

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7412

ADOPTING A REVISED FINANCIAL INVESTMENT POLICY

WHEREAS, the Prosper Portland Board of Commissioners (“Board”) by separate actions, approves guidelines for the administration of Prosper Portland’s real estate and financial investments consistent with the mission and strategy of the agency;

WHEREAS, in investing Prosper Portland resources, it is prudent business practice to thoroughly review proposed projects to minimize risk, maximize public benefits, ensure the agency’s Equity and other policies are being followed, and allow for the repayment of invested public funds and a financial return on that investment; and as such, the Prosper Portland Board desires to update the formal internal review process to assist the Prosper Portland Board and Executive Director in making financial investment decisions;

WHEREAS, on March 13, 2013 and June 8, 2016 through Resolutions No. 6993 and No. 7194 respectively, the Prosper Portland Board adopted an Updated Financial Investment Policy and Process for Internal Review and Approval of Financial Investments, and established Prosper Portland’s Financial Investment Committee (“Existing Financial Investment Policy”);

WHEREAS, on August 14, 2019, through Resolution No. 7335, the Prosper Portland Board adopted a new Equity Policy (“Equity Policy”), redoubling the agency’s commitment to increasing economic opportunity for all Portland residents and historically disadvantaged Portlanders and communities of color in particular;

WHEREAS, the Prosper Portland Board adopted the agency’s Financial Sustainability Plan pursuant to Resolution No. 7281, adopted July 18, 2018 (“FSP”), and the agency is in the process of updating the FSP to account for financial performance since its adoption; and

WHEREAS, in furtherance of the Equity Policy and the FSP, the Prosper Portland Board wishes to update the Financial Investment Policy and associated financial investment related processes and procedures in order to appropriately center equity within the agency’s consideration of financial investments, ensure that the goals and targeted outcomes of the Equity Policy are advanced, streamline and improve internal agency processes to improve clarity and reduce administrative burden, and replace the existing Financial Investment Committee with the Committee for Accountability of Finance and Equity.

NOW, THEREFORE, BE IT RESOLVED, that the Prosper Portland Board adopts the Financial Investments Policy attached to this Resolution as Exhibit A (“Revised Financial Investment Policy”);

BE IT FURTHER RESOLVED, that on a quarterly basis the Chief Financial Officer shall provide to the Prosper Portland Board a comprehensive report of all financial assistance requests approved by the Executive Director or other delegates during the quarter, including an explanation of all requests approved with exceptions to program guidelines;

BE IT FURTHER RESOLVED, that the Revised Financial Investment Policy hereby replaces and supersedes the Existing Financial Investment Policy in all respects and that Resolution No. 7194 is hereby replaced in its entirety; and

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted by the Prosper Portland Commission on April 14, 2021



Pam Feigenbutz, Recording Secretary



Financial Investment Policy

Effective Date: April 14, 2021

Approved By: Prosper Portland Board of Commissioners

Sponsor: Chief Financial Officer

Owner: Chief Financial Officer

This Policy was approved by the Prosper Portland Board of Commissioners (the “Board”) through Resolution No. 2106, adopted April 14, 2021 (the “Authorizing Resolution”).

This Policy is organized as follows:

- PART ONE:** Goals of Policy
- PART TWO:** Financial Investment Principles
- PART THREE:** Committee for Accountability of Finance and Equity (CAFÉ)
- PART FOUR:** Applicability
- PART FIVE:** Modifications; Authority of the Executive Director
- PART SIX:** Charter; Administrative Procedures and Specifications

PART ONE: GOALS OF POLICY

The Board’s goals in adopting this Policy are to ensure that proposed investments are appropriately reviewed to minimize risk, maximize public benefits, ensure the agency’s equity and other policies are being followed, and facilitate the repayment of public funds and a financial return on investment. The Board further wishes to provide a level of review based on the size and risk profile of the applicable investment in order to ensure that internal processes are streamlined and efficient.

This Policy is informed by, and intended to further, the goals and principles of Prosper Portland’s Equity Policy, established through Resolution No. 7335, adopted August 14, 2019 (the “Equity Policy”).

PART TWO: FINANCIAL INVESTMENT PRINCIPLES

Prosper Portland shall abide by the following principles when investing Prosper Portland resources:

- When investing public resources to achieve its mission and strategy, Prosper Portland will apply sound financial guidelines and accountable and transparent processes.
- In alignment with the Financial Sustainability Plan, investments should result in asset ownership or a financial return of and on capital whenever feasible.
- In alignment with the Equity Policy, investments should seek public benefits and be managed in a manner that explicitly considers beneficiaries, addresses disparities, and supports equitable outcomes.
- Investment should have a leverage target that maximizes the percentage of non-Prosper Portland resources in a project.
- Grants and infrastructure expenditures should be limited to annual Prosper Portland-wide budgets that are consistent with Prosper Portland's Financial Sustainability Plan.
- Any forgiveness of loan principal will be considered a grant and count against the current or following fiscal year budget established for grants.

