

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7615

**ADOPTING A COMPREHENSIVE FINANCIAL INVESTMENT AND REAL
ESTATE POLICY**

WHEREAS, on October 27, 2010, through Resolution No. 6832, the Prosper Portland Board adopted a Financial Investment Policy (“FIP”) and established a process for internal review and approval of financial investments, which has been amended from time to time, most recently on March 13, 2024, through Resolution No. 7524;

WHEREAS, on April 26, 2023, through Resolution 37617, Portland City Council adopted Advance Portland, a five-year strategic plan for the City of Portland (“City”) that calls for the promotion of inclusive economic growth, innovation, and wealth creation;

WHEREAS, on March 8, 2023, through Resolution No. 7477, the Prosper Portland Board adopted an update to its Financial Sustainability Plan;

WHEREAS, on March 13, 2024, through Resolution No. 7525, the Prosper Portland Board adopted new Commercial Property Loan Program Guidelines and new Small Business Loan Program Guidelines; and

WHEREAS, on November 8, 2017, through Resolution No. 7257, the Prosper Portland Board adopted sublease terms for leases at Alberta Commons (“Alberta Commons Lease Guidelines”);

WHEREAS, on November 8, 2017, through Resolution No. 7258, the Prosper Portland Board adopted sublease terms for leases at Lents Commons (“Lents Commons Lease Guidelines”);

WHEREAS, on July 14, 2021, through Resolution No. 7430, the Prosper Portland Board adopted sublease terms for leases at the Nick Fish (“Nick Fish Lease Guidelines”);

WHEREAS, on March 12, 2025, through Resolution No. 7597, the Prosper Portland Board adopted sublease terms for leases at the Fairfield Building (“Fairfield Lease Guidelines” and together with the Alberta Commons Lease Guidelines, the Lents Commons Lease Guidelines, and the Nick Fish Lease Guidelines, the “Lease Guidelines”);

WHEREAS, on February 13, 2019, through Resolution No. 7301, the Prosper Portland Board adopted a Valuation of Real Property Policy, an Acquisition and Management of Real Property Policy, and a Real Property Policy (collectively, the “Real Estate Policies”); and

WHEREAS, the Prosper Portland Board wishes to repeal the FIP, the Lease Guidelines, and the Real Estate Policies, and adopt instead a combined Financial Investment and Real Estate Policy

("FINREP"), which recognizes that Prosper Portland's property investments should also be managed alongside and in concert with its grant and loan investments, in order to achieve the agency's strategic and financial sustainability outcomes, to improve operational efficiencies and enhance clarity, and to appropriately implement the agency's lending and redevelopment programs and projects.

NOW, THEREFORE, BE IT RESOLVED, that the Prosper Portland Board hereby adopts the FINREP attached to this Resolution as Exhibit A;

BE IT FURTHER RESOLVED, that the FIP is repealed;

BE IT FURTHER RESOLVED, that the Lease Guidelines are repealed;

BE IT FURTHER RESOLVED, that the Real Estate Policies are repealed;

BE IT FURTHER RESOLVED, that the Executive Director has the authority to interpret the FINREP in their reasonable discretion in any manner not inconsistent with this Resolution; and

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

Adopted by the Prosper Portland Commission on July 9, 2025



Pam Feigenbutz, Recording Secretary

Financial Investment and Real Estate Policy (FINREP)

Effective Date: _____, 2025

Approved By: Prosper Portland Board of Commissioners

Sponsor: Chief Financial Officer

This Financial and Real Estate Investment Policy (“**Policy**”) was approved by the Prosper Portland Board of Commissioners (“**Board**”) pursuant to Resolution No. _____, adopted July 9, 2025.

