

PORTLAND COMMUNITY INVESTMENT FUND

(An Oregon nonprofit corporation)

Portland, Oregon

A RESOLUTION of the GOVERNING BOARD

RESOLUTION NO. 4

**AUTHORIZING AN APPLICATION TO THE COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS FUND FOR AN ALLOCATION OF NEW
MARKETS TAX CREDITS; APPOINTING A CHIEF FINANCIAL OFFICER AND
CHIEF OPERATING OFFICER; ADDRESSING CERTAIN MATTERS IN
CONNECTION WITH THE OPERATIONAL AND ADMINISTRATIVE
FUNCTIONS OF PORTLAND COMMUNITY INVESTMENT FUND**

WHEREAS, on October 12, 2016, the Prosper Portland Board of Commissioners (“Board”) approved Resolution No. 7214 to proceed with formation of a Community Development Entity (“CDE”) for purposes of applying for and utilizing federal New Market Tax Credits (“NMTC”) to benefit projects in Portland’s low income communities;

WHEREAS, on January 19, 2017, Prosper Portland staff filed articles of incorporation with the Oregon Secretary of State forming a new Oregon nonprofit corporation with the name of Portland Community Investment Fund (“PCIF”);

WHEREAS, on February 8, 2017, the PCIF Governing Board approved a series of administrative and operational actions as necessary next steps toward securing a NMTC award;

WHEREAS, the PCIF will act as a CDE for purposes of seeking an allocation of NMTCs from the U.S. Department of Treasury’s Community Development Financial Institutions Fund (“CDFI Fund”), and to utilize such allocation to aid in the funding of projects in low income communities of Portland;

WHEREAS, Prosper Portland is acting and will continue to act as the “Controlling Entity” of PCIF, as defined within the NMTC program, but PCIF is and will remain a separate legal entity from Prosper Portland;

WHEREAS, the Prosper Portland Board, volunteering to act as the Governing Board for PCIF, will do so in their individual capacity and not as representatives of Prosper Portland;

WHEREAS, staff has worked with a seven-member PCIF Advisory Board to identify the type, location, and public benefits of potential projects that could be funded with a NMTC allocation award;

WHEREAS, staff intends to submit an application to the CDFI Fund by October 24, 2019 for an allocation of NMTC to invest in projects within the city of Portland that deliver on Prosper Portland 2015-2020 goals of widely-shared prosperity;

WHEREAS, in the course of developing an application to the CDFI Fund, staff has recommended that the PCIF Governing Board concurrently address certain matters in connection with the administrative and operational functions of PCIF, including (i) formally adopting the minutes from the previous meeting of the PCIF Governing Board, and (ii) formally appointing a new Chief Financial Officer and Chief Operating Officer; and

WHEREAS, the PCIF Governing Board believes that Adam Lane, who is currently serving as Chief Financial Officer and Chief Operating Officer of Prosper Portland, is qualified by reason of education and experience to serve as Chief Financial Officer and Chief Operating Officer of PCIF.

NOW, THEREFORE, BE IT RESOLVED, that the Governing Board of Directors of PCIF authorizes staff to submit an application to the CDFI Fund substantially similar in terms to those identified in Exhibit A;

BE IT FURTHER RESOLVED, that Adam Lane is hereby appointed Chief Financial Officer and Chief Operating Officer of PCIF and shall have such authority and powers as are specified in PCIF's bylaws for such positions;

BE IT FURTHER RESOLVED, that the minutes of the PCIF Governing Board meeting that took place on June 13, 2018, which are attached hereto as Exhibit B, are hereby approved; and

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately.

PORTLAND COMMUNITY INVESTMENT FUND 2019 NMTC ALLOCATION APPLICATION SUMMARY

Portland Community Investment Fund is submitting a Round 16 New Markets Tax Credit Allocation Application. This document provides a summary of the key points that are detailed in our NMTC application.

