

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

RESOLUTION NO. _____

Approving DCHS Budget Modification, Secured Real Estate Loan, and Construction Aid for Human Solutions, Inc.'s Family Warming Shelter

The Multnomah County Board of Commissioners Finds:

- a. The Department of County Human Services (DCHS) has contracted with Human Solutions, Inc. (HSI) for operation of a homeless family warming shelter (Shelter) for the past several years. Until now, the Shelter has been housed in leased facilities, and HSI has been required to relocate the Shelter several times.
- b. The Board's adopted FY 2016 DCHS Budget includes operational funds to provide emergency shelter for homeless families. The Board also adopted A Home for Everyone (AHFE) Initiative's FY 2016 Safety Off the Street program.
- c. While working to site a year-round Shelter in a leased facility, HSI learned of the opportunity to purchase a property that includes a building that can serve as both an immediate and future family warming shelter, as well as additional land for potential development of affordable housing units (Shelter Property).
- d. DCHS has requested Board approval to transfer \$300,000 from Contingency to fund HSI's down payment for the Shelter Property, which will be secured by a promissory note (Note) and second deed of trust on the Shelter Property (Second Trust Deed). The Second Trust Deed will be subordinate to a first position trust deed securing HSI's repayment of a loan from the Housing Development Corporation Community Loan Fund LLC, which will fund the balance of the purchase price for the Shelter Property.
- e. DCHS has also requested Board approval to re-allocate \$372,002 within the FY 2016 Adopted Budget and to increase Local/Other funds by \$25,695, based on the notice of award from Metro of a Community Planning and Development Grant. This combined sum of \$397,697 will be disbursed to HSI under a Construction Aid Agreement to fund planning, design, project management, and construction of capital improvements for the Shelter.
- f. HSI's performance of its obligations under the Construction Aid Agreement will also be secured by the Second Trust Deed, which requires HSI to contract for construction of roof repairs, interior improvements, plumbing and electrical upgrades and installation of fixtures on the Shelter Property, all in compliance with applicable zoning and building regulations, to permit its licensed operation and occupancy as a Shelter, beginning February 1, 2016, or such earlier or later

date when all required licenses and occupancy permits are issued (Shelter Opening Date).

- g. As consideration for HSI's operation of the Shelter, the County will credit Fifty Thousand Dollars (\$50,000) per year on each anniversary of the Shelter Opening Date toward satisfaction of the principal due on the Note.
- h. After FY 2016, if the County does not select HSI to operate the Shelter based on a competitive solicitation, HSI will be entitled to lease the Shelter Property to the selected Shelter operator; in consideration for which the County will continue to credit Fifty Thousand Dollars (\$50,000) for each year the Shelter is operated on each anniversary of the Shelter Opening Date toward satisfaction of the principal due on the Note.
- i. The Second Trust Deed also provides that, if HSI ceases to operate the Shelter or lease the Shelter Property for such operation, as described in findings (g) or (h) hereof, or decides to sell the Shelter Property or redevelop the Shelter Property for a use other than the Shelter, HSI shall provide the County with thirty (30) days' advance written notice of such intent to close the Shelter, sell or redevelop the Shelter Property, and the County shall have the exclusive option to purchase the Shelter Property at a price equal to its appraised fair market value, after deducting the principal balance remaining due and payable on the Note.

The Multnomah County Board of Commissioners Resolves:

- 1. It is in the best interests of the County to provide funding to HSI to assist in its purchase and renovation of the Shelter Property.
- 2. The Board approves DCHS's FY 2016 Budget Modification request to transfer \$300,000 from Contingency to fund HSI's down payment for the Shelter Property; to re-allocate \$372,002 from operating budget to capital outlay, and to increase Local/Other funds by \$25,695, for a combined \$397,697 disbursement to HSI under a Construction Aid Agreement, to fund planning, design, project management and construction of capital improvements for the Shelter.

3. The County Chair is authorized to sign the Construction Aid Agreement and the acceptances of the Note and Second Trust Deed, in substantially the same forms attached hereto as Exhibit A. Board approval is needed for any modifications or amendments that result in a material increase in the obligations of, or a material decrease in the benefits to, the County.

ADOPTED this 22nd day of October, 2015.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Deborah Kafoury, Chair

REVIEWED:

JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By: _____
Kenneth M. Elliott, Assistant County Attorney

SUBMITTED BY: Liesl Wendt, Director, Dept. of County Human Services

Exhibit A:
Promissory Note
Second Trust Deed
Construction Aid Agreement