This Policy replaces the Property Valuation, Acquisition and Management, and Disposition and Leasing Policies approved by the Board pursuant to Resolution No. 7301, on February 13, 2019, and the Financial Investment Policy approved by the Board pursuant to Resolution No. 7524, on March 13, 2024, and is organized into seven parts, which are:

PART ONE: Goals

PART TWO: Investment Principles

PART THREE: Fund Management Principles

PART FOUR: Real Estate Investment Principles

PART FIVE: Committee for Accountability of Finance and Equity (CAFÉ)

PART SIX: Authority of the Board and the Executive Director

PART SEVEN: Definitions

PART ONE: GOALS

The Board’s goals in adopting this Policy are to provide a strategic, transparent, consistent, and risk-balanced framework to guide Prosper Portland’s investment of public resources, and to ensure full compliance with local, state, and federal laws, Prosper Portland’s Charter, relevant TIF Plans, and Prosper Portland’s other Board-adopted policies. This Policy will guide Prosper Portland’s (a) acquisition, ownership, operation, and disposition of real property; (b) lending and grant-making activities; (c) use of Program Income and other resources and assets; and (d) management of TIF District assets and income.

PART TWO: INVESTMENT PRINCIPLES

Prosper Portland must abide by the following principles and undertake the following actions when investing Prosper Portland resources:

- 2.1. Apply sound financial procedures, due diligence practices, and accountable, transparent processes.
- 2.2. Evaluate transactions, investments, and activities in the context of Prosper Portland’s strategic plan, this Policy, the TIF Plan for the property, Action Plans, applicable Prosper Portland policies, including the Equity Policy, and the long-term financial sustainability of Prosper Portland.
- 2.3. Seek public benefits that explicitly consider beneficiaries, address disparities, and support equitable outcomes, consistent with the Equity Policy.

- 2.4. Make investments that result in community benefitting asset ownership and/or a financial return of and on investment capital whenever feasible.
- 2.5. Ground future economic, market, and industry assumptions in credible research.
- 2.6. Align the sources and uses of investment funds to minimize risk of improper expenditures.
- 2.7. When investing public resources to acquire, own, operate, and dispose of real property, minimize the outlay of Prosper Portland resources until the Board approves a Property Plan, with the means to execute it identified.
- 2.8. Target leverage levels that maximize the share of non-Prosper Portland resources in each project.
- 2.9. Price and evaluate Loans in part according to an assigned credit risk rating based on a reasonable risk rating system.
- 2.10. Minimize multiple investments to a single entity or individual that would cause an undue increase in risk exposure to Prosper Portland in the aggregate.
- 2.11. Consider the financial impact of any losses or forgiveness, and mitigate that impact (e.g., through alternative revenues or reduced Grants/operating costs).
- 2.12. Maintain a performance model to assess the long-term financial sustainability of Prosper Portland.

PART THREE: FUND MANAGEMENT PRINCIPLES

- 3.1 Maintain a **Strategic Investment Fund** as follows:
 - 3.1.1 All uncommitted Program Income to be transferred into the Strategic Investment Fund.
- 3.2 The Strategic Investment Fund may be used solely for:
 - Business and commercial property lending.
 - Acquisition of Income Generating real estate properties.
 - Renovation or improvement of Income Generating properties to enhance marketability and for responsible asset management.
 - Program Administrative Costs of the foregoing, including funding deficit NOI as described in Section 3.2.7.
- 3.3 Use repayment of SIF Loan principal to make new SIF Loans, in order to create ongoing returns for long-term financial sustainability.
- 3.4 The Strategic Investment Fund may not be used for Grants or infrastructure costs.
- 3.5 Maintain a **TIF District Fund** for each Active District or Sunsetting District, as follows:

