

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7465

**PROPOSING THE CULLY TAX INCREMENT FINANCE DISTRICT PLAN, REPORT,
AND GOVERNANCE CHARTER AND FORWARDING TO PORTLAND CITY
COUNCIL WITH A RECOMMENDATION FOR APPROVAL**

WHEREAS, on May 25, 2011, City Council adopted the City of Portland Neighborhood Economic Development Strategy (NED Strategy) with the goal of fostering economic opportunity and neighborhood vitality throughout Portland through community-based partnerships, including: Objective I. Create the Focus Area Program for commercial areas within priority neighborhoods and Objective II.B.3. Establish Neighborhood Opportunity Districts as small scale, long-term, debt-free tax increment finance districts in three to six commercial hubs within priority neighborhoods;

WHEREAS, On April 11, 2012, in alignment with the NED Strategy, City Council approved the creation of six micro tax increment finance (TIF) districts - in 42nd Avenue, 82nd Avenue and Division, Cully Boulevard, Division-Midway, Parkrose, and Rosewood – with the purpose of investing in and launching the Neighborhood Prosperity Network (NPN) of partners in commercial areas and along specific corridors with lagging investment, higher poverty rates, lower median income, greater racial diversity, and interested community groups;

WHEREAS, Prosper Portland has cultivated strong relationships and facilitated equity-centered, small-scale community economic development priorities within the Cully area through partnership with two NPN districts in Cully, Our 42nd Avenue and the Cully Blvd Alliance, whose accomplishments include: administering small scale TIF grant funding to respond to community economic development needs, from physical improvements for small businesses to community plazas to managing and tenanting affordable commercial space; engaging community and businesses to highlight activities of the district such as the Cully Farmers Market and Community Coffee Hour; creating connections to business technical assistance and workforce supports; and, deploying critical resources to address community and business needs during the pandemic in partnership with Prosper Portland, the City and Multnomah County by disbursing multiple rounds of grant funding, providing Personal Protective Equipment (PPE), encouraging diverse businesses to apply for federal funds, and assisting with grant applications.

WHEREAS, the Portland Housing Bureau (PHB) has cultivated strong partnerships in Cully to deliver on affordable rental housing and housing stabilization in partnership with Habitat for Humanity, Home Forward, Community Development Partners (CDP), Native American Youth and Family Center (NAYA) and Hacienda Community Development Corporation (Hacienda CDC), amongst others, which most recently resulted in nearly \$24 million of Portland's Affordable Housing Bond resources in two affordable housing projects. Combined, these projects create 191 new homes that will be permanently affordable to low-income households, ranging from studios to three-bedroom apartments;

WHEREAS, the Bureau of Planning and Sustainability's Gentrification and Displacement Risk Typology Assessment shows the Cully area in Dynamic and Late Type 2 phases of gentrification. The dynamic phase indicates an area currently undergoing gentrification with higher shares of vulnerable populations and the Late

Type 2 phase indicates areas that have experienced demographic change by losing higher shares of vulnerable populations;

WHEREAS, Cully has a larger share of low-income residents than Portland as a whole, with a median household income that is almost \$20,000 less than for all Portland households, and is experiencing increased market and gentrification pressures through rising retail and office lease rates (37% and 51%, respectively) and increased housing costs;

WHEREAS, the 2020 State of Housing in Portland Report found that rental housing is unaffordable to three-person extremely low-income households, Black residents, and single mothers in Cully-Roseway, outlined how homeownership is affordable only to couples with children and white residents, and identified Cully-Roseway as the neighborhood with the second largest loss of racial diversity between 2013 and 2018;

WHEREAS, local, State and Federal under-investment in housing, access to capital and social services, exclusionary public policies and laws, the legacy of traditional urban renewal practices and land use decisions, and infrastructure investments have collectively harmed the economic health of Priority Communities in Cully and citywide. Priority Communities include African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

WHEREAS, as private market pressures intensify in Cully as the area becomes more desirable, there is an urgent need for restorative and transformative community-centered investments that can be used to intervene in the market and proactively and strategically combat rising residential and commercial rents, which disproportionately affect Priority Communities;

WHEREAS, in 2018, seven community-based organizations working in the Cully neighborhood of northeast Portland -- Our 42nd Avenue, Cully Boulevard Alliance, Cully Association of Neighbors, Habitat for Humanity, Native American Youth and Family Center, Verde, and Hacienda CDC -- approached Prosper Portland to explore creating a full-sized Tax Increment Financing district or urban renewal area (TIF District), building on the work of the Neighborhood Prosperity Network and community based partners and scaling City support to counter market pressures and center people most at risk of displacement;

WHEREAS, the seven partner organizations referred to above, and other residents, formed an Exploration Leadership Committee (ELC) to facilitate and lead a community conversation around the potential new TIF District. The creation of the TIF District aims to equitably address challenges and center the experiences and needs of communities most at risk of displacement pressures that could accelerate gentrification. Between 2019 and 2022, the ELC, together with Prosper Portland and PHB staff, facilitated a community led process regarding a potential new TIF District with funding from a Metro 2040 Planning and Development grant, City General funds, and Prosper Portland funds;

WHEREAS, the ELC issued a Preliminary Report establishing a 2040 vision of the Cully neighborhood as a place that provides a sense of belonging for its residents, particularly for those most vulnerable to displacement, with plentiful safe, affordable housing, thriving Black-, Indigenous-, and People of Color (BIPOC)-owned businesses, rewarding employment opportunities, safe and accessible transportation options, parks and open spaces, a clean and healthy environment, climate resiliency, with places and programs that reflect the cultural diversity of BIPOC individuals. The Preliminary Report also identifies many challenges in Cully, including rising costs of housing and rents, sparse commercial development, poor walkability, insufficient transit,

brownfields and a lack of open space/recreational opportunities and provides a baseline of input regarding initial shared priorities for the district from community members;

WHEREAS, Prosper Portland, PHB and the ELC partnered on engagement in the preparation of the proposed TIF District urban renewal plan (TIF Plan), TIF report required under ORS 457.087 (TIF Report), and Governance Charter, with City agencies focused on broad public engagement and the community engagement subcommittee of the ELC leading deeper, focused engagement with low-income homeowners, the African American community, Latin community, Somali community, Indigenous and tribal communities, mobile home park residents, small business owners and workers and houseless people;

WHEREAS, in August 2022, the ELC voted in favor of supporting the City's adoption of the Cully TIF Plan, TIF Report and Governance Charter;

WHEREAS, approval of the Cully TIF District would provide \$350,000,000 in maximum indebtedness and significant resources over the life of the TIF District to stabilize residents and small businesses, with more modest resources available in the first five to ten years that will be critical to its stabilization. Forty-five percent or \$143,000,000 would be reserved for PHB-stewarded investments in line with the City of Portland's Housing Set Aside Policy and the remaining would be administered by Prosper Portland with a minimum of 45 percent reserved for economic development investments. The TIF District is expected to reach maximum indebtedness in 2059;

WHEREAS, affordable housing and economic development investments within the Cully TIF District will be guided by 5-Year Action Plan priorities, which will be co-created with a forthcoming Community Leadership Committee (the Committee) as further outlined in the proposed Governance Charter and align with the list of eligible TIF investments outlined in the TIF Plan;

WHEREAS, implementation of the TIF Plan will be undertaken with significant community leadership and partnership as set forth in the Governance Charter which further details the Committee's role in decisions, recommendations, and accountability oversight; how the Committee will make recommendations regarding implementation; as well as membership, Charter compliance, and other pertinent matters;

WHEREAS, the Cully vision aligns with Prosper Portland's Strategic Plan goals to create healthy, complete neighborhoods, foster wealth creation within communities of color, and form 21st century civic network, institutions, and partnerships;

WHEREAS, the Cully TIF Plan, the TIF Report, and the Governance Charter, each attached hereto as Exhibits A, B, and C, respectively, have been drafted to address how TIF investments in Cully will accomplish development of the projects described in the TIF Plan.

NOW, THEREFORE, BE IT RESOLVED, as set forth and described more specifically in the TIF Plan and in accordance with the TIF Plan, the Board encourages investment in healthy public/private/community partnerships and projects with community development corporations, community-based organizations, and culturally specific businesses and real estate developers with ties to Cully and Priority Communities to achieve the objectives of the TIF Plan;

BE IT FURTHER RESOLVED, that consistent with ORS 457.089, the Prosper Portland Board hereby forwards the Cully TIF Plan, TIF Report, and Governance Charter to the Planning and Sustainability Commission

for its recommendations, and thereafter presents the TIF Plan to the Portland City Council with the recommendation for approval by nonemergency ordinance; and

BE IT FURTHER RESOLVED, that this resolution shall be effective immediately upon its adoption.

Adopted by the Prosper Portland Commission on

September 14, 2022



Pam Feigenbutz, Recording Secretary

Cully Tax Increment Finance District Plan

This document remains draft until adoption by Prosper Portland Board and Portland City Council

Cully Tax Increment Finance District Plan

Adopted by the City of Portland

DATE

Ordinance No. [_____]

If Amendments are made to the Plan, the Resolution or Ordinance Number and date will be listed here. The amendment will be incorporated into the Plan and noted through a footnote.

Date	Resolution or Ordinance No.	Purpose of Change

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I. DEFINITIONS

“Action Plans” means a plan which proposes investments and programs in the TIF Area on a five-year basis.

“Accessibility” means in compliance with the Americans with Disabilities Act Standards for Accessible Design.

“Affordable housing” means:

TIF funded affordable housing is guided by the Tax Increment Financing for Affordable Housing Policy, and the supplementary Implementation Plan and Income Guidelines which are binding City Policy under Section 1.07.020 A of the City Code.

For rental housing: the Portland Housing Bureau (PHB) utilizes the HUD affordability standard, which states that the rent plus expenses associated with occupancy, such as tenant paid utilities or fees, does not exceed 30% of the gross household income, based on unit size, at the level of the rent restriction.

For homeownership units: the purchase price, for which the sum of debt service and housing expenses (including an allowance for utilities and other required ownership fees), when compared to the annual gross income for a family, adjusted for family size, does not preclude conventional mortgage financing.

“Affordable commercial space” means offering access and assistance to qualified businesses in the form of an equitable tenancing application processes, access to space, and in some cases additional financial support or incentives designed to lower the barriers to entry for emerging and small businesses, such as reduced rent, tenant improvement contributions and technical assistance.

“Agency” means Prosper Portland. Prosper Portland is responsible for implementation and administration as required under ORS 457.

“Annual report” is the ORS 457.460 requirement for the production of an annual report that gets distributed to the taxing districts.

“Area” or “TIF Area” means the properties and rights-of-way located within the Cully Tax Increment District Boundary. It is a defined geography from which tax increment financing is both calculated and spent. This term is understood to refer to and replace references to the term “urban renewal area” as defined in ORS 457.010(18).

“Area median income” means an income threshold set by Department of Housing and Urban Development, updated annually, generally in December. New thresholds are effective immediately. Current MFI thresholds can be found online at <https://www.portlandoregon.gov/phb/>

“BIPOC” means Black, Indigenous and People of Color.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting a TIF plan.

“Board of Commissioners” means the Prosper Portland Board of Commissioners.

“Charter” is the Governance Charter for the Cully TIF District, as the same may be amended from time to time, pursuant to its terms and conditions. It establishes the Community Leadership Committee.

“City” means the City of Portland Oregon and includes the Portland Housing Bureau.

“City Council” or “Council” means the Portland City Council.

“Comprehensive Plan” means the City of Portland comprehensive land use plan and its implementing ordinances, policies, and standards.

“County” means Multnomah County, Oregon.

“Cully Preliminary Report” is defined and described in Section III.B of this Plan. The Cully Preliminary Report is attached as Exhibit 1 to this Plan. The Cully Preliminary Report is not the statutory report referenced in ORS 457.087 (see definition of “Tax Increment Finance Area Report” / “Report” later in this Section).

“Cully Boulevard Alliance (CBA)” is an organization engaged in community economic development at the neighborhood scale within the Cully micro-TIF district; part of Prosper Portland’s Neighborhood Prosperity Network, this organization serves all of those who live, work, or support those in the outer NE Portland neighborhood of Cully.

“Neighborhood Prosperity Districts: (NPD). Is a program initiated by Prosper Portland to strengthen the economic competitiveness of neighborhood business districts through community-planned and community-implemented actions and projects.

ELC means the Cully Exploration Leadership Committee.

“Fiscal year” means the year commencing on July 1 and closing on June 30 of the next calendar year.

“Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within a TIF Area at the time of adoption as more particularly described in ORS 457.430(1). The County Assessor certifies the assessed value after the adoption of a TIF area plan.

“Increment” means that part of the assessed value of a TIF area attributable to any increase in the assessed value of the property located in a TIF area, or portion thereof, over the Frozen Base.

“ITIN” means Individual Taxpayer Identification Number which is a tax processing number only available for certain nonresident and resident persons, their spouses, and dependent who cannot get a Social Security Number.

“Living Cully” means an innovative collaboration that formed in 2010 among [Habitat for Humanity Portland Region](#), [Hacienda Community Development Corporation](#), [Native American Youth and Family Center](#), and [Verde](#). They work to improve the quality of life for BIPOC individuals and low-income people in Northeast Portland’s [Cully neighborhood](#), and ensure that Cully will always be a place where BIPOC individuals and low-income people can live and thrive. This work requires a dual-emphasis on community-led neighborhood improvements and robust efforts to combat gentrification and displacement.

“Manufactured housing park” means an area or tract of land where two or more mobile homes or mobile home lots are rented or held out for rent.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“Metro” is the regional government for the Oregon portion of the Portland metropolitan area, covering portions of Clackamas, Multnomah, and Washington Counties.

“Minor Amendment” means any amendment to the TIF Plan that is not a Substantial Amendment.

“Mobile home” of “manufactured home” means factory-built homes that can be placed on a piece of land.

“Neighborhood Prosperity Initiative” means a Prosper Portland program focused on community economic development at the neighborhood scale. A community-driven, self-help approach is at the heart of this work. With grants, training, and support from Prosper Portland, each district is responsible for planning and implementing projects to improve the local commercial district.

“NOFA” means Notice of Funding Availability – means the official notice of availability of funds which may be disbursed for projects and is a means of soliciting proposals for undertaking projects.

“ORS” means the Oregon Revised Statutes. ORS Chapter 457 specifically relates to tax increment financing.

“Permanently affordable homeownership” means homeownership opportunities which prescribe affordability for subsequent buyers of the property or home, in contrast with homeownership opportunities which proscribe no additional affordability beyond the first purchaser.

“PHB” means the Portland Housing Bureau

“Planning Commission” means the Portland Planning and Sustainability Commission.

“Priority Communities” refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

“Prosper Portland” is the City of Portland’s economic and urban development agency.

“RFP” means request for proposals. It is a means of soliciting proposals for undertaking projects. It is a document issued by the City, Prosper Portland, a business or an organization to request bids for development, products, solutions and services.

“Regulated affordable unit” means a residential unit subject to a regulatory agreement that runs with the land and that requires affordability for an established income level for a defined period of time.

“Revenue sharing” means under-levying tax increment proceeds to effectively share a portion of the revenue with the other taxing districts who levy permanent rate taxes as described in ORS 457.470.

“Substantial Amendment” means an increase in maximum indebtedness that can be issued or incurred under the TIF Plan or an increase in acreage over one percent of the original acreage of the TIF Areas described in ORS 457.085.(2)(i).

“Tax increment finance area plan” or “TIF plan” means a plan, as it exists or is changed or modified from time to time, for one or more TIF areas, as provided in ORS 457. This term is understood to refer to and replace references to the term “urban renewal plan” or “plan” as defined in ORS 457.010(19).

“Tax increment finance area project(s)” or “TIF area project(s)” or “project(s)” means any work or undertaking carried out under ORS 457.170 and ORS 457.180 in a TIF area. This term is understood to refer to and replace references to the term “urban renewal project(s)” as defined in ORS 457.010(20).

“Tax increment finance area report” or “report” means the official report that accompanies the TIF plan pursuant to ORS 457.087.

“Tax increment finance” or “tax increment financing” or “TIF” means the funds that are associated with the division of taxes accomplished through the adoption of a TIF plan. In Portland it is a program designed to leverage private investment for economic development and affordable housing projects in a manner that enhances the benefits accrued to the public interest.

“Tax increment revenues” means the funds allocated by the assessor to renewal TIF area due to increases in assessed value over the frozen base within the area.

“Urban Renewal” means the statutory authority provided in ORS 457. In this Plan it is synonymous with tax increment financing.

II. BACKGROUND AND CONTEXT

This Plan will be used for decision-making related to the Cully TIF District, from the development and adoption of Action Plans, to the implementation of individual programs and investments. This Plan is the result of ongoing collaboration between stakeholders in Cully, Prosper Portland, and the Portland Housing Bureau, among others. Much of the information in this Plan is drawn from the Cully Preliminary Report, prepared by Cully TIF Exploration Leadership Committee (ELC) as part of a community driven TIF District planning process and submitted to Metro in June 2021. The aforementioned report was completed to be in compliance with grant funding received from Metro for this process.

A. Cully: History, Current Conditions, Demographics

Standing on the site of a traditional Chinook village called Neerchokikoo, Cully was an unincorporated area of Multnomah County until its annexation to the City of Portland in 1985. Cully is Northeast Portland's largest neighborhood by land area and population: over 3 square miles, with a population of 12,756¹.

Cully is socially and economically diverse. Per the *Cully TIF Preliminary Report*, which relied on American Community Survey (ACS) data from 2015-2019, "Forty-three percent of residents represent communities of color, compared to 29 percent citywide¹...Cully also has a larger share of low-income populations than Portland as a whole." Access to neighborhood amenities continues to vary dramatically based on an individual's background and socio-economic status.

More recent data from ECONorthwest, which relied on 2010-2020 United States Census Bureau data, shows a changing picture for the Cully TIF boundary, with roughly 35 percent of residents representing communities of color. While the number of white households remained the same over the ten-year period, there was a noticeable, recent decline in the number of Black households from 14 percent to seven percent. This trend highlights the urgent need to invest in stabilizing projects centered on Cully's Priority Communities.

"Priority Communities" refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

Most of Cully's development occurred between 1910 and 1960. Its character from the outset has had strong rural elements: large lots, unpaved and meandering streets, and low density. Historically, investment in Cully's parks, sidewalks, roads, other infrastructure, family-oriented businesses and other amenities has lagged behind other areas of the city. This historic underinvestment contributed to the relative affordability of homes in Cully, making it possible for low-income people and BIPOC

¹ 2015-2019 American Community Survey. United States Census Bureau

households to have long term stability and work together to bring about improvements to their neighborhood.

Cully residents, including households already displaced to Cully, are now threatened with displacement from Cully as investment pressures rise. Unlike in closer-in neighborhoods, some properties remain relatively affordable, and land is still available for development, attracting new private, and potentially gentrifying, development in Cully and in nearby neighborhoods. The experience of other Portland neighborhoods as well as communities from across the United States make clear that gentrification inherently entails the displacement of existing community members, especially low-income and BIPOC residents.

Much of the Cully neighborhood is zoned for single-family dwellings. Only two areas, along the western boundary at N.E. 42nd Ave. and the central artery, Cully Blvd., are zoned for commercial activity. The northern edge of the neighborhood, between N.E. Portland Highway and Columbia Blvd., is an industrial area. Cully’s unique combination of rural features, sparse commercial development, and relatively low household incomes have made it relatively deficient in the commercial and recreational opportunities that characterize the rapidly developing inner neighborhoods of Portland. Portland’s inner neighborhoods are, in general, highly rich in amenities such as parks, tree canopy coverage, open spaces, bike lanes and neighborhood services. Cully, by contrast, offers less walkability, scarce access to transit, relative lack of open space or tree coverage, and an abundance of brownfields or industrial lands.

As development and gentrification pressures intensify in the Cully neighborhood, there is an urgent need for community-led investments that can be used proactively to combat displacement pressures, which disproportionately affect low-income people and BIPOC individuals. In response, the neighborhood has seen some early investments in affordable housing, including the Las Adelitas and Mamook Tokatee projects. This is a unique and timely opportunity to scale up and shape investment to prevent or reduce displacement in a way that increases wealth, choice and stability for those that call Cully home, and secure those benefits for future generations of Priority Communities. Cully should remain a neighborhood where low-income people and BIPOC individuals can live and thrive.

“Priority Communities” refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

B. Development, Organizing, and Outreach Efforts in Cully

Seven partner organizations — the Native American Youth and Family Center (NAYA), Hacienda CDC, Habitat for Humanity Portland Region, Verde, Our 42nd Avenue, the Cully Boulevard Alliance and the Cully Association of Neighbors — with strong roots in the Cully neighborhood produced the Cully Preliminary Report, on which much of the information provided in this Section III is drawn. The Cully Preliminary Report explores the potential for a Community-Controlled Tax Increment Financing (TIF) District to develop projects in the Cully neighborhood. Together, these organizations have formed an Exploration Leadership Committee (ELC) to explore this issue. For more than a decade these organizations have worked toward enhancing social and economic inclusion to prevent the displacement of Priority Community members.

The City of Portland recognizes Cully as a neighborhood likely to experience significant change in the coming years. Portland City Council adopted Resolution 36953 in August 2012, which calls for a coordinated effort by city bureaus to study and prevent displacement in Cully. Since then NAYA has developed affordable housing in multiple locations in Cully, Verde and partners have developed a Cully Energy Plan to map out the future of community-controlled energy in Cully, Cully Park converted a former landfill into the neighborhood’s newest environmental asset, preservation of Oak Leaf and Arbor mobile home parks were key anti-displacement victories and the community came together to purchase and rehabilitate a run-down strip club into Las Adelitas, a Hacienda CDC affordable housing development. Since 2012 Habitat for Humanity has built a total of forty-six homes in the neighborhood with twenty-five of them being permanently affordable. There has also been a huge investment in home repair for homeowners with low incomes by Habitat for Humanity, NAYA and other partners.

Cully Boulevard Alliance (CBA) and Our 42nd Avenue are two Neighborhood Prosperity Districts (NPD) within the Cully TIF District that have existed for over a decade. The two NPDs have targeted the investments of their respective TIF funds into community and BIPOC focused economic development efforts in the neighborhood. Both have prioritized the direction of funds to create affordable commercial lease opportunities and to support BIPOC-owned businesses with tenant improvement grants. Critically, the two NPDs provided vital sustaining support for Cully businesses during the pandemic. They helped businesses to access Prosper Portland grants, state and federal support to keep their businesses alive. This level of intentional focus and commitment to preserving neighborhood businesses was the last line of defense preventing countless business closures and job losses. Working together, neighborhood organizations and public agencies have an opportunity to once again align programs and policies so that Cully remains a place where diverse residents can live, work, and thrive.

Despite these successes, the current scale of activity is entirely insufficient in the face of looming gentrification and mass displacement. If we fail to fund investments at a significantly larger scale and produce a community-led framework to direct the administration of those funds and prioritize those investments, it could soon be too late. Current development trends threaten the neighborhood’s shared vision of community prosperity. There are new parks, more sidewalks and paved streets, new houses and apartments and new businesses in growing commercial districts. These improvements, while needed and desirable, make the neighborhood more attractive to developers, investors and

home buyers, driving up prices and causing displacement. As rising rents spread across Cully, lower-income families and BIPOC individuals are being disproportionately displaced from the neighborhood that they have helped to make such a vibrant, caring, diverse corner of Portland. Even Cully residents who are fortunate enough to own their homes recognize that they could not afford to buy a house there now, and their children won't be able to afford to live here in the future. Locally owned businesses face the threats of rising rents for commercial space, and the loss of their customer base due to residential displacement.

To realize the neighborhood's vision for Cully, these community organizations, together with Prosper Portland, Metro, and PHB, have facilitated a community process during the calendar years of 2019-22 to explore the creation of a Cully TIF District. While past use of TIF in the City of Portland has produced racially and economically unjust outcomes that are completely in opposition to the neighborhood's community development and anti-displacement objectives, we believe there is strong potential for this powerful tool to be repurposed to benefit Cully and its Priority Community residents. To fully explore and vet this possibility through community engagement, research, and policy analysis, we worked together with partners to secure a Metro 2040 Planning and Development Grant. This grant supported a community-driven, iterative process to determine priorities for the programming, rules, and leadership of a prospective community-controlled TIF District.

The relationship between the sections of the Plan and the ORS 457.085 requirements is shown in Table 1. The specific reference in the table below is the section of this Plan that primarily addresses the statutory reference. There may be other sections of the Plan that also address the statute.

Table 1 - Statutory References

Statutory Requirement	Plan Sections
ORS 457.085(2)(a)	VII
ORS 457.085(2)(b)	VII
ORS 457.085(2)(c)	XVI, and Figure 2
ORS 457.085(2)(d)	XV
ORS 457.085(2)(e)	XV
ORS 457.085(2)(f)	XI
ORS 457.085(2)(g)	X
ORS 457.085(2)(h)	VII
ORS 457.085(2)(i)	IX
ORS 457.085(2)(j) (applicable if the Plan includes a public building)	NOT APPLICABLE

C. Tax Increment Overview

ORS 457 allows for the use of tax increment revenues, a financing source that is unique to TIF areas, to pay indebtedness incurred to fund eligible projects within a TIF area. Tax increment revenues - the

amount of property taxes generated by the increase in total assessed values within a TIF area from the time an area is first established - are used to pay indebtedness incurred to implement eligible projects in the area. The amount of available funds is subject to statutory and plan-based limitations, including limitations regarding maximum indebtedness that may be incurred, as well as statute-required revenue sharing in certain circumstances.

The purpose of a TIF area is to improve specific areas of a municipality that are poorly developed or underdeveloped, called blighted areas in ORS 457. Required findings regarding this definition are set forth in the Report.

The Report contains the information required by ORS 457.087, including:

- A description of the physical, social, and economic conditions in the area, together with the expected impact of the Plan, including fiscal impact;
- Reasons for selection of the Plan area;
- The relationship between each project to be undertaken and the existing conditions;
- The estimated total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired or otherwise provided for;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the area; and
- A relocation report.

III. COMMUNITY ENGAGEMENT IN DESIGNING THE TIF DISTRICT

The community engagement process led by the Cully TIF Exploration Leadership Committee (ELC) explicitly sought to center the voices and priorities of people and groups that are structurally vulnerable to displacement and exclusion from the Cully neighborhood as a result of gentrification. This includes Black people, Indigenous people, people of color, renters, mobile home residents, low-income people, and small business owners and workers.

In late 2020, the ELC formed a sub-committee, the Community Engagement Committee (CEC), which included staff from several ELC member organizations and several Cully community members who received monthly stipends and helped lead outreach and engagement among their neighbors and networks. The CEC designed and carried out a robust community engagement process in order to inform the content of this TIF District Plan, along with three other documents: the District Report, the Governance Charter and a proposal for the resources, staffing and capacity needed by the community to support long-term implementation of the District. Collectively, these four documents comprise a holistic proposal for the Cully TIF District. The content of this Plan, along with the other three documents, reflects the voices and leadership of hundreds of community members from Cully, with particular emphasis on the voices of Priority Community members.

As a result of the COVID-19 pandemic, most community engagement activities leading to the development of the Cully TIF proposal were conducted through online methods, primarily focus groups and community meetings using Zoom video-conferencing software. In late 2020, the CEC worked with Cully-based artist and educator Patricia Vazquez to develop educational materials that could be used in online meetings to develop community members' knowledge and understanding of tax increment financing (TIF), its history of contributing to gentrification and displacement, and the ELC's vision for using TIF in a new way in the Cully neighborhood.

The CEC organized three distinct phases of community engagement, with each one iteratively informing the ELC's process of co-creating the Cully TIF proposal alongside staff from Prosper Portland and the Portland Housing Bureau. Over the course of 17 months, these efforts resulted in:

- 48 focus groups and workshop meetings, with a total of 500 participants
- 2 online surveys, with a total of 389 qualifying responses

A. Phase 1: Early 2021

The first series of focus groups was held from January through April 2021. The agendas for these meetings included:

- Education about the tool of tax increment financing
- Discussion of community members' priorities for the future of their neighborhood
- Developing an understanding of the differences between investments and development projects that can contribute to gentrification, and those that prevent or counteract gentrification
- Discussion of how a future Cully TIF District should be governed to keep community members in the lead as the district is implemented

These focus groups were convened by the organizations that participate in the ELC, and held with priority constituencies that are vulnerable to displacement:

- African American community (convened by Living Cully)
- Indigenous and tribal community (convened by NAYA)
- Latinx community (convened by Hacienda and Verde)
- Somali community (convened by Hacienda)
- Low-income homeowners (convened by Habitat for Humanity Portland Region)
- People experiencing houselessness (convened by Living Cully)
- Private market renters (convened by Living Cully)
- Mobile home park residents (convened by Living Cully)
- Small business owners and workers (convened by Our 42nd Avenue and Cully Boulevard Alliance)

Some of the groups met more than once. In total, 14 online focus groups were convened with a total of 95 participants. In addition, an online survey received 278 unique responses from people representing demographic groups that are structurally vulnerable to displacement, based on income, race/ethnicity, and housing status. The notes from these focus groups and the survey responses were analyzed by a contracted consultant, Amy Coplen. The resulting themes and priorities were incorporated by the ELC into the Cully TIF Preliminary Report, which was published in June 2021, with the support of Prosper Portland and the Portland Housing Bureau.

B. Phase 2: Summer 2021

The content of the Cully TIF Preliminary Report was shared with the Cully community through a series of three online workshops, held in June and July 2021. In total, 134 participants attended those sessions. The workshops were promoted through a direct mail brochure sent to USPS addresses in the Cully neighborhood, and through online channels, phone calls and text messages by the Community Engagement Committee. The workshops presented the content of the Preliminary Report (which was informed by Phase 1 community engagement), and solicited participants' input regarding any revisions, additional detail or nuance that should be included as the ELC worked with Prosper Portland and the Portland Housing Bureau to develop the final Cully TIF District Plan. Each workshop focused on a different topic:

1. Eligible investments
2. Geographic boundaries of the district
3. Governance and decision-making

Forty-one people attended a follow-up workshop in September 2021, recapping all three topics and soliciting additional community feedback. Subsequently, 111 people responded to a second online survey in order to generate additional data to inform the content of the TIF District Plan.

After the ELC made its recommendation on the geographic boundary of the District, as informed by feedback gathered during this phase of community engagement, the ELC and Prosper Portland communicated with each of the neighborhood associations beyond Cully that had small areas included in the proposed boundary: Beaumont-Wilshire, Concordia, Rose City Park, Roseway and Sumner.

Incorporating the input collected through Phase 2 activities, Prosper Portland completed the Draft District Plan in December 2021, setting up the final phase of the ELC's community engagement.

C. Phase 3: 2022

The final phase of ELC-led community engagement was carried out from January to May 2022. The ELC member organizations convened eight priority constituencies, representing groups vulnerable to displacement:

- African American community (convened by Living Cully)
- Indigenous and tribal community (convened by NAYA)
- Latinx community (convened by Verde)
- Somali community (convened by Hacienda)
- Low-income homeowners (convened by Habitat for Humanity Portland Region)
- People experiencing homelessness (convened by Living Cully)
- Mobile home park residents (convened by Living Cully)
- Small business owners and workers (convened by Our 42nd Avenue and Cully Boulevard Alliance)

Each of these constituencies generally met once per month for four straight months. Each month's round of meetings focused on a different element of the Cully TIF Proposal, which was simultaneously being finalized by the ELC's Executive Committee through collaboration and negotiation with staff from Prosper Portland and the Portland Housing Bureau. The four meeting topics were:

- Meeting #1: Eligible Investments in the TIF District Plan (Section 8)
- Meeting #2: Guiding Principles in the TIF District Plan (Section 7)
- Meeting #3: Governance & Decision-Making (informing the Governance Charter)
- Meeting #4: Resources and community-based staffing needed to support implementation of the TIF District (informing the ELC's proposal to the City)

In total, 30 focus group meetings were convened with 230 participants.

Following each month's round of meetings, the Community Engagement Committee produced a written report that highlighted each constituency's central feedback and priorities, and also identified common themes that arose across all eight groups. These monthly reports were used by the Executive Committee to inform the final revisions that were made to the four documents of the Cully TIF proposal, including this District Plan.

D. Prosper Portland Community Engagement

In addition to the multi-year, ELC-led community engagement described above, Prosper Portland carried out additional community engagement activities in partnership with PHB. Prosper Portland established a page on its website dedicated to this project, in order to share information about the Cully TIF proposal as it was being developed. Two online "open house" meetings were held in March and June 2022, and were publicized by Prosper Portland and the Cully Association of Neighbors.

Participants in the first open house requested an open-ended survey to provide additional comments on the draft TIF project list. At the conclusion of the second meeting, participants had the opportunity to respond to a survey, which remained open on Prosper Portland's website for approximately three weeks. Input received via the survey and open houses was incorporated into the TIF Plan and associated documents, through discussion and collaboration with the ELC.

Several neighborhoods are either adjacent to or were included in the initial draft boundaries of the District. Prosper Portland specifically invited members of the neighborhood associations representing those neighborhoods to the open house meetings: Beaumont-Wilshire Neighborhood Association, Concordia Neighborhood Association, Cully Association of Neighbors, Rose City Park Neighborhood Association, Roseway Neighborhood Association, and Sumner Neighborhood Association. Some of these associations also accepted Prosper Portland’s invitation to participate in separate briefings on the project. Approximately 50 individuals participated in neighborhood-specific briefings and the two open houses, combined.

IV. VISION, VALUES, GOALS

The vision, goals and principles set forth in Sections IV and VII which were developed by the Cully community throughout the engagement process described in Section IV, are intended to guide TIF investment in the Area over the life of the Plan.

A. Vision

The community's long-term vision is to transform Cully into a place that provides a sense of belonging for its residents, and particularly for Priority Communities. This means Cully will have plentiful safe, affordable housing, thriving BIPOC businesses, rewarding employment opportunities, safe and accessible transportation options, parks and open spaces, a clean and healthy environment, climate resiliency, with places and programs that reflect the cultural diversity of BIPOC individuals.

The community envisions that Cully will be a place where residents regularly engage in decision making and grassroots organizing to strengthen the neighborhood and develop their own leadership and collective political power. The vision is that Cully will be a neighborhood where:

- neighborhood changes are guided by and result in more opportunities and greater housing stability and economic prosperity for Priority Communities;
- all residents will participate in, guide and lead the decisions that affect them and their communities, balancing the needs of current residents with those of future generations;
- access to affordable, stable homes is preserved and expanded, and new investments and development create stability and opportunity for low-income people, rather than leading to their displacement from their homes and neighborhood;
- Cully residents will have access to meaningful, living-wage employment and economic opportunities, and new investment will bring community benefits including education, workforce training, BIPOC and woman-owned contracting and social enterprise opportunities, renewable energy resources and environmental assets; and
- The neighborhood stands as an example of how development and prosperity can occur guided by, led by and supported by Priority Communities;
- Cully based small businesses will continue to be supported and retained; and
- a Cully community that is stable and resilient in the face of climate change and related impacts to health and environment.

"Priority Communities" refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

B. Values

These shared values, which were specifically affirmed by the Exploration Leadership Committee (ELC), guided the process of planning, community engagement, and development of this Plan:

- Equity
- Inclusivity
- Diversity
- Community leadership and control
- Cultural responsiveness
- Community Stabilization and Prosperity
- Forward thinking
- Solidarity with similar community-led efforts

V. GOALS

1. Prevent the displacement of vulnerable people, communities, businesses and community-based institutions from Cully.
2. Preserve existing opportunities for affordable housing and economic prosperity activities and create new opportunities for vulnerable people and communities, especially Priority Communities to live, work and thrive in Cully, including those previously displaced.
3. Ensure that current residents benefit from investments and neighborhood change, and that opportunities for housing and economic prosperity activities will be preserved and expanded for future generations.
4. Ensure that Priority Communities play lead roles in decisions about investments and policies that affect them and their communities.
5. Develop and inspire a new model for the creation of future TIF districts in Portland and beyond.

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6. Actively work to remove barriers that could preclude community members from accessing TIF-funded projects and opportunities, including barriers such as immigration status, credit history, legal history, rental history, eviction history, and experience of domestic violence.
7. Spur innovation of environment and climate change initiatives in TIF projects.

VI. GOVERNANCE AND DECISION MAKING

Implementation of this plan will be undertaken with significant community leadership, input and involvement, a key component of which is the Community Leadership Committee as set forth in the Governance Charter, attached as Exhibit 2 to this Cully TIF Plan, as the same may be amended from time to time, in accordance with its terms. This Charter details what decisions and actions require Committee oversight, how the Committee will make recommendations regarding implementation, membership, consequences for not following the Charter, and other pertinent matters. It is a living document that may be updated from time to time, pursuant to the procedures stated within.

VII. PRINCIPLES THAT GUIDE IMPLEMENTATION OF THE PLAN

The principles that will guide implementation of the Plan are described below. These principles should be applied to guide all decisions about the use of TIF funds, including the selection of projects, programs and investments for inclusion in Action Plans. Once projects, programs and investments are selected, these principles should also guide decisions about how they are designed and implemented in order to achieve the goals and purposes of the Cully TIF District.

While all of the principles will be proactively considered for each project, it may not always be possible to apply every principle, especially for smaller-scale projects. In general, larger-scale projects, which draw on larger investments of TIF funds, entail a greater responsibility and more leverage to implement these principles in a comprehensive manner.

A. Analyze Potential Investments

Proactively analyze potential projects, programs and investments, in order to ensure that they meet and do not undermine the values, vision, and goals set forth in Section V, and the guiding principles in this section. This analysis will be undertaken with significant community leadership – as described in the Governance Charter – and will serve as a key input into the development of Action Plans and other decisions about the use of TIF funds.

This analysis should:

- Assess a program's, project's, or investment's anticipated contributions to achieving the District's goals, which include:
 - Reducing or preventing gentrification and displacement (both commercial and residential);
 - Securing stable, affordable homes and economic prosperity for people who are vulnerable to displacement; and

- Securing those benefits not only for current residents and businesses, but for future generations.
- Identify any potential for the project, program or investment to contribute to gentrification and displacement -- especially in terms of contributing to upward pressure on rents and property values.
- Identify mitigation measures for any potential displacement impacts, to include the options of foregoing, delaying or revising the project, or accompanying the project with other mitigating investments.
 - Creatively identify if and how each of the guiding principles in this section can be applied to the proposed program, project or investment. Strategically sequence investments over time

Action Plans will thoughtfully and strategically prioritize and sequence activities and investments to achieve the values, vision, goals and guiding principles of the Plan. In general, investments will be prioritized in the following order over time:

1. Projects that prevent displacement and stabilize current residents, businesses and community institutions
2. Real estate acquisition to remove property from the market, including to protect current leaseholders from displacement (residential and commercial), and secure opportunities for later development of the projects in Section VIII.
3. New development to expand opportunities for affordable housing and economic prosperity
4. Amenities that improve the quality of life for Cully residents, but whose primary function is neither affordable housing nor economic prosperity

Categories 1 and 2 (stabilization and real estate acquisition) should be done simultaneously when possible (e.g. to enable the acquisition and rent-stabilization of existing market rate housing).

Priority will be placed on pairing investments in category 4 (Amenities) with accompanying projects that explicitly prevent or counteract displacement and gentrification (e.g. building permanently affordable homes and commercial space in conjunction with a community center).

B. Set Aside Funds for Opportunistic Property Acquisition

When developing Action Plans, strongly consider the inclusion of dedicated, flexible property acquisition funds. Such funding should enable quick and nimble property acquisition by public or nonprofit entities for the purposes of:

- Preventing the displacement of residents, businesses and community-based institutions from existing buildings; and/or
- Securing opportunities for the subsequent development of projects included in Section VII of this plan.

Acquisition opportunities won't always align with the timelines of RFPs and NOFAs, and will often require the availability of funds that can be used opportunistically.

A similar set-aside of funds for emergency repair and rehabilitation projects, for the purpose of preventing displacement, should also be considered.

C. Leverage and Prioritize TIF Resources Alongside Other Funding Sources

Ensure that finite TIF funds have the largest possible impact in terms of achieving the values, vision and goals of the Plan.

Whenever possible, TIF-funded projects should leverage other funding sources in order to preserve TIF funds for additional projects. Where TIF is unavailable or certain undertakings are not eligible for TIF funding, or where TIF funding is prioritized for other goals described in this Plan, other funding sources should be pursued and utilized.

TIF investments should be paired with programmatic/operating funds, if available, that can ensure the long-term success of the TIF capital investment, which may require funding from non-TIF sources.

TIF investments should be focused on projects that are not likely to be adequately funded by other sources. Where adequate non-TIF funding already exists, TIF funding should be deprioritized.

TIF funds should not be used to pay for basic infrastructure that public agencies should already be expected to provide, except as specified in the Infrastructure subsection of Section VIII.

D. Create Community Benefits from TIF Investments

In relative proportion to the scale of each project, TIF investments should produce meaningful, long-term benefits to the broader community, in addition to whatever benefits go to a property owner, developer or other recipient of TIF funds.

0. For larger-scale projects, particularly those that acquire property and/or develop new buildings, there will be more leverage to ensure robust, long-term community benefits by guiding the ownership and use of properties:
 - a) Seek to permanently remove properties from the private market so they provide significant, multi-generational community benefits in line with this Plan;
 - b) Such investments should generally result in properties being owned by entities such as non-profit organizations, public agencies, land trusts, and cooperatives (rather than private or for-profit entities).
1. For smaller-scale investments, such as repairs or other improvements to existing structures:
 - a) When investing in properties that will remain privately owned, prioritize property that is owned by community members from populations that have historically been subject to displacement and/or excluded from ownership opportunities;

- a) Ensure that investments in privately-owned properties create community benefits, in addition to benefits for the property owner. Mechanisms to be considered for ensuring community benefits from smaller-scale investments include, but are not limited to:
 - i. Affordability covenants with property owners, in order to ensure stable rents for tenants of rental properties (commercial and residential);
 - ii. Master leases by a public or nonprofit entity, in order to provide below-market rent to tenants (applicable to both commercial and residential properties);
 - iii. ‘Right of first refusal’ or ‘Right of first purchase’ agreements, which give nonprofits and public agencies the first opportunity to purchase properties that have received TIF investments, at whatever point in the future they might be sold;
 - iv. Structuring investments as loans that are repaid only if the property is sold to another private owner, but forgiven if the property is sold to a nonprofit or public entity;
 - v. Commitments to hire workers from Cully and nearby neighborhoods for good-paying jobs.

E. Create Equitable Contracting and Employment Opportunities

Ensure that there are quality job standards and equitable opportunities and outcomes for workers and small business owners who represent Priority Communities.⁵ Opportunities and outcomes should extend beyond to construction to include ongoing maintenance, property management, architecture work, and operations of properties that receive TIF investments.

F. Prioritize and Support Community-based Organizations and Businesses

When making Cully TIF investment decisions, prioritize organizations and businesses that have an established presence or strong connection to the district, or represent Priority Communities. It is critical that entities or partnerships performing/leading Cully TIF investments represent these communities. Cully TIF investments should create opportunities to sustain, enhance, invest in, develop, and grow the environment of organizations and businesses led by those from Priority Communities.

Additionally, to build on lessons learned from existing hyper-localized economic development initiatives, such as the work of the Neighborhood Prosperity Network, it is critical to maintain place-based community capacity that leverages other City of Portland funding sources, serves as key

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pipeline and referral infrastructure for TIF products, and aligns with capacity opportunities tied to 5-Year Action Plans.

G. Advance Climate Action and Environmental Stewardship

Ensure that TIF investments respond to the reality that climate disaster and environmental inequities are a driving force of displacement. TIF investments should result in environmentally sustainable development, and the resulting benefits (e.g. lower energy costs from solar power) should go to Priority Community members.

Reduce barriers, spur innovation, and provide incentives for energy efficiency, renewable energy, stormwater management, climate resiliency, and robust environmental standards in affordable housing and commercial projects.

H. Incorporate Arts, Culture and Signage

Seek opportunities to include historical and cultural art and signage in TIF investments, to celebrate and represent Priority Communities in Cully. These elements should be developed by and/or in collaboration with artists and community members who represent those communities. It is the intent that these elements be infused throughout the projects completed in the District.

