

IN THE BOARD OF COMMISSIONERS OF THE  
HOMES FOR GOOD HOUSING AGENCY, OF LANE COUNTY OREGON

ORDER 18-17-10-06H

In the Matter of Authorizing the Development  
and Financing of Market District Commons  
Affordable Housing Development.

WHEREAS, Housing and Community Services Agency of Lane County doing business as Home for Good Housing Agency (the "Authority") is a public body corporate and politic, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out and effectuate the purposes of the ORS 456.055 to 456.235 (the "Housing Authorities Law"); and

WHEREAS, a purpose of the Authority under the Housing Authorities Law is to construct, acquire, manage and operate affordable housing for persons of lower income; and

WHEREAS, the Authority is authorized by ORS 456.120 to form, finance and have a nonstock interest in, and to manage or operate, partnerships, nonprofit corporations and limited liability companies in order to further the purposes of Homes for Good Housing Agency; and

WHEREAS, consistent with its purposes and powers, the Authority intends to cause an affiliate entity to construct on a parcel at the northwest corner of 6<sup>th</sup> Avenue & Oak Street in Eugene Oregon, a mixed use structure which will become a condominium to be known as Market District Commons Condominium with two units: one condominium unit with approximately 50 units of affordable housing (the "Housing Project"); and a second condominium unit of approximately 5,500 square feet on the ground floor (the "Commercial Unit") to be acquired, upon completion, by an affiliate of the Obie Companies (together, the development of the Housing Project and the Commercial Unit are referred to as the "Project"); and

WHEREAS, by prior Commission Order 18-22-08-04H, the Authority authorized the formation of MD Commons LLC (the "LLC") to develop the Project and own the Housing Project, and authorized formation of MD Manager LLC ("Manager LLC") to serve as the Managing Member of the LLC; and

WHEREAS, the Project will be constructed on land owned by Lane County, Oregon (the "Property"); and the County is willing to enter into a long-term ground lease of the land for a period of at least 99 years; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, and the Project to enter into a long-term ground lease of the Property on terms and conditions that are satisfactory to the Authority and the LLC;

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, and the Housing Project to enter into agreements with, and to obtain an investment in the LLC from, Wells Fargo Community Lending and Investment ("Wells Fargo"), in the

approximate amount of **\$10,060,939** (the "Investment") substantially in accordance with a term-letter dated July 23, 2018, with such amendments as may be required following further underwriting and negotiation; and

WHEREAS, as part of the Investment, Wells Fargo will require that the initial operating agreement of the LLC be amended and restated in its entirety to reflect the terms of the Investment (the "Amended Agreement"); and

WHEREAS, as part of the Investment, Wells Fargo will require that the LLC and the Authority enter into various documents relating to the management of the LLC and to development and/or operation of the Housing Project (the "Syndication Documents") including certain guaranties to be executed by the Authority in its capacities as guarantor and developer; and

WHEREAS, the Authority deems it to be in the best interests of the Authority and the LLC to take all actions reasonably necessary to facilitate the Investment in the LLC by Wells Fargo by entering into any and all agreements with Wells Fargo and/or the LLC, on its own account, and as the sole member and manager of the LLC, and to take any and all further actions to facilitate the Investment in the LLC by Wells Fargo; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Project, and the Housing Project that the LLC obtain a construction loan from Wells Fargo, which loan will be in the approximate amount of **\$9,788,000** (which amount is subject to further underwriting and negotiation) (the "Construction Loan") and bear interest at the rate of approximately 1.75% above 1-month LIBOR; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, and the Housing Project that the LLC obtain a commitment for permanent financing of the Housing Project in the approximate amount of \$910,000 (which amount is subject to further underwriting and negotiation) from the Network for Oregon Affordable Housing and, if approved by NOAH and the Authority, a loan purchase agreement pursuant to which NOAH would agree, on certain conditions to acquire the construction loan subject to certain modifications (in either case, the "NOAH Loan"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, and the Housing Project to cause the Authority to enter into such agreements as are reasonably necessary to obtain a grant in the approximate amount of **\$400,000** of state General Housing Account Program funds (the "GHAP Funds") from the State of Oregon acting by and through its Housing and Community Services Department and, thereafter, to lend the GHAP Funds to the LLC which loan will have a term to maturity and interest rate to be determined after further underwriting; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, and the Housing Project to cause the Authority and/or the LLC to enter into such agreements as are reasonably necessary to obtain a grant in the approximate amount of **\$2,000,000** of National Housing Trust Fund (the "HTF Funds") from the State of Oregon acting by and through its Housing and Community Services Department and, thereafter, if necessary, to lend the HTF Funds to the LLC which loan will have a term to maturity and interest rate to be determined after further underwriting; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the LLC to cause the Authority to enter into such agreements as are reasonably necessary to obtain a loan in the approximate amount of **\$700,000** of HOME money from HUD through the City of Eugene to the LLC which loan will have a term to maturity and interest rate to be determined after further underwriting; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, and the Housing Project to authorize the execution and delivery of certain documents pursuant to which the Housing Project will be allocated approximately **\$1,105,000** of 2019 federal low-income housing tax credits annually for a period of 10 years (the "LIHTC Credits") or such other amount as may be set forth in 9% LIHTC Reservation and Extended Use Agreement to be issued by the Oregon Housing and Community Services Department and executed by the LLC; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Project, and the Housing Project, to authorize: (a) the execution, delivery, and/or recording of documents necessary to form Market District Commons Condominium and subject the Project to a condominium regime under Oregon law; and (b) execution and delivery by the LLC and/or the Authority, as need be, a purchase and sale agreement with an affiliate of the Obie Companies ("Obie") pursuant to which Obie will acquire the Commercial Unit from the LLC at or near completion of the Project ("Commercial Unit Purchase and Sale"); and

