

**PROSPER PORTLAND**

Portland, Oregon

**RESOLUTION NO. 7536**

**APPROVING THE GATEWAY ACTION PLAN UPDATE**

**WHEREAS**, on May 15, 2001, through Resolution No. 5689, the Prosper Portland Board of Commissioners (“Board”) approved the Gateway Regional Town Center Urban Renewal Plan (the “Gateway Plan”);

**WHEREAS**, on June 21, 2001, through Ordinance No. 175699, the City of Portland (“City”) City Council (“City Council”) adopted the Gateway Plan and created the Gateway TIF District (“District”);

**WHEREAS**, since the Gateway Plan was adopted, Prosper Portland and the Portland Housing Bureau have invested approximately \$70,000,000 in infrastructure, facilities, transportation, business development, and affordable housing, including but not limited to the MAX Red Line and Green Lines, the 102nd Avenue Streetscape project, and developments the Rose Apartments, Oregon Clinic, and Glisan Commons;

**WHEREAS**, in 2016, Prosper Portland, City of Portland (“City”) bureaus, and neighborhood stakeholders, after extensive public outreach, collaborated to formulate the Gateway Five-Year Action Plan (“Original Action Plan”), reviewed by the Prosper Portland Board on July 21, 2016, and adopted by the Council through Ordinance No. 37228 on August 10, 2016;

**WHEREAS**, the Original Action Plan was created to provide a framework for investment in three sub-districts: the Halsey/Weidler Corridor, the Gateway Transit Center, and Central Gateway;

**WHEREAS**, guided by the Original Action Plan, Prosper Portland investments have occurred largely along the Halsey/Weidler Corridor, through the completion of Gateway Discovery Park, the Nick Fish mixed-use, mixed-income housing project, and small business support along the corridor;

**WHEREAS**, on June 7, 2022, through Resolution No. 7455, the Prosper Portland Board adopted an amendment to the Gateway Plan to remove the last date to issue debt, to allow for the issuance of short-term debt and to gain access to additional TIF resources to further support the goals and projects called for in the Original Action Plan;

**WHEREAS**, on April 26, 2023, by Resolution No. 37617, City Council adopted Advance Portland, a five-year strategic plan that calls for the promotion of inclusive economic growth, innovation, and wealth creation;

**WHEREAS**, the investments made pursuant to the Original Action Plan, securing of additional resources, adoption of Advance Portland, and impacts of the COVID-19 pandemic led Prosper Portland

staff to evaluate whether to update the Original Action Plan, and staff have engaged in an 18-month evaluation process in partnership with community residents, nonprofit partners, small businesses, and economic experts;

**WHEREAS**, the evaluation process has led staff to develop the proposed Gateway Action Plan Update (“Action Plan Update”) attached hereto as Exhibit A;

**WHEREAS**, the Action Plan Update is an investment pivot for the District, shifting from the geographic subdistrict framework of the Original Action Plan toward a community priorities-based investment framework;

**WHEREAS**, the Action Plan implements Advance Portland’s objectives, including by: focusing on commercial corridors with funding for affordable commercial tenancing, promoting pop-up activation, and leveraging cultural resources to support a healthy mix of business types and accommodate growth of neighborhood-serving businesses; targeting grant and loan resources to early childhood investments, particularly in childcare, in alignment with Multnomah County’s Preschool for All initiative; dedicating resources to middle-income housing production and partnering with the Portland Housing Bureau (“PHB”) in placement of set-aside resources to support regulated affordable housing production in alignment with the City’s Housing Needs Assessment and production strategy; and advancing the multicultural and intergenerational vision described throughout the community engagement process;

**WHEREAS**, the anticipated budget available during the remaining existence of the District is estimated at approximately \$94,000,000, including set-aside funds to PHB;

**WHEREAS**, the budget commitment to implement the Action Plan Update is estimated at \$65,600,000 from fiscal year (“FY”) 2024-25 through FY 2029-30; and

**WHEREAS**, the investments proposed in the Action Plan Update target community-prioritized outcomes and seek growth driven by those who have invested in the District with their commitment, energy, entrepreneurship, and cultural contributions;

**NOW THEREFORE, BE IT RESOLVED**, that the Action Plan Update, attached hereto as Exhibit A, is hereby approved and shall, upon adoption by City Council, supersede the Original Action Plan;