Signage is not specifically for beautification but for the greater purpose of the TIF district. It should be funded if it is a part of a project that is TIF-funded. Adding any of these elements outside of a TIF funded project will require being included in an Action Plan or reviewed and approved by the Community Leadership Committee, as established in the Governance Charter.

I. Remove Barriers to TIF-Funded Opportunities

Actively partner with financial institutions and others to address barriers that could preclude community members from accessing TIF-funded projects and opportunities (e.g. housing, commercial investments, contracting, employment, etc.). Ensure equitable access regardless of barriers such as immigration status, credit history, legal history, rental history, eviction history and experience of domestic violence.

J. Support Cooperative Ownership

Support the formation of resident, tenant, and business cooperatives in conjunction with the acquisition, rehabilitation or development of residential and commercial properties.

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K. Ensure Physical Accessibility

Design buildings and physical spaces to ensure accessibility for people of all abilities and incentivize the use of innovative standards, such as universal design, that provide accessibility, potentially beyond legal requirements. Support accessibility and safety through design elements such as pedestrian-focused lighting for public spaces.

VIII. TIF DISTRICT PROJECTS

Funding for the projects and programs below will use Tax Increment Financing (TIF) resources and leverage, to the extent practical, other resources to achieve the goals of this Plan. In general, financial resources will be made available through either loans or grants (or both), and the City's direct acquisition of property. The list below outlines the projects and programs eligible to be funded with these resources, including those selected through Action Plans.

In addition to the programs listed in this section, other programs can be added as eligible investments through amendments to this plan, following the process established in the Charter and the principles in Section VII of this Plan.

A. Affordable Housing

In partnership with mission-driven organizations and developers, preserve and create affordable housing for families and individuals. Tax Increment Financing funds may be used for activities that support property acquisition, pre-development, development, rehabilitation and/or preservation of affordable housing.

As a result of the TIF Set-Aside Policy adopted by Portland City Council in 2006, at least 45% of all TIF resources generated in the District will be allocated for affordable housing. In accordance with city policy, rental housing is created and preserved with a focus on families earning less than 60% of area median income, and homeownership housing with focus on families earning 80% to 100% or less of area median income depending on home size.

This Plan authorizes projects and programs which fulfill the housing-related goals and objectives of this Plan. This Plan envisions that through collaboration with the community, the Portland Housing Bureau will lead implementation of affordable housing related activities. The type and funding level for projects and programs will be based on the Action Plans, , and the Portland Housing Bureau's Strategic Framework, as well as other adopted City housing policies, where applicable.

The following programs that are currently operated by the Portland Housing Bureau and are eligible to receive funding through the Cully TIF District.

1. Single Family Home Repair – support low-income community members who currently own their homes, so that they are more likely to be able to stay in place, through home repairs relating to life safety, code compliance, energy efficiency upgrades, and accessibility upgrades.
2. Homeownership – through the provision of down payment assistance and other types of financial assistance, as well as the financial subsidization of the development of new homes. The preferred model for homeownership investments made under this plan is permanently affordable homeownership utilizing mechanisms such as down payment assistance, community land trusts, and covenants that ensure the homes remain affordable for subsequent buyers.
3. Multi-family Rental Development – development of new affordable rental housing in a variety of unit sizes, including family sized units (two-bedrooms or larger).

4. Rehabilitation & Preservation of Existing Regulated Housing - Provide funding to rehabilitate and preserve the affordability of existing regulated affordable housing.
5. Acquisition & Rehabilitation of Existing Market-Rate Housing - Purchase market-rate housing, including foreclosed and unoccupied properties, make needed repairs and renovations, and convert to regulated affordable housing (for individual ownership, cooperative ownership, and rental), in order to protect current residents from displacement and secure permanently affordable homes.
6. In addition to the creation of affordable housing for people experiencing houselessness, a limited amount of resources may be used for capital expenditures for community services which would include the creation of stand-alone shelters or shelters that are integrated into affordable housing or commercial developments, and sanitation facilities such as showers and laundry

The Cully community is particularly interested in the implementation of existing programs which align with identified community priorities. Additional details highlighting housing stabilization, anti-displacement, resident-owned cooperatives, and repair funds that can be quickly accessed to respond to emergency situations are examples of these priorities.

In addition to the programs operated by the Portland Housing Bureau in 2022, Cully community members and stakeholders have expressed an interest in new programs using TIF funds. These new programs may or may not be developed in accordance with the current legal definitions of affordable housing, but if agreed to as part of an Action Plan, will be implemented in line with the vision, values, goals, and implementation principles in this District Plan. Consideration of and decisions regarding any new programs the Housing Bureau currently does not operate will occur during the planning process for an Action Plan. The following new programs are eligible for legal, financial, feasibility and impact analysis, and if determined feasible, for program development and implementation through a five-year action plan.

- Affordable infill and middle-density housing: Add regulated affordable housing (for both rental and homeownership) in middle-density configurations including attached units (e.g., duplexes, triplexes, other -plexes), cottage clusters, tiny houses and accessory dwelling units (ADUs).
- Manufactured housing park stabilization, preservation and development: Support the *Provide funding for the* acquisition and rehabilitation of existing manufactured housing parks, and the development of new manufactured housing parks, by affordable housing providers and resident-owned cooperatives, including repairs to existing manufactured homes and purchase of new manufactured homes.
- Rehabilitation loans or grants to single family owners of manufactured structures

Alongside current and new programs, there is an intention for the Community Leadership Committee to work in partnership with the City to facilitate discussions among mortgage lenders and affordable housing providers to advance the availability of mortgage specific products for ITIN borrowers.

B. Commercial Property Acquisition, Development and Renovation

Retain, create, and expand economic opportunities through investments in commercial, industrial and mixed-use properties, and in residential properties where home-based businesses operate.

This project category will be advanced in a manner consistent with the goals, values and implementation principles identified in Sections V and VI of this Plan. In addition, TIF-funded commercial projects will seek to:

1. Provide long-term stable, affordable commercial space with priority for businesses and non-profits that are owned, led by, and/or support Priority Communities; especially existing businesses located within the District boundary, and new businesses being started by community members with ties to Cully and surrounding neighborhoods. This especially includes investments in properties developed, owned or otherwise controlled for the long term by public agencies and non-profit organizations;
2. Support employment of community members from Cully and adjacent neighborhoods, particularly of Priority Communities;
3. Support mixed-use development that combines commercial space with the other eligible projects in this plan, including affordable homes, and priority services and amenities; and
4. Support access to high-wage employment for the benefit of Cully residents.

For the purposes of this section, the terms “commercial” and “business” also include non-profit uses, unless otherwise stated.

The following types of business and services have been prioritized by community members as those that TIF investments should seek to support:

- Affordable and culturally relevant groceries, fresh food and restaurants
- Credit union or bank that serves our community in line with the goals of this Plan
- Affordable childcare
- Retail goods and services that meet regular household needs, such as clothing, home goods, and cleaning services
- Services and businesses that expand multimodal transportation options available in Cully, including but not limited to bicycle, electric vehicle and automotive services and repair.
- Health services, including mental health

To achieve the above goals, eligible activities to implement this project category include:

- Technical and/or financial assistance to determine the feasibility of development, redevelopment and renovation projects
- Acquisition of properties
- Development, redevelopment and renovation activities such as:
 - New construction

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- Building façade improvements
 - Landscaping enhancements and pedestrian amenities, including lighting and safety improvements
 - Professional services such as engineering, architecture, landscape design, and other building and site design assistance
 - Tenant improvements
 - Building repairs and upgrades including, but not limited to, mechanical, electrical, weatherization, HVAC, and renewable energy, including those to support ongoing industrial use in industrially zoned areas
 - Community solar projects
 - Seismic, fire suppression, and other public safety improvements
 - Accessibility improvements
- Funding for permanent infrastructure to support food cart operations and other temporary, pop-up, seasonal and low-barrier opportunities for startup businesses and non-profits.
 - A set-aside of funds for emergency repair and rehabilitation projects, for the purpose of preventing displacement, will also be considered.

C. Arts, Culture and Signage

Seek opportunities to include historical and cultural art (not public art as a “public building,” defined in ORS 457.010) and signage in TIF investments, to celebrate and represent Priority Communities in Cully. These elements should be developed by and/or in collaboration with artists and community members who represent those communities. It is the intent that these elements be infused throughout the projects completed in the District.

Signage is not specifically for beautification but for the greater purpose of the TIF district. It should be funded if it is a part of a project that is TIF funded. Adding any of these elements outside of a TIF funded project will require being included in an Action Plan.

D. Land Acquisition and Land Banking

Acquire properties for future development or redevelopment in conformance with Sections V and VI of this Plan. These activities will directly implement Section V: Vision, Values and Goals and Section VI: Principles of this Plan by providing future development opportunities to prevent the displacement of vulnerable people and communities from Cully, preserve existing opportunities for affordable housing and economic prosperity and create new opportunities for vulnerable people and communities, especially BIPOC individuals, low-income people and Indigenous and tribal people to live, work and thrive in Cully, including those previously displaced.

This project also implements the specific principles stated in Section VI that focus efforts on

- controlling land so that it remains affordable.
- sets aside funds for rapid, opportunistic property acquisition when TIF eligible opportunities arise that would further the goals of the Plan.

Remediation activities can be funded through this Plan on all land banked property to ensure that it is developable in the future.

E. Recreational Improvements

In partnership with public agencies and community-based organizations, assist in the creation of recreational facilities for the District.

Eligible investments include:

- Community centers
- Community gardens
- Athletic facilities such as basketball courts and soccer fields
- Recreational facilities that are located in affordable housing and commercial developments

The following have been prioritized by community members as desired elements of a community center:

- Community and adult education
- Youth activities and gathering spaces
- Indoor recreation
- Safe space for community gathering and connection
- Gallery space, art studios and other facilities to support local artists

F. Infrastructure Improvements

Provide infrastructure improvements, including safety-related transportation improvements, sidewalks, natural areas, green infrastructure or other climate resilience investments, that are triggered by or directly support community stabilization for Priority Community members, or the implementation of other investments in this Plan, but not for general infrastructure improvements.

G. Administration

Authorizes expenditures for the administrative costs associated with managing the TIF District including budgeting and annual reporting, planning and the implementation of projects in the District.

Table 2 – Relationship of Projects to Goals

Project Category	Goals	Priorities
Affordable Housing	1,2,3,4,6,7	A,B,C,D,E,F,G,H,J, K,L
Commercial Property Acquisition, Development and Renovation	1,2,3,4,6,7	A,B,C,D,E,F,G,H,J,K,L
Arts, Culture and Signage	2,3,4	A,B,D,E,F,G,I
Land Acquisition and Land Banking	1,2,3,4,6,7	A,B,C,D,E,F,G,H,J,K
Recreational Improvements	2,3,4	A,B,D,E,F,G,L
Infrastructure Improvements	1,2,3,4,6,7	A,B,D,E,F,G,H,L
Administration	1,2,3,4,5,6,7	

This map shows a section of NE Portland, Oregon. The area is bounded by NE 32nd Pl on the west, NE 84th Ave on the east, NE 1st Ave on the south, and NE 63rd Ave on the north. Major roads include NE Columbia Blvd, NE Portland Hwy, and NE Simpson St. Other streets shown are NE Jessup St, NE Killingsworth St, NE Albert St, NE Sumner St, NE Going St, NE Prescott St, NE Mason St, NE Beech St, NE 75th Ave, NE 78th Ave, NE 81st Ave, NE 84th Ave, NE 79th Ave, NE 74th Ave, NE 65th Ave, NE 66th Ave, NE 63rd Ave, NE 46th Ave, NE 44th Pl, NE 42nd Ave, NE 41st Ave, NE 37th Ave, NE 33rd Ave, NE 32nd Pl, NE 30th St, NE 29th St, NE 28th St, NE 27th St, NE 26th St, NE 25th St, NE 24th St, NE 23rd St, NE 22nd St, NE 21st St, NE 20th St, NE 19th St, NE 18th St, NE 17th St, NE 16th St, NE 15th St, NE 14th St, NE 13th St, NE 12th St, NE 11th St, NE 10th St, NE 9th St, NE 8th St, NE 7th St, NE 6th St, NE 5th St, NE 4th St, NE 3rd St, NE 2nd St, NE 1st St, NE 1st Ave, NE 2nd Ave, NE 3rd Ave, NE 4th Ave, NE 5th Ave, NE 6th Ave, NE 7th Ave, NE 8th Ave, NE 9th Ave, NE 10th Ave, NE 11th Ave, NE 12th Ave, NE 13th Ave, NE 14th Ave, NE 15th Ave, NE 16th Ave, NE 17th Ave, NE 18th Ave, NE 19th Ave, NE 20th Ave, NE 21st Ave, NE 22nd Ave, NE 23rd Ave, NE 24th Ave, NE 25th Ave, NE 26th Ave, NE 27th Ave, NE 28th Ave, NE 29th Ave, NE 30th Ave, NE 31st Ave, NE 32nd Ave, NE 33rd Ave, NE 34th Ave, NE 35th Ave, NE 36th Ave, NE 37th Ave, NE 38th Ave, NE 39th Ave, NE 40th Ave, NE 41st Ave, NE 42nd Ave, NE 43rd Ave, NE 44th Ave, NE 45th Ave, NE 46th Ave, NE 47th Ave, NE 48th Ave, NE 49th Ave, NE 50th Ave, NE 51st Ave, NE 52nd Ave, NE 53rd Ave, NE 54th Ave, NE 55th Ave, NE 56th Ave, NE 57th Ave, NE 58th Ave, NE 59th Ave, NE 60th Ave, NE 61st Ave, NE 62nd Ave, NE 63rd Ave, NE 64th Ave, NE 65th Ave, NE 66th Ave, NE 67th Ave, NE 68th Ave, NE 69th Ave, NE 70th Ave, NE 71st Ave, NE 72nd Ave, NE 73rd Ave, NE 74th Ave, NE 75th Ave, NE 76th Ave, NE 77th Ave, NE 78th Ave, NE 79th Ave, NE 80th Ave, NE 81st Ave, NE 82nd Ave, NE 83rd Ave, NE 84th Ave, NE 85th Ave, NE 86th Ave, NE 87th Ave, NE 88th Ave, NE 89th Ave, NE 90th Ave, NE 91st Ave, NE 92nd Ave, NE 93rd Ave, NE 94th Ave, NE 95th Ave, NE 96th Ave, NE 97th Ave, NE 98th Ave, NE 99th Ave, NE 100th Ave. The map also shows several parks and green spaces, including a large one in the center and several smaller ones along the streets.

IX. MAXIMUM INDEBTEDNESS

Maximum indebtedness is the amount of indebtedness secured by a pledge of tax increment revenue as described in ORS 457.190. The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$350,000,000 (Three Hundred and Fifty Million Dollars). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on bond proceeds.

X. AMENDMENTS TO TIF PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Prosper Portland Board of Commissioners, the Planning and Sustainability Commission, Multnomah County Board of Commissioners, and adoption by the City Council by non-emergency ordinance after a hearing.

Notice of such hearing shall be provided to individuals or households within the City of Portland, as required by ORS 457.120.

Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:⁸

1. Add land to the urban renewal area, except for an addition of land that totals not more than a cumulative 1% of the existing area of the urban renewal area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457. Minor Amendments require approval by the Board of Commissioners by resolution.

⁸ Unless otherwise permitted by state law, no land equal to more than 20 percent of the total land area of the original Plan shall be added to the urban renewal area by amendments, and the aggregate amount of all amendments increasing the maximum indebtedness may not exceed 20 percent of the Plan's initial maximum indebtedness, as adjusted, as provided by law and by concurrence provisions in ORS 457.470.

C. Amendments to the Portland Comprehensive Plan and/or Portland Municipal Code

Amendments to the Portland Comprehensive Plan and/or Portland Municipal Code that affect the Plan and/or the Area shall be incorporated automatically within the Plan without any separate action required by the Agency or City Council. If a Substantial Amendment is thereafter adopted, the Section of this Plan on Relationship to Local Objectives should also be updated at the same time.

XI. PROPERTY ACQUISITION AND DISPOSITION

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use. If property acquisition includes a public building, how that public building serves and benefits the Area must be identified per ORS 457.085(2)(j).

A. Property acquisition for public improvements

The Agency may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legally-aut

horized means, including any means authorized by ORS 457.

B. Property acquisition from willing sellers

This Plan authorizes Agency acquisition of any interest in property within the Area that the Agency finds is necessary or appropriate for private redevelopment, but only in those cases where the property owner wishes to convey such interest. Property acquisition from willing sellers may be required to support development of projects within the Area i.e. to acquire and renovate housing to prevent displacement of current residents. Residents of properties being considered for acquisition will be involved in making decisions about the future of their homes.

C. Land disposition

The Agency will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction, operation and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement, or otherwise if agreed by the appropriate public agencies.

The Agency may dispose of property it acquires pursuant to this Plan, subject to any contractual or legal constraints that may exist, by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value, as defined in ORS 457.230. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may (but will not necessarily) be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Agency determines is reasonable.

D. Properties to be acquired

Property may be acquired where it is consistent with this Plan and where the Board of Commissioners, believes such acquisition is reasonably necessary or appropriate to furthering the goals and objectives of the Plan.

XII. RELOCATION METHODS

The overall goal of the Plan is to prevent displacement, not cause it.

When the Agency acquires occupied property under the Plan, occupants of such property shall be offered relocation assistance, in such circumstances as may be required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations as reviewed by the Community Leadership Committee, as necessary, for the administration of relocation assistance including but not limited to right of return for current residents, support for tenants to form cooperative ownership structures or other methods that will prevent permanent displacement.

The Agency will comply with all applicable state and Federal law in providing these potential benefits. All acquisitions will be reviewed for potential of relocation benefits.

XIII. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on debt, usually in the form of bank loans or revenue bonds. The proceeds of the debt are used to finance the urban renewal projects authorized in the Plan. Debt may be either long-term or short-term.

Tax increment revenues equal the portion of the annual property taxes imposed on the cumulative increase in assessed value within an urban renewal area over the frozen base value (i.e., total assessed value at the time an urban renewal plan is adopted), subject to certain statutory qualifications. The property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.

A. General Description of the Proposed Financing Methods

The Plan will be financed using a combination of revenue sources. These include, but are not necessarily limited to:

- Proceeds of indebtedness secured by tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from federal, state, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

The Agency will take reasonable measures to ensure that any revenues obtained by the Agency for the purpose of implementing the Plan are used in accordance with applicable legal or contractual (e.g., bond or indebtedness document) requirements.

B. Tax Increment Financing

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the special fund and used to finance indebtedness for projects as described in this Plan, or as otherwise permitted or required by applicable law.

XIV. VALIDITY

Should a court of competent jurisdiction find any work, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

XV. ANNUAL FINANCIAL STATEMENT

The Agency shall prepare an Annual Financial Statement in compliance with ORS 457.460. This statement must include

- The amount of moneys received during the preceding fiscal year
- The purposes and amount for which any moneys received and from indebtedness incurred were expended during the preceding fiscal year
- An estimate of moneys to be received during the current fiscal year and from indebtedness incurred
- A budget setting forth the purposes and estimated amounts for which the moneys that have been or will be received and from indebtedness incurred are to be expended during the current fiscal year.
- The maximum indebtedness for the TIF District, including the amount of indebtedness incurred through the end of the immediately preceding fiscal year; and
- An analysis of the impact, if any, of carrying out the TIF District Plan on the tax collections for the preceding year for all taxing districts impacted by the TIF District

The statement shall be filed with the City of Portland and with Prosper Portland and distributed to each taxing district affected by the TIF District.

Notice shall be published that the statement has been prepared and is on file with the City and Prosper Portland and the information contained in the statement is available to all interested persons. The notice shall be published once a week for not less than two successive weeks before March 1 of the year in which the statement is filed. The notice shall summarize the information required and shall set forth the full information about the impacts on taxing districts.

A representative of Prosper Portland shall be available to consult with the taxing districts and respond to questions.

Figure 2 Comprehensive Plan Designations

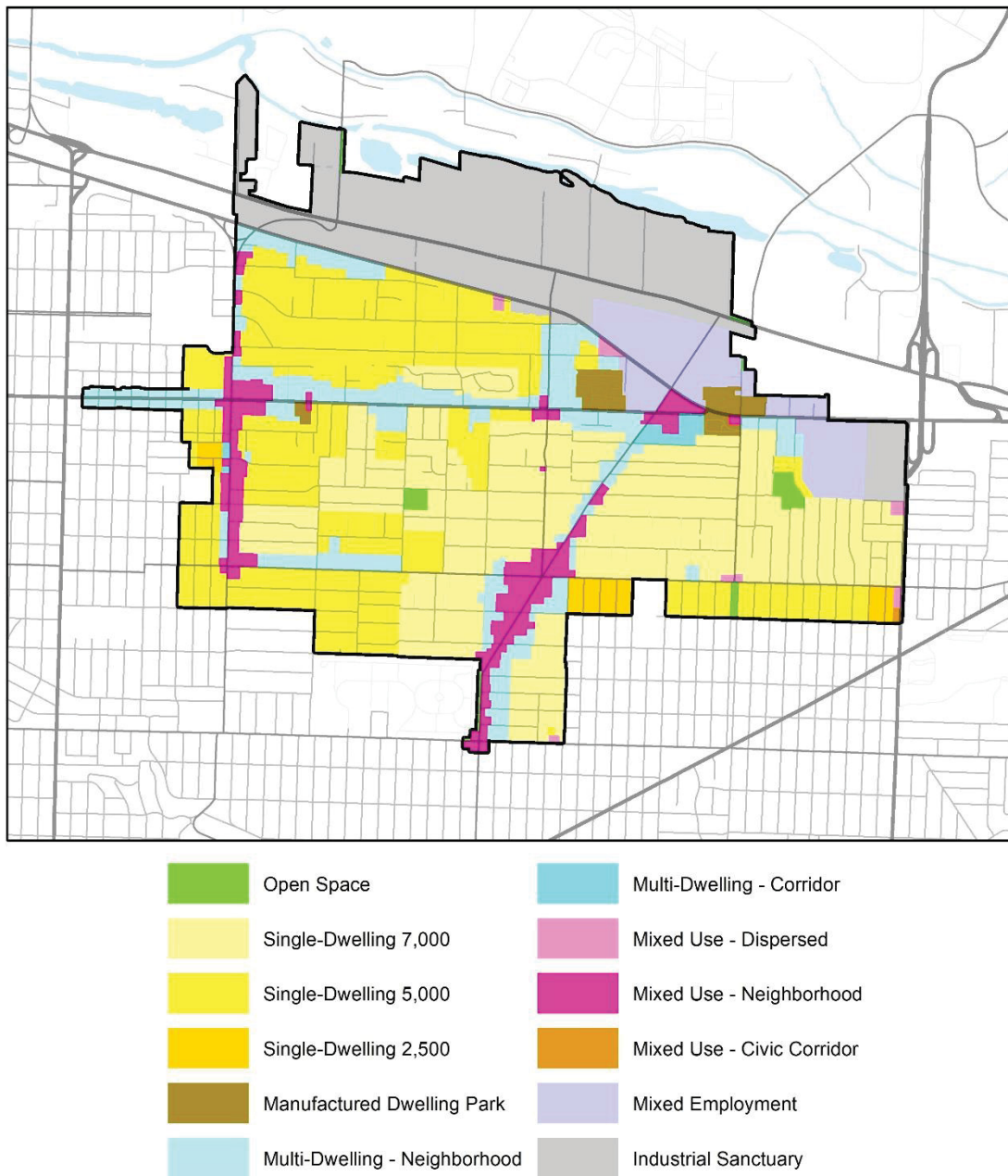
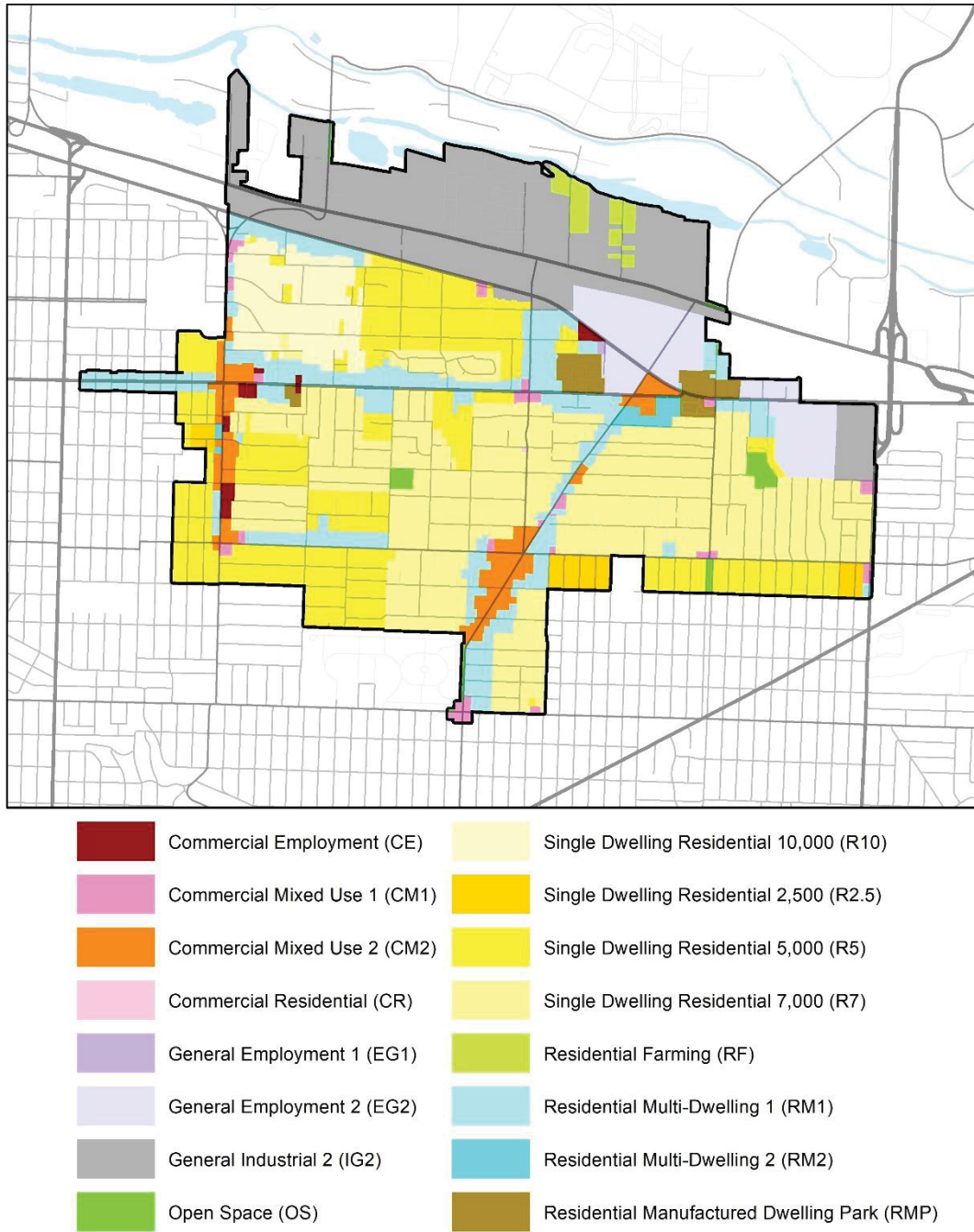


Figure 3 Zoning Designations



XVI. RELATIONSHIP TO LOCAL OBJECTIVES

ORS 457.085 requires that the Plan conform to local objectives including the comprehensive plan and economic development plan of a locality. This section provides that analysis. Relevant local planning and development objectives are contained within the *Portland Comprehensive Plan* (Comprehensive Plan), the *Cully Neighborhood Plan*, the *Albina Community Plan*, the *Concordia Neighborhood Plan* and the *82nd Avenue Study*.

Comprehensive Plan designations for all land in the Area are shown in Figure 2. All proposed land uses conform to Figure 2. Maximum densities and building requirements for all land in the Area are contained in the Portland City Code, Title 33 of Planning and Zoning and are identified below:

Open Space Zone

33.100.010 Purpose

The Open Space zone is intended to preserve and enhance public and private open, natural, and improved park and recreational areas identified in the Comprehensive Plan. These areas serve many functions including:

- Providing opportunities for outdoor recreation;
- Providing contrasts to the built environment;
- Preserving scenic qualities;
- Protecting sensitive or fragile environmental areas;
- Enhancing and protecting the values and functions of trees and the urban forest;
- Preserving the capacity and water quality of the stormwater drainage system; and
- Providing pedestrian and bicycle transportation connections.

Single-Dwelling Residential Zones

33.110.010 Purpose

The single-dwelling zones are intended to preserve land for housing and to provide housing opportunities for individual households. The zones implement the comprehensive plan policies and designations for single-dwelling housing.

A. Use regulations. The use regulations are intended to create, maintain and promote single dwelling neighborhoods. They allow for some non-household living uses but not to such an extent as to sacrifice the overall image and character of the single-dwelling neighborhood.

B. Development standards. The development standards preserve the character of neighborhoods by providing six different zones with different densities and development standards. The development standards work together to promote desirable residential areas by addressing aesthetically pleasing environments, safety, privacy, energy conservation, and recreational opportunities. The site development standards allow for flexibility of development while maintaining compatibility within the City's various neighborhoods. In addition, the regulations provide certainty to property owners, developers, and neighbors about the limits of what is allowed. The development standards

are generally written for houses on flat, regularly shaped lots. Other situations are addressed through special regulations or exceptions.

Full Name	Short Name/Map Symbol
Residential Farm/Forest	RF
Residential 10,000	R10
Residential 7,000	R7
Residential 5,000	R5

Multi-Dwelling Zones

33.120.010 Purpose

The multi-dwelling zones are intended to preserve land for urban housing and to provide opportunities for multi-dwelling housing.

A. Use regulations. The use regulations are intended to create and maintain higher density residential neighborhoods. At the same time, they allow for institutional, limited commercial, and other nonresidential uses, but not to such an extent as to sacrifice the overall residential neighborhood character of the multi-dwelling zones and their intended role as places for housing.

B. Development standards. The six multi-dwelling zones are distinguished primarily by their allowed scale and development standards. The development standards work together to create desirable residential areas by promoting aesthetically pleasing environments, safety, privacy, energy conservation, and recreational opportunities. The development standards generally assure that new development will be compatible with the City's character and contribute to the intended characteristics of each zone. At the same time, the standards allow for flexibility for new development. In addition, the regulations provide certainty to property owners, developers, and neighbors about the limits of what is allowed. The development standards are generally written for development on flat, regularly shaped lots. Other situations are addressed through special standards or exceptions.

Full Name	Short Name/Map Symbol
Residential Multi-Dwelling 1	RM1
Residential Multi-Dwelling 2	RM2
Residential Manufactured Dwelling Park	RMP

33.120.030 Characteristics of the Zones

A. RM1 zone. The RM1 zone is a low-scale multi-dwelling zone that is generally applied in locations intended to provide a transition in scale to single-dwelling residential areas, such as the edges of mixed-use centers and civic corridors, and along or near neighborhood corridors. Allowed housing is characterized by one to three story buildings that relate to the patterns of residential neighborhoods, but at a somewhat larger scale and building coverage than allowed in the single-dwelling zones. The major types of new development will be duplexes, triplexes, rowhouses, courtyard housing, small apartment buildings, and other relatively small-scale multi-dwelling and small-lot housing types that are compatible with the characteristics of Portland's residential neighborhoods.

B. RM2 zone. The RM2 zone is a medium-scale multi-dwelling zone that is generally applied in and around a variety of centers and corridors that are well-served by transit. Allowed housing is characterized by buildings of up to three or four stories with a higher percentage

of building coverage than in the RM1 zone, while still providing opportunities for landscaping and outdoor spaces that integrate with residential neighborhood characteristics. The major types of new housing development will be a diverse range of multi-dwelling structures and other compact housing that contribute to the intended urban scale of centers and corridors, while providing transitions in scale and characteristics to lower-scale residential neighborhoods.

F. RMP zone. The RMP zone is a low-scale multi-dwelling zone that allows manufactured dwelling parks. Allowed density may be up to 29 units per acre. Allowed housing is manufactured dwellings that are assembled off-site. Units are generally surrounded by vehicle circulation systems, pedestrian pathways and open area, often resulting in lower building coverage than other multi-dwelling zones. Development is compatible with low and medium-density single-dwelling development and multi-dwelling development. Generally, RMP zoning will be applied on large sites.

Commercial/Mixed Use Zones

33.130.010 Purpose

The commercial/mixed use zones are intended for commercial and mixed-use areas of the City as designated on the Comprehensive Plan map. These zones implement the vision, guiding principles, and goals and policies of the Comprehensive Plan, and encourage economic prosperity, human health, environmental health, equity, and resilience. These zones are primarily distinguished by the uses allowed and the intensity of development allowed. The zones allow a mix of commercial activities, housing, and employment uses that reflect the different types of centers and corridors described in the Urban Design chapter of the Comprehensive Plan, and also accommodate smaller, dispersed commercial and mixed-use areas to provide opportunities for services in areas between the centers and corridors. The commercial/mixed use zones are intended to serve local neighborhood areas, larger districts, as well as broader citywide or regional markets. The regulations promote uses and development that support healthy complete neighborhoods—places where people of all ages and abilities have safe and convenient access to the goods and services they need in their daily life, and where people have the opportunity to live active lifestyles. The zones encourage quality and innovative design and facilitate creation of great places and great streets.

The development standards are designed to allow development flexibility, within parameters, that supports the intended characteristics of the specific zone. In addition, the regulations provide guidance to property owners, developers, and neighbors about the limits of what is allowed.

Full Name	Short Name / Map Symbol
Commercial Residential	CR
Commercial/Mixed Use 1	CM1
Commercial/Mixed Use 2	CM2
Commercial Employment	CE

33.130.030 Characteristics of the Zones

A. Commercial Residential zone. The Commercial Residential (CR) zone is a low-intensity zone for small and isolated sites in residential neighborhoods. The zone is intended to be applied in limited situations on local streets and neighborhood collectors in areas that are predominately zoned single-dwelling residential. The zone encourages the provision of small scale retail and service uses for surrounding residential areas. Uses are restricted in size to promote a local orientation, and to limit adverse impacts on surrounding residential

areas. Where commercial uses are not present, residential density is limited to provide compatibility with surrounding residential areas. Development is intended to be pedestrian-oriented and building height is intended to be compatible with the scale of surrounding residentially zoned areas.

B. Commercial/Mixed Use 1 zone. The Commercial/Mixed Use 1 (CM1) zone is a small-scale zone intended for sites in dispersed mixed use nodes within lower density residential areas, as well as on neighborhood corridors and at the edges of neighborhood centers, town centers and regional centers. The zone is also appropriate in core commercial areas of centers in locations where older commercial storefront buildings of 1 to 2 stories are predominant. This zone allows a mix of commercial and residential uses. The size of commercial uses is limited to minimize impacts on surrounding residential areas. Buildings in this zone will generally be up to three stories tall. Development is intended to be pedestrian-oriented and compatible with the scale and characteristics of adjacent residentially zoned areas or low-rise commercial areas.

C. Commercial/Mixed Use 2 zone. The Commercial/Mixed Use 2 (CM2) zone is a medium scale zone intended for sites in a variety of centers, along corridors, and in other mixed use areas that have frequent transit service. The zone allows a wide range and mix of commercial and residential uses, as well as employment uses that have limited off-site impacts. Buildings in this zone will generally be up to four stories tall unless height and floor area bonuses are used, or plan district provisions specify other height limits. Development is intended to be pedestrian-oriented, provide a strong relationship between buildings and sidewalks, and complement the scale of surrounding residentially zoned areas.

E. Commercial Employment zone. The Commercial Employment (CE) zone is a medium-scale zone intended for sites along corridors with a Neighborhood Collector or higher traffic classification, especially along civic corridors that are also Major Truck Streets or Priority Truck Streets. This zone is generally not appropriate in designated centers, except on a site that is currently developed in an auto-oriented manner and where more urban development is not yet economically feasible. The zone allows a mix of commercial uses, including auto-accommodating development and drive-through facilities, as well as some light manufacturing and distribution uses that have few off-site impacts. The emphasis of this zone is on commercial and employment uses, but residential uses are also allowed. Buildings in this zone will generally be up to four stories tall. This zone is intended to allow for development with auto-accommodating configurations, while also including pedestrian oriented design features that support transit and pedestrian access.

Employment and Industrial Zones

33.140.010 General Purpose of the Zones

The employment and industrial zones are for areas of the City that are reserved for industrial uses and for areas that have a mix of uses with a strong industrial orientation. The zones reflect the diversity of industrial and business areas in the City. The zones differ in the mix of allowed uses, the allowed intensity of development, and the development standards. The regulations promote areas which consist of uses and developments which will support the economic viability of the specific zoning district and of the City. The regulations protect the health, safety and welfare of the public, address area character, and address environmental concerns. In addition, the regulations provide certainty to property owners, developers, and neighbors about the limits of what is allowed.

Full Name	Short Name/Map Symbol
General Employment 1	EG1
General Employment 2	EG2
General Industrial 2	IG2

33.140.030 Characteristics of the Zones

A. General Employment. The General Employment zones implement the Mixed Employment map designation of the Comprehensive Plan. The zones allow a wide range of employment opportunities without potential conflicts from interspersed residential uses. The emphasis of the zones is on industrial, industrially-related, and office uses, typically in a low-rise, flexspace development pattern. Retail uses are allowed but limited in intensity to maintain adequate employment development opportunities. The development standards for each zone are intended to allow new development which is similar in character to existing development. The intent is to promote viable and attractive industrial/commercial areas.

1. General Employment 1. EG1 areas generally have smaller lots and a grid block pattern. The area is mostly developed, with sites having high building coverages and buildings which are usually close to the street. EG1 zoned lands will tend to be on strips or small areas.

2. General Employment 2. EG2 areas have larger lots and an irregular or large block pattern. The area is less developed, with sites having medium and low building coverages and buildings which are usually set back from the street. EG2 zoned lands will generally be on larger areas than those zoned EG1.

C. General Industrial. The General Industrial zones are two of the three zones that implement the Industrial Sanctuary map designation of the Comprehensive Plan. The zones provide areas where most industrial uses may locate, while other uses are restricted to prevent potential conflicts and to preserve land for industry. The development standards for each zone are intended to allow new development which is similar in character to existing development. The intent is to promote viable and attractive industrial areas.

2. General Industrial 2. IG2 areas generally have larger lots and an irregular or large block pattern. The area is less developed, with sites having medium and low building coverages and buildings which are usually set back from the street.

XVII. LEGAL DESCRIPTION

A tract of land and road rights-of-way located in the Northeast and Southeast One-Quarters of Section 13, and the Northeast and Southeast One-Quarters of Section 24, Township 1 North, Range 1 East, in the Northwest, Southeast, and Southwest One-Quarters of Section 17, the Northwest, Northeast, Southwest, and Southeast One-Quarters of Section 18, the Northwest, Northeast, Southwest, and Southeast One-Quarters of Section 19, the Northwest, Northeast, Southwest, and Southeast One-Quarters of Section 20, the Northwest and Southwest One-Quarters of Section 21, and in the Northeast One-Quarter of Section 30, Township 1 North, Range 2 East, Willamette Meridian, City of Portland, Multnomah County, Oregon.

See Exhibit 3 for the full legal description and map of the TIF District

ATTACHMENTS

Exhibit 1 – Preliminary Report
Exhibit 2 - Governance Charter
Exhibit 3 – Legal Description

A Preliminary Report on the creation of a Community-Led TIF District in Cully

This report is based on community outreach done in 2020 and the first half of 2021 by 7 community based organizations in Cully, and was created alongside Prosper Portland (PP) and Portland Housing Bureau (PHB). It outlines what has been done to-date, the goals, possible investments, possible boundaries, and the beginnings of a proposed governance structure for a Community-Led Tax Increment Finance (TIF) District in Cully. This work was funded by a Metro and Prosper Portland. The group of representatives from the 7 organizations has determined there is support from the Cully community to move forward with creating TIF district. Attached is also a letter of support from PP and PHB. Information from this document is being used to create a TIF Plan to bring to community and local government for approval.

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Tribal Land Acknowledgement

The State of Oregon, Multnomah County, the City of Portland, and the Cully neighborhood rest on unceded Indigenous lands, and traditional village sites of the Multnomah, Kathlamet, Clackamas, bands of the Chinook, Tualatin, Kalapuya, Molalla and many other Tribes who made their homes along the Columbia River. Neerchokikoo is an ancient Native encampment and gathering site near the confluence of the Columbia and Willamette Rivers in Cully. For many centuries, Native Americans from tribes throughout the area came to this land to gather, trade, and build community. This land is now home to a vibrant Native community with representatives from over 400 tribal nations.

The authors of this report acknowledge the nine federally recognized tribes of Oregon: Burns Paiute Tribe, Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians, Confederated Tribes of the Grand Ronde Community of Oregon, Confederated Tribes of Siletz Indians, Confederated Tribes of the Umatilla Indian Reservation, Confederated Tribes of Warm Springs, Coquille Indian Tribe, Cow Creek Band of Umpqua Tribe of Indians and Klamath Tribes. We also recognize the tribal communities who lack federal recognition who have carried on the traditions and culture of their peoples and will continue to do so. We acknowledge the Chinook Tribe, the Chetco Tribe, the Celilo-Wyam and the Clatsop-Nehalem Confederated Tribes. These Tribes and tribal communities continue to celebrate their heritage, showing resilience and tenacity that would be greatly admired by their ancestors.

We recognize Indigenous people as traditional stewards of this land and acknowledge the enduring relationship between the land and the people since time immemorial. We also acknowledge the history of colonization, genocide, oppression, displacement, and suffering that has been inflicted on Indigenous people in Oregon. We also recognize that the general population continues to benefit from the use and occupation of these lands. We commit to learn, build relationships and take action to support Indigenous sovereignty, priorities, and actions.

Section 1: Background and Context

Cully: History, current conditions, demographics

Our Neighborhood

Cully is one of Portland's largest and most diverse neighborhoods. Many people are moving into Cully who have been pushed out of other neighborhoods because of increased costs of living closer to the city center. Cully's affordability means more people want to live here and that threatens to cause more displacement if the wrong investments are made. Ensuring we make community-focused investments soon can prevent displacement from pushing out existing residents who call Cully their home.

Cully is a highly diverse, majority low-income neighborhood in Northeast Portland. Standing on the site of a traditional Chinook village called Neerchokikoo, Cully was an unincorporated area of Multnomah County until its annexation to the City of Portland in 1985. Cully is Northeast Portland's largest neighborhood by land area and population: over 3 square miles, with a population of 12,756¹.

Cully is socially and economically diverse. Forty-five percent of residents represent communities of color, compared to 29 percent citywide². The neighborhood includes the most racially/ethnically diverse Census tract in Oregon by some measures. Cully also has a larger share of low-income populations than Portland as a whole.

The neighborhood holds a rich cross-cultural history, including the thriving pre-colonial Neerchokikoo Indian Village near the Columbia Slough and settlement by early American immigrant farmers. Cully consists of a heterogeneous mix of people that cannot be easily classified. Though these communities live amongst and interact with many of the same places, access to neighborhood amenities varies dramatically based on an individual's background and socio-economic status. While some populations here are well organized and extremely civically engaged, others are less able to be civically engaged due to the institutional barriers that disenfranchise immigrants, exclude the participation of non-English speakers, houseless and working people,

and reduce opportunities for communities of color and those with low income.

Most of Cully's development occurred between 1910 and 1960. Its character from the outset has had strong rural elements: large lots, unpaved and meandering streets, and low density. Cully was annexed into the city of Portland in 1985. Since then, investment in Cully's parks, sidewalks, roads, other infrastructure, family-oriented businesses and other amenities has lagged behind the rest of the city. This historic underinvestment has contributed to the relative affordability of homes in Cully, making it possible for low-income people and BIPOC households to have long term stability and work together to bring about improvements to their neighborhood.

