

**PASSED**

**IN THE BOARD OF COMMISSIONERS OF THE  
HOUSING AUTHORITY AND COMMUNITY SERVICES AGENCY  
OF LANE COUNTY, OREGON**

ORDER

In the Matter of Authorizing the Executive Director to Purchase  
the Munsel Park Apartments in Florence, Oregon

03-6-11-1H

WHEREAS, HACSA serves as the Public Housing Authority for Lane County, Oregon;

WHEREAS, ORS 456.120 includes in the Powers of Authority as a Public Corporation the  
authority:

To own, hold and improve real or personal property;

To purchase, buy on contract, exchange, lease, lease back, obtain options upon, acquire by gift,  
grant, bequest, devise or otherwise any real or personal property or any interest therein and to give  
its mortgage or trust deed covering any real property or security agreement covering any personal  
property or any interest in either.

To sell, mortgage, lease, rent, exchange, transfer, assign, pledge or otherwise dispose of any real  
or personal property or any interest therein;

WHEREAS, in order to preserve the affordability of The Munsel Park Apartments as low-income  
housing in Lane County, it is necessary to use financing from USDA - Rural Development for the  
project;

WHEREAS, Rural Development ("Lender") is willing to allow HACSA, acting as the General Partner  
of the Munsel Park Limited Partnership, to assume the existing loans to the Munsel Park  
Apartments and to obtain additional financing.

NOW IT IS HEREBY ORDERED:

- (1) That the Housing Authority and Community Services Agency, as General Partner of and on  
Behalf of the Munsel Park Limited Partnership, an Oregon Limited Partnership ("The  
Partnership"), Is Authorized to Purchase the Munsel Park Apartments in Florence, Oregon  
and To Execute the Form RD 1944-35a, [In a Form Substantially Similar to That Provided  
in Attachment "1"] to Provide for Assumption of Loan Agreements Totaling up to \$635,000  
to Finance Rental Housing and Related Facilities in a Rural Area for Households of Low  
and Moderate Income, the Collection, Handling, and Disposition of Income, the Issuance of  
Installment Promissory Note and Real Estate Security Instrument, and Related Matters.
- (2) That the Housing Authority and Community Services Agency, as General Partner of and on  
Behalf of the Munsel Park Limited Partnership, Is Authorized to Borrow Money or Obtain

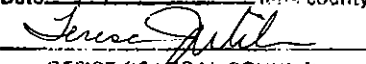
Purpose of Obtaining Permanent Financing for the Multi-family Housing Development in the City of Florence, Lane County, Oregon, Known as the Munsel Park Apartments.

- (3) That the Executive Director And/or the Deputy Director Is Authorized and Empowered, in the Name of the Housing Authority and Community Services Agency as General Partner of and on Behalf of the Munsel Park Limited Partnership, to Execute and Deliver Any All Documents, Including the Affirmation of Fair Housing Practices [In a Form Substantially Similar to That Contained in Attachment 2] or Instruments Evidencing the Formation, Qualification to Do Business, or Conducting of HACSA And/or the Munsel Park Limited Partnership; to Execute and Deliver to Lender, and Lender Is Requested to Accept, Any and All Documents or Instruments Evidencing Any Transaction Between Lender and HACSA, Acting as the General Partner of the Munsel Park Limited Partnership, Including but Not Limited to Agreements and Instruments Relating to Any Deposit Accounts Maintained by HACSA with Lender, Any Applications, Promissory Notes, Security Agreements, Deed of Trust, Guaranties, Indemnities, or Any Other Financial Undertakings; or Any Modifications, Renewals, or Extensions Thereof;
- (4) That the Persons Designated above Are Authorized and Empowered to Take Any Additional Action That They Deem Necessary and Appropriate to Carry out the Intent of this Board Order;
- (5) That the Executive Director or Deputy Director Is Authorized to and Directed to Deliver to Lender and Lender's Title Insurer a Copy of this Board Order, Properly Certified by Him or Her, in Evidence of the Authority to Borrow Money and to Execute and Deliver the Instruments Specified Above, as Provided Above;
- (6) That the Lender Is Authorized to Act upon this Resolution until Written Notice of its Revocation Is Delivered to Lender.