PART THREE: COMMITTEE FOR ACCOUNTABILITY OF FINANCE AND EQUITY (CAFÉ)

3.1 Establishing CAFÉ. The Executive Director is directed to establish an internal Committee for Accountability of Finance and Equity ("CAFÉ"). CAFÉ shall have at least three members to be appointed by the Executive Director in consultation with the Board Chair.

3.2 Responsibilities of CAFÉ. CAFÉ is responsible for reviewing Covered Investments (defined in Part Four) and making recommendations with respect to the Covered Investments to the Executive Director.

3.3 Considerations.

- CAFÉ shall consider the Equity Policy, other applicable policies and procedures, applicable loan or grant guidelines, and other relevant policies, procedures, and considerations in making its recommendations. As described in Part Six, CAFÉ's Charter should include a list of potentially relevant policies and procedures for CAFÉ's reference, but this list should not be construed as a limitation.
- In recommending exceptions to applicable policies, procedures, or guidelines, CAFÉ should conduct reasonable inquiries regarding whether the exceptions are reasonably necessary to meet agency objectives and goals and do not jeopardize program objectives.

PART FOUR: APPLICABILITY

4.1 Covered Investments. The following types of investments are "Covered Investments" for purposes of this Policy:

- Loans and grants for any financial assistance programs where approval has not been delegated by the Executive Director;
- Loan modifications where approval has not been delegated by the Executive Director;
- New and revised financial assistance guidelines;
- Prosper Portland debt financings;
- Acquisition, disposition, and leasing of real property; provided that, as set forth in the Disposition and Leasing of Real Property Policy, adopted by Resolution No. 7301 on February 13, 2019, leases, licenses, or permits of entry for real property with a term of less than two

- (2) years is not a Covered Investment requiring CAFÉ review;
- Acquisition of real property collateral (by foreclosure, deed in lieu of foreclosure, or voluntary transfer);
- Special authority grants or loans where no formal program exists; and
- Additional responsibilities delegated by the Prosper Portland Board and/or the Executive Director

4.2 Exceptions. Notwithstanding the foregoing, CAFÉ may develop exceptions or exclusions to the definition of Covered Investments to be set forth above in its Charter (as defined in Part Six) to further the goals of streamlined and efficient internal processes as set forth in Part One. Examples of these exceptions or exclusions could include, by way of example and not limitation, developing minimum dollar thresholds for full CAFÉ review, or exempting loans or grants meeting all established guidelines from full CAFÉ review. The Executive Director has the authority to accept or reject these proposed exceptions or exclusions.

PART FIVE: MODIFICATIONS; AUTHORITY OF THE EXECUTIVE DIRECTOR

5.1 Policy. This Policy may be amended only by the Board; provided that Part Six sets forth a means by which Prosper Portland staff may adopt a Charter, administrative procedures, and other guidance to operationalize and/or clarify this Policy as needed.

5.2 Authority of Executive Director.

- Pursuant to Resolution No. 6172, adopted August 11, 2004, and Resolution No. 6214, adopted December 9, 2004, the Executive Director has the authority to execute grant agreements, loan agreements, procurement contracts, intergovernmental agreements, and other documents involving Prosper expenditures of up to \$500,000 without further Board approval. This Policy does not limit this authority, but rather clarifies the internal review process before certain of these financial commitments (i.e., Covered Investments as defined in Part Four) may be made.
- Without limiting the preceding paragraph, after review by CAFÉ, the Executive Director may make any exceptions to adopted loan or grant guidelines, consistent with applicable law, except for (a) the maximum loan or grant amount set forth in the guidelines, or (b) any reduction in the repayment obligation of a borrower of more than \$500,000.
- Nothing in this Policy prevents the Executive Director from sub-delegating or providing rules for sub-delegation of expenditure authority to other Prosper Portland employees.

PART SIX: CHARTER; ADMINISTRATIVE PROCEDURES AND SPECIFICATIONS

6.1 Charter. The Executive Director (or their designee) is directed to develop a charter for CAFÉ (the “Charter”) setting forth, among other things, membership, roles and responsibilities, how CAFÉ is to conduct business, applicable organizational policies and guidelines expected to frequently recur in CAFÉ meetings (for example, commonly-applicable loan and grant guidelines; rules regarding appraisal or other valuation methods, as currently set forth in the Valuation of Real Property policy adopted by Resolution No. 7301; and so forth), and exceptions or exclusions to the definition of Covered Investments as described in Part Four of this Policy.

- 6.2 Administrative Procedures; Specifications.** The Executive Director (or their designee) may review and revise other administrative procedures or specifications of this agency if necessary or appropriate to reconcile the other procedures or specifications to this Policy.



**PROSPER
PORTLAND**
Building an Equitable Economy

RESOLUTION NO. 7412

RESOLUTION TITLE:

ADOPTING A REVISED FINANCIAL INVESTMENT POLICY

Adopted by the Prosper Portland Commission on April 14, 2021

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 Francesca Gambetti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Peter Platt	<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"/>	Commissioner William Myers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Consent Agenda 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.

Pam Feigenbutz, Recording Secretary

Date:

April 19, 2021