Prosper Portland
2026-27 Hearing Minutes

Wednesday June 17, 2026

3:00 P.M.

220 NW 2nd Ave

Portland, Oregon

Present:

TSCC:

Chair Matt Donahue,
Vice Chair Dr. Rita Moore,
Commissioner Tod Burton,
Commissioner Dr. Will Terry,
Commissioner Erik Kvarsten,
Executive Director Allegra Willhite,
Budget Analyst Brittanie Abayare
Absent: None

Prosper Portland Staff:
Gustavo Cruz, Board Chair
Eric Cress, Commissioner
Marcelino Alvarez, Commissioner
Serena Stoudamire Wesley, Commissioner (attended via Zoom)
Felisa Hagins, Commissioner
Tony Barnes, Chief Financial Officer
Amy Nagy, Interim Development Director

Opening Remarks and Introductions

Chair Matt Donahue called the annual City of Portland Budget Hearing to order and welcomed attendees. He stated that the TSCC is a community oversight commission established by the Oregon Legislature over 100 years ago that oversees the budgets of all TSCC member taxing districts, conducts budget reviews, and holds public hearings to provide opportunities for public comment before budget adoption.

The TSCC commissioners and staff then introduced themselves, with all confirming they had no conflicts of interest regarding the district. The Prosper Portland representatives also introduced themselves.

Public Comment

- No members of the public had signed up for testimony.

Commissioner Questions and District Responses

Question 1: Asked by Chair Matt Donahue: "Our region has seen many changes in recent years, particularly downtown. How would you define economic development in the downtown core, and what is Prosper Portland's role in encouraging that? What is your vision for the future of this area, and how does that differ from Prosper Portland's vision pre-pandemic?"

- **Chair Gustavo Cruz** answered that Prosper Portland plays an essential role in driving central city revitalization by partnering with key city bureaus and downtown core stakeholders to foster investment, job creation, and positive economic activity. He explained that the city's five-year economic development strategy, "Advance Portland," supports this through four core objectives. These include the expansion and recruitment of traded sector employers growing quality jobs, offering small business assistance and navigation resources, investing in key destinations like the James Beard Public Market, and providing financial sponsorship and technical assistance to high-impact public events and activations like the Portland Winter Light Festival, Waterfront Blues Festival, and PDX Live. Prosper's staff also continues to work with the Westside TIF Steering Committee to prepare for future catalytic investments. Cruz acknowledged that the community's relationship to the downtown environment has shifted significantly over the last six years since COVID. The future success of the area will rely on a healthy balance of uses, including increased residential, arts and culture, recreation, and different kinds of workspaces. He emphasized that they believe the central city will continue to be a major economic engine for both the wider city and the entire state, and they will work to ensure economic competitiveness that enables firms to successfully grow.

  Chair Matt Donahue asked a follow-up question: Talk to us a bit about assessed value growth trends, particularly in the downtown core. How is this impacting your ability to do work in the new Tax Increment Financing (TIF) districts? And under current circumstances, why is TIF the right tool in these areas?

    - **Chair Gustavo Cruz** answered that the trend has not been positive. Assessed value trends have been impacted by the market for income-based properties over the last several years. This has been most significant in the downtown core area, as income-based commercial and more recently residential properties have been appealed and reappraised due to higher vacancies and overall lower market values. This impact has resulted in large declines in taxable assessed value to points below the established frozen base or starting point for all three new central city districts. He noted they will not have a clearer trajectory of when increment may be generated by these districts until the county updates values later this summer and early fall, incorporating more recent appeal results and the impact of centrally assessed type properties managed by the state. He anticipated it may take at least several years for values in some of the central city districts to move above their initial frozen base. The three new East Portland districts are faring better since their assessed values have less dependence on income-based commercial property. However, there will be uncertainty for the 82nd and Sumner, Parkrose, Argay, Columbia Corridor districts until the 2027 tax roll, as they are impacted by centrally assessed type property estimates. He emphasized that although the decline in assessed value within the TIF districts means less availability of public resources for near-term investment, it also represents significant market opportunities for public and private investors to partner, re-position, and reinvigorate commercial real estate assets that have a low-cost basis. Further, the opening of major destinations like Darcelle XV Plaza, James Beard Public Market, and the Steelhead and AEG Music venues will continue to add positive foot traffic and vibrancy. In order to drive inclusive economic growth, he stated that TIF must be complemented by economic development programs ensuring the benefits of growth are shared equitably, including small business and workforce development programs, and events and activations.