DATED this 11th day of June, 2003

  
\_\_\_\_\_  
Peter Sorenson, Chair  
HACSA Board of Commissioners

APPROVED AS TO FORM

Date 6/3/03 lane county  
  
\_\_\_\_\_  
OFFICE OF LEGAL COUNSEL

ATTACHMENT 1

Forms

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
RURAL HOUSING SERVICE

**LOAN RESOLUTION**

- RRH Loan to a Broadly Based Nonprofit Corporation
- RRH Loan to a Profit Type Corporation
- RRH Loan to a Profit Type Corporation Operating on a Limited Profit Basis
- RCH Loan to a Nonprofit Cooperative

LOAN RESOLUTION OF \_\_\_\_\_, \_\_\_\_\_ . RESOLUTION OF THE BOARD  
OF DIRECTORS OF \_\_\_\_\_  
PROVIDING FOR BORROWING \$ \_\_\_\_\_ TO FINANCE HOUSING AND  
RELATED FACILITIES IN A RURAL AREA FOR \_\_\_\_\_  
THE COLLECTION, HANDLING, AND DISPOSITION OF INCOME, THE ISSUANCE OF INSTALLMENT PROMISSORY  
NOTE AND REAL ESTATE SECURITY INSTRUMENT, AND RELATED MATTERS.

Whereas \_\_\_\_\_ (herein referred to as the

"Corporation") is a corporation duly organized and operating under \_\_\_\_\_, the  
Board of Directors of the Corporation (herein referred to as "the board") has decided to provide certain housing and related facilities  
for eligible occupants in rural areas. The board has determined that the Corporation is unable to provide such housing and facilities  
with its own resources or to obtain from other sources for such purpose sufficient credit upon terms and conditions which the  
Corporation could reasonably be expected to fulfill.

BE IT RESOLVED:

1. Application for Loan. The Corporation shall apply for and obtain a loan (herein called "the loan") of

\$ \_\_\_\_\_ from the United States of America acting through the Rural Housing Service, or a  
successor agency, United States Department of Agriculture, (herein called "the Government") pursuant to section 515 of the  
Housing Act of 1949. The loan may be sold and insured by the Government. The loan shall be used solely for the specific purposes  
for which it is approved by the Government, in order to provide housing and related facilities for eligible occupants, as defined by  
the government in rural areas. Such housing, facilities, and the land constituting the site are herein called "the housing".

2. Execution of Loan Instruments. To evidence the loan the Corporation shall issue a promissory note (herein referred to  
as "the Note"), signed by its President and attested by its Secretary, with its corporate seal affixed thereto, for the amount of the loan,  
payable in installments over a period of \_\_\_\_\_ years, bearing interest at a  
rate, and containing other terms and conditions, prescribed by the Government. To secure the note or any indemnity or other  
agreement required by the Government, the President and the Secretary are hereby authorized to execute a real estate security  
instrument giving a lien upon the housing and upon such other real property of the Corporation as the Government shall require,  
including an assignment of the rents, subsidies, revenues and profits as collateral security to be enforced in the event of any default  
by the Corporation, and containing other terms and conditions prescribed by the Government. The President and Secretary are further  
authorized to execute any other security instruments and other instruments and documents required by the Government in connection  
with the making or insuring of the loan. The indebtedness and other obligation of the Corporation under the note, the related security  
instrument, and any related agreements are herein called the "loan obligation".

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0047. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

3. Equal Opportunity and Nondiscrimination Provisions. The President and the Secretary are hereby authorized and directed to execute on behalf of the Corporation: (a) any undertakings and agreements required by the Government pursuant to Title VII of the Civil Rights Act of 1968 as amended by the Fair Housing Amendments Act of 1988 related to Fair Housing regarding nondiscrimination in the use and occupancy of housing; (b) Form RD 400-1 entitled "Equal Opportunity Agreement", including an "Equal Opportunity Clause" to be incorporated in or attached as a rider to each construction contract the amount of which exceeds \$10,000 and any part of which is paid for with funds from the loan, and (c) Form RD 400-4, entitled "Assurance Agreement (under Title VI, Civil Rights Act of 1964)", and any other undertakings and agreements required by the Government pursuant to lawful authority.

4. Borrower Contribution. The amount of \$ \_\_\_\_\_ to be contributed by the Corporation from its own funds for the land purchase or development will be placed or deposited with the lender and dispersed prior to any disbursement of interim loan funds or ay loan funds of the Government.

5. Accounts for Housing Operations and Loan Servicing. The Corporation shall establish on its books the following accounts, which shall be maintained so long as the loan obligations remain unsatisfied: a General Operating Account, a Tenant Security Deposit Account and a Reserve Account.

a. General Operating Account. By the time the Government loan is closed or interim construction funds are obtained, whichever occurs first, the Corporation shall deposit cash from the Corporations' own funds in an amount totaling \$ \_\_\_\_\_, Use of deposited cash will be in accordance with 7 CFR part 1930, subpart C or ay successor regulation.

b. Reserve Account. Transfers at a rate not less than \$ \_\_\_\_\_ annually shall be made to the Reserve Account until the amount in the Reserve Account reaches the minimum sum of \$ \_\_\_\_\_ or such higher amount later agreed to by the Government and shall be resumed at any time when necessary, because of disbursements authorized by the Government from the Reserve Account to restore it to said sum. Withdrawal and use of funds deposited to this account will be in accordance with 7 CFR part 1930, subpart C or any successor regulation. With prior consent of the Government, funds in the Reserve Account may be used by the Corporation:

To pay dividends to the Borrower of up to 8 percent per annum of the borrower's initial investment of \$ \_\_\_\_\_ : Provided, that after such disbursement (a) the amount in the Reserve Account will be not less than that required by this section 5b to be accumulated by that time (less any disbursements authorized by the Government), and (b) the amount in the Reserve Account will likely not fall below that required to be accumulated during the next 12 months.