**BE IT FURTHER RESOLVED**, that the Prosper Portland Board directs staff to work with City staff, community members, and other public and private sector partners to implement the projects and initiatives identified in the Action Plan Update; and

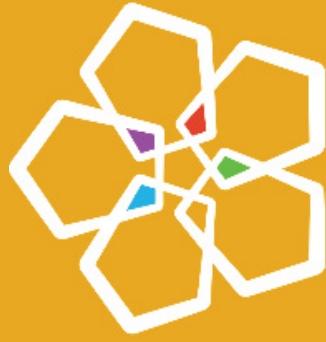
**BE IT FURTHER RESOLVED**, that with the affirmative vote of no less than four commissioners for this resolution, this resolution will become effective immediately upon its adoption, and otherwise it will take effect thirty days after adoption.

Adopted by the Prosper Portland Commission on June 18, 2024



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Pam Feigenbutz, Recording Secretary

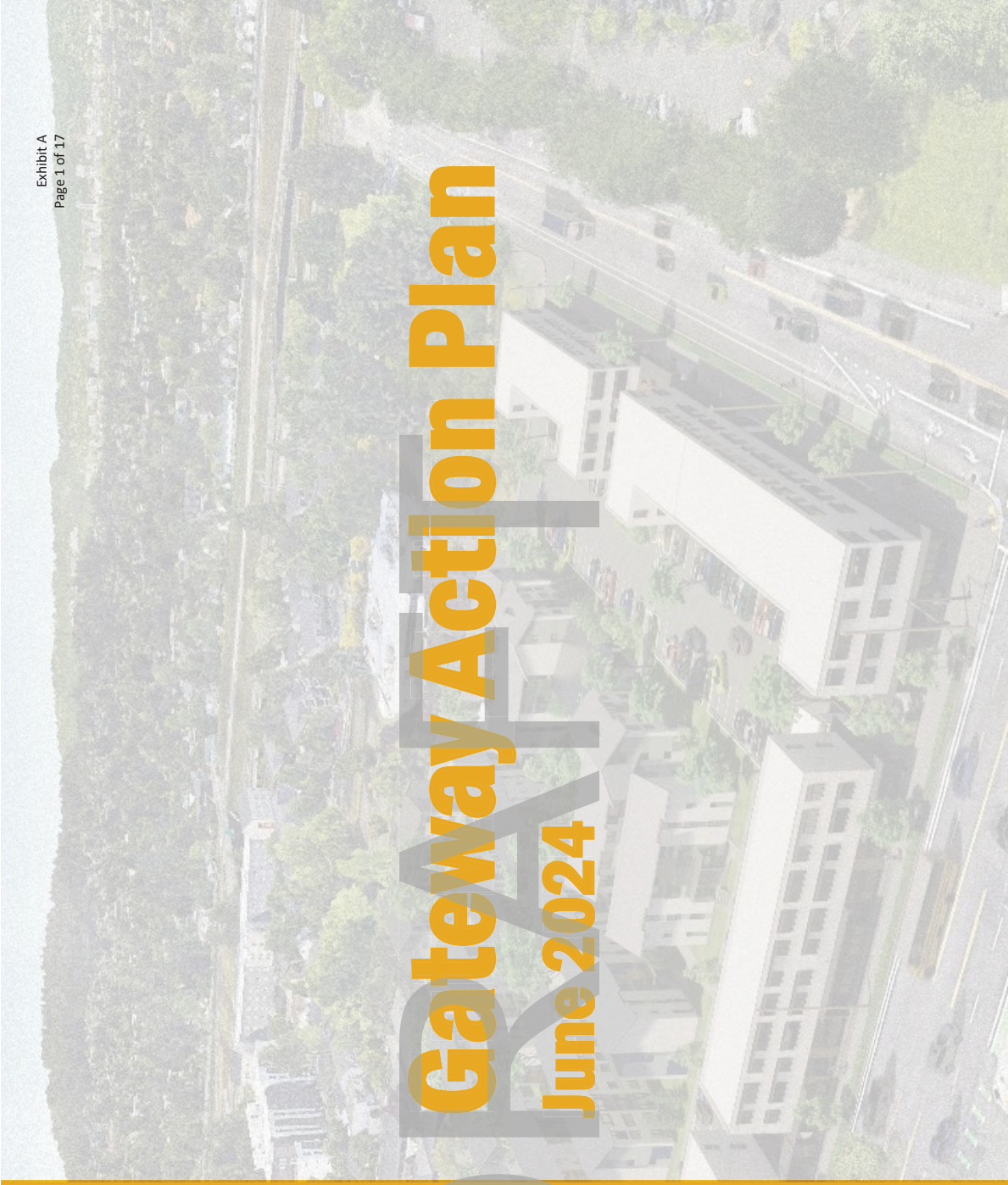


PROSPER  
PORTLAND



# Gateway Action Plan

June 2024





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# Introduction

Portland continues to recover from the impacts the pandemic imposed on the regional economy, small businesses, and local communities. As a complement to community-based strategies like the Gateway Action Plan, the City of Portland is advancing new strategies and harnessing citywide resources to combat historic economic and geographic inequities.

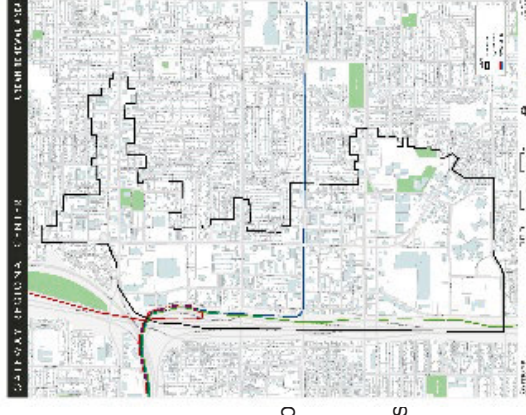
In April 2023, Portland City Council adopted **Advance Portland: A Call to Action for Inclusive Economic Growth** to transform Portland into a thriving, inclusive, and sustainable 21st century city. As a collaborative strategic framework, the plan prioritizes quality job growth, racial equity in entrepreneurship and traded sector employment, deployment of innovative green products, and more vibrant and inclusive commercial districts. Tailored recommendations for commercial corridor districts like Gateway focus on innovative mixed-income housing solutions, affordable commercial tenancing, promoting pop-up activations, leveraging cultural resources to support a healthy mix of business types, and growing neighborhood-serving businesses.

The City of Portland's **Housing Production Strategy** identified actions to meet anticipated population growth through 2045. This strategy proposes building 5,200 homes annually with a range of unit types, prices and locations, including low-income populations, communities of color, and people of all ages and abilities. In addition to numerous affordable housing recommendations, the plan encourages new middle-income rental housing development and middle-income homeownership incentives, providing pathways to generational wealth and neighborhood stability. Many of the recommendations are already embedded in the Gateway Action Plan's 5-year budget and we look forward to deepening these incentives with our bureau partners, including opportunities to extend residential property tax incentives to East Portland.