- 3.5.1 Interest earnings. Keep interest earnings on Loans from a TIF District Fund in such fund to support such TIF District's Action Plan and Program Administrative Costs until the interest earnings are no longer needed to cover those costs.
- 3.5.2 Sale proceeds. Keep proceeds from property sales in the TIF District's TIF District Fund to deliver on Action Plan commitments, provided that up to five percent (5%) of proceeds from property sales may be used to pay such TIF District's Program Administrative Costs.
- 3.5.3 NOI. Keep NOI from an Income Generating property within the TIF District Fund to support the TIF District's Action Plan and Program Administrative Costs until such NOI is no longer needed to cover those costs.
- 3.5.4 Notwithstanding the foregoing subsections 3.2.1 through 3.2.3, interest earnings, sale proceeds, and NOI may vary by TIF District, and if proceeds are not required for Action Plan commitments or Program Administrative Costs, then they may be used to fund additional Grants.
- 3.5.5 Principal repayment. Keep principal repayment of Loans made from a TIF District Fund in the TIF District to deliver on Action Plan commitments.
- 3.5.6 Real property in an Active District's or Sunsetting District's TIF District Fund cannot be transferred to another fund unless moved concurrently with the adoption of a TIF District boundary amendment.
- 3.5.7 An NOI deficit requires that the Executive Director decides the total deficit amount that may be incurred before the real estate generating the NOI deficit should be sold (taking into account the estimated net present value of its future sale based on reasonable market conditions and timing). An NOI deficit will be funded by:
 - Use of the TIF District Fund, either through contingency or foregoing projects, to be identified through the annual budget process; and/or
 - Transfer of funds from another unrestricted Prosper Portland fund.
- 3.6 Manage a **TIF District Fund** for a Terminated District to closure, as follows:
 - 3.6.1 Program Income from Loans previously made from a Terminated TIF District's TIF District Fund will transfer to the Strategic Investment Fund or another fund based on agency strategic priorities.
 - 3.6.2 Program Income from the sale of real estate in a Terminated District may be transferred to the Strategic Investment Fund or another fund based on agency strategic priorities.
 - 3.6.3 Real property in a Terminated District may be transferred or sold to another fund including:
 - The Strategic Investment Fund (if the transferred asset has a positive current NOI or positive net present value when considering a future sale or long-term lease); or

- A new TIF District Fund that includes the geography of the transferred asset; provided that such transferred asset can help deliver on the outcomes of the new TIF District Plan, and a funding plan for the transferred asset with a negative NOI is adopted as part of the Board approved budget for the new TIF District Fund in order to cover asset related costs within the new TIF District.

- 3.7 Maintain a **Citywide Grants Fund** to account for discretionary resources, including Program Income, to be used for economic development program costs or Grants with no anticipated financial return, including staffing and operational costs of the foregoing.

PART FOUR: REAL ESTATE INVESTMENT PRINCIPLES

- 4.1 **Investment Categories.** To facilitate a standardized underwriting process and a consistent evaluation framework, Prosper Portland will classify its real estate investments according to the following three categories. A property may transition from one category to another over time, particularly over the life of a TIF District.
- 4.1.1 **High Impact:** Primarily targets public benefit outcomes identified in a TIF Plan and/or Action Plan; may carry higher financial risk or require ongoing investment or capital write-downs; the exchange of financial support in return for public benefit must be optimized, taking into account the long-term financial sustainability of Prosper Portland.
- 4.1.2 **Balanced Investment:** Aims to deliver public benefits in a financially neutral manner, such that expenditures generally equal expected returns, and ongoing public benefits are supported by the project's revenues; strives for financial stabilization within one to two years after acquisition or investment, in accordance with the long-term financial sustainability of Prosper Portland.
- 4.1.3 **Income Generating:** Seeks long-term, risk-adjusted income generation to further the long-term financial sustainability of Prosper Portland; any public benefits may be provided by the market or non-Prosper Portland sources in a way that does not materially impede stable, ongoing, market-rate cash flow.
- 4.2 **Property Categories.** Prosper Portland will classify its real property according to the following two categories:
- 4.2.1 **Strategic Property:** Any property specifically identified in a TIF Plan, Action Plan, or Property Plan as vital for public or financial objectives, including Prosper Portland's financial sustainability. High Impact, Balanced Investment, and Income Generating properties are all considered Strategic Properties.
- 4.2.2 **Non-Strategic Property:** A property that is not a Strategic Property or that is a remnant property no longer aligned with or necessary or desirable to achieve Prosper Portland priorities ("**Remnant Property**"). A Remnant Property is generally a leftover or residual parcel of land that remains after a larger area has been developed. Such Remnant Property typically has limited standalone use or market value and often lacks the size,

shape, or strategic alignment necessary to justify investment of Prosper Portland financial and/or staff resources.