Commissioner Tod Burton asked a follow-up question inquiring how much investment Prosper Portland is putting into the James Beard Public Market relative to other investors, and if the decline in TIF impacts that.

- **Chair Gustavo Cruz** answered that the short answer is yes regarding the impact but deferred to staff for specific figures.
- **Interim Development Director Amy Nagy** answered that at the moment, Prosper Portland has an investment via a loan with the James Beard Public Market funded through the Strategic Investment Fund (SIF). Additionally, Prosper is working with them on a PCEF loan funded as an anchor destination; this would fund building improvements including heating, air, ventilation, electrical, and overall building performance, and is currently in underwriting. She noted they are targeting a late 2027 or early 2028 opening, and the market is in the midst of raising private capital and pursuing new market tax credits. In total, Prosper has invested about $3 million through citywide grants and investment funds to date.

Question 2: Asked by Commissioner Erik Kvarsten: You are entering the second year of the six new TIF districts. Last year, you mentioned that five-year action plans would be adopted in the first half of 2026. Are these plans finalized, and when will the public see the first significant projects funded by these new districts?

- **Commissioner Felisa Hagins** answered that Prosper Portland and the Portland Housing Bureau (PHB) co-convened community stakeholder working groups within the three central city TIF districts (Central Eastside Corridor, Lloyd-Holladay, and Westside) from June 2025 through October 2025 to develop the action plans. The plans have been drafted but were put on pause due to Multnomah County's outlook for tax revenue in the TIF districts. Prosper Portland and PHB will finalize the action plans when TIF resources are available. She noted that a modest amount of program income available from concluded or sunsetting central city TIF districts will be used as an alternative path to cover near-term, working group-identified economic development investment priorities within each of the central city TIF districts for FY 26-27. Action planning for the three East Portland TIF districts (82nd Avenue, East 205, and SPACC) is underway with community leadership committees and Prosper and PHB anticipate bringing them to City Council for approval in spring 2027.

Question 3: Asked by Chair Matt Donahue: The Strategic Investment Fund (SIF) was designed to be a revolving revenue stream, returning money for operations from principal payments and interest. The budget message mentions the strategy for the SIF to support Advance Portland goals where TIF resources are not available. How do you balance the competing goals of spending funds to achieve public benefit vs. ensuring adequate capital funds so the fund can replenish itself? And what kind of return are you expecting in this fund for FY 26-27?

- **Commissioner Eric Cress** answered that the Strategic Investment Fund was created from the 2023 financial sustainability plan to include a return target of 7% from investments. Investments align with Advance Portland goals and the Unified Housing Strategy by providing access to capital programs and assisting the acquisition of commercial and residential property. The board also adopted a financial investment and real estate policy that addresses parameters of the fund. The interest income earned from loans can be used to cover operational costs or be redeployed with repaid principal to fund additional loans, replenishing the fund as loans are repaid. Providing a mix of short-term business loans (average term of five years) in addition to longer-term real estate loans provides a predictable return of capital that can be redeployed. During fiscal years 2023 through 2025, an average of 15 small business and commercial property loans were approved with an average interest rate of 6.4%. While loan production has been strong, the overall financial return planned for the SIF is still below the 2023 financial sustainability plan that had a $3.5 million return goal by FY 25-26. The team recently presented a three-year plan to the board and city council to invest $49 million in funds into four key areas: business and commercial loans, acquisition of NOI (net operating income) generating properties, middle-income housing loans, and middle-income housing acquisitions.

Chair Matt Donahue asked a follow-up question confirming if this $49 million represents the whole size of the fund, and if they anticipate it replenishing itself after three years for another round.

- **Chief Financial Officer Tony Barnes** answered that it will take time depending on the term of the loans as principal cycles in. Some of the investments are going to be acquisitions, and for those, the principal won't immediately be repaid unless there is a sale, but the net operating income (NOI) off those properties will help replenish the fund over a longer period. He clarified that of the $49 million, there is actually about $42 million left, since one investment has already occurred this fiscal year for the acquisition of Block 33.