Tax Increment Finance (TIF) Districts have been a powerful tool for targeted neighborhood revitalization in Portland. Prosper Portland and Portland Housing Bureau work in collaboration with community and private and nonprofit partners to invest in Portland's diverse neighborhoods with more equitable, community-centered approaches to revitalization.

The Gateway Action Plan Update focuses on what can make the community thrive today and build momentum well into the future. The Plan will tailor Prosper Portland programs to celebrate the cultural assets of East Portland and create a market for long-term investment in the people and places that enrich the City of Portland.

This shift acknowledges the present market realities of Gateway, while working to elevate urban ambitions and livability. Our priorities and investments uplift the desires of the community; acknowledge the need to attract match investment from private, nonprofit, and foundation partners; and seek growth driven by those who have invested in Gateway with their commitment, energy, entrepreneurship, and cultural contributions. Working with Portland Housing Bureau (PHB), Prosper Portland's model for growth will focus on supporting existing residents, businesses, and property owners by helping them secure financial empowerment and wealth building, coupled with harnessing regional market forces to bring additional resources to the neighborhood. At the end of the Five Year Action Plan, additional resources become available. In the final four years of the district, there is an additional \$12.5M set aside for affordable housing and approximately \$7M for economic development.





# Background

Gateway has long been envisioned as a “regional center” — dating back to the Metro 2040 Growth Concept adopted in 1995. However, implementation of this vision has been slow. Growth of a regional center requires substantial investment in the built environment and cooperative investments by both the public and private sector. Despite significant investments in public infrastructure, such as the Gateway Transit Center, the market has not responded positively to the regional center vision. In response, Prosper Portland and the Portland Housing Bureau (PHB) are directing the significant remaining TIF public investments towards realistic outcomes for the neighborhood based on economic strengths that meet the needs of East Portland’s diverse residents and businesses.