4.3 **Property Acquisition**

- 4.3.1 **Jurisdiction and Funding Sources.** Non-TIF Resources may be used to acquire property within or outside TIF Districts, but not more than five miles outside Portland city limits (except in recovering a security interest). TIF Resources must be used in compliance with ORS Chapter 457 and the governing TIF Plans.
- 4.3.2 **Due Diligence.** Prosper Portland staff will conduct thorough due diligence on any property considered for acquisition, including (as appropriate) obtaining an appraisal or broker opinion of value, estimating capital improvement and holding costs, reviewing title and survey, and assessing geotechnical, environmental, and building conditions. The required scope of due diligence activities will be determined in accordance with the Real Estate Practices and Procedures.
- 4.3.3 **Relocation Assistance.** Prosper Portland may be required (or may elect) to provide relocation assistance to tenants displaced by Prosper Portland’s activities or by parties using Prosper Portland financing. Refer to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, ORS Chapter 35 (Eminent Domain), and Prosper Portland Resolution No. 6868 (Relocation Policies and Procedures).

4.4 **Property Plans and Financial Reporting**

- 4.4.1 **Property Plans.** The Board will adopt a Property Plan for every Strategic Property. Each Property Plan will identify strategic, financial, and equity objectives, as well as any significant milestones or budgets, including anticipated lease revenues and costs. Property Plans will be updated at least annually and approved by the Board as part of the budget process.
- 4.4.2 **Financial Reporting.** Property value is recorded at the lower of cost or market value (“**Net Book Value**”), in accordance with Generally Accepted Accounting Principles (also known as GAAP).
- Profit and Loss: Revenues and expenses must be reconciled at least quarterly.
 - Value Adjustments: Staff will annually compare Net Book Value to indicators such as the Multnomah County Assessor’s Office indicated real market value or recent appraisals, estimating the impact of zoning or use changes to determine if a write-down is necessary. Any write-downs must be approved by the Chief Financial Officer.

4.5 **Property Operations**

- 4.5.1 **Staffing and Outsourcing.** Prosper Portland’s real estate staff are responsible for managing all real property owned or controlled by Prosper Portland, in coordination with project management staff who are responsible for related community

development plans. Real estate staff may outsource various property management and maintenance activities to qualified third-party service providers.

- 4.5.2 **Safety; Upkeep; Appearance.** Prosper Portland will conduct regular inspections to identify hazards or nuisance conditions. Prosper Portland will use reasonable efforts under the circumstances to maintain its properties in a clean and orderly condition and meet City of Portland maintenance codes (Title 29), taking into account budget or staffing constraints.

4.6 **Property Disposition**

- 4.6.1 **Strategic Dispositions.** Disposition of Strategic Properties must align with approved Property Plans, TIF Plans, Action Plans, and Prosper Portland policies.
- 4.6.2 **Non-Strategic Dispositions.** Disposition of Non-Strategic Properties should maximize net sales proceeds to support Prosper Portland's long-term financial sustainability.
- 4.6.3 **Limiting Stipulations.** All dispositions must be carried out in a legal, fiscally prudent, and responsible manner, ensuring compliance with any limitations on disposition under law or a TIF Plan (e.g. ORS 271.310(3), which requires notifying the Oregon Department of Transportation of sales of real property within 100 feet of a railroad right of way or within 500 feet of an at-grade rail crossing).
- 4.6.4 **Personal Property Disposition.** Personal property acquired in a real estate transaction may be disposed of according to any personal property disposition policy adopted by the Executive Director and is outside the scope of this Policy.

