" and outreach phase, the land use process phase, and the concept design refining phase. **Mr. McMurtrey** noted that the county had also done a health impact analysis which would be published soon.

Ms. McClellan summarized the community's desired site features based on feedback received at outreach events. She provided a map noting the desire for higher density buildings along Meek Street and 32nd Avenue, and lower density in the northern portion of the site.

Ms. McClellan presented and discussed a new proposed street grid. **Councilor Batey** asked if the plan was still to sell off one of the blocks. **Mr. McMurtrey** said that option was still possible and **Councilor Batey** asked how that would affect the total number of units. **Mr. McMurtrey** clarified that the goal was to have 400 new units, which could be

developed solely by HACC or in partnership with non-profit partners or market-rate developers. **Mayor Gamba** asked if the HACC had spoken with Bridge Meadows recently and **Mr. McMurtrey** reported that they had.

Ms. McClellan explained the newly added "K" lot, which was suited for townhomes. The group discussed the entire site layout, building heights, street plazas, tree locations, and parking. The group further discussed existing parking and anticipated new parking. **Ms. McClellan** pointed out that the current site design allowed for 43% open space and a tree canopy of 40%.

Ms. McClellan explained the project phasing, noting that lots A and B would go first in Phase 1, followed by Lot C in Phase 2, and finally Lots D – K in Phase 3. She noted how current residents would need to be relocated during the process and explained that the goal was to cause as little disruption to current residents as possible. The group discussed the phases and relocation logistics.

The group discussed the project timeline. **Ms. McClellan** reported that the current planned development code had a seven-year timeline with the potential for a two-year extension.

Ms. Brooks observed that the meeting was running long. **Mayor Gamba** said he had more questions but agreed they needed to adjourn the meeting to get to the event. He looked forward to having more conversations. **Councilor Hyzy** noted to the public that all the meeting materials were included in the meeting packet and available online.

2. Adjourn

Mayor Gamba adjourned the Work Session at 4:50 p.m.

Respectfully submitted,



Amy Aschenbrenner, Administrative Specialist II



CITY OF MILWAUKIE

Memorandum

To: City Council
From: Planning Director Denny Egner
CC: City Manager Ann Ober
Date: August 16, 2019
Re: Community Development and Engineering Department Projects - City Council Update for August 20, 2019 Council meeting

Community Development/Housing/Economic Development ▪ Milwaukie Housing Affordability Strategy ▪ Housing Authority of Clackamas County: Hillside Manor Rehabilitation and Hillside Master Plan	Building ▪ June 2019 in review
Planning ▪ Comprehensive Plan ▪ Land Use/Development Review: • City Council • Planning Commission ▪ Design and Landmarks Committee	Engineering ▪ Traffic Control ▪ Engineering Projects

COMMUNITY DEVELOPMENT/ECONOMIC DEVELOPMENT/HOUSING Milwaukie Housing Affordability Strategy

- Staff will present an update to Council on progress that's been made on the Milwaukie Housing Affordability Strategy (MHAS) on Tuesday, September 3. The update will be during a work session.

Housing Authority of Clackamas County (HACC): Hillside Manor Rehabilitation and Hillside Master Plan

- HACC presented an update on the Hillside master planning process to the Planning Commission during a work session on Tuesday, August 13. They will also present to Council on Tuesday, August 20 during a work session. The purpose of their presentation is to keep the city updated on their ongoing planning process. At this time, no application for Hillside redevelopment has been submitted to the city. Following adoption of the master plan by the Clackamas County Board of Commissioners, HACC will submit land use applications to the City for comprehensive plan and zone changes that would allow development at densities consistent with the proposed master plan. HACC will also submit a planned development application for formal city approval. These applications will require public hearings in front of the Planning Commission and Council. Keep up to date with their planning process here:

<https://www.clackamas.us/housingauthority/hillsidemasterplan.html>

PLANNING

Comprehensive Plan Update

- The Council reviewed an updated version of the Block 3 policies at their August 6 work session and is scheduled to “pin down” the policies (excluding the urban design policies) by resolution on August 20.
- The Planning Commission reviewed the Block 3 policies during their August 13 regular meeting.

Land Use/Development Review

City Council

- ZA-2019-001 – On August 6, the Council adopted amendments to MMC 19.311 – Planned Development Zone. The changes allow for projects to be phased over seven years.
- A-2019-009 – On August 20, the City Council will hold a public hearing to consider the annexation of the public ROW in Lake Rd and Kuehn Rd adjacent to the Cereghino Farms subdivision as well as the Lake Rd ROW west to the current city limit. The Planning Commission recommended approval on July 23.
- On August 20, the City Council will hold a public hearing to consider renaming segment of SE 43rd Ave adjacent to Railroad Ave as SE Keil St.

Planning Commission

- NR-2018-005 – The public hearing for a 12-unit natural resources cluster development located at 12205-12225 SE 19th Ave has been continued until September 10 for deliberation by the Planning Commission. The opportunity for comment closed on August 13.
- VR-2019-004 – On August 13, the Planning Commission approved variances to the City's home occupation standards (MMC 19.507) for home-based business activity at 5111 SE Lake Rd (including Milwaukie Wellness Center and Milwaukie Hardwoods). The approved variances allow up to 3 non-resident employees or operators on the site at any given time as well as up to 4 home occupations (including an occupational therapy practice and short-term rental in addition to the existing businesses). The existing Lake Rd driveway will be closed as a condition of approval.

Type II Review

- DEV-2019-009 – August 25 is the end of the 30-day period for completeness review of the development for a 234-unit multifamily development on the site located at 37th Ave and Monroe St. Design and Landmarks Committee (DLC)

DLC

- The next meeting is September 3, 2019, when it will continue its work to update the Downtown Design Review process.

BUILDING

June 2019 in review

- Total number of permits issued (Structural, Mechanical, Plumbing, Electrical)
131
 - Total number of Inspections performed (Structural, Mechanical, Plumbing, Electrical)
388
 - Permits
New Single Family – 0
New ADU issued – 0
Solar 2 Issued
Residential Alterations/Additions – 5 issued
Commercial new - 0 issued
Commercial Alterations –19 issued
Demo's – 0 issued
- | | Valuation of permits issued: |
|--|------------------------------|
| | \$0 |
| | \$0 |
| | \$115,995 |
| | \$319,000 |
| | \$0 |
| | \$1,325,006 |
| | \$0 |

ENGINEERING

CIP Projects

2019 Street Surface Maintenance Program (SSMP):

- Three bids were received for the 2019 SSMP construction project. Eagle-Elsner was the apparent lowest bidder and the contract award will go to City Council on August 20th for approval.

22nd Avenue and River Road SAFE:

- JLA Public Involvement has been coordinating meetings with adjacent business owners to discuss the proposed design. Neighborhood feedback will be collected at annual NDA Picnic on September 7.

