



DATE: January 11, 2017
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 17-02
Update on the North/Northeast Community Development Initiative Action Plan

BOARD ACTION REQUESTED

No action is requested; information only.

SUMMARY

At the January 11, 2017, Portland Development Commission (PDC) Board of Commissioners (Board) meeting, staff will brief the PDC Board on the Final Draft of the North/Northeast Community Development Initiative Action Plan (Action Plan). The Action Plan is a comprehensive strategy that articulates how PDC will invest the remaining \$32,000,000 in Tax Increment Financing (TIF) resources available for economic development in the Interstate Corridor Urban Renewal Area (URA). The goal of the Action Plan (See a Final Draft in Attachment A) is to use PDC TIF resources to foster economic prosperity among communities and individuals that have not fully participated in, or benefited from, opportunities in the Interstate Corridor URA.

On November 9, 2016, staff provided the PDC Board with an overview of the 90 Percent Draft Action Plan. Additional input from the Project Advisory Committee has resulted in changes to the 90 Percent Draft. PDC staff believes that this Final Draft honors the feedback from the Community Forums and the Project Advisory Committee.

The key differences between the 90 percent draft and the latest version are:

- The return of the action item formerly called Anchor/Signature Project and now referred to as the Cultural/Business Hub, which now includes a sunset clause that re-allocates TIF investments if a proposed development has not materialized within three years.
- The creation of a funding reserve of \$1,500,000 to assist business owners located within a Cultural/Business Hub.
- Decrease investment in individual property ownership and redevelopment from \$14,625,000 that was proposed in the 90 Percent Draft Action Plan to \$10,750,000.
- A decrease in individual business ownership and growth from \$9,875,000 proposed in the 90 Percent Draft Action Plan to \$9,250,000. The investment amount for these two priorities was adjusted to accommodate the \$4,500,000 and \$1,500,000 investments in the Cultural/Business Hub, formerly called Anchor/Signature Project.

The Action Plan is now organized into the following five major investment priorities:

1. Promote Property Ownership and Redevelopment
2. Promote Business Ownership and Growth
3. Invest in New and Existing Homeowners
4. Invest in Community Livability Projects
5. Invest in Cultural/Business Hub

Staff has worked with community stakeholders to develop the Action Plan; after the document is finalized, PDC will establish an Oversight Committee to guide the implementation of the Action Plan and monitor outcomes.

Staff plans to present an overview of the Action Plan to the Portland City Council on January 25, 2017.

BACKGROUND AND CONTEXT

The development of the Action Plan was initiated in January 2016, and was guided by a Project Advisory Committee composed primarily of members of PDC’s Neighborhood Economic Development Leadership Group and other stakeholders with substantial knowledge of north/northeast Portland and the Interstate Corridor URA.

The Action Plan recognizes that the African American community and other communities of color have experienced significantly restricted access to employment and wealth creation opportunities within the Interstate Corridor URA – even while other communities and businesses have seen significant gains. This disparity has hindered economic opportunities and reduced community capacity to support cultural and community assets. Proposed investments are, therefore, specifically designed to ensure that the remaining Interstate Corridor URA economic development resources are directed towards long-term, former, and new members of the community who have not benefited from the impact of public and private investments to date.

The Action Plan is consistent with and has been informed by the Urban League’s [State of Black Oregon Report](#), the [Interstate Corridor Urban Renewal Area Plan \(Adopted, 2000 and Amended and Restated, 2011\)](#), and the PDC [2015-2020 Strategic Plan](#). In addition, proposed investments are aligned with the investment principles adopted by the PDC Board which balance grant making and lending.

Summary of Proposed Investments and Outcomes:

This Final Draft Action Plan proposes to invest the remaining TIF economic development resources in the following ways:

Foster Multi-Generational Wealth Creation and Community Assets	Proposed Five-Year Allocation	Estimated Number Assisted with Grants and Loans
1. Promote Property Ownership and Redevelopment	\$10,750,000	44 property owners
2. Support Business Ownership and Growth	\$9,250,000	55 business owners
3. Invest in New and Existing Homeowners	\$5,000,000	60 homeowners
4. Advance Community Livability Projects	\$2,500,000	20 non-profits
5. Invest in Cultural-Business Hub	\$4,500,000	1-2 projects
Total	\$32,000,000	

Community Engagement:

The Action Plan was developed with the guidance of the Project Advisory Committee. It also reflects the input of:

- Thirty-five stakeholders who participated in one-on-one or group interviews
- Community members who attended Project Advisory Committee meetings
- The North/Northeast Neighborhood Housing Strategy Oversight Committee
- More than 200 community members who participated in Community Forums held on October 8 and October 20, 2016, and
- A final Community Forum/Resource Fair, will be scheduled in February

On November 9, 2016, staff provided the PDC Board with an overview of the 90 Percent Draft Action Plan. Additional input from the Project Advisory Committee has resulted in changes to the Final Draft. PDC staff believes that this version honors the feedback from the Community Forums and the Project Advisory Committee.