4.7 **Valuation**

- 4.7.1 Prior to executing a binding sale agreement, staff must obtain a current market-value assessment (e.g., appraisal or broker opinion). The Executive Director may waive this assessment requirement if the property is (a) a Remnant Property, (b) uniquely situated with no comparables, or (c) impractical or infeasible to value using standard appraisal or valuation methods.
- 4.7.2 Pursuant to ORS 457.230, Prosper Portland must dispose of property acquired with TIF at its fair reuse value, which represents the value, whether expressed in terms of rental or capital price, at which Prosper Portland determines to dispose of the property to facilitate its redevelopment consistent with the applicable TIF Plan. In determining fair reuse value, Prosper Portland will account for public or strategic benefits in light of the financial consideration provided by the acquiring party.
- 4.7.3 Any difference between assessed market value and the fair reuse value must be clearly documented and explained in CAFÉ documents and in any Board meeting materials.

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

- 5.1 **CAFÉ.** The Executive Director must maintain a Committee for Accountability of Finance and Equity. CAFÉ is an internal advisory committee (not a public body), which makes recommendations to the Executive Director. A CAFÉ recommendation for approval of a Covered Investment which requires Board approval is understood to be a recommendation to the Executive Director to bring the Covered Investment to the Board for consideration.
- 5.2 **Membership.** CAFÉ must have three or more members (“**Members**”). Each Member must be a Prosper Portland employee or commissioner, but CAFÉ may invite the non-voting participation in its deliberations of any person lacking a conflict of interest in the matter before CAFÉ (including, but not limited to, officials, qualified experts, and other persons who may be approved by the Board Chair). The Executive Director will appoint all Members, and may appoint them either as individuals, or by providing in the CAFÉ Charter that whoever has a certain role (e.g., a particular job at Prosper Portland) is therefore automatically a Member. The Executive Director will consult with the Board Chair before acting to add or remove a Member, but personnel changes that automatically result in the addition or removal of a Member do not require consultation.
- 5.3 **CAFÉ Charter.** The Executive Director must adopt and maintain a charter setting forth, among other things that the Executive Director may wish to set forth: the Members and their roles and responsibilities; how CAFÉ is to conduct business and vote; applicable policies and Guidelines expected to frequently recur in the review of Covered Investments; and any delegations made as permitted under Section 5.6 of this Policy (the “**CAFÉ Charter**”).
- 5.4 **Responsibilities of CAFÉ**
 - 5.4.1 Members must: review all Covered Investments, meet regularly, and vote in CAFÉ whether to recommend to the Executive Director that Prosper Portland should make a Covered Investment. The CAFÉ Charter may delegate the foregoing duties as provided in Section 5.6, below.
 - 5.4.2 From time to time, CAFÉ will review and recommend to the Executive Director that the agency adopt new Guidelines, or that it modify existing Guidelines. The CAFÉ Charter may delegate the foregoing duties to particular Members as provided in Section 5.6.
 - 5.4.3 CAFÉ will sit as Prosper Portland’s default committee and will recommend appropriate actions to the Executive Director with respect to non-performing Covered Investments.
 - 5.4.4 CAFÉ will, from time to time as directed by the Executive Director, make a report to the Board regarding the performance and state of Prosper Portland’s Covered Investments portfolio.
- 5.5 **Review Requirements**
 - 5.5.1 Members must review each Covered Investment for consistency with all applicable Prosper Portland policies and procedures. For example, Members must consider, among

other things, the Equity Policy, this Financial and Real Estate Investment Policy, and applicable Guidelines.