Home Avenue SAFE:

- The topographic survey by Emerio Design will be received in mid-September.

Linwood Avenue SAFE:

- The 30% design plans are underway, and the first public meeting is tentatively scheduled for Tuesday October 8, 2019 at Linwood Elementary School.

Traffic Control

- No new updates

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: August 8, 2019

Reviewed: Dennis Egner, Planning Director

From: Erin Maxey, Housing and Economic Development Coordinator

Subject: **Clackamas County Housing Authority: Hillside Manor Rehabilitation and Hillside Park Master Plan Update #5**

ACTION REQUESTED

Listen to a presentation by Clackamas County staff on the Hillside Park master planning process and discuss signing a letter of support for the Hillside Manor renovation.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

The City of Milwaukie was a partner in the grant application to Metro for the Hillside Master Plan submitted in June 2017. Metro announced the grant award for the project in November 2017 and a consultant was selected to proceed with the scope of work for the master plan development.

[April 3, 2018:](#) The Housing Authority of Clackamas County (HACC) provided an update to Council on the planning process for Hillside Manor and Hillside Park master planning process.

[September 18, 2018:](#) HACC provided update #2 to Council during a work session.

[January 15, 2019:](#) HACC provided update #3 to Council during a work session.

[February 21, 2019:](#) Council members attended the Hillside Master Plan Community Design Workshop at Ardenwald Elementary School.

[April 16, 2019:](#) HACC provided update #4 to Council during a work session.

ANALYSIS

The Hillside Manor and Park community is comprised of 200 units of public housing located on 16 acres on SE 32nd Avenue. The Housing Authority of Clackamas County (HACC) has launched revitalization efforts for the site that include two phases:

1. Rehabilitation of the 9-story tower (Hillside Manor)
2. Master planning for the redevelopment of the site (Hillside Park)

The master plan for Hillside kicked off on June 27, 2018 at the HACC 80th Anniversary Celebration with five stated goals for the revitalization efforts:

1. Add up to 400 new affordable housing units.
2. Community gathering space.
3. Enhanced outdoor recreation areas.
4. Other amenities that will serve both Hillside residents and neighbors.
5. A mixed-use community with potential new retail and office space.

Since last year, HACC has held numerous opportunities for stakeholder and public engagement. Seven stakeholder interviews were held between August 21 – 29, 2018 and a resident listening session that city staff attended was held on September 5, 2018. HACC staff hosted on site office hours beginning in September to allow for residents to stop by, ask questions, and provide comments. Three visioning workshops were held on October 24 and 25. A stakeholder committee that meets bimonthly was convened for the process, as well as a planning committee that meets monthly. A sustainability charrette was conducted by Brightworks Sustainability on November 7 to examine city and project priorities as part of the master plan.

Two internal design workshops were held on December 11 and December 20. The first one for the planning committee and the second one for the stakeholder committee. Both groups shared their ideas on a range of design concepts as presented by the Scott Edwards Architecture team. A community design charrette was held on February 21, 2019, with a total attendance of 52 people. The feedback collected at this event was used to develop three site design options.

The site designs were then presented to the community on May 30 at a Design Alternatives Open House at Providence Milwaukie Hospital. HACC also hosted an online open house from May 30 through June 14 to collect additional comments. Based on feedback from the in-person and online open houses, the consultants drafted a final master plan design that will go before the Clackamas County Board of Commissioners in August for adoption.

As part of a comprehensive approach to the development of the master plan, a health impact assessment team was formed that met monthly to discuss and advocate for a process that was mindful of the current and future health conditions of residents. A draft of final recommendations for the master plan has been created that highlights health benefits in the plan, strategies to mitigate potential health risks, enhance already health-promoting elements, and monitor ongoing health concerns.

Following adoption of the master plan by the Clackamas County Board of Commissioners, HACC will submit land use applications to the city for Comprehensive Plan and zone changes to allow for proposed density at the site. HACC will also submit a planned development application for formal city approval.

HACC is also seeking a letter of support from the city for the proposed renovation of Hillside Manor – the nine-story apartment building that includes 100 units of affordable housing (attachment 2). HACC is seeking to utilize two programs through the Department of Housing

and Urban Development (HUD) for their proposed renovation - the Rental Assistance Demonstration (RAD) and the Blended Section 18 programs. Attachment 3 provides background on these two programs in context to the Hillside Manor project. Through these programs, HACC will be able to leverage outside funding from the State of Oregon, Low-Income Housing Tax Credit equity, and a bank loan to make significant investments in the renovation of Hillside Manor that would not otherwise be possible. These programs will also ensure that all units remain affordable in perpetuity, that HACC will retain ownership of the property, and that all current residents will return to their home upon completion of the project.

BUDGET IMPACTS

None.

WORKLOAD IMPACTS

Community development staff have attended meetings and participated in outreach activities.

COORDINATION, CONCURRENCE, OR DISSENT

The planning director concurs with this staff report.

STAFF RECOMMENDATION

Staff recommends that Council listen to the Hillside Master Plan update and ask clarifying questions of Clackamas County staff. In addition, staff requests that Council authorize Mayor Gamba to sign the attached letter in support of the work to rehabilitate Hillside Manor.

ALTERNATIVES

None.

ATTACHMENTS

1. Presentation – Hillside Manor and Park Update #5
2. Letter of Support for Proposed Renovation of Hillside Manor
3. Rental Assistance Demonstration and Blended Section 18 Information

S|E A

Health, Housing
& Human Services 
CLACKAMAS COUNTY

Hillside Master Plan

Milwaukie
City Council
Update

08-20-19





Project Background

- | Currently a 16 acre site with 200 units of affordable housing
- | HUD Rental Assistance Demonstration Project (RAD)
- | Awarded a Metro 2040 Planning and Development Grant