Chair Matt Donahue asked a follow-up question confirming if this represents a more aggressive deployment of the fund.

- **Chief Financial Officer Tony Barnes** confirmed that the deployment is ramping up.

Commissioner Rita Moore asked an additional follow-up asking for the definition of "middle-income housing" in real terms.

- **Commissioner Eric Cress** answered that it is defined as 80% to 120% of Area Median Income.

Commissioner Rita Moore asked an additional follow-up inquiring if developers are considering multiple income levels in the same building.

- **Executive Director Cornell Wesley** answered that a great example of this is a pending project in the Broadway Corridor, which has multiple layers of income—from affordability to market rate, to middle-income housing. That project is in partnership with Portland Housing Bureau (PHB) and other city bureaus and will be a great example of what an entire new neighborhood in the central business district could look like.
- **Commissioner Felisa Hagins** added that this is a really important point for the city. She emphasized that a key lesson learned from previous housing projects is that to create vibrant, beautiful, and equitable neighborhoods where a lot of different people from different communities can thrive together, you must have mixed-income communities.

Question 4: Asked by Commissioner Tod Burton: Prosper Portland recently voted to repossess two buildings in Old Town after a failed loan. What is your plan for these buildings? Do you believe you will fully recover the value of the loan and interest to date?

- **Commissioner Marcelino Alvarez** answered that Prosper Portland is completing its due diligence on the buildings and has not yet taken possession of them. Once that title is transferred, the agency plans to stabilize the buildings as long-term assets supporting economic activity. Staff have been directed to commence the advertising of the two buildings through a 'call for offers' process that opens this week and closes in late July. The property is going to be managed and leased by third-party professional firms and is expected to reach stabilization within approximately three years. Based on future market rate projections, it is expected that the value of the stabilized property will exceed the value of the original loan (which was around $7.2 million), including the additional investment required to effectuate the business plan budgeted over that timeframe.

Commissioner Tod Burton asked a follow-up question: What lessons learned will you apply from this experience?

- **Commissioner Marcelino Alvarez** answered that the agency must continue to pursue ambitious projects that meet multiple city and agency priorities, including supporting traded-sector industries and neighborhood vitality. At the same time, while seeking to provide flexibility in loan terms, the agency must balance those accommodations with strict safeguards to ensure prompt repayment and the protection of public investment. These safeguards may include ensuring adequate borrower equity, requiring a personal/corporate guarantee, and other covenants and requirements identified through the underwriting process. He added that the agency should not walk away from other ambitious economic development projects, but they must make sure they are being diligent through those guarantees and ensuring the business plan can support the scale of risk undertaken.

Commissioner Tod Burton asked an additional follow-up inquiring if the source of the funds was TIF or state money.

- **Chief Financial Officer Tony Barnes** answered that the source of the funding was what the agency calls "program income." It derived from TIF proceeds that had been fully invested into River District projects previously, and over time those proceeds returned to the district in the form of program income. So while it wasn't direct TIF proceeds per se, it was program income from past TIF investments.

Question 5: Asked by Vice Chair Rita Moore: The Broadway Corridor has been in progress for years. What's the latest? Have you seen movement forward in the last year, and what are you planning for FY 26-27?

- **Commissioner Serena Stoudamire Wesley** answered that the construction of streets and utilities necessary to support the development of the 14-acre site are currently underway, with anticipated completion in spring 2027. Two residential development projects are in predevelopment. Parcel 4A is slated for development by Home Forward and the Urban League of Portland, and will deliver an estimated 230 units of affordable housing. The team currently anticipates breaking ground in late 2026. Parcel 6 is slated for development by Related Northwest and will deliver an estimated 200 plus units of middle-income housing, with construction anticipated to start in early 2028.

Vice Chair Rita Moore asked a follow-up question: We understand there is a new affordable housing development in the works in the Broadway Corridor, a result of the partnership with the City of Portland's Housing Bureau. Is Prosper Portland in partnership on any other affordable housing developments in TIF districts, and if so, where?