Unlike other Portland neighborhoods that have experienced gentrification and displacement, Cully's diversity is new. Over the last three decades, low-income households and communities of color have increasingly made Cully their home, attracted by affordable housing in a relatively close-in Portland neighborhood. A large Black population, including families previously displaced from North and Northeast Portland neighborhoods by urban renewal and gentrification, have increasingly made Cully home. These newer residents have started businesses and established strong community relationships, interacting with longtime residents to make Cully a rich, diverse place to live, work and thrive. Housing

¹ 2015-2019 American Community Survey. United States Census Bureau

² 2015-2019 American Community Survey. United States Census Bureau

affordable to low- and moderate-income families, proximity to downtown, and a socially and economically diverse community is an increasingly rare combination of assets in Portland. Over the last 20 years, redevelopment and gentrification of inner-city neighborhoods has pushed low-income households and communities of color away from the city center, toward the urban fringe, away from the services, frequent transit and amenities of inner-Portland.

Cully residents are now threatened with displacement as investment pressures rise. Cully's housing affordability, proximity to downtown, rich cultural assets and economic diversity make it a desirable place to live. This means that some properties remain relatively affordable, and land is still available for development. However, a flurry of private development is already happening in Cully and in nearby neighborhoods, and increased investment is flowing into Cully. The experience of other Portland neighborhoods as well as communities from across the United States make clear that gentrification inherently entails the displacement of existing community members, especially low-income and people of color residents.

The majority of the neighborhood is zoned for single-family dwellings. Only two areas, along the western boundary at N.E. 42nd Ave. and the central artery, Cully Blvd., are zoned for commercial activity. The northern edge of the neighborhood, between N.E. Portland Highway and Columbia Blvd., is an industrial area. Cully's unique combination of rural features, sparse commercial development, and relatively low household incomes have made it relatively deficient in the commercial and recreational opportunities that characterize the rapidly developing inner neighborhoods of Portland. Portland's inner neighborhoods are in general highly rich in amenities such as parks, open spaces, bike lanes and neighborhood services. Cully, by contrast, suffers from poor walkability, scarce access to transit, relative lack of open space, and an abundance of brownfields – contaminated, post-industrial land.

As development and gentrification pressures intensify in the Cully neighborhood, there is an urgent need for community-led investments that can be used proactively to preferentially benefit – and prevent the displacement of low-income people and people of color. With property values climbing, we have a limited window of opportunity to make the anti-displacement investments that will ensure Cully is always a neighborhood where low-income people and people of color can live and thrive. We have a unique and timely opportunity to shape investment and prevent displacement in a way that increases wealth, choice and stability for those that call Cully home, and secures those benefits for future generations of BIPOC and low-income residents

Development, organizing, and outreach efforts in Cully

Seven partner organizations — the Native American Youth and Family Center (NAYA), Hacienda CDC, Habitat for Humanity Portland Region, Verde, Our 42nd Avenue, the Cully Boulevard Alliance and the Cully Association of Neighbors — with strong roots in the Cully neighborhood have produced this report on the potential for a Community-Controlled Tax Increment Financing (TIF) District to develop projects in the Cully neighborhood. Together we have formed an Exploration Leadership Committee (ELC) to explore this issue. For more than a decade our organizations have worked toward

Defining this process

This process is meant to explicitly benefit Black people, Indigenous and tribal people, people of color, renters, mobile home residents, and low-income people. This community-led effort is meant to minimize, and prevent efforts which will lead to the displacement and gentrification of our most vulnerable community members and secure opportunities across generations.

This is not a process to increase property values, contribute to gentrification, or pay for basic public infrastructure and services that we should already expect from local government.

enhancing social and economic inclusion to prevent the displacement of people of color and low-income community members. The City of Portland recognizes Cully as a neighborhood likely to experience significant change in the coming years. Portland City Council adopted Resolution 36953 in August 2012, which calls for a coordinated effort by city bureaus to study and prevent displacement in Cully. Since then NAYA has developed affordable housing in multiple locations in Cully, Verde and partners have developed a Cully Energy Plan to map out the future of community-controlled energy in Cully, Cully Park converted a former landfill into our neighborhood's newest environmental asset, preservation of Oak Leaf and Arbor mobile home parks were key anti-displacement victories and the community came together to purchase and rehabilitate a run-down strip club into Las Adelitas, a Hacienda CDC affordable housing development. Cully Boulevard Alliance (CBA) and Our 42nd Avenue are two Cully Neighborhood Prosperity Districts (NPD) that have existed for over a decade. The two NPDs have targeted the investments of their respective TIF funds into community and BIPOC focused economic development efforts in the neighborhood. Both have prioritized the direction of funds to create affordable commercial lease opportunities and to support BIPOC-owned businesses with tenant improvement grants. Critically, the two NPDs provided vital sustaining support for Cully businesses during the pandemic. They helped businesses to access Prosper Portland grants, state and federal support to keep their businesses alive. This level of intentional focus and commitment to preserving neighborhood businesses was the last line of defense preventing countless business closures and job losses in an economically fragile community. Partners have been involved in the formation of the Multnomah County Climate Justice Collaborative, Portland Clean Energy Fund Steering Committee, and the Not in Cully anti-displacement plan. Working together, neighborhood organizations and public agencies have an opportunity to once again align programs and policies so that Cully remains a place where diverse residents can live, work, and thrive.

Despite our successes, our current scale of activity is entirely insufficient in the face of looming gentrification and mass displacement. If we fail to fund investments at a significantly larger scale and produce a community-led framework to direct the administration of those funds and prioritize those investments, it could soon be too late. Current development trends threaten our partnership's shared vision of community prosperity. We have new parks, more sidewalks and paved streets, new houses and apartments and new businesses in growing commercial districts. These improvements, while needed and desirable, make our neighborhood more attractive to developers, investors and home buyers, driving up prices and causing displacement. As rising rents spread across Cully, lower-income families and people of color are being displaced from the neighborhood that they have helped to make such a vibrant, caring, diverse corner of Portland. Even Cully residents who are fortunate enough to own their homes recognize that they could not afford to buy a house here now, and their children won't be able to afford to live here in the future. Locally owned businesses face the threats of rising rents for commercial space, and the loss of their customer base due to residential displacement.

To realize our vision for Cully, the project partners have facilitated a community process during the calendar years of 2019-21 to explore the creation of a Cully TIF District. While past use of TIF in the City of Portland has produced racially and economically unjust outcomes that are completely in opposition to our community development and anti-displacement objectives, we believe there is strong potential

What is a TIF District?

A TIF District is like a bank account for a neighborhood, with money coming from property taxes. In Portland, TIF District bank accounts have been used for projects that have made certain neighborhoods expensive to live in. But TIF money can be used differently: in Cully we believe that a TIF District can be used to create long-term stability for residents who are most at-risk of displacement. It can create affordable housing, places to run a business, good jobs, and other priorities that the community helps to decide.

for this powerful tool to be repurposed to benefit people of color and low-income people. To fully explore and vet this possibility through community engagement, research, and policy analysis, partners secured a Metro 2040 Planning and Development Grant. This grant supported a community-driven, iterative process to determine priorities for the programming, rules, and governance of a prospective community-controlled TIF District. This report, which marks the end of the first phase of this community engagement process, recommends necessary features for a TIF District that serves community-identified development and anti-displacement objectives. This exploration will serve as the foundation for a Cully TIF District Plan that we plan to submit to City Council for approval, and that we plan to implement in partnership with Prosper Portland, the Portland Housing Bureau, Cully community members, and other stakeholders.

Section 2: Vision, Values, Goals

A 2040 vision for Portland’s Cully Neighborhood

Our long-term vision is to transform Cully, our neighborhood, into a place with plentiful safe, affordable housing, thriving Black, Indigenous and people of color owned (BIPOC) businesses, rewarding employment opportunities, safe and accessible transportation options, parks and open spaces, a clean and healthy environment with places and programs that reflect the cultural diversity of people of color and tribal people.

Once we succeed, Cully will be a place where residents regularly engage in decision making and grassroots organizing to strengthen the neighborhood and develop their own leadership and collective political power. Cully will be a neighborhood where neighborhood changes are guided by and result in more opportunities and greater housing and economic prosperity for people of color, Indigenous and tribal people, and low-income people. All residents will participate in, guide and lead the decisions that affect them and their communities, balancing the needs of current residents with those of future generations. Access to affordable, stable homes is preserved and expanded, and new investments and development create stability and opportunity for low-income people, rather than leading to their displacement from their homes and neighborhood. Cully residents will have access to meaningful, living-wage employment and economic opportunities, and new investment will bring community benefits including education, workforce training, BIPOC and woman-owned contracting and social enterprise opportunities, renewable energy resources and environmental assets. Cully will serve as a neighborhood model in the state and country where development and prosperity can occur guided by, led by and supported by low income, Black, Indigenous, Tribal, and people of color.

Values

Our decisions throughout the process have been guided by these shared values established by the ELC:

- Equity
- Inclusivity
- Diversity
- Community leadership and control
- Cultural responsiveness
- Community Stabilization and Prosperity
- Forward thinking
- Solidarity with similar community-led efforts

Goals

Our goals are first, to prevent the displacement of vulnerable people and communities from Cully. We will preserve existing opportunities for affordable housing and economic prosperity and create new opportunities for people of color, low-income people and Indigenous and tribal people to live, work and thrive in Cully, including those previously displaced. We will ensure that current residents benefit from investments and neighborhood change, and that opportunities for housing and economic prosperity will be preserved and expanded for future generations. Our goals are to ensure that people of color, low-income people and Indigenous and tribal people play lead roles in making decisions about investments and policies that affect them and their communities. Ultimately, we believe we will develop and inspire a new model for the creation of future TIF Districts in Portland and beyond.

Section 3: Community Engagement in Designing the TIF District

This section describes the process of designing the Cully TIF plan thus far, with emphasis on the community engagement process.

Vision, Values, and Goals of Community Engagement Process

This process embodies our vision, values, and goals, with a particular emphasis on sharing power and taking leadership from community members, and an intentional focus on connecting with people from a variety of races, cultures, backgrounds, housing statuses, incomes, and nationalities. The community engagement process was based on longstanding work and relationships with community members and built on a foundation of trust in the community cultivated over many years by all of the partner organizations involved. Community engagement efforts for this process took advantage of the community organizing that has occurred among Cully residents for many years.

Description of Engagement Process

The Community Engagement Committee (CEC), a subcommittee of the ELC, created and implemented our community engagement strategy. To ensure the engagement of community members, all community organizations involved helped recruit and activate Community Leaders (CL). CL are active and trusted Cully residents who helped connect our effort to people that our project partners might not otherwise be able to reach. CL engaged residents, committed to approximately 40 hours of involvement between October 2020 and June 2021, and received stipends for their time and efforts.

The following were the responsibilities of CL as defined in the CL charter:

1. Attend CL Meetings:
 - a. 1 virtual kick-off meeting
 - b. 4-5 additional virtual or in-person (socially distanced) meetings to learn about the project and coordinate our work.
2. Learn about TIF and how it works:
 - a. History of TIF in Portland and how it has affected communities in the past: gentrification/displacement
 - b. Examples of how community development can be done without displacement
 - c. Potential community-led governance models for the project
3. Provide feedback on the draft community engagement plan for the project and on strategies for implementation
4. Help collect priorities from community members for the project via phone calls, texts, social media, and other methods
5. Assist with outreach and the planning and facilitation of 2-3 community meetings/focus groups (virtual or in person) that will help community members understand TIF and allow a space for feedback on the project

Engaging the Community

Our lead organizations built this plan based on years of working in the community. Partner organizations identified Community Leaders who designed a plan to reach the communities who are often overlooked. The Leaders and partners designed a survey and held focus groups that reached various diverse communities. The responses we paid the most attention to are the ones that represent Cully: racially and economically diverse perspectives inform the conclusions we present in the following Sections.

In partnership with the CL team and a contractor, Patricia Vasquez, project partners created educational materials that were used to help the community learn about TIF, how this tool was used in the past, and how it can be used moving forward. In addition to their educational purpose, the materials were designed to help our team seek feedback on community priorities and investment, as well as generate ideas about the governance models to produce these needed investments. After feedback on the educational materials was received and incorporated, materials were translated into multiple languages, and then provided to the community.

The educational materials included a video, in Spanish and English, explaining the concept of tax increment financing (TIF) and how this exploratory process intended to solicit community feedback. The video is available online at <http://cullycommunityled.org/>. Other educational components also consisted of a hybrid of a workshop and focus group. The workshop focused on the key concepts of TIF and its potential for use in anti-displacement efforts, while the focus group elicited feedback on investment and leadership priorities.

The CEC and partners involved with this exploration hosted multiple focus groups within various communities. Each focus group targeted a specific community for outreach and recruitment. The CL helped support these organizations during the focus groups. The focus groups and target communities included:

- Hacienda - Latinx
- Hacienda - Somali youth
- NAYA - Indigenous community members
- Our 42nd - small business owners & workers along NE 42nd Ave
- Cully Boulevard - small business owners & workers along Cully Blvd.
- O42A + CBA - Cully Community members
- Habitat -homeowners and home repair recipients
- Verde - Líderes Verdes participants
- Black community
- Mobile Home Parks - English- and Spanish-speaking
- Private market renters - English with real-time Spanish interpretation
- Houseless folks

Recognizing that focus groups would have limited reach, the CEC also created a survey. The survey was developed using feedback from the two pilot focus groups and with input from the ELC and the CL team. The goal of the survey was to capture community responses to a wide range of questions about creating the TIF plan, including investment priorities and values around decision making. The survey was available in both English and Spanish. We specifically used outreach by the organizations and CL team to prioritize input from Black, Native and Latinx communities, Cully business owners, Renters and Houseless.

In Focus: Líderes Verdes

Verde led a focus group in Spanish with the community members involved in Líderes Verdes. Líderes Verdes is a yearlong leadership program which works towards building environmental leaders and growing collective community power. The program has allowed Verde to build strong relationships with community members and keep them connected with their work. Verde staff reached out to community members who have participated in the LV program and shared with them information about TIF. In this way, project partners were able to utilize existing relationships, and the Líderes Verdes participants could then bring the TIF conversation to the other community members they are involved with.

Data Collection and Analysis

Data was collected from the notes from the focus groups as well as survey responses. The information gathered has been used to determine what investments will be most beneficial to the people and groups most vulnerable to displacement. This analysis also informs the governance and decision making of our TIF District which these communities find most desirable.

A survey was circulated amongst the Cully community and available in both English and Spanish. 16.9% of survey respondents primarily speak Spanish in their home. We received a total of 497 responses. The survey data set analyzed was 278 responses. This is significantly smaller than the full data set collected. The following logic was used to determine what data to include in the data set:

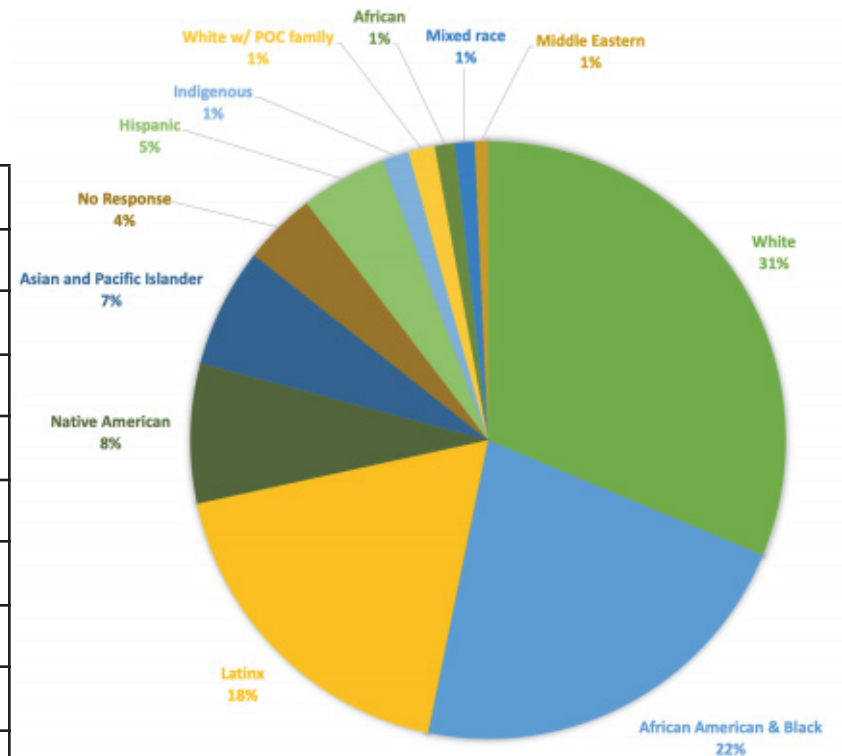
- Duplicate responses were excluded.
- Responses that were nearly duplicate (i.e., most of the answers were the same and the responses were submitted within seconds or minutes of one another) were excluded.
- Respondents who did not respond to both the race AND income questions were excluded, but those who responded to at least one of these questions were included
- Respondents who identified as white homeowners with an income greater than \$49,999 were excluded.
- White people who earn less than or equal to \$49,999 were included.
- White people who earn more than \$49,999 but are renters were included.
- Higher income white people who are renters, but who do not currently live in Cully were excluded.
- Respondents who identify as white but have family of color living with them were included. They were categorized as their own racial/ethnic group.

In addition to the survey, partners and CL conducted 14 focus groups with a total of 95 participants. The focus groups served two main purposes: First, to build a foundation of basic knowledge about TIF to foster discussions about what investments Cully residents want. Second, to begin to explore governance and decision making. Each focus group assigned a note taker that followed a [template](#) created by the CEC. Focus groups asked for discussion on the following:

- Affordable housing
- Businesses and jobs
- Infrastructure improvements
- Governance and decision-making of TIF money
- Dreams of target demographics for the Cully neighborhood
- What investments would prevent displacement of current residents?
- Ideas for ongoing community involvement in the project

It is important to note that NAYA held a focus group specific for members of the Indigenous community after the datasets had been otherwise collected and tabulated. Native community members' perspectives tracked with what we heard from other participants in this process, unique responses included a desire for spaces to teach culture, culturally specific childcare services, housing for nontraditional families (such as youth with aunties and uncles). The results that follow do not include responses generated by the Indigenous community focus group.

What is your race and/or ethnicity?*		
White	87	31.3%
African American & Black	61	21.9%
Latinx	51	18.3%
Native American	21	7.6%
Asian and Pacific Islander	18	6.5%
Hispanic	13	4.7%
Indigenous	4	1.4%
White with POC family	4	1.4%
African	3	1.1%
Mixed race	3	1.1%
Middle Eastern	2	0.7%
No Response	11	4.0%



Survey and Focus Group Demographics

*This question was open-ended, allowing respondents to answer however they wished. Eleven categories were used to group respondents. All responses that were given are included in a category. Respondents who identified as multiple identities were categorized under their first listed identity (with the exception of “Mexican Indigenous” which was categorized as Indigenous). Respondents who identified as white and another identity were categorized under their non-white identity.

Housing Type		
I am currently houseless	6	2.2%
I live in a mobile home park	26	9.4%
I own my home - not in a mobile home park	77	27.7%
I rent a room	6	2.2%

I rent from a for-profit landlord — not in a mobile home park	101	36.3%
I rent from a non-profit or public housing agency — not in a mobile home park	55	19.8%
Other	7	2.5%
All types	278	100.0%

What is your household's annual income?		
Less than \$25,000	68	24.5%
\$25,000-\$49,999	106	38.1%
\$50,000-\$74,999	56	20.1%
\$75,000-\$99,999	32	11.5%
\$100,000 or more	13	4.7%
No Response/Unknown	3	1.1%

We collected data on how many survey respondents had also participated in focus groups, and learned that 90 survey respondents had also been part of a focus group or workshop, while 167 had not. 21 respondents were not sure.

Results of the surveys, workshops and focus groups were compiled following delivery of a high-level analysis from Amy K. Coplen of Cultivate Consulting. Qualitative data from the survey and focus groups were coded to find common themes. Focus group data was not recorded or transcribed, and all focus groups did not use the same exact set of discussion questions, making each set of focus group notes unique. Similar questions were categorized together for the purpose of analysis.

Project team members, in partnership with CL, have distilled these findings into a report on the investments, community oversight, and governance that the community prioritized through this engagement process. Conclusions from the survey and focus group data analysis are detailed in Sections 5 through 7 of this report. These community-defined priorities will guide the content of a District Plan our team will present to the City of Portland, laying out the kinds of investments the District will prioritize, and how the District will be governed.

Our community shared many important ideas with us during this community engagement process. Not all of these ideas will fit neatly into a proposal to the City of Portland for the creation of a Cully TIF District. It is the ongoing role of the project team, with our deep commitment to the community and connection to its residents to honor these ideas. Partners will continue to track progress toward our broadest areas of agreement, and the innovative ideas that community generates when given the space to speak and be listened to by trusted community institutions like those that make up the ELC.

The process described in this section was just the first Phase of community engagement around the TIF District. Phase 2 will begin in June 2021 after this preliminary plan is adopted by the ELC and both

Prosper Portland and Portland Housing Bureau leadership offer their support. CEC will go back to the community in a series of meetings to present this report back to them and confirm that we heard them correctly and faithfully reported their concerns and findings. We will update and revise the Cully TIF plan as we continue to engage with the community during Phase 2.

Section 4: Geographic Area and Boundaries of the TIF District

The preliminary district boundary was developed through a series of workshops between ELC members, Prosper Portland, Portland Housing Bureau, and Bureau of Planning and Sustainability staff. The draft boundary plus additional areas for consideration are currently included. As the exploration process moves forward, the boundary will continue to be discussed and defined. The main boundary, referred to as the Cully Core, is approximately 1,342 acres and was established using the Cully neighborhood boundary as the basis. Through community priority discussions, additional areas were identified that would allow for investment in the following:

- Business/Employment Support – 179 acres
- Single-family Homeowner Support – 124 acres
- Mixed-Use Development – 26 acres

The Cully TIF Boundary













The Cully TIF District boundary is important for several reasons. Only areas within the boundary are eligible for developments using TIF funds. It's important to include land zoned for residential, commercial and industrial purposes to ensure we meet the many priorities identified by residents through our community engagement process.

In total, the draft boundary amounts to approximately 1,671 acres. State law governing tax increment financing of urban renewal districts (ORS 457.420) limits the amount of acreage that can be included in TIF districts in the City of Portland to 15% of the city's total area. Portland's current utilization of TIF is 11.3%. If the 1,671 acres were approved today, the Cully TIF acreage would increase the City's utilization to 13.1%. This figure, however, is highly dependent upon timing as other TIF districts will soon expire and at different times.












Revenue modeling and land use analyses are presented in this report specifically to the Cully Core and all areas combined. Throughout Phase 2, additional community engagement efforts, feedback from the ELC and discussions with bureau partners, we will continue to refine the draft boundary. This draft boundary does not limit the bounds of the final TIF district. The final determination will balance community priorities, ensure sufficient revenue is generated to deliver on those priorities, while considering statutory provisions and citywide policies that guide decisions related to TIF.

[Link to interactive map](#)



	Commercial Employment (CE)		Single Dwelling Residential 5,000 (R5)
	Commercial Mixed Use 1 (CM1)		Single Dwelling Residential 7,000 (R7)
	Commercial Mixed Use 2 (CM2)		Single Dwelling Residential 10,000 (R10)
	Commercial Residential (CR)		Residential Manufactured Dwelling Park (RMP)
	General Employment 1 (EG1)		Residential Farming (RF)
	General Employment 2 (EG2)		Residential Multi-Dwelling 1 (RM1)
	General Industrial 2 (IG2)		Residential Multi-Dwelling 2 (RM2)
	Open Space (OS)		

The map displays a section of Omaha, Nebraska, centered around NE 48th Ave. The area is bounded by NE 32nd Ave to the west and NE 88th Ave to the east, and NE 48th St to the south and NE 98th St to the north. A blue line outlines a specific area, and various colored zones (yellow, pink, green, brown, purple) are overlaid on the map. The map also shows the Missouri River to the north and the NE 48th Ave corridor running vertically through the center.

	Industrial Sanctuary		Multi-Dwelling - Corridor
	Manufactured Dwelling Park		Multi-Dwelling - Neighborhood
	Mixed Employment		Open Space
	Mixed Use - Civic Corridor		Single-Dwelling 5,000
	Mixed Use - Dispersed		Single-Dwelling 7,000
	Mixed Use - Neighborhood		

City of Portland Zoning Designations: Acreage

Zoning Designation	Cully Core		Additional Areas		Total	
	Acres	%	Acres	%	Acres	%
Commercial Employment	7.3	0.5%	0.6	0.2%	7.9	0.5%
Commercial Mixed Use 1	14.4	1.1%	3.7	1.1%	18.1	1.1%
Commercial Mixed Use 2	51.6	3.8%	10.6	3.2%	62.2	3.7%
Commercial Residential	0.2	0.0%	0.0	0.0%	0.2	0.0%
General Employment 1	0.6	0.0%	4.0	1.2%	4.7	0.3%
General Employment 2	44.0	3.3%	48.6	14.8%	92.7	5.5%
General Industrial 2	184.9	13.8%	111.5	33.9%	296.3	17.7%
Open Space	34.2	2.5%	2.3	0.7%	36.6	2.2%
Residential 5,000	207.6	15.5%	116.6	35.5%	324.2	19.4%
Residential 7,000	511.2	38.1%	3.6	1.1%	514.8	30.8%
Residential 10,000	81.3	6.1%	0.0	0.0%	81.3	4.9%
Residential Manufactured Dwelling	24.9	1.9%	0.0	0.0%	24.9	1.5%
Residential Farm / Forest	0.0	0.0%	16.4	5.0%	16.4	1.0%
Residential Multi-Dwelling 1	171.4	12.8%	10.7	3.3%	182.1	10.9%
Residential Multi-Dwelling 2	8.7	0.6%	0.0	0.0%	8.7	0.5%
Total	1,342.2	100.0%	328.7	100.0%	1,670.9	100.0%

City of Portland Comprehensive Plan Designations: Acreage

Comprehensive Plan Designation	Cully Core		Additional Areas		Total	
	Acres	%	Acres	%	Acres	%
Industrial Sanctuary	184.9	13.8%	127.8	38.9%	312.7	18.8%
Manufactured Dwelling Park	24.9	1.9%	0.0	0.0%	24.9	1.5%
Mixed Employment	49.0	3.7%	52.7	16.0%	101.7	6.1%
Mixed Use - Civic Corridor	0.0	0.0%	0.5	0.1%	0.5	0.0%
Mixed Use - Dispersed	4.3	0.3%	1.6	0.5%	5.9	0.4%
Mixed Use - Neighborhood	75.6	5.6%	13.4	4.1%	88.9	5.2%
Multi-Dwelling - Corridor	8.7	0.6%	0.0	0.0%	8.7	0.5%
Multi-Dwelling - Neighborhood	163.0	12.1%	10.2	3.1%	173.2	10.4%
Open Space	34.2	2.5%	2.3	0.7%	36.6	2.2%
Single - Dwelling 5,000	323.4	24.1%	116.6	35.5%	440.0	26.0%
Single - Dwelling 7,000	474.3	35.3%	3.6	1.1%	477.9	28.8%
Total	1,342.2	100.0%	328.7	100.0%	1,670.9	100.0%

The tables above present the zoning and comprehensive plan designations within the proposed boundary of the Cully Core, as well as the additional proposed areas. The current Cully Core proposal is overwhelmingly residential, 74.9%. If the additional boundary zone areas are included, the residential zone becomes 69%. The non-residential portion of the Cully Core is 25.1%. Once the additional areas are included it increases to 31%. The TIF boundary will continue to be discussed during Phase 2.

Section 5: Community Development and Investment Priorities for the Cully Neighborhood

If residents, community organizations and city leaders want to maintain Cully's diversity and affordability, the time to act is now before market forces continue to raise land and property values. The debate about how to improve neighborhoods without displacing current residents is not unique to Cully. Across the country, central cities are struggling to improve communities without pushing out low-income residents and people of color. It is a difficult dilemma to solve. Cully residents, like many community members across the country, feel strongly about two opposing ideas: development and investment are positive because they improve the neighborhood and bring more amenities, and development and investment are negative because they cause gentrification and displacement. This section identifies community

development and investment priorities for the Cully neighborhood as identified through survey data, focus groups, research findings, and past campaigns and outreach in the neighborhood. While no clear consensus exists in how to prevent gentrification and displacement, strong partnerships guided by an empowered community voice are best situated to make the right investments, at the proper pace.

Not all of the priorities identified in this section are eligible to be funded by TIF. As a community, we will seek other avenues to make those priorities happen.

Housing

Through focus groups and surveys, Cully community members expressed the following priorities for housing investments made by the Cully Community-Led Development District.

Affordable Housing

Regulated affordable housing is regulated by the government to be rented at below-market rents. The exact amount of the rent charged for any given home is determined by the specific subsidies and regulations associated with that home. For example, many regulated affordable apartments charge rents that are the equivalent of 30% of the monthly income for a family that earns 60% of Portland's area median income (AMI). Other rents are designed to be affordable to families that earn only 30% of the AMI. Most regulated affordable homes are owned by public agencies or non-profit organizations, such as Hacienda CDC and NAYA.

Regulated affordable housing does not refer to housing that happens to be inexpensive now, but is not protected from future cost increases.

When housing is labeled as "affordable," many families find it misleading because they cannot actually afford the rent being charged, based on their income and other circumstances. Cully residents have expressed a need for housing that is actually affordable at all income levels.

Affordability

Many respondents said that existing regulated affordable housing is still too expensive for their household. Cully residents need more homes that are "actually affordable" based on families' incomes, not based on citywide percentages. Respondents expressed the need for rent assistance because their current rents are not affordable.

Expand and diversify Cully's affordable housing infrastructure

There is a need for more regulated affordable housing of all kinds. Waitlists are full for existing options. Many Respondents also expressed a strong interest in affordable homeownership opportunities. Respondents would like to see more variety in regulated affordable housing opportunities: condominiums, townhouses, ADUs, manufactured housing, and stand-alone homes. Research and ELC analysis indicate huge potential for affordable, moderate-density infill housing in Cully, given the neighborhood's large, underbuilt lots and Portland's new zoning rules which allow for 4- or 6-plexes on all residential lots.

Strategies for increasing supply of affordable homes

57% of homeowner respondents are interested in building an ADU on their property. Respondents suggested purchasing land now to later build new affordable homes, for both rental and homeownership.

Research and ELC analysis note this purchasing strategy has been central to community-led development initiatives in other cities and is all-the-more important in the context of rapidly rising property values. Waiting to acquire property, after prices have continued to go up, means being able to afford less and ultimately build less housing. This strategy opens up possibilities for interim community uses and stewardship of land-banked properties, such as growing food. Respondents also suggested purchasing existing homes and apartment buildings that are for sale, abandoned or foreclosed and converting them

to affordable housing. Notes from research and ELC analysis indicate this strategy would both stabilize current residents and preserve affordable homes for future generations. This strategy would require setting aside funds that can be mobilized quickly when opportunities arise to acquire properties, rather than programming all affordable housing funds through traditional NOFAs. One respondent suggested creating a revolving loan fund to help low-income households buy homes; the same money could then support the next family and the next.

Preferred Housing By Type (in order of preference among survey respondents):

Stand-alone house

Attached house (e.g. townhouse/duplex/triplex)

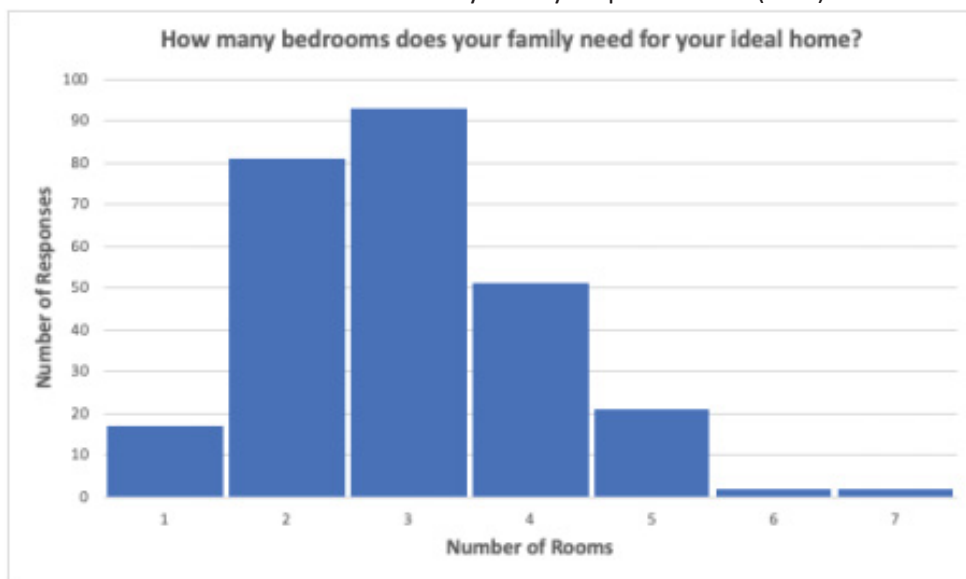
Small backyard home (i.e. accessory dwelling unit)

Manufactured home

Apartment

Housing Characteristics

- Median number of bedrooms desired by survey respondents: 3 (2.97)



Respondents expressed interest in multi-generational/co-housing situations where large and multi-generational households can live together, and residents can share resources. Community spaces should be incorporated with housing, so that elders can help care for and interact with younger people, and housing should be available for people transitioning out of houselessness

Home Repairs

69% of manufactured home resident respondents said they have repair needs that they cannot afford. 34% of non-manufactured homeowners have these needs. Home repair programs need to be available for modest-income households, rather than being restricted to very low-income households. One respondent shared that their income is too high to qualify for free repairs from the County, but too low to afford the needed repairs. More funding is needed to support renovations, repairs, and weatherization of manufactured homes.

Tenant ownership and control

Four of the six mobile home parks in Cully are currently owned by for-profit investors. 24 out of 26 respondents want the mobile home park where they live to be owned by either a resident-owned cooperative or a non-profit that involves residents in decision-making and management. Respondents expressed interest in programming funds to help groups of tenants and mobile home residents buy and cooperatively manage their own homes. Several focus group participants discussed community land trusts as a model for community control of housing, affordable homeownership for individual households, and keeping housing affordable for future generations. Research and ELC analysis indicates several other community-led development initiatives implemented land trusts as a central strategy for preserving affordability and preventing displacement for the long run, while also advancing the collective leadership and decision-making of community members. The land trust model could be explored for commercial properties as well, in order to permanently preserve affordable commercial space in Cully.

Remove immigration status as a barrier to housing

85% of respondents think that Cully needs housing options that do not require proof of immigration status. Respondents identified immigration status as a barrier to home ownership for families that would otherwise be able to buy a home. Homeownership programs could eliminate this barrier by making mortgages available using an ITIN number. Our analysis revealed that mortgages with ITINs are an established practice elsewhere, but we do not know of any affordable housing developers in Oregon that currently provide them. Point West Credit Union has developed an ITIN mortgage product.

Houseless Services and Infrastructure

Houseless interview participants and survey respondents identified a need for shelters and other resources to meet their basic human needs. Access to safe indoor spaces to eat and sleep, clean and safe drinking water, bathrooms, and unlocked garbage dumpsters with scheduled pickups were suggestions that would meet some basic human needs. Houseless respondents spoke to the lack of vacant housing in general, and how even “affordable housing” is not affordable for them. One respondent emphasized that houseless youth are particularly vulnerable and should have access to additional resources.

The response with regard to a campground or tiny house-style village as a means to meeting the housing needs in Cully was inconclusive, and therefore will require further investigation. Interview respondents offered some ideas for a designated campground for the houseless that would charge a flat rate for a spot, be cooperatively managed, have a warming station, and a covered social gathering structure. One respondent suggested that people should not be discriminated against for misdemeanors and other non-violent crimes, or any other offense that is more than 4 years old, when attempting to obtain a spot in the campground.

Building Wealth, Jobs and Businesses

Business owner and worker needs

Cully Boulevard Alliance (CBA) and Our 42nd Avenue are two Cully Neighborhood Prosperity Districts (NPD) that have existed for over a decade. It is critical to the community that we ensure the continuation of the place based economic development that the NPDs have been doing for almost a decade, when a Cully TIF district is in operation. It is currently unknown what the future of NPDs looks like given the creation of a Cully TIF district. This should be further explored during Phase 2 of this process as we prepare for final adoption of the TIF plan.

Although there were a wide range of needs that came from the voices of Cully business owners, one of the biggest needs that came out of the three different focus groups that targeted businesses owners was the need to continue the work that the current Neighborhood Prosperity Districts are doing in their districts. In every focus group questions were asked about what would happen to the NPDs and how BIPOC- and women-owned small businesses were going to get the same level of support that they do now. Some asked how the current District Managers would have enough time to better support a bigger district, noting that if this work was to move forward, the District Managers would need more support themselves. Additional priorities are listed below.

Community members highlighted a number of clear priorities for businesses and services that Cully residents desire. Our process clearly communicates that TIF investments should explicitly serve our priority community members: Black, Indigenous and tribal people, people of color, immigrants and refugees, low-income people, renters and mobile home residents.

Small business development

Many survey respondents already run their own business. To support more Cully residents being able to establish successful businesses, especially people from populations vulnerable to displacement, there is a need for ongoing training to start and maintain a business. Many community members expressed interest in cooperative or collective ownership of businesses (e.g. ice cream store example on page 13 of data analysis report). Space is needed for food trucks, especially those that have been displaced from previous locations. More retail spaces are needed, including spaces for temporary pop-up businesses.

Affordable commercial space

Affordable commercial efforts supported by Prosper Portland focus on stabilizing and growing local business or nonprofit organizations, based in the Portland–Vancouver–Hillsboro metropolitan area and on woman-owned business, minority-owned business, or other businesses primarily owned by individuals who are members of historically underserved populations. Within these efforts, affordability is defined by lease rates, rental escalation rates, and tenant improvement allocations and standards as provided in a business's lease.

Barriers to business ownership

Respondents report difficulty starting a business because of a lack of capital and funding, lack of training and education, lack of networking and connections, limited time, citizenship status and language barriers, and the need for more commercial space that is affordable and will remain affordable for the long term. The most common business already established is also the type reported as most needed: food & restaurant.

Support to keep businesses thriving

Respondents support a variety of strategies to help existing businesses maintain and grow, including more exposure and advertising to increase customers, ongoing support and training for business owners and employees, turning more buildings into commercial spaces like on NE 42nd Ave., and improved transportation accessibility such as bike paths and walkways.

Community-control of commercial properties

Respondents support innovation in commercial property ownership to secure stability and affordability: master-leasing by non-profits, following the model established by Our 42nd Avenue, commercial land trust to own property and keep it affordable permanently, the strategy to buy land now for future commercial

development, and to build new commercial developments, including mixed-use developments that combine commercial and residential uses

Shared Spaces that Support Residents and Businesses

Mixed-use development can perform multiple desirable functions that contribute to neighborhood livability and could be a core strategy of the deployment of TIF dollars. It would help accomplish a number of priorities highlighted in the surveys and focus groups. This concept should be further explored during Phase 2.

Living-wage employment

There is a need for good-paying jobs in Cully, especially jobs that don't require higher education. Construction and development activities funded by TIF should create living-wage jobs during construction, and also for the long-term as part of whatever business or organization is operating in the new buildings. Many survey respondents already work for an employer based in the Cully neighborhood. Residents seek support and training to get hired for a job. They need support to find jobs for those without proof of citizenship or residency, and for young people.

Workforce development in the Cully industrial zone

Many of the jobs in Cully's industrial zone are held by non-Cully residents. Many Cully residents are public transit dependent. Residents and past research have indicated that employers in the industrial district screen out applicants who rely on public transit out of hiring consideration because the transit system is unreliable. Improvement in transportation options to connect the industrial area to the neighborhood is important. A Cully hiring preference for neighborhood residents in the industrial zone should be considered to ensure the economic benefits of those jobs go to the residents who also bear the burdens of proximity to industry, such as the dangers of living and working on high-speed shipping corridors and near train tracks. There was no intentional outreach to industrial zone employers during Phase 1. This should be prioritized during Phase 2. Respondents want workforce development opportunities that expand on what Portland Community College currently offers.

Goods and services

The biggest need is affordable, culturally relevant food. Respondents suggested affordable restaurants, grocery options such as an affordable, full-service supermarket like WinCo or Grocery Outlet, and culturally specific neighborhood markets with fresh food. Additional needs include retail clothing, cleaning services, auto body shops, and retail and home goods through local community businesses. Respondents are also interested in community-based services. A common theme in focus groups was affordable (or free) childcare. 54% of survey responses support recreation and exercise opportunities for children, and 64% support such facilities for adults, including gyms and athletic facilities. 47% of survey responses, as well as many focus group participants, favor access to mental health support. Half of survey respondents support adding health clinics.

Public Space

Community spaces were common ideas in focus groups. Residents support a community center that can meet various community needs, such as recreation, exercise, youth programming, education, etc. New parks, and improving existing parks are popular concepts, with an emphasis on more and/or bigger spaces for playing sports and preserving existing green spaces. One participant in the African American focus group noted that Cully Park has soccer fields, but no basketball courts. This sends a message that the Black community is not a high priority in Cully. Community gardens, a public library, and somewhere to swim are also favorable.

Public Infrastructure

Residents support pedestrian and bicycle and safety improvements, sidewalks and paved streets, more streetlights, and investments to improve community safety. Residents report increasing gun violence and fear for the safety of their children and families.

Section 6: Community Governance & Decision-Making

The final governance and decision-making structure for the Cully Community-Led Development District will be established through additional community engagement and ongoing collaboration between stakeholders in Cully, Prosper Portland, and the Portland Housing Bureau.

The ideas being considered for our decision-making structure are inspired by these existing examples of community-led governance models:

Our 42nd Avenue & Cully Boulevard Alliance (Portland, OR)

Decisions are guided by a steering committee, which has a Chair and Vice Chair who serve 2-year terms. New steering committee members are voted in by the group. The committee consists of:

- 3 Cully business owners
- 3 Cully homeowners
- 3 Cully renters
- 3 at large Cully agencies/experts

The District Manager, who is responsible for communicating with the community and understanding what the community needs are, presents a plan on how to use TIF money. With the guidance of a Prosper Portland staff member, the steering community talks about the plan and either requests more information about it or approves the project.

Portland Clean Energy Fund (Portland, OR)

- An independent, 9-member Grant Committee is made up of Portland residents.
- The Grant Committee makes decisions about which grants to fund. These decisions are public, and get referred to City Council.
- City Council gives final approval to the decisions of the Grant Committee. If it wants to reject one of the projects, it has to provide written rationale. This creates a high political hurdle for City Council to overrule the Grant Committee.
- In PCEF's first round of grantmaking in spring 2021, City Council unanimously approved all of the Grant Committee's decisions.

Cooperation Jackson (Jackson, MS)

- Created a people's assembly form of direct democracy to facilitate broad community participation in decisions
- Deployed an "inside-out" strategy that combines participatory democracy in its own organization's decisions with electoral organizing to have community members take on positions of power in local government

Dudley Street Neighborhood Initiative (Boston, MA)

- Created a governance structure with defined seats for community members from specific ethnic/racial groups, community-based orgs, small businesses, and other sectors. These representatives are directly elected by community members who identify with those specific constituencies (e.g. African American residents vote for the African American board members).
- One of DSNi's core principles for its neighborhood development plan was community control over the plan's implementation: "Neighborhood Control through a community-driven planning process that empowers residents to develop the vision, define priorities and plans, and manage implementation."

