Minutes

Portland Development Corporation

Remote Zoom Meeting

Held on May 15, 2020

A remote meeting, via Zoom, of the Portland Development Corporation (PDC) Board of Directors was held at 12:00 Noon on Friday, May 15, 2020. Present from the Board were its President Julie Viola and Directors Tim Agnew, Councilor Tae Chong, James Dowd, Tom Dunne, Blaine Grimes, Jeffery Hicklin, Jon Jennings, and Steve Lovejoy. Board Directors Laura Reading and Briana Volk could not be in attendance. Present from the City staff were Business Programs Manager Nelle Hanig, Outreach and Initiatives Coordinator from OEO Angelina Klouthis, Economic Development Director Greg Mitchell, and Senior Executive Assistant Lori Paulette.

Item #1: President's Comments

President Viola recommended postponing Item 2 on the Agenda to a future meeting due to time constraints for a hard stop at 1:00 p.m.; the Board concurred.

Item #3: Review and discuss process and launch of PDC COVID-19 Programs.

Ms. Hanig said that staff is suggesting to launch the 3 PDC COVID-19 Programs on May 19, the day after the City Council votes on funding the Microenterprise and BAP grant programs from CDBG funds. The City Manager has recommended an amount of $305,183 to fund those two programs.

Regarding a deadline for businesses to apply, staff is recommending June 4th, giving businesses two weeks to get their applications in. The goal is to get the money out as soon as possible, noting that the website is updated with information on how to get the application submitted, and staff will get the word out via a Press Release and noticing the many organizations it has contact with.

Ms. Hanig noted that staff will need to budget for translation services at $10,000, and $12,783 for underwriting from the CDBG funds. Applicants have to fill out the application form in English, but the website has information in many languages.

Ms. Hanig asked the Board for their preference to have one round of funding for the CDBG Programs or two rounds, noting that the Rapid Response Loan program will have a first round of funding at $250,000, and then a second round of $150,000 – latter timeline to be determined.

Councilor Chong said that he would defer to staff based on the workload.

Mr. Agnew added to allocate the additional $305,183 between the two grant programs based on responses that come in; staff should have flexibility.

Ms. Hanig suggested that to begin the two programs that the $305,183 be divided 60% for the BAP and 40% for the Microenterprise, and Mr. Mitchell also noted that staff has the administrative flexibility, per HUD rules, to move approximately $56,000 between the two programs.

President Viola noted this would be a good approach, and that these three programs are for those businesses who were denied Federal and State assistance or chose not to apply.

Ms. Hanig added that staff will start with one round for the BAP and Microenterprise and then determine, based on demand, if another round should be done.

Mr. Agnew said that he is fine with that approach, and asked if the decisions of the Board are final, i.e., any appeal process.

Ms. Paulette indicated that over the years, appeals by the loan applicant to the Board on loan decisions have been few.

Chair Viola noted the consensus for staff to have flexibility in deciding, based on demand, whether to have one or two rounds for the BAP and Microenterprise grant programs.

Ms. Hanig noted that staff would get a press release out as soon as possible, as well as information about the programs to many organizations and banks.

Councilor Chong also noted to get the word out to Cport Credit Union and Community Concepts about these programs.

Ms. Hanig then advised the Board on scoring the applications received, noting that applications are submitted online and the information automatically populates a Google spreadsheet. A sample of the spreadsheet was shown to the Board, and Ms. Hanig noted that everything in the white area is populated with the application responses received. The pink area is used by staff to score the applications on non-financial aspects, and the green area is where the underwriters score the applications on financial aspects. Scoring will be done based on criteria to make it as non-subjective as possible. Ms. Hanig also noted that it would quickly become evident which applications are eligible to move forward and those that are not.

Ms. Hanig said that she and the underwriters would present those eligible to the Board with scores and a small narrative for each.

Mr. Dunne said that he would be okay without a narrative, or keep it minimal, and asked if information about the business would be up to 1/30/2020.

Ms. Hanig said staff and Board will understand the business's health before 1/30/2020, and the underwriters should have information on whether the business can be sustained.

Mr. Dunne noted that sustainability is a key question. Regarding community impact of a business, he felt that it will become apparent during the process.

Councilor Chong noted that with the additional funding now available for these three programs, allowing for up to 140 small businesses receiving assistance, the social benefit piece is not as important now.

Mr. ~~Councilor~~ Agnew asked about process when brought to the Board, i.e., public and executive sessions.

Ms. Hanig noted that there may be a brief public summation, with applicants not making presentations, and then the Board will go into executive session to review proprietary information, and then come out and vote in public.

Chair Viola also noted the underwriters will participate in the meeting, both public and in executive session, as they normally do. Regarding the narratives, she agreed to keep them minimal due to the anticipated number of applications expected.

Mr. Agnew said that it would be helpful to have a running total for each program to keep track of the funds being spent based on what the Board approves, and Ms. Hanig indicated that that can be done.

Councilor Chong said that the sustainability of the business is important versus a narrative.

Chair Viola noted consensus on the scoring, sustainability of the businesses, and for staff to bring forward those applications that are eligible, keeping narratives minimal.

Regarding scheduling for review of applications by the PDC Board, Ms. Hanig suggested perhaps having a Board meeting on June 11 and on June 18, with the goal of providing the Board, at least four days before the meeting, the scoring and recommendations, so that the Board can formulate its recommendations for approval.

The Board discussed timing, noting that it will evolve depending on applications received. The Board could then be polled on a quorum for meetings that staff will suggest.

Mr. Hicklin noted that the Board may run out of funding, so it would essentially be first-come, first served.

Chair Viola added that volume of applications will dictate Board meetings and disbursal of funds.

Mr. Lovejoy said that he would look forward to the spreadsheet and recommendations of staff and underwriters, noting the need to expedite the requests.

Councilor Chong and Ms. Grimes then left the meeting.

Ms. Hanig said that staff will provide its recommendation, as well as recommendations from the underwriters, bringing the highest scores, noting that staff and underwriter may make recommendations based on location, diversity, and neighborhood for instance. Once the Board approves, staff will expedite grant or loan agreements.

The Board thanked staff for its work on getting these programs up and running, and Ms. Hanig thanked Julie Trujillo and Angelinda Klouthis from the Department's Office of Economic Opportunity, with their assistance in creating the Google spreadsheet and application form.

On motion then made by Mr. Jennings, seconded by Mr. Dunne, the Board voted unanimously to adjourn at approximately 1:07 p.m.

Respectfully, Lori Paulette