Next Steps:

Subsequent to briefing the PDC Board on January 11, 2017, staff will present an overview of the final Action Plan to City Council on January 25, 2017 and request their adoption of the Action Plan. Staff will host a final community forum in February to provide the community with an overview of the final Action Plan and discuss its implementation. Moving into the implementation phase of the Action Plan, PDC will establish an Oversight Committee composed of 15 community stakeholders by February 2017. The Oversight Committee will track and advise on implementation of the Action Plan and serve as the independent review committee for any notices of funding availability that arise from the Plan. Oversight Committee meetings will be open to the public.

ATTACHMENTS

- A. North/Northeast Community Development Initiative Final Draft Action Plan

NORTH/NORTHEAST COMMUNITY DEVELOPMENT INITIATIVE ACTION PLAN

Fostering Economic Prosperity among African Americans and People of Color

FINAL DRAFT

January 2017

ACKNOWLEDGMENTS

The Neighborhood Economic Development Leadership Group North/Northeast Community Development Initiative Subcommittee

State Senator Lew Frederick
Stephen Green, Black Investment Corporation for Economic Progress (BICEP)
Roslyn Hill, Roslyn Hill Development
Sheila Holden, N/NE Economic Development Alliance
Bishop Stephen Holt, Portland Housing Bureau Oversight Committee
James Paulson, Worksystems, Inc.
Karis Stoudamire-Phillips, Moda Health
Nita Shah, Micro Enterprise Services of Oregon (MESO)
Alando Simpson, City of Roses Disposal & Recycling
Carl Talton, United Fund Advisors
Carl Talton, NW Community Capital Fund/United Fund Advisors
Felicia Wells-Thomas, Micro Enterprise Services of Oregon (MESO)

Portland Development Commission

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Bureau Partners

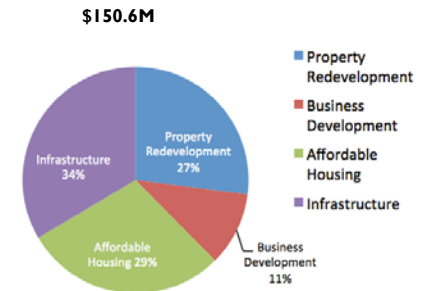
Karl Dinkelspiel, Portland Housing Bureau
Leslie Goodlow, Portland Housing Bureau
Leslie Lum, Bureau of Planning and Sustainability
Andrea Mattheison, Portland Housing Bureau
Javier Mena, Portland Housing Bureau
Nan Stark, Bureau of Planning and Sustainability

Special Thanks go to all the community members who participated in focus group discussions, individual interviews and the two Community Forums. Your input was invaluable to the creation of the North/Northeast Community Development Five-Year Action Plan.

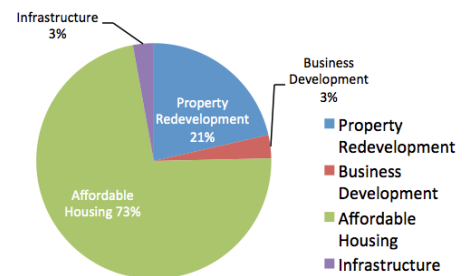
About this Final Draft Plan

This Final Draft N/NE Community Development Initiative Action Plan (Final Draft Plan) has been developed to guide the Portland Development Commission’s (PDC) investment of the remaining \$32 million in Tax Increment Financing (TIF) resources for economic development in the [Interstate Corridor Urban Renewal Area](#) (Interstate Corridor URA).

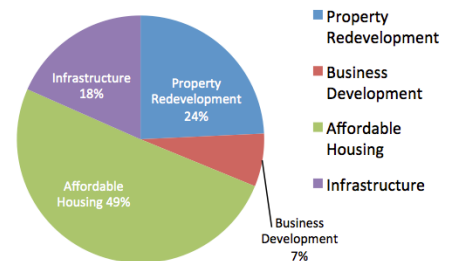
PDC developed the Final Draft Plan with the guidance and advice of the N/NE Community Development Advisory Committee, the input of thirty-five stakeholders who participated in 1:1 or group interviews, public input at Advisory Committee meetings, and public input from the nearly 200 community members who attended Community Forums on October 8 and October 20, 2016. The Final Draft Plan is consistent with and has been informed by: the Urban League’s [State of Black Oregon Report](#), the [Interstate Urban Renewal Area Plan \(Adopted, 2000 and Amended and Restated, 2011\)](#), and PDC’s [2015-2020 Strategic Plan](#).



TIF resources are limited by state laws to be used for the planning and construction of physical improvements. TIF funds must be invested within the boundary of the Urban Renewal Area and cannot be used to fund programs or initiatives such as business technical assistance (business planning, marketing, accounting, etc.) or job training and employment assistance. These programs and initiatives are important to support economic growth and opportunity for businesses and individuals. Pages 12-13 of this Final Draft Plan have further information about ongoing City/PDC-funded work that supports business technical assistance and workforce development, and activities that would complement the objectives of this Final Draft Plan but that are currently not funded.