- 5.5.2 A Member may not support a recommendation to make a Covered Investment unless the Member reasonably believes that making the Covered Investment would be materially consistent with law and with all applicable policies and procedures.
- 5.5.3 Notwithstanding Section 5.5.2 above, a Member may support a recommendation to make a Covered Investment that is inconsistent¹, in one or more ways, with applicable policies and procedures (each such inconsistency, an “**Exception**”), but only if the Member reasonably believes that: (a) making the Covered Investment would be lawful despite the Exception; (b) making the Covered Investment would be within the power and authority of the Executive Director (or the Board, as the case may be); (c) making the Covered Investment would advance, and not jeopardize, Prosper Portland’s strategic objectives and goals; and (d) the Member acts in accordance with this Policy.
- 5.6 **Delegation of CAFÉ Responsibilities.** Notwithstanding any other provision of this Policy, the CAFÉ Charter may provide that any two or more Members (or their delegee(s), who may be any Prosper Portland employee), rather than CAFÉ as a body, may review and recommend any of the following. Members will review and recommend such Covered Investments in accordance with the same standards set forth in Section 5.5, above.
 - 5.6.1 Loans that are: (a) consistent with applicable Guidelines; and (b) within the Executive Director’s authority.
 - 5.6.2 Grants that are: (a) consistent with applicable Guidelines; and (b) greater than \$500,000 (Grants that are consistent with Guidelines and \$500,000 or less are not Covered Investments).
 - 5.6.3 Non-Programmatic Grants or Loans of \$50,000 or less.
 - 5.6.4 Modifications to Guidelines, if such modifications are not material, as determined by the General Counsel or their designee.
 - 5.6.5 Transfers of real property to another public entity where the value of the property is \$500,000 or less.

PART SIX: AUTHORITY OF THE BOARD AND THE EXECUTIVE DIRECTOR

- 6.1 **Generally.** Nothing in this Policy is intended to limit the authority of the Executive Director under any other Prosper Portland policy, Board resolution, other Board action, or otherwise.

¹ For the elimination of doubt, to the extent a policy or procedure, including applicable Guidelines, expressly vests the Executive Director or any other person with authority or discretion to make a Covered Investment that would otherwise be inconsistent with such policy, procedure, or Guidelines, the exercise of such authority or discretion is considered consistent with that policy, procedure, or Guideline, and such Covered Investment therefore does not include an Exception.

Nothing in this Policy prevents the Executive Director from sub-delegating or from providing rules for sub-delegation of their authority to other Prosper Portland employees.

- 6.2 **Authority of Board.** Only the Board may: (a) approve a Covered Investment that exceeds \$500,000, except with respect to Loans that are consistent with applicable Guidelines and within the Executive Director’s authority under such Guidelines; (b) adopt or modify Guidelines, with the effect that the Executive Director could make any Covered Investment that would otherwise require Board approval; (c) review and approve real estate transactions, unless authority is delegated to the Executive Director in Section 6.3 below (or otherwise); and (d) review and approve initial Property Plans and subsequent changes that materially affect strategic or financial objectives.
- 6.3 **Authority of Executive Director.** The Executive Director may, within the scope of their authority, and after CAFÉ review where required by this Policy:
- 6.3.1 Issue Real Estate Practices and Procedures to ensure consistent implementation and compliance with this Policy (“**Real Estate Practices and Procedures**”).
 - 6.3.2 Review and recommend (in consultation with CAFÉ) proposed real estate transactions and recommend Board action where required, or provide approval when delegated by this Policy.
 - 6.3.3 Make any Loan or Grant of \$500,000 or less, with or without Exceptions.
 - 6.3.4 Make any Loan of over \$500,000, but only if the Loan amount is less than or equal to a maximum Loan amount stated in the Guidelines for such Loan, and only if the Loan is free of all Exceptions except those that the Guidelines may expressly describe as not material.
 - 6.3.5 Adopt Guidelines, or modifications to Guidelines, so long as the resulting Guidelines do not purport to allow the Executive Director to make any Covered Investment in excess of their authority.
 - 6.3.6 Enter into commercial leases by Prosper Portland as lessor with terms up to fifteen (15) years (inclusive of any renewals) and in furtherance of an approved Property Plan.
 - 6.3.7 Enter into residential leases by Prosper Portland as lessor with terms up to two (2) years and in furtherance of an approved Property Plan.
 - 6.3.8 Enter into other leases by Prosper Portland as lessor (e.g., temporary shelters or construction staging) with terms of up to five (5) years; provided such use is in furtherance of an approved Property Plan or the use, while not anticipated in the Property Plan, does not materially impact the feasibility or cost of later implementation of the Property Plan.
 - 6.3.9 Enter into licenses, permits of entry, or other minor access right agreements with Prosper Portland as licensor or as licensee with terms up to two (2) years in duration, with a maximum cumulative cost to Prosper Portland of \$500,000. Fees charged a

licensor may be waived if the Executive Director determines that there is sufficient public benefit.

