



Building an Equitable Economy

**Gustavo J. Cruz, Jr.**  
Chair

**Marcelino Alvarez**  
Commissioner

**William Myers**  
Commissioner

**Michi Slick**  
Commissioner

**Serena Stoudamire Wesley**  
Commissioner

**Carmen Rubio**  
Commissioner,  
City of Portland

**Kimberly Branam**  
Executive Director

This document represents the official meeting record of the March 13, 2024, Prosper Portland Board of Commissioners (Board) meeting held in person and via Zoom. The full video recording of this meeting can be found at: <https://www.youtube.com/watch?v=-udZhCxa-30>

### 1. Call to Order and Roll Call

Chair Gustavo Cruz called the Prosper Portland Board meeting to order at approximately 3:00 p.m. Alyson Schweiger, Prosper Portland Board acting recording secretary, called the roll:

Chair Gustavo Cruz	PRESENT
Commissioner Marcelino Alvarez	ABSENT
Commissioner William Myers	PRESENT
Commissioner Michi Slick	PRESENT
Commissioner Serena Stoudamire Wesley	PRESENT

Chair Cruz read the following statement: “As required by State law, Prosper Portland has provided an opportunity for the public to access and attend this meeting in person; there is also a YouTube live stream video of the meeting, and the public has had the opportunity to arrange in advance to provide virtual testimony. At this time, the public may provide written testimony to the Commission by emailing [ProsperCommissioners@ProsperPortland.us](mailto:ProsperCommissioners@ProsperPortland.us).”

### 2. Commissioner Reports

Commissioner Slick

- Attended Prosper Portland’s Broadway Corridor event, February 29.

Commissioner Myers

- Attended the Centro Gala de Cultura, March 1

Commissioner Stoudamire Wesley

- Attended Prosper Portland’s Broadway Corridor event, February 29.
- Attended the Centro Gala de Cultura, March 1

Chair Cruz

- Nothing to report

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### 3. Executive Director Report

- On February 22, joined partners in celebrating more than 100 first time homeowners supported through the Portland Housing Center
- Noted City Council expanded the Downtown Business Incentive Credit to include all of Portland's Central City, including the Central Eastside and West End
- Expressed appreciation to state legislators and the Office of Government Relations for their work during the short session, which concluded March 7
- Announced the availability of the Scale Up Grant Program noting applications close March 27
- Encouraged everyone to participate in March's Ticket to Dine month
- Announced Prosper Portland is sponsoring the 20th Annual NW Youth Careers Expo March 19

### 4. Meeting Minutes

Chair Cruz called for a motion to approve the February 14, 2024, Prosper Portland Board meeting minutes. Commissioner Myers moved and Commissioner Stoudamire Wesley seconded the motion.

AYES: Cruz, Myers, Slick, Stoudamire Wesley  
NAYS: None

### 5. Public Comment for Items Not on Agenda

None.

### CONSENT AGENDA

#### 6. Action Item: Resolution 7523 - Authorizing Execution of a Lease Agreement with STI NEWCO, LLC, for Property Located at 2221 N. Argyle Street in the Interstate Corridor Tax Increment Finance District

Chair Cruz called for a motion to approve Resolution No. 7523, Commissioner Stoudamire Wesley moved, and Commissioner Myers seconded the motion.

AYES: Cruz, Myers, Slick, Stoudamire Wesley  
NAYS: None

### REGULAR AGENDA

#### 7. Action Item: Resolution 7525 - Approving Commercial Property Redevelopment Loan and Small Business Loan Program Guidelines

Prosper Portland staff presenting this item:

*Kay Little, Asset & Investment Manager*

*Shelly Haack, Project Manager I*

*Oscar Novelo, Senior Business Finance Officer*

*Casey Edmondson, Assistant General Counsel*

With this action, the Prosper Portland Board approved new Commercial Property Loan and Small Business Loan program guidelines (collectively, Guidelines). These Guidelines, which have been crafted to deliver on the agency's strategic priorities, equity objectives, and Financial Sustainability Plan performance, will consolidate and supersede all existing real estate and business lending into these two programs.

Mr. Little introduced the goals of the loan program redesign and reviewed the strategic alignment with the Advance Portland and Prosper Portland's Financial Sustainability Plan.