WHEREAS, the Authority has determined that it is in the best interests of the Authority, the LLC, the Project, and the Housing Project, to authorize the execution and delivery by the LLC and/or the Authority, as need be, such further agreements with Obie relating to the Project, its timing, and financing; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the LLC to enter into certain agreements for architectural and construction related services related to the Project; and

WHEREAS, the Authority has determined that it is in the best interests of the Authority and the LLC to enter into agreements with professionals with technical expertise and, as appropriate, to assign to the LLC the product of such agreements;

**NOW, THEREFORE, THE AUTHORITY IN ITS OWN CAPACITY, ON BEHALF OF THE LCC, AND ON BEHALF OF MANAGER LLC ADOPTS THE FOLLOWING RESOLUTIONS:**

**1. Authorize Execution of Ground Lease with County.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be a Ground Lease pursuant to which the LLC will lease from Lane County for a term of at least 99 years, property legally described as Lots 5 and 8, Block 2, SKINNER'S DONATION TO LANE COUNTY, as platted and recorded in Book "A", Page 122, Lane County Oregon Plat Records, in Lane County, Oregon, on terms and conditions approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

**2. Approve Amended LLC Operating Agreement, Admission of Investor Member; Execution of Related Agreements.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, a letter of intent relating to an anticipated Amended and Restated Operating Agreement of the LLC between the Authority (as manager and member) and Wells Fargo (as the investor member) in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document);

BE IT FURTHER RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority, (whether in its own capacity, its capacity as developer or its capacity as a guarantor), the LLC, and/or the Manager LLC, as the case may be, the Syndication Documents listed on the attached Exhibit A (whether bearing the name listed or names to similar effect) and such other documents as reasonably may be required in connection with the closing of the Investment by Wells Fargo, all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document)

**3. Authorize Construction Loan to LLC.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority, (whether in its own capacity, its capacity as developer or its capacity as a guarantor), the LLC, and/or the Manager LLC, as the case may be,, the Construction Loan Documents listed on the attached Exhibit A (whether bearing the name listed or names to similar effect) and such other documents as reasonably may be required in connection with the closing of the Construction Loan all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

**4. Authorize NOAH Loan**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority, (whether in its own capacity, its capacity as developer or its capacity as a guarantor), the LLC, and/or the Manager LLC, as the case may be, such documents as may be necessary to enter into the NOAH Loan, all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

**5. Authorize Receipt of GHAP Funds by Authority.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority, such documents as are required to evidence and obtain a grant of the GHAP Funds.

**6. Authorize Loan of GHAP Funds from Authority to LLC.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, such documents as required to evidence and secure a Loan in the amount of the GHAP Funds to the LLC all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

**7. Authorize Receipt of HTF Funds by Authority.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority, such documents as are required to evidence and obtain a grant of the HTF Funds.

**8. Authorize Loan of HTF Funds from Authority to LLC.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, such documents as required to evidence and secure a Loan in the amount of the HTF Funds to the LLC all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

**9. Authorize Receipt of HOME funds to the LLC.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, such Documents required to obtain the HOME funds by the LLC.

**10. Authorize Execution of 9% LIHTC Credit Reservation and Extended Use Agreement.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority and/or the LLC, as the case may be, a 9% Low Income Housing Tax Credit Reservation and Extended Use Agreement pertaining to the LIHTC Credits anticipated to be awarded in respect of the Project, all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

**11. Authorize Market District Commons Condominium, Execution of Commercial Unit Purchase and Sale Agreement, and Other Related Documents.**

BE IT RESOLVED, that that the Authority is authorized to negotiate, execute, deliver, file and/or record on behalf of the Authority, the LLC, and or the Manager LLC, as the case may be, a Declaration by the LLC submitting Market District Commons Condominium to a condominium form of ownership to become effective at or near completion of the Project, together with Bylaws and other documents forming Market District Commons Condominium Owners Association;

BE IT FUTHER RESOLVED, that the Authority is authorized to negotiate, execute, and deliver on behalf of the Authority and/or the LLC, as the case may be, a purchase and sale agreement with Obie, and such other documents as may be reasonable or convenient to the development of the Project and the sale of the Commercial Unit on terms and conditions approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document).

