



DATE: September 10, 2025
TO: Board of Commissioners
FROM: Cornell Wesley, Executive Director
SUBJECT: Report Number 25-31
Authorizing a Personal Services Contract with Commercial and Residential Management Group

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7626

This action by the Prosper Portland Board of Commissioners (Board) will authorize a personal services contract (Contract) between 9101 Foster LLC and Commercial and Residential Management Group (CRMG) to operate and manage Lents Commons. If approved, the Contract will allow CRMG to operate and manage Lents Commons on behalf of 9101 Foster LLC, including entering into various subcontracts for maintenance of Lents Commons, at an estimated amount of \$4,430,425 over a five-year period. The estimate includes CRMG's 5% management fee calculated from the effective gross income over the term of the Contract.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

This action delivers on Prosper Portland's Financial Sustainability Plan by exercising transparent administration of resources and assets to ensure public funds are effectively invested to achieve agency objectives while promoting long-term sustainability of the organization. This action also delivers on Advance Portland through tenancing and property management of the ground floor commercial space.

BACKGROUND AND CONTEXT

Prosper Portland is the sole member of 9101 Foster LLC, which owns Lents Commons, a four-story, 54-unit affordable apartment building, with approximately 7,000 square feet of ground floor commercial retail space. On June 13, 2025, Prosper Portland released a competitive Request for Proposals (RFP) for Property Management Services to identify a qualified proposer who could manage this Prosper Portland real estate asset. When the RFP closed on July 7, 2025, CRMG was one of two respondents, and the only proposer qualified to manage Lents Commons. Prosper Portland and CRMG negotiated the Contract with a December 31, 2030 expiration, including an option to extend annually upon mutual agreement.

Lents Commons reached full occupancy with both residential and commercial tenants in June 2025, a significant milestone for the property since its opening in 2017. This achievement reflects the growing vitality of the community and the strength of Prosper Portland's leasing strategy. Prosper Portland anticipates that the ongoing partnership with CRMG will continue to play a key role in sustaining this momentum, supporting operational excellence, and driving long-term financial performance

EQUITY IMPACT

This contract is not subject to Prosper Portland’s Construction, Business, and Workforce Equity Policy, though CRMG regularly subcontracts with certified firms for construction, electrical, security, landscaping, and janitorial services.

COMMUNITY PARTICIPATION AND FEEDBACK

Staff did not conduct public engagement related to this action outside of the posting of the competitive solicitation pursuant to public procurement guidelines.

BUDGET AND FINANCIAL INFORMATION

The funds allocated to Lents Commons that CRMG will operate and manage on behalf of Prosper Portland (via 9101 Foster LLC), including their estimated management fees, have been included in the Adopted Fiscal Year 2025-26 Budget, as well as forecast years through the termination date of the Contract. If the Contract is extended beyond the original term, additional funds will be requested as part of the regular budget process.

During the initial Contract term, estimates indicate that Lents Commons will generate approximately \$5,283,283 in revenue and \$4,430,425 in expenses, including approximately \$264,000 in management fees. The projected revenue over the next five years is largely driven by the expiration of COVID-related rent abatements and rent increase holds. Beginning in FY 2025-26, Prosper Portland will implement regular rent increases. Together with the additional commercial tenants, higher overall revenue is forecasted for this asset. Security-related costs, particularly those stemming from break-ins, have risen over the past two years. However, with the recent implementation of enhanced window protection, upgraded lighting, and improved surveillance systems, security expenses are expected to decrease moving forward.

Prosper Portland staff will partner closely with CRMG to strategically manage current expenses and plan for future improvements and repairs, following the completion of a comprehensive property condition assessment. For Fiscal Year 2025–26, staff anticipates operating expenses to remain stable, with a projected decline in subsequent years—ultimately contributing to a stronger net operating income.

RISK ASSESSMENT

There are few to no risks associated with this action, as Prosper Portland has experience working with CRMG to deliver the property management needs in alignment with the agency’s mission and strategic priorities.

ATTACHMENTS

- A. Five-Year Revenue and Expenses Estimates, Fiscal Years 2025-26 to 2029-30

Lents Commons Financials Five-Year Revenue and Expenses Estimates FY 2025-26 to FY 2029-30	
Forecast: 5-Year Revenue	\$5,283,283
Residential Revenue	\$4,438,000
Commercial Revenue	\$388,283
Other Revenue	\$457,000
Forecast: 5-Year Expense	\$4,430,425*
Admin/Payroll	\$1,117,950
Security	\$1,290,000
Utilities	\$513,600
Maintenance	\$1,016,080
Property Tax/Insurance	\$492,795
	* Assumes static costs