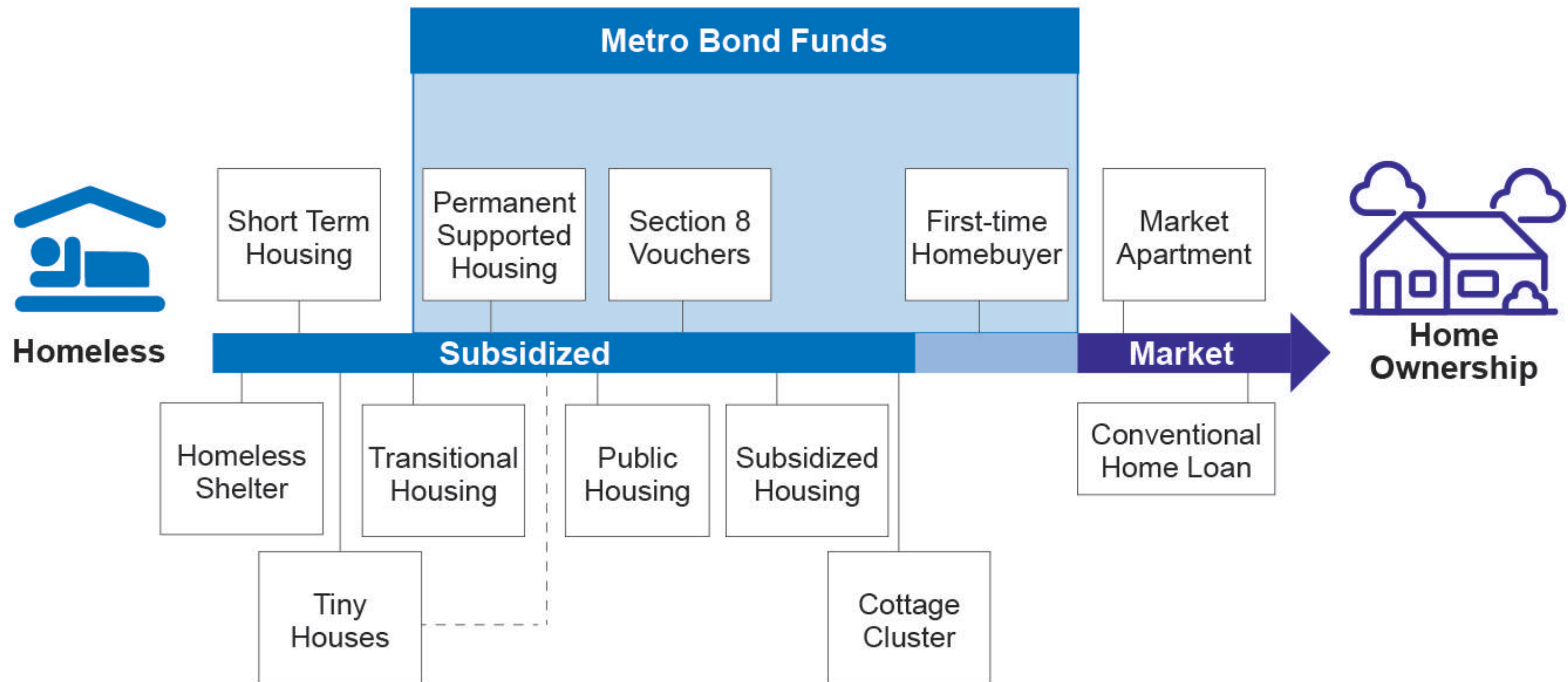
Project Vision

The Hillside Master Plan will set the vision for a vibrant mixed-use, mixed-income community that preserves and rebuilds existing affordable housing at the 16 acre site, while creating new opportunities for expanding housing options and type.

Project Goals

- | Up to 400 new affordable housing units
- | Community gathering space
- | Enhanced outdoor recreation areas
- | Other amenities that will serve both Hillside residents and neighbors
- | A mixed-use community with potential new retail and office space

Housing Continuum



Housing Affordability: Key Terms

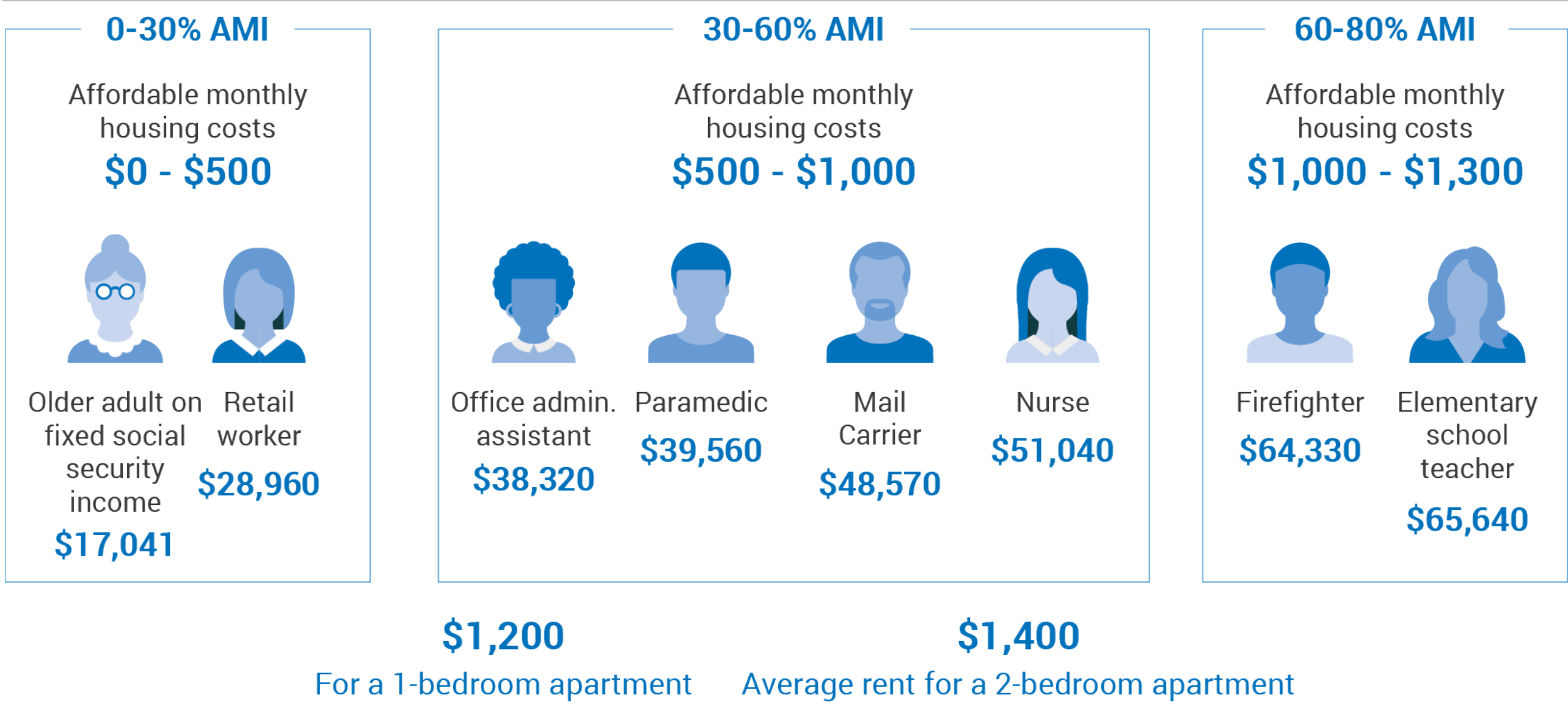
Area Median Income (AMI)