Despite these market-based challenges, there have been many successes since the creation of the Gateway Tax Increment Financing (TIF) District in 2001. Early TIF investments led to significant expansion of the light rail system in East Portland and provided residents and employees vital connectivity to the region. Soon thereafter, Prosper Portland, PHB, and nonprofit affordable housing partners prioritized TIF funding to create 419 new affordable homes. These equitable development investments stabilized hundreds of families, including those who were displaced from other redevelopment areas. These homes also provided a significant buffer against rising regional economic trends that threatened to push families even further to the edges of the city or beyond.

During the same period, Gateway established itself as a major healthcare destination and multigenerational neighborhood. Investments from healthcare organizations like Kaiser Permanente, Portland Adventist, The Oregon Clinic, and

Providence Hospital provided substantially increased employment density across the TIF District, and aging adults found their home at places like Cherry Wood Village, Russellville Commons, and recently opened 211-unit Traditions at Hazelwood.

Coinciding with economic changes in the Gateway real estate market, demographic changes accelerated in the TIF District, David Douglas School District, and throughout the Hazelwood neighborhood more broadly. The area is now one of the most ethnically diverse in the State of Oregon and one of the most challenged economically. Compared to the City of Portland, Gateway’s per capita income is 40% lower and poverty rates are 6% higher (US Census).

**2016 Action Plan.** The 2016 Gateway Action Plan responded directly to market challenges and limited available TIF resources in the district, by requiring strategically focused funds to targeted sub-district geographic areas: i) the Halsey/Weidler couplet and commercial corridor, ii) opportunities for significant redevelopment at the Gateway Transit Center, and iii) investment in infrastructure to support development in Central Gateway. The plan emphasize strategic investment in the three nodes and delivering on key projects:

- **Halsey/Weidler:** The Gateway Discovery Park (2018) and The Nick Fish mixed-use building (2021). A multi-partner collaboration between Prosper Portland, the Portland Housing Bureau, Human Solutions and Gerding Edlen, The Nick Fish is a mixed-use, mixed-income catalytic project adjacent to Gateway Discovery Park at NE Halsey Street and NE 106th Avenue.
- **Infrastructure Investments:** In Central Gateway, Prosper Portland partnered with the Portland Bureau of Transportation to commit funds via a Local Improvement District concurrent with future housing and mixed used development. Also in partnership with PBOT, joint investment in streetscape improvements to the Halsey-Weidler couplet were completed in 2019, which resulted in ADA-accessible pedestrian curb extensions on every intersection corner, four new signalized pedestrian crossings, pedestrian-scale streetlights, protected bike lanes, transit islands, and pavement repair. Targeted business support along Halsey-Weidler during construction of public infrastructure stabilized businesses and provided needed improvements.
- **Small Business and Nonprofit Support:** Gateway businesses and nonprofits benefitted from the Prosperity Investment Program (7 grant recipients) and the Community Livability Grant (10 grant recipients).



## Background (cont.)

- **Pandemic Relief:** While the 2016 Action Plan successfully allocated funds in line with community outlined priorities, it could not anticipate the impact of the pandemic on Gateway's businesses and the broader Portland market, requiring Prosper and PHB to pivot our approach. As part of that pivot, Prosper Portland launched the Local Small Business Repair and Small Business Stabilization Restore Grants which has supported 16 businesses in Gateway. These one-time emergency funds used existing tax increment funding (TIF) resources and citywide funding allocated by City Council to provide direct grants to local small businesses needing immediate repairs and restoration of damaged property. These funds proved critical to small businesses in Gateway, particularly along NE Halsey where many storefronts were damaged, merchandise was stolen, and additional security improvements were necessary.

In June 2022, City Council approved an extension of the Gateway TIF District, which unlocked significant new TIF resources and kickstarted the Gateway Action Plan Update process. These new funds together with the impacts of the pandemic prompted the need for an updated Action Plan and strategic framework for future investment. With the infusion of funding and an opportunity to harness a new framework for success after the pandemic, Gateway is positioned for significant investment in ways that build on its core economic strengths and mitigate the inherent challenges in the local real estate market.

\*Additional TIF revenue will continue to accrue after this 5-year budget until the Gateway TIF District reaches its allowable limit by state law.

