

**PROSPER PORTLAND**

Portland, Oregon

**RESOLUTION NO. 7505**

**APPROVING THE TERMS OF A SPECIAL AUTHORITY LOAN TO SHORTSTACK MISSISSIPPI, LLC, IN AN AMOUNT NOT \$3,500,000 FOR REDEVELOPMENT OF REAL PROPERTY LOCATED AT 1017 N REVERE STREET; APPROVING AN EXEMPTION TO THE CONSTRUCTION BUSINESS WORKFORCE EQUITY POLICY**

**WHEREAS**, the Commercial Property Redevelopment Loan Program (“CPRL Program”) was established through Resolution No. 6442, adopted by the Prosper Portland Board of Commissioners (“Board”) on February 28, 2007, and revised guidelines for the CPRL Program were subsequently adopted via Resolution No. 6863, adopted April 13, 2011 (the “Program Guidelines”);

**WHEREAS**, the CPRL Program has provided critical investments implementing the City of Portland’s (“City’s”) economic development strategies and is now under review for adjustments, updates, and new loan products for Prosper Portland investments to remain current and fill identified gaps in the market, particularly within historically underserved communities and in furtherance of the agency’s 10 Year Financial Sustainability Plan;

**WHEREAS**, on April 26, 2023, through Resolution 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;

**WHEREAS**, Advance Portland Objective 3 identifies the need to address housing production across a continuum of affordability and exploring and expanding production methods that can streamline and increase completion of workforce housing;

**WHEREAS**, the City is undertaking a Housing Needs Analysis as required by the State of Oregon as presented to City Council at a work session in July 2023 and to be completed by December 2023;

**WHEREAS**, the City with Prosper Portland support is now developing a Housing Production Strategy to identify a set of actions and policies the City will use to address the 20-year housing needs identified in the new Housing Needs Analysis, including land supply, regulatory code, and financial tools;

**WHEREAS**, Shortstack Mississippi, LLC (“Developer”) is the owner of certain real property located at 1017 N Revere Street (“Property”), and proposes to develop 36-unit project including regulated affordable and middle-income market rate apartments (“Project”);

**WHEREAS**, Developer has advanced Shortstack as a replicable, mass timber housing model designed as a kit of parts intended for replicability across sites, the ability to shrink and grow based on different site specifications, and with a focus on “missing middle” infill housing;

**WHEREAS**, Developer has sought financing of up to \$3,500,000 as a construction loan that will convert to a permanent loan for the Project from Prosper Portland; and

**WHEREAS**, Prosper Portland staff have determined that the Project, the Developer, and the loan are not within CPRL Program Guidelines, but align with Advance Portland, the Housing Needs Analysis, and staff’s review of anticipated changes to the Program Guidelines, and therefore the request is for a special authority loan.

**NOW THEREFORE, BE IT RESOLVED**, that the Prosper Portland Board of Commissioners (“Board”) authorizes the Executive Director to make a special authority loan and to execute all documents and instruments necessary to make the loan substantially in accordance with the terms attached hereto as Exhibit A;

**BE IT FURTHER RESOLVED**, that the Prosper Portland Board authorizes an exemption for the Project to Workforce Training and Hiring requirements of the Construction Business and Workforce Equity Policy, with the following conditions tied to the Loan:

1. Registering Subs as State Training Agents.
  - a. Borrower and General Contractor will make a good faith effort to require qualified construction trade partners to register as state training agents, or at least get as far along in the process as possible understanding that each program has a different set of requirements. These efforts will expand the list of trade partners engaged in workforce programs and prepare subs such that they’re ready to engage in workforce training on future projects and build a pipeline of subs in key trades where there are gaps in anticipation of significant projects starting in 2026.
2. Tracking hours worked on site by minority and/or women workers.
  - a. In lieu of the LCPtracker reporting system, Borrower will work with General Contractor to internally track hours worked on site by those who self-identify as women and/or minority workers, with a target of meeting the Workforce Diversity Goal of 30% minority and 15% women workers.
3. Pre-Apprenticeship Programs.
  - a. Borrower and General Contractor will make a good faith effort to engage with local pre-apprenticeship programs, including but not limited to: Constructing Hope, Oregon Tradeswomen, Inc. and Portland YouthBuilders. Understanding that sub-contractors are not actively hiring to complete a project of this size, Borrower and General Contractor will engage with these organizations to bring pre-apprentices to the Project site to learn in the field. One area of focus will include mass timber construction education via on-site workshop(s) during erection of the cross-laminated timber structure.