- 80% AMI or less: low income
- 50% AMI or less: very low income
- 30% AMI or less: extremely low income
- For 2018 AMI info: <https://www.portlandoregon.gov/phb/article/684577>

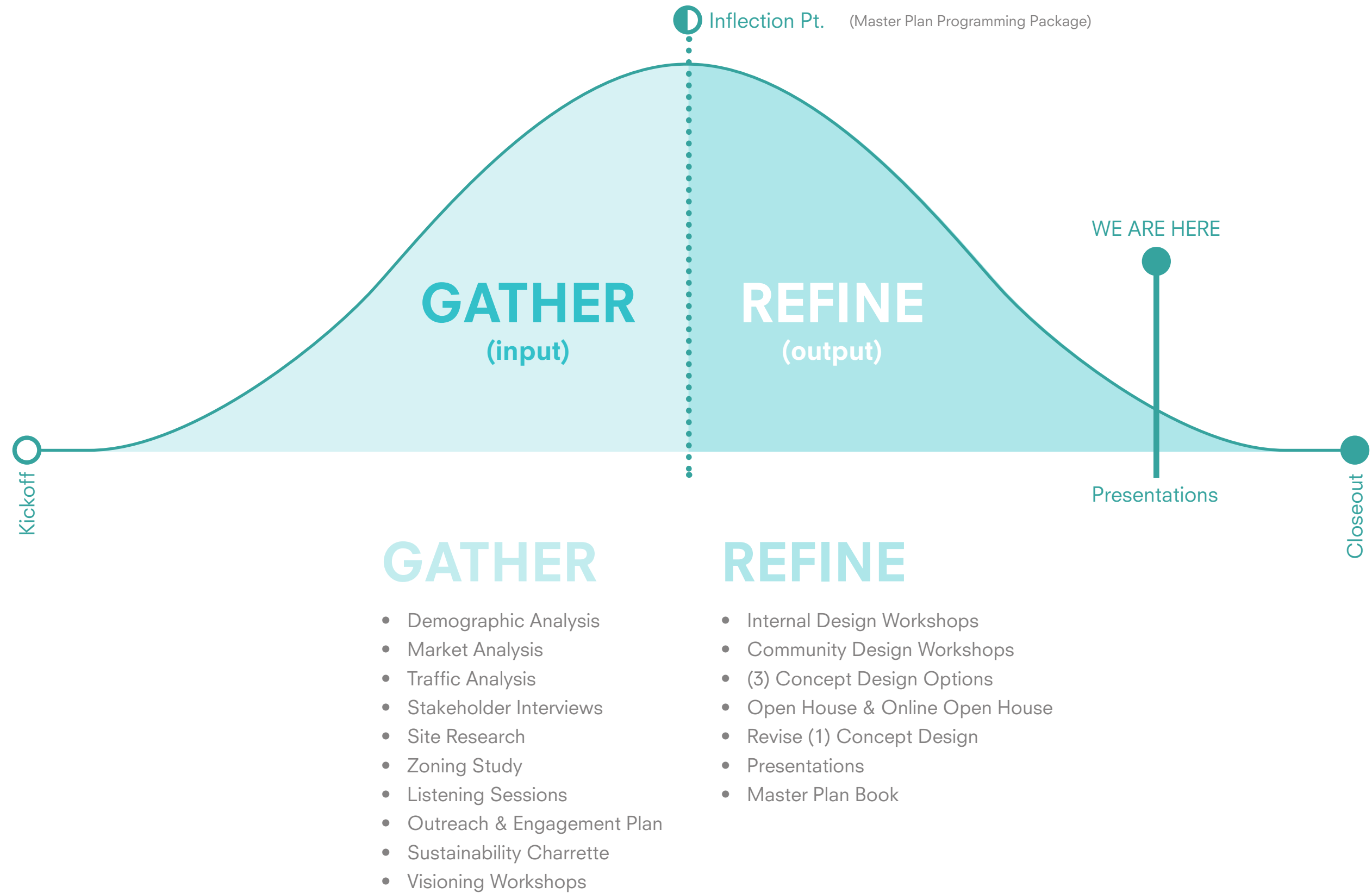
Housing is “affordable” when it costs 30% or less of total household income

- Households paying more than 30% of income are “cost/rent burdened”
- Paying more than 50% of income are “extremely cost/rent burdened”

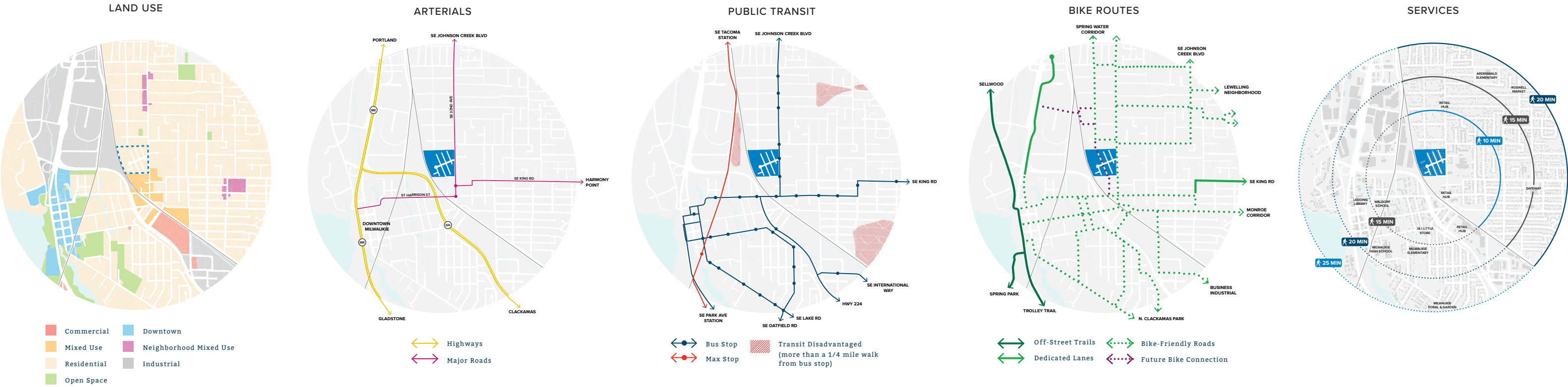
Who Needs Subsidized Housing?