The Portland Housing Bureau (PHB) has a separate plan for the remaining [Interstate Corridor](#) TIF funds that are available for affordable housing (households under 80% Median Family Income). The Housing Bureau’s plan is known as the [North/Northeast Neighborhood Housing Strategy](#). It currently addresses \$20 million in TIF affordable housing funds and will be amended soon to propose the plan for spending an additional \$32 million in TIF affordable housing funds. Funding for housing will be allocated based on PHB’s program guidelines, following all fair housing, state and federal requirements.



Introduction

Goal:

The goal of the N/NE Community Development Action Plan is to use Tax Increment Financing resources to foster economic prosperity among communities and individuals that have not fully participated in, or benefited from, economic opportunities in the Interstate Corridor Urban Renewal Area (Interstate URA).

Why:

When the Interstate Corridor URA was established in 2001, it was done so with an understanding that investments would be made to:

Primarily benefit existing residents and businesses within the Area through the creation of wealth, revitalization of neighborhoods, expansion of housing choices, creation of business and job opportunities, provision of transportation linkages, protection of residents and businesses from the threats posed by gentrification and displacement, and through the creation and enhancement of those features which enhance the quality of life within the Area. A special emphasis will be placed on providing timely benefits to groups most at risk of displacement (e.g., the elderly, people of color, small businesses, low income people, the disabled).¹

While many public investments were made to improve transportation, revitalize neighborhoods, and create commercial corridors, the benefits of the investments have been enjoyed primarily by businesses and residents who are white and do not have historic ties to the neighborhood, and who have higher incomes. As such, PDC has not been fully successful in addressing those most at risk of displacement. PDC's focus of distributing the remaining Tax Increment Funds will therefore be to target those underserved populations.

Many statistics reinforce the case that these communities not equally benefited from the economic prosperity and growth within the URA. As shown in Attachment B, between 2000 and 2013, three demographic groups saw a dramatic decrease in their population within the Interstate Corridor URA: African Americans (-33 percent/-3,544), Hawaiian-Pacific Islanders (-36 percent/-208) and Native Americans (-25 percent/339). During that same period white population grew by 30 percent (7,571) and Asian Americans grew by 14.5 percent (311). The Latino population was relatively stable at - 0.2 percent.

Over the same 13-year period median income for African Americans fell sharply (by 31 percent), bringing the median household income for African Americans in the Interstate Corridor to \$24,322, 13 percent lower than African American median income in Portland. Due to the small population of Hawaiian-Pacific Islanders and Native Americans, data on median family income does not exist for these communities. However, citywide data indicates that individuals living within the URA likely had a sharp decline in their family income as well between 2000 and 2013. Whites and Latinos in the URA

¹ [Interstate Corridor Urban Renewal Plan, Adopted 2000 and Amended and Restated, 2011](#)

experienced a moderate rise in median income in the Interstate Corridor, while Asian American median income rose by 20 percent.

Since 2000, African Americans living in poverty rose by nine percent, and now 30 percent African Americans in the URA have incomes below the poverty level. Latino median income barely changed between 2000 and 2013; however, the percent of Latinos below the poverty level remains high at 25 percent. By comparison, the poverty rate among whites in the URA showed a modest increase since 2000; yet this group has the lowest poverty rate overall among all demographic groups. Nationally, the wealth disparities in Portland mirror national data. According to the Pew Research Center, white households have a net worth 13 times that of black households and 10 times that of Latino households.

PDC recognizes that the African American community and other communities of color have experienced significantly restricted access to employment and wealth creation opportunities within the Interstate Corridor URA – even while other communities and businesses have seen significant gains. This disparity has hindered economic opportunities and reduced community capacity to support cultural and community assets. This Final Draft Plan, and the investments directed therein are, therefore, specifically designed to ensure the remaining Interstate Corridor economic development resources are directed towards long-term and former members of the community who have not benefited from the impact of public and private investments to date.

This Plan places special emphasis on reaching the African American community, not only for the reasons stated above, but because African Americans have constituted by far the largest minority population in the URA since its inception.

Summary of Proposed Investments and Outcomes:

This Final Draft Plan proposes to invest the remaining TIF economic development resources in the following ways.

Foster Multi-Generational Wealth Creation and Community Assets	Proposed Five-Year Allocation	Estimated Number Assisted with Grants and Loans
1. Promote Property Ownership and Redevelopment	\$10,750,000	44 property owners
2. Support Business Ownership and Growth	\$9,250,000	55 business owners
3. Invest in New and Existing Homeowners	\$5,000,000	60 homeowners
4. Advance Community Livability Projects	\$2,500,000	20 non-profits
5. Catalyze Cultural-Business Hub(s) ²	\$4,500,000	1-2 projects
Total	\$32,000,000	

² Called “anchor” or “signature” projects in previous drafts.