The following themes regarding governance and decision-making arose from the first phase of community engagement, including focus groups and surveys:

- Over the entire lifespan of the district, there need to be avenues for everyone in the community to continue to be informed about decisions being made, and to give input into those decisions. Treat this as an ongoing community organizing program, not just a one-time project to create a plan.
- Need to ensure that the plan actually gets implemented according to the community's vision, rather than being just a nice plan sitting on a shelf.
- There needs to be transparent, regular reporting back to the community about how the plan is being implemented and what decisions are being made. This includes explanations of how current activities relate to the initial plan.
- A decision-making committee should be formed that is representative of the Cully community members who are vulnerable to displacement
- Committee members (and/or community-based staff that support them) help bring the voices of the broader community to the process. Decisions should not be made by committee members in isolation, but through a participatory process that invites all priority community members in.
- There should be opportunities for new people to join the committee periodically
- Members of the decision-making committee need to have ongoing support and training from staff at the community-based organizations in Cully
- Members of the committee need compensation to allow them to dedicate their time to this important role, along with childcare, food and interpretation/translation services

Community Governance & Decision-Making Structure

The final TIF District Plan will utilize a community-led approach in the identification, prioritization, administration and accountability of investments. This approach will be outlined in a structure that will exist for the life of the Cully Community-Led Development District, consisting of two components: 1) high-level commitments and principles that will be included in the District Plan itself; and 2) a more detailed Community Governance Document that will exist outside of the District Plan, but which the District Plan will refer to, which establishes how decisions about the District, and specifically the use of TIF funds, will be made. It will define roles and responsibilities of a Committee of Cully community members and Portland City Council and the Prosper Portland Board, along with their delegated authorities in accordance with state statute and city code. It will also establish how City staff and the community-based Committee will collaborate with one another, regularly engage with the broader community, to evaluate and prioritize potential investments, how the City will administer and implement those investments and ensure investments are aligned with the goals set forth in the District Plan.

Shared Understandings

Community-led

The Cully Community-Led Development District will center the intended beneficiaries of the District's investments by prioritizing the leadership of people and groups vulnerable to displacement, including Black, Indigenous and tribal people, people of color, immigrants and refugees, renters, mobile home residents and low-income people. The vision and priorities of the broader community are represented by a Community Leadership Committee through ongoing community engagement efforts.

Decision-making

Decision-making is a process approach, through which the Community Leadership Committee and the City bureaus collaborate to identify decisions to be made, gather relevant information, identify alternatives, weigh evidence, choose among alternatives, implement action, and review and evaluate the decision. As part of the co-creation process, various kinds of formal decisions may potentially be made by the Community Leadership Committee, City government, or through a collaborative process that involves both the Committee and City representatives.

Adoption of Plans and Expenditure Authority

A central function of the community governance structure for the Cully Community-Led Development District is to ensure that the Community Leadership Committee's role in co-creation and decision-making, as outlined in the Community Governance Document, comes prior to the formal adoption of plans and approval of expenditures by the following authorities:

- Portland City Council adopts the overall TIF District Plan. Amendments to Plan, depending on type, can be approved by Portland City Council or the Prosper Portland Board of Commissioners.
- Periodic Action Plans are adopted by the Prosper Portland Board of Commissioners and Portland City Council.
- Expenditure authority for TIF funds is outlined in City code and policy, which generally lays out different authority levels depending on amounts and uses, as approved by the Prosper Portland Board and Portland City Council.

Content for the District Plan:

Community Leadership Committee. A standing Committee representing Cully community members who are vulnerable to displacement will oversee the TIF District plan, in partnership and with support from Prosper Portland and the Portland Housing Bureau who will administer the plan. The Committee will be in existence for the life of the TIF District. The Committee's guiding principles, structure, membership, operations, and decision-making authorities are further described in the Community Governance Document and can be amended, without need for TIF District Plan amendment, pursuant to the process outlined in that document.

Action Plans. The TIF District Plan will be implemented via a sequence of Action Plans, each of approximately 5 years. The Action Plans will be co-created by the Committee and the Bureaus pursuant to the decision-making processes established in the Community Governance

Document. The Action Plans will provide the foundation for the Committee’s leadership and oversight of the TIF District Plan’s implementation.

Co-Creation. Decisions about the TIF District and TIF investments will be made through close collaboration and partnership between the Committee and the City Bureaus. This co-creation process, including the specific decision-making roles and authorities of each entity, is further described in the Community Governance Document. This approach will be used, at a minimum, to introduce, evaluate, and make decisions about priorities, objectives, programs and investments that will be developed collaboratively.

Oversight and Accountability. The Community Leadership Committee and Bureau partners commit to creating and utilizing a clear and transparent process to ensure accountability for the implementation of the Cully TIF vision, goals, objectives and investment priorities. This process is further described in the Community Governance Document.

Content for the Governing Document:

The following three-step process will generally be used to make decisions about how to spend TIF funds. Further details and refinements to this process will be added during Phase 2 of the project.

STEP 1: Community-Led Development of Action Plans

Concepts for programs and investments that are an allowable TIF expenditure, and in line with the overall TIF District Plan, are established through a community-led process and put forth via the Committee. Bureau staff will also present information to the Committee about existing programs that could be implemented and/or adapted for Cully. Identifying and evaluating potential programs and investments to be included in five-year Action Plans will entail significant community engagement and collaboration with Bureau partners. Citywide policy implications, administrative considerations, financial feasibility, technical assistance, and constant collaboration from Prosper Portland and Portland Housing Bureau will be key inputs into decisions about which priorities, programs and investments to include in the Action Plans.

If community members or bureau staff bring forward new or different proposals for priorities, programs and investments, those proposals will be referred to the Committee for consideration. If City Council identifies new or different priorities, Prosper Portland or the Portland Housing Bureau will present this information to the Committee.

To be determined in Phase 2: Specific decision-making roles and authorities of the Committee and the City entities in the development and adoption of Action Plans.

STEP 2: Prosper Portland & PHB Administration & Implementation of the Action Plan

The City bureaus will further develop and then implement the Action Plan in accordance with the decisions and priorities included in both the District Plan and the Action Plan.

Bureau partners, in partnership with the Committee, commit to exploring approaches that provide transparency and incorporate community input regarding delivery on outcomes into administration and implementation processes.

To be determined in Phase 2: What role, if any, the Committee will have in contributing to (or making) decisions that are more granular than the content of the Action Plans. Such decisions could include, but are not necessarily limited to, the content of RFPs and NOFAs for large-scale investments, and the program design for packages of smaller-scale investments.

STEP 3: Oversight and Accountability

The Bureaus will work with the Committee to develop a transparent process for the Committee's oversight of the Bureau's administration and implementation of the programs and investments carried out under the TIF District Plan, via each Action Plan.

NOTE: Steps 2 & 3 can happen iteratively, so that regular communication between the community and the Bureaus informs the Bureaus' work of developing and implementing ideas.

Community Governance Considerations for Phase 2:

The following topics and issues will be resolved during Phase 2 of this project, through continued close collaboration and co-creation among the Cully-based partners and the City bureaus:

- **Decision-making Roles and Authorities**

The final Community Governance Document needs to be very clear and specific about where decision-making power lies. Which decisions are the Committee making, and which decisions are City entities making? Which Committee decisions are technically recommendations to the ultimate decision-makers at the City (and who are those decision-makers)? What are the practices of co-creation and shared decision-making that lead up to any moment of making a formal, final decision?

Examples to consider: Portland Clean Energy Fund, Prosper Portland's Community Livability Grants, Neighborhood Prosperity Districts, Planning and Sustainability Commission

- **District Plan Amendments**

What types of TIF Plan amendments can occur? What is the process for determining when and why they are necessary, and who approves them? Examples of potential amendments could include: maximum indebtedness, acreage, goals and priorities, council-approved amendments, and inclusion of public buildings.

- **Amendments to the Community Governing Document**

What is the process for making amendments? Who needs to approve them?

- **Committee Structure and Membership**

What is the membership structure of the Community Leadership Committee? How will members be selected, and what specific positions or roles will they fill? Who will be eligible to participate? What are the responsibilities of the committee members, and for how long will they serve?

- **Committee Support**

What resources and technical assistance will be provided in order to ensure the overall success of the Community Leadership Committee, and to support the leadership development and

success of its individual members? Forms of support could include, but are not limited to, dedicated staff capacity housed at community-based organizations and/or City bureaus; training and capacitation, financial compensation for committee members; and logistical support such as childcare, food and interpretation/translation.

- **Community Engagement Capacity and Practices**

What resources and capacities are needed in order to meaningfully and consistently engage with the broader Cully community -- specifically Black, Indigenous and tribal people, people of color, immigrants and refugees, renters, mobile home residents, and low-income people -- throughout the life of the TIF District? Should community engagement capacities be held by one or more community-based organizations, or by City bureaus, or both? What are the expected community engagement practices and activities, and how will they relate to decisions being made about the District's activities and the use of TIF funds? How will the broader community be engaged in oversight and reporting on outcomes?

- **Annual Budgets**

Adopted every year for the coming fiscal year, plus a 4-year forecast; the annual budget pays for the investments programmed in the five-year Action Plan. How will the Committee be involved in the annual budget process, if at all? Should the Committee participate in the Prosper Portland Community Budget Committee (CBC)?

- **Action Plan Implementation Decisions**

Under the umbrella of each five-year Action Plan, more granular decisions must be made along the way in order to implement the investments and programs called for in the Action Plan. What will be the role of the Community Leadership Committee in co-creation and decision-making for those more granular decisions? Such decisions could include, but are not necessarily limited to, the content of RFPs and NOFAs for large-scale investments, and the program design for packages of smaller-scale investments. Should the Committee give its approval/endorsement to RFPs, NOFAs, and funding packages before they are issued? How will the five-year Action Plans proactively flag the implementation decisions/processes planned for the coming five-year period, and indicate which of those the Community Committee will be involved in?

- **Oversight and Accountability**

What will be the Committee's role in the ongoing oversight of the implementation of the District Plan, the Action Plans, and all uses of TIF funds? What are the check-points at which the Bureaus will report to the Committee on their planned implementation of programs and investments? What will be the Committee's role and authority to propose changes to the Bureau's plans prior to their final implementation of a program or investment? How will the outcomes of programs, investments and any other uses of TIF funds be reported transparently to the Committee and the broader community?

Section 7: Principles that Guide Implementation of the Plan

Analysis of potential investments

How will we proactively analyze the impacts of potential investments, in order to ensure that we are making investments that meet -- and do not undermine -- our values/vision/goals?

The ELC will work with Prosper Portland, the Portland Housing Bureau, and the Bureau of Planning and Sustainability to create a protocol that will be used to proactively analyze proposed TIF investments (individual large-scale investments, and packages of smaller-scale investments, e.g. a grant or loan program), to be used as a key input into the community-led decision-making process. This protocol will:

- Evaluate the investment's anticipated contributions to achieving the District's goals of:
 - Preventing gentrification and displacement;
 - Securing stable homes and economic prosperity for people who are vulnerable to displacement; and
 - Securing those benefits not only for current residents, but for future generations.
- Identify any potential for the investment to contribute to gentrification and displacement -- especially in terms of contributing to upward pressure on rents and property values.
- Identify mitigation measures for any potential displacement impacts, to include the options of foregoing, delaying or revising the project, or accompanying the project with other mitigating investments.

Sequencing of Investments

How will we strategically order investments over the life of the District to best meet our anti-displacement goals?

TIF funds are limited especially during the first phase (first 5 years) of the district. It will be critical to leverage additional resources in order to achieve the vision and goals set out by our plan. We will need to be thoughtful and deliberate advocates and come up with specific strategies to bring additional resources during the first phase of the TIF district.

The five-year action plans that are created to implement the District Plan will thoughtfully and strategically prioritize and sequence activities and investments in order to achieve the values, vision and goals of the district. In general, this means that investments and programs will be prioritized in the following order over time, with the first activities being prioritized earlier in the life of the district, and the subsequent activities being considered later, as the earlier objectives are met.

1. Stabilization of current residents and businesses
2. Real estate acquisition to remove property from the market and secure opportunities for later development (residential, commercial and mixed-use)
 - a. **Note:** 1 & 2 can and should be done simultaneously when possible, e.g. acquiring a market-rate apartment building in order to stabilize current tenants and also preserve affordable homes for future generations.
3. New development to expand opportunities for affordable housing and economic prosperity
4. Amenities that improve the quality of life for Cully residents who already have stable housing and economic situations
 - a. **Note:** Activities in category 4 may have other potential funding sources beyond TIF, including public entities that we should already expect to provide basic infrastructure and amenities. TIF funds should be used sparingly, if at all, for this category. See #4 below.

Set aside funds to take advantage of acquisition opportunities and respond to immediate displacement threats

How can we be prepared to act quickly and nimbly when opportunities arise to acquire properties for the purpose of preventing displacement and/or bringing property under community ownership for future development?

The five-year action plans should include a program that sets aside funds for rapid, opportunistic property acquisition. The ELC will work with City staff to develop methods to ensure that these set-aside funds can be deployed quickly in order to compete on the market with other potential buyers, and to respond to urgent crises and opportunities. For example, funds could be administered by a Community Development Financial Institution or other entity that is able to act more quickly than a public agency.

These set-aside funds would be available to purchase a house, apartment building, mobile home park, commercial building, or developable property that is put up for sale. Priority should go to acquiring properties where current tenants (residential or commercial) could be threatened with displacement if a private investor were to acquire the property (e.g. past situations at the Normandy Apartments and Oak Leaf Mobile Home Park). Such investments should seek to protect current residents from displacement, and also remove the property from market-based ownership in order to preserve it permanently for affordable housing and/or commercial space.

A similar set-aside of funds for emergency repair and rehab projects, for the purpose of preventing displacement, should also be considered.

Leveraging and prioritizing TIF resources alongside other funding sources

How can we ensure that finite TIF funds can have the largest possible impact in terms of achieving our values, vision and goals?

Whenever possible, TIF-funded projects should leverage other funding sources in order to preserve TIF funds for additional projects. TIF investments should be paired with programmatic/operating funds that can ensure the long-term success of the TIF capital investment.

TIF investments should be focused on projects that are not likely to be funded by other sources, and should generally not be used to pay for basic infrastructure that public agencies should already be expected to provide.

Community-owned property vs. privately-owned property

How will we balance investments in privately-owned property with investments that remove property from the private market, and therefore have a longer-term community benefit?

For large-scale investments, our TIF District will prioritize investments that remove properties from market-based ownership in order to permanently preserve them for uses that meet our values, vision, and goals. This means we will prioritize investments in properties owned by (or being purchased by) non-profits, public agencies, land trusts, resident-owned cooperatives, and other models of community ownership.

We will prioritize investments that ensure affordability and stability for multiple generations, rather than only benefiting or preventing the displacement of the current owner/user of a property.

Especially for smaller-scale investments, we will also prioritize investments in property that is privately owned by community members from populations that have historically been excluded from ownership opportunities, while also seeking to ensure long-term community benefits from those investments via mechanisms such as:

- Land trust models
- Affordability covenants for privately-owned properties, to provide at least medium-term stability for tenants and long-term affordability for homeownership
- Master leases by a non-profit, in order to provide below-market rent to tenants
- ‘Right of first refusal’ or ‘Right of first purchase’ agreements for non-profits and public agencies to have the first opportunity to purchase privately-owned properties that receive TIF investments, at whatever point in the future they might be sold
- Structuring investments as loans that are repaid if the property is sold to another private owner, or forgiven if the property is sold to a non-profit

Right of first refusal: *I get to be the first to say whether I want to buy the unit*

Right of first offer: *I get to be the first to submit an offer on the unit.*

First opportunity to purchase: *I get to be the first to try and purchase the unit.*

Contracting and Employment

How will we ensure that TIF investments result in contracts for minority-owned firms and jobs for BIPOC workers, at levels beyond Prosper Portland’s and PHB’s existing targets? How can we ensure that these benefits extend beyond construction, and into the ongoing maintenance and operations of properties that receive TIF investments?

Recognizing that good-paying jobs can be created through TIF investments, we wish to ensure that there are quality job standards, job opportunities for BIPOC workers and equitable opportunities for small businesses. The City of Portland and Prosper Portland both have agency goals for contractor diversity and professional services contracts, alongside a City of Portland Workforce Training and Hiring Program. There are different mechanisms for ensuring economic benefits and opportunities for workers in the TIF district, drawing from existing policies and tailoring it to meet the goals of the Cully neighborhood.

One promising precedent that should be studied is the Portland Clean Energy Fund’s Workforce and Contractor Equity Agreement, which gives PCEF grant recipients various options for going above and beyond established baseline goals for equitable contracting and hiring. Another opportunity to build off of is the contracting and employment terms laid out in the Broadway Corridor Community Benefits Agreement.

Climate Action and Environmental Stewardship

How will we ensure the TIF investments result in environmentally sustainable development, and that the resulting benefits (e.g. lower energy costs from solar power) go to BIPOC and low-income community members? When we build affordable homes or commercial buildings, what standards do we want to require for energy efficiency, renewable energy, stormwater management, etc?

Guidance for this area will be developed in Phase 2 of the project.

Section 8: Tax Increment Finance Technical Elements

The following is a high-level overview of technical elements related to the establishment of a tax increment finance district. Information detailed below will inform and guide the exploration of a Cully Community-Led Development District. The *Clarification of Regulatory Limitations of TIF* section highlights portions of the Oregon Revised Statute (ORS) 457, covering tax increment finance, that are relevant to the ongoing discussions in the Cully neighborhood. Included is a financial analysis showing the annual revenue that could be generated over a 25 year timeframe for both the Cully Core and all areas being put forth as part of the draft boundaries found in Section 4 of this report, referred to below as Cully Total. The analysis also presents impacts to overlying taxing jurisdictions as a result of a proposed district. The final component looks at establishing a declaration of necessity or purpose, otherwise known as blight. For the purposes of the preliminary report, blight is defined as the lack of proper utilization of areas as highlighted through an analysis of vacant land. More detailed financial analyses and blight findings will be conducted during Phase 2 of the effort.

Clarification of Regulatory Limitations of TIF

The Chapter of the Oregon Revised Statute covering tax increment financing (TIF) and TIF districts is ORS 457. The statute clearly defines authority, what body can implement a plan, specific powers in planning and undertaking a project, establishing a maximum indebtedness, requirements for the component parts of a TIF District Plan and Report, requirements for specific types of amendments, adoption requirements and reporting requirements. The language used in the statute uses “urban renewal”. Many cities in Oregon have begun using the term “tax increment districts” instead of “urban renewal areas”, however, the official statute still uses the term urban renewal.

That authority to create a TIF District is vested in the municipality, in this case, the Portland City Council. The City Council also creates an “urban renewal agency” and designates the makeup of the agency members by appointing a board of not less than three members. That agency has the authority to implement a TIF District Plan. The Agency in Portland is Prosper Portland.

Prosper Portland delegates specifically identified portions of implementation in TIF districts to the Portland Housing Bureau. This is accomplished through an interagency agreement that establishes protocols for transfer and investment of funds.

Eligible TIF project activities are identified in ORS 457.170 and 457.180.

Other relevant ORS 457 requirements are shown below in excerpts of the statute.

There is one urban renewal agency in each municipality (ORS 457.035)

457.035 Urban renewal agencies; creation; ordinance to exercise powers; area of operation.

(1) In each municipality, as defined in ORS 457.010, there hereby is created a public body corporate and politic to be known as the “urban renewal agency” of the municipality.

(2) An urban renewal agency, upon activation under subsection (1) of this section, shall have authority to exercise its powers within the same area of operation given a housing authority of the municipality under ORS 456.060.

The composition of that Agency is determined by the governing body of the municipality (Portland City Council) (ORS 457.045)

457.045 Election of method of exercise of urban renewal agency's powers. The governing body of a municipality shall, in the ordinance adopted under ORS 457.035, elect to have the powers of an urban renewal agency under this chapter exercised in one of the following ways:

- (1) By a housing authority of the municipality established pursuant to the Housing Authorities Law in which case the name of the body corporate and politic shall be the "housing authority and urban renewal agency" of the municipality.
- (2) By appointing a board or commission composed of not less than three members.
- (3) By the governing body, itself, provided, however, that any act of the governing body acting as the urban renewal agency shall be, and shall be considered, the act of the urban renewal agency only and not of the governing body

The powers of an Agency may be transferred pursuant to ORS 457.045 and 457.055. However, there is still only one Agency for the municipality (City of Portland).

457.055 Transfer of urban renewal agency powers. At any time following adoption of the ordinance under ORS 457.035, or for urban renewal agencies activated before October 3, 1979, at any time following adoption of a proper resolution or ordinance of the governing body of the municipality, the governing body of a municipality may, by ordinance, transfer the authority to exercise the powers of the urban renewal agency to any other body authorized to exercise those powers under ORS 457.045. All duties and obligations of the urban renewal agency shall thereafter be assumed by the body to which those powers are transferred.

The Agency is responsible for preparing the urban renewal plan and meeting all requirements (ORS 457.085)

457.085 Urban renewal plan requirements. (1) An urban renewal agency shall provide for public involvement in all stages in the development of an urban renewal plan.

(2) An urban renewal plan proposed by an urban renewal agency shall include all of the following:

- (a) A description of each urban renewal project to be undertaken.
- (b) An outline for the development, redevelopment, improvements, land acquisition, demolition and removal of structures, clearance, rehabilitation or conservation of the urban renewal areas of the plan.
- (c) A map and legal description of the urban renewal areas of the plan.
- (d) An explanation of the plan's relationship to definite local objectives regarding appropriate land uses and improved traffic, public transportation, public utilities, telecommunications utilities, recreational and community facilities and other public improvements.
- (e) An indication of proposed land uses, maximum densities and building requirements for each urban renewal area.
- (f) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area of the plan.

(g)An indication of which real property may be acquired and the anticipated disposition of such real property, whether by retention, resale, lease or other legal use, together with an estimated time schedule for such acquisition and disposition.

(h)If the plan provides for a division of ad valorem taxes under ORS [457.470 \(Modification of assessed value\)](#), [457.420 \(Plan may provide for division of property taxes\)](#) to the maximum amount of indebtedness that can be issued or incurred under the plan.

(i)A description of what types of possible future amendments to the plan are substantial amendments and require the same notice, hearing and approval procedure required of the original plan under ORS [457.095 \(Approval of plan by ordinance\)](#) as provided in ORS [457.220 \(Plan amendment\)](#), including but not limited to amendments:

(A)Adding land to the urban renewal area if the addition results in a cumulative addition of more than one percent of the urban renewal area.

(B)Increasing the maximum amount of indebtedness that can be issued or incurred under the plan.

(j)For a project that includes a public building, an explanation of how the public building serves or benefits the urban renewal area.

The Agency is responsible for preparing the urban renewal report and meeting all requirements (ORS 457.087)

457.087 Report required to accompany proposed urban renewal plan. An urban renewal plan proposed by an urban renewal agency shall be accompanied by a report that contains:

(1)A description of the physical, social and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;

(2)Reasons for the selection of each urban renewal area in the plan;

(3)The relationship between each project to be undertaken under the plan and the existing conditions in the urban renewal area;

(4)The estimated total costs for each project and the sources of moneys to pay the costs;

(5)The anticipated completion date for each project;

(6)The estimated amount of moneys required for each urban renewal area under ORS [457.420 \(Plan may provide for division of property taxes\)](#) to [457.470 \(Modification of assessed value\)](#) and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS [457.420 \(Plan may provide for division of property taxes\)](#) to [457.470 \(Modification of assessed value\)](#);

(7)A financial analysis of the plan with sufficient information to determine the feasibility of the plan;

(8)A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all districts levying taxes upon property in the urban renewal area; and

(9)A relocation report that includes:

(a)An analysis of existing residents or businesses required to relocate temporarily or permanently as a result of the urban renewal agency's actions under ORS 457.170. [457.170 \(Urban renewal agency's powers in planning or undertaking an urban renewal project\)](#);

- (b) A description of the methods to be used for the temporary or permanent relocation of persons living, and businesses situated, in the urban renewal area, in accordance with ORS [35.500 \(Definitions for ORS 35.500 to 35.530\)](#) to [35.530 \(Federal law controls\)](#); and
- (c) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and the new units to be added.

The Agency is responsible for taking the Plan through the review and approval process.

457.089 Urban renewal plan and report to planning commission and affected taxing districts for recommendations before approval by municipality; taxing district concurrence required for plan that includes public building project. (1) An urban renewal agency shall forward an urban renewal plan and the accompanying report to the planning commission of the municipality for recommendations before presenting the plan to the governing body of the municipality for approval under ORS 457.095.

The Agency is responsible for undertaking projects.

457.170 Urban renewal agency's powers in planning or undertaking an urban renewal project. An urban renewal agency may plan or undertake any urban renewal project to carry out an approved urban renewal plan. In planning or undertaking an urban renewal project, the urban renewal agency has the power:

- (1) To carry out any work or undertaking and exercise any powers which a housing authority is authorized to perform or exercise under ORS [456.055 \(Definitions for ORS 456.055 to 456.235\)](#) to [456.235 \(Dissolution of housing authorities\)](#), subject to the provisions of this chapter provided, however, that ORS [456.155 \(Policy regarding profit from projects\)](#) and [456.160 \(Limitations as to rentals\)](#) do not limit the power of an agency in event of a default by a purchaser or lessee of land in an urban renewal plan to acquire property and operate it free from the restrictions in those sections.
- (2) To carry out any rehabilitation or conservation work in an urban renewal area.
- (3) To acquire real property, by condemnation if necessary, when needed to carry out the plan.
- (4) To clear any areas acquired, including the demolition, removal or rehabilitation of buildings and improvements.
- (5) To install, construct or reconstruct streets, utilities and site improvements in accordance with the urban renewal plan.
- (6) To carry out plans for a program of the voluntary repair and rehabilitation of buildings or other improvements in an urban renewal area in accordance with the urban renewal plan.
- (7) To assist in relocating persons living in, and property situated in, the urban renewal area in accordance with the approved urban renewal plan and to make relocation payments.
- (8) To dispose of, including by sale or lease, any property or part thereof acquired in the urban renewal area in accordance with the approved urban renewal plan.
- (9) To plan, undertake and carry out neighborhood development programs consisting of urban renewal project undertakings in one or more urban renewal areas which are planned and carried out

on the basis of annual increments in accordance with the provisions of this chapter for planning and carrying out urban renewal plans.

(10)To accomplish a combination of the things listed in this section to carry out an urban renewal plan.

457.180 Powers of urban renewal agencies in general. An urban renewal agency, in addition to its other powers, may:

(1)Make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements.

(2)Make plans for the enforcement of laws, codes and regulations relating to:

(a)The use of land.

(b)The use and occupancy of buildings and improvements.

(c)The repair, rehabilitation, demolition or removal of buildings and improvements.

(3)Make plans for the relocation of persons and property displaced by an urban renewal project.

(4)Make preliminary plans outlining urban renewal activities for neighborhoods to embrace two or more urban renewal areas.

(5)Conduct preliminary surveys to determine if the undertaking and carrying out of an urban renewal project is feasible.

(6)Develop, test and report methods and techniques and carry out demonstrations and other activities for the prevention and the elimination of urban blight.

(7)Engage in any other housing or community development activities specifically delegated to it by the governing body of the municipality including but not limited to land acquisition and disposition, conservation and rehabilitation, residential or business relocation, construction, leasing or management of housing, and the making of grants and loans from any available source.

The Agency is responsible for establishing the maximum indebtedness and getting the funds from the assessor.

457.190 Acquisition of funds by urban renewal agency; maximum amount of indebtedness. (1) An urban renewal agency may...

1)An urban renewal agency may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, county or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out urban renewal projects.

(2)An urban renewal agency may do all things necessary or desirable to secure such financial aid, including obligating itself in any contract with the federal government for federal financial aid to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default thereunder, in the same manner as a housing authority may do to secure such aid in connection with blighted area clearance and housing projects under the Housing Authorities Law.

(3)(a) Each urban renewal plan adopted by ordinance on or after July 14, 1997, that provides for a division of taxes pursuant to ORS [457.440 \(Computation of amounts to be raised from property taxes\)](#) shall include in the plan the maximum amount of indebtedness that may be issued or incurred under the plan.

Sections 3b-c are not relevant to this TIF District.

Section C is not relevant to this TIF District.

Sections 4 a-e are relevant to this TIF District as specified in ORS 457.470(6)(a).

4)For an urban renewal plan initially approved on or after January 1, 2010, other than for a large metropolitan plan as defined in ORS [457.470 \(Modification of assessed value\)](#), the initial maximum indebtedness that may be issued or incurred under the plan shall be established as follows:

(a)If the total assessed value in the certified statement under ORS [457.430 \(Certification of assessed value of property in urban renewal area\)](#) is less than or equal to \$50 million, the initial maximum indebtedness may not exceed \$50 million.

(b)If the total assessed value in the certified statement is more than \$50 million and less than or equal to \$150 million, the initial maximum indebtedness may not exceed \$50 million plus 50 percent of the total assessed value in the certified statement that is over \$50 million.

(c)If the total assessed value in the certified statement exceeds \$150 million, the initial maximum indebtedness may not exceed \$100 million, plus 35 percent of the total assessed value in the certified statement that is over \$150 million.

(d)Beginning July 1, 2010, the dollar limits set forth in this subsection may be increased on July 1 of each year by the index used in the urban renewal report to compute the future costs of projects that will be financed under the plan.

(e)The limits in this subsection do not apply if the agency obtains concurrence as provided in ORS [457.470](#)

The statute allows any state public body to assist with implementation of housing projects.

457.210 Applicability of housing cooperation law to urban renewal projects; delegation of urban renewal agency powers and functions. (1) Any state public body, as defined in ORS 456.305, shall have the same rights and powers to cooperate with and assist urban renewal agencies with respect to urban renewal projects that such state public body has pursuant to ORS 456.305 to 456.325 to cooperate and assist housing authorities with respect to housing projects in the same manner as though those sections were applicable to urban renewal agencies and projects under this chapter.

The Agency is responsible for carrying out the Plan and processing amendments to the Plan. Certain specified activities require substantial amendments to the Plan and the process for those requires public involvement.

457.220 Plan amendment; limit on additional land and increased maximum indebtedness. (1) Except for the provisions of subsections (2) and (4) of this section, an urban renewal agency shall carry out the urban renewal plan approved under ORS 457.095.

- (2) Any substantial change made in the urban renewal plan shall, before being carried out, be approved and recorded in the same manner as the original plan.
- (3) An urban renewal agency may not by amendments add to the urban renewal areas of a plan land that is equal to more than 20 percent of the total land area of the original plan as calculated without taking into account any subsequent reductions of the area.
- (4) On or after January 1, 2010, the urban renewal agency may amend a plan that is not a large metropolitan plan as defined in ORS 457.470 to increase the maximum indebtedness, provided that:
 - (a) The aggregate of all amendments under this subsection may not exceed 20 percent of the plan's initial maximum indebtedness, as adjusted pursuant to paragraph (b) of this subsection.
 - (b) For purposes of computing the 20 percent limit on increases in maximum indebtedness, the initial maximum indebtedness may be increased annually on the anniversary date of initial approval of the plan by the index used in the urban renewal report to compute the future costs of projects that will be financed under the plan, beginning on the later of July 1, 1999, or the first anniversary of plan approval. This increase may be applied only to the first amendment to the maximum indebtedness that is made on or after January 1, 2010.
- (5) The limits in subsection (4) of this section do not apply if the agency obtains concurrence as provided in ORS 457.470.

The Agency is responsible for disposition of land in the TIF area.

457.230 Disposition of land in urban renewal project; determination of value; obligations of purchaser or lessee; recordation. (1) The urban renewal agency shall, in accordance with the approved urban renewal plan, make land in an urban renewal project available for use by private enterprise or public agencies. Such land shall be made available at a value determined by the urban renewal agency to be its fair reuse value, which represents the value, whether expressed in terms of rental or capital price, at which the urban renewal agency in its discretion determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved or rehabilitated for the purposes specified in such plan.

Assessed Value, Tax Increment and Impact on Taxing Jurisdictions

The financial tables were prepared showing two separate scenarios, one with the Cully Core Area and one with the Cully Core Area plus potential additional areas, called Cully Total. These areas are shown in Section 4: Geographic Areas and Boundaries of the TIF District in this report. These will be noted in each of the tables in this section.

The estimated tax increment revenues through FYE 2047 are based on projections of the assessed value within the Area and the consolidated tax rate that will apply in the Area. Table 1 and Table 2 show the incremental assessed value, tax rates and tax increment revenues each year, adjusted for discounts, and delinquencies. The projections in the financial model assume an assessed value growth rate of 3%.

Gross TIF is calculated by multiplying the tax rate times the excess value used. The tax rate is per thousand dollars of value, so the calculation is "tax rate times excess value used divided by one

thousand.” The consolidated tax rate includes permanent tax rates and the Fire and Police Disability and Retirement Fund. One way to understand this complex formulation can be:

Current Assessed Value - Frozen Base = Increment

$(\text{Increment}/1,000) * \text{Tax Rate} = \text{Gross TIF}$

Adjustments are an average 7.8% and are attributed to delinquencies, non-payment and compression.

The definitions of the columns are:

FYE - The values by fiscal year end. The first year of TIF would be FYE 2023

Total Assessed Value - The projections are based on real property values, not utility or personal property values. If a TIF District is established, the Assessor will set the “frozen base” after the TIF District is established and will include all property value account types: property, utility, personal and manufactured values.

Frozen Base Assessed Value - The value established by the Multnomah County Assessor once a TIF District is approved.

Increment – The increased value above the frozen base assessed value. This increases annually due to the three percent assessed value increases allowed by State law and by any added value from new development or major rehabilitation on a property.

Increment Shared - The statute requires revenue sharing at specifically defined thresholds.

Tax Rate - This is the permanent rate levy amount of taxes

Gross TIF - The amount of taxes to be generated from the increment.

Gross TIF shared - The amount of taxes to be shared with overlapping taxing districts when the thresholds in the statute are met.

Adjustments - The amount of TIF that is attributed to delinquencies, non-payment and compression.

Net TIF – The expected TIF revenues to be distributed by the Assessor to Prosper Portland on an annual basis.

PV of Net TIF – The present value of the Net TIF revenues. This is reached by discounted those revenues to equal value in 2021 \$.

Table 1 – Projected TIF Revenues Cully Core

FYE	Total Assessed Value	Frozen Base Assessed Value	Increment	Increment Shared	Tax Rate	Gross TIF	Gross TIF Shared	Adjustments (to Agency)	Net TIF (Agency)	PV of Net TIF (Agency)
2023	820,939,559	797,028,698	23,910,861	0	18.70	447,173	0	(35,103)	412,070	400,068
2024	845,567,746	797,028,698	48,539,048	0	18.70	907,733	0	(71,257)	836,476	788,459
2025	870,934,778	797,028,698	73,906,080	0	18.69	1,381,096	0	(108,416)	1,272,680	1,164,682
2026	897,062,822	797,028,698	100,034,123	0	18.69	1,869,307	0	(146,741)	1,722,566	1,530,478
2027	923,974,706	797,028,698	126,946,008	0	18.69	2,372,147	0	(186,214)	2,185,933	1,885,605
2028	951,693,947	797,028,698	154,665,249	0	18.69	2,890,048	0	(226,869)	2,663,179	2,230,371
2029	980,244,766	797,028,698	183,216,068	0	18.67	3,420,974	0	(268,546)	3,152,427	2,563,212
2030	1,009,652,109	797,028,698	212,623,411	0	18.67	3,970,062	0	(311,650)	3,658,412	2,887,984
2031	1,039,941,672	797,028,698	242,912,974	0	18.67	4,535,622	0	(356,046)	4,179,576	3,203,297
2032	1,071,139,922	797,028,698	274,111,224	0	18.67	5,118,150	0	(401,775)	4,716,375	3,509,426
2033	1,103,274,120	797,028,698	306,245,422	0	18.67	5,718,153	0	(448,875)	5,269,278	3,806,639
2034	1,136,372,343	797,028,698	339,343,645	0	18.67	6,336,157	0	(497,388)	5,838,768	4,095,195
2035	1,170,463,514	797,028,698	373,434,816	0	18.67	6,972,700	0	(547,357)	6,425,343	4,375,346
2036	1,205,577,419	797,028,698	408,548,721	0	18.67	7,628,340	0	(598,825)	7,029,515	4,647,338
2037	1,241,744,742	797,028,698	444,716,044	0	18.67	8,303,649	0	(651,836)	7,651,813	4,911,407
2038	1,278,997,084	797,028,698	481,968,386	0	18.67	8,999,217	0	(706,439)	8,292,779	5,167,786
2039	1,317,366,997	797,028,698	520,338,298	0	18.67	9,715,653	0	(762,679)	8,952,974	5,416,696
2040	1,356,888,006	797,028,698	547,661,771	12,097,537	18.67	10,227,698	225,883	(802,874)	9,424,824	5,536,091
2041	1,397,594,647	797,028,698	578,291,751	22,274,197	18.67	10,797,748	415,899	(847,623)	9,950,125	5,674,417
2042	1,439,522,486	797,028,698	609,737,631	32,756,157	18.67	11,384,899	611,616	(893,715)	10,491,185	5,808,714
2043	1,482,708,161	797,028,698	642,126,886	43,552,576	18.67	11,989,665	813,205	(941,189)	11,048,476	5,939,100
2044	1,527,189,405	797,028,698	675,487,820	54,672,887	18.67	12,612,573	1,020,841	(990,087)	11,622,486	6,065,689
2045	1,573,005,088	797,028,698	709,849,582	66,126,808	18.67	13,254,169	1,234,707	(1,040,452)	12,213,717	6,188,590
2046	1,620,195,240	797,028,698	745,242,196	77,924,346	18.67	13,915,013	1,454,988	(1,092,329)	12,822,685	6,307,911
2047	1,668,801,097	797,028,698	781,696,589	90,075,810	18.67	14,595,682	1,681,878	(1,145,761)	13,449,921	6,423,757
Total Net TIF									165,283,584	

Table 2 – Projected TIF Revenues Cully Total

FYE	Total Assessed Value	Frozen Base Assessed Value	Increment	Increment Shared	Tax Rate	Gross TIF	Gross TIF Shared	Adjustments (to Agency)	Net TIF (Agency)	PV of Net TIF (Agency)
2023	1,059,317,127	1,028,463,230	30,853,897	0	18.70	577,019	0	(45,296)	531,723	516,236
2024	1,091,096,640	1,028,463,230	62,633,411	0	18.70	1,171,313	0	(91,948)	1,079,365	1,017,405
2025	1,123,829,540	1,028,463,230	95,366,310	0	18.69	1,782,127	0	(139,897)	1,642,230	1,502,873
2026	1,157,544,426	1,028,463,230	129,081,196	0	18.69	2,412,101	0	(189,350)	2,222,751	1,974,885
2027	1,192,270,759	1,028,463,230	163,807,529	0	18.69	3,060,951	0	(240,285)	2,820,666	2,433,131
2028	1,228,038,881	1,028,463,230	199,575,652	0	18.69	3,729,236	0	(292,745)	3,436,491	2,878,007
2029	1,264,880,048	1,028,463,230	236,416,818	0	18.67	4,414,328	0	(346,525)	4,067,803	3,307,496
2030	1,302,826,449	1,028,463,230	274,363,219	0	18.67	5,122,855	0	(402,144)	4,720,711	3,726,573
2031	1,341,911,243	1,028,463,230	313,448,013	0	18.67	5,852,639	0	(459,432)	5,393,206	4,133,444
2032	1,382,168,580	1,028,463,230	353,705,350	0	18.67	6,604,316	0	(518,439)	6,085,877	4,528,464
2033	1,423,633,637	1,028,463,230	395,170,408	0	18.67	7,378,543	0	(579,216)	6,799,327	4,911,979
2034	1,466,342,646	1,028,463,230	437,879,417	0	18.67	8,175,997	0	(641,816)	7,534,181	5,284,323
2035	1,510,332,926	1,028,463,230	481,869,696	0	18.67	8,997,375	0	(706,294)	8,291,081	5,645,823
2036	1,555,642,914	1,028,463,230	527,179,684	0	18.67	9,843,394	0	(772,706)	9,070,687	5,996,793
2037	1,602,312,201	1,028,463,230	573,848,971	0	18.67	10,714,793	0	(841,111)	9,873,682	6,337,541
2038	1,650,381,567	1,028,463,230	621,918,337	0	18.67	11,612,335	0	(911,568)	10,700,767	6,668,364
2039	1,699,893,014	1,028,463,230	671,429,784	0	18.67	12,536,803	0	(984,139)	11,552,664	6,989,551
2040	1,750,889,805	1,028,463,230	701,276,088	21,150,487	18.67	13,094,087	394,918	(1,027,886)	12,066,201	7,087,621
2041	1,803,416,499	1,028,463,230	740,671,109	34,282,160	18.67	13,829,663	640,110	(1,085,629)	12,744,034	7,267,745
2042	1,857,518,994	1,028,463,230	781,247,980	47,807,784	18.67	14,587,306	892,657	(1,145,104)	13,442,203	7,442,622
2043	1,913,244,563	1,028,463,230	823,042,157	61,739,176	18.67	15,367,679	1,152,782	(1,206,363)	14,161,316	7,612,405
2044	1,970,641,900	1,028,463,230	866,090,160	76,088,511	18.67	16,171,462	1,420,709	(1,269,460)	14,902,002	7,777,243
2045	2,029,761,157	1,028,463,230	910,429,603	90,868,325	18.67	16,999,359	1,696,675	(1,334,450)	15,664,910	7,937,281
2046	2,090,653,992	1,028,463,230	956,099,229	106,091,534	18.67	17,852,094	1,980,920	(1,401,389)	16,450,704	8,092,656
2047	2,153,373,612	1,028,463,230	1,003,138,944	121,771,438	18.67	18,730,410	2,273,692	(1,470,337)	17,260,073	8,243,507
Total Net TIF									212,514,655	

The financial analysis examines capacity of funding for projects in five-year increments and is shown below in Table 3 and Table 4. The total net TIF is the amount of TIF revenues over the 25-year period. The capacity (2021\$) takes this funding, which covers the 25-year period, and discounts it to a present value so the amount of funds allocated to projects can be discussed in 2021 \$. The Cully Core has a capacity of \$100,500,000 over a 25-year time frame to allocate to projects. The Cully Total has a capacity of \$129,300,000 over a 25-year time frame to allocate to projects. The Cully Total has more capacity as it starts with a higher assessed value of property. The Total Net TIF is equal to the sum of Total Net (Agency) in the tables above. The maximum indebtedness will be defined in Phase 2 of this effort after the determination of projects, timing and types of debt to be issued. Those factors will refine these numbers. These numbers reflect just short-term debt, so no interest payments.

Table 3 - Cully Core Capacity

	Actual Dollars	Rounded Dollars
Total Net TIF	\$165,283,584	\$165,300,000
Capacity (2021 \$)	\$100,528,258	\$100,500,000
Years 1-5	\$5,769,292	\$5,800,000
Years 6-10	\$14,394,290	\$14,400,000
Years 11-15	\$21,835,925	\$21,800,000
Years 16-20	\$27,603,704	\$27,600,000
Years 21-25	\$30,925,047	\$30,900,000

Source: Prosper Portland and City of Portland Office of Management and Finance

Table 4 – Cully Total Capacity

	Actual Dollars	Rounded Dollars
Total Net TIF	\$212,514,655	\$212,500,000
Capacity (2021 \$)	\$129,313,968	\$129,300,000
Years 1-5	\$7,444,531	\$7,400,000
Years 6-10	\$18,573,984	\$18,600,000
Years 11-15	\$28,176,458	\$28,200,000
Years 16-20	\$35,455,903	\$35,500,000
Years 21-25	\$39,663,092	\$39,700,000

Source: Prosper Portland and City of Portland Office of Management and Finance

The next tables describe the impact of tax increment financing upon all entities levying taxes upon property in the TIF District.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2047 and are shown in and

Portland Public Schools and the Multnomah County Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level.

Table 5 and Table 6 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 5 shows the general government levies, and Table 6 shows the education levies for the Cully Core. FPDR is the Fire and Police Disability and Retirement Fund.