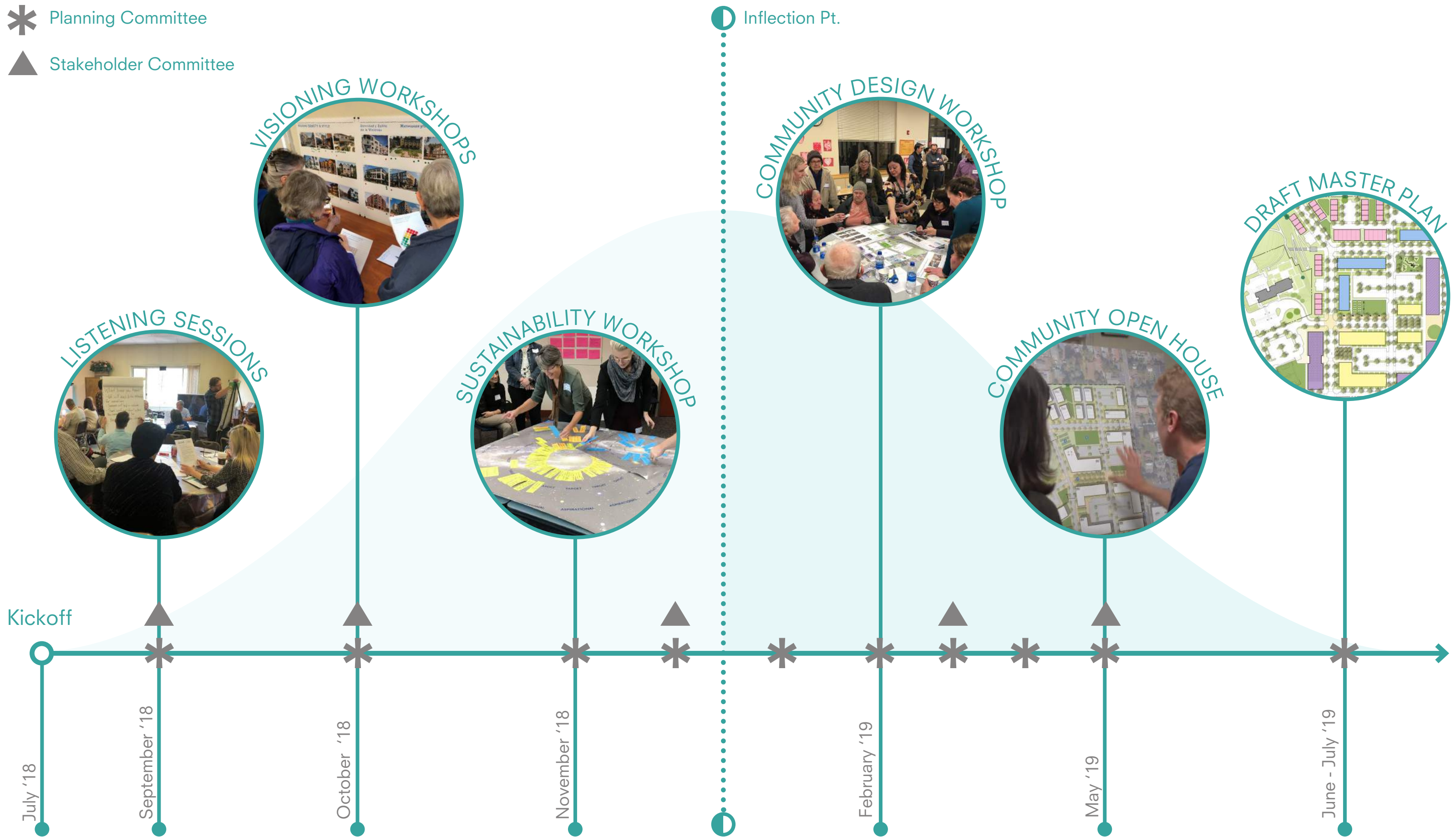
CONNECTIVITY DIAGRAMS



CONTEXT DIAGRAMS



- * Planning Committee
- ▲ Stakeholder Committee





- **Direct, focused outreach** to Park residents to boost their participation
- Use traditional and **electronic information sharing tactics**
- Consistent, relevant **information should be readily accessible** via the property management office and project website
- **Accessibility** should be thoroughly considered for all future engagement
- Make Hillside events **inclusive**
- Residents look forward to future opportunities to **share their perspective and ideas**
- The project team should develop materials and resources to **address key questions and concerns** related to project timescale, scope, relocation and rent impacts



Attendees were encouraged to move throughout the room to visit four stations addressing four categories.

Each station had 18 images for participants to “vote” on by applying stickers to the image.

Feedback results of the four categories:

Housing Density and Style

- 2-3 story buildings were preferred

Neighborhood Character

- Meandering paths, curbless streets, and community gathering spaces

Healthy Community

- Favored images showing community gardens, services, and access to local food

Open Space

- Structured playgrounds, open green spaces, dog parks, and landscaped areas were preferred



Small-table working groups each focused on a sustainability category:

- **Energy**
- **Health & Wellness**
- **Sense of Place/Green Infrastructure**

The working groups were tasked with identifying the **Top Ten Best Strategies** for their category, and to plot each strategy as “Baseline,” “Targeted,” and “Aspirational.”

Some strategies include:

- **Baseline:** multifunctional outdoor spaces & noise mitigation
- **Targeted:** 40% tree canopy & RideShare programs
- **Aspirational:** pedestrian overpass to downtown & EV-Ready Infrastructure



Around **60 community members and Hillside residents attended** the design workshop where participants could move 3D building blocks around on a site plan to create one’s vision of the future Hillside site.

Results from the design workshop based on 3 categories included:

Building Density:

- High density along SE 32nd and SE Meek St
- Low density along the north

Open Space:

- Evenly distributed parks, playgrounds, and community gardens
- Widen pedestrian access easement
- Sound wall along train tracks
- Dog park

Community Center Location

- 1-story or ground floor only with residential above
- Center lot or SE lot



Around **65 individuals attended** the open house where attendees could view the 3 design options, talk with members of the design team, and provide feedback on 8 design features.

The online open house had **277 unique visitors**; 249 visited the English site, 20 visited the Russian site, and 8 visited the Spanish site. The site enabled those not able to attend the in-person open house to provide feedback.

Results included:

Concept 1: Community Heart was preferred for the location of commercial space and the location of the community center.

Concept 2: Promenade was preferred for the location of the community center

Concept 3: Green Network was the most preferred concept in terms of street layout, location of density, mix of housing types, and distribution of open space



Following the open house the preferred design, **Concept 3: Green Network**, was revised per comments from the community and recommendations from the Health Impact Assessment Report.