Investing the \$32 Million in Tax Increment Financing

<i>Promote Property Ownership and Redevelopment</i>	<i>Timing</i>	<i>Outcomes</i>	<i>Total Over 5 Years</i>
<ul style="list-style-type: none"> • Provide Financing and Support for Property Improvements and Redevelopment: Assist property owners to improve and develop their underutilized and underdeveloped commercial and residential properties. <ul style="list-style-type: none"> ✓ Grants: Provide 75 percent matching grants of up to \$75,000 to assist property owners to improve and develop their assets. Up to \$25,000 may be used for project planning. ✓ Property Development Loans: <ul style="list-style-type: none"> • Interest Rate: A fixed rate based on the current Prime Rate plus 3 percentage points (with the ability to reduce by a maximum of the three percentage points for meeting certain public objectives) (Currently: 3.5% - 6.5%) • Fee: 1% loan fee • Payments: Construction Loan: May include a period of interest only and/or deferred payments; Permanent Loan: Principal and interest • Borrower’s Contribution: Minimum 10% equity contribution – can include land value • Collateral: Security interest in the subject property or other real estate • Guarantee: Personal and/or corporate guaranties from all principals and entities with 20% ownership interest in the property • Provide Financing and Support for Business Owners to Acquire Property: Assist business owners to acquire properties to house their business operations <ul style="list-style-type: none"> ✓ Property Acquisition Loans <ul style="list-style-type: none"> • Interest Rate: Fixed rate based on risk rating; min. 4% • Fee: 1% loan fee • Payments: May include a period of interest-only and/or deferred payments followed by principal and interest • Collateral: Security interest in the subject property 	Start immediately, annual allocation for five years	30 property improvement grants for smaller-scale projects	\$2,250,000
	Funds may be allocated through a Notice of Funding Availability (NOFA)	30 property improvement loans to finance match for above smaller-scale projects	\$750,000
		10 property development grants for larger-scale projects	\$750,000
		10 property development loans <i>(Assumes a loan size of \$500,000)</i>	\$5,000,000
		4 property acquisition loans <i>(Assumes a loan size of \$500,000)</i>	\$2,000,000

<p>or other real estate</p> <ul style="list-style-type: none"> • Guarantee: Personal and/or corporate guaranties from all principals and entities with 20% ownership interest in property 			
Support Business Ownership and Growth	Timing	Outcomes	Total Over 5 Years
<ul style="list-style-type: none"> • Provide Financing for Small Business Growth: Assist small business growth through grants and loans: <ul style="list-style-type: none"> ✓ Grants: Provide 75 percent matching grants of up to \$75,000 to assist property owners to improve and develop their assets. Up to \$25,000 may be used for project planning. ✓ Tenant Improvement Loan: Offer small business loans to pay for match. <ul style="list-style-type: none"> • Interest Rate: Range from Prime to Prime+3% based on leverage and adjusted for risk (Currently: 3.5% - 6.5%) • Fee: 1% loan fee • Payments: Principal and interest in real payment; up to 1 year of interest-only payments, based on project underwriting • Guarantee: Personal and/or corporate guaranty from all principals and entities with at least a 20% ownership interest in the business. 	<p>Start immediately, annual allocation for five years</p> <p>Funds may be allocated through a Notice of Funding Availability (NOFA)</p>	<p>40 grants for tenant improvements</p> <p>40 loans to finance match for above tenant improvements</p>	<p>\$3,000,000</p> <p>\$1,000,000</p>
<ul style="list-style-type: none"> • Create Affordable Commercial Space: Assist emerging or displaced small businesses owners by creating affordable commercial space. Could include landbanking. Reserve \$1,500,000 to assist small business owners located within a Cultural-Business Hub, if one is selected. 	<p>Start immediately. Funding may be allocated through a Notice of Funding Availability (NOFA).</p>	<p>Approximately 15,000 sq ft commercial space at 10 - 25% less than market. Assists approximately 10-15 businesses.</p>	<p>\$5,250,000</p>

Invest in New and Existing Homeowners	Timing	Outcomes	Total Over 5 Years
<i>*Funds allocated by the Portland Housing Bureau based on its program guidelines, following all fair housing, state and federal requirements.</i>			
<ul style="list-style-type: none"> • Support Homeownership: Expand the availability of PHB’s Down Payment Assistance Loan program to those with incomes between 80-120%. <ul style="list-style-type: none"> ✓ Provide zero percent interest loan of up to \$80,000 for first-time homebuyers. 	Start Immediately, annual allocation for five years	20 households	\$1,600,000
<ul style="list-style-type: none"> • Expand Home Repair Program: Expand the availability of PHB’s Single Family Home Repair Programs <ul style="list-style-type: none"> ✓ Provide zero percent interest loans of up to \$40,000 per home to provide critical home repairs for homeowners at 80-120% of median family income. 	Start Immediately, annual allocation for five years	40 households	\$1,600,000
<ul style="list-style-type: none"> • Promote Accessory Dwelling Units: Expand proposed PHB programming for 17/18 to support development of accessory dwelling units and cottage homes to those with incomes between 80-120% of median family income as a way to bring more affordable housing units to market in the ICURA and as a way to support multi-generational families. <ul style="list-style-type: none"> ✓ Program is currently under development. Details will be available by July 1, 2017 	July 1, 2017	Households = TBD	\$1,800,000
Advance Community Livability Projects and Support Non-Profits	Timing	Outcomes	Total Over 5 Years
<ul style="list-style-type: none"> • Invest in Community Livability Projects: Build community prosperity by supporting the growth, development and sustainability of key community-based organizations that drive economic development outcomes and serve communities that have experienced displacement or not benefited from economic opportunities (e.g. African Americans, people of color and people with disabilities). <ul style="list-style-type: none"> ✓ Community Livability Grants of up to \$300,000 	Community Livability projects identified through annual grant application process.	20 Community Livability Grants to non-profit organizations	\$2,500,000
Catalyze Cultural-Business Hub(s)³ to further Culturally Specific Places and Economic Opportunities	Timing	Outcomes	Total Over 5 Years
<ul style="list-style-type: none"> • Support Cultural-Business Hub: Foster multigenerational wealth creation by investing in 1-2 larger-scale projects that will provide commercial space for small businesses owned by African Americans and other people of color. Such projects will be 	See description of signature projects	1-2 loans for Signature projects to create	Up to \$4,500,000