- **Commissioner Serena Stoudamire Wesley** answered that Prosper Portland and the Portland Housing Bureau (PHB) co-invested in the Nick Fish building, which includes 75 affordable and market-rate apartments alongside 11,000 square feet of ground floor retail space. In general practice, the Portland Housing Bureau leads notices of funding availability for projects in TIF districts with resources available within the housing set-aside. Currently, there is a notice out for a project at 102nd and Burnside within the Gateway TIF district.

Vice Chair Rita Moore asked an additional follow-up asking if recent challenges at Home Forward will impact their development.

- **Commissioner Serena Stoudamire Wesley** answered that while they cannot speak for Home Forward, she does not think it will have any impact on the building of the units.
- **Executive Director Cornell Wesley** added that the leader charged with leading Home Forward is someone they are very comfortable with and have history working with, as he used to be a bureau leader for PHB. Therefore, Prosper Portland has confidence in his ability to continue partnering consistently.

Commissioner Tod Burton asked an additional follow-up regarding the operational mechanics between the two entities and confirmation of whether 30% to 35% of TIF (Tax Increment Financing) district funds are required to be set aside directly for affordable housing.

- **Executive Director Cornell Wesley** corrected the figure, noting it is a 45/55 split.

- **Chief Financial Officer Tony Barnes** elaborated that by city policy, the housing set-aside policy dictates that 45% is allocated to affordable housing, measured district by district. He added that the set-aside policy is coming before the city council in the coming year for another look. Mechanically, Prosper maintains an Intergovernmental Agreement (IGA) with the Portland Housing Bureau that manages this on an annual basis. They review their five-year forecast to determine how much funding is needed to implement the housing set-aside commitments in the upcoming fiscal year, allowing them to plan resources while maintaining the 45% allocation over the life of each district.

Commissioner Tod Burton asked an additional follow-up inquiring into the extent of Prosper Portland board and staff involvement in housing investment decisions and project selection, versus whether authority resides exclusively with the Housing Bureau.

- **Executive Director Cornell Wesley** answered that typically it would reside at PHB, but in the case of the Broadway Corridor, that requires far more collaboration and cooperation amongst the bureaus, so their approach is to partner.
- **Chair Gustavo Cruz** added historical context, reminding the commission that historically the agencies were combined and split off about 15 years ago. He explained there is history to the set-aside itself, which was a lower number (around 30%) a decade ago. As housing became a bigger issue in the city, the city council decided more funding from Prosper should go to housing, pushing the set-aside to 45%.

Vice Chair Rita Moore asked an additional follow-up: “When you have a partnership agreement with a Home Forward or somebody else, PHB is involved. Who is responsible for oversight? Do you have a role, is that solely within PHB? How do you divvy up the responsibilities?”

- **Executive Director Cornell Wesley** answered that it is shared oversight. Prosper focuses on the components of a project that are more economic development leaning, and PHB focuses on those that are more affordable housing leaning.

Commissioner Tod Buton interjected: "That is based on the use of the property that might have housing with the economic development component... and the asset management and surveillance is shared between the two agencies?"

- **Executive Director Cornell Wesley** confirmed this is correct but noted that it becomes more nuanced when getting into who actually owns an asset.
- **Interim Development Director Amy Nagy** elaborated that it shows up in a couple of different ways. She noted that Prosper Portland is relatively new to developing housing in its current entity. On projects like Nick Fish or Lents Commons, Prosper invested in the housing, but typically they have not owned it, meaning obligations become that of the developer and the eventual operator. However, for larger master-plan redevelopment sites like the Broadway Corridor, there is more opportunity for collaboration and co-investment with PHB. She added that there are newer models to come because there is a scale question and a gap in the market for middle-income housing that Prosper Portland is currently stepping in to fill using Strategic Investment Funds.

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Vice Chair Rita Moore asked an additional follow-up inquiring into the operational mechanisms and interagency coordination for joint projects, specifically asking if an oversight committee with representatives from both Prosper Portland and PHB exists to manage shared responsibilities.