To pay dividends to the stockholder or for any other purpose desired by the Corporation, provided that after such disbursement (a) the amount in the Reserve Account will not be less than that required by this section 5b to be accumulated by that time (less any disbursements authorized by the Government), and (b) the amount in the Reserve Account will likely not fall below that required to be accumulated during the next 12 months.

6. Regulatory Covenants. So long as the loan obligations remain unsatisfied, the Corporation shall comply with all appropriate regulations of the Government and shall:

a. Impose and collect such fees, assessments, rents, occupancy charges, and charges that the income of the housing will be sufficient at all times for operation and maintenance of the housing, payments on the loan obligations, and maintenance of the account provided for herein.

b. Establish and maintain complete books and records relating to the housing's financial affairs, cause such books and records to be audited at the end of each fiscal year, promptly furnish the Government without request a copy of each audit report, and permit the government or its representative to inspect such books and records at all reasonable times.

c. If required or permitted by the Government, revise the accounts herein provided for, or establish new accounts, to cover handling and disposition of income from and payment of expenses attributable to the housing or to any other property securing the loan obligations and submit regular and special reports concerning the housing or financial affairs.

d. Unless the Government gives prior consent:

(1) Not use the housing for any purpose other than as rental housing and related facilities for eligible occupants.

(2) Not enter into any contract or agreement for improvements or extensions to the housing or other property securing the loan obligations.

(3) Not cause or permit voluntary dissolution of the Corporation nor merge or consolidate with any other organization, nor cause or permit any transfer or encumbrance of title to the housing or any part thereof or interest therein, by sale, mortgage, lease, or otherwise.

(4) Not cause or permit the issue or transfer of stock, borrow any money, nor incur any liability which would have a detrimental effect on the housing.

e. Submit for the housing the required reports as per 7 CFR part 1930, subpart C or any successor regulation to the Government prior review.

f. Comply with all its agreements and obligations in or under the note, security instrument, and any related agreement executed by the Corporation in connection with the loan.

g. Not alter, amend, or repeal without the Government's consent this agreement or the Corporation Agreement, which shall constitute parts of the total contract between the Corporation and the Government relating to the loan obligations.

h. Take other action as may be required by the Government in connection with the operation of the housing, or with any of the Corporation's operations or affairs which may affect the housing, the loan obligations, or the security.

i. If return on investment for any year exceeds 8 percent per annum of Borrower's initial investment of

\$ \_\_\_\_\_, the Government may require that the borrower reduce rents the following year, refund the excess return on the investment to the tenants, or use said excess in a manner that will best benefit the tenants.

#### 7. General Provisions.

a. It is understood and agreed by the Corporation that any loan made or insured will be administered subject to the limitations of the authorizing act of Congress and related regulations, and that any rights granted to the Government herein or elsewhere may be exercised by the Government in its sole discretion.

b. The provisions of this agreement are representations to the Government, to induce the Government, to make or insure a loan to the Corporation as aforesaid. If the Corporation should fail to comply with or perform any provision of this agreement or any requirement made by the Government pursuant to this agreement, such failure shall constitute default as fully as default in payment of amounts due on the loan obligations. In the event of such failure, the Government at its option may require specific performance, declare the entire amount of the loan obligations immediately due and payable and, if such entire amount is not paid forthwith, may take possession of and operate the housing and proceed to foreclose its security and enforce all other available remedies, or take such other action as it may deem reasonable to comply with the provisions of this resolution.

c. Any provisions of this agreement may be waived by the Government in its sole discretion to any extent such provisions could have been foregone to in amended form initially.

d. Any notice, consent, approval, waiver or agreement must be in writing.

e. This Loan Agreement shall be subject to the present regulations of the Government and to its future regulations and provisions hereof.

f. The Corporation agrees that no person with a disability will be subjected to discrimination in employment or denied the benefits of the housing because of such disability. It will comply with the requirements of the Fair Housing Act, 42 U.S.C. 3601 *et seq.*, the Fair Housing Amendments Act of 1988, the Rehabilitation Act of 1973, 29 U.S.C. 794, the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 *et seq.*, and the implementing regulations of the Department of Agriculture, 7 CFR part 15b.

g. This resolution may be cited in the security instrument and any other instruments as the "Loan Resolution of \_\_\_\_\_, \_\_\_\_\_."