**LOW DENSITY
ALONG NORTH**

**HIGH DENSITY
ALONG MEEK & 32ND**

TABULATIONS

Lot A	= 1.25 ac	100 du/ac
Lot B	= 1.39 ac	71 du/ac
Lot C	= 1.36 ac	40 du/ac
Lot D	= 1.38 ac	34 du/ac
Lot E	= 1.29 ac	81 du/ac
Lot F	= 1.05 ac	38 du/ac
Lot G	= 1.52 ac	17 du/ac
Lot H	= 2.68 ac	37 du/ac
Lot J	= 1.95 ac	0 du/ac
Lot K	= 0.85 ac	14 du/ac
Total	= 14.72 ac	

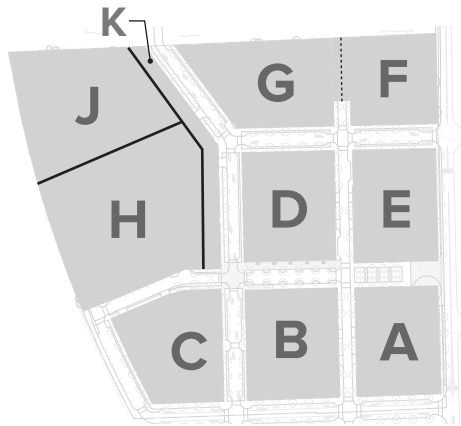
Hillside Manor (existing)	= 100 units
Hillside Park (replacement units)	= 100 units
Net New Units (to be developed)	= 400 units

Grand Total = 600 units

Off-street parking	= 327 stalls
On-street parking	= 163 stalls

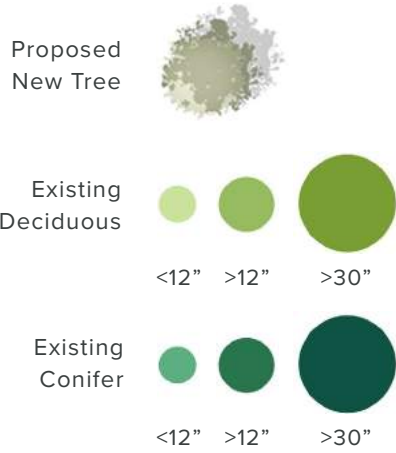
Total = 500 stalls

KEY PLAN



LEGEND

- parking ratio
- .5 3/1 # of stories / over commercial
- E1 50 # of units
- Building

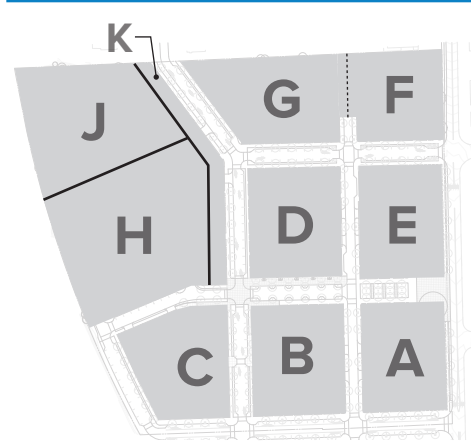


- Townhouse
- Walk-Up Apartment
- Apartment Building (residential all floors)
- Mixed-Use Apartment Building
- Commercial ground floor
- Community center ground floor