- **Interim Development Director Amy Nagy** answered that while every deal is different, there is generally a "condominium difference." PHB or their developer will own the housing and are therefore strictly responsible for the affordable housing. She clarified that Prosper Portland does not have anything to do with their tenants, their leasing practices, or the repairs—that all sits with PHB and their agreements with those operators. Prosper is responsible solely for the ground-floor commercial and economic development spaces.

Question 6: Asked by Commissioner Will Terry: Three of the six new TIF districts are East of 82nd. We believe some would argue that existing east county districts like the Gateway and Lents districts have not met expectations. What lessons learned from these districts will inform your strategy for these new areas? Does East Portland need a different model of urban renewal than more central areas, and if so, what does that model look like? And why is TIF the right tool in these areas?

- **Commissioner Felisa Hagins** answered by noting that the question of whether TIF is the right tool is a perennial conversation that we should keep asking until the end of time. She asserted that they should absolutely continue to use TIF east of 82nd and throughout the city because it is one of the best tools. She pushed back on the premise regarding Lents, noting that she lives in the Lents Town Center area and the neighborhood is wildly different and wonderful since the TIF district came into fruition. The investments resulted in 406 new housing units (299 affordable), 25 transportation infrastructure projects, community-centered projects (including the Mercado, Woody Guthrie Place, Lents Commons, and the Asian Health Services Center), and the closure on the 92nd Avenue property adding 219 housing units. The Gateway investments are guided by the Gateway Action Plan, which prioritizes small business support, livability through grants to nonprofits, activations, public infrastructure improvements, and housing production. Key projects include the Northeast 100th Avenue extension and pre-development at 102nd and Pacific (a five-acre vacant site planned for middle-income housing). Investment timelines were extended in both districts as a reflection of market demand. The agency has moved to a "co-creation model" where Prosper Portland, PHB, and a City Council-appointed advisory committee all identify priorities and assign a budget for implementation plans, which are revised every five years.

Commissioner Will Terry asked an additional follow-up regarding what specific lessons learned are reflected in the five-year action plans.

- **Commissioner Felisa Hagins** answered that the lesson learned is the level of community engagement required in deciding investments. The outcomes must be developed by the people who actually live in the district; otherwise, the community will oppose a list of hopes and dreams imposed from the outside. She stated, "To build community, you have to have community." She also noted a broader lesson that economic development will drive the returns in these districts, emphasizing that if downtown is not vibrant, the impact on the rest of the city is a challenge.

Commissioner Will Terry asked an additional follow-up regarding whether Local Improvement Districts (LIDs) would have been a useful tool in the Gateway project.

- **Interim Development Director Amy Nagy** answered that while LIDs can be extremely useful (and are currently being used on the Broadway Corridor to prep for vertical development by establishing an obligation of repayment for future development), it is highly project-specific as to whether an actual development can afford an LID. Therefore, it is hard to say whether it would have been helpful for Gateway specifically.

Commissioner Will Terry asked a follow-up question regarding Prosper Portland's strategy to stimulate economic development in the Gateway District following the local grocery store closure, along with a request for updates on active projects addressing community concerns.

- **Commissioner Felisa Hagins** began by naming that food deserts existed in East Portland even before these two recent grocery store closures. She stated that general closures of grocery stores in low-income communities throughout the country is incredibly concerning and very hard for cities to manage. Prosper is currently developing a Healthy Communities Initiative Grant Program that will provide funds to grocery stores providing fresh foods and community services. The grant funds will be used for capital improvements to offset the high cost of establishing or renovating a grocery store to fit the footprint of the community, ensuring critical access to the SNAP and WIC programs.

Vice Chair Moore asked an additional follow-up asking if the agency was watching city-owned grocery store models like in New York City.

- **Commissioner Felisa Hagins** answered that she has a lot of thoughts on whether you can do city-owned grocery stores. She noted that programs protecting low-income communities are under threat, and that she has thought about the GSA system (Government Services Administration) for veterans and whether that grocery model could be replicated on a city or statewide scale. She noted it is very hard to solve these huge issues when the private market does not want to locate in low-income neighborhoods to sell absolute needs at a cost the neighborhood can afford, at the exact same time the federal government is cutting millions of people off food assistance. She stated Gateway is a symptom of a very large national problem that every community must lean into solving.