- 6.3.10 Grant non-material easements, rights-of-way, or other partial interests in land that do not materially affect property value or development potential, and that do not otherwise impose material obligations on Prosper Portland.
- 6.3.11 Enforce security interests, as set forth in Resolution No. 6972 and Resolution No. 7576, which resolutions grant the Executive Director the authority to pursue judicial and non-judicial foreclosure of security interests and evict tenants or licensees that have breached the terms of their occupancy agreements.
- 6.3.12 Write off uncollectable receivables, such as rents or Loans deemed uncollectable after efforts to obtain payment are unsuccessful, or where there appears to be little to no opportunity for recovery. Board approval is required to write-off more than \$500,000 to a single debtor.

PART SEVEN: DEFINITIONS

Any reference in this Policy to external laws, codes, or regulations is provided for convenience. Prosper Portland will ensure compliance with the most current version of all such laws and regulations. Any reference to “lessor,” “licensee,” or similar terms in this Policy also includes sublessors, licensors, or any equivalent designation suitable to the form of the transaction. Capitalized terms used in this Policy are defined in the Policy or in this Part Seven as follows:

- 1. **“Action Plan”** means a Board and City Council adopted plan to implement projects set forth in a TIF Plan.
- 2. **“Active District”** means a TIF District that has not reached maximum indebtedness and/or repaid all indebtedness.
- 3. **“Balanced Investment”** real estate investments are described in Section 4.1.2.
- 4. **“Board”** means the Prosper Portland Board of Commissioners.
- 5. **“Board Chair”** means the Chair of the Prosper Portland Board of Commissioners.
- 6. **“CAFÉ”** is the Committee for Accountability of Finance and Equity, as described in Section 5.1.
- 7. **“CAFÉ Charter”** is defined and described in Section 5.3.
- 8. **“CAFÉ Member”** or **“Member”** is defined and described in Section 5.2.
- 9. **“Chief Financial Officer”** means the Chief Financial Officer of Prosper Portland, or their designee.
- 10. **“Citywide Grants Fund”** is described in Section 3.4.
- 11. **“Covered Investments”** are: (a) loans made by Prosper Portland, and modifications to existing loans (for purposes of this Policy, each a **“Loan”**); (b) grants made by Prosper Portland, and modifications to existing grants (for purposes of this Policy, each a **“Grant”**); (c) new sets of requirements or standards for programs involving the regular making of substantially similar Covered Investments (for purposes of this Policy, each such set of requirements or standards are

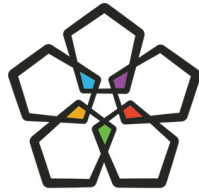
referred to as “**Guidelines**”), and modifications to Guidelines; and (d) acquisitions (including but not limited to acquisitions of collateral by foreclosure, deed in lieu of foreclosure, or voluntary transfer), dispositions, and leases of real property.

Covered Investments do **not** include: (i) intergovernmental agreements; (ii) contracts for goods or services; (iii) Grants or Loans by Prosper Portland made with funding provided by another governmental entity for the purpose of Prosper Portland making such Grant or Loan to the persons or entities identified by the funding entity; (iv) Grants of \$500,000 or less that are consistent with Guidelines; nor (v) leases, licenses, or permits of entry for real property with a term of up to two (2) years in duration.