SUMMARY DETAILS

NMTC Allocation Request:	\$60 million
NMTC Service Area:	Portland, Oregon
Financing Activity:	Real Estate
Financial Products:	Debt (Senior and Subordinate)

NMTC STRATEGY

Portland Community Investment Fund (PCIF) was created to provide capital and technical assistance to projects that deliver critical goods, services and community impacts to low-income people throughout the City of Portland, Oregon. PCIF's NMTC financing will be used in support of Prosper Portland's five-year plan aimed at fostering widely shared prosperity among all Portland residents. Based on this plan, we will direct the requested \$60 million NMTC allocation to priority projects that deliver measurable impacts to low-income people and align with the following three strategic priorities that address identified needs in Portland's low-income communities:

- 1) Jobs: Stimulating economic growth and job creation through direct business development, support for key industry clusters and entrepreneurship.
- 2) Prosperity: Supporting community-economic development initiatives that involve community capacity building, small business technical assistance, workforce development and equitable contracting practices.
- 3) Neighborhoods: Developing healthy, connected neighborhoods through public-private partnerships designed to foster and support economic opportunities, infrastructure improvements and commercial redevelopment financing.

PROJECT PIPELINE DEVELOPMENT AND SUMMARY

Staff has worked with our internal team, Advisory Board, Governing Board and network of partners throughout Portland to develop a strong pipeline of projects that could benefit from NMTC financing. The current NMTC pipeline consists of approximately 25 projects with more than \$2 billion of project costs.

From this broader NMTC pipeline, staff has selected six projects that closely align with our NMTC strategy and can only move forward with NMTC financing. Using the requested \$60 million allocation, PCIF will offer NMTC-enhanced debt products that will provide the economic benefit required to make these projects financially feasible. As is the case with all of Prosper Portland's financing activity, each NMTC financing will be paired with technical assistance offerings designed to help make borrowers successful and fulfill the mission of building an equitable economy.

PRIORITY PIPELINE PROJECTS

PCIF’s “Priority Pipeline Projects” have been selected from the broader pipeline to serve as representative projects that will be highlighted in the NMTC application. If PCIF receives a NMTC award, staff will work with our Advisory and Governing Boards to review all of the projects in the pipeline and to identify the projects that PCIF would commit allocation to.

Block 25

Located on a site owned by Prosper Portland in the historic Japantown district, the vision for this project is born from an appreciation for history, business development in trades surrounding popular retail and service culture, especially Pan-Asian food and street fashion and wellness, and the people who make a building a place. Two separate buildings will be built - the first is planned as a 19-story tower, mixing residential, commercial and culturally-related uses. The ground floor of this building features a grocery market that spills into a food hall with independent vendors that represent cultural groups that once existed in the neighborhood. The second floor would include the headquarters for the Japan-America Society of Oregon. Upper levels will have a bathhouse and wellness facility with access to outdoor terraces – open to the public and residents of the building. A total of approximately 250 residential units is currently planned targeting households earning 80 percent of area median income and below. The second building is planned as a seven-story mass timber structure home to the Bunka House including ground floor commercial with rice wine tasting room and restaurant featuring local producers. The upper levels would contain a social club that focuses on cultural programming and events.

Est project cost - \$200 M

4th & Burnside

The project is in the heart of Portland’s historic Chinatown district. It takes its inspiration in part from the adjacent, iconic Chinese gate or “Pai Fang.” The project combines a 7,000 square foot (SF) site owned by Prosper Portland with the adjacent approximately 5,500 SF site owned by the nearly 90-year-old Bing Kong Tong, a Chinese cultural association. The concept incorporates this rich heritage in a mixed-use building of up to seven stories including two floors of commercial space and five floors of residential. The ground floor will target the next generation of culturally-specific retail including food service, shopping, and other community-serving enterprises with a variety of food options that represent the many cultures from around the world and pay contribute to the rich history of the neighborhood. The second floor will be dedicated to commercial and community uses including the Bing Kong Tong’s new home and cultural space, along with the headquarters offices of Oregon’s largest African American-owned general contractor, Colas Construction. The residential floors will feature one bedroom and studio units, intended for moderate income individuals.

