

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7604

APPROVING A MODIFICATION TO THE PROPOSED TERMS OF A COMMERCIAL PROPERTY LOAN PROGRAM LOAN AND A SMALL BUSINESS LOAN PROGRAM LOAN TO CREATIVE HOMIES, LLC AND TO CREATIVEHOMIES HQ, LLC, IN A TOTAL AMOUNT NOT TO EXCEED \$700,000, TO FINANCE CONSTRUCTION AND WORKING CAPITAL NEEDS OF A PROJECT AT 433 NW 4TH AVENUE

WHEREAS, the Old Town/Chinatown Action Plan, accepted by Portland City Council by the passage of City Ordinance 186744, enacted on August 6, 2014, and reauthorized on September 4, 2019, established a strategic approach to revitalizing Old Town/Chinatown including promoting development of vacant properties, and promoting business vitality by increasing employment and retail activity;

WHEREAS, on March 13, 2024, through Resolution No. 7525, the Prosper Portland Board of Commissioners (“Board”), in furtherance of Prosper Portland’s efforts to remain current in its lending activities and fill identified gaps in the market, particularly within historically underserved communities, and to adhere to the agency’s Financial Sustainability Plan, created a program for making loans principally for purposes related to rehabilitating real property (the Commercial Property Loan Program, or “CPLP”), and created a program for making loans principally for ordinary small business purposes (the Small Business Loan Program, or “SBLP”), and adopted guidelines for the respective programs;

WHEREAS, on April 26, 2023, through Resolution No. 37617, City Council adopted Advance Portland: A Call to Action for Inclusive Economic Growth (“Advance Portland”) as a framework for inclusive growth through interventions that advance competitiveness, racial equity, and climate action and Advance Portland’s Objective 2 is to promote equitable wealth creation;

WHEREAS, Creativehomies HQ, LLC purchased and owns the Horizon Enterprise Building (located at the corner of NW 4th Avenue and Glisan Street), and has taken significant steps and made significant investments with the goal of rehabilitating and activating, through its affiliated operating entity Creative Homies, LLC (such companies whether individually or collectively, “Borrower”) the building as a curated creative hub that will provide, among other things: support for Portland’s BIPOC (Black and Indigenous People Of Color) community, including artists and creators; unique neighborhood amenities, including a postmodern music lounge; a ground floor coffee shop and wine bar with an adjacent gallery and retail space; and two upper stories of full production studio space, equipment rental, and creative space (collectively, the “Original Project”);

WHEREAS, the financing, construction, build-out, and operation of the Original Project required significant capital, and Borrower approached Prosper Portland seeking to borrow a portion of the funding necessary for the Original Project;

WHEREAS, on January 24, 2024, by Resolution No. 7518, the Prosper Portland Board approved the terms of two proposed loans to support the Original Project, in a maximum combined principal amount of \$700,000 (the “Originally Approved Loans”), but neither Originally Approved Loan was ultimately made, due to the unavailability of full financing for the Original Project;

WHEREAS, Borrower modified and narrowed the scope of the Original Project, with intended activation to consist of leasing the upper two floors as-is, activating the first-floor gallery/wine bar (with no new improvements), and focusing new investment on building and operating the basement bar;

WHEREAS, on March 12, 2025, by Resolution No. 7598, the Board revoked approval for the Original Project and approved instead a CPLP loan and a SBLP loan (together, the “New Loan Terms”) to Creative Homies, LLC and Creativehomies HQ, LLC, as co-borrowers, which would, without undue risk to the agency, serve to facilitate the Project, which targets urgent Action Plan priorities and strategic goals including: 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;

WHEREAS, the proposed CPLP loan would be inconsistent with applicable guidelines because: (1) the loan is risk-rated “D”; (2) the term of 192 months exceeds the maximum of 120 months; and (3) the interest rate of 3.00 percent is less than 8.42 percent;

WHEREAS, the proposed SBLP loan would be inconsistent with applicable guidelines because: (1) the loan is risk-rated “D”; (2) the term of 192 months exceeds the maximum of 120 months; and (3) the interest rate of 3 percent is less than 9.5 percent;

WHEREAS, Borrower has requested a further modification to the New Loan Terms, namely removal of the requirement that a senior lender subordinate its loan to Prosper Portland’s loans; and

WHEREAS, the proposed modification would materially increase Prosper Portland’s risks.