12. “**Equity Policy**” means Prosper Portland’s Equity Policy, established through Resolution No. 7335, adopted August 14, 2019, as updates from time to time.
13. “**Exception**” is defined and described in Section 5.6.3.
14. “**Executive Director**” means the Executive Director of Prosper Portland, or their designee.
15. “**General Counsel**” means the General Counsel of Prosper Portland, or their designee.
16. “**General Fund**” means a fund established by the Board to account for general operations of Prosper Portland, which is comprised of either reimbursements from other funds through the cost allocation plan or directly by discretionary funds not classified as special revenue funds or dedicated capital funds (e.g. not federal or state grants or TIF).
17. “**Grant**” is defined in the definition of “Covered Investment” in this Part Seven.
18. “**Guidelines**” is defined in the definition of “Covered Investment” in this Part Seven.
19. “**High Impact**” real estate investments are defined and described in Section 4.1.1.
20. “**Income Generating**” real estate investments are defined and described in Section 4.1.3.
21. “**Loan**” is defined in the definition of “Covered Investment” in this Part Seven.
22. “**Net Book Value**” is defined in Section 4.4.2.
23. “**NOI**” means the amount of income generated from operating a TIF District Real Property Asset, less any expenses to operate such property (net operating income). It does not include proceeds from disposition nor expenses for major capital improvements.
24. “**Non-Programmatic**” means a Grant or Loan for which there are no Guidelines (also sometimes referred to as “Special Authority”).
25. “**Policy**” means this Financial and Real Estate Investment Policy, as amended from time to time.
26. “**Program Administrative Costs**” means the costs and expenses directly or indirectly attributable to the implementation and operation of Prosper Portland’s programs. These include, without limitation, the costs of program staff, project management, technical assistance, outreach, community engagement, property management, and other activities necessary to deliver specific services or benefits to program participants, as well as expenses related to executive

leadership, legal services, finance, human resources, information technology, and other centralized services.

27. **“Program Income”** means income from the sale, lease or operation of real property, interest or principal repayment on Loans, and other income such as fees generated from various programs, excluding TIF.
28. **“Property Plans”** is defined and described in 4.4.1.
29. **“Real Estate Practices and Procedures”** are defined and described in 6.3.1.
30. **“Remnant Property”** is defined and described in 4.2.2.
31. **“Strategic Investment Fund”** or **“SIF”** means a fund established by the Board to account for discretionary resources, including Program Income, as described in Part Three.
32. **“Sunsetting District”** means a TIF District that has reached maximum indebtedness and repaid all indebtedness but has TIF Proceeds remaining in its TIF District Fund.
33. **“Terminated District”** means a TIF District that that has reach maximum indebtedness, repaid all indebtedness, has no TIF Proceeds remaining in its TIF District Fund, and for which the Board has adopted a resolution terminating the district.
34. **“TIF (also referred to as TIF Resources or TIF Revenue or TIF Proceeds)”** means the proceeds of debt where tax increment revenue (as defined by Oregon Constitution Art. IX § 1c) is pledged and used for repayment.
35. **“TIF District”** means an urban renewal area as defined by ORS 457.010(18) and created by Prosper Portland and the City of Portland.
36. **“TIF District Fund”** means any fund established by the Board to account for TIF Proceeds, Program Income, and related transactions (such as Loans, Grants, and acquisition and development costs) to implement a TIF Plan and Action Plan. A TIF District Fund is referred to in Section 15-104(7) of Prosper Portland’s Charter as an “Urban Redevelopment Fund.”
37. **“TIF Plan”** means an urban renewal plan as defined by ORS 457.010(19) and adopted by Prosper Portland and the City of Portland.



PROSPER PORTLAND

Building an Equitable Economy

RESOLUTION NO. 7615

RESOLUTION TITLE:

ADOPTING A COMPREHENSIVE FINANCIAL INVESTMENT AND REAL ESTATE POLICY


Adopted by the Prosper Portland Commission on July 9, 2025

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 type="checkbox"/>	VACANT	<input type="checkbox"/>	<input 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.

	Date: July 10, 2025
Pam Feigenbutz, Recording Secretary	