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CERTIFICATE**

The undersigned, \_\_\_\_\_, the Secretary of the Corporation identified in the foregoing Loan Resolution, hereby certifies that the foregoing is a true copy of a resolution duly adopted by the board of directors on \_\_\_\_\_, \_\_\_\_\_, which has not been altered, amended, or repealed.

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*(Secretary)*

## **AFFIRMATION OF FAIR HOUSING POLICIES**

It is the policy of Housing Authority and Community Services Agency (HACSA) to ensure equal opportunity in housing to all beneficiaries.

HACSA shall not discriminate in the sale, rental, leasing, or financing of housing because of race, color, religion, sex, national origin, handicap or familial status.

HACSA will assist all persons who feel they have been discriminated against because of race, color, religion, sex, national origin, handicap, or familial status to seek equity under federal and state laws by providing information to said persons on how to file a complaint with the U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Compliance Division.

HACSA will post this policy or the Fair Housing poster or other posters, flyers or other information which will bring to the attention of its beneficiaries their rights concerning equal opportunity in housing.

**ATTACHMENT 2**

**Sources and Uses**

**Munsell Park Apartments**  
**Source and Use**  
**May 27, 2003**

COST ITEM	BUDGET	PER UNIT
<b>ACQUISITION COSTS</b>		
Purchase Price:		
Land	1,540,913	35,021
Improvements	0	0
Liens and Other Taxes	2,500	57
Closing/Recording	2,000	45
Off-site Cost/Improvements	0	0
Other (Cash & Repl. Reserve Accounts)	0	0
<b>TOTAL ACQUISITION:</b>	<b>1,545,413</b>	<b>35,123</b>
<b>GENERAL DEVELOPMENT COSTS</b>		
Building Permits/Fees	5,558	128
System Development Charges	0	0
Market Study	0	0
Environmental Report (Level I)	4,500	102
Termite and Dryrot Report	1,500	34
Survey	5,740	130
Marketing	0	0
Insurance	3,500	80
<b>TOTAL GENERAL DEV. COSTS:</b>	<b>20,798</b>	<b>473</b>
<b>FEEES</b>		
Architectural	42,000	955
Engineering	0	0
Cost Certification Fee	4,000	91
Appraisals	5,600	127
Legal - Transactional	55,000	1,250
Legal - Syndication	20,000	455
Construction Loan Fee	0	0
Permanent Loan Fee	0	0
Tax Credit Fees	3,500	80
Closing Fees	0	0
Developer Fee	35,000	795
Construction Period Interest	0	0
Lease Up Period Interest	0	0
Other	2,000	45
<b>TOTAL FEES:</b>	<b>167,100</b>	<b>3,788</b>
<b>RESERVES/CONTINGENCY</b>		
Replacement Reserves	75,000	1,705
Development Contingency	0	0
Tenant Relocation	0	0
<b>TOTAL RESERVES/CONTINGENCY</b>	<b>75,000</b>	<b>1,705</b>
<b>CONSTRUCTION COSTS</b>		
On-Site Work	0	0
Hazardous Materials Abatement	0	0
Residential Building Construction	0	0
Common Use Facilities	0	0
Storage/Garages/Carports	0	0
Laundry Facilities	0	0
Landscaping	0	0
Contractor Overhead	0	0
Contractor Profit	0	0
Contingency	0	0
Furniture/Fixtures/Equipment	0	0
Other	0	0
<b>TOTAL CONSTRUCTION COSTS:</b>	<b>550,913</b>	<b>12,521</b>
<b>TOTAL COSTS:</b>	<b>2,359,224</b>	<b>53,619</b>

FINANCING	TOTAL	PRINCIPAL OF LOANS	LOAN TYPE	ANNUAL	ANNUAL	ANNUAL
				TO MATURITY	INTEREST RATE	LOAN PAYMENT
RD Existing Loan (Munsell Park I)	188,000	188,000	Amort; P&I	N/A	1.00	9,160
RD Existing Loan (Munsell Park II)	360,000	360,000	Amort; P&I	N/A	1.00	15,528
RD Required Escrow of Owner's Equity	355,913					
Transfer of Reserves	190,000					
LIHTC Proceeds	447,986					
HACSA Weatherization Assistance	5,000					
Rural Development Assistance	41,600					
Housing Development Grant Fund	100,000					
HOME Funds	670,725					
<b>TOTAL FINANCING</b>	<b>2,359,224</b>					