Est project cost - \$20 - \$30 M

Walnut Park Health & Prosperity Initiative

The Walnut Park Health & Prosperity Initiative is a 173,000 square foot mixed-use project that includes: a food and vendor market showcasing minority food makers and vendors; retail space for small, locally-owned neighborhood businesses; co-working and shared workspace that will support entrepreneurs; Multnomah County health and dental clinics; Urban League Senior Service Center; and a Meals on Wheels distribution kitchen. The vision was born out of the Black

Investment Consortium for Economic Progress’ 2016 SOUL District Survey, which surveyed black business owners and entrepreneurs, community influencers and North/Northeast Portland community members. The purpose of the survey was to gather feedback to inform the development and implementation of the SOUL District concept - a series of development nodes with the character of a connected place that will serve as an economic base where African-American and other small, minority, and like-minded businesses can locate, be showcased and prosper.

Est project cost - \$70 M

ODOT Blocks

Beam Development, Prosper Portland’s partner in redeveloping a site in the Central Eastside Industrial District, is proposing to create a hub on innovation in this vibrant and growing part of the city. The first phase, of approximately 160,000 square feet (SF), would include 100,000 SF of industrial office, plus 18,000 SF of ground floor flex space along with 70-80 below grade parking stalls. The planned centerpiece of the project is the home of Portland’s Innovation Quadrant a one-of-a-kind partnership between, Oregon Health and Sciences University, Portland State University, Oregon State University, the Oregon Museum of Science and Industry, and the City of Portland to foster diversity and inclusion in the tech sector. Among other things, the space will be used flexibly for training, prototyping, and as an incubator for startup businesses. The people working in the IQ space would benefit from proximity to the tech firms on the upper floors of the building. The plan also includes a daycare space, an important amenity in attracting and retaining talent. Beam is currently building an office building also in the CES using innovative Cross Laminated Timber (CLT) construction. Beam plans to use CLT on the ODOT Blocks project as well contributing to the growing number of such building in Portland and the state of Oregon. Success of the first technology-focused phase could lead to two other phases, one focusing on the creative production cluster and the other on the food and beverage industry.

Est project cost - \$50 - 60 M

Milagro Theater

Milagro Theater is working with Gerding Edlen Development on the development of a new home for the theater and increased program capacity, including a black box element, at their property at SE 6th Ave and Stark Street in Portland’s Central Eastside. Milagro intends to occupy the new theater with their current business. The theater provides culturally specific programming and partners with other culturally specific organizations to make space available. The project may include affordable housing above in a separate condominium, which would include approximately 65 studio units and some shared studio space, with the housing units targeted to artists.

Est project cost - \$10 M

PCC Workforce Training Center

The Portland Community College (PCC) Workforce Training Center will result in the redevelopment of PCC’s existing workforce training facility, a publicly accessible employment resource center that aims to expand programming for job placement and workforce readiness for low-income community members. PCC’s current workforce training site will be expanded

from 30,000 square feet to 100,000 square feet, will have upgraded technology infrastructure and expanded classroom and office space. The project will allow PCC to expand both its workforce training and community educational programming, increasing the number of clients served annually from 2,000 to 6,000, in addition to hosting industry-specific trainings that cannot currently be housed on-site.

Est project cost - \$30 M

Meeting of the Portland Community Investment Fund Governing Board

June 13, 2018

This document represents the official meeting record of the June 13, 2018 Portland Community Investment Fund (PCIF) Governing Board of Directors (Governing Board) organizational meeting held at 222 NW 5th Ave., Portland, OR 97209. The full video recording of this meeting can be found at <https://www.youtube.com/watch?v=3xVDk0ZD5q0>.

At approximately 4:45 PM, Chair Cruz adjourned the Prosper Portland Board meeting and Portland Community Investment Fund (PCIF) Governing Board Chair Cruz convened the PCIF Governing Board meeting.