**BE IT FURTHER RESOLVED**, that the Executive Director may approve changes to the loan, if such changes do not materially increase Prosper Portland’s obligations or risks, as determined by the Executive Director in consultation with Prosper Portland’s General Counsel; and

**BE IT FURTHER RESOLVED**, that with the affirmative vote of no less than four commissioners for this resolution, 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 October 11, 2023

A handwritten signature in blue ink that reads "Pam Feigenbutz". The signature is written in a cursive, flowing style.

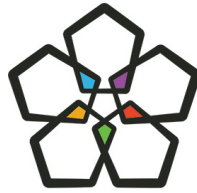
---

Pam Feigenbutz, Recording Secretary

**SPECIAL AUTHORITY LOAN 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.

Lender	Prosper Portland
Borrower	Shortstack Mississippi, LLC, an Oregon limited liability company
Project Location	1017 Revere Street, Portland, OR 97227
Eligible Use of Funds	Construction costs related to development of a 36-unit apartment building.
Loan Amount	Up to \$3,500,000.
Disbursement Period	Through December 2025
Loan Fee	1.00%
Construction Loan Interest Rate	6.36%
Permanent Loan Interest Rate	4.36%
Maturity	24 years (288 months)
Amortization	35 years (420 months)
Repayment	Interest-only for the first 4 years (48 months), followed by principal & interest payments in years 5 through 24 (240 months); balloon payment at maturity.
Collateral	Deeds of Trust on subject property. During construction phase, subordinate to primary construction lenders (Stearns Bank, Oregon Housing and Community Services, and The Oregon Community Foundation); during permanent phase, subordinate to primary permanent lenders (Network for Oregon Affordable Housing, and Oregon Housing and Community Services).
Guaranties	Shortstack Developer, LLC; Jessica Ledesma; Anna Mackay.
Express Condition	Lender’s Board of Commissioners must have exercised its discretion to approve the loan in accordance with Lender’s policies and with law.
Conditions to Close	Satisfactory appraisal ordered by Stearns Bank and listing Prosper Portland as intended user; satisfactory environmental reports; satisfactory updated project budget and plans; executed Operating Agreement for Shortstack Mississippi, LLC.
Compliance with Policies	Borrower to comply with applicable Prosper Portland policies. Borrower’s workforce equity commitment will include actions to help serve as a pipeline for construction needs forecasted for 2026, with a focus on those trades needed at that time, as well as commitment to worksite anti-harassment and culture change strategies on the project.
Prosper Portland Board amendment, 10/11/23	The permanent interest rate will be reviewed at a future date during the loan term for a potential increase and staff will look at workforce equity for ways to increase participation.



**PROSPER  
PORTLAND**  
Building an Equitable Economy

**RESOLUTION NO. 7505**

**RESOLUTION TITLE:**

APPROVING THE TERMS OF A SPECIAL AUTHORITY LOAN TO SHORTSTACK MISSISSIPPI, LLC, IN AN AMOUNT NOT \$3,500,000 FOR REDEVELOPMENT OF REAL PROPERTY LOCATED AT 1017 N REVERE STREET; APPROVING AN EXEMPTION TO THE CONSTRUCTION BUSINESS WORKFORCE EQUITY POLICY

Adopted by the Prosper Portland Commission on October 11, 2023

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 William Myers	<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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda <input checked="" 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.*

	<b>Date:</b>  October 12, 2023
<b>Pam Feigenbutz, Recording Secretary</b>	