Question 7: Asked by Commissioner Erik Kvarsten: Please explain more about Prosper's Portland funding of workforce development - how much is dedicated to this purpose in the Approved Budget, and what do these dollars fund?

- **Chair Gustavo Cruz** prefaced his answer by noting that the general public often thinks of Prosper as an extension of the development commission strictly focused on big infrastructure projects, not realizing that workforce development is a very important, big goal of their economic development activities. He detailed that $2.8 million is dedicated to grants, including $958,000 in general fund, $1.6 million in CDBG, $229,000 in enterprise zone, and $366,000 for staffing and overhead in the general fund. In partnership with Worksystems, Inc. (WSI) and a network of service providers, Prosper co-invests in three main programs (all of which will be impacted by general fund reductions):

- The Adult Workforce Development/Economic Opportunity Program (EOP), partnering with five providers to offer individualized career coaching, skills training, and support services to low-income adults facing multiple barriers. Services typically last 3 years. In FY 25-26, Prosper invested $1.1 million serving approximately 600 participants. The program will operate with one fewer provider FTE in FY 26-27.
- The Youth Workforce Development/NextGen program, supporting youth ages 16-24 who are disconnected from school or lack skills needed for college/career-track employment. Five providers deliver up to three years of case management. FY 25-26 investment was $1.4 million serving about 350 youth. The program will operate with one fewer provider FTE in FY 26-27.
- The Community-Based Workforce Navigator Program, directly administered by Prosper, offers neighborhood-based workforce services for job seekers facing significant barriers (low-income and limited-English residents). In FY 26-27, the program will be reduced from four full-time navigators to three. The FY 25-26 budget was $469,000 serving more than 600 participants.

Commissioner Erik Kvarsten asked an additional follow-up regarding the level of cooperation amongst different agencies in the workforce development sphere.

- **Executive Director Cornell Wesley** answered that there are a couple of different players in the ecosystem, but they work very well together. Prosper's role is typically as a funder, supporting and providing oversight, and it is a very collaborative approach.

Question 8: Asked by Commissioner Tod Burton: In FY 2025-26, Prosper Portland will fully implement new loan, grant and technical assistance programs using Portland Clean Energy Fund (PCEF) to support small businesses and commercial development. Roughly how much money do you anticipate spending for these purposes next fiscal year? And how do you plan to communicate these opportunities to the community?

- **Commissioner Marcelino Alvarez** answered that PCEF funding supports multiple distinct programs, each with their own outreach strategy. The Business Energy Efficiency (BEE) grant program (FY 26-27 budget of $6,126,922) and 82nd Avenue-specific grants (FY 26-27 budget of $622,165) began marketing this fiscal year and have resulted in 292 applications with 63 grant awards made to date. The Access to Capital program (FY 26-27 budget of $9,761,892) funds anchor destinations and office-to-residential conversion projects expected to begin construction by the end of calendar year 2026. The Contractor Capacity Program (funded at $1,373,705) combines training, navigation, and access to capital to support contractors transitioning into the green construction industry, partnering with Earth Advantage and Evercity Collaborative for residential contractors, and EcoReal for commercial contractors. Additionally, a new intergovernmental agreement (IGA) was signed this month for the Clean Industry Program, with funding for FY 26-27 at $5,986,633.

Commissioner Will Terry asked a follow-up question confirming if this brought the total to roughly $24 million for FY 27 from PCEF.

- **Commissioner Marcelino Alvarez** and **Chief Financial Officer Tony Barnes** confirmed the math was correct.

Commissioner Tod Burton asked an additional follow-up inquiring if these resources could be used to support grocery facilities in at-risk parts of the city.

- **Interim Development Director Amy Nagy** answered that as of right now, the PCEF funds are not allocated through the Healthy Communities program that is directly focused on grocery. However, grocery stores are completely eligible for the Building Energy Efficiency grant to capture opportunities around upgrading refrigeration, HVAC systems, and other capital improvements based on scoring criteria.

Vice Chair Rita Moore asked an additional follow-up inquiring if the agency requires new HVAC systems to meet new indoor air quality standards.