Table 5 – Impacts to Taxing Districts Cully Core - General Government

Fiscal Year	City	County	Library	Metro	Port	E Mult Soil/Cons	FPDR	Total Gen. Government
22-23	100,849	95,702	26,881	2,128	1,545	2,203	61,695	291,003
23-24	204,723	194,275	54,569	4,321	3,135	4,473	125,240	590,737
24-25	311,714	295,805	83,087	6,579	4,774	6,810	194,098	902,868
25-26	421,914	400,381	112,461	8,905	6,462	9,218	262,717	1,222,059
26-27	535,421	508,094	142,717	11,300	8,200	11,698	339,244	1,556,674
27-28	652,332	619,039	173,879	13,768	9,991	14,252	413,320	1,896,581
28-29	772,751	733,312	205,977	16,309	11,835	16,883	498,059	2,255,127
29-30	896,783	851,013	239,038	18,927	13,735	19,593	578,001	2,617,090
30-31	1,024,535	972,245	273,090	21,623	15,691	22,384	671,533	3,001,103
31-32	1,156,120	1,097,115	308,164	24,401	17,707	25,259	757,780	3,386,546
32-33	1,291,653	1,225,730	344,290	27,261	19,783	28,221	846,615	3,783,553
33-34	1,431,252	1,358,204	381,500	30,207	21,921	31,271	938,116	4,192,469
34-35	1,575,038	1,494,652	419,827	33,242	24,123	34,412	1,032,361	4,613,654
35-36	1,723,138	1,635,193	459,303	36,368	26,391	37,648	1,129,433	5,047,473
36-37	1,875,681	1,779,951	499,963	39,587	28,727	40,981	1,229,418	5,494,308
37-38	2,032,801	1,929,051	541,843	42,903	31,134	44,413	1,332,402	5,954,547
38-39	2,194,634	2,082,624	584,980	46,319	33,612	47,949	1,438,475	6,428,594
39-40	2,310,298	2,192,385	615,810	48,760	35,384	50,476	1,514,287	6,767,401
40-41	2,439,064	2,314,580	650,133	51,478	37,356	53,290	1,598,688	7,144,588
41-42	2,571,694	2,440,440	685,485	54,277	39,387	56,187	1,685,620	7,533,091
42-43	2,708,302	2,570,076	721,898	57,160	41,480	59,172	1,775,160	7,933,248
43-44	2,849,009	2,703,602	759,404	60,130	43,635	62,246	1,867,386	8,345,411
44-45	2,993,936	2,841,133	798,034	63,189	45,854	65,413	1,962,379	8,769,938
45-46	3,143,212	2,982,789	837,824	66,339	48,141	68,674	2,060,222	9,207,201
46-47	3,296,966	3,128,696	878,807	69,584	50,495	72,033	2,161,000	9,657,582
Total	40,513,822	38,446,086	10,798,965	855,066	620,498	885,161	26,473,248	118,592,846

Source: Prosper Portland and City of Portland Office of Management and Finance

Table 6 - Impacts to Taxing Districts Cully Core - Education

Fiscal Year	Portland	Portland CC	Other Education(ESD)	Total Education
22-23	110,037	4,139	6,891	121,067
23-24	223,351	8,401	13,987	245,739
24-25	336,120	12,643	21,049	369,812
25-26	454,909	17,111	28,488	500,508
26-27	571,930	21,512	35,817	629,259
27-28	696,757	26,207	43,634	766,598
28-29	815,551	30,676	51,073	897,300
29-30	946,452	35,599	59,271	1,041,322
30-31	1,071,108	40,288	67,077	1,178,473
31-32	1,208,674	45,463	75,692	1,329,829
32-33	1,350,368	50,792	84,566	1,485,725
33-34	1,496,312	56,282	93,705	1,646,299
34-35	1,646,635	61,936	103,119	1,811,690
35-36	1,801,467	67,760	112,815	1,982,042
36-37	1,960,944	73,758	122,802	2,157,505
37-38	2,125,206	79,937	133,089	2,338,232
38-39	2,294,395	86,300	143,684	2,524,380
39-40	2,415,317	90,849	151,257	2,657,423
40-41	2,549,937	95,912	159,687	2,805,537
41-42	2,688,596	101,128	168,371	2,958,094
42-43	2,831,414	106,500	177,315	3,115,228
43-44	2,978,516	112,033	186,527	3,277,076
44-45	3,130,032	117,732	196,015	3,443,779
45-46	3,286,093	123,602	205,789	3,615,484
46-47	3,446,837	129,648	215,855	3,792,339
Total	42,436,959	1,596,205	2,657,575	46,690,739

Source: Prosper Portland and City of Portland Office of Management and Finance |

Table 7 and Table 8 show the impacts to the taxing districts from the Cully Total area. Table 7 shows the impacts to the general government category and Table 8 shows the education category.

Table 7 - Impacts to Taxing Districts Cully Total - General Government

Fiscal Year	City	County	Library	Metro	Port	E Mult Soil/Cons	FPDR	Total Gen. Government
22-23	130,133	123,491	34,687	2,747	1,993	2,843	79,609	375,502
23-24	264,169	250,687	70,414	5,575	4,046	5,772	161,607	762,270
24-25	402,227	381,698	107,214	8,489	6,160	8,788	250,458	1,165,035
25-26	544,426	516,640	145,117	11,490	8,338	11,895	339,003	1,576,910
26-27	690,892	655,630	184,157	14,582	10,581	15,095	437,751	2,008,689
27-28	841,751	798,790	224,369	17,766	12,892	18,391	533,336	2,447,295
28-29	997,137	946,245	265,787	21,045	15,272	21,786	642,681	2,909,952
29-30	1,157,183	1,098,123	308,447	24,423	17,723	25,283	745,836	3,377,018
30-31	1,322,031	1,254,558	352,388	27,902	20,248	28,884	866,527	3,872,538
31-32	1,491,825	1,415,686	397,646	31,486	22,848	32,594	977,818	4,369,903
32-33	1,666,712	1,581,647	444,262	35,177	25,527	36,415	1,092,449	4,882,189
33-34	1,846,846	1,752,587	492,277	38,979	28,286	40,351	1,210,518	5,409,844
34-35	2,032,384	1,928,656	541,732	42,895	31,127	44,404	1,332,129	5,953,328
35-36	2,223,489	2,110,007	592,671	46,928	34,054	48,580	1,457,388	6,513,117
36-37	2,420,326	2,296,798	645,138	51,082	37,069	52,880	1,586,405	7,089,699
37-38	2,623,068	2,489,193	699,179	55,361	40,174	57,310	1,719,293	7,683,579
38-39	2,831,893	2,687,360	754,842	59,769	43,372	61,872	1,856,168	8,295,275
39-40	2,957,776	2,806,818	788,396	62,425	45,300	64,623	1,938,678	8,664,015
40-41	3,123,933	2,964,494	832,685	65,932	47,845	68,253	2,047,585	9,150,727
41-42	3,295,074	3,126,901	878,302	69,544	50,466	71,992	2,159,760	9,652,040
42-43	3,471,349	3,294,179	925,289	73,265	53,166	75,843	2,275,300	10,168,392
43-44	3,652,913	3,466,477	973,685	77,097	55,947	79,810	2,394,306	10,700,234
44-45	3,839,924	3,643,943	1,023,532	81,044	58,811	83,896	2,516,883	11,248,032
45-46	4,032,545	3,826,733	1,074,875	85,109	61,761	88,105	2,643,136	11,812,264
46-47	4,230,945	4,015,007	1,127,759	89,296	64,800	92,439	2,773,178	12,393,423
Total	52,090,953	49,432,345	13,884,851	1,099,407	797,810	1,138,103	34,037,802	152,481,271

Source: Prosper Portland and City of Portland Office of Management and Finance

Table 8 - Impacts to Taxing Districts Cully Total - Education

Fiscal Year	Portland	Portland CC	Other Education	Total Education
22-23	141,988	5,341	8,892	156,221
23-24	288,206	10,840	18,049	317,095
24-25	433,720	16,314	27,161	477,195
25-26	587,001	22,079	36,760	645,841
26-27	738,002	27,759	46,217	811,977
27-28	899,075	33,817	56,304	989,196
28-29	1,052,364	39,583	65,903	1,157,850
29-30	1,221,275	45,936	76,481	1,343,693
30-31	1,382,127	51,987	86,554	1,520,668
31-32	1,559,639	58,664	97,671	1,715,974
32-33	1,742,476	65,541	109,121	1,917,138
33-34	1,930,799	72,624	120,914	2,124,337
34-35	2,124,771	79,920	133,062	2,337,753
35-36	2,324,562	87,435	145,574	2,557,571
36-37	2,530,347	95,175	158,461	2,783,983
37-38	2,742,306	103,148	171,734	3,017,188
38-39	2,960,623	111,360	185,406	3,257,389
39-40	3,092,228	116,310	193,648	3,402,186
40-41	3,265,938	122,843	204,526	3,593,307
41-42	3,444,858	129,573	215,731	3,790,163
42-43	3,629,147	136,505	227,272	3,992,924
43-44	3,818,964	143,645	239,159	4,201,768
44-45	4,014,476	150,999	251,403	4,416,877
45-46	4,215,853	158,573	264,014	4,638,440
46-47	4,423,271	166,375	277,003	4,866,649
Total	54,564,016	2,052,346	3,417,021	60,033,384

Source: Prosper Portland and City of Portland Office of Management and Finance

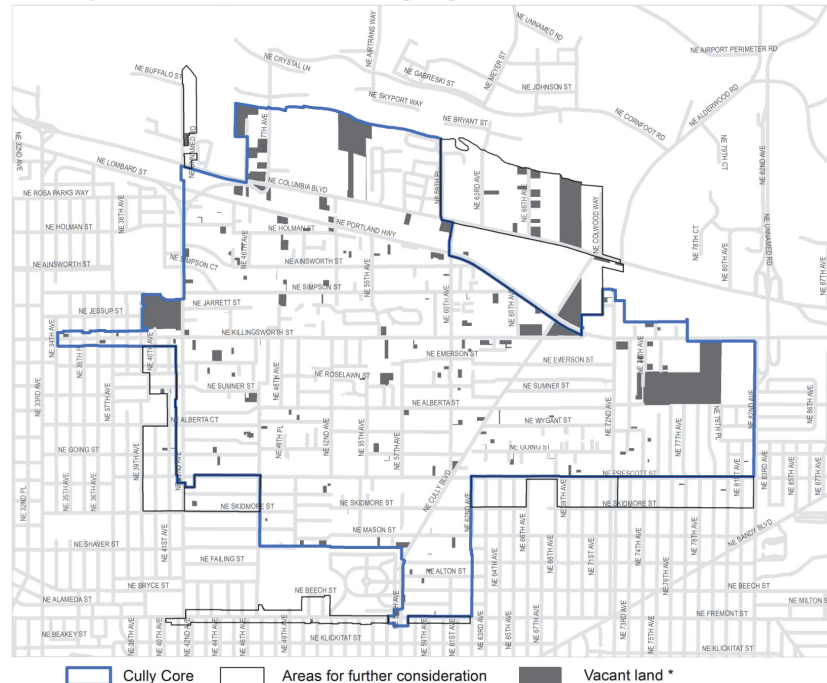
Blight Findings

ORS 457.010 defines blight and states that “A blighted area is characterized by the existence of one or more of the following conditions.” In ORS 457.010, a full list of blighting conditions follows the general statement. The blight condition that exists in the feasibility study area is “(h) A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare.”

An analysis of Multnomah County Tax Assessor property description data identified the existence of vacant land that could be further utilized for commercial, single-family, multi-family, employment and industrial, and open space priorities of a potential TIF district. The official blight findings will be made in a future ordinance adopting the TIF district plan. However, these conditions constitute blight as defined by ORS 457.010

Project identification and related cost estimates will be determined in the next phase of the Cully TIF Exploration effort.

Preliminary Draft Boundaries: Vacant Land and Zoning Designations



Vacant Land Zoning Designations

Zoning Designation	Cully Core		Additional Areas		Total	
	Acres	%	Acres	%	Acres	%
Commercial Mixed Use 1	0.8	0.9%	0.1	0.4%	0.8	0.8%
Commercial Mixed Use 2	5.4	6.1%	0.1	0.3%	5.4	4.8%
General Employment 2	21.5	24.2%	5.1	22.0%	26.6	23.7%
General Industrial 2	18.9	21.3%	14.4	61.6%	33.3	29.7%
Open Space	7.9	8.9%	0.0	0.0%	7.9	7.0%
Residential 5,000	17.7	20.0%	0.7	3.0%	18.4	16.4%
Residential 7,000	7.7	8.7%	0.0	0.0%	7.7	6.9%
Residential 10,000	2.0	2.2%	0.0	0.0%	2.0	1.7%
Residential Farm / Forest	0.0	0.0%	3.0	12.9%	3.0	2.7%
Residential Multi-Dwelling 1	6.9	7.8%	0.0	0.0%	6.9	6.2%
Total	88.7	100.0%	23.4	100.0%	112.1	100.0%

* Vacant land based on Multnomah County Tax Assessor property descriptions: improved land as vacant, miscellaneous improvements and vacant land

Cully TIF District **Community Governance Charter**

I. Preamble

In 2018, a group of community-based organizations, representing people of color, tribal and Indigenous communities, immigrants, and low-income people in Northeast Portland's Cully neighborhood, approached Prosper Portland and the Portland Housing Bureau ("PHB") to determine whether Tax Increment Financing ("TIF") could be available for community development and anti-displacement efforts.

To realize the neighborhood's vision, Cully community organizations, together with Prosper Portland and PHB, have facilitated a community process during the calendar years of 2019-22 to explore the creation of a Cully TIF District. While past use of TIF as a tool of urban renewal in the City of Portland has produced racially and economically unjust outcomes that are in opposition to the neighborhood's community development and anti-displacement objectives, all parties believe TIF can be repurposed to benefit people of color and low-income people. To support this shift, a new Cully TIF District needs to prioritize different types of investments than past TIF Districts, and be governed in a new, community-led way. To fully explore and vet this possibility through community engagement, research, and policy analysis, the parties worked together to secure a Metro 2040 Planning and Development Grant. This grant supported a community-driven, iterative process to determine priorities for the programming, rules, and leadership of a prospective community-led TIF District.

Along with the Cully TIF District Plan, this Community Governance Charter ("Charter") is the result of a co-creation process between Cully community members, Cully-based community organizations, Prosper Portland, and PHB. Co-creation includes collaborative idea generation as well as equitable participation in discussion. It requires sharing a deep understanding and respect for each other's positions, power and expertise as proposals are being developed. Co-creation relies on transparency, technical support, and communication, the process of which is set forth in this Charter. We expect this Charter to inspire and facilitate ongoing guidance and recommendations¹, so that implementation of the Cully TIF District Plan ("TIF Plan") and actions taken pursuant to the TIF Plan reflect in-depth input and specific recommendations and guidance from residents and stakeholders of the Cully neighborhood.

As signatories to this Charter, we are committed to authentic, open, and equitable public engagement processes. Our intent is to upend historic models of urban renewal by co-creating TIF Action Plans and other facets of TIF Plan implementation. While we acknowledge that differences of opinion will inevitably arise, we are committed to continue working together in co-creation for the life of the TIF Plan to achieve the community's vision, goals, and values as established in the TIF Plan.

II. Creation and Purpose

The Cully TIF District Community Leadership Committee (the "Committee") is hereby created. The Committee's purpose is to advise City staff, the Directors of Prosper Portland and PHB, Commissioners-in-Charge, the Portland City Council ("City Council") and the Prosper Portland Board of Commissioners ("Board") on the implementation of the TIF Plan by providing essential guidance, public recommendations, and oversight of the City of Portland's and Prosper Portland's implementation of the

¹ "Recommendations" are non-binding guidance to decision makers. It is the intent of the City that recommendations be treated as important and be used to shape and guide the implementation of the TIF Plan.

TIF Plan. As the Committee will advise City Council and the Board directly on certain decisions, it is a public body pursuant to ORS Chapter 192.

This Charter is adopted by Portland City Council as an exhibit to the Cully TIF District Plan. It describes the processes and roles that will be followed to develop and present public recommendations to decision-makers about the implementation of the District Plan. It is a living document that may be amended from time to time pursuant to the procedures stated in Section IX. The consequences for not following this Charter can be found in Section VIII.

III. Roles and Responsibilities

- a. Shared among the Committee, City Staff, Executive Directors, City Council and Prosper Portland Board of Commissioners are commitments to:²

i. Comply with Cully TIF District Plan

1. Recommendations and decisions about the implementation of the Cully TIF District Plan will be guided by the Plan, with particular attention to Section IV (Values, Vision and Goals) and Section VI (Principles that Guide Implementation of the Plan).
2. Recommendations and decisions related to the Cully TIF District Plan will draw on community engagement that centers the voices and needs of Cully community members, particularly those representing Priority Communities³, as defined in the TIF Plan.

ii. Respect Partnerships and Adhere to the Co-creation Process

1. The goal of the co-creation process is to produce recommendations that are supported in their entirety by the Committee, Prosper Portland, and PHB.
2. Through collaboration, transparent and proactive communication, community engagement, and technical support, the City and the Committee will develop public recommendations outlined in Section IV of this Charter.
3. If full support of both the Committee and the City cannot be reached, recommendations will make clear which areas have joint support. Remaining areas will include both the Committee's and the City's recommendations.
4. The Committee and the City will jointly present their recommendation(s), including alternate versions of any sections that could not be agreed on, to the relevant decision-maker(s).

² The term "City," for purposes of this document, is intended to refer primarily to PHB, a bureau of the City of Portland, and Prosper Portland, the City of Portland's economic development and urban redevelopment agency, but if context requires otherwise, it may include staff of other City of Portland bureaus who are or become responsible for administering or assisting with this Committee.

³ "Priority Communities" refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

5. If for any reason the Committee is not able to provide recommendations, the work of the City to implement the TIF Plan may still proceed, in line with the TIF Plan and any sections of this Charter that are still able to be implemented.

- b. Community Leadership Committee: The Committee’s recommendations and other actions should reflect the needs and priorities of the Cully community, both current and future generations, as described in the TIF Plan. Members are responsible for complying with laws and regulations applicable to the Committee as a public body, such as city and state ethics codes, conflict of interest rules, and public meeting and record laws.

The Committee will establish its collective position on recommendations through a vote or other procedure that will be established in the Committee by-laws (see section VIII.d).

- c. PHB and Prosper Portland: The agencies are responsible for implementing program offerings in line with the Cully TIF Plan and the processes described in Section IV, including financial and competitive land offerings that align with the TIF Plan and Action Plans. Staff will provide research and technical support and engage with the Committee on co-creation as described in Section IV, and will coordinate with staff in other City bureaus as needed. In the context of the co-creation process, the City will be responsible for drafting and revising TIF Plan documents with the active collaboration of the Committee. Staff are responsible for communicating with the broader Cully community regarding the Bureaus’ work.

Bureau Directors will support the co-creation process by ensuring adequate staffing, subject to appropriations⁴, and by providing guidance on recommendations and alignment with citywide affordable housing and economic development policies, together with any political opportunities and challenges, as needed. Bureau Directors will consider co-created recommendations and will provide an explanation to the Committee if their final decision differs from the recommendation.

- d. The City Council and Prosper Board of Commissioners: Commissioners are subject to public meetings laws. The City Staff will ensure that any public meetings that occur with the Prosper Portland Board or the City Council are noticed to the Committee in advance of the meetings to allow Committee members to testify on any actions regarding the Cully TIF District.

IV. Scope of Work and Processes

- a. Implementing the TIF Plan through Action Plans and Program Offerings: This subsection outlines how Cully TIF funds will generally be programmed and allocated over the life of the District, notwithstanding investments made outside of an Action Plan. Through the co-creation process, as outlined in Section III.a.ii, the steps below will be followed to select and implement investments and programs (“Program Offerings”) from the Cully TIF District Plan. Section VII of the TIF Plan contains the complete list of eligible Cully TIF District projects. Through the co-creation process, the District Plan’s Values, Vision and Goals (Section IV) and Guiding Principles (Section VI) will be applied to guide the following processes:

⁴ “Appropriations,” for the purpose of this document, refers to a sum of money allocated by City Council for a specific purpose, such as staffing.

- i. Action Plans and Action Plan Amendments: Approximately every five years, an Action Plan will be presented to City Council to select the Program Offerings that are expected to be implemented over the subsequent five years.
 1. Through the co-creation process, the Committee and the City Staff will collaborate to create a recommended Action Plan, which will be a public document presented to the City Council.
Program offerings eligible to be included in an Action Plan are those that appear in Section VII of the Cully TIF District Plan. This includes developing new programs that are identified in the Plan.
 2. Portland City Council makes the final decision to adopt and amend Action Plans, after receiving for consideration the recommendation(s) of the Committee and City staff.
 3. This same process will be used to consider amendments to an existing Action Plan.

It is possible for investments to be made outside of an Action Plan's identified Program Offerings, typically at the direction of City Council, provided that the investment is consistent with the TIF Plan. When these types of investments are made, there is a commitment by the City to bring announcements and information regarding the investment to the Committee at the first possible opportunity to engage in the co-creation process to the extent possible based on the negotiations of the project.

- ii. Program Offerings: When a Program Offering has been included in an adopted Action Plan, but before it is moved forward for implementation by Prosper Portland or PHB, its structure and details should be considered to determine how it could be implemented as part of the Cully TIF District.
 1. Through the co-creation process, the Committee and the City will collaborate to create recommended Program Offerings, which will be public documents presented to the relevant decision makers.
 - a. Existing programs. The Committee and the City will review the existing program and may elect to make recommendations for adapting or tailoring the program to best fulfill the TIF Plan.
 - b. New programs. The Committee and the City will work together to make recommendations about the program's structure, guidelines, and other elements of program design and implementation.
 - c. Funding solicitations. The City will develop drafts in-line with the TIF Plan, Action Plan, and dialogue with the Committee, and then refine them in consultation with the Committee.

The final decision makers for approving Program Offerings will vary depending on the specific offering, but they will consist of one or more of the following: City staff; Bureau director(s); Commissioner(s) in Charge; the Prosper Portland Board of Directors; and/or Portland City Council. Final decisions to move forward with implementation of Program Offerings should happen only after the relevant decision makers have received for consideration the Committee's and City's recommendation(s).

iii. Program Implementation: After Program Offerings are developed and approved as described above, they will be implemented by the City, subject to appropriations and staff capacity.

1. The City intends to use competitive processes to select for any development partners/owners. The City will work with the Committee to select a representative from the Committee to serve on selection advisory committees for projects within the Cully TIF District, subject to policies and practices regarding conflicts of interest and committee diversity.

b. TIF Plan Amendments: The Committee and City may propose both substantial and minor amendments to the Cully TIF Plan. If and when an amendment is proposed, the co-creation process described in section III.a.ii will be used to make recommendations about those amendments.

i. The adoption processes for amendments to the Cully TIF Plan are outlined in the Plan section IX. The final decision-making body for substantial amendments is the Portland City Council. The final decision-making body for minor amendments is the Prosper Portland Board of Directors.

1. For substantial amendments, the Committee will have the opportunity to provide guidance for the community engagement aspects of the adoption process.

V. Committee Membership, Appointments, and Terms

a. Membership

- i. The Committee will consist of thirteen (13) positions and will not convene if fewer than seven (7) positions are filled. The process to fill any vacancies should begin within 30 days of a member leaving.
- ii. All Committee members must either live, work, worship, have children enrolled in school, or have been displaced from within the Cully TIF District boundaries.
- iii. All committee members will represent the interests of community members vulnerable to displacement within the Cully TIF District boundaries, rather than their own personal or organizational interests.
- iv. The Committee's composition should reflect the socio-economic, gender, racial, ethnic, cultural, and geographic diversity of the Cully TIF District community. Committee membership should specifically include Cully residents and community members who represent populations that are disproportionately vulnerable to displacement, including:
 1. African American and Black people
 2. Indigenous and Native American people
 3. People who identify as Latinx, Asian American, Pacific Islander American, multiracial people and other people of color.
 4. Immigrants and refugees of any legal status
 5. Renters
 6. Mobile home residents
 7. Low-income people
 8. People living with disabilities

9. Houseless people
 10. Small business owners and workers
- v. Committee members should have a range of experience and knowledge to inform implementation of the TIF Plan, drawing from life experiences, community connections and leadership, education, and professional experience.
- b. Appointments
- i. Creating the inaugural committee:
 1. The Board will nominate, or delegate to the Executive Director of Prosper Portland the ability to nominate, seven (7) Committee members for initial 3-year terms. The Mayor will nominate six (6) Committee members for initial 2-year terms. City Council will confirm Committee members.
 2. The City will announce an opportunity for community members and community-based organizations to suggest nominees for consideration for initial Committee appointments.
 - ii. Filling vacancies:
 1. Once the Committee is established and initial members appointed and confirmed, the Committee and the City will collaborate through co-creation to identify nominees to fill any vacancies. City Council will confirm new Committee members.
 2. The Committee should develop additional procedures to involve community members and groups in the process of nominating Committee members.
- c. Removals:
- i. The Committee may develop procedures in addition to what is in the bylaws to involve community members and groups in the process of removing Committee members.
- d. Terms
- i. Seven (7) initial members will be appointed for 3-year terms. Six (6) initial members will be appointed for 2-year terms. The length of terms for members after the initial members will be defined in the by-laws.
 - ii. Each member's term will start upon the City Council's confirmation.
 - iii. Committee members can be reappointed, and a Committee member may continue to serve until their replacement is confirmed, unless they were removed from the Committee through the process described in the by-laws.

VI. Staffing

All staffing commitments are subject to appropriations.

- a. Prosper Portland and/or PHB will provide staffing for the administration and logistics of Committee meetings (regular and special meetings as necessary) as described in the by-laws.
- b. Bureaus will dedicate appropriate program and subject area staff to fully participate in the governance processes defined in this Charter, as needed.
- c. Bureau staff will invite other City staff to participate as appropriate, and as requested by the Committee.
- d. Additional staff dedicated to supporting the Committee and its members and engaging the Cully community in the processes defined in this Charter, may be employed by the City or funded by the City but housed in an external, community-based organization.

VII. Operating Procedures

- a. Up to and including the creation of the first Action Plan, the Committee will plan to meet at least monthly. After the initial Action Plan is adopted by City Council, the Committee will plan to meet at least once every 3 months on a regular date established by the Committee and the City. Additional meetings may also be scheduled as determined by the Committee Co-Chairs and the City. The Committee Co-Chairs, in partnership with City staff, will develop meeting agendas in consultation with other Committee members.
- b. One-half of the total number of Committee positions (thirteen), plus one person, will constitute a quorum (seven) of the Committee.
- c. The Committee will elect two Co-Chairs.
- d. The Committee may at any time establish standing or temporary subcommittees of at least three (3) Committee members to address specific issues. Subcommittee members are responsible for complying with laws and regulations applicable to the Subcommittee as a public body.
- e. The Committee shall adopt, and may subsequently amend or update, by-laws to govern its procedures, which must not conflict with any portion of this Charter, and which are subject to the prior review and approval of the Mayor in consultation with the Commissioners-in-Charge (as applicable), with approval as to legal sufficiency by the City Attorney.
 - i. The Office of Civic Life provides a standardized by-laws template that includes, among other things, specifications concerning selection and tenure of subcommittee chairs, division of responsibilities, attendance policies, meeting schedules, as well as communications between the Committee and the City, the media, and the general public.

VIII. Accountability

- a. If the Committee determines that City staff is not working in co-creation or in alignment with the Cully TIF Plan Vision, Values, and Goals, it has the responsibility to elevate this concern to the executive directors of PHB and Prosper Portland for resolution. If the

Committee determines the executive directors are not working in co-creation, they have the responsibility to elevate this concern to the Board and the City Council.

Examples of the breakdown of co-creation include but are not limited to:

- i. The Committee being surprised by decisions made by the City, such as investments made outside of an Action Plan's identified Program Offerings that the Committee did not have the opportunity to offer recommendations on.
 - ii. The City implementing investments not in alignment with the Cully TIF Plan Vision, Values, and Goals, or not in alignment with decisions adopted through the processes defined in this Charter.
- b. If the City determines the Committee is not working in co-creation or in alignment with the Cully TIF Plan Vision, Values, and Goals, the Executive Directors of PHB and Prosper Portland have the responsibility to elevate this concern to the Committee co-chairs. If the Executive Directors determine the co-chairs are not working in co-creation, they have the responsibility to elevate this concern to the Mayor and/or Commissioner-in-Charge (if applicable).
- c. Each year, the Committee should prepare and submit to the Council a report summarizing the Committee's perspective, concerns, and recommendations on the co-creation process and implementation of the Cully TIF District during the previous year, providing its assessment of how the co-creation framework is working, how it could be improved or strengthened, and if the Cully TIF District should be terminated. The Committee may receive assistance from and provide guidance to non-City support staff in preparation of the report. The Committee should present its report to the Council in a regular meeting or work session.

IX. Amendments to this Charter

- a. A charter review process will occur when:
 - i. The Committee or the City determines a review is needed, as described in the by-laws; or
 - ii. The City charter, local statutes, or statewide statutes relevant to this Charter change.
- b. Revisions will be drafted in co-creation and enacted if agreed to by the Committee and the Executive Directors of both Prosper Portland and PHB.



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EXHIBIT 3

Cully Neighborhood URA Legal Description

A tract of land and road rights-of-way located in the Northeast and Southeast One-Quarters of Section 13, and the Northeast and Southeast One-Quarters of Section 24, Township 1 North, Range 1 East, in the Northwest, Southeast, and Southwest One-Quarters of Section 17, the Northwest, Northeast, Southwest, and Southeast One-Quarters of Section 18, the Northwest, Northeast, Southwest, and Southeast One-Quarters of Section 19, the Northwest, Northeast, Southwest, and Southeast One-Quarters of Section 20, the Northwest and Southwest One Quarters of Section 21, and in the Northeast One-Quarter of Section 30, Township 1 North, Range 2 East, Willamette Meridian, City of Portland, Multnomah County, Oregon, and being more particularly described as follows:

Beginning at the most northerly corner of Parcel 1 of Partition Plat Number 2008-143 (Assessor's Map 1N.2E.18B);

1. Thence along the northerly line of said Parcel 1, Southeasterly 257 feet, more or less, to the westerly line of Document Number 2020-085304 (Assessor's Map 1N.2E.18A);
2. Thence along said westerly line, Northerly 360 feet, more or less, to the southerly line of Document Number 96-181824 (Assessor's Map 1N.2E.18A);
3. Thence along said southerly line, Southeasterly 649 feet, more or less, to the easterly line of said Document Number 96-181824 (Assessor's Map 1N.2E.18A);
4. Thence along said easterly line, Northerly 283 feet, more or less, to the southerly mean high water line per Division of State Lands 1989 Photos of the Columbia Slough (Assessor's Map 1N.2E.18A);
5. Thence along said southerly mean high water line, Southeasterly 4,825 feet, more or less, to the westerly line of Document Number 2008-000352 (Assessor's Map 1N.2E.17B);
6. Thence along said westerly line, Southerly 49 feet, more or less, to the southerly line of said Document Number 2008-000352 (Assessor's Map 1N.2E.17B);
7. Thence along said southerly line, Easterly 394 feet, more or less, to the easterly line of the plat of "Schetky Addition" (Assessor's Map 1N.2E.17B);
8. Thence along said easterly line, Southerly 1,280 feet, more or less, to the northerly right-of-way line of NE Columbia Boulevard (Assessor's Map 1N.2E.17);
9. Thence along said northerly right-of-way line, Southeasterly 344 feet, more or less, to the westerly right-of-way line of NE Alderwood Road (Assessor's Map 1N.2E.17);
10. Thence along the southerly extension of said westerly right-of-way line, Southerly 68 feet, more or less, to the southerly right-of-way line of said NE Columbia Boulevard (Assessor's Map 1N.2E.17);
11. Thence along said southerly right-of-way line, Southeasterly 62 feet, more or less, to the easterly line of Document Number 2006-068889 (Assessor's Map 1N.2E.17CA);

12. Thence along said easterly line and the southerly extension thereof, Southerly 143 feet, more or less, to the southerly right-of-way line of Union Pacific Railroad (Assessor's Map 1N.2E.17DC);
13. Thence along said southerly right-of-way line, Northwesterly 401 feet, more or less, to the westerly line of Document Number 2002-041972 (Assessor's Map 1N.2E.17DC);
14. Thence along said westerly line, Southerly 420 feet, more or less, to the northerly line of Lot 7 of the plat of "Portview Tracts" (Assessor's Map 1N.2E.17CD);
15. Thence along said northerly line, Easterly 180 feet, more or less, to the easterly line of said Lot 7 (Assessor's Map 1N.2E.17CD);
16. Thence along said easterly line, Southerly 18 feet, more or less, to the northerly right-of-way line of NE 72nd Avenue (Assessor's Map 1N.2E.17DC);
17. Thence along said northerly right-of-way line, Easterly 60 feet, more or less, to the easterly right-of-way line of said NE 72nd Avenue (Assessor's Map 1N.2E.17DC);
18. Thence along said easterly right-of-way line, Southerly 200 feet, more or less, to the northerly line of Lot 10 of said plat of "Portview Tracts" (Assessor's Map 1N.2E.17DC);
19. Thence along said northerly line, Easterly 167 feet, more or less, to the easterly line of said plat of "Portview Tracts" (Assessor's Map 1N.2E.17DC);
20. Thence along said easterly line, Southerly 400 feet, more or less, to the southerly line of said Document Number 2002-041972 (Assessor's Map 1N.2E.17DC);
21. Thence along said southerly line, Easterly 1,159 feet, more or less, to the easterly line of said Document Number 2002-041972 (Assessor's Map 1N.2E.17DC);
22. Thence along said easterly line, Northerly 40 feet, more or less, to the westerly southerly line of Document Number 2013-148879 (Assessor's Map 1N.2E.17DD);
23. Thence along said westerly southerly line, Easterly 12 feet, more or less, to the westerly line of said Document Number 2013-148879 (Assessor's Map 1N.2E.17DD);
24. Thence along said westerly line and the southerly extension thereof, Southerly 410 feet, more or less, to the southerly right-of-way line of U.S. Highway 30 (Assessor's Map 1N.2E.20A);
25. Thence along said southerly right-of-way line, Easterly 1,230 feet, more or less, to the westerly right-of-way line of NE 82nd Avenue (Assessor's Map 1N.2E.21BB);
26. Thence along said westerly right-of-way line, Southerly 1,000 feet, more or less, to the westerly extension of the southerly right-of-way line of NE Webster Street (Assessor's Map 1N.2E.21BB);
27. Thence along said westerly extension, Easterly 40 feet, more or less, to the centerline of NE 82nd Avenue (Assessor's Map 1N.2E.21BB);
28. Thence along said centerline, Southerly 2,161 feet, more or less, to the easterly extension of the north right-of-way line of NE Skidmore Street (Assessor's Map 1N.2E.20DA);
29. Thence along said easterly extension and the northerly right-of-way line NE Skidmore Street, Westerly 3,707 feet, more or less, to the easterly right-of-way line of NE 68th Avenue (Assessor's Map 1N.2E.20CA);
30. Thence along said easterly right-of-way line, Northerly 577 feet, more or less, to the northerly right-of-way line of NE Prescott Street (Assessor's Map 1N.2E.20BD);
31. Thence along said northerly right-of-way line, Westerly 580 feet, more or less, to the westerly right-of-way line of NE 66th Avenue (Assessor's Map 1N.2E.20BC);

32. Thence along said westerly right-of-way line, Southerly 579 feet, more or less, to the northerly right-of-way line of NE Skidmore Street (Assessor's Map 1N.2E.20CB);
33. Thence along said northerly right-of-way line, Westerly 1,030 feet, more or less, to the westerly right-of-way line of NE 62nd Avenue (Assessor's Map 1N.2E.20CB);
34. Thence along said westerly right-of-way line, Southerly 811 feet, more or less, to the southerly right-of-way line of NE Shaver Street (Assessor's Map 1N.2E.20CB);
35. Thence along said southerly right-of-way line, Easterly 15 feet, more or less, to the westerly line of Document Number 96-057118 (Assessor's Map 1N.2E.20CC);
36. Thence along said westerly line, Southerly 85 feet, more or less, to the westerly southerly line of said Document Number 96-057118 (Assessor's Map 1N.2E.20CC);
37. Thence along said westerly southerly line, Easterly 15 feet, more or less, to the east line of Section 19, Township 1 North, Range 2 East, Willamette Meridian (Assessor's Map 1N.2E.20CC);
38. Thence along said section line, Southerly 1,165 feet, more or less, to the northerly right-of-way line of NE Fremont Street (Assessor's Map 1N.2E.30AA);
39. Thence along said northerly right-of-way line, Westerly 1,192 feet, more or less, to the northerly extension of the easterly line of Lot 15, Block 123 of the plat of "Rose City Park" (Assessor's Map 1N.2E.30AA);
40. Thence along said northerly extension and said easterly line, Southerly 186 feet, more or less, to the southerly line of said Lot 15, Block 123 (Assessor's Map 1N.2E.30AA);
41. Thence along said southerly line and the westerly extension thereof, Westerly 265 feet, more or less, to the westerly line of Lot 2, Block 122 of said plat of "Rose City Park" (Assessor's Map 1N.2E.30AB);
42. Thence along said westerly line, Northerly 50 feet, more or less, to the southerly line of Lot 16, Block 122 of said plat of "Rose City Park" (Assessor's Map 1N.2E.30AB);
43. Thence along said southerly line, Westerly 100 feet, more or less, to the westerly line of said Lot 16, Block 122 (Assessor's Map 1N.2E.30AB);
44. Thence along said westerly line and the northerly extension thereof, Northerly 136 feet, more or less, to said northerly right-of-way line of NE Fremont Street (Assessor's Map 1N.2E.19);
45. Thence along said northerly right-of-way line, Easterly 95 feet, more or less, to the easterly line of Document Number 2000-160837 (Assessor's Map 1N.2E.19);
46. Thence along said easterly line, Northerly 1,422 feet, more or less, to the northerly line of said Document Number 2000-160837 (Assessor's Map 1N.2E.19);
47. Thence along said northerly line, Westerly 1,332 feet, more or less, to the easterly right-of-way line of NE Shaver Street (Assessor's Map 1N.2E.19CA);
48. Thence along said easterly right-of-way line, Northerly 18 feet, more or less, to the northerly right-of-way line of said NE Shaver Street (Assessor's Map 1N.2E.19CA);
49. Thence along said northerly right-of-way line, Westerly 1,320 feet, more or less, to the easterly right-of-way line of NE 47th Avenue (Assessor's Map 1N.2E.19CA);
50. Thence along said easterly right-of-way line, Northerly 673 feet, more or less, to the northerly right-of-way line of NE Skidmore Street (Assessor's Map 1N.2E.19CA);
51. Thence along said northerly right-of-way line, Westerly 2,178 feet, more or less, to the easterly right-of-way line of NE Cesar E. Chavez Boulevard (Assessor's Map 1N.1E.24DA);

52. Thence along said easterly right-of-way line, Northerly 1,622 feet, more or less, to the southerly right-of-way line of NE Alberta Court (Assessor's Map 1N.1E.24AD);
53. Thence along said southerly right-of-way line, Easterly 520 feet, more or less, to the easterly right-of-way line of NE 41st Avenue (Assessor's Map 1N.1E.24AD);
54. Thence along said easterly right-of-way line, Northerly 613 feet, more or less, to the southerly line of Lot 34, Block 5 of the plat of "Hilton" (Assessor's Map 1N.1E.24AA);
55. Thence along said southerly line and the westerly extension thereof, Westerly 380 feet, more or less, to the easterly right-of-way line of said NE Cesar E. Chavez Boulevard (Assessor's Map 1N.1E.24AA);
56. Thence along said easterly right-of-way line, Northerly 402 feet, more or less, to the northerly right-of-way line of NE Roselawn Street (Assessor's Map 1N.1E.24AA);
57. Thence along said northerly right-of-way line, Westerly 130 feet, more or less, to the easterly right-of-way line of said NE Cesar E. Chavez Boulevard (Assessor's Map 1N.1E.24AA);
58. Thence along said easterly right-of-way line, Northerly 503 feet, more or less, to the easterly extension of the northerly line of Lot 4, Block 5 of the plat of "Killingsworth Avenue Addition" (Assessor's Map 1N.1E.24AA);
59. Thence along said easterly extension and said northerly line and the westerly extension thereof, Westerly 806 feet, more or less, to the easterly right-of-way line of NE 36th Avenue (Assessor's Map 1N.1E.24AB);
60. Thence leaving said easterly right-of-way line, Westerly 61 feet, more or less, to the intersection of the southerly line of Document Number 2008-006269 and the westerly right-of-way line of NE 36th Avenue (Assessor's Map 1N.1E.24AB);
61. Thence along said southerly line, Westerly 100 feet, more or less, to the easterly line of Document Number 2017-114970 (Assessor's Map 1N.1E.24AB);
62. Thence along said easterly line, Southerly 2 feet, more or less, to the southerly line of said Document Number 2017-114970 (Assessor's Map 1N.1E.24AB);
63. Thence along said southerly line, Westerly 100 feet, more or less, to the easterly right-of-way line of NE 35th Place (Assessor's Map 1N.1E.24AB);
64. Thence leaving said easterly right-of-way line, Westerly 61 feet, more or less, to the intersection of the northerly line of Lot 33, Block 28 of the plat of "Willamette Addition to East Portland" and the westerly right-of-way line of NE 35th Place (Assessor's Map 1N.1E.24AB);
65. Thence along said northerly line and the westerly extension thereof, Westerly 460 feet, more or less, to the easterly right-of-way line of NE 34th Avenue (Assessor's Map 1N.1E.24AB);
66. Thence along said easterly right-of-way line, Northerly 257 feet, more or less, to the southerly line of Document Number 2020-105355 (Assessor's Map 1N.1E.13DC);
67. Thence along said southerly line, Easterly 100 feet, more or less, to the easterly line of said Document Number 2020-105355 (Assessor's Map 1N.1E.13DC);
68. Thence along said easterly line, Northerly 26 feet, more or less, to the northerly line of Lot 14, Block 10 of the plat of "Kennedy's Addition to East Portland" (Assessor's Map 1N.1E.13DC);
69. Thence along said northerly line and the easterly extension thereof, Easterly 360 feet, more or less, to the westerly right-of-way line of NE 35th Place (Assessor's Map 1N.1E.13DC);

70. Thence along said westerly right-of-way line, Southerly 30 feet, more or less, to the westerly extension of the northerly line of Document Number 2015-133075 (Assessor's Map 1N.1E.13DC);
71. Thence along said westerly extension and said northerly line, Easterly 141 feet, more or less, to the westerly line of Document Number 2020-013977 (Assessor's Map 1N.1E.13DC);
72. Thence along said westerly line, Northerly 31 feet, more or less, to the northerly line of said Document Number 2020-013977 (Assessor's Map 1N.1E.13DC);
73. Thence along said northerly line and the easterly extension thereof, Easterly 119 feet, more or less, to the westerly right-of-way line of NE 36th Avenue (Assessor's Map 1N.1E.13DC);
74. Thence leaving said westerly right-of-way line, Easterly 61 feet, more or less, to the intersection of the northerly line of Deed Book 2807, Page 1048 and the easterly right-of-way line of NE 36th Avenue (Assessor's Map 1N.1E.13DC);
75. Thence along said northerly line, Easterly 100 feet, more or less, to the easterly line of said Deed Book 2807, Page 1048 (Assessor's Map 1N.1E.13DC);
76. Thence along said easterly line, Southerly 16 feet, more or less, to the easterly northerly line of said Deed Book 2807, Page 1048 (Assessor's Map 1N.1E.13DC);
77. Thence along said easterly northerly line and the easterly extension thereof, Easterly 118 feet, more or less, to the westerly right-of-way line of NE 37th Avenue (Assessor's Map 1N.1E.13DD);
78. Thence leaving said westerly right-of-way line, Easterly 50 feet, more or less, to the intersection of the southerly line of Lot 5, Block 6 of the plat of "Replat of View Park" and the easterly right-of-way line of NE 37th Avenue (Assessor's Map 1N.1E.13DD);
79. Thence along said southerly line and the easterly extension thereof, Easterly 627 feet, more or less, to the easterly line of Lot 5, Block 4 of said plat of "Replat of View Park" (Assessor's Map 1N.1E.13DD);
80. Thence along said easterly line, Northerly 50 feet, more or less, to the northerly line of said Lot 5, Block 4 (Assessor's Map 1N.1E.13DD);
81. Thence along said northerly line, Westerly 94 feet, more or less, to the westerly line of Deed Book 393, Page 244 (Assessor's Map 1N.1E.13DD);
82. Thence along said westerly line, Northerly 642 feet, more or less, to the northerly line of said Deed Book 393, Page 244 (Assessor's Map 1N.1E.13DD);
83. Thence along said northerly line, Easterly 775 feet, more or less, to the westerly right-of-way of NE 42nd Avenue (Assessor's Map 1N.1E.13DD);
84. Thence leaving said westerly right-of-way line, Easterly 60 feet, more or less, to the intersection of the southerly line of Document Number 2000-019480 and the easterly right-of-way line of NE 42nd Avenue (Assessor's Map 1N.2E.18CC);
85. Thence along said easterly right-of-way line, Northerly 2,221 feet, more or less, to the northerly right-of-way line of Union Pacific Railroad (Assessor's Map 1N.2E.18BC);
86. Thence along said northerly right-of-way line, Northwesterly 54 feet, more or less, to the westerly line of Document Number 2008-118751 (Assessor's Map 1N.2E.18BC);
87. Thence along said westerly line, Northerly 264 feet, more or less, to the southerly right-of-way line of NE Columbia Boulevard (Assessor's Map 1N.2E.18BC);

88. Thence leaving said southerly right-of-way line, Northeasterly 71 feet, more or less, to the intersection of the westerly right-of-way line of NE 42nd Avenue and the northerly right-of-way line of NE Columbia Boulevard (Assessor's Map 1N.2E.18BC);
89. Thence along said westerly right-of-way line, Northerly 1,342 feet, more or less, to the southerly line of Deed Book 777, Page 301 (Assessor's Map 1N.1E.13AA);
90. Thence along said southerly line, Easterly 20 feet, more or less, to the southeasterly line of said Deed Book 777, Page 301 (Assessor's Map 1N.1E.13AA);
91. Thence along said southeasterly line, Northeasterly 144 feet, more or less, to the southwesterly mean high water line per Division of State Lands 1989 Photos of the Columbia Slough (Assessor's Map 1N.2E.18BB);
92. Thence along said mean high water line, Southeasterly 296 feet, more or less, to the westerly line of Document Number 2020-117071 (Assessor's Map 1N.2E.18B);
93. Thence along said westerly line, Southerly 1,036 feet, more or less, to the northerly line of Document Number 2002-159286 (Assessor's Map 1N.2E.18BC);
94. Thence along said northerly line, Westerly 136 feet, more or less, to the westerly line of said Document Number 2002-159286 (Assessor's Map 1N.2E.18BC);
95. Thence along said westerly line, Southerly 485 feet, more or less, to the southerly line of said Document Number 2002-159286 (Assessor's Map 1N.2E.18BC);
96. Thence along said southerly line, Easterly 240 feet, more or less, to said westerly line of Document Number 2020-117071 (Assessor's Map 1N.2E.18B);
97. Thence along said westerly line, Southerly 314 feet, more or less, to the northerly right-of-way line of NE Columbia Boulevard (Assessor's Map 1N.2E.18B);
98. Thence along said northerly right-of-way line, Southeasterly 1,058 feet, more or less, to the easterly right-of-way of NE 46th Avenue (Assessor's Map 1N.2E.18BC);
99. Thence along said easterly right-of-way line, Northerly 792 feet, more or less, to the easterly extension of the most easterly northerly line of Document Number 2020-117071 (Assessor's Map 1N.2E.18B);
100. Thence along said easterly extension and said easterly northerly line, Westerly 234 feet, more or less, to the easterly line of said Document Number 2020-117071 (Assessor's Map 1N.2E.18B);
101. Thence along said easterly line, Northerly 629 feet, more or less, to the northerly line of Document Number 2018-011168 (Assessor's Map 1N.2E.18BB);
102. Thence along said northerly line of Document Number 2018-011168, Easterly 434 feet, more or less, to the northerly line of Document Number 2019-052610 (Assessor's Map 1N.2E.18BA);
103. Thence along said northerly line of Document Number 2019-052610, Easterly 193 feet, more or less, to the westerly right-of-way line of NE 47th Avenue (Assessor's Map 1N.2E.18BA);
104. Thence along said westerly right-of-way line, Southerly 26 feet, more or less, to the westerly extension of the northerly line of Lot 34 of the plat of "London Acres" (Assessor's Map 1N.2E.18BA);
105. Thence along said westerly extension, Easterly 63 feet, more or less, to the easterly right-of-way line of said NE 47th Avenue (Assessor's Map 1N.2E.18BA);
106. Thence along said easterly right-of-way line, Southerly 695 feet, more or less, to the southerly line of Lot 29 of the plat of "London Acres" (Assessor's Map 1N.2E.18BD);

107. Thence along said southerly line, Easterly 203 feet, more or less, to the northerly line of Document Number 2011-109537 (Assessor's Map 1N.2E.18BD);
108. Thence along said northerly line, Southeasterly 454 feet, more or less, to the southerly line of Tract A of said Partition Plat 2008-143 (Assessor's Map 1N.2E.18BD);
109. Thence along said southerly line, Southeasterly 366 feet, more or less, to the westerly line of said Parcel 1 of Partition Plat 2008-143 (Assessor's Map 1N.2E.18BD);
110. Thence along said westerly line, Northerly 77 feet, more or less, to the Point of Beginning.