# Demographics & Economic Performance

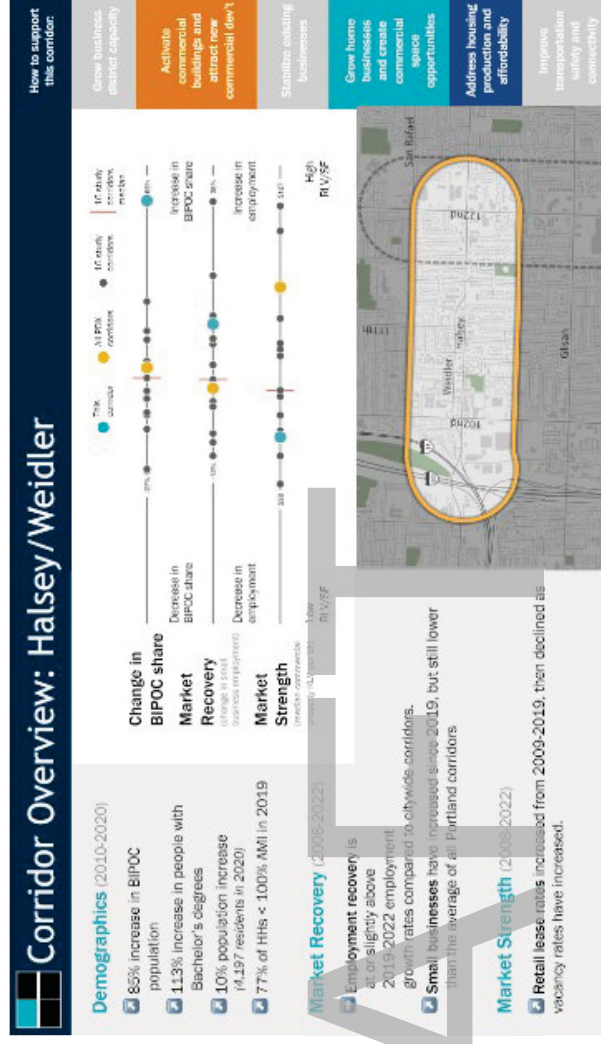
An analysis of Gateway TIF district demographic and economic trends over the past decade inform the recommended programs and budget allocations in this Action Plan Update.

- While overall population in Gateway grew more slowly compared to citywide, the BIPOC population increased from 29% to 43% and now exceeds the citywide average of 34%.
- Gateway median incomes increased only 5% compared to 30% citywide. The average poverty rate in Gateway is 19% compared to 13% citywide.
- While homeownership in Gateway lags behind the City of Portland (30% compared to 53% citywide), BIPOC homeownership rates in Gateway increased from 19% to 26%, tripling the total amount of housing owned by this population.

Among the existing TIF Districts in Portland, Gateway's post-pandemic economic performance shows unique strengths and challenges that will likely continue to affect the residential and business community in the coming years.

Data analyzed in several ECONorthwest studies shows the following trends in Gateway:

- Low land values compared to city and other commercial corridors
- Low office construction demand
- Retail vacancy rates have increased since 2019
- While employment has recovered, support is needed to grow home businesses and create additional affordable commercial space opportunities to support small businesses



## Sources:

1. Census Block data comparing 2013 to 2022. The data from 2022 is most current at the block level. The following block groups were used in this analysis: Tract 80.01 Block Group 2; Tract 81, Block Group 1, 5 and 6; Tract 82.01 Block Group 1; Tract 82.03 Block Group 2 and 3.
2. Advance Portland Corridor report
3. "Better Red Station Area Planning: Gateway Transit Center Joint Development Delivery Strategy," ECONorthwest, June 2023.
4. "Understanding Portland TIF District Investment Impacts: 2000-2022," ECONorthwest, April 2024.



# Context

The Gateway Action Plan reflects extensive engagement with the community. During the 18-month process, stakeholders consistently shared that livability issues and the lack of economic diversity are core impediments to creating a healthy and safe neighborhood. Stakeholders recognized that the private sector did not invest in the neighborhood as anticipated and that overcoming challenges in the market would not be resolved without sustained direct participation from the public sector.

