

PORTLAND COMMUNITY INVESTMENT FUND

(An Oregon nonprofit corporation)

Portland, Oregon

A RESOLUTION of the GOVERNING BOARD

RESOLUTION NO. 3

AUTHORIZING AN APPLICATION TO THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND FOR AN ALLOCATION OF NEW MARKETS TAX CREDITS; APPOINTING JOHN B. WASSERMAN AS SECRETARY AND GENERAL COUNSEL; ADDRESSING CERTAIN MATTERS IN CONNECTION WITH THE OPERATIONAL AND ADMINISTRATIVE FUNCTIONS OF PCIF

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 June 28, 2018 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, (ii) formally appointing a Secretary and General Counsel of PCIF, and (iii) authorizing the President of PCIF, or the President's 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

WHEREAS, the PCIF Governing Board believes that John B. Wasserman, a practicing attorney in the State of Oregon who is currently serving as Assistant General Counsel to Prosper Portland, is qualified by reason of education and experience to serve as Secretary and General Counsel to PCIF.

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

BE IT FURTHER RESOLVED, that John B. Wasserman is hereby appointed Secretary and General Counsel 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 President of PCIF or the President's designee is hereby authorized 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, which operating agreements may contain such terms as the President or President's designee believes are reasonable in their respective business judgment;

BE IT FURTHER RESOLVED, that the minutes of the PCIF Governing Board meeting that took place on June 14, 2017, 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 2018 NMTC ALLOCATION APPLICATION SUMMARY

Portland Community Investment Fund is submitting a Round 15 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 28 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.

Gateway Human Solutions

The Gateway Human Solutions project will include: headquarters for Human Solutions, a non-profit that helps low-income and homeless families and individuals gain self-sufficiency by providing affordable housing, family support services, job readiness training and economic development opportunities; a full-service grocery store and other retail; and 75 units of affordable housing with 40 units affordable at or below 60% and 35 units affordable at or below 80-100% MFI.

- Project Size: \$21.0 million
- PCIF QEI: \$10.0 million
- Project Address: 10630 NE Halsey
- NMTC Qualification: 24.1% poverty; 58.6% MFI; 0.93 times national unemployment; USDA Food Desert; Gateway Regional Center Urban Renewal Area; East Portland Enterprise-Zone.
- Community Support: Prosper Portland, Portland Housing Bureau, Gateway Area Business Association, Halsey/Weidler Group.

Las Adelitas

Las Adelitas will be a mixed-use, mixed-income commercial and housing development that transforms a former strip club and neighborhood blight into a development with 13,000 square feet of commercial space that will provide community-serving retail options, nonprofit offices, community event and meeting space, and other commercial uses. The project will also include 130 units of housing, with a mix of affordable and market rate units, in a multi-story structure that will be financed with non-NMTC capital and redevelop a manufactured home park that will be preserved for low-income residents.

- Project Size: \$7.0 million
- PCIF QEI: \$4.0 million
- Project Address: 6723 NE Killingsworth
- NMTC Qualification: 32.6% poverty; 67.8% MFI; 1.0 times national unemployment; USDA Food Desert; Neighborhood Prosperity Initiative.
- Community Support: Prosper Portland; Cully Boulevard Alliance NPI; Portland Housing Bureau.

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.

-Project Size: \$28.4 million

-PCIF QEI: \$14.5 million

-Project Address: 4261 NE Killingsworth

-NMTC Qualification: 44.6% poverty; 53.6% MFI; 1.59 times national unemployment; USDA Food Desert; Neighborhood Prosperity Initiative; East Portland E-Zone.

-Community Support: Prosper Portland; Our 42nd Avenue NPI; Oregon Department of Human Services.

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 for the Walnut Park Health & Prosperity Initiative 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. There was broad support for the creation of the SOUL District in North/Northeast Portland. Participants viewed this effort as a unique opportunity for Portland to address a long history of unequal rights and opportunities for black businesses and the black community in general, and to create a more inclusive, robust, and sustainable economic future for black Portlanders. The Walnut Park Health & Prosperity Initiative is a critical component of the broader SOUL District concept.

-Project Size: \$67.3 million

-PCIF QEI: \$12.5 million

-Project Address: 5329 NE Martin Luther King Jr Boulevard

-NMTC Qualification: 24.2% poverty; 81.5% MFI; 0.64 times national unemployment; USDA Food Desert; Federal Medically Underserved Area; Urban Renewal Area – Interstate Corridor.

-Community Support: Prosper Portland; Multnomah County; North/Northeast Community Development Initiative; Black Investment Consortium for Economic Progress.

De La Salle High School

Development of a new 55,000 square foot high school that will provide De La Salle North Catholic High School with a permanent home that allows them to expand from 300 to 360 students. The project will include approximately 30,000 square feet of new construction and a 25,000 square foot renovation. The new facility will include 14 classrooms, a student commons and a gymnasium. De La Salle currently leases a 48,000 square foot building from Portland Public Schools. The lease expires in summer 2021 and the school must have a new location ready for occupancy by July 1, 2021.

Founded in 2001, De La Salle North Catholic High School provides a rigorous, faith-based, college preparatory high school education to underserved students from the Portland area. The school's goal is to develop tomorrow's community leaders by making high-quality education accessible to motivated young people in a learning environment that values cultural, spiritual, and ethnic diversity. De La Salle's educational approach provides each student with the opportunity to succeed through small classes, high expectations, and active participation in a Corporate Work Study Program. More than 95 percent of graduating seniors earn acceptance to college each year. De La Salle does not turn away any capable, motivated or interested student because they cannot afford our tuition. De La Salle has a family income standard; generally, families earn 75% or less of Portland's median family income.