³ Called “anchor” or “signature” projects in previous drafts.

<p>places for businesses to grow and thrive, and will create active, vital sites offering culturally specific products, services, foods and/or entertainment. Examples of such projects include: the Mercado in Lents, Vanport Square in Interstate and the historic Golden West Hotel in the Central City. From 1906-1931, the Golden West Hotel was a hub of commercial activity providing lodging, entertainment, dining and personal services for Portland’s small but growing African American population. The projects would be owned by African Americans and other people of color and meet specific timing, conditions and criteria:</p> <p>Timing and Other Conditions:</p> <ol style="list-style-type: none"> 1. Issue a NOFA within six months of adoption of the Plan. 2. Proposals will be reviewed by PDC and the Oversight Committee. 3. Project must meet criteria below. 4. If a feasible project(s) is not selected within three years of the adoption of this Plan the funds will be re-allocated towards another Plan action item. <p>Project Selection Criteria:</p> <ol style="list-style-type: none"> 1. Aligns with the goals and objectives of the N/NE Community Development Initiative Action Plan especially: <ul style="list-style-type: none"> ✓ Fostering multigenerational wealth creation through property ownership. ✓ Fostering multigenerational wealth creation through business ownership. 2. Provides commercial space for small businesses owned by African Americans and other people of color to grow and thrive. 3. Demonstrates a commitment to tenanting a majority of the project with local, minority-owned businesses. 4. Provides long-term community benefits for African Americans and other people of color. 5. Provides meaningful contracting opportunities throughout the development and construction process for African Americans and other people of color. 6. Demonstrates financial feasibility and commitment from development and financial partners. <p>Property Development Loans:</p> <ul style="list-style-type: none"> • Interest Rate: A fixed rate based on the current Prime Rate plus 		<p>commercial space for minority-owned businesses</p>	
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<p>3 percentage points (with ability to reduce up to three percentage points for public objectives) (Currently: 3.5% - 6.5%)</p> <ul style="list-style-type: none">• Fee: 1% loan fee• Payments: Construction Loan: may include a period of interest only and/or deferred payments; Permanent Loan: Principal and interest• Borrower’s Contribution: Minimum 10% equity contribution – can include land value• Collateral: Security interest in the subject property or other real estate• Guarantee: Personal and/or corporate guaranties from all principals and entities with 20% ownership interest in the property			
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New Practices and Policies

I. Oversight Committee:

PDC will establish an Oversight Committee composed of community stakeholders that will guide implementation of this Plan. The Oversight Committee will track and advise on implementation of the Action Plan; the Oversight Committee may also serve as the independent review committee for any notices of funding availability that arise from the Plan. The goal is to form the Oversight Committee by February 2017. Oversight Committee meetings will be open to the public.

The Action Plan is a living document, and the Oversight Committee may recommend adjustments of the *investment allocations* to take advantage of unique opportunities to promote wealth creation and/or to place resources where demand and the market conditions are the strongest. **See Attachment D for the Draft Oversight Committee Project Charter.**

II. Who Has Access:

Given that an original intent of the Interstate Corridor URA was to benefit the existing community, the demographic shifts that have occurred since the implementation of the Interstate Corridor URA, and current and historical income disparities in this area, this Final Draft Plan is explicitly intended to benefit people and communities that have experienced displacement or not benefited from economic opportunities. **See Attachment C for Draft Criteria for beneficiaries of TIF investments.**

III. Improving Outcomes:

1. Work with lenders and community stakeholders to assess whether PDC's financial tools need modifications to achieve greater access to capital among business and property owners of color.
2. Proactively work with private and non-profit lenders and foundations to discuss ways to effectively partner to leverage TIF funding to achieve intended wealth creation goals AND to address the racial bias in lending that communities of color continue to experience.
3. Explore new financing tools:
 - ✓ Explore a down payment assistance program for commercial real estate purchase.
 - ✓ Explore a tax abatement program to maintain affordability for existing businesses who own their properties.
 - ✓ Expand the secured lines of credit program.
4. Pair PDC business loans with ongoing business technical assistance.
5. Improve marketing and outreach to African Americans and other people of color about PDC grants, loans, and programs for businesses, property owners and residents.