The above described tract of land contains 1,623 acres, more or less.

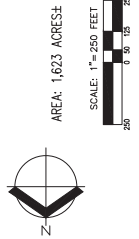
6/27/2022

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Michael S. Kalina

OREGON
JANUARY 12, 2016
MICHAEL S. KALINA
89558PLS

RENEWS: 6/30/23



Report Accompanying the Cully Tax Increment Finance Plan (Required Pursuant to ORS 457.087)

This document remains draft until review by the Prosper Portland Board and Portland City
Council

Date

Cully TIF Plan Ordinance No. 2022-

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DEFINITIONS

These definitions mirror the definitions in the Cully TIF District Plan. They are repeated here for the convenience of the reader.

“Action Plans” means a plan which proposes investments and programs in the TIF Area on a five-year basis.

“Accessibility” means in compliance with the Americans with Disabilities Act Standards for Accessible Design.

“Affordable housing” means:

TIF funded affordable housing is guided by the Tax Increment Financing for Affordable Housing Policy, and the supplementary Implementation Plan and Income Guidelines which are binding City Policy under Section 1.07.020 A of the City Code.

For rental housing: the Portland Housing Bureau (PHB) utilizes the HUD affordability standard, which states that the rent plus expenses associated with occupancy, such as tenant paid utilities or fees, does not exceed 30% of the gross household income, based on unit size, at the level of the rent restriction.

For homeownership units: the purchase price, for which the sum of debt service and housing expenses (including an allowance for utilities and other required ownership fees), when compared to the annual gross income for a family, adjusted for family size, does not preclude conventional mortgage financing.

“Affordable commercial space” means offering access and assistance to qualified businesses in the form of an equitable tenancing application processes, access to space, and in some cases additional financial support or incentives designed to lower the barriers to entry for emerging and small businesses, such as reduced rent, tenant improvement contributions and technical assistance.

“Agency” means Prosper Portland. Prosper Portland is responsible for implementation and administration as required under ORS 457.

“Annual report” is the ORS 457.460 requirement for the production of an annual report that gets distributed to the taxing districts.

“Area” or “TIF Area” means the properties and rights-of-way located within the Cully Tax Increment District Boundary. It is a defined geography from which tax increment financing is both calculated and spent. This term is understood to refer to and replace references to the term “urban renewal area” as defined in ORS 457.010(18).

“Area median income” means an income threshold set by Department of Housing and Urban Development, and is updated annually

“BIPOC” means Black, Indigenous and People of Color.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting a TIF plan.

“Board of Commissioners” means the Prosper Portland Board of Commissioners.

“Charter” is the Governance Charter for the Cully TIF District, as the same may be amended from time to time, pursuant to its terms and conditions. It establishes the Community Leadership Committee.

“City” means the City of Portland Oregon and includes the Portland Housing Bureau.

“City Council” or “Council” means the Portland City Council.

“Comprehensive Plan” means the City of Portland comprehensive land use plan and it’s implementing ordinances, policies, and standards.

“County” means Multnomah County, Oregon.

“Cully Preliminary Report” is defined and described in Section III.B of the Plan. The Cully Preliminary Report is attached as Exhibit 1 to the Plan. The Cully Preliminary Report is not the statutory report referenced in ORS 457.087 (see definition of “Tax Increment Finance Area Report” / “Report” later in this Section).

Cully Boulevard Alliance (CBA) is part of Prosper Portland’s Neighborhood Prosperity Network. As a micro-urban renewal area or TIF district we do have a specific set of boundaries, but as an organization we are here to serve all of those who live, work, or support those in the outer NE Portland neighborhood of Cully.

“Cully Boulevard Alliance (CBA)” is an organization engaged in community economic development at the neighborhood scale within the Cully micro-TIF district; part of Prosper Portland’s Neighborhood Prosperity Network, this organization serves all of those who live, work, or support those in the outer NE Portland neighborhood of Cully.

Cully ELC means the Cully Exploration Leadership Committee.

“Fiscal year” means the year commencing on July 1 and closing on June 30 of the next calendar year.

“Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within a TIF Area at the time of adoption as more particularly described in ORS 457.430(1). The County Assessor certifies the assessed value after the adoption of a TIF area plan.

“Increment” means that part of the assessed value of a TIF area attributable to any increase in the assessed value of the property located in a TIF area, or portion thereof, over the Frozen Base.

“ITIN” means Individual Taxpayer Identification Number which is a tax processing number only available for certain nonresident and resident persons, their spouses, and dependent who cannot get a Social Security Number.

“Living Cully” means an innovative collaboration that formed in 2010 among [Habitat for Humanity Portland Region](#), [Hacienda Community Development Corporation](#), [Native American Youth and Family Center](#), and [Verde](#). They work to improve the quality of life for people of color and low-income people in Northeast Portland’s [Cully neighborhood](#), and ensure that Cully will always be a place where people of color and low-income people can live and thrive. This work requires a dual-emphasis on community-led neighborhood improvements and robust efforts to combat gentrification and displacement.

“Manufactured Dwelling”. A dwelling unit constructed off of the site which can be moved on the public roadways. Manufactured dwellings include residential trailers, mobile homes, and manufactured homes, as further defined in the Portland City Code 910

“Manufactured housing park.” Four or more manufactured dwellings which are located on a single site for 30 days or more and intended for residential use. Manufactured dwelling park does not include sites where unoccupied manufactured dwellings are offered for sale or lease, as defined in Portland City Code, 910. See also Recreational Vehicle Park.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“Metro” is the regional government for the Oregon portion of the Portland metropolitan area, covering portions of Clackamas, Multnomah, and Washington Counties.

“Minor Amendment” means is any amendment to the TIF Plan that is not a Substantial Amendment.

“Neighborhood Prosperity Initiative” means a Prosper Portland program focused on community economic development at the neighborhood scale. A community-driven, self-help approach is at the heart of this work. With grants, training, and support from Prosper Portland, each district is responsible for planning and implementing projects to improve the local commercial district.

“NOFA” means Notice of Funding Availability – means the official notice of availability of funds which may be disbursed for projects and is a means of soliciting proposals for undertaking projects.

“ORS” means the Oregon Revised Statutes. ORS Chapter 457 specifically relates to tax increment financing.

“Our 42nd Avenue” is an organization engaged in community economic development at the neighborhood scale within the Cully micro-TIF district; part of Prosper Portland’s Neighborhood Prosperity Network, this organization partners to ensure that economic change benefits the people of 42nd Avenue in an inclusive way.

“Permanently affordable homeownership” means homeownership opportunities which prescribe affordability for subsequent buyers of the property or home, in contrast with homeownership opportunities which proscribe no additional affordability beyond the first purchaser.

“PHB” means the Portland Housing Bureau.

“Planning Commission” means the Portland Planning and Sustainability Commission.

“Priority Communities” refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement

“Prosper Portland” is the City of Portland’s economic and urban development agency.

“RFP” means request for proposals. It is a means of soliciting proposals for undertaking projects. It is a document issued by the City, Prosper Portland, a business or an organization to request bids for development, products, solutions and services.

“Regulated affordable unit” means a residential unit subject to a regulatory agreement that runs with the land and that requires affordability for an established income level for a defined period of time.

“Revenue sharing” means under-levying tax increment proceeds to effectively share a portion of the revenue with the other taxing districts who levy permanent rate taxes as described in ORS 457.470.

“Substantial Amendment” means an increase in maximum indebtedness that can be issued or incurred under the TIF Plan or an increase in acreage over one percent of the original acreage of the TIF Areas described in ORS 457.085.(2)(i).

“Tax increment finance area plan” or “TIF plan” means a plan, as it exists or is changed or modified from time to time, for one or more TIF areas, as provided in ORS 457. This term is understood to refer to and replace references to the term “urban renewal plan” or “plan” as defined in ORS 457.010(19).

“Tax increment finance area project(s)” or “TIF area project(s)” or “project(s)” means any work or undertaking carried out under ORS 457.170 and ORS 457.180 in a TIF area. This term is understood to refer to and replace references to the term “urban renewal project(s)” as defined in ORS 457.010(20).

“Tax increment finance area report” or “report” means the official report that accompanies the TIF plan pursuant to ORS 457.087.

“Tax increment finance” or “tax increment financing” or “TIF” means the funds that are associated with the division of taxes accomplished through the adoption of a TIF plan. In Portland it is a program designed to leverage private investment for economic development and affordable housing projects in a manner that enhances the benefits accrued to the public interest.

“Tax increment revenues” means the funds allocated by the assessor to renewal TIF area due to increases in assessed value over the frozen base within the area.

“Urban Renewal” means the statutory authority provided in ORS 457. In the Plan it is synonymous with tax increment financing.

INTRODUCTION

The Report Accompanying the Cully Tax Increment Finance Plan (Report) contains background information and project details that pertain to the Cully Tax Increment Finance Plan (Plan). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Portland City Council as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.087, including financial feasibility. The Report accompanying the Plan contains the information required by ORS 457.087, including:

A description of the physical, social, and economic conditions in the area and expected impact of the plan, including fiscal impact in light of increased services; (ORS 457.087(1))

Reasons for selection of the plan Area; (ORS 457.087(2))

The relationship between each project to be undertaken and the existing conditions; (ORS 457.087(3))

The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.087(4))

The estimated completion date of each project; (ORS 457.087(5))

The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired; (ORS 457.087(6))

A financial analysis of the plan; (ORS 457.087(7))

A fiscal impact statement that estimates the impact of Cully Tax Increment Finance Plan financing (TIF) upon all entities levying taxes upon property in the tax increment area; (ORS 457.0857(8))

A relocation report. (ORS 457.087(9))

The relationship of the sections of the Report and the ORS 457.087 requirements is shown in Table 1.

The specific reference in the table below is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute. The Report provides guidance on how the Plan might be implemented. As the budget advisory committee reviews revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report.

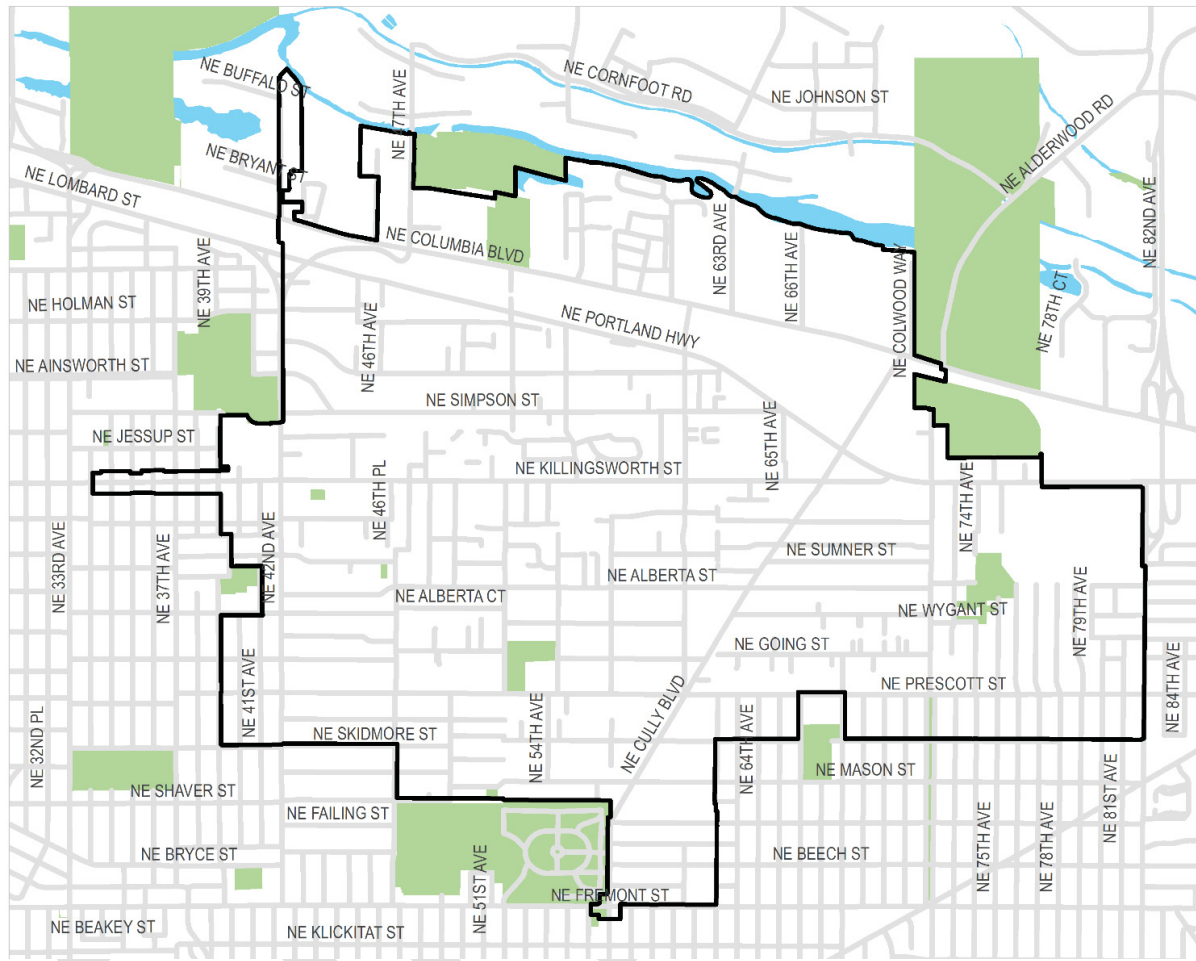
The Plan will be implemented in accordance with the Governance Charter (Charter) and the subsequent Five-Year Action Plans. Those Action Plans may vary from this initial Report. They may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other adjustments to the financials as determined by the Agency and in accord with the Charter and as influenced by the planning for the Five-Year Action Plan.

Table 1 - Statutory References

Statutory Requirement	Report Section
ORS 457.087 (1)	XI
ORS 457.087 (2)	XII
ORS 457.087 (3)	III
ORS 457.087 (4)	IV
ORS 457.087 (5)	VII
ORS 457.087 (6)	V,VI
ORS 457.087 (7)	V,VI
ORS 457.087 (8)	IX
ORS 457.087 (9)	XIII

Source: Elaine Howard Consulting, LLC

Figure 1 – Cully TIF Plan Boundary



Data for the Cully TIF boundary presented in this report comes from multiple sources, sources with slightly different dates, boundaries and/or methods of data collection. Staff strived to use the various sources available to compile a representative and accurate narrative but want to acknowledge some inconsistencies may still exist.

Further, small sample sizes for particular demographics, including Black and Indigenous households, reduce confidence in those numbers. Small sample sizes are less informative than large ones, leading to less accurate and more variable conclusions. Over the life of the district, in order to better inform decision-making, the Community Leadership Committee and City should strive to validate and supplement American Community Survey and ESRI data with locally available data sources and vet community data with community.

THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN TAX INCREMENT PROJECTS AND THE EXISTING CONDITIONS IN THE TAX INCREMENT AREA

The projects identified for the Cully Tax Increment Finance Area (Area) are described below, including how they relate to the existing conditions in the Area.

Background:

*Not in Cully: Anti-Displacement Strategies for the Cully Neighborhood*¹ documented the potential for gentrification and displacement in Cully. The document presents facts about the displacement and gentrification threats in the neighborhood and presents recommendations for strategies to help prevent gentrification and displacement. Many of those strategies are to increase the supply of affordable housing in Cully.

“While there is significant debate about the definition of gentrification and whether gentrification always includes displacement, most definitions include five common facets:

- It occurs in central-city neighborhoods;
- It occurs in neighborhoods that are initially inhabited by low-income residents;
- It occurs in neighborhoods that have experienced a period of disinvestment;
- It involves an influx of gentrifiers of higher socioeconomic status;
- It involves investment capital.”²

With increasing public investment and a housing market on the upswing, some Cully residents and leaders are concerned about the possibility of increasing gentrification and displacement. A large portion of Cully’s residents appear to be vulnerable due to a variety of socioeconomic factors that make resisting displacement more difficult. Communities of color have historically been subject to displacement in Portland and elsewhere. Lower-income households are less equipped to withstand changes in housing affordability.

Lower-education households have fewer economic opportunities that would enable them to increase their earnings as housing prices increase. Education rates in Cully in 2010 lagged behind those in Portland overall: 81 percent of Cully residents are high school graduates compared to Ninety percent of Portland residents.³ This percentage has increased in recent years: Ninety-two percent of Cully residents are high school graduates compared to ninety-three percent of Portland residents⁴. The increase in this percentage alone shows a changing neighborhood population.

Certain populations within Cully may be more vulnerable to displacement due to higher housing cost burdens, including large family households and elderly non-family households. Additionally, displacement could affect neighborhood businesses in Cully. Eighty-three percent of all Cully

¹ *Not in Cully: Anti-Displacement Strategies for the Cully Neighborhood*, June 2013.

² *Ibid.*/ page 3 of Appendix E. Background and Documents Contents.

³ *Ibid.*/ page 3 of Appendix E. Background and Documents Contents.

⁴ ECONorthwest (2022). Cully Community-Centered Tax Increment Financing (TIF) Plan: Social, Economic, & Development Conditions. Data source: American Community Survey (ACS) 2016-2020 5-year Estimates.

businesses are small enterprises with fewer than 20 employees. These businesses are more likely to experience displacement as commercial lease rates increase and neighborhood demographics change than larger enterprises with greater resources to draw upon.⁵

Taken from the Cully TIF District Plan:

As development and gentrification pressures intensify in the Cully neighborhood, there is an urgent need for community-led investments that can be used proactively to combat displacement pressures, which disproportionately affect low-income people and people of color. In response, the neighborhood has seen some early investments in affordable housing, including the Las Adelitas and Mamook Tokatee projects, and others. This is a unique and timely opportunity to scale up and shape investment to prevent or reduce displacement in a way that increases wealth, choice and stability for those that call Cully home, and secure those benefits for future generations of Priority Communities. Cully should remain a neighborhood where low-income people and people of color can live and thrive.

The projects in the Plan were developed by the Cully community to address the issues documented in the *Not in Cully: Anti-Displacement Strategies for the Cully Neighborhood* and to ensure community members benefit from investment and are able to remain in Cully.

Project: Affordable Housing

In partnership with mission-driven organizations and developers, preserve and create affordable housing for families and individuals. Tax Increment Financing funds may be used for activities that support property acquisition, pre-development, development, rehabilitation and/or preservation of affordable housing.

As a result of the TIF Set-Aside Policy adopted by Portland City Council in 2006, at least 45% of all TIF resources generated in the District will be allocated for affordable housing. In accordance with City policy, rental housing is created and preserved with a focus on families earning less than 60% of area median income, and homeownership housing with focus on families earning 80% to 100% or less of area median income depending on home size.

The Plan authorizes projects and programs which fulfill the housing-related goals and objectives of the Plan. The Plan envisions that through collaboration with the community, the Portland Housing Bureau will lead implementation of affordable housing related activities. The type and funding level for projects and programs will be based on the Action Plans, and the Portland Housing Bureau's Strategic Framework, as well as other adopted City housing policies, where applicable.

The following programs that are currently operated by the Portland Housing Bureau and are eligible to receive funding through the Cully TIF District.

⁵ *Not in Cully: Anti-Displacement Strategies for the Cully Neighborhood*, June 2013, p8.

Single Family Home Repair – support low-income community members who currently own their homes, so that they are more likely to be able to stay in place, through home repairs relating to life safety, code compliance, energy efficiency upgrades, and accessibility upgrades.

Homeownership – through the provision of down payment assistance and other types of financial assistance, as well as the financial subsidization of the development of new homes. The preferred model for homeownership investments made under the plan is permanently affordable homeownership utilizing mechanisms such as down payment assistance, community land trusts and covenants that ensure the homes remain affordable for subsequent buyers.

Multi-family Rental Development – development of new affordable rental housing in a variety of unit sizes, including family sized units (two-bedrooms or larger).

Rehabilitation & Preservation of Existing Regulated Housing - Provide funding to rehabilitate and preserve the affordability of existing regulated affordable housing.

Acquisition & Rehabilitation of Existing Market-Rate Housing - Purchase market-rate housing, including foreclosed and unoccupied properties, make needed repairs and renovations, and convert to regulated affordable housing (for individual ownership, cooperative ownership, and rental), in order to protect current residents from displacement and secure permanently affordable homes.

In addition to the creation of affordable housing for people experiencing houselessness, a limited amount of resources may be used for capital expenditures for community services which would include the creation of stand-alone shelters or shelters that are integrated into affordable housing or commercial developments, and sanitation facilities such as showers and laundry.

The Cully community is particularly interested in the implementation of existing programs which align with identified community priorities. Additional details highlighting housing stabilization, anti-displacement, resident-owned cooperatives, and repair funds that can be quickly accessed to respond to emergency situations are examples of these priorities.

In addition to the programs operated by the Portland Housing Bureau in 2022, Cully community members and stakeholders have expressed an interest in new programs using TIF funds. These new programs may or may not be developed in accordance with the current legal definitions of affordable housing, but if agreed to as part of an Action Plan, will be implemented in line with the vision, values, goals, and implementation principles in this District Plan. Consideration of and decisions regarding any new programs the Housing Bureau currently does not operate will occur during the planning process for an Action Plan. "Affordable infill and middle-density housing: Add regulated affordable housing (for both rental and homeownership) in middle-density configurations including attached units (e.g. duplexes, triplexes, other -plexes), cottage clusters, tiny houses and accessory dwelling units (ADUs)."

Manufactured housing park stabilization, preservation and development: acquisition and rehabilitation of existing manufactured housing parks, and the development of new manufactured housing parks, by affordable housing providers and resident-owned

cooperatives., including repairs to existing manufactured homes and purchase of new manufactured homes.

Rehabilitation loans or grants to single family owners of manufactured structures.

Alongside current and new programs, there is an intention for the Community Leadership Committee to work in partnership with the City to facilitate discussions among mortgage lenders and affordable housing providers to advance the availability of mortgage specific products for ITIN borrowers.

RELATIONSHIP OF THE AFFORDABLE HOUSING PROJECT TO EXISTING CONDITIONS:

The existing conditions cited below come from the *esri Community Profile* (2021, noted esri below) and the City of Portland Housing Bureau's *State of Housing in Portland 2020* Neighborhood Profile for Roseway-Cully and the city as a whole (noted PHB below). The Roseway/Cully boundary in the Portland Housing Bureau *State of Housing in Portland* report is slightly larger than the Cully TIF boundary. Affordability is assessed through a comparison test on whether the average rent exceeded 30% of that household's median income (PHB).

The Bureau of Planning and Sustainability's Gentrification and Displacement Risk Typology Assessment identifies the Cully Area in Dynamic and Late Type 2 phases of gentrification (see more info and map on pp. 54-55).

Analysis of communities by race and ethnicity indicate that nearly forty-three percent of Cully residents identify as a race or ethnicity other than white while city-wide the rate is closer to twenty-seven percent.

Table 2 – Population by Race/ethnicity

Race/Ethnicity	Cully TIF	Portland
	Percent	Percent
White	67%	69%
Black	7%	6%
Asian	5%	9%
Hispanic	14%	10%
Hawaiian Pacific Islander	0%	1%
American Indian/Alaska Native	1%	1%
Some Other Race	0%	0%
Two or More Races	4%	5%

Source: ECONW Report April 2022, American Community Survey (ACS) 2016-2020 5 years Estimates

The housing affordability data collected by the Portland Housing Bureau indicates that rental housing is not affordable in the Roseway/Cully neighborhood to the following households: 3-person extremely low income, Black residents, seniors needing 3-bedroom units, and single mothers.

Table 3 – Renter Rates

Renter rates	Roseway/Cully 2018	Portland 2018
Total	35%	47%
White	32%	44%
Black	63%	74%
Asian	35%	43%
Hispanic/Latinx	66%	63%
Hawaiian Pacific Islander	-	76%
Native American	34%	61%

Source: Portland Housing Bureau State of Housing in Portland 2020

The data also indicates that, homeownership in Cully is only affordable to a couple with children and white residents. In general, Cully has a higher percentage of homeownership than citywide, sixty-five percent compared to fifty-three percent, respectively (PHB). Homeownership rates broken down by race are shown below in *Table 4 – Homeownership Rates*. The table indicates that homeownership rates for Native American households in Cully is substantial, however, this community comprises only one percent of the total population in the neighborhood, making these numbers appear disproportionately successful.

Table 4 – Homeownership Rates

Homeownership rates	Cully in 2000	Cully in 2018	Portland in 2018
Total	67%	65%	53%
White	73%	68%	56%
Black	38%	37%	26%
Asian	58%	65%	57%
Hispanic/Latinx	29%	34%	37%
Hawaiian Pacific Islander	-	-	24%
Native American	-	66%	39%

Source: Portland Housing Bureau State of Housing in Portland 2020

The analysis of race and origin are shown in the table below with over forty-three percent of the Cully residents identifying themselves as a race or ethnicity other than white while city-wide twenty-seven percent of the residents identify themselves as a race or ethnicity other than white.

Table 5 – Population by Race/ethnicity

Race/Ethnicity	Cully TIF		Portland	
	Number	Percent	Number	Percent
White	17,913	67%	451,999	69%
Black	1,871	7%	37,107	6%
American Indian/Alaska Native	297	1%	3,738	1%
Asian	1,402	5%	55,681	9%
Native Hawaiian and Other Pacific Islander	8	0%	4,066	1%
Some Other Race	103	0%	2,784	0%
Two or More Races	1,177	4%	31,196	5%
Hispanic	3,827	14%	63,809	10%

Source: ECONW Report April 2022, American Community Survey (ACS) 2016-2020 5 years Estimates

The mix of units in the Roseway/Cully neighborhood favors single-family homes (71 percent in Roseway/Cully are single family compared to 53 percent citywide). This may also account for the increase in homeownership rates in Roseway/Cully. (PHB)

Mobile homes also account for a higher share of all housing units in Cully than in Portland. (*Not in Cully: Anti-Displacement Strategies for the Cully Neighborhood*, p18)

Over the last decade, Cully has an increase in diversity rate that is a small bit lower than citywide (a 4 percent increase in communities of color in Cully versus 5 percent citywide). (esri)

Rentership has increased by about three percent over the last decade. (esri)

Homes in Cully are less expensive compared to Portland overall, however they are becoming less affordable. In 2020, the median home sales price in Cully was \$439,226 while in Portland citywide was \$476,132. (esri)

In 1990, the median home value in Cully was 79 percent of Portland’s median value; in 2020 that figure is 92 percent. This shows that overall, Cully has increased in value as compared to the remainder of the city. (esri)

In terms of racial and ethnic identity, per the Cully TIF Preliminary Report, which relied on American Community Survey (ACS) data from 2015-2019, forty-three percent of residents represent communities of color, compared to 29 percent citywide. More recent data from ECONorthwest, which relied on 2010-2020 United States Census Bureau data, shows a changing picture for Cully, with roughly 35 percent of residents representing communities of color. While the number of White households remained the same over the ten-year period, there was a noticeable, recent decline in the number of Black households from 14 percent to seven percent. See Table 35 in the social conditions section of this document.

Lower-education households have fewer economic opportunities that would enable them to increase their earnings as housing prices increase. Education rates in Cully lag slightly behind those in Portland overall: 92 percent of Cully residents are high school graduates compared to 93 percent of Portland residents (esri). See

Table 6 in the social conditions section of this document.

The average household income in Cully is \$80,426 compared to \$104,517 city-wide. This translates to the ability to pay \$24,128 a year for housing versus \$31,355 a year towards housing using thirty percent of a household income towards housing (esri).

The median income in Cully is \$70,854 and thirteen percent of the population is considered to meet the poverty standards. The poverty rate is similar percentage for the City as a whole, but notably the Black population in Cully has a forty percent poverty rate (PHB).

Table 6 - Income and Poverty Rate

	Cully Median Income 2000*	Cully Median Income 2019	Portland Median Income 2019	Cully Poverty Rate	Portland
Total	\$59,564	\$70,854	\$71,005	13%	13.7%
White	\$61,881	\$73,467	\$75,475	11.7%	11.7%
Black	\$53,851	\$28,173	\$31,538	39.5%	29.1%
Asian	\$59,300	\$64,490	\$62,709	10.4%	18.1%
Hispanic/Latinx	\$45,701	\$39,458	\$56,610	30.3%	20.8%
Hawaiian Pacific Islander	-		\$57,165		22.4%
Native American	-		\$50,214	12%	19.2%

Source: Census 2010, ACS 2019 5-Year Data

*Notes: 2000 in 2019 dollars, Cully Data is for Cully Roseway PHB Study Area

Home values in Cully are appreciating at a slightly higher rate than in Portland overall. Over the last decade, the median home value in Cully increased by sixty-six percent, compared to sixty-three percent citywide. However, the median home value in Cully remains lower than that for all Portland homes (PHB).

Table 7 – Median Home Values

Cully 2011	Cully 2019	Portland 2011	Portland 2021
\$236,401	\$392,000	\$267,654	\$424,900
Percentage increase	66%		63%

Source: Portland Housing Bureau

The number of home sales in Cully per year has increased significantly (252 percent) over the last two decades. Over the last 10 years, sales volume increased by 14 percent. The median sales price also increased by 116 percent between 1992 and 2012. (*Not in Cully: Anti-Displacement Strategies for the Cully Neighborhood*, p19.)

The rate of single female-headed households (another indicator associated with poverty) in the neighborhood is almost twice that of the city as a whole. (*Not in Cully: Anti-Displacement Strategies for the Cully Neighborhood*, p.6)

Multi-family Rental Housing

The following information on office, retail and industrial/flex existing conditions is from the *Cully Community-Centered Tax Increment Financing Plan*, ECONorthwest, April 2022.

The Cully TIF area has remained an affordable place to live when compared to citywide multifamily rents. The area's low vacancy rate indicates an increased demand for housing at all price points. Very few market-rate rental housing units have been constructed in the past decade. Since 2012, there have been a total of 240 multifamily housing units built in the area, of which 181 units were market-rate. Supply and demand analysis indicates a demand for both market-rate and affordable housing units to adequately serve the households in the area. As of April 2022, there were no market-rate units under construction, however, there were 141 affordable units under construction. Las Adelitas is a new 141-unit affordable housing project being constructed in 2022 by Hacienda CDC in the Cully Neighborhood.”⁶ In addition, NAYA has constructed Mamook Tokatee 56 units and Hayu Tilxam provides 50 affordable housing units both in 2022, which adds an additional 106 affordable units not included in EcoNW report.

Table 8 – Multi-family Rental Housing Market Conditions Q1 2022

	Cully TIF	Portland
Existing Multifamily Units	2,002	108,059
Existing Multi-family Buildings	105	3,837
Q1 2022 Vacancy Rate	2.8%	6.2%
Units Under Construction	141	4,162
Effective Rent		
Average	\$1,107 per unit (\$1.56) per sq. ft.	\$1,475 per unit (\$2.03) per sq. ft.

⁶ Cully Community-Centered Tax Increment Financing Plan, ECONorthwest, April 2022, p 7

Studio	\$1,253 per unit (\$2.68) per sq. ft.	\$1,199 per unit (\$2.62) per sq. ft.
1 bedroom	\$1,031 per unit (\$1.86) per sq. ft.	\$1,421 per unit (\$2.19) per sq. ft.
2 bedroom	\$1,143 per unit (\$1.37) per sq. ft.	\$1,677 per unit (\$1.78) per sq. ft.
3 bedroom	\$1,341 per unit (\$1.01) per sq. ft.	\$1,843 per unit (\$1.54) per sq. ft.

Source: Cully Community-Centered Tax Increment Financing Plan, ECONorthwest, April 2022, CoStar, April 2022

The overall demographics identified in the Existing Conditions of the Affordable Housing project and in the Social Conditions section of this document identify the demographics that lead to gentrification and displacement. The intent of the Affordable Housing projects identified in the Plan are to address those factors.

Project: Commercial Property Acquisition, Development and Renovation

This project is to “Retain, create, and expand economic opportunities through investments in commercial, industrial and mixed-use properties, and in residential properties where home-based businesses operate.” In response to community engagement wanting a prioritization of commercial investments along with affordable housing, the Cully ELC requested that at least forty-five percent of TIF resources generated in the District are also allocated for commercial / business development.

This project category will be advanced in a manner consistent with the goals, values and implementation principles identified in Sections V and VI of the Plan. In addition, TIF-funded commercial projects will seek to:

Provide long-term stable, affordable commercial space with priority for businesses and non-profits that are owned, led by, and/or support Priority Communities; especially existing businesses located within the District boundary, and new businesses being started by community members with ties to Cully and surrounding neighborhoods. This especially includes investments in properties developed, owned or otherwise controlled for the long term by public agencies and non-profit organizations;

Support employment of community members from Cully and adjacent neighborhoods, particularly of Priority Communities;

Support mixed-use development that combines commercial space with the other eligible projects in the plan, including affordable homes, and priority services and amenities; and

Support access to high-wage employment for the benefit of Cully residents.

For the purposes of this section, the terms “commercial” and “business” also include non-profit uses, unless otherwise stated.

The following types of business and services have been prioritized by community members as those that TIF investments should seek to support:

Affordable and culturally relevant groceries, fresh food and restaurants

Credit union or bank that serves our community in line with the goals of the Plan

Affordable childcare

Retail goods and services that meet regular household needs, such as clothing, home goods, and cleaning services

Services and businesses that expand multimodal transportation options available in Cully, including but not limited to bicycle, electric vehicle and automotive services and repair. Health services, including mental health

To achieve the above goals, eligible activities to implement this project category include:

“Priority Communities” refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

Technical and/or financial assistance to determine the feasibility of development, redevelopment and renovation projects

Acquisition of properties

Development, redevelopment and renovation activities such as:

- New construction
- Building façade improvements
- Landscaping enhancements and pedestrian amenities, including lighting and safety improvements
- Professional services such as engineering, architecture, landscape design, and other building and site design assistance
- Tenant improvements
- Building repairs and upgrades including, but not limited to, mechanical, electrical, weatherization, HVAC, and renewable energy, including those to support ongoing industrial use in industrially zoned areas
- Community solar projects
- Seismic, fire suppression, and other public safety improvements
- Accessibility improvements

Funding for permanent infrastructure to support food cart operations and other temporary, pop-up, seasonal and low-barrier opportunities for startup businesses and non-profits.

A set-aside of funds for emergency repair and rehabilitation projects, for the purpose of preventing displacement, will also be considered.

RELATIONSHIP OF THE COMMERCIAL PROPERTY ACQUISITION, DEVELOPMENT AND RENOVATION PROJECT TO EXISTING CONDITIONS:

There are two existing Neighborhood Prosperity Districts (NPI) in the Cully area, the Cully Blvd. Alliance and Our 42nd Avenue. A NPI is a mini tax increment district formed to assist neighborhood business districts in Portland. These two business districts take in the majority of commercial properties within Cully. The following statements about the existing conditions in the Cully Area come from Prosper Portland's Neighborhood Economic Profiles, evaluating from 2010 to 2019.

In the Cully Blvd. Alliance, the 79 businesses employ 505 people, an average of 6.3 employees per business. In Our 42nd Avenue, the seventy-three businesses employ 557 people, an average of 7.6 employees per business.

Unemployment has decreased by 4% in both NPIs since 2010.

The overall population grew by 10% in the Cully Community and 12% in the Our 42nd Avenue Community.

Both NPIs have a higher share of non-White population than the City of Portland. Approximately 36% to 27%.

Retail lease rates have increased dramatically in both NPIs, 78% in Cully Blvd. Alliance and 201% in Our 42nd Avenue.

There was 21,168 square feet of new commercial space developed in Cully Blvd. Alliance and 3,419 square feet developed in Our 42nd Avenue.

The home sales prices increased 63% in the Cully community and 216% in the Our 42nd Avenue community.

There were small increases in education rates in both the Cully Blvd. Alliance and Our 42nd Avenue areas.

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The following table shows the statistical information for the two NPIs.

Table 9 – Economic Conditions

	# of Businesses	Number of Employees	Unemployment Rate Decrease since 2010	Population Growth	Share of BIPOC Population	City of Portland
Cully	79	505	4%	10%	36%	27%
Our 42nd Avenue	73	557	4%	12%	35%	
From 2010 to 2019	Retail Lease Rate increases	Commercial space new sq. footage	Increase in home sales price	Bachelor's Degree increase	Graduate or Professional Degree increase	
Cully	78%	21,168	63% increase to \$462,361	1%	3%	
Our 42nd Avenue	210%	3,419	216% increase to \$566,403	7%	3%	
Portland	29%					

Source: Prosper Portland's Neighborhood Economic Profiles, evaluating from 2010 to 2019.

Note: There will be variations in data from the Housing Section of this Report and the Commercial section as the data comes from two different sources.

The following narrative information and information in Table on office, retail and industrial/flex existing conditions is from the *Cully Community-Centered Tax Increment Financing Plan*, ECONorthwest, April 2022.

Office

Compared to Portland, the Cully TIF office market has remained stable and is performing well with a healthy vacancy rate—by industry standards. COVID-19 has disrupted the office market world-wide with remote work environments and this is seen the Portland office market where vacancy rates are high at about 15.5% in Q1 2022. Current office rents in the Cully TIF area coupled with unpredictable office demand in the near future indicate limited near-term demand for new office space in the Cully TIF area. If near-term office demand increases in the Cully TIF area, rents would need to increase to citywide averages to make any speculative new office development viable. However, Portland has seen a shift in market preference for office locations in neighborhood business districts since the COVID-19 pandemic. If these demand preferences continue into the future, there could be some demand for neighborhood scale office development.

Retail

Retail is one the best performing commercial real estate classes in the Cully TIF area. Extremely low vacancy rates have created upward rent pressures in the Cully TIF area with asking rents surpassing citywide average rents. Supply and demand analysis indicate some demand for retail space in the Cully TIF area with current rents possibly supporting speculative new retail construction.

Industrial/Flex

Industrial / flex real estate in the Cully TIF has performed well with rents slightly below citywide averages. Industrial / flex space makes up the majority of commercial real estate in the Cully TIF which is concentrated long the north side of NE Columbia Blvd. Vacancy rates for industrial flex space in the area is extremely low and supply and demand analysis indicate possible rent increases in response to high demand.

Table 10 – Commercial Real Estate Market Conditions in Cully TIF and Portland, Q1 2022

	Cully TIF	Portland
Office		
Existing Square Feet	421,400	58,935,102
Existing Buildings	64	2,632
Q1 2022 Vacancy Rate	5.3%	15.5%
Base Rent / Sq. Ft.	\$17.36	\$26.98
Square Feet Under Construction	0	603,000
Retail		
Existing Square Feet	962,848	40,590,979
Existing Buildings	218	4,954
Q1 2022 Vacancy Rate	1.4%	4.3%
Base Rent / Sq. Ft.	\$31.57	\$ 9.98
Square Feet Under Construction	0	57,800
Industrial/Flex		
Existing Square Feet	3,564,412	95,890,736
Existing Buildings	227	3,165
Q1 2022 Vacancy Rate	1.9%	5.1%
Base Rent / Sq. Ft.	\$8.83	\$9.89
Square Feet Under Construction	0	718,000

Source: ECONW Report April 2022, CoStar, April 2022

The foregoing Existing Conditions identify the economic conditions that lead to gentrification and displacement. The intent of the Commercial Property Acquisition, Development and Renovation project identified in the Plan is to address those conditions.