NOW THEREFORE BE IT RESOLVED, that the Executive Director is authorized to make the loans to Borrower on terms materially in accordance with the revised Term Sheet attached as Exhibit A, and to execute all documents and instruments necessary for that purpose;

BE IT FURTHER RESOLVED, that the Executive Director may approve any further changes to the loans’ terms, if such changes do not materially increase Prosper Portland’s obligations, as determined by the Executive Director in consultation with Prosper Portland’s General Counsel;

BE IT FURTHER RESOLVED, that the Executive Director will consult with the Board Chair regarding any further changes to the loans’ terms and will provide regular updates to the Board regarding the loans; and

BE IT FURTHER RESOLVED, that with the affirmative vote of no fewer than four Commissioners for this resolution and all those present, this resolution shall become effective immediately upon its adoption, and otherwise it will take effect thirty days after adoption.

Adopted by the Prosper Portland Commission on May 14, 2025

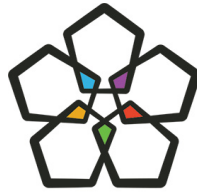


Pam Feigenbutz, Recording Secretary

TERM SHEET

This Term Sheet does not and will not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort must, to be binding, be incorporated in one or more agreements, including the Loan Documents mentioned below, between Prosper Portland and the Borrower named below. Resolutions approving this Term Sheet will also authorize the execution of all additional documents and instruments necessary to make the loan.

Loan Program:	Commercial Property Loan Program	Small Business Loan Program
Loan Amount:	\$473,026	\$226,974
Borrowers:	Creative Homies, LLC and Creativehomies HQ, LLC	Creative Homies, LLC and Creativehomies HQ, LLC
Strategic Plan Alignment:	Old Town/Chinatown Action Plan	Old Town/Chinatown Action Plan
Purpose:	Tenant Improvements	FFE, Working Capital
Loan Fee:	1% (\$4,730.26)	1% (\$2,269.74)
Interest Rate:	3.0%	3.0%
Loan Term & Amortization:	16-year term; 1 year of interest-only payments followed by 15-year loan amortized over 25 years.	16 -year term; 1 year of interest-only payments followed by 15 - year loan amortized over 15 years
Estimated Interest-Only Payments (max):	\$1,183	\$567
Estimated Principal & Interest Payments:	\$2,243	\$1,567
Estimated First Payment Date:	07/01/2025	07/01/2025
Estimated Maturity Date:	06/01/2041	06/01/2041
Estimated Balloon Payment:	\$232,304	\$0
Disbursement Deadline:	06/01/2026	06/01/2028 (due to payment reserve allocation)
Collateral:	3rd position lien on real estate: 433 NW 4th Ave., Portland, OR 97209 and blanket UCC filing on business assets	3rd position lien on real estate: 433 NW 4th Ave., Portland, OR 97209 and blanket UCC filing on business assets
Loan To Value (LTV):	81%	81%
Guarantors:	Adewale Agboola, Cyrus Coleman, Jessica Burke, Jonathan Cohen	Adewale Agboola, Cyrus Coleman, Jessica Burke, Jonathan Cohen



**PROSPER
PORTLAND**
Building an Equitable Economy

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RESOLUTION TITLE:

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PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Gustavo J. Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Marcelino J. Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Felisa Hagins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Michi Slick	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Serena Stoudamire Wesley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Regular Agenda		

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Prosper Portland Commission and as duly recorded in the official minutes of the meeting.

	Date: May 15, 2025
Pam Feigenbutz, Recording Secretary	