- Project Size: \$18.0 million
- PCIF QEI: \$14.0 million
- Project Address: 5310 NE 42nd Avenue (preliminary)
- NMTC Qualification: 25.6% poverty; 48.5% MFI; 1.8 times national unemployment; USDA Food Desert; Neighborhood Prosperity Initiative.
- Community Support: Prosper Portland; Our 42nd Avenue NPI; James F and Marion L. Miller Foundation; Oregon Community Foundation.

ODOT Blocks

The ODOT Blocks will be a dynamic development across 2.18 vacant acres in Portland's Central Eastside (CES) neighborhood. The CES district is home to a vibrant and diverse mix of business sectors that employ more than 17,000 people. However, its location and urban character make it a highly attractive and desirable place for other uses, including residential and commercial. The ODOT Blocks development will support the CED economy by providing much-needed industrial office space, parking, groundfloor industrial and retail space. The development will also be the home of the Industry, Innovation & Inclusion Hub (I³H). The I³H is a partnership between the Portland Innovation Quadrant, the Portland Incubator Experiment, Built Oregon, and the Technology Association of Oregon to support the innovation ecosystem of businesses.

- Project Size: \$156.5 million
- PCIF QEI: \$5 million
- Project Address: SE Water Avenue between SE Taylor and SE Madison Streets
- NMTC Qualification: 34.8% poverty; 84% MFI; 2.12 times national unemployment; Urban Renewal Area – Central Eastside
- Community Support: Prosper Portland, Central Eastside Industrial Council

TOTAL PROJECT PIPELINE

Project Name	Location	Type	Size (\$ mil)
Block 33	NW Portland	Mixed-use	50.0
Broadway 2	NW Portland	Mixed-use	231.1
Broadway 3	NW Portland	Mixed-use	134.4
Broadway 4	NW Portland	Mixed-use	270.2
Broadway 5	NW Portland	Mixed-use	140.0
Broadway 6	NW Portland	Mixed-use	240.0
Broadway 7	NW Portland	Mixed-use	195.6
Broadway 8	NW Portland	Mixed-use	342.8
Burnside Mixed-use	SE Portland	Mixed-use	35.0
Centennial Mills	NW Portland	Mixed-use	184.0
De La Salle High School	SE Portland	Community facility	28.0
De Paul Services	SW Portland	Community facility	30.0
Engine House #2	NW Portland	Commercial	5.5
Framework	NW Portland	Mixed-use	45.0
Gateway Human Solutions	NE Portland	Community facility	21.0
Harvey Property	NE Portland	Commercial	14.0
Jane Dough	NE Portland	Commercial	22.4
Las Adelitas	NE Portland	Mixed-use	7.0
Mid-County Building	NE Portland	Community facility	12.0
Modern Organic	NE Portland	Commercial	14.5
ODOT Blocks	SE Portland	Mixed-use	156.5
PCC Workforce Training Center	NE Portland	Community facility	28.4
PMC	TBD	Community facility	33.9
Santo Domingo	NE Portland	Commercial	10.0
Walnut Park	NE Portland	Mixed-use	67.3
Generations Gateway	NE Portland	Mixed-use	310.0
92 nd & Harold	SE Portland	Mixed-use	21.3
Rosewood Initiative Early Learning	SE Portland	Community facility	10.5
28 Projects			2,660.4

Meeting of the Portland Community Investment Fund Governing Board

June 14, 2017

This document represents the official meeting record of the June 14, 2017 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=wrqXpfOgGdM>

At approximately 5:13 p.m. Chair Kelly adjourned the Prosper Portland Board meeting and Portland Community Investment Fund (PCIF) Governing Board Chair Cruz convened the PCIF Governing Board meeting.

1. Prosper Portland Commissioners were present, having responded to Roll Call from the regular Prosper Portland meeting.

Chair Tom Kelly	PRESENT
Commissioner Gustavo Cruz	PRESENT
Commissioner Mark Edlen	PRESENT
Commissioner Alisha Moreland-Capuia	PRESENT (arrived at 3:00 p.m.)
Commissioner William Myers	PRESENT

2. Staff Presentation

Justin Douglas, Prosper Portland Policy Manager, was called to brief the Board on the background of the PCIF and the federal New Market Tax Credit (NMTC) Program. He reviewed roles and responsibilities of both the PCIF Advisory Board and the Governing Board. He 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 noted that on June 5, 2017, the PCIF Advisory Board endorsed the NMTC application. The names of PCIF Advisory Members and the organizations they represent were re-introduced, with one change since the first Governing Board meeting, as noted below:

- 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
- New member: Jeana Woolley, Black Investment Corporation for Economic Progress, Inc. (BICEP)

Nathan Teske, who no longer represents Hacienda Community Development Corporation, stepped off the Advisory Board.

RESOLUTION 2 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 concluded his overview of the actions in Resolution 2, to approve meeting minutes from the February 8, 2017 meeting, and to formally authorize the submission of an application to the CDFI Fund for an allocation of NMTC. He added that if PCIF is awarded an allocation in late 2017, staff will return to the PCIF Board to seek feedback on project investments. Legal counsel would then obtain insurance to the satisfaction of each PCIF Governing Board member and prior to taking any action that might generate exposure to liability.

Chair Cruz invited public comment on the potential actions before the Governing Board; there were no public comments.

Chair Cruz asked for a motion to adopt Resolution 2 of the Portland Community Investment Fund, which was unanimously approved with five votes.

At approximately 5:23 p.m., PCIF Governing Board Chair Cruz adjourned the PCIF Governing Board meeting and Chair Kelly reconvened the Prosper Portland Board meeting.

Respectfully submitted,

PCIF Secretary