1. The following PCIF Directors were present, having responded to Roll Call from the regular Prosper Portland meeting:

Chair Gustavo Cruz	PRESENT
Director Peter Platt	ABSENT (Director Platt excused himself from the meeting although he was present at the Prosper Portland board meeting; because he was the board chair of Hacienda CDC, which was listed as a developer of one of the pipeline projects that PCIF may participate in, Director Platt elected not to participate in the meeting to avoid any perception of a conflict of interest)
Director Francesca Gambetti	PRESENT
Director Alisha Moreland-Capua	PRESENT
Director William Myers	PRESENT (attended via teleconference)

2. Staff Presentation

Justin Douglas, Prosper Portland Policy Manager, and John Wasserman, Prosper Portland Assistant General Counsel, were called to brief the Board on the background of the PCIF and the federal New Market Tax Credit (NMTC) Program, as well as to discuss the pending application for an allocation of NMTC authority from the CDFI Fund. The presenters reviewed roles and responsibilities of both the PCIF Advisory Board, the Governing Board, and the PCIF Advisory Board and briefed the Governing Board on the governance structure of PCIF generally.

Justin Douglas then provided a summary of the application to the CDFI Fund for a NMTC allocation, including overviews of the pipeline projects and locations. Mr. Douglas discussed the 2017 NMTC application that PCIF had submitted, which did not result in an allocation of NMTC authority, and described the debriefing document from CDFI Fund which provided feedback on the application.

Justin Douglas mentioned that the PCIF Advisory Board's meeting occurred the week preceding the PCIF Governing Board meeting. The names of PCIF Advisory Members and the organizations they represent were re-introduced, with no changes since the June 2017 PCIF meeting:

- Michael DeMarco, Our 42nd Avenue

- Ian Galloway, Portland Branch of the Federal Reserve Bank of San Francisco
- Damien Hall, Ball Janik
- Arlene Kimura, East Portland Action Plan
- Michele Reeves, Civilis
- Carmen Rubio, Latino Network
- Jeana Woolley, Black Investment Corporation for Economic Progress, Inc. (BICEP)

RESOLUTION 3 OF THE PORTLAND COMMUNITY INVESTMENT FUND

Approving Meeting Minutes and Authorizing an Application to the Community Development Financial Institutions Fund for an Allocation of New Markets Tax Credits

Mr. Douglas and Mr. Wasserman concluded their overview of the actions in Resolution 3, namely:

- (i) Approval of the submittal of an application for NMTC in terms similar to those identified in Exhibit A to the Resolution;
- (ii) Appoint John Wasserman as Secretary and General Counsel of PCIF;
- (iii) Authorize the President of PCIF or her designee to cause PCIF to execute operating agreements providing for the governance of PCIF Sub-CDE 1, LLC, PCIF Sub-CDE 2, LLC, and such other sub-CDE entities as from time to time are created pursuant to the authorization of the PCIF Governing Board; and
- (iv) Adopting the minutes of the June 14, 2017 PCIF Governing Board meeting as attached to the Resolution as Exhibit B.

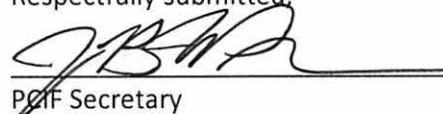
At that time, Director Francesca Gambetti disclosed that she is an owner's representative for one of the entities listed as a pipeline project participant. The presenters clarified that this action did not commit the Governing Board to approval of these projects, and that both the Advisory Board and the Governing Board's future approval of specific projects would be required in order for PCIF's involvement in any particular project to proceed.

Chair Cruz invited any further comment on the potential actions before the Governing Board; there were none.

Chair Cruz asked for a motion to adopt Resolution 3 of the Portland Community Investment Fund. Director Moreland-Capuia so moved, and Director Gambetti seconded. The motion was unanimously approved by those directors in attendance with four votes.

At approximately 5:08 PM, PCIF Governing Board Chair Cruz adjourned the PCIF Governing Board meeting.

Respectfully submitted,


PCIF Secretary