Ms. Haack listed key changes made to the loan products, including the creation of a new loan process to increase transparency, as well as new risk rating and evaluation tools. Ms. Haack noted the evaluation tools will be posted to the Prosper Portland website for optimum transparency for applicants and potential applicants. Ms. Haack reviewed updates to the Commercial Property Loan program, which includes adding property acquisition as an eligible use, in addition to middle income housing.

Mr. Novelo detailed updates to the Small Business Loan Program, including program consolidation, extending terms from 10 to 15 years, and the elimination of the Revenue Based Loan program. Mr. Novelo thanked the participants of a community focus group, which met six times to help shape the new loan programs and provided invaluable expertise. Additionally, Mr. Novelo reviewed the program's equity impact, including defining High Impact Projects to convey when Prosper Portland will entertain negotiated terms. By extending terms and reducing debt service ratio, more projects may qualify. By removing a minimum of equity, loan to value, and leverage requirements, they will remove barriers to entry.

Mr. Edmondson described the loan review process goals and intake process, including the baseline assessment of whether the proposed loan is consistent with guidelines and a newly emphasized risk rating used to inform pricing.

Additionally, Mr. Edmondson shared the risk rating guidelines, noting that those far down on the scale will have to be reviewed as part of the new process. Risk ratings will also differ based on different loan products.

Ms. Haack reviewed next steps and implementation timing, with full implementation anticipated by July 1, 2024.

Commissioner Stoudamire Wesley inquired about the return on investment for Prosper Portland as well as how to ensure consistency in loan approvals. Ms. Haack responded that the return on investment will be unique to each individual transaction, and that the risk rating tool will help determine the pricing.

Commissioner Slick, in asking for clarification, asked if there won't necessarily be an impact to return on investment given the proposed changes. Ms. Haack clarified Prosper Portland is shifting from an old system where the risk rating was fixed across products. The amortization period won't change the risk rating; its intent is to help us work those deals that may be on the margins; if there is a potential loan that has a low debt coverage ratio, staff could push out the amortization to increase the debt coverage ratio (e.g., "a 30-year amortization and a 10-year call").

Commissioner Myers asked about time period, Ms. Haack noted it moves it from 10 to 15 years, which would mean another five years of that asset being on the books.

Commissioner Myers asked about capital in tax increment finance (TIF) districts set to expire during that term.

Executive Director Branam stated that staff is clarifying what happens with program income while the agency is exploring new TIF districts. Depending on when program income returns, it may go back to TIF or back to the Strategic Investment Fund.

Commissioner Slick thanked staff for the work and noted she's been attending Committee on Accountability in Finance and Equity meetings for the past six months and believes the Program Guidelines will be more efficient for both Prosper Portland and for borrowers. Commissioner Slick encouraged increased process clarity for borrowers around internal processes, including the timelines for approvals.

Chair Cruz stated that intent for a while has been to increase Prosper Portland's lending capacity and the Board would like to hear from the lending team in six months to a year on the impacts of the new guidelines. Chair Cruz added, as the portfolio increases, the back-end process should be revisited.

Chair Cruz called for a motion to approve Resolution No. 7525, Commissioner Slick moved, and Commissioner Myers seconded the motion.

AYES: Cruz, Myers, Slick, Stoudamire Wesley  
NAYS: None

**8. Action Item: Resolution 7524 - Adopting an Amended and Restated Financial Investment Policy**

Prosper Portland staff presenting this item:

*Casey Edmondson, Assistant General Counsel*

With this action, the Prosper Portland Board approved the adoption of an amended and restated version of Prosper Portland's Financial Investment Policy (Restated Policy).

Mr. Edmondson conducted a full overview of the current issues for the Financial Investment Policy and the key changes in the amended and Restated Policy.

Chair Cruz called for a motion to approve Resolution No. 7524, Commissioner Myers moved, and Commissioner Slick seconded the motion.

AYES: Cruz, Myers, Slick, Stoudamire Wesley  
NAYS: None

**9. Action Item: Resolution 7526 – Authorizing a Disposition and Development Agreement to Convey Approximately 33,071 Square Feet of Prosper Portland-Owned Property in the Lents Town Center Tax Increment Finance District**

Prosper Portland staff presenting this item:

*Brian Moore, Development Manager*

*Windol Cador, Project Manager*

With this action the Prosper Portland Board authorized the terms of a disposition and development agreement with Palindrome Communities, LLC (Palindrome) for redevelopment of Prosper Portland-owned real property (Property) located at 9231 SE Foster Road in the Lents Town Center Tax Increment Finance District. As a result, Palindrome will pay Prosper Portland \$1,755,000 for the Property, which it intends to develop as a mixed-use/mixed-income project including market rate rental housing,

commercial, and hospitality uses (Project) on the Property and on adjacent land already owned by Palindrome.