- ✓ Utilize community ambassadors to discuss PDC loans, grants and technical assistance with businesses, property owners, and residents.
 - ✓ Go to existing meetings and gatherings of African Americans and other residents and business owners of color to educate them about PDC offerings.
 - ✓ Develop user-friendly and accessible marketing materials regarding programs including videos and print media.
 - ✓ Reach people where they currently reside including in outer East Portland.
6. Improve practices and tools for working with long-time property owners including:
- ✓ Provide tailored technical assistance, mentoring and education to allow property owners to understand their development options.
 - ✓ Develop a user-friendly real estate development toolkits to use in educating property owners about development options. Tools will include: a range of development types, typical lot sizes and land values in N/NE Portland, building design prototypes; typical real estate partnership structures; conventional financing structures and land values.
 - ✓ Ensure that development plans are scaled to the financial capacity and equity position of the property owners.
 - ✓ Ensure that professional advice regarding development options takes into account the long-term operational issues associated with the new asset and that the future owner is set up for success.
 - ✓ Facilitate development partnerships with long-time property owners (LTPO), when necessary, to protect their equity positions.
7. Continue to apply and strengthen PDC’s Business and Workforce Equity Policy to ensure that the benefits of PDC’s investments in constructing improvements flow to minority and women-owned contractors and tradespeople.
8. Make minor amendments to the Interstate Corridor Urban Renewal Area to ensure inclusion of key properties immediately adjacent to the URA boundary.
9. Work proactively with foundations to identify partnerships that can leverage the reach of TIF investments and provide resources for critical non-TIF initiatives (see Section V).

IV. Other TIF Expenditures Within the Five-Year Timeframe:

PDC’s budget and forecast includes funding for projects that have previously been approved in the URA. These projects are in addition to the \$32 million articulated in this Final Draft Plan. One project will be cancelled. Please see below for more detail.

1. Planned projects in the Interstate Corridor URA that ***will be completed over the next five years*** that are not covered by the \$32 million for economic and community development:

Committed Projects/Activities	Budget Amt.
Alberta Commons (a.k.a. Natural Grocers) Includes design and buildout of space the will be master leased by PDC and tenanted with small, minority-owned businesses. It also includes costs for public art, signage, marketing of space, etc. PDC anticipates receiving approximately \$1 million in lease revenue from the master leased space over a 10 year period.	\$3.2 M
Lombard Streetscape – if a financially feasible solution can be developed	\$2.2 M
Killingsworth Streetscape project completion	\$75,000
Dr. Martin Luther King Jr. Heritage Markers	\$225,000
Gordly Cultural Center: Loan to purchase home to establish an African American cultural center and grant to support maintenance expenses for a two-year holding period.	\$577,000
Alberta and St Johns Main Street District Improvement Grants	\$410,000
Complete Past Grant Award Projects: Includes completing past Community Livability Projects, Development Feasibility Grants, Storefront Improvement Grants and Special Authority Grants	\$1 M
Real Estate Management: managing properties in Kenton and leasing developed spaces to industrial and local businesses	\$1.3 M
Contingency	\$1 M
TOTAL	\$9, 987,000

2. Planned projects in the Interstate Corridor URA that will ***not move forward***:

- ✓ Bridgeton Trail – PDC and Metro have been unable to acquire necessary right-of-way for this project despite efforts over many years. Further, while this is a worthwhile public infrastructure investment, it does not align strongly with the PDC Strategic Plan nor this Final Draft Action Plan.

V. Non-TIF Resources:

Tax increment resources available in the Interstate Corridor URA are limited to physical construction. While this is a beneficial economic development tool, it is an incomplete tool. Non-restricted, non-TIF funding sources are needed to assist with the wealth creation goals of this Final Draft Plan. The following are recommendations regarding non-TIF funding sources.

1. Continue City support for existing PDC programs that will contribute to the success of this Final Draft Plan:

- ✓ **Support Business Technical Assistance:** Continue to provide culturally appropriate, easily accessible business technical assistance and mentorship to startups, small businesses and youth entrepreneurs.
 - ✓ **Provide Workforce Development Opportunities:** Continue to support workforce development for low-income youth and adults through the Economic Opportunity Initiative.
2. New activities that should be initiated and funded to increase the likelihood of success of this plan:
- ✓ **Develop Business Opportunities with Anchor Institutions:** Increase market opportunities for local businesses by establishing productive connections to large employers and anchor institutions with substantial purchasing power. *NEW Funding Needed*
 - ✓ **Connect People to Jobs:** Proactively connect unemployed and underemployed residents to jobs created by PDC's economic development activities, and to workforce development opportunities available through the public workforce system. Key activities include:
 - Establish a community-based workforce navigator focused on N/NE and particularly on the returning residents and current residents of publicly supported housing. *NEW Funding Needed*
 - Establish a system for notifying community-based workforce development organizations and other CBOs of jobs created through PDC's economic development activities.
 - ✓ **Increase Job Training Support:** Support training for high-demand, living wage occupations: health care, manufacturing, banking, construction. *NEW Funding Needed*
 - ✓ **Develop Job Opportunities with Anchor Institutions:** Support the development of career-track, middle-wage jobs through a citywide anchor institution strategy focused on health care, public sector and/or educational institutions. *NEW Funding Needed*
 - ✓ **Promote STEM and STEAM:** Support youth workforce development through initiatives such as science, technology, engineering, arts, and math (STEM and STEAM). *NEW Funding Needed*
 - ✓ **Establish a Neighborhood Prosperity Initiative Area:** Identify and support community-based organization to drive economic development outcomes in the Interstate Corridor URA with an emphasis on supporting economic opportunities for African Americans and people of color. *NEW Funding Needed*
 - ✓ **Promote Culturally Relevant Financial Education Programs:** Work with partners to promote increased education for African Americans and people of color on wealth management, investing, and financial literacy. This is particularly urgent for senior