Arts, Culture and Signage

Seek opportunities to include historical and cultural art (not public art as a “public building,” defined in ORS 457.010) & signage in TIF investments, to celebrate and represent Priority Communities⁸ in Cully. These elements should be developed by and/or in collaboration with artists and community members who represent those communities. It is the intent that these elements be infused throughout the projects completed in the District.

Signage is not specifically for beautification but for the greater purpose of the TIF district. It should be funded if it is a part of a project that is TIF funded. Adding any of these elements outside of a TIF funded project will generally require being included in an Action Plan.

RELATIONSHIP OF THE ARTS, CULTURE AND SIGNAGE PROJECT TO EXISTING CONDITIONS:

The need to establish a sense of identity and to honor of culture has been one of the constant themes from the Cully community. There is presently no consistent funding source nor consistent requirement for funding arts, culture and signage in the Cully community. Including TIF funding for arts, culture and signage provides one avenue for achieving the Cully TIF Plan principle of celebrating and representing Priority Communities in Cully.

Land Acquisition and Land Banking

This project calls for acquiring properties for future development or redevelopment (in conformance with Sections V, VI, and X of the Plan). These activities provide future development opportunities to prevent the displacement of vulnerable people and communities from Cully, preserve existing opportunities for affordable housing and economic prosperity and create new opportunities for vulnerable people and communities, especially Priority Communities to live, work and thrive in Cully, including those previously displaced.

This project also focuses efforts on controlling land so that it remains affordable, and on remediation activities on land banked property to ensure that it is developable in the future.

RELATIONSHIP OF LAND ACQUISITION AND LAND BANKING PROJECT TO EXISTING CONDITIONS:

There is presently no funding source for the Cully community to expend funds on opportunistic property acquisition that would prevent the displacement of residents, businesses and community-based institutions from existing buildings. There is also not an overall funding source for the Cully community to land bank properties to prevent the displacement of vulnerable people and communities from Cully, preserve existing opportunities for affordable housing and economic prosperity and create new opportunities for vulnerable people and communities, especially people of color, low-income people and Indigenous and tribal people to live, work and thrive in Cully, including those previously displaced. The existing housing and commercial existing conditions

⁸“Priority Communities” refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

support the need for these the Affordable Housing and Commercial Property Acquisition, Development and Renovation project in the Plan.

Recreational Improvements

In partnership with public agencies and community-based organizations, the Plan seeks to assist in the creation of recreational facilities for the District.

Eligible investments include:

- Community centers

- Community gardens

- Athletic facilities such as basketball courts and soccer fields

- Recreational facilities that are located in affordable housing and commercial developments

The following have been prioritized by community members as desired elements of a community center:

- Community and adult education

- Youth activities and gathering spaces

- Indoor recreation

- Safe space for community gathering and connection

- Gallery space, art studios and other facilities to support local artists

RELATIONSHIP BETWEEN EXISTING CONDITIONS AND THE RECREATIONAL IMPROVEMENTS PROJECT:

The desire for enhanced recreation opportunities has also been a constant theme in the community input while developing the Cully TIF Plan. The parks in the Area as shown on the Discover Portland Parks & Recreation map are shown I the Infrastructure section of this document, see

Figure 4.

The community has expressed desires for additional facilities that provide the recreational opportunities. Included in the project description: community centers, community gardens, athletic facilities such as basketball courts and soccer fields and recreational facilities that are located in affordable housing and commercial developments.

Infrastructure Improvements

This project would provide infrastructure improvements, including safety-related transportation improvements, sidewalks, natural areas, green infrastructure or other climate resilience investments, that are triggered by or directly support community stabilization for Priority Community members, or the implementation of other investments in this Plan, but not general infrastructure improvements.

RELATIONSHIP OF EXISTING CONDITIONS TO THE INFRASTRUCTURE IMPROVEMENTS PROJECT:

Forty-seven percent (47%) of the streets are in poor or very poor condition. Infrastructure improvements may be required in the implementation of projects in the Plan. These infrastructure

improvements may include such things as frontage improvements including installation of sidewalks, safety-improvements or utility hook ups.

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Administration

This project authorizes expenditures for the administrative costs associated with managing the TIF District including budgeting and annual reporting, planning and the implementation of projects in the District.

RELATIONSHIP BETWEEN EXISTING CONDITIONS AND THE ADMINISTRATION PROJECT:

Once a tax increment plan with its associated requirements for administration exists, there will also be a need for administrative funds to be allocated for that administration. There is currently no other source of funding for these costs.

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THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

Table shows the estimated costs of the projects in FYE 2023 constant dollars and the estimated year of expenditure dollars. These costs are also shown in “year of expenditure” costs, which assumes inflation of three percent annually. These estimates are ballpark estimates and will be refined in the Five-Year Action Plans and in the annual budgeting process with the acknowledgement that the limiting factor is the maximum indebtedness. The sources of moneys to pay such costs are tax increment revenues.

Table 11 - Estimated Cost of Each Project

Total Maximum Indebtedness	350,000,000
Bond and TIF Administration (4%)	13,426,000
Bond Issuance Cost and Reserves	17,159,000
Projects (Maximum Indebtedness - Administration)	319,415,000
Affordable Housing Per Set Aside Policy - 45% Minimum	143,736,750
Economic Development (55%)	175,678,250
Total Maximum Indebtedness	350,000,000

Source: Prosper Portland with input from Cully ELC Committee

FINANCIAL ANALYSIS OF THE PLAN

The estimated Cully Tax Increment Finance Plan revenues through Fiscal Year End (FYE) 2059 are calculated based on projections of the assessed value within the Area and the consolidated tax rate that will apply in the Area adjusted for discounts, and delinquencies.

The long-term projections for FYE 2024 and beyond assume an annual growth rate of three percent for assessed value in the Area. These projections of growth are the basis for the projections in Table 4 through **Error! Reference source not found.19**.

Table 112 and Table 23 show the incremental assessed value, tax rates, and Cully Tax Increment Finance Plan revenues each year.

The first year of Cully Tax Increment Finance Plan collections is anticipated to be the fiscal year ending in 2024. Gross Cully Tax Increment Finance Plan financing (TIF)⁹ is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is “tax rate times assessed value used divided by one thousand.”

The consolidated tax rate includes permanent tax rates only, except for \$0.5038/\$1,000 of the Portland Public Schools permanent rate levy (the “Gap Tax”). The consolidated rate also excludes levies for general obligation bonds and local option levies. The adjustments are for compression losses estimated at 6.5 percent and underpayments and delinquencies assumed at 5 percent.

⁹ TIF is also used to signify Cully Tax Increment Finance Plan revenues

Table 12 - Projected Incremental Assessed Value, Tax Rates, and Cully Tax Increment Finance Plan Revenues

FYE	Total Assessed Value	Frozen Base Assessed Value	Increment URA	Increment Shared	Tax Rate	Gross TIF URA	Gross TIF Shared	Adjustments (to URA)	Net TIF (URA)	PV of Net TIF (URA)
2024	1,103,279,231	1,071,144,885	32,134,347	0	19.02	611,253	0	(47,983)	563,270	546,864
2025	1,136,377,608	1,071,144,885	65,232,723	0	19.02	1,240,844	0	(97,406)	1,143,438	1,077,800
2026	1,170,468,936	1,071,144,885	99,324,052	0	19.02	1,889,322	0	(148,312)	1,741,010	1,593,271
2027	1,205,583,005	1,071,144,885	134,438,120	0	19.12	2,570,699	0	(201,800)	2,368,899	2,104,736
2028	1,241,750,495	1,071,144,885	170,605,610	0	18.92	3,228,165	0	(253,411)	2,974,754	2,566,049
2029	1,279,003,009	1,071,144,885	207,858,125	0	18.92	3,933,050	0	(308,744)	3,624,305	3,035,299
2030	1,317,373,100	1,071,144,885	246,228,215	0	18.92	4,659,081	0	(365,738)	4,293,343	3,490,881
2031	1,356,894,293	1,071,144,885	285,749,408	0	18.92	5,406,893	0	(424,441)	4,982,452	3,933,194
2032	1,397,601,122	1,071,144,885	326,456,237	0	18.92	6,177,140	0	(484,905)	5,692,234	4,362,624
2033	1,439,529,155	1,071,144,885	368,384,270	0	18.92	6,970,493	0	(547,184)	6,423,310	4,779,546
2034	1,482,715,030	1,071,144,885	411,570,145	0	18.92	7,787,648	0	(611,330)	7,176,318	5,184,325
2035	1,527,196,481	1,071,144,885	456,051,596	0	18.92	8,629,317	0	(677,401)	7,951,916	5,577,314
2036	1,573,012,375	1,071,144,885	501,867,490	0	18.92	9,496,236	0	(745,455)	8,750,782	5,958,857
2037	1,620,202,746	1,071,144,885	549,057,862	0	18.92	10,389,163	0	(815,549)	9,573,614	6,329,287
2038	1,668,808,829	1,071,144,885	597,663,944	0	18.92	11,308,878	0	(887,747)	10,421,131	6,688,927
2039	1,718,873,094	1,071,144,885	624,525,030	23,203,179	18.92	11,817,138	439,046	(927,645)	10,889,492	6,785,972
2040	1,770,439,286	1,071,144,885	663,199,675	36,094,727	18.92	12,548,932	682,977	(985,091)	11,563,840	6,996,314
2041	1,823,552,465	1,071,144,885	703,034,559	49,373,022	18.92	13,302,679	934,226	(1,044,260)	12,258,419	7,200,529
2042	1,878,259,039	1,071,144,885	744,064,489	63,049,665	18.92	14,079,039	1,193,013	(1,105,205)	12,973,835	7,398,797
2043	1,934,606,810	1,071,144,885	786,325,318	77,136,608	18.92	14,878,690	1,459,563	(1,167,977)	13,710,713	7,591,289
2044	1,992,645,015	1,071,144,885	829,853,971	91,646,159	18.92	15,702,331	1,734,110	(1,232,633)	14,469,698	7,778,176
2045	2,052,424,365	1,071,144,885	874,688,484	106,590,996	18.92	16,550,681	2,016,894	(1,299,228)	15,251,452	7,959,618
2046	2,113,997,096	1,071,144,885	920,868,032	121,984,179	18.92	17,424,481	2,308,160	(1,367,822)	16,056,659	8,135,777
2047	2,177,417,009	1,071,144,885	968,432,967	137,839,157	18.92	18,324,495	2,608,165	(1,438,473)	16,886,022	8,306,804
2048	2,242,739,519	1,071,144,885	1,017,424,849	154,169,785	18.92	19,251,510	2,917,170	(1,511,243)	17,740,266	8,472,850
2049	2,310,021,705	1,071,144,885	1,067,886,489	170,990,331	18.92	20,206,335	3,235,445	(1,586,197)	18,620,137	8,634,059
2050	2,379,322,356	1,071,144,885	1,119,861,977	188,315,494	18.92	21,189,804	3,563,268	(1,663,400)	19,526,405	8,790,574
2051	2,450,702,026	1,071,144,885	1,173,396,730	206,160,412	18.92	22,202,778	3,900,926	(1,742,918)	20,459,860	8,942,529
2052	2,524,223,087	1,071,144,885	1,228,537,525	224,540,677	18.92	23,246,141	4,248,714	(1,824,822)	21,421,319	9,090,059
2053	2,599,949,780	1,071,144,885	1,285,332,545	243,472,350	18.92	24,320,805	4,606,935	(1,909,183)	22,411,622	9,233,292
2054	2,677,948,273	1,071,144,885	1,343,831,415	262,971,974	18.92	25,427,709	4,975,903	(1,996,075)	23,431,634	9,372,352

Table 2 - Projected Incremental Assessed Value, Tax Rates, and Cully Tax Increment Finance Plan Revenue, page 2

FYE	Total Assessed Value	Frozen Base Assessed Value	Increment URA	Increment Shared	Tax Rate	Gross TIF URA	Gross TIF Shared	Adjustments (to URA)	Net TIF (URA)	PV of Net TIF (URA)
2055	2,758,286,721	1,071,144,885	1,404,085,251	283,056,586	18.92	26,567,820	5,355,940	(2,085,574)	24,482,246	9,507,363
2056	2,841,035,323	1,071,144,885	1,466,146,702	303,743,736	18.92	27,742,135	5,747,378	(2,177,758)	25,564,377	9,638,441
2057	2,926,266,383	1,071,144,885	1,530,069,997	325,051,501	18.92	28,951,678	6,150,559	(2,272,707)	26,678,972	9,765,702
2058	3,014,054,374	1,071,144,885	1,595,910,991	346,998,499	18.92	30,197,509	6,565,836	(2,370,504)	27,827,004	9,889,255
2059	3,104,476,005	1,071,144,885	1,663,727,214	369,603,907	18.92	31,480,714	6,993,571	(2,471,236)	29,009,478	10,009,210

Source: Prosper Portland

THE ESTIMATED AMOUNT OF CULLY TAX INCREMENT FINANCE PLAN REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 34 shows a summary of the financial capacity of the Area, including how total TIF revenue translates to the ability to fund tax increment projects in constant 2022 dollars in five-year increments. Table 5 through Table 9 show more detailed tables on the allocation of tax revenues to debt service.

The Area is anticipated to complete all projects and have sufficient Cully Tax Increment Finance Plan finance revenue to terminate the tax increment area in FYE 2059, a 36-year tax increment plan. These assumptions show one scenario for financing and that this scenario is financially feasible.

The maximum indebtedness is \$350,000,000. The estimated total amount of Cully Tax Increment Finance Plan revenues required to service the maximum indebtedness of \$350,000,000 is \$478,900,000 and is from permanent rate tax levies. The increase over the maximum indebtedness is due to the projected cost of the interest on borrowings (loans) which is not a part of the maximum indebtedness.

The financial analysis projects capacity of funding for projects in five-year increments is shown below in Table 34.

Table 3 - TIF Capacity of the Area in FYE 2022 Constant Rounded Numbers

	Actual Dollars	Rounded Dollars
Total Net TIF	478,914,227	478,900,000
Maximum Indebtedness	350,000,000	350,000,000
Capacity (2023 \$)	236,727,933	236,700,000
Years 1-5	8,791,371	8,800,000
Years 6-10	25,015,645	25,000,000
Years 11-15	43,873,760	43,900,000
Years 16-20	61,396,300	61,400,000
Years 21-25	80,404,097	80,400,000
Years 26-30	102,439,344	102,400,000
Years 31-36	156,993,711	157,000,000

Source: Prosper Portland

Due to the urgency of stabilizing community, the ELC has expressed interest in gaining access to capital earlier in the life of the district, whether by bonding or other means.

Table 15 - Cully Tax Increment Finance Plan Revenues and Allocations to Debt Service, page 1

FY	23-24	24-25	25-26	26-27	27-28	28-29	29-30
Prior Year Assessed Value	1,071,144,885	1,103,279,231	1,136,377,608	1,170,468,936	1,205,583,005	1,241,750,495	1,279,003,009
Frozen Base	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885
Increment	32,134,347	65,232,723	99,324,052	134,438,120	170,605,610	207,858,125	246,228,215
AV (Baseline)	1,103,279,231	1,136,377,608	1,170,468,936	1,205,583,005	1,241,750,495	1,279,003,009	1,317,373,100
Taxes							
Consolidated Tax Rate for Du Jour	19.0218	19.0218	19.0218	19.1218	18.9218	18.9218	18.9218
Beginning Balance	-	-	-	-	-	-	-
Divide the Taxes (to Raise) Sal 4c	611,253	1,240,844	1,889,322	2,570,699	3,228,165	3,933,050	4,659,081
Debt Service							
LOC 1						595,000	595,000
Total Debt Service						595,000	595,000

Source: Prosper Portland

Table 4 - Cully Tax Increment Finance Plan Revenues and Allocations to Debt Service, page 2

FY	30-31	31-32	32-33	33-34	34-35	35-36	36-37
Prior Year Assessed Value	1,317,373,100	1,356,894,293	1,397,601,122	1,439,529,155	1,482,715,030	1,527,196,481	1,573,012,375
Frozen Base	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885
Increment	285,749,408	326,456,237	368,384,270	411,570,145	456,051,596	501,867,490	549,057,862
AV (Baseline)	1,356,894,293	1,397,601,122	1,439,529,155	1,482,715,030	1,527,196,481	1,573,012,375	1,620,202,746
Taxes							
Consolidated Tax Rate for Du Jour	18.9218	18.9218	18.9218	18.9218	18.9218	18.9218	18.9218
Beginning Balance	-	-	6,229,933	3,114,967	3,114,967	3,114,967	3,114,967
Divide the Taxes (to Raise) Sal 4c	5,406,893	6,177,140	6,970,493	7,787,648	8,629,317	9,496,236	10,389,163
LOC 1	595,000	595,000	-				
LOC 2	280,000	280,000	-				
BOND 1			3,114,967	3,114,967	3,114,967	3,114,967	3,114,967
LOC 3					280,000	280,000	280,000
LOC 4							280,000
Total Debt Service	875,000	875,000	3,114,967	3,114,967	3,394,967	3,394,967	3,674,967

Source: Prosper Portland

Table 17 - Cully Tax Increment Finance Plan Revenues and Allocations to Debt Service, page 3

FY	38-39	39-40	40-41	41-42	42-43	43-44	44-45
Prior Year Assessed Value	1,668,808,829	1,718,873,094	1,770,439,286	1,823,552,465	1,878,259,039	1,934,606,810	1,992,645,015
Frozen Base	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885
Increment	647,728,209	699,294,402	752,407,580	807,114,154	863,461,926	921,500,130	981,279,480
AV (Baseline)	1,718,873,094	1,770,439,286	1,823,552,465	1,878,259,039	1,934,606,810	1,992,645,015	2,052,424,365
Taxes	-	-	-	-	-	-	-
Consolidated Tax Rate for Du Jour	18.9218	18.9218	18.9218	18.9218	18.9218	18.9218	18.9218
Beginning Balance	3,114,967	3,114,967	3,114,967	3,114,967	10,100,043	6,607,505	6,607,505
Divide the Taxes (to Raise) Sal 4c	11,817,138	12,548,932	13,302,679	14,079,039	14,878,690	15,702,331	16,550,681
LOC 1							
LOC 2							
BOND 1	3,114,967	3,114,967	3,114,967	3,114,967	3,114,967	3,114,967	3,114,967
LOC 3	280,000	280,000	280,000	280,000			
LOC 4	280,000	280,000	280,000	280,000			
LOC 5	280,000	280,000	280,000	280,000			
LOC 6			175,000	175,000			
Bond 2					3,492,538	3,492,538	3,492,538
LOC 7							280,000
Total Debt Service	3,954,967	3,954,967	4,129,967	4,129,967	6,607,505	6,607,505	6,887,505

Source: Prosper Portland

Table 5 – Cully Tax Increment Finance Plan Revenues and Allocations to Debt Service, page 4

FY	46-47	47-48	48-49	49-50	50-51	51-52	52-53
Prior Year Assessed Value	2,113,997,096	2,177,417,009	2,242,739,519	2,310,021,705	2,379,322,356	2,450,702,026	2,524,223,087
Frozen Base	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885
Increment	1,106,272,124	1,171,594,634	1,238,876,820	1,308,177,471	1,379,557,142	1,453,078,203	1,528,804,895
AV (Baseline)	2,177,417,009	2,242,739,519	2,310,021,705	2,379,322,356	2,450,702,026	2,524,223,087	2,599,949,780
Taxes	-	-	-	-	-	-	-
Consolidated Tax Rate for Du Jour	18.9218	18.9218	18.9218	18.9218	18.9218	18.9218	18.9218
Beginning Balance	6,607,505	6,607,505	6,607,505	6,607,505	6,607,505	6,607,505	21,710,373
Divide the Taxes (to Raise) Sal 4c	18,324,495	19,251,510	20,206,335	21,189,804	22,202,778	23,246,141	24,320,805
LOC 1							
LOC 2							
BOND 1	3,114,967	3,114,967	3,114,967	3,114,967	3,114,967	3,114,967	
LOC 3							
LOC 4							
LOC 5							
LOC 6							
Bond 2	3,492,538	3,492,538	3,492,538	3,492,538	3,492,538	3,492,538	3,492,538
LOC 7	280,000	280,000	280,000	280,000	280,000	280,000	
LOC 8	280,000	280,000	280,000	280,000	280,000	280,000	
LOC 9			280,000	280,000	280,000	280,000	
LOC 10					280,000	280,000	
Bond 3							7,551,434
Total Debt Service	7,167,505	7,167,505	7,447,505	7,447,505	7,727,505	7,727,505	11,043,972

Source: Prosper Portland

Table 19 - Cully Tax Increment Finance Plan Revenues and Allocations to Debt Service, page 5

FY	54-55	55-56	56-57	57-58	58-59
Prior Year Assessed Value	2,677,948,273	2,758,286,721	2,841,035,323	2,926,266,383	3,014,054,374
Frozen Base	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885	1,071,144,885
Increment	1,687,141,837	1,769,890,438	1,855,121,498	1,942,909,490	2,033,331,121
AV (Baseline)	2,758,286,721	2,841,035,323	2,926,266,383	3,014,054,374	3,104,476,005
Taxes	-	-	-	-	-
Consolidated Tax Rate for Du Jour	18.9218	18.9218	18.9218	18.9218	18.9218
Beginning Balance	27,521,413	41,118,737	55,854,745	71,766,522	88,892,274
Divide the Taxes (to Raise) Sal 4c	26,567,820	27,742,135	28,951,678	30,197,509	31,480,714
LOC 1					
LOC 2					
BOND 1					
LOC 3					
LOC 4					
LOC 5					
LOC 6					
Bond 2	3,492,538	3,492,538	3,492,538	3,492,538	3,492,538
LOC 7					
LOC 8					
LOC 9					
LOC 10					
Bond 3	7,551,434	7,551,434	7,551,434	7,551,434	7,551,434
Total Debt Service	11,043,972	11,043,972	11,043,972	11,043,972	11,043,973

Source: Prosper Portland

THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The schedule for construction of projects will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the Agency in accordance with the Charter and the Five-Year Action Plans. Annual expenditures for program administration are also shown.

The Area is anticipated to complete all projects and have sufficient revenue to terminate the Area in FYE 2059, a thirty-six year program.

The amount of money available for projects in 2023 constant dollars for the Area is approximately \$236,700,000. This \$236,700,000 is calculated by taking the maximum indebtedness (MI) and bringing it back to constant 2023 dollars. This is done as the MI is referenced in constant dollars, so understanding how the MI relates to the inflation factor over 36 years is important to be able to make projections on the allocation of funds throughout the life of the Area.

Table 20 shows the approximate \$236,700,000 of 2023 constant dollars for projects inflated over the life of the Area including administrative expenses, reaching the total maximum indebtedness of \$350,000,000.

The 3% inflation rate is the rate to use in the future if any amendment to increase maximum indebtedness is pursued in accordance with ORS 457.470.

The following tables are prepared to show that the Area is financially feasible as required by ORS 457. It assumes completion of projects as funding becomes available and in accordance with the Five-Year Action Plans.

Table 20 - Programs and Costs with Estimated Completion Timeframes

	Bond Issuance Costs and Reserves	District-Wide Admin/Predev	Housing	Economic Development	Total
Years 1-5	8,809	1,032,006	11,145,663	13,622,476	25,808,954
Years 6-10	3,794,002	1,249,665	13,496,383	16,495,579	35,035,629
Years 11-15	26,769	2,029,688	21,920,632	26,791,884	50,768,974
Years 16-20	4,271,370	1,902,424	20,546,175	25,111,992	51,831,961
Years 21-25	45,980	2,797,342	30,211,294	36,924,915	69,979,531
Years 26-30	9,212,009	4,294,518	46,380,791	56,687,633	116,574,951
Years 31-36	0	0	0	0	0
<i>Total</i>	<i>17,358,939</i>	<i>13,305,642</i>	<i>143,700,938</i>	<i>175,634,480</i>	<i>350,000,000</i>

Source: Prosper Portland

REVENUE SHARING

Revenue sharing means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the Area. The first threshold is when annual Cully Tax Increment Finance Plan finance revenues exceed three percent of the original maximum indebtedness of the Plan (3% of \$350,000,000 is \$10,500,000). At the three percent threshold, the Agency will receive tax increment revenue as stated in ORS 457.470(4)(a-e). The overlapping taxing districts would receive the remainder of the TIF revenues. Revenue sharing projections are shown in Table in the column labelled “Revenue Sharing”.

ORS 457.470

(4)(a) Except as provided in paragraphs (b) to (d) of this subsection, an urban renewal agency may notify the assessor to impose the maximum division of taxes for a large metropolitan plan that is initially approved on or after January 1, 2010.

(b) In the first year after the year in which the maximum division of taxes equals or exceeds three percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to three percent of the initial maximum indebtedness in the plan; and

(B) Seventy-five percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to three percent of the initial maximum indebtedness in the plan.

(c) Except as provided in paragraph (d) of this subsection, beginning with the year after the year described in paragraph (b) of this subsection, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greatest amount of division of tax revenues the agency was permitted to use in any prior year to compute assessed value under this paragraph or paragraph (b) of this subsection; and

(B) Seventy-five percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greatest amount of division of tax revenues the agency was permitted to use in any prior year under this paragraph or paragraph (b) of this subsection.

(d) Beginning with the first year after the year described in paragraph (c) of this subsection in which the division of tax revenues equals or exceeds 10 percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an amount of assessed value the agency estimates will produce division of tax revenues that does not exceed 10 percent of the initial maximum indebtedness in the plan.

(e) After computing the assessed value as required under paragraph (b), (c) or (d) of this subsection, an agency shall further modify the value if, for reasons other than use of the assumed increment, the value included in the prior year's notice to the assessor resulted in division of tax revenues different from the respective target amounts under paragraphs (b) to (d) of this subsection. The modification under this paragraph may not exceed an amount that would result in the difference between the actual revenues and the target amounts.

If assessed value in the Area grows more quickly than projected, the revenue sharing triggers would be reached earlier.

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Table 21 - Revenue Sharing

FYE	Total Assessed Value	Frozen Base Assessed Value	Increment URA	Revenue Sharing
2024	1,103,279,231	1,071,144,885	32,134,347	0
2025	1,136,377,608	1,071,144,885	65,232,723	0
2026	1,170,468,936	1,071,144,885	99,324,052	0
2027	1,205,583,005	1,071,144,885	134,438,120	0
2028	1,241,750,495	1,071,144,885	170,605,610	0
2029	1,279,003,009	1,071,144,885	207,858,125	0
2030	1,317,373,100	1,071,144,885	246,228,215	0
2031	1,356,894,293	1,071,144,885	285,749,408	0
2032	1,397,601,122	1,071,144,885	326,456,237	0
2033	1,439,529,155	1,071,144,885	368,384,270	0
2034	1,482,715,030	1,071,144,885	411,570,145	0
2035	1,527,196,481	1,071,144,885	456,051,596	0
2036	1,573,012,375	1,071,144,885	501,867,490	0
2037	1,620,202,746	1,071,144,885	549,057,862	0
2038	1,668,808,829	1,071,144,885	597,663,944	0
2039	1,718,873,094	1,071,144,885	624,525,030	23,203,179
2040	1,770,439,286	1,071,144,885	663,199,675	36,094,727
2041	1,823,552,465	1,071,144,885	703,034,559	49,373,022
2042	1,878,259,039	1,071,144,885	744,064,489	63,049,665
2043	1,934,606,810	1,071,144,885	786,325,318	77,136,608
2044	1,992,645,015	1,071,144,885	829,853,971	91,646,159
2045	2,052,424,365	1,071,144,885	874,688,484	106,590,996
2046	2,113,997,096	1,071,144,885	920,868,032	121,984,179
2047	2,177,417,009	1,071,144,885	968,432,967	137,839,157
2048	2,242,739,519	1,071,144,885	1,017,424,849	154,169,785
2049	2,310,021,705	1,071,144,885	1,067,886,489	170,990,331
2050	2,379,322,356	1,071,144,885	1,119,861,977	188,315,494
2051	2,450,702,026	1,071,144,885	1,173,396,730	206,160,412
2052	2,524,223,087	1,071,144,885	1,228,537,525	224,540,677
2053	2,599,949,780	1,071,144,885	1,285,332,545	243,472,350
2054	2,677,948,273	1,071,144,885	1,343,831,415	262,971,974
2055	2,758,286,721	1,071,144,885	1,404,085,251	283,056,586
2056	2,841,035,323	1,071,144,885	1,466,146,702	303,743,736
2057	2,926,266,383	1,071,144,885	1,530,069,997	325,051,501
2058	3,014,054,374	1,071,144,885	1,595,910,991	346,998,499
2059	3,104,476,005	1,071,144,885	1,663,727,214	369,603,907

Source: Prosper Portland

IMPACT OF THE CULLY TAX INCREMENT FINANCE PLAN FINANCING

The impact of Cully Tax Increment Finance Plan financing of the maximum indebtedness, both until and after the indebtedness is repaid is on all entities levying permanent rate property in the Area.

The impact of Cully Tax Increment Finance Plan financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2059 and are shown in Table through Table 6.

Other than the Portland Public Schools Gap Tax, the Portland School District and the Multnomah County ESD are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the Plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The Gap Tax is not anticipated to be calculated in the division of tax revenues to be allocated to Prosper Portland, so the impact on the Portland Public Schools of the Gap Tax is a positive impact. The School District will need to complete appropriate paperwork with the Multnomah County assessor to ensure the Gap tax is not included in the division of taxes.

The City of Portland levies a tax to pay costs of its Fire and Police Disability and Retirement Fund (FPD&R) Plan. The rate for this levy is included in the consolidated tax rate for the Area. The levy is imposed such that, when the tax rate is divided for tax increment areas, tax collections are sufficient to provide both the amount requested by the City for the FPD&R Plan and amounts for tax increment plans. Taxpayers pay a higher amount of taxes as a result of the division of taxes. Tax collections for the Area attributable to the FPD&R levy are shown in Table 22 through Table 5.

Table 22 - Projected Impact on Taxing District Permanent Rate Levies, page 1

FY	TOTAL:	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33
City of Portland	115,834,331	135,533	275,132	418,920	567,020	719,564	876,684	1,038,518	1,205,207	1,376,896	1,553,736
Multnomah County	109,922,402	128,616	261,090	397,539	538,081	682,839	831,940	985,514	1,143,696	1,306,623	1,474,437
Multnomah County Library	30,875,658	36,126	73,337	111,663	151,139	191,800	233,680	276,817	321,248	367,012	414,149
Metro	2,444,745	2,860	5,807	8,842	11,967	15,187	18,503	21,918	25,437	29,060	32,792
Port of Portland	1,774,085	2,076	4,214	6,416	8,684	11,021	13,427	15,906	18,459	21,088	23,797
E Mult Soil/Cons	2,530,792	2,961	6,011	9,153	12,388	15,721	19,154	22,690	26,332	30,083	33,947
FPDR	75,966,650	91,797	186,347	283,734	396,431	471,639	574,624	680,698	789,954	902,488	1,018,398
Total Gov't	339,348,662	399,970	811,938	1,236,266	1,685,712	2,107,771	2,568,013	3,042,062	3,530,332	4,033,250	4,551,256
Portland Public Schools	126,850,383	148,423	301,298	458,760	620,945	787,996	960,059	1,137,283	1,319,824	1,507,842	1,701,499
Portland Community College	4,771,293	5,583	11,333	17,256	23,356	29,639	36,111	42,777	49,643	56,715	63,999
Multnomah County ESD	7,943,888	9,295	18,869	28,729	38,886	49,348	60,123	71,221	82,653	94,427	106,555
Total Education	139,565,564	163,300	331,499	504,745	683,187	866,983	1,056,293	1,251,282	1,452,120	1,658,984	1,872,054
TOTAL:	478,914,227	563,270	1,143,438	1,741,010	2,368,899	2,974,754	3,624,305	4,293,343	4,982,452	5,692,234	6,423,310

Source: Prosper Portland

Table 23 - Projected Impact on Taxing District Permanent Rate Levies, page 2

FY	33-34	34-35	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43	43-44
City of Portland	1,735,882	1,923,491	2,116,729	2,315,764	2,520,771	2,634,063	2,797,181	2,965,193	3,138,245	3,316,489	3,500,080
Multnomah County	1,647,286	1,825,321	2,008,696	2,197,573	2,392,116	2,499,626	2,654,419	2,813,856	2,978,076	3,147,222	3,321,443
Multnomah County Library	462,700	512,707	564,214	617,267	671,912	702,110	745,589	790,373	836,500	884,011	932,947
Metro	36,637	40,596	44,675	48,875	53,202	55,593	59,036	62,582	66,234	69,996	73,871
Port of Portland	26,586	29,460	32,419	35,468	38,607	40,343	42,841	45,414	48,064	50,794	53,606
E Mult Soil/Cons	37,926	42,025	46,247	50,596	55,075	57,550	61,114	64,785	68,566	72,460	76,471
FPDR	1,137,786	1,260,755	1,387,413	1,517,870	1,652,242	1,726,499	1,833,416	1,943,539	2,056,966	2,173,796	2,294,131
Total Gov't	5,084,802	5,634,354	6,200,394	6,783,414	7,383,924	7,715,784	8,193,595	8,685,741	9,192,651	9,714,768	10,252,549
Portland Public Schools	1,900,967	2,106,419	2,318,034	2,535,998	2,760,500	2,884,567	3,063,198	3,247,188	3,436,698	3,631,893	3,832,943
Portland Community College	71,502	79,230	87,189	95,388	103,832	108,499	115,218	122,138	129,266	136,608	144,171
Multnomah County ESD	119,046	131,913	145,165	158,815	172,874	180,643	191,830	203,352	215,220	227,444	240,035
Total Education	2,091,516	2,317,561	2,550,388	2,790,200	3,037,206	3,173,709	3,370,245	3,572,678	3,781,184	3,995,945	4,217,149
TOTAL:	7,176,318	7,951,916	8,750,782	9,573,614	10,421,131	10,889,492	11,563,840	12,258,419	12,973,835	13,710,713	14,469,698

Source: Prosper Portland

Table 24 - Projected Impact on Taxing District Permanent Rate Levies, page 3

FY	44-45	45-46	46-47	47-48	48-49	49-50	50-51	51-52	52-53	53-54	54-55
City of Portland	3,689,178	3,883,950	4,084,565	4,291,198	4,504,031	4,723,248	4,949,042	5,181,609	5,421,154	5,667,885	5,922,018
Multnomah County	3,500,891	3,685,722	3,876,098	4,072,185	4,274,155	4,482,184	4,696,454	4,917,152	5,144,470	5,378,609	5,619,771
Multnomah County Library	983,351	1,035,267	1,088,741	1,143,820	1,200,550	1,258,982	1,319,168	1,381,159	1,445,009	1,510,776	1,578,515
Metro	77,862	81,973	86,207	90,568	95,060	99,687	104,452	109,361	114,416	119,624	124,987
Port of Portland	56,502	59,485	62,558	65,723	68,982	72,340	75,798	79,360	83,029	86,808	90,700
E Mult Soil/Cons	80,603	84,858	89,241	93,756	98,406	103,195	108,129	113,210	118,443	123,834	129,386
FPDR	2,418,076	2,545,740	2,677,233	2,812,671	2,952,172	3,095,858	3,243,855	3,396,292	3,553,302	3,715,022	3,881,594
Total Gov't	10,806,464	11,376,995	11,964,643	12,569,920	13,193,356	13,835,495	14,496,897	15,178,142	15,879,824	16,602,557	17,346,972
Portland Public Schools	4,040,026	4,253,321	4,473,014	4,699,299	4,932,372	5,172,437	5,419,705	5,674,390	5,936,716	6,206,911	6,485,213
Portland Community College	151,960	159,982	168,246	176,757	185,524	194,554	203,854	213,434	223,301	233,464	243,932
Multnomah County ESD	253,003	266,360	280,118	294,289	308,885	323,919	339,404	355,353	371,781	388,702	406,130
Total Education	4,444,988	4,679,664	4,921,379	5,170,346	5,426,781	5,690,910	5,962,963	6,243,177	6,531,798	6,829,077	7,135,275
TOTAL:	15,251,452	16,056,659	16,886,022	17,740,266	18,620,137	19,526,405	20,459,860	21,421,319	22,411,622	23,431,634	24,482,246

Source: Prosper Portland

Table 25 - Projected Impact on Taxing District Permanent Rate Levies, page 4

FY	55-56	56-57	57-58	58-59
City of Portland	6,183,775	6,453,385	6,731,083	7,017,111
Multnomah County	5,868,169	6,124,018	6,387,543	6,658,974
Multnomah County Library	1,648,286	1,720,151	1,794,171	1,870,412
Metro	130,512	136,202	142,063	148,100
Port of Portland	94,709	98,838	103,091	107,472
E Mult Soil/Cons	135,105	140,996	147,063	153,312
FPDR	4,053,163	4,229,879	4,411,896	4,599,374
Total Gov't	18,113,719	18,903,468	19,716,910	20,554,755
Portland Public Schools	6,771,863	7,067,113	7,371,221	7,684,451
Portland Community College	254,714	265,819	277,258	289,039
Multnomah County ESD	424,082	442,571	461,616	481,232
Total Education	7,450,659	7,775,504	8,110,094	8,454,722
TOTAL:	25,564,377	26,678,972	27,827,004	29,009,478

Source: Prosper Portland

Table 6 shows the projected increased revenue to the taxing jurisdictions after Cully Tax Increment Finance Plan proceeds are projected to be terminated. These projections are for FYE 2060. The table also shows the estimated impact of returned incremental assessed value on the FPD&R tax levy rate, which could be reduced by approximately three percent.

The Frozen Base is the assessed value of the Area established by the County Assessor at the time the Area is established. Excess Value is the increased assessed value in the Area above the Frozen Base.

Table 26 - Additional Revenues Obtained after Termination of TIF - FYE 2060

Taxing District	Type	Tax Rate	From Frozen Base	From Excess Value	Total
General Government					
City	Permanent	4.5770	4,902,630	9,732,832	14,635,462
County	Permanent	4.3434	4,652,411	9,236,090	13,888,501
Library	Permanent	1.2200	1,306,797	2,594,288	3,901,085
Metro	Permanent	0.0966	103,473	205,417	308,889
Port	Permanent	0.0701	75,087	149,065	224,152
E Mult Soil/Cons	Permanent	0.1000	107,114	212,647	319,761
FPDR	Permanent	3.0000	3,213,435	6,379,396	9,592,831
Subtotal General Government		13.4071	14,360,947	28,509,734	42,870,681
Education					
Portland	Permanent	4.7743	5,113,967	10,152,384	15,266,351
Portland CC	Permanent	0.2828	302,920	601,364	904,284
Multnomah County ESD	Permanent	0.4576	490,156	973,071	1,463,226
Subtotal Education		5.5147	5,907,043	11,726,819	17,633,861
Total		18.9218	20,267,989	40,236,553	60,504,542

Source: Prosper Portland

COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF TAX INCREMENT AREA

State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in a tax increment area at the time of its establishment to fifteen percent for municipalities over 50,000 in population. As noted below, the frozen base (assumed to be FYE 2022 values), including all real, personal, manufactured, and utility properties in the Area, is projected to be \$1,071,144,885. The Multnomah County Assessor will certify the frozen base once the tax increment plan is adopted. The frozen base values and excess values of the existing URAs were taken from the Multnomah County Tax Supervising Commission FY 2021/22 Annual Report. The total assessed value of the City of Portland was taken from the County Assessor's SAL 4a Report - FY 2020/21. The percentage of total City assessed value in tax increment areas is nine percent which does not exceed 15% of the city's assessed values minus the excess values of the urban renewal areas. Excess values are the increase in assessed values over the frozen base in each urban renewal area. The percentage of total City assessed value in tax increment areas is 9.41%, below the 15% threshold.

The Area contains approximately 1,623 acres, including public rights-of-way. The City of Portland contains 92,773 acres. Other tax increment areas in Portland total 10,513 acres. This puts thirteen percent of the City's acreage in a tax increment area, which is below the fifteen percent threshold. Airport Way is not included in the statutory limitation calculations as it is no longer taking tax increment revenues. (ORS 457.420(2)(a)(A).

Table 27 - Tax increment Area Conformance with Assessed Value and Acreage Limits

Area	Frozen Base Assessed Value	Acreage
Central Eastside	\$230,541,190	708.49
Downtown Waterfront	\$55,674,313	233.13
Gateway Regional Center	\$307,174,681	658.5
Interstate Corridor	\$1,293,460,097	3,991.46
Lents Town Center	\$736,224,033	2,846.30
North Macadam	\$628,094,444	447.1
Oregon Convention Center	\$214,100,689	410.03
River District	\$432,292,135	314.79
South Park Blocks	\$305,692,884	97.86
Cully District	\$1,071,144,885	1,623
Neighborhood Prosperity Initiatives (combined)	\$498,707,491	805.87
A. Total Tax Increment Areas	\$5,773,106,842	12,136.53
B. Total AV/Acreage of the City of Portland	\$73,995,096,730	92,773
C. Incremental Excess of Tax Increment Areas Used	\$6,714,596,619	
D. Incremental Value Not Used	\$5,906,839,944	
E. Total Incremental Value	\$12,621,436,563	
F. Total AV of City minus incremental excess B – E	\$61,373,660,167	
Percent in Tax Increment Areas AV= A/F	9.41%	13.08%

EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Cully TIF Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

Physical Conditions

Land Use

The Area measures approximately 1,623 total acres in size, which is composed of 5,008 individual parcels encompassing 1,310.17 acres, and an additional 312.83 acres in public rights-of-way. An analysis of FY 2021/2022 property classification data from the Multnomah County Department of Assessment and Taxation database was used to determine the land use designation of parcels in the Area. By acreage, Residential uses account for the most prevalent land use within the Area (62.82%). This was followed by Commercial/Local Industrial uses (30.99%). Detailed land use designations in the Area can be seen in Table 68.

Table 6 - Land Use in the Area

Property Class	Parcels	Acreage	Percent of Acreage
Residential	4,352	811.17	62.82%
Commercial/Local Industrial	395	400.20	30.99%
Multi-family	93	70.45	5.46%
N/A	13	3.98	0.31%
Recreation	2	3.93	0.30%
Miscellaneous	9	1.62	0.13%
TOTAL:	4,864	1,291.34	100.00%

Source: Data from Portland Housing Bureau using the Multnomah County Department of Assessment and Taxation database (FYE 2022)

Comprehensive Plan Designations

The comprehensive plan and zoning designations in the Area can be seen in Table 9. The most prevalent comprehensive plan designation in the Area is Single Dwelling 7,000 (28.77%). The second most prevalent designation is Single Dwelling 5,000 (27.82%).

Table 29 – Comprehensive Plan Designations in the Area

Comprehensive Plan	Parcels	Acreage	Percent of Acreage
Single - Dwelling 7,000	2,053	371.46	28.77%
Single - Dwelling 5,000	1,826	351.44	27.22%
Industrial Sanctuary	244	262.74	20.35%
Multi-Dwelling - Neighborhood	651	124.25	9.62%
Mixed Employment	66	86.50	6.70%
Mixed Use - Neighborhood	229	54.47	4.22%
Manufactured Dwelling Park	19	21.61	1.67%
Open Space	9	7.29	0.56%
Multi-Dwelling - Corridor	10	7.14	0.55%
Mixed Use - Civic Corridor	15	3.99	0.31%
Mixed Use - Dispersed	4	0.45	0.03%
TOTAL:	5,126	1,291.34	100.00%

Source: Data from Portland Housing Bureau

Zoning Designations

The zoning designations in the Area can be seen in Table . The most prevalent zoning designation in the Area is Residential 7,000 (31.13%). The second most prevalent designation is Residential 5,000 (19.75%). There are also tax lots that have more than one zoning designation on a single tax lot. This is the reason for this table showing more tax lots in the Area than in Table .