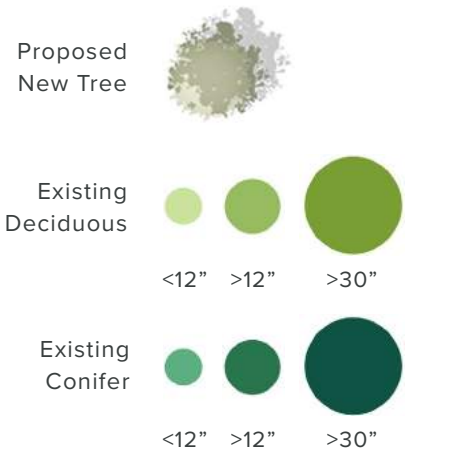




KEY PLAN



LEGEND

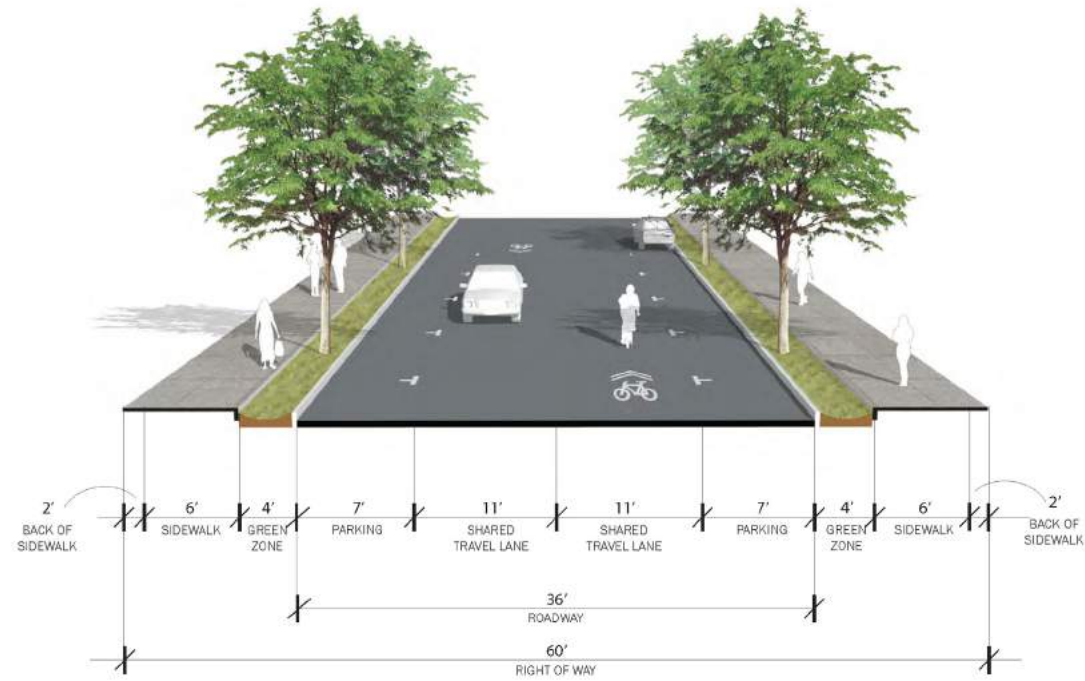


CALCULATIONS

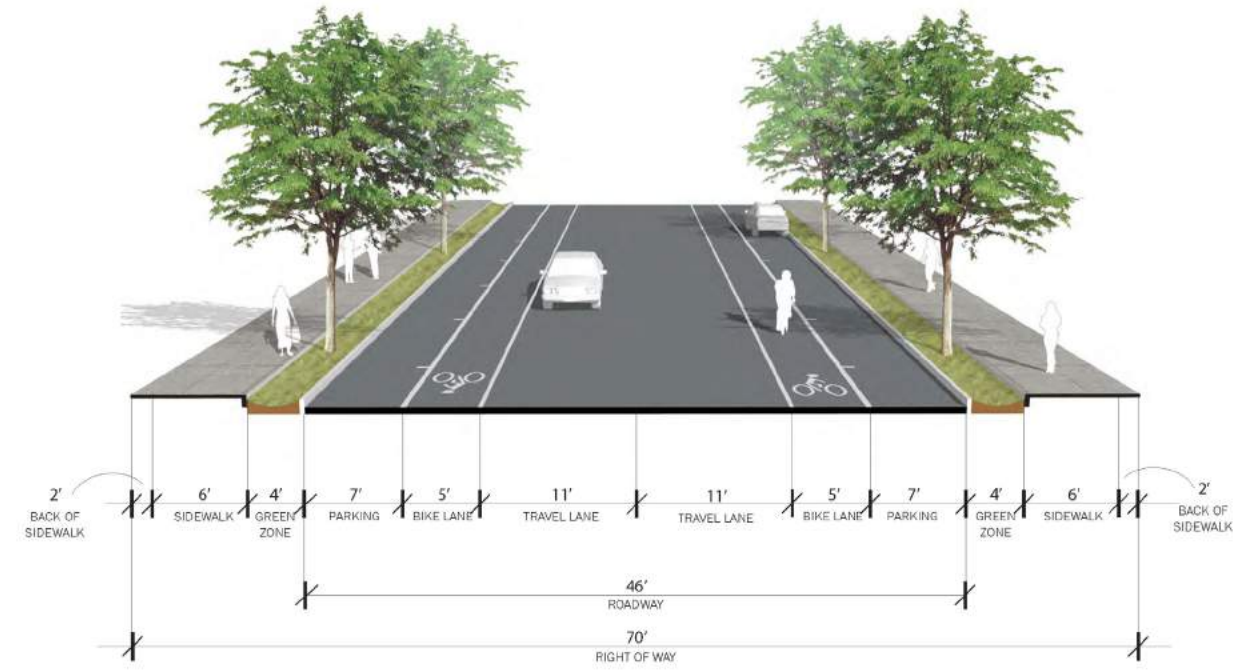
Based on average 30' mature street tree canopy