Mr. Moore provided an overview of the action, strategic alignment, and Project objectives.

Mr. Cador provided background on the Property and acquisition of the site, as well as the key terms for the disposition.

Commissioner Myers inquired about Palindrome's previous performance under Prosper Portland's Construction Business and Workforce Equity Policy.

Invited guest Robert Gibson, Vice President of Development for Palindrome, responded to questions by discussing the organization's experience and performance in meeting or exceeding equity goals and discussed meeting quarterly with Prosper Portland compliance staff. Mr. Gibson also discussed tenanting within the affordable commercial program at Oliver Station, also in the Lents neighborhood.

Chair Cruz called for forth public testimony.

Santino Juarez, member, Western State Carpenters, spoke to concern over developers hiring contractors who engage in wage theft, and asked the Board what they were doing to ensure the working class and builders will be protected.

Michael Cofflin, member, Western States Regional Council of Carpenters, commented on Palindrome Communities' past practices of hiring irresponsible contractors or subcontractors.

Trampas Simmons, member, Western States Regional Council of Carpenters, spoke to Palindrome's past practices of hiring irreputable subcontractors and asked what kind of enforcement measure the City of Portland has in place to ensure wage theft does not occur.

Heather Mayther, member Western State Carpenters, stated public benefits on the project must truly benefit the Lents community, and echoed previous sentiments on workforce and responsible contractors. Ms. Mayther requested that Prosper Portland and Palindrome take a look at their general contractor's past practices as well as the subcontractors they hire.

Sanai Hennessy, member, Western States Regional Council of Carpenters, stated the union represents five thousand local workers, and wants an opportunity to work on the Project. Ms. Hennessy shared local workers are creating generational wealth for their families, and these workers should be able to work to live and to thrive within these communities. A lot of these workers are not able to live where they work.

Mr. Moore confirmed that some targets were not met on the most recent Palindrome project at 92nd and Ramona, though Palindrome met regularly with compliance staff to address the issues. Because the project did not trigger minimum hour thresholds (300 work hours), penalties were not assessed.

Commissioner Myers stated that Multnomah County has adopted procedures that state that if there is an issue with their policies, the County will have staff follow up not just with the developer but with the contractors that were selected to work on the project.

Mr. Moore stated that Prosper Portland compliance staff will work directly with the contractor to help them achieve goals and get assistance.

Commissioner Myers added that Prosper Portland needs to ensure they are auditing the workforce on projects, not just the contractor or developer.

Executive Director Branam stated that Prosper Portland would defer to Bureau of Labor and Industry regarding wage theft and on their mechanism for enforcement. Prosper Portland has been in situations when a subcontractor and general contractor have differing opinions. It's important to be aware when BOLI does issue fines and whether a particular contractor has had fines levied against them.

Robert Gibson clarified that Palindrome terminated the subcontractor in question, withheld payment to them, and paid their workers directly. Because Palindrome's next project in Lents is an inclusionary housing project, pre-construction due diligence will be enhanced so they know more about who they're hiring and their past practices and fines.

Commissioner Myers encouraged Robert Gibson and Palindrome to reach out to those who commented to hear their ideas for protecting workers who are hired on their projects.

Commissioner Stoudamire Wesley added that they should be considerate and reach out to those communities in Lents, who have been further impacted since Covid; that community needs jobs, they need to thrive, and the developer must put safeguards in place, so the subcontractors are willing to meet their obligations and more.

Chair Cruz called for a motion to approve Resolution No. 7526, Commissioner Slick moved, and Commissioner Myers seconded the motion.

AYES: Cruz, Myers, Slick, Stoudamire Wesley  
NAYS: None

## 10. Adjourn

There being no further business, Chair Cruz adjourned the Prosper Portland Board meeting at approximately 4:45 p.m.

Approved by the Prosper Portland Commission on April 10, 2024



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Pam Feigenbutz, Recording Secretary