



**DATE:** April 8, 2020  
**TO:** Board of Commissioners  
**FROM:** Kimberly Branam, Executive Director  
**SUBJECT:** Report Number 20-17  
Adopting Budget Amendment No. 3 for the Fiscal Year Beginning July 1, 2019, and Ending June 30, 2020; and Making Appropriations

### **BOARD ACTION REQUESTED AND BRIEF DESCRIPTION**

Adopt Resolution No. 7364

This action by the Prosper Portland Board of Commissioners (Board) will formally amend the current fiscal year (FY) 2019-20 budget for the third time to specifically address appropriations related to establishment of the Portland Small Business Relief Fund (Business Relief Fund) as well as provide additional resources the Neighborhood Prosperity Network (NPN) program. These amendments include:

- (1) Recognizing \$1,000,000 additional City of Portland (City) General Fund resources and related expenditures to establish the Business Relief Fund grant program;
- (2) Moving \$1,300,000 in Enterprise Zone contingency to Economic Development appropriations to establish the Business Relief Fund loan program and disburse a grant to the Asian Pacific American Network of Oregon (APANO) to support affected businesses in the Jade District and Old Town/Chinatown; and
- (3) Moving \$320,000 in NPN tax increment finance and General Fund shared revenue resources from Contingency to Economic Development appropriations to support increased NPN grant activity and operations.

### **STRATEGIC PLAN ALIGNMENT AND OUTCOMES**

The FY 2019-20 Budget Amendment No. 3 ensures that the Prosper Portland Board has appropriated adequate public funds to be lawfully expended by Prosper Portland to implement the Business Relief Fund and deliver all available NPN resources to partners. Outcomes related to budgeted projects and programs will be measured over time to determine how Prosper Portland's allocation of resources will impact all Strategic Plan goals and the agency's ongoing efforts to build an equitable economy.

### **BACKGROUND AND CONTEXT**

The FY 2019-20 Budget Amendment No. 3 is a focused, supplemental budget that appropriates funds largely to efforts related to Prosper Portland and the City's response to the COVID-19

pandemic. In response to the public health and economic crisis, on March 17, 2020, Mayor Ted Wheeler announced that Prosper Portland would deploy \$150,000 to APANO to assist affected businesses in the Jade District and Old Town/Chinatown. Since then, Prosper Portland staff have been working with City elected officials, bureau leadership and staff, financial institutions, and local foundations to fund a much larger pot of resources that affected small businesses across the city will have the opportunity to apply for as soon as possible. On March 26, 2020, through Resolution No. 7363, the Prosper Portland Board authorized program guidelines for the Business Relief Fund. The \$2,000,000 Business Relief Fund addressed in this budget revision includes \$1,000,000 in City General Fund resources from and \$1,000,000 in Prosper Portland Enterprise Zone resources. An additional \$150,000 in Enterprise Zone resources will be utilized to support administrative costs for partner Community Development Finance Institutions in disbursing the funds. Funds raised by financial institutions and foundations will be complementary to but are not currently included in the publicly sourced Business Relief Fund.

### **EQUITY IMPACT**

The budget amendment allows for expenditures related to the Business Relief Fund which prioritize small businesses, those owned by people of color and women, and those located in traditionally underserved communities; it also provides resources to NPN partners to support increased grant activity.

### **COMMUNITY PARTICIPATION AND FEEDBACK**

Over the past three weeks, Prosper Portland staff has convened the Economic Impact Action Committee (EIAC), a group of City elected officials and staff and other business and workforce partners who meet daily to develop a coordinated response to the economic impacts of the pandemic. In addition, staff has convened the Economic Impact Task Force (Task Force), an approximately 80-member group of stakeholders that includes EIAC representatives as well as partners from the non-profit, business, workforce, and government partner communities. Both the EIAC and the Task Force have been supportive of seeding the Small Business Relief Fund with Prosper Portland and City resources.

### **BUDGET AND FINANCIAL INFORMATION**

Recommended amendments to the FY 2019-20 Revised Budget reflect the financial implications of establishing the Business Relief Fund as well as ensuring that the NPN network has necessary, available resources for increased grant activity. As noted, the Portland City Council has committed \$1,000,000 in City General Fund resources and Prosper Portland has identified \$1,300,000 in Enterprise Zone community contributions for the Business Relief Fund and additional support to the Jade District through APANO. Exhibit A to Resolution No. 7364 identifies all fund appropriation changes. In summary, key changes to resources and requirements are:

#### **Changes to Total Resources:**

- **General Fund resources** increases by \$1,000,000 based on City support of the Small Business Relief Fund.

**Changes to Total Requirements (summarized):**

- **Economic Development** expenditures are increased \$2,620,000. Includes an \$1,000,000 increase in the General Fund and \$1,300,000 in the Enterprise Zone appropriations for the Small Business Relief Fund and a grant to APANO. Also includes an increase of \$320,000 to appropriate resources in six NPN districts for increased grant activity. Resources are currently held in Contingency for each district and were anticipated to be disbursed in future fiscal years. NPNs are increasing the draw on existing resources to assist companies negatively impacted by COVID 19. These funds will help to support small businesses in each district who either have minimal sales or had to close. NPNs don't have the capacity to increase the amount of funds dramatically.
- **Contingency** decreases \$1,620,000. Includes a decrease to Contingency in the Enterprise Zone Fund for \$1,300,000 and \$320,000 in the Neighborhood Prosperity Initiative Fund to support the increased expenditures.

**RISK ASSESSMENT**

Should the Prosper Portland Board decide not to approve FY 2019-20 Budget Amendment No. 3, there may be inadequate appropriations to support fully disbursing the Small Business Loan program or other Economic Development programs. An over-expenditure of an appropriation within a fund is a violation of local budget law (Oregon Revised Statutes 294); therefore, the recommended budget amendments ensure proper appropriations authority for all expenditures.

**ATTACHMENTS**

None.