

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. _____

Approving the Re-Sale of Certain Real Property First Donated Under the Affordable Housing Development Program to Sabin Community Development Corporation and Authorizing the Chair to Execute an Amendment to a Certain Declaration of Restrictive Covenants

The Multnomah County Board of Commissioners Finds:

- a. By Resolution No 05-195 adopted on December 1, 1995, this Board approved the donation of certain real property, identified and described in Exhibit A to that Resolution as Parcel No. 2 to Sabin Community Development Corporation (Sabin) for low income housing purposes pursuant to ORS 271.330 and Multnomah County Code (MCC) Sections 27.402-27.406, now recodified as MCC 7.405-7.410.
- b. A deed from the County to Sabin for the property was recorded in February 2006, in the Multnomah County Deed Records. The property is located at 8605 N. Calvert, Portland, Oregon and the legal description is as follows:

Lots 51, 52, and the South one-half of Lot 50, Block 46, PENINSULAR ADDITION NO. 4 TO EAST PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.
- c. At the time of the recording of the deed, additional instruments pursuant to the County's Affordable Housing Development Program (AHDP) were recorded that encumbered the property to ensure that the site would be used for single family homeownership property for Eligible Buyers under the rules of ADHP and maintained as such for a minimum of 30 years. These additional instruments included the "Declaration of Restrictive Covenants" or the "Declaration".
- d. Under the AHDP, "Eligible Buyers" are low income individuals or households with income at or below 80% of Area Median Income.
- e. Sabin has represented to the County that due to tightening of regulations for mortgage lending, it was unable to find an Eligible Buyer to obtain mortgage financing with the Declaration recorded against the property.
- f. Prior to obtaining written consent from the County, on January 30th, 2012, Sabin sold the property to "Proud Ground", a state-certified community land trust that has been operating since 1999. Unfortunately by the terms of the Declaration, Proud Ground did not qualify as an Eligible Buyer.
- g. Proud Ground's mission is to offer affordable homeownership options for individuals and families in the community. Proud Ground retains the land in the land trust and sells only the improvements, i.e. the house and fixtures, creating affordable homeownership opportunities for households who might not normally qualify to purchase a home due to their limited income. Proud Ground will place the property in their land trust, ensuring all current and future owners of the property are Eligible Buyers for a period of 99 years.
- h. The AHDP supports the mission of Proud Ground and finds that the sale of the property to Proud Ground will facilitate low income housing in the community.

- i. The AHDP has essentially concluded that in the current economic environment, lenders are demanding that the AHDP Declaration restrictions with respect to Eligible Buyers expire in the event of foreclosure of any financing or mortgage.
- j. Allowing an amendment to the Declaration while the property is in the Proud Ground land trust will be consistent with the AHDP policy requiring subsequent sales to Eligible Buyers for a minimum of 30 years.

The Multnomah County Board of Commissioners Resolves:

- 1. The January 30, 2012 sale and transfer of the above described property by Sabin to Proud Ground is approved.
- 2. The Chair is authorized to execute an Amendment to that certain Declaration of Restrictive Covenants recorded on February 1, 2006, at Entry No. 2006-019323 in the Multnomah County Deed Records, said Amendment to provide as follows:

Foreclosure or Assignment of Mortgage. In the event the Successor Grantee, its successors, or its assignees acquire title to the property through foreclosure, deed in lieu of foreclosure or assignment of insured mortgage to the Secretary of HUD, the Declaration and all provisions contained within shall terminate; and all obligations by Grantee or Successor Grantee with respect to any other instrument originally recorded as a part of the "Loan Documents" including the Trust Deed, the Promissory Note, and the Sale and Development Agreement, shall also terminate.
- 3. The Chair is further authorized to execute any other instruments required to amend the Declaration of Restrictive Covenants to allow for the transfer of the property from Sabin to Proud Ground.

ADOPTED this 19th day of April, 2012

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

REVIEWED:

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

By _____
Matthew O. Ryan, Assistant County Attorney

SUBMITTED BY: Department of Community Services, Mary Li.