Table 30 – Zoning in the Area

Zoning	Parcels	Acreage	Percent of Acreage
Residential 7,000	2,176	402.00	31.13%
Residential 5,000	1,505	255.05	19.75%
General Industrial 2	224	247.78	19.19%
Residential Multi-Dwelling 1	701	130.91	10.14%
General Employment 2	47	82.43	6.38%
Residential 10,000	239	67.56	5.23%
Commercial Mixed Use 2	137	37.61	2.91%
Residential Manufactured Dwelling Park	18	21.61	1.67%
Residential Farm / Forest	35	14.95	1.16%
Commercial Mixed Use 1	50	10.75	0.83%
Open Space	9	7.29	0.56%
Residential Multi-Dwelling 2	13	7.14	0.55%
Commercial Employment	23	5.69	0.44%
General Employment 1	4	0.47	0.04%
Commercial Residential	1	0.08	0.01%
TOTAL:	5,182	1,291.34	100.00%

Source: Data from Portland Housing Bureau

Figure 2 – Cully Tax Increment Area Comprehensive Plan Designations

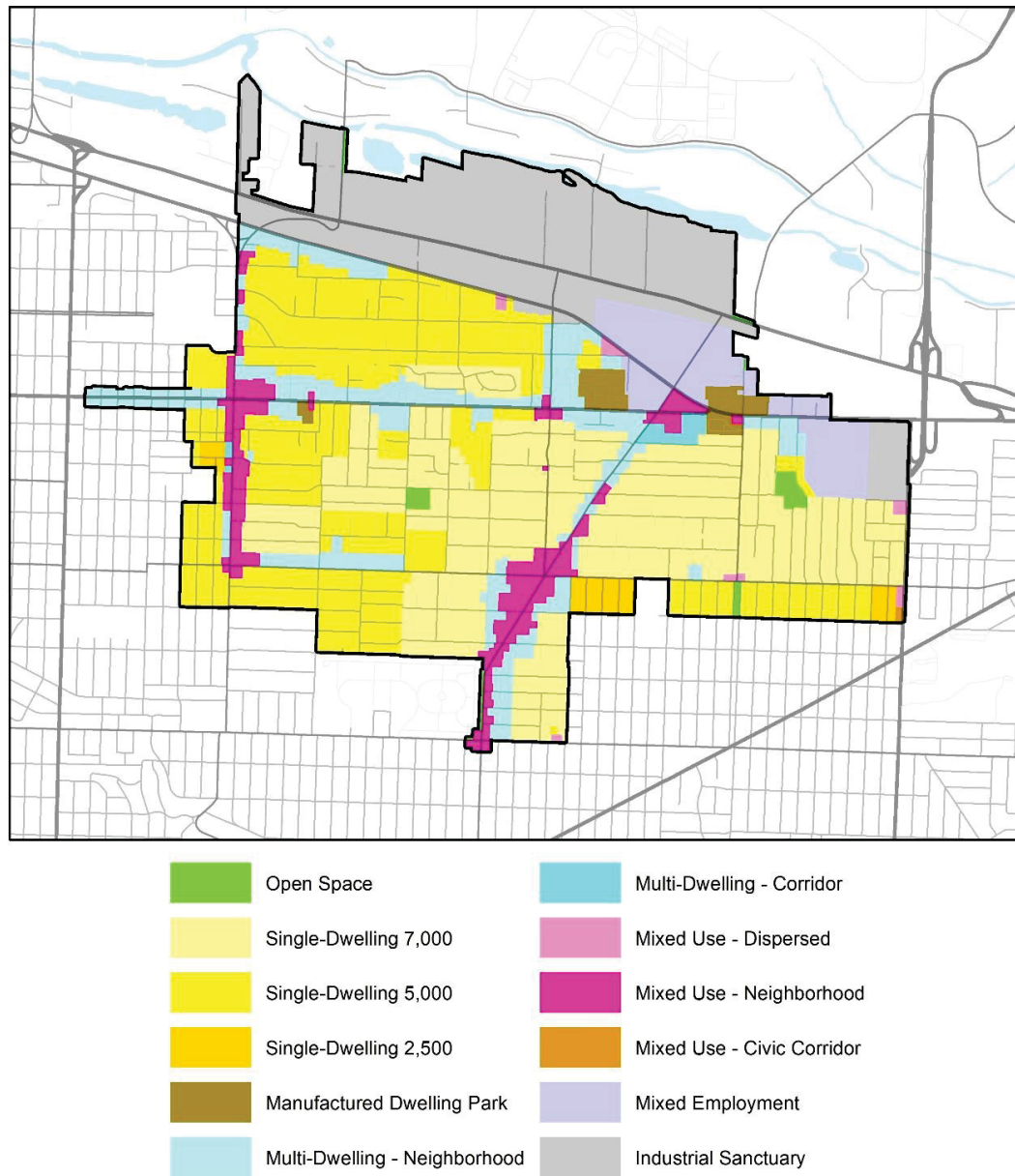
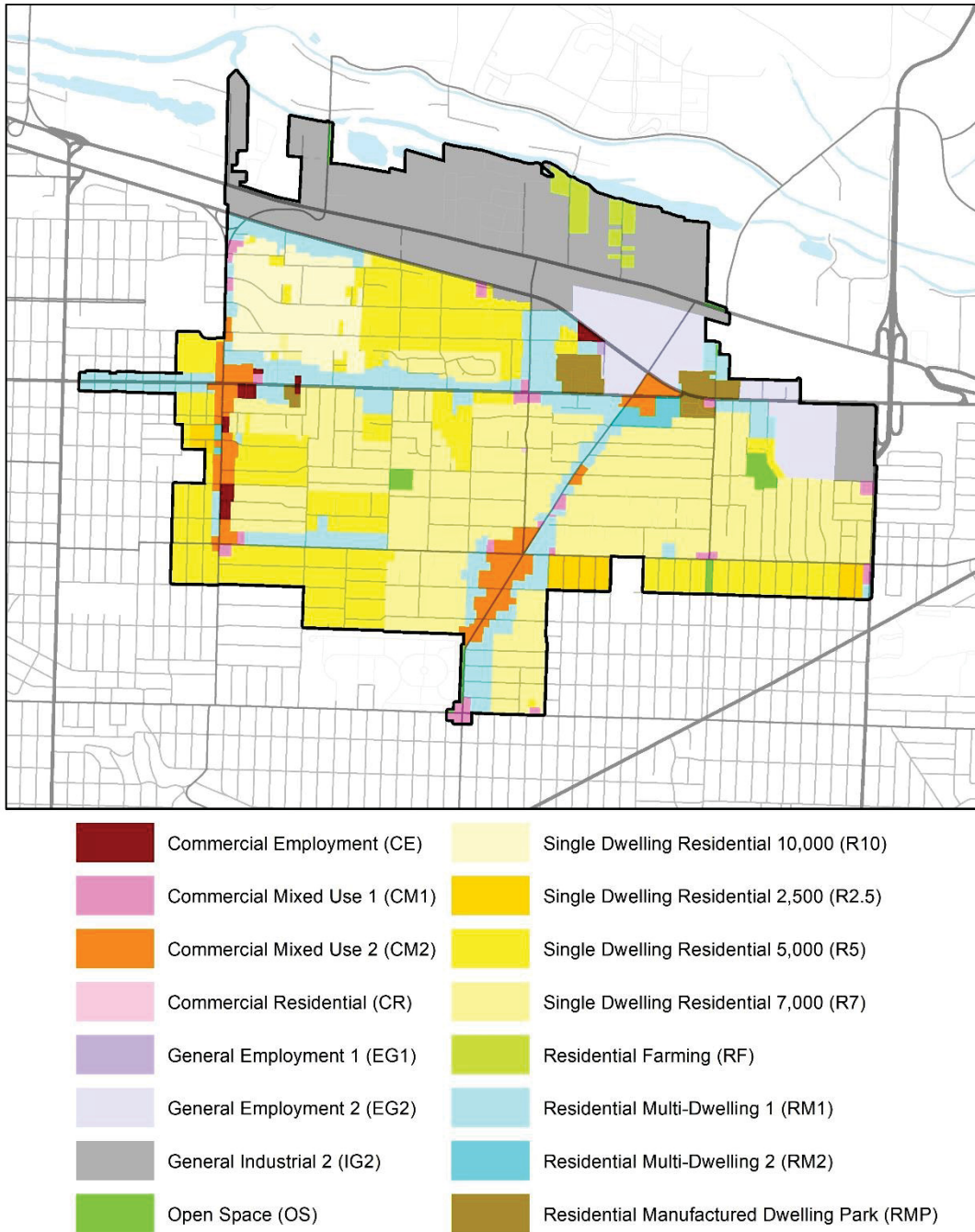


Figure 3 – Cully Tax Increment Area Zoning



Infrastructure

This section identifies the existing conditions in the Area to assist in **establishing the existing conditions and blight in the ordinance adopting the tax increment plan. This does not mean these projects are included in the tax increment plan.** The specific projects that are included in the Plan are listed in Sections II and III of this Report.

Streets

An evaluation of the current conditions of the streets in the Area, taken from the Portland Bureau of Transportation Pavement Management System, is shown below in Table 7. The ratings are on a five-point scale, from fair to very poor. Forty-seven percent (47%) of the streets are in poor or very poor condition.

Table 7 - Pavement Conditions

Condition	Length Feet	Percent
Very Good	31,469	14%
Good	41,780	18%
Fair	49,868	21%
Poor	63,712	27%
Very Poor	45,470	20%
TOTAL:	232,300	

Source: Portland Housing Bureau GIS from Portland Bureau of Transportation Pavement Management System data

Sanitary Sewer/Storm Water System

An evaluation of the current conditions of the streets in the Area, taken from the Portland Bureau of Environmental Services System, is shown below in Table . The ratings are on a five-point scale, from excellent to very poor or needs immediate attention. One percent of the sanitary sewer and storm water laterals are in poor or very poor condition.

Table 32 – Sanitary Sewer/Storm Water System

Condition	Length Feet	Percent
Excellent	205,452	88%
Good	22,103	9%
Fair	4,322	2%
Poor	2,629	1%
Very Poor/Immediate Attention	68	< 1%
TOTAL:	234,575	100%

Source: Prosper Portland GIS from Portland Bureau of Environmental Services data

Water Systems

The conditions of the water system were summarized by the Portland Water Bureau as shown in Table 33 – Water System Conditions The Portland Water Bureau’s methodology was:

Because most of these assets are buried, we do not often have condition ratings from inspections. Hydrants and some of the valves are the exceptions as they are regularly inspected and are more accessible.

When there is no inspection-based condition rating available for an asset, we have used the asset’s age along with its estimated useful life to estimate a condition rating between 1 (very good) and 5 (very poor).

Age based assessments of condition are estimates and in reality, there is some uncertainty due to the variations in the environmental conditions or a specific asset’s design characteristics and operational history.

Some of our older assets are missing install dates so it is difficult to estimate their age without some assumptions. To overcome this gap, we use GIS connections between asset types (e.g., mains and valves “touching” in GIS) and other available attributes to estimate age of assets when missing. The condition rating in this case would be based on this estimated age. If install date is not available or cannot be reliably estimated, we have identified the condition rating of those assets as unknown (generally a small percentage of the population).

Table 33 – Water System Conditions

		287	285,840	5,096	1,007
		By count	By feet	By count	By count
Condition Description	Condition Rating	Hydrants	Mains	Services	Valves
Very good	1	58	26,603	898	246
Good	2	179	99,091	879	232
Fair	3	8	90,819	1,759	91
Poor	4	27	40,336	1,028	76
Very poor	5	3	13,623	131	244
Unknown	Unknown	5	4,412	219	77
		As %	As %	As %	As %
Condition Description	Condition Rating	Hydrants	Mains	Services	Valves
Very good	1	21%	10%	18%	25%
Good	2	64%	36%	18%	24%
Fair	3	3%	33%	36%	9%
Poor	4	10%	15%	21%	8%
Very poor	5	1%	5%	3%	25%
Unknown	Unknown	2%	2%	4%	8%

Source: Portland Water Bureau

Parks

The parks in the Area as shown on the Discover Portland Parks & Recreation map are:

Cully Community Garden NE 42nd & Killingsworth

Cully Park, 5801 NE 72nd

Fernhill Park, 6010 NE 37th

K^hunamokwst Park, NE 52nd & Alberta

Rigler Community Garden, 5401 NE Prescott

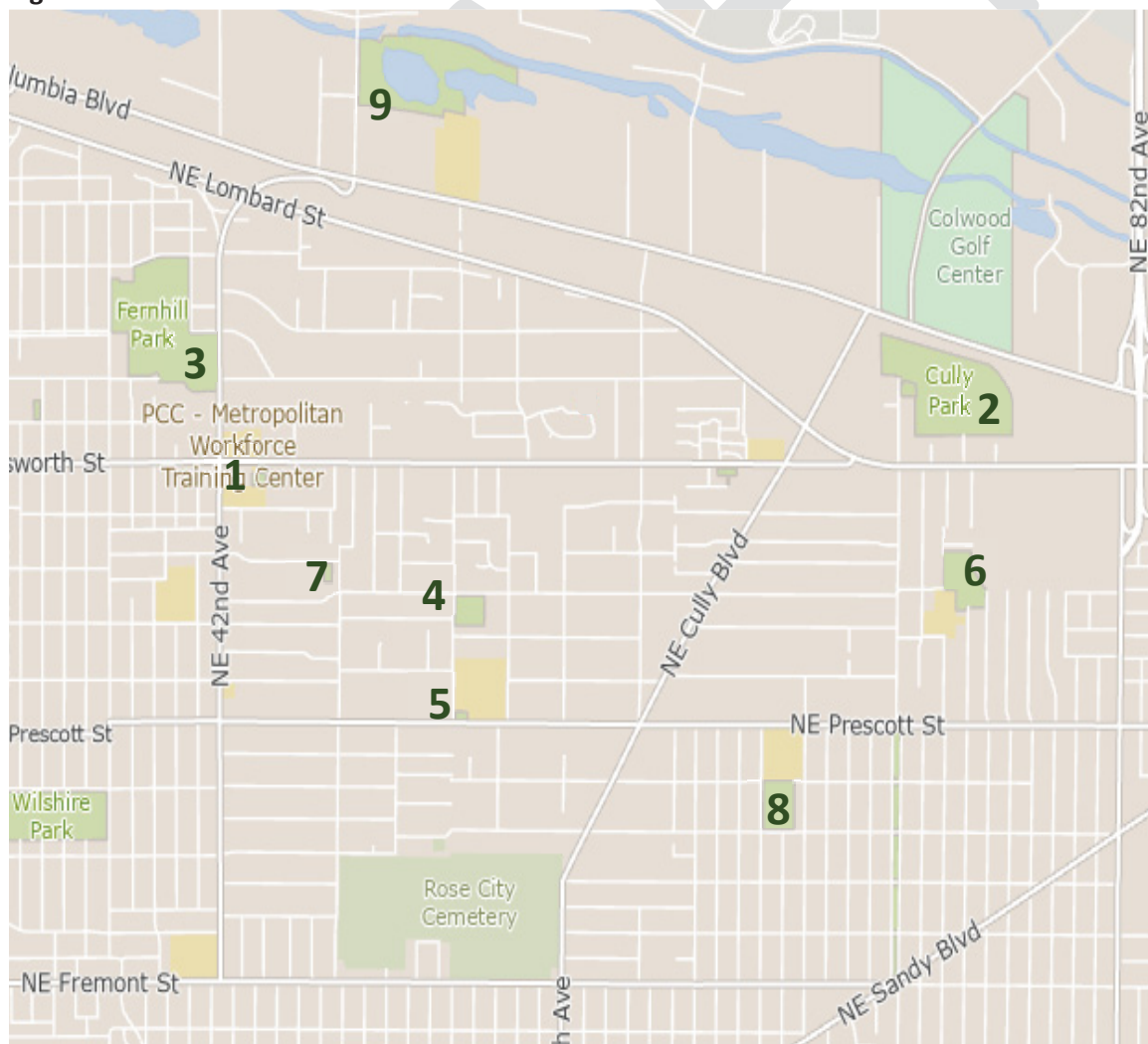
Sacajawea Park, NE 75th & Roselawn

Sumner Street Community Garden, 47th & Sumner

Wellington Park, NE 66th & Mason

Whitaker Ponds Nature Park, 7040 NE 47th

Figure 4 – Parks in the Area



Social Conditions

“Cully’s housing affordability, proximity to downtown, rich cultural assets and economic diversity make it a desirable place to live. Research conducted for this report as well as findings presented in September 2013 at the Bureau of Planning and Sustainability find that Cully is in an early stage of gentrification. This means that property remains relatively affordable and land is still available for development. However, a flurry of private development is happening in nearby neighborhoods, and increased investment is flowing into Cully. The experience of other Portland neighborhoods as well as communities from across the United States indicate that gentrification often leads to displacement of existing community members, especially low-income and people of color residents. These were the conditions that started the effort to combat displacement and gentrification in the Cully neighborhood. Updated social conditions are shown below.¹⁰ Cully is socially and economically diverse. Esri data shows the following:¹¹

Cully has a larger share of low-income populations than Portland as a whole. The median household income for all Cully households is almost \$20,000 less than for all Portland households.

The wealth index for Cully is 64 while City-wide it is 102.

The housing affordability index for Cully is 83 with twenty-eight percent of a homeowner’s income going toward a mortgage payment. Portland City-wide housing affordability is 86 with twenty-seven percent of a homeowner’s income going toward a mortgage payment.

“The City of Portland recognizes Cully as a neighborhood likely to experience significant change in the coming years. The Portland City Council adopted Resolution 36953 in August 2012. This calls for a coordinated effort by city bureaus to study and prevent displacement in Cully. Working together, neighborhood organizations and public agencies have an opportunity to align programs and policies so that Cully remains a place where diverse residents can live, work, and thrive” (students, 2013).p 11.

The following Gentrification and Displacement Risk Typology Assessment map from the Portland Bureau of Planning shows the Cully Area in Dynamic and Late Type 2 phases of gentrification.

Not in Cully: Anti-Displacement Strategies for the Cully Neighborhood, Executive Summary.

¹⁰ *Not in Cully: Anti-Displacement Strategies for the Cully Neighborhood, Executive Summary.*

¹¹ Esri Community Profile , forecasts for 2021 and 2026 Esri converted Census data .

Figure 5 - Gentrification and Displacement Risk Typology Assessment



Source: (<https://pdx.maps.arcgis.com/apps/webappviewer/index.html?id=777c415ec7874b74ae7c501bff0f67da>)

Additional Social Conditions:

Cully residents are a bit younger than the City of Portland residents with eighty seven percent of Cully residents under the age of 65 and eighty-five percent of the city residents under the age of 65.

Table 8 - Age

Age	Cully TIF		Portland	
	Number	Percent	Number	Percent
Under 18	5,150	19%	113,464	17%
18-29 years	3,563	13%	111,362	17%
30-39 years	5,440	20%	125,830	19%
40-49 years	4,291	16%	99,301	15%
50-59 years	3,691	14%	75,907	12%
60-64 years	1,459	5%	35,737	5%
65 years and over	2,908	11%	85,802	13%

Source: ECONW Report April 2022, American Community Survey (ACS) 2016-2020 5 years Estimates

The analysis of race and origin are shown in the table below with over thirty-three percent of the Cully residents identifying themselves as a race or ethnicity other than white while city-wide thirty-

one percent of the residents identify themselves as a race or ethnicity other than white. These numbers reflect a recent loss of racial diversity in Cully, particularly within the Black community.

Table 35 – Population by Race/ethnicity

Race/Ethnicity	Cully TIF		Portland	
	Number	Percent	Number	Percent
White	17,913	67%	451,999	69%
Black	1,871	7%	37,107	6%
American Indian/Alaska Native	297	1%	3,738	1%
Asian	1,402	5%	55,681	9%
Native Hawaiian and Other Pacific Islander	8	0%	4,066	1%
Some Other Race	103	0%	2,784	0%
Two or More Races	1,177	4%	31,196	5%
Hispanic	3,827	14%	63,809	10%

Source: ECONW Report April 2022, American Community Survey (ACS) 2016-2020 5 years Estimates

Twenty-three percent of the Cully residents reported an education that included less than high school or gaining a high school diploma compared to twenty-two percent city wide. Forty-eight percent had a bachelor's degree or graduate/professional degree compared to fifty-one percent city-wide.

Table 36 -Education Attainment in Cully TIF and City of Portland, 2020

Race/Ethnicity	Cully TIF		Portland	
	Number	Percent	Number	Percent
Less Than High School	1,644	8%	34,595	7%
High School Diploma	1,644	15%	34,595	15%
Some College	2,934	29%	75,245	26%
Bachelor's Degree	6,022	31%	149,423	31%
Advanced Degree	3,444	17%	98,748	20%

Source: ECONW Report April 2022, American Community Survey (ACS) 2016-2020 5 years Estimates

The average household income in the Cully Area was \$80,426 the city-wide average household income was \$104,517.

Table 37 - Income

Income Range	Cully	City of Portland
<\$15,000	10.6%	9.8%
\$15,000 - \$24,999	7.4%	6.4%
\$25,000 - \$34,999	7.9%	6.5%
\$35,000 - \$49,999	9.7%	10.6%
\$50,000 - \$74,999	19.1%	16.5%
\$75,000 - \$99,999	15.5%	12.6%
\$100,000 - \$149,999	17.6%	18.1%
\$150,000 - \$199,999	9.3%	8.8%
\$200,000+	3.0%	10.7%
Average household income	\$80,426	\$104,517

Source: esri Community Profile 2021

Economic Conditions

Business Summary within the Area

There are 467 total businesses in the Area with 4,699 employees as indicated on the esri Business Summary.

These businesses are in the categories shown in Table 9.

Table 9 – Business Types In the Area

Business Type	Number of Businesses	Percent	Number of Employees	Percent
Agriculture & Mining	13	2.8%	55	1.2%
Construction	39	8.4%	294	6.3%
Manufacturing	21	4.5%	351	7.5%
Transportation	14	3.0%	491	10.4%
Communication	2	0.4%	14	0.3%
Utility	1	0.2%	25	0.5%
Wholesale Trade	23	4.9%	286	6.1%
Retail Trade	102	21.8%	1,032	22.0%
Finance, Insurance, Real Estate	27	5.8%	139	3.0%
Services	184	39.4%	1,783	37.9%
Government	5	1.1%	212	4.5%
Unclassified	36	7.7%	18	0.4%
TOTAL:	467	100.0%	4,699	100.0%

Source: esri Business Summary 2021

Taxable Value of Property within the Area

The estimated total assessed value of the Area calculated with data from the Multnomah County Department of Assessment and Taxation for FYE 2022 including all real property is estimated to be \$1,071,144,885. Personal, manufactured, and utility properties values are not included in this total.

Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Value Ratio," or "I:L." The values used are real market values. In tax

increment areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.

Table 10 shows the improvement to land ratios (I:L) for properties within the Area. “The improvement-to-land value ratio (I/L ratio) for a property attempts to capture its investment potential. Properties with I/L ratios greater than 1.0 are less likely to be redeveloped because the improvement (e.g., a building or parking lot) is worth more than the land itself. Properties with I/L ratios less than or equal to 1.0 are more likely to be redeveloped, because the land is worth more than the improvement (this includes vacant lots). By this measure, almost half of all commercial and residential lots in Cully have the potential for investment and (re)development.”¹²

In the Area, 2,305 parcels representing 77% of the acreage have I:L ratios less than 1.0, including those parcels that have no improvements on them. No improvement value means there are no taxable structures on the tax lot. Twenty-three percent of the acreage of the parcels in the Area have I:L ratios of 1.0 or more as determined by an analysis of the real market values from the Multnomah County Assessor data for FY 2021-2022. An analysis of Multnomah County Tax Assessor property description data identified the existence of vacant land that could be further utilized for future development.

Table 10 - Improvement to Land Ratios in the Area

Improvement to Land (I:L) Ratio	Parcels	Acreage	Percent of Acreage
No Improvement Value	306	1,422.54	54.68%
0.01-0.50	300	196.58	7.56%
0.51-1.00	1,699	384.68	14.79%
1.01-1.50	1,750	353.19	13.58%
1.51-2.00	553	107.35	4.13%
2.01-2.50	124	32.94	1.27%
2.51-3.00	47	30.46	1.17%
3.01-4.00	36	18.04	0.69%
>4.00	49	55.74	2.14%
TOTAL:	4,864	2,601.52	100.00%

Source: Compiled by Portland Housing Bureau using the Multnomah County Department of Assessment and Taxation database (FYE 2022)

¹² *Ibid.* page 25.

There are two hundred thirty-three vacant parcels in the Area for a total of 107.55 acres of land. This vacant property is largely general employment, general industrial and residential 5,000 zoned land as shown in Table .

Table 40 – Vacant Land in the Area

Property Description	Parcels	Acres	% of Total
Improved land as vacant	11	21.32	19.83%
Misc. Improvements	18	6.33	5.88%
Vacant land	204	79.9	74.29%
TOTAL:	233	107.55	100.00%

Source: Portland Housing Bureau

Table 41 – Zoning Designations of Vacant Land

Zoning Designation - Vacant Land	Parcel	Acres	% of Total
Commercial Mixed Use 1	4	0.76	0.71%
Commercial Mixed Use 2	13	5.37	4.99%
General Employment 2	8	26.6	24.73%
General Industrial 2	39	33.3	30.97%
Open Space	3	3.36	3.13%
Residential 10,000	14	1.96	1.82%
Residential 5,000	46	18.42	17.13%
Residential 7,000	72	7.69	7.15%
Residential Farm / Forest	8	3.02	2.80%
Residential Manufactured Dwelling Park	8	1.11	1.03%
Residential Multi-Dwelling 1	44	5.96	5.54%
TOTAL:	259	107.55	100.00%

Source: Portland Housing Bureau

Impact on Municipal Services

The projects being considered for future use of tax increment funding are for addressing gentrification and displacement of both residents and businesses in the Cully neighborhood and to benefit people of color and low-income people.

The fiscal impact of Cully Tax Increment Finance Plan financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section VIII of this Report. This subsection discusses the fiscal impacts on municipal services. All of the property within the Plan boundary is within the city limits and therefore already served by city infrastructure and county services. The Plan will bring increased funding to allow the Portland Housing Bureau to create additional affordable housing options in the Area. The Plan will also provide funding to Prosper Portland to assist existing businesses and promote the creation of new businesses, providing needed services to the community.

The financial impacts from Cully Tax Increment Finance Plan collections will be countered by providing financial tools to address displacement and gentrification in an ethnically diverse neighborhood and to benefit people of color and low-income people. These actions are consistent with and in conformance with implementing the Portland Comprehensive Plan which has detailed language about addressing displacement and gentrification in Portland neighborhoods. The analysis of conformance to the Portland Comprehensive Plan is detailed in the Cully Tax Increment District Plan.

REASONS FOR SELECTION OF EACH TAX INCREMENT AREA IN THE PLAN

The reason for selecting the Area is to provide the ability to fund projects and programs necessary to cure blight within the Area. Blight is specifically defined in ORS 457.010(1)(b) An economic dislocation, dilapidation, mixed character or shifting of uses; and (g) A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.

The Cully Neighborhood was identified in the *Not in Cully Anti Displacement Study* in 2013 as an area that was already experiencing displacement and gentrification. Further studies and data from the Bureau of Planning and Sustainability support those original findings. The Cully Neighborhood has been working with the City of Portland on ways to both improve the neighborhood but to do so without causing further displacement or gentrification of the neighborhood. The Cully TIF District Plan has entire Chapters on the reasons for selecting this area, including Sections II. *Background and Context*, III *Community Engagement in Designing the TIF District*, IV. *Visions, Values, Goals* and VI. *Principles that Guide Implementation of the Plan*.

RELOCATION REPORT

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The Agency will comply with all applicable state law in providing these potential benefits.

Cully TIF District **Community Governance Charter**

I. Preamble

In 2018, a group of community-based organizations, representing people of color, tribal and Indigenous communities, immigrants, and low-income people in Northeast Portland's Cully neighborhood, approached Prosper Portland and the Portland Housing Bureau ("PHB") to determine whether Tax Increment Financing ("TIF") could be available for community development and anti-displacement efforts.

To realize the neighborhood's vision, Cully community organizations, together with Prosper Portland and PHB, have facilitated a community process during the calendar years of 2019-22 to explore the creation of a Cully TIF District. While past use of TIF as a tool of urban renewal in the City of Portland has produced racially and economically unjust outcomes that are in opposition to the neighborhood's community development and anti-displacement objectives, all parties believe TIF can be repurposed to benefit people of color and low-income people. To support this shift, a new Cully TIF District needs to prioritize different types of investments than past TIF Districts, and be governed in a new, community-led way. To fully explore and vet this possibility through community engagement, research, and policy analysis, the parties worked together to secure a Metro 2040 Planning and Development Grant. This grant supported a community-driven, iterative process to determine priorities for the programming, rules, and leadership of a prospective community-led TIF District.

Along with the Cully TIF District Plan, this Community Governance Charter ("Charter") is the result of a co-creation process between Cully community members, Cully-based community organizations, Prosper Portland, and PHB. Co-creation includes collaborative idea generation as well as equitable participation in discussion. It requires sharing a deep understanding and respect for each other's positions, power and expertise as proposals are being developed. Co-creation relies on transparency, technical support, and communication, the process of which is set forth in this Charter. We expect this Charter to inspire and facilitate ongoing guidance and recommendations¹, so that implementation of the Cully TIF District Plan ("TIF Plan") and actions taken pursuant to the TIF Plan reflect in-depth input and specific recommendations and guidance from residents and stakeholders of the Cully neighborhood.

As signatories to this Charter, we are committed to authentic, open, and equitable public engagement processes. Our intent is to upend historic models of urban renewal by co-creating TIF Action Plans and other facets of TIF Plan implementation. While we acknowledge that differences of opinion will inevitably arise, we are committed to continue working together in co-creation for the life of the TIF Plan to achieve the community's vision, goals, and values as established in the TIF Plan.

II. Creation and Purpose

The Cully TIF District Community Leadership Committee (the "Committee") is hereby created. The Committee's purpose is to advise City staff, the Directors of Prosper Portland and PHB, Commissioners-in-Charge, the Portland City Council ("City Council") and the Prosper Portland Board of Commissioners ("Board") on the implementation of the TIF Plan by providing essential guidance, public recommendations, and oversight of the City of Portland's and Prosper Portland's implementation of the

¹ "Recommendations" are non-binding guidance to decision makers. It is the intent of the City that recommendations be treated as important and be used to shape and guide the implementation of the TIF Plan.

TIF Plan. As the Committee will advise City Council and the Board directly on certain decisions, it is a public body pursuant to ORS Chapter 192.

This Charter is adopted by Portland City Council as an exhibit to the Cully TIF District Plan. It describes the processes and roles that will be followed to develop and present public recommendations to decision-makers about the implementation of the District Plan. It is a living document that may be amended from time to time pursuant to the procedures stated in Section IX. The consequences for not following this Charter can be found in Section VIII.

III. Roles and Responsibilities

- a. Shared among the Committee, City Staff, Executive Directors, City Council and Prosper Portland Board of Commissioners are commitments to:²

i. Comply with Cully TIF District Plan

1. Recommendations and decisions about the implementation of the Cully TIF District Plan will be guided by the Plan, with particular attention to Section IV (Values, Vision and Goals) and Section VI (Principles that Guide Implementation of the Plan).
2. Recommendations and decisions related to the Cully TIF District Plan will draw on community engagement that centers the voices and needs of Cully community members, particularly those representing Priority Communities³, as defined in the TIF Plan.

ii. Respect Partnerships and Adhere to the Co-creation Process

1. The goal of the co-creation process is to produce recommendations that are supported in their entirety by the Committee, Prosper Portland, and PHB.
2. Through collaboration, transparent and proactive communication, community engagement, and technical support, the City and the Committee will develop public recommendations outlined in Section IV of this Charter.
3. If full support of both the Committee and the City cannot be reached, recommendations will make clear which areas have joint support. Remaining areas will include both the Committee's and the City's recommendations.
4. The Committee and the City will jointly present their recommendation(s), including alternate versions of any sections that could not be agreed on, to the relevant decision-maker(s).

² The term "City," for purposes of this document, is intended to refer primarily to PHB, a bureau of the City of Portland, and Prosper Portland, the City of Portland's economic development and urban redevelopment agency, but if context requires otherwise, it may include staff of other City of Portland bureaus who are or become responsible for administering or assisting with this Committee.

³ "Priority Communities" refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

5. If for any reason the Committee is not able to provide recommendations, the work of the City to implement the TIF Plan may still proceed, in line with the TIF Plan and any sections of this Charter that are still able to be implemented.

- b. Community Leadership Committee: The Committee's recommendations and other actions should reflect the needs and priorities of the Cully community, both current and future generations, as described in the TIF Plan. Members are responsible for complying with laws and regulations applicable to the Committee as a public body, such as city and state ethics codes, conflict of interest rules, and public meeting and record laws.

The Committee will establish its collective position on recommendations through a vote or other procedure that will be established in the Committee by-laws (see section VIII.d).

- c. PHB and Prosper Portland: The agencies are responsible for implementing program offerings in line with the Cully TIF Plan and the processes described in Section IV, including financial and competitive land offerings that align with the TIF Plan and Action Plans. Staff will provide research and technical support and engage with the Committee on co-creation as described in Section IV, and will coordinate with staff in other City bureaus as needed. In the context of the co-creation process, the City will be responsible for drafting and revising TIF Plan documents with the active collaboration of the Committee. Staff are responsible for communicating with the broader Cully community regarding the Bureaus' work.

Bureau Directors will support the co-creation process by ensuring adequate staffing, subject to appropriations⁴, and by providing guidance on recommendations and alignment with citywide affordable housing and economic development policies, together with any political opportunities and challenges, as needed. Bureau Directors will consider co-created recommendations and will provide an explanation to the Committee if their final decision differs from the recommendation.

- d. The City Council and Prosper Board of Commissioners: Commissioners are subject to public meetings laws. The City Staff will ensure that any public meetings that occur with the Prosper Portland Board or the City Council are noticed to the Committee in advance of the meetings to allow Committee members to testify on any actions regarding the Cully TIF District.

IV. Scope of Work and Processes

- a. Implementing the TIF Plan through Action Plans and Program Offerings: This subsection outlines how Cully TIF funds will generally be programmed and allocated over the life of the District, notwithstanding investments made outside of an Action Plan. Through the co-creation process, as outlined in Section III.a.ii, the steps below will be followed to select and implement investments and programs ("Program Offerings") from the Cully TIF District Plan. Section VII of the TIF Plan contains the complete list of eligible Cully TIF District projects. Through the co-creation process, the District Plan's Values, Vision and Goals (Section IV) and Guiding Principles (Section VI) will be applied to guide the following processes:

⁴ "Appropriations," for the purpose of this document, refers to a sum of money allocated by City Council for a specific purpose, such as staffing.

- i. Action Plans and Action Plan Amendments: Approximately every five years, an Action Plan will be presented to City Council to select the Program Offerings that are expected to be implemented over the subsequent five years.
 1. Through the co-creation process, the Committee and the City Staff will collaborate to create a recommended Action Plan, which will be a public document presented to the City Council.
Program offerings eligible to be included in an Action Plan are those that appear in Section VII of the Cully TIF District Plan. This includes developing new programs that are identified in the Plan.
 2. Portland City Council makes the final decision to adopt and amend Action Plans, after receiving for consideration the recommendation(s) of the Committee and City staff.
 3. This same process will be used to consider amendments to an existing Action Plan.

It is possible for investments to be made outside of an Action Plan's identified Program Offerings, typically at the direction of City Council, provided that the investment is consistent with the TIF Plan. When these types of investments are made, there is a commitment by the City to bring announcements and information regarding the investment to the Committee at the first possible opportunity to engage in the co-creation process to the extent possible based on the negotiations of the project.

- ii. Program Offerings: When a Program Offering has been included in an adopted Action Plan, but before it is moved forward for implementation by Prosper Portland or PHB, its structure and details should be considered to determine how it could be implemented as part of the Cully TIF District.
 1. Through the co-creation process, the Committee and the City will collaborate to create recommended Program Offerings, which will be public documents presented to the relevant decision makers.
 - a. Existing programs. The Committee and the City will review the existing program and may elect to make recommendations for adapting or tailoring the program to best fulfill the TIF Plan.
 - b. New programs. The Committee and the City will work together to make recommendations about the program's structure, guidelines, and other elements of program design and implementation.
 - c. Funding solicitations. The City will develop drafts in-line with the TIF Plan, Action Plan, and dialogue with the Committee, and then refine them in consultation with the Committee.

The final decision makers for approving Program Offerings will vary depending on the specific offering, but they will consist of one or more of the following: City staff; Bureau director(s); Commissioner(s) in Charge; the Prosper Portland Board of Directors; and/or Portland City Council. Final decisions to move forward with implementation of Program Offerings should happen only after the relevant decision makers have received for consideration the Committee's and City's recommendation(s).

iii. Program Implementation: After Program Offerings are developed and approved as described above, they will be implemented by the City, subject to appropriations and staff capacity.

1. The City intends to use competitive processes to select for any development partners/owners. The City will work with the Committee to select a representative from the Committee to serve on selection advisory committees for projects within the Cully TIF District, subject to policies and practices regarding conflicts of interest and committee diversity.

b. TIF Plan Amendments: The Committee and City may propose both substantial and minor amendments to the Cully TIF Plan. If and when an amendment is proposed, the co-creation process described in section III.a.ii will be used to make recommendations about those amendments.

i. The adoption processes for amendments to the Cully TIF Plan are outlined in the Plan section IX. The final decision-making body for substantial amendments is the Portland City Council. The final decision-making body for minor amendments is the Prosper Portland Board of Directors.

1. For substantial amendments, the Committee will have the opportunity to provide guidance for the community engagement aspects of the adoption process.

V. Committee Membership, Appointments, and Terms

a. Membership

- i. The Committee will consist of thirteen (13) positions and will not convene if fewer than seven (7) positions are filled. The process to fill any vacancies should begin within 30 days of a member leaving.
- ii. All Committee members must either live, work, worship, have children enrolled in school, or have been displaced from within the Cully TIF District boundaries.
- iii. All committee members will represent the interests of community members vulnerable to displacement within the Cully TIF District boundaries, rather than their own personal or organizational interests.
- iv. The Committee's composition should reflect the socio-economic, gender, racial, ethnic, cultural, and geographic diversity of the Cully TIF District community. Committee membership should specifically include Cully residents and community members who represent populations that are disproportionately vulnerable to displacement, including:
 1. African American and Black people
 2. Indigenous and Native American people
 3. People who identify as Latinx, Asian American, Pacific Islander American, multiracial people and other people of color.
 4. Immigrants and refugees of any legal status
 5. Renters
 6. Mobile home residents
 7. Low-income people
 8. People living with disabilities

9. Houseless people

10. Small business owners and workers

- v. Committee members should have a range of experience and knowledge to inform implementation of the TIF Plan, drawing from life experiences, community connections and leadership, education, and professional experience.

b. Appointments

i. Creating the inaugural committee:

- 1. The Board will nominate, or delegate to the Executive Director of Prosper Portland the ability to nominate, seven (7) Committee members for initial 3-year terms. The Mayor will nominate six (6) Committee members for initial 2-year terms. City Council will confirm Committee members.
- 2. The City will announce an opportunity for community members and community-based organizations to suggest nominees for consideration for initial Committee appointments.

ii. Filling vacancies:

- 1. Once the Committee is established and initial members appointed and confirmed, the Committee and the City will collaborate through co-creation to identify nominees to fill any vacancies. City Council will confirm new Committee members.
- 2. The Committee should develop additional procedures to involve community members and groups in the process of nominating Committee members.

c. Removals:

- i. The Committee may develop procedures in addition to what is in the bylaws to involve community members and groups in the process of removing Committee members.

d. Terms

- i. Seven (7) initial members will be appointed for 3-year terms. Six (6) initial members will be appointed for 2-year terms. The length of terms for members after the initial members will be defined in the by-laws.
- ii. Each member's term will start upon the City Council's confirmation.
- iii. Committee members can be reappointed, and a Committee member may continue to serve until their replacement is confirmed, unless they were removed from the Committee through the process described in the by-laws.

VI. Staffing

All staffing commitments are subject to appropriations.

- a. Prosper Portland and/or PHB will provide staffing for the administration and logistics of Committee meetings (regular and special meetings as necessary) as described in the by-laws.
- b. Bureaus will dedicate appropriate program and subject area staff to fully participate in the governance processes defined in this Charter, as needed.
- c. Bureau staff will invite other City staff to participate as appropriate, and as requested by the Committee.
- d. Additional staff dedicated to supporting the Committee and its members and engaging the Cully community in the processes defined in this Charter, may be employed by the City or funded by the City but housed in an external, community-based organization.

VII. Operating Procedures

- a. Up to and including the creation of the first Action Plan, the Committee will plan to meet at least monthly. After the initial Action Plan is adopted by City Council, the Committee will plan to meet at least once every 3 months on a regular date established by the Committee and the City. Additional meetings may also be scheduled as determined by the Committee Co-Chairs and the City. The Committee Co-Chairs, in partnership with City staff, will develop meeting agendas in consultation with other Committee members.
- b. One-half of the total number of Committee positions (thirteen), plus one person, will constitute a quorum (seven) of the Committee.
- c. The Committee will elect two Co-Chairs.
- d. The Committee may at any time establish standing or temporary subcommittees of at least three (3) Committee members to address specific issues. Subcommittee members are responsible for complying with laws and regulations applicable to the Subcommittee as a public body.
- e. The Committee shall adopt, and may subsequently amend or update, by-laws to govern its procedures, which must not conflict with any portion of this Charter, and which are subject to the prior review and approval of the Mayor in consultation with the Commissioners-in-Charge (as applicable), with approval as to legal sufficiency by the City Attorney.
 - i. The Office of Civic Life provides a standardized by-laws template that includes, among other things, specifications concerning selection and tenure of subcommittee chairs, division of responsibilities, attendance policies, meeting schedules, as well as communications between the Committee and the City, the media, and the general public.

VIII. Accountability

- a. If the Committee determines that City staff is not working in co-creation or in alignment with the Cully TIF Plan Vision, Values, and Goals, it has the responsibility to elevate this concern to the executive directors of PHB and Prosper Portland for resolution. If the

Committee determines the executive directors are not working in co-creation, they have the responsibility to elevate this concern to the Board and the City Council.

Examples of the breakdown of co-creation include but are not limited to:

- i. The Committee being surprised by decisions made by the City, such as investments made outside of an Action Plan's identified Program Offerings that the Committee did not have the opportunity to offer recommendations on.
 - ii. The City implementing investments not in alignment with the Cully TIF Plan Vision, Values, and Goals, or not in alignment with decisions adopted through the processes defined in this Charter.
- b. If the City determines the Committee is not working in co-creation or in alignment with the Cully TIF Plan Vision, Values, and Goals, the Executive Directors of PHB and Prosper Portland have the responsibility to elevate this concern to the Committee co-chairs. If the Executive Directors determine the co-chairs are not working in co-creation, they have the responsibility to elevate this concern to the Mayor and/or Commissioner-in-Charge (if applicable).
- c. Each year, the Committee should prepare and submit to the Council a report summarizing the Committee's perspective, concerns, and recommendations on the co-creation process and implementation of the Cully TIF District during the previous year, providing its assessment of how the co-creation framework is working, how it could be improved or strengthened, and if the Cully TIF District should be terminated. The Committee may receive assistance from and provide guidance to non-City support staff in preparation of the report. The Committee should present its report to the Council in a regular meeting or work session.

IX. Amendments to this Charter

- a. A charter review process will occur when:
 - i. The Committee or the City determines a review is needed, as described in the by-laws; or
 - ii. The City charter, local statutes, or statewide statutes relevant to this Charter change.
- b. Revisions will be drafted in co-creation and enacted if agreed to by the Committee and the Executive Directors of both Prosper Portland and PHB.



PROSPER PORTLAND

Building an Equitable Economy

RESOLUTION NO. 7465

RESOLUTION TITLE:

PROPOSING THE CULLY TAX INCREMENT FINANCE DISTRICT PLAN, REPORT, AND GOVERNANCE CHARTER AND FORWARDING TO PORTLAND CITY COUNCIL WITH A RECOMMENDATION FOR APPROVAL


Adopted by the Prosper Portland Commission on September 14, 2022

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Gustavo J. Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner William Myers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Peter Platt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Sam Rodriguez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Serena Stoudamire Wesley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Regular Agenda				

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Prosper Portland Commission and as duly recorded in the official minutes of the meeting.

	Date: September 16, 2022
Pam Feigenbutz, Recording Secretary	