



PROSPER
PORTLAND
Building an Equitable Economy

DATE: May 14, 2025
TO: Board of Commissioners
FROM: Shea Flaherty Betin, Interim Executive Director
SUBJECT: Report Number 25-13

Approving a Modification to the Proposed Terms of a Commercial Property Loan Program Loan and a Small Business Loan Program Loan to Creativehomies HQ, LLC. and Creative Homies, LLC to Finance Construction and Working Capital Needs of a Project at 433 NW 4th Avenue

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7604

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to modify the proposed terms of the \$473,026 Commercial Property Loan Program (CPLP) loan, and the \$226,972 Small Business Loan Program (SBLP) loan, to Creative Homies, LLC and Creative Homies (Borrower), for construction and operations of a mixed-use venue (Project) at the 20,000 square foot Enterprise Horizon Building located at 433 NW 4th Avenue (see a Site Map in Attachment A). Terms of the Project loans were previously authorized by the Board as Resolution No. 7598 on March 12, 2025.

STRATEGIC ALIGNMENT AND OUTCOMES

This action will deliver on several Advance Portland objectives, most notably by:

- Supporting small businesses, restaurants, and activation of ground floor commercial spaces in the Central City;
- Promoting equitable wealth creation by allowing entrepreneurs to start and grow businesses through partnerships and capital; and
- Increasing access to property ownership.

In addition, this action is consistent with the objectives in the Old Town/Chinatown Action Plan by “attracting new neighborhood investment to activate key properties.”

BACKGROUND AND CONTEXT

In March 2025, through Resolution No. 7598, the Board approved a \$473,026 CPLP loan and a \$226,972 SBLP loan to the Borrowers for the Project at the 20,000 square foot Horizon Enterprise Building located at 433 NW 4th Avenue. This followed a previous action by the Board in January 2024, which approved two loans totaling \$700,000 for the project. The terms of the loans approved in March 2025 included a requirement that Prosper Portland’s loans would be in second position behind the seller note of \$1.8 million. The current second lienholder objected to a subordination. This modification request is to allow Prosper Portland to subordinate to the second lien. The current third position loan is in the process of being converted to equity and the completion of that transaction will be an additional condition of closing.

EQUITY IMPACT

As noted in the previous loan approvals the Project is subject to Prosper Portland’s Green Building and Construction and Workforce Equity policies.

COMMUNITY PARTICIPATION AND FEEDBACK

No additional community outreach has been conducted to discuss this modification.

BUDGET AND FINANCIAL INFORMATION

There are sufficient resources in the fiscal year 2024-25 River District budget and forecast for this action (see Attachment B).

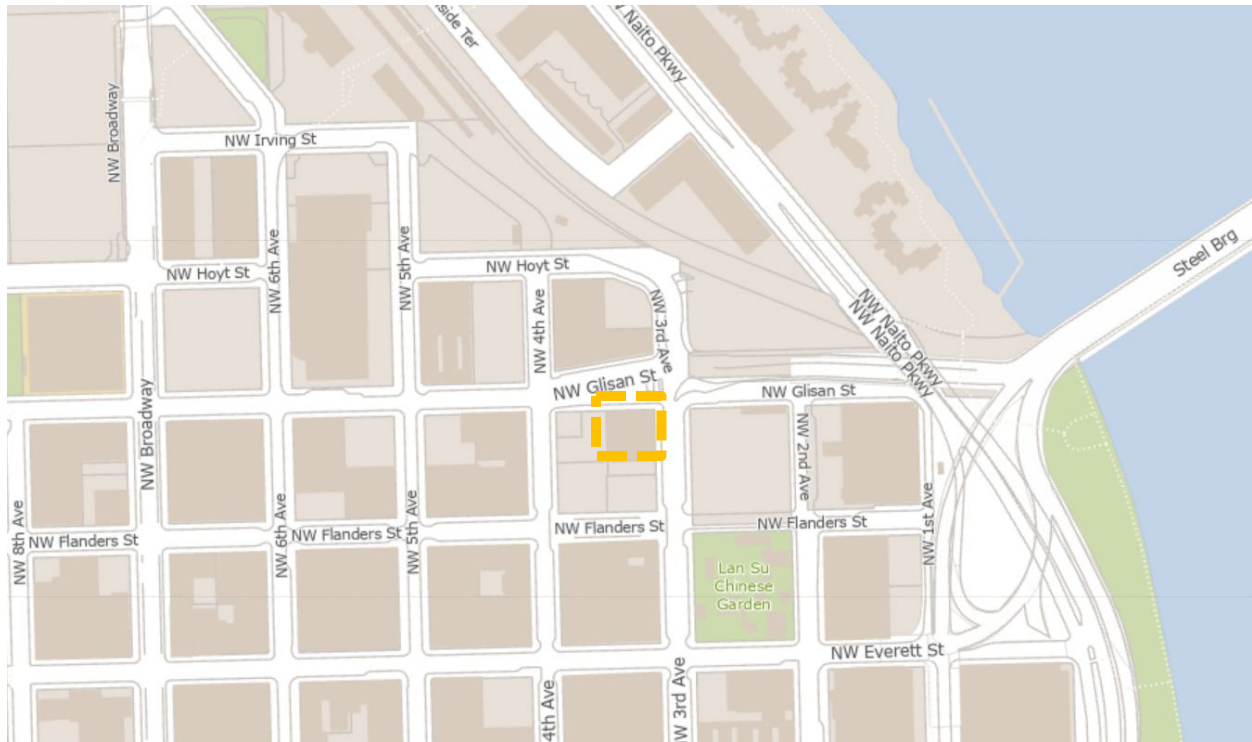
RISK ASSESSMENT

When the Board approved the loans pursuant to Resolution No. 7598 in March 2025, it was with the condition that Prosper Portland would be in the second position. The current second position lienholder objected to a loan subordination, so this modification will allow Prosper Portland to take the third position. The current third position lien securing a \$75,000 loan will be released when the loan converts to equity. A signed document affirming this action was received on April 24, 2025. Satisfaction and release of this debt and lien and verification of Prosper Portland’s third position lien will be a condition of closing, along with the receipt and acceptable review of the Borrower’s balance sheet and receipt and acceptable review of construction plans and budget for the tenant improvement project.