homeowners so that they and their families can make informed decisions about their properties in the face of financial pressures from taxes and limited retirement income.

Attachment A: Glossary

GLOSSARY

Affordable housing – Housing affordable to residents with a income equal to between 0 – 60 percent of Median Family Income (MFI).

Community development - A process where community members come together to take action and generate solutions (economic, place based, social, environmental, and cultural) to common problems.

Economic development – Work to improve the standard of living and economic competitiveness; activities include business retention, expansion and recruitment, international trade, and entrepreneurship development.

Equity - When everyone has access to opportunities necessary to satisfy essential needs, advance their well-being, and achieve their full potential

Healthy neighborhoods – Neighborhoods within any part of the city with ready access to transit, open space, infrastructure, and goods and services that support healthy living. The building stock includes a range of affordability and are durable and highly efficient; infrastructure and systems are resilient in the face of natural events such as earthquakes, climate change, and flooding.

Low-income neighborhoods - Neighborhoods experiencing lagging commercial investment, concentrated poverty, and/or gentrification pressures.

Neighborhoods - Geographic communities both inside and outside the Central City.

People or communities of color - Native American, African American, Latino, Asian, Slavic, and African immigrant and refugee people or communities (*per Coalition of Communities of Color*).

Place-making - A multi-faceted approach to the planning, design and management of public spaces that capitalizes on a local community's assets, inspiration, and potential, with the intention of creating public spaces that promote peoples' health, happiness, and well-being.

Scalable or growth businesses – A startup with traded sector aspirations or potential to sell products or services to new markets, multiply revenue, and create new jobs.

Small businesses – Establishments with 50 or fewer employees.

Tax increment financing (TIF) - A public financing method that is used as for redevelopment, infrastructure, and other community-improvement projects within Urban Renewal Areas.

Underrepresented populations – People or communities that are disproportionately lower in number relative to their number in the general population.

Urban Renewal Area (URA) – A defined geography from which tax increment financing is both generated and spent.

Wealth - Net worth of a person, household, or community; the value of all assets owned net of all liabilities owed at a point in time.

White people or communities - People or communities with the racial identity as Caucasian, without being Latino (*per Coalitions of Communities of Color*).

Workforce development - A range of educational, training, and networking activities to create, sustain, and retain a viable workforce that supports economic security for individuals and meets current and future business and industry needs.

Attachment B: Demographic Trends in the Interstate Corridor URA and City of Portland

		Interstate Corridor URA			City of Portland		
		2000	2013	Growth	2000	2013	Growth
African-American	Population	10,795	7,251	-32.8%	41,589	44,397	6.8%
	Income	\$35,398	\$24,322	-31.3%	\$27,103	\$27,923	3.0%
	Poverty Rate	24.9	33.5	34.5%	25.9	35.5	37.1%
		2000	2013	Growth	2000	2013	Growth
Asian-American	Population	2,141	2,452	14.5%	39,485	58,397	47.9%
	Income	\$53,127	\$63,586	19.7%	\$42,576	\$50,829	19.4%
	Poverty Rate	23.6	14.6	-38.1%	13.2	22.1	67.4%
		2000	2013	Growth	2000	2013	Growth
Hawaiian-Pacific Islander	Population	586	378	-35.5%	3,658	5,410	47.9%
	Income	--	--	--	\$39,115	\$26,294	-32.8%
	Poverty Rate	--	--	--	14.7	--	--
		2000	2013	Growth	2000	2013	Growth
Hispanic-Latino	Population	3,915	3,909	-0.2%	36,058	60,974	69.1%
	Income	\$40,387	\$40,660	0.7%	\$32,371	\$35,108	8.5%
	Poverty Rate	30.1	25.3	-15.9%	24.1	34.0	41.1%
		2000	2013	Growth	2000	2013	Growth
Native Americans	Population	1,368	1,028	-24.9%	12,125	16,868	39.1%
	Income	--	--	--	\$30,471	\$22,247	-27.0%
	Poverty Rate	29.1	--	--	22.8	48.1	111.0%
		2000	2013	Growth	2000	2013	Growth
White	Population	24,909	32,480	30.4%	430,350	500,855	16.4%
	Income	\$53,595	\$54,799	2.2%	\$41,476	\$59,758	44.1%
	Poverty Rate	13.1	14.2	8.4%	10.9	15.2	39.4%
		2000	2013	Growth	2000	2013	Growth