- **Interim Development Director Amy Nagy** answered that her answer is a "confident yes (95%)", but she would want to double-check the exact standards being referred to. She noted that an energy consultant works on these projects to verify they meet PCEF requirements, which run very stringent.

Question 9: Vice Chair Rita Moore: Last year, you introduced a pilot program with the Portland Clean Energy Fund (PCEF) to offer $60,000 per unit for office-to-residential conversions. Could you share with us how the pilot program is going so far? How many projects have enrolled? Based on what you know so far, could this be a viable option at scale?

- **Commissioner Eric Cress** answered (while disclosing that his firm is developing one of the projects) that two projects are currently enrolled in the conversion program—one on the Central Eastside and one in Old Town. Together they will create 76 new middle-income housing units, expecting to submit permit applications in late summer and begin construction in early 2027. Other developers have expressed interest if more funding becomes available. He noted that executing a conversion project is highly complex. Financing is the most critical piece of the puzzle, and scaling will require considering code modifications to make conversions easier and less costly, as cities like Vancouver, BC have done.

Vice Chair Moore asked a follow-up question: We'd like to hear your opinion from an economic development perspective - at what point would it make sense to tear down long-vacant commercial properties and build housing?

- **Commissioner Eric Cress** answered that at a high level, the city benefits when it can preserve and reinvest in existing buildings, especially given the public investment in carbon emissions embodied in the structures. There is a two-fold environmental effect: avoiding transferring tons of embodied carbon into a disposal site and avoiding procuring tons of carbon-expensive materials to build a new structure. However, he noted that every building is different, with unique design constraints, construction challenges, and market conditions. As a result, the decision to convert, hold, or demolish must be evaluated on a case-by-case basis by financial stakeholders to determine the most viable option. He also noted a policy perspective challenge: current life safety standards for residential are much higher than commercial office standards, meaning probably 80% of current housing stock does not meet today's code.

Commissioner Tod Burton asked a follow-up question: “Did you have to look at Kansas City, Missouri? They've done some really remarkable work in these conversions of office to residential, and particularly larger buildings, because what we saw when we were there a few years ago was really, really impressive.”

- **Commissioner Eric Cress** answered it's important to consider other cities, but Vancouver is a better consideration because they're dealing with the same seismic issues, which tends to be the biggest barrier in terms of costs, and they relaxed the codes a little bit for that purpose. One thing that happens from a general policy perspective is that we have much higher safety standards for residential as opposed to commercial office. But it is a consideration. Cress estimated 80% of the housing stock does not meet today's code and acknowledged this was something worth considering.

Vice Chair Rita Moore asked an additional follow-up noting the city council adopted a new social housing fund, and asking if Prosper Portland is thinking about social housing as a new model for development.

- **Executive Director Cornell Wesley** answered that there are currently competing definitions of what social housing actually is. Prosper's position in housing is staying in their respective lane of middle-income/workforce housing, or mixed-use in partnership with PHB. When a concrete definition of social housing is officially settled with the council, Prosper can be better supportive around what that could look like in the future.

Closing Remarks

Chair Matt Donahue thanked the Prosper Portland representatives for the great discussion, their expertise, and for answering the commission's follow-up questions. He expressed the TSCC’s appreciation for the agency's mission and efforts on behalf of the city. Chair Donahue then officially closed the budget hearing and gaveled open the regular business meeting of the TSCC.

Staff Recommendations & Certification

Allegra Willhite (TSCC Executive Director) thanked the Prosper Portland budget and finance staff for being dedicated professionals and a pleasure to work with throughout the year. She reported that the TSCC staff found the budget estimates to be reasonable for the purposes stated and in substantial compliance with budget law. Executive Director Willhite concluded by stating that the staff suggests no recommendations or objections to the fiscal year 2026-27 approved budget.

Vote to Certify

- A motion was made by Chair Matt Donahue to authorize the commission to sign the certification letter as recommended by staff.
- Vice Chair Rita Moore seconded the motion.

- All commissioners present voted "Aye".
- Prosper Portland's 2026-27 approved budget was certified by the TSCC.

There being no other business, Chair Matt Donahue closed the meeting.

Google Notebook LM was used to generate the transcript referenced above. The content was reviewed and edited before being published by Brittanie Abayare, on 7/28/2026.