ATTACHMENTS

- A. Site Map
- B. River District Budget and Forecast

SITE MAP



433 NW 4th Avenue, Portland, OR 97209

RIVER DISTRICT TIF FUND BUDGET

**Financial Summary
 Forecast**

River District TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	35,081,594	21,001,290	-	309,402	743,799	1,046,261
Revenue						
Interest on Investments	1,052,448	-	-	-	-	-
Property Sales	1,300,000	-	-	125,000	-	-
Rent and Property Income	3,045,302	936,000	936,000	936,000	936,000	936,000
Reimbursements	217,320	-	-	-	-	-
Transfers In	25,478,656	-	-	-	-	-
Total Revenue	31,093,726	936,000	936,000	1,061,000	936,000	936,000
Total Resources	66,175,320	21,937,290	936,000	1,370,402	1,679,799	1,982,261
Requirements						
Economic Development						
Business Lending						
A00204-BL -General-RVD	1,000,000	-	-	-	-	-
Economic Development Total	1,000,000	-	-	-	-	-
Housing						
A00166-Affordable Housing-RVD	2,703,779	-	-	-	-	-
Housing Total	2,703,779	-	-	-	-	-
Infrastructure						
Parks						
A00232-Nbrhd Prk(The Fields)-RVD	550	555	560	565	-	-
Transportation						
A00770-USPS LID-RVD	750,000	-	-	-	-	-
Public Facilities						
A00718-Chinatown Gate-RVD	300,000	-	-	-	-	-
Infrastructure Total	1,050,550	555	560	565	-	-
Property Redevelopment						
Commercial Property Lending						
A00361-CPRL-General-RVD	1,948,925	-	-	-	-	-
Real Estate Management						
A00186-Fairfield Commercial-RVD	344,130	-	-	-	-	-
A00276-Post Office-RVD	348,040	-	-	-	-	-
A00278-4th and Burnside-RVD	51,967	-	-	-	-	-
A00285-Block Y-RVD	113,966	-	-	-	-	-
A00286-Union Station-RVD	2,243,146	-	-	-	-	-
A00288-Centennial Mills-RVD	215,531	-	-	-	-	-
A00290-Station Place Prkng-RVD	836,892	613,295	613,295	613,295	613,295	613,295
A00291-Block R-RVD	62,029	-	-	-	-	-
A00292-One Waterfront North-RVD	-	-	-	-	7,500	7,500
A00293-Old Fire Station Mgmt-RVD	37,286	-	-	-	-	-
A00558-RD Small Lots - 9th & Naito-RVD	12,322	12,743	12,743	12,743	12,743	12,743
A00587-Block 25-RVD	34,548	-	-	-	-	-
A00691-Post Office Garage-RVD	655,561	-	-	-	-	-
Real Estate Predevelopment						
A00186-Fairfield Commercial-RVD	157,627	-	-	-	-	-
A00278-4th and Burnside-RVD	40,000	-	-	-	-	-
A00293-Old Fire Station Mgmt-RVD	33,693	-	-	-	-	-
A00620-Post Office Grant-RVD	13,613	-	-	-	-	-
A00682-USPS Legal-RVD	26,574	-	-	-	-	-
A00276-Post Office-RVD	500,000	-	-	-	-	-
A00587-Block 25-RVD	250,000	-	-	-	-	-
Real Estate Disposition						
A00286-Union Station-RVD	30,713	-	-	-	-	-
A00288-Centennial Mills-RVD	228,229	375,000	-	-	-	-
A00293-Old Fire Station Mgmt-RVD	200,096	-	-	-	-	-
Redevelopment Strategy						
A00038-Superfund-RVD	264,800	-	-	-	-	-
A00276-Post Office-RVD	128,201	-	-	-	-	-
A00279-Broadway Corridor-RVD	301,133	-	-	-	-	-
A00517-Old Town Action Plan Investments-RVD	26,771,601	-	-	-	-	-
A00687-OTCA-PI-RVD	272,000	-	-	-	-	-
Redevelopment Grants						
A00390-CLG-General-RVD	236,866	-	-	-	-	-
A00497-Prosperity Investment Program (PIP) Grant-RVD	625,172	-	-	-	-	-
A00743-James Beard-RVD	100,000	-	-	-	-	-
Property Redevelopment Total	37,084,661	1,001,038	626,038	626,038	633,538	633,538
Total Program Expenditures	41,838,990	1,001,593	626,598	626,603	633,538	633,538
Personnel Services	1,341,053	-	-	-	-	-
Total Fund Expenditures	43,180,043	1,001,593	626,598	626,603	633,538	633,538
Interfund Transfers - Indirect Charges	1,793,987	-	-	-	-	-
Interfund Transfers - Cash Transfers	200,000	20,935,697	-	-	-	-
Contingency	21,001,290	-	309,402	743,799	1,046,261	1,348,723
Total Fund Requirements	66,175,320	21,937,290	936,000	1,370,402	1,679,799	1,982,261