Tree canopy (entire site).....	40%
Open space (entire site).....	43%

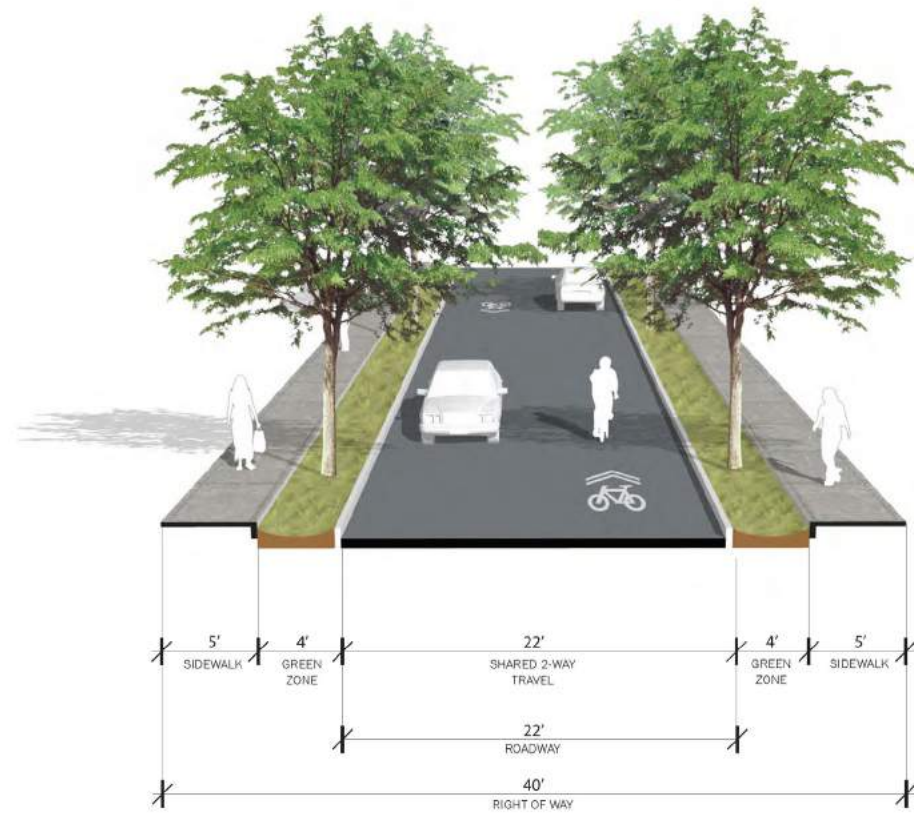




SECTION A
LOCAL STREET



SECTION B
SE MEEK STREET

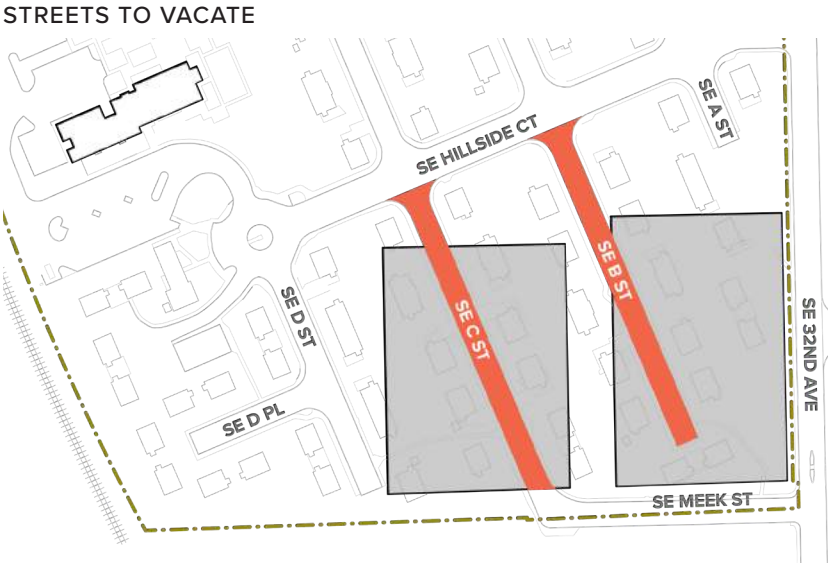


SECTION C
ALLEY STREET

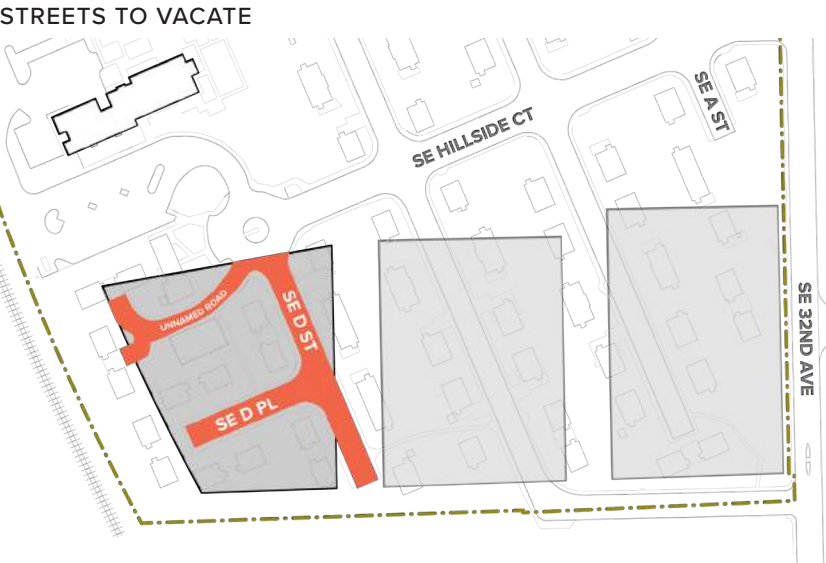


SECTION D
SE HILLSIDE CT

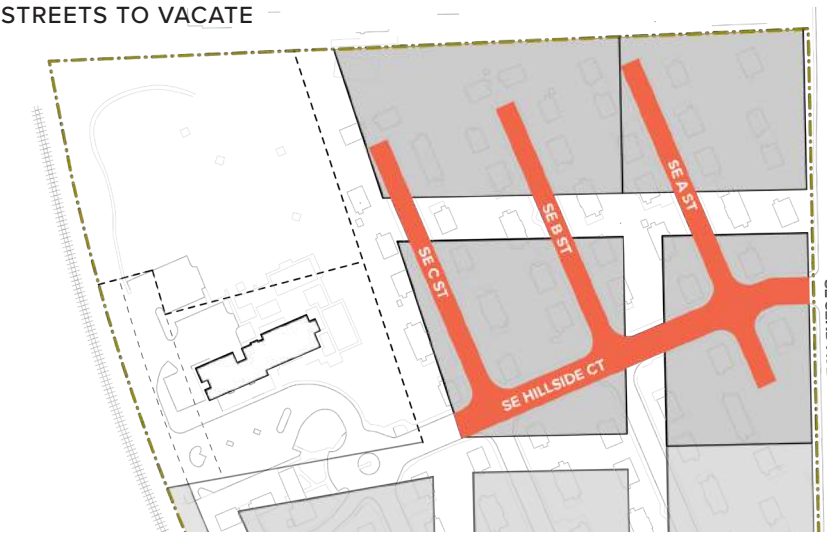
PHASE 01: LOTS A & B



PHASE 02: LOT C



PHASE 03: LOTS D-K



Q & A



CITY OF MILWAUKIE

August 7, 2019

Laure Rawson, Director
Portland Office of Public Housing
1220 SW 3rd Ave, Suite 400
Portland, OR 97204-2825

RE: Letter of Support for RAD Section 18 Blended Disposition and Renovation
Hillside Manor, 2889 SE Hillside Court, Milwaukie, OR 97222

Dear Director Rawson:

This letter is to confirm the City of Milwaukie's support for the proposed renovation of the Hillside Manor. The City supports and has been involved in the efforts to renovate the property. The use of the Rental Assistance Demonstration Blended Section 18 Disposition program, and the associated disposition of 25% of units, will enable the Housing Authority to reposition and substantially renovate this important housing resource in our community. Utilizing this mechanism for financing the improvements will allow 100 percent of the units to remain affordable.

In 2017, the Milwaukie City Council set Housing Affordability as one of three priorities. Since that time, the city has dedicated significant resources to creating housing stock that helps keep Milwaukians home. City Council sees the investment in Hillside Manor as the first step to improving the quality of life for its current and future residents. The Hillside Manor property provides deeply affordable housing for more than 100 of the City of Milwaukie's residents – including seniors, the disabled, and those most in need of stable housing. We appreciate Clackamas County's commitment to keeping most residents on-site during construction and finding quality housing for anyone who might be displaced while their home is being renovated. In addition, the City appreciates that all residents will return to their home upon completion of the project. We look forward to the renovation of the Hillside Manor, investment in our community, and the preservation of this important housing stock.

Sincerely,

Mayor Mark Gamba

MILWAUKIE CITY HALL
10722 SE Main Street, Milwaukie, Oregon 97222
P: 503.786.7555 / F: 503.786.7528
milwaukieoregon.gov

WS20

Hillside Master Plan Update - Attachment 3

Rental Assistance Demonstration and Blended Section 18 Program

The Rental Assistance Demonstration (RAD) allows public housing agencies (PHAs) and owners of HUD-assisted properties to convert units to project-based Section 8 programs, providing an opportunity to invest billions into properties at risk of being lost from the nation's affordable housing inventory. Additionally, it gives owners of three HUD "legacy" programs (Rent Supplement, Rental Assistance Payment, and Section 8 Moderate Rehabilitation) the opportunity to enter into long-term contracts that facilitate the financing of improvements.

The 1.2 million units in the Public Housing program have a documented repair backlog of nearly \$26 billion. As a result, the public housing inventory has been losing an average of 10,000 units annually through demolitions and dispositions. Meanwhile, the 38,000 units assisted under HUD's legacy programs are ineligible to renew their contracts on terms that favor modernization and long-term preservation. The current conditions of many of these properties prevent reinvestment and recapitalization efforts in the communities with the most need. By drawing on an established industry of lenders, owners, and stakeholders, RAD allows PHAs and owners of HUD-assisted housing to preserve and improve affordable housing units that could be subject to vouchers and demolition. RAD creates greater funding certainty while allowing increased operational flexibility to empower PHAs and owners to serve their communities.

Use of the RAD program will allow the Housing Authority of Clackamas County to make significant investment in renovations to the Manor and maintain the property as 100% affordable housing. The RAD program will allow the Housing Authority to leverage outside funds - from the State of Oregon, Low-Income Housing Tax Credit equity, and a bank loan - to make these investments which would not otherwise be possible. The property will transition from public housing to a tax credit limited partnership creating a public-private partnership to renovate the property. The Limited Partnership will be managed by the Housing Authority.

The Blended Section 18 program allows the Housing Authority to reposition and refinance the property through RAD, as well as to transfer to a project-based voucher contract and increase subsidy. Because the Housing Authority proposes to undertake a substantial renovation to all the units, it can access additional voucher funds from HUD. 25% of units will be 'disposed' through the program off the existing HUD contract and onto a new project-based voucher contract. All 100 units will remain affordable housing. All 100 units will retain rent subsidy.

Hillside Manor will:

- Remain 100% affordable housing
- Continue to allow residents to only pay 30% of their income for rent
- Receive substantial renovation to major building systems, including elevators, mechanical, and structural
- Relocate residents temporarily on-site while their units are renovated.
- Remain controlled by the Housing Authority through a new Limited Partnership
- Remain on land owned by the Housing Authority