**12. Authorize Architect Contracts and Construction Contracts on behalf of LLC.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, forms of agreement with an architect and a general contractor with such amendments as may be required from time to time, all in the form approved by any Authorized Representative (such approval to be

conclusively demonstrated by the signature of any Authorized Representative on such document):

**13. Authorize Agreement for Technical and Professional Consulting Services.**

BE IT RESOLVED, that the Authority is authorized to negotiate, execute and deliver on behalf of the Authority and/or the LLC, as the case may be, such agreements as any Authorized Representative may deem prudent for the provision of financial, accounting, legal, development consulting, engineering, geotechnical, environmental, construction management or other services, all in the form approved by any Authorized Representative (such approval to be conclusively demonstrated by the signature of any Authorized Representative on such document.)

**14. Authorize Assignment, Assumption and Reimbursement Agreement between Authority and LLC.**

BE IT RESOLVED that the Authority is authorized to enter in such agreements as may be necessary to assign to the LLC (and obtain reimbursement from the LLC therefor) such development rights, design and construction contracts, and other real and personal property as the Authority may have acquired for purposes of the Project.

**15. Authorized Representatives.**

BE IT RESOLVED that the following identified persons shall be the Authorized Representatives as that term is used in these Resolutions and authorized, empowered and directed to perform the actions authorized herein on behalf of the Authority whether acting on behalf of the Authority or the LLC.

Jacob Fox  
Steve Ochs

In addition to the Authorized Representatives named above, the following named individual(s) shall have authority to execute draw requests, monthly progress reports and miscellaneous forms associated with tax credits, grants and loans:

Steve Ochs

**16. General Resolutions Authorizing and Ratifying Other Actions**

BE IT RESOLVED, that any Authorized Representative is authorized to negotiate, execute and deliver on behalf of the Authority, the LLC, and Manager LLC as the case may be, such other agreements, certificates, and documents, and to take or authorize to be taken all such other actions any Authorized Representative shall deem necessary or desirable to carry out the transactions contemplated by the foregoing resolutions (such determination to be conclusively demonstrated by the signature of any Authorized Representative on such document); and

BE IT FURTHER RESOLVED, that to the extent any action, agreement, document or certification has heretofore been taken, executed, delivered or performed by an Authorized Representative named in these Resolutions on behalf of the Authority, acting in its own behalf or on behalf of the LLC or Manager LLC, and in furtherance of the Project, the same is hereby ratified and affirmed.

Done and dated this 17<sup>th</sup> day of October, 2018.

BOARD OF COMMISSIONERS

Chasmo M. Reeves

Chairperson

## Exhibit A

### Well Fargo Bank Syndication Documents

1. Amended and Restated Operating Agreement of the LLC;
2. Guaranty Agreement;
3. Development Services Agreement;
4. Joint Marketing Agreement;
5. Company Management Fee Agreement;
6. And such other document as required in connection with the closing of the Investment by Wells Fargo.

### Wells Fargo Construction Loan Documents

1. Promissory Note;
2. Building Loan Agreement;
3. Construction and Permanent Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement, and Fixture Filing;
4. Pledge and Security Agreement (Assignment of Partnership Interests and Tax Credits);
5. Pledge and Security Agreement;
6. Completion Guaranty
7. Repayment Guaranty
8. Assignment and Subordination of Development Agreement;
9. Assignment of Construction and Development Documents;
10. Hazardous Materials Indemnity Agreement;
11. Assignment of Architectural Agreements and Plans and Specifications;
12. Assignment of Property Management Agreement;
13. Assignment and Subordination of Developer Fee Agreement
14. Assignment for Security of AHAP Contract
15. Subordination Agreements or Master Priority Agreement as required;
16. Borrower's Certificate;
17. Such other certificates, agreements, indemnities, hold harmless agreements, or other documents reasonably necessary to the effectuation of the resolutions adopted as of this date and reasonably related to the Construction Loan from the Bank and the development of the Project with such amendments, additions or other changes as Authorized Representative shall deem reasonable and prudent and in furtherance of the Project.

### Senior Mortgage Loan Documents

1. Loan Purchase Agreement among NOAH, Bank and the Company with all Exhibits thereto to which the Authority or the Company is (or is to be) a party.