Attachment C: Draft Investment Criteria for TIF Funds

TIF investments will prioritize:

1. Current or former business owners, property owners and residents, and their descendants, who owned businesses, owned property or lived within the Interstate Corridor URA boundaries prior to its establishment in 2000 – and have experienced impediments or disadvantages in benefiting from economic opportunities (e.g. legacy of redlining, racism, lack of access to capital etc.).
2. Other business and property owners who do not have historical ties to the Interstate Corridor URA, but who:
 - a. Experience economic barriers to business and property ownership in the Interstate Corridor URA;
 - b. Are African Americans or people of color;
 - c. Provide a product or service that is beneficial to a historically underserved population;
or
 - d. Commit to tangible and sustainable economic benefits for underserved populations.
3. Funding for housing will be allocated by the Portland Housing Bureau based on its program guidelines, following all fair housing, state and federal requirements.

Attachment D: Draft Oversight Committee Project Charter

**Portland Development Commission
 North/Northeast Community Development Initiative**

DRAFT Oversight Committee Project Charter

Background

The Final Draft N/NE Community Development Initiative Action Plan (Action Plan) has been developed to guide the Portland Development Commission’s investment of the remaining \$32 million in Tax Increment Financing (TIF) resources for economic development in the Interstate Corridor Urban Renewal Area (Interstate Corridor URA). The goal of the N/NE Community Development Initiative (CDI) is to use TIF resources to foster economic prosperity among African Americans and People of Color by helping them participate in, benefit from and contribute to the local, regional and global economies. The Action Plan **proposes** to invest the remaining TIF economic development resources to underserved populations in the following ways:

Foster Multi-Generational Wealth Creation and Community Assets	Proposed Five-Year Allocation	Estimated Number Assisted with Grants and Loans
6. Promote Property Ownership and Redevelopment	\$10,750,000	44 property owners
7. Support Business Ownership and Growth	\$9,225,000	55 business owners
8. Invest in New and Existing Homeowners	\$5,000,000	60 homeowners
9. Advance Community Livability Projects	\$2,500,000	20 non-profits
5. Catalyze Cultural-Business Hub	\$4,500,000	1-2 projects
Total	\$32,000,000	

Scope

The North/Northeast Oversight Committee is hereby created to ensure accountability for the implementation of the goals, objectives and investment priorities of the North/Northeast Community Development Initiative Action Plan. The Oversight Committee, working with the Portland Development Commission, reviews, advises and monitors redevelopment proposals and projects according to the timelines, metrics, and allocation amounts outlined in the Final Action Plan. The Action Plan is a living document, and PDC under the consultation with the the Oversight Committee may recommend adjustments of the investment allocation to take advantage of unique opportunities to promote wealth creation and/or to place resources where demand and the market conditions are the strongest.

Membership Responsibilities

- For the first year meetings will take place once a month. Thereafter, the group shall meet quarterly. With proper notice to the public, additional meetings may be scheduled as needed by the committee chair.
- Review quarterly update on the allocations of PIP grants and business technical assistance program within the ICURA.
- Review Notification of Funding Availability (NOFA) for TIF-sponsored program within the ICURA.
- Review Community Livability Grants for the Interstate Corridor Urban Renewal Area.
- Serve as an advisory body for the Portland Housing Bureau's Homeownership Support, Home Repairs and Accessory Dwelling Programs administered within the Interstate Corridor URA.
- The Oversight Committee's initial term of one year will be up for renewal each year for the next five years, or until the expiration of the URA.

Selection Process

Membership positions shall be selected by Portland Development Commission in consultation with members of the North/Northeast Community Development Project Advisory Committee. The Oversight Committee shall be composed of 15 community members who are subject matter experts.

Selection Criteria

- Have a general understanding of PDC and the N/NE Community Development Initiative Action Plan.
- Have an understanding of the historical displacement of African Americans and People of Color and why a specific emphasis will be placed on providing timely benefits to groups most at risk of displacement or not benefiting from economic opportunities.
- Must attend regularly scheduled meetings, be prepared for these meetings and participate fully in accordance with their roles.
- It is expected that any business owner, non-profit organization or property owner will not have a financial conflict of interest for themselves, an organization they are employed by or a board member of, or a member of their family with the Portland Development Commission and the accompanying \$32 million in investment.

Meetings and Quorum

All meetings of this committee are considered public meetings. There shall be meeting notices, and records shall be kept. The Committee will abide by all standards and practices required of public meetings and public bodies by law. The Oversight Committee shall be composed of fifteen community members, and a quorum is present when a minimum of seven (7) voting members are in attendance at the meeting.

Decision Making and Voting

The committee will use standard parliamentary procedure in process and decision making, and will keep records of all deliberations and decisions. The committee will attempt to make decisions by consensus. If an impasse occurs, the chairperson may call for a vote of the committee membership. In the event that a consensus is not reached and a vote does not yield a decision, the chairperson will act on behalf of the committee.