Creating a common vision for Gateway became a shared priority in response to community concerns. The plan reflects significant support for a multi-pronged and flexible approach to increase Gateway's livability and to enhance what already makes East Portland unique: **vibrant international cultures and economic diversity.**

As an overview of the engagement process, the SWOT analysis of the neighborhood and market shown here provides a look at the variety of the challenges and inspirations embedded in the Action Plan's investment strategy.

<b>Strengths:</b> <ul style="list-style-type: none"><li>• Multicultural/international diversity</li><li>• Convenient transit and connection to Portland Region and the Portland International Airport</li><li>• Stabilized individuals and families from repeated displacement</li><li>• Stable, diverse school district with focus on diversifying staff and educational equity for all students</li><li>• Strong homeownership market and available land for more clustering</li></ul>	<b>Weaknesses:</b> <ul style="list-style-type: none"><li>• Small business closures</li><li>• Real estate fundamentals (construction costs and lease rates) within the Gateway submarket and broader Portland area</li><li>• Mismatched retail lease rates and land values</li><li>• Significance of institutional and single large property owners</li><li>• Underfunding of street development leading to lack of neighborhood connectivity</li><li>• Commercial and residential personal and property safety concerns</li><li>• Lack of active business support organization</li><li>• Built environment lacks investment interest, especially for manufacturing</li><li>• Sub-districts exacerbated funding inequities</li></ul>
<b>Opportunities:</b> <ul style="list-style-type: none"><li>• Vibrant mix of international and multicultural businesses to create district identity</li><li>• Daycare center investments</li><li>• Workforce/Middle-income housing and homeownership</li><li>• New Prosper tools/programs to support affordable commercial tenancing</li><li>• Immediate activation and events</li><li>• Public/private partnerships</li><li>• Flexible funding mechanisms that can meet the market to succeed</li></ul>	<b>Threats:</b> <ul style="list-style-type: none"><li>• Perceived and real safety and livability concerns</li><li>• Challenges to Portland's long-term transit infrastructure and user experience</li><li>• Persistent residential market failures</li><li>• Long-term land banking resulting in vacant property and public nuisances</li><li>• Lack of income diversity affects residential and commercial activity</li></ul>



# Community Engagement & Input

Prosper Portland engaged a broad cross section of leaders in the Gateway neighborhood to form a Community Advisory Committee. The Advisory Committee guided the Action Plan process by reviewing district investments to date, identifying remedies to systemic challenges, and providing new investment strategies. The Committee also identified key questions for further investigation by focus groups and built bridges with additional stakeholders.

This Action Plan was also enhanced by five focus groups prioritized by the Committee. With discussions focused on engaging diverse voices on a breadth of community perspectives, the focus groups engaged with 62 participants. Prosper Portland staff conducted an additional 32 stakeholder interviews and engaged six organizations that serve residents and businesses in the Gateway TIF District.

The Advisory Committee and Prosper Portland staff hosted a multicultural open house with more than 33 participants at Gateway's multigenerational East Portland Community Center. Immigrant Refugee Community Organization (IRCO) International Language Bank provided translation and interpretation in the six languages most used in the Gateway neighborhood.

The voices and perspectives shared by Gateway residents, business owners, employees, and community stakeholders are reflected in the Gateway Action Plan Update and help to articulate the shared vision and investments staff heard through its work with the Committee and the engagement process.

## Advisory Members:

Co-Chair: Frieda Christopher (Community member, At-large)  
Co-Chair: Giovanni Bautista (Community member, At-large)  
Josh Bearman, TVW Inc.

Tina Do & Maryoris Pedroso-Reyes, Immigrant Refugee Community Organization (IRCO)

Djimet Dogo, IRCO Africa House

Mykel Hibbard, Resident

Jeff Hinton, Resident

Duncan Hwang, Asian Pacific American Network of Oregon (APANO)

Codie Jennison, NW Enforcement Inc.

Nidal Kahl, Gateway Area Business Association (GABA)

Arlene Kimura, Hazelwood Neighborhood Association (HNA)

Greg Lutje, Commercial Real Estate Attorney

K. Shay Smith & Yekaterina Selezneva, Our Just Future

Hilary Vineyard, First Interstate Bank

"We can never "build community" if people are focused on getting enough money to move out. They need more places to "move up to" without leaving the area."

"Gateway's leading edge is multiculturalism"

"Need critical mass activation that can help to secure area"

"Homeownership needs to be encouraged in Gateway area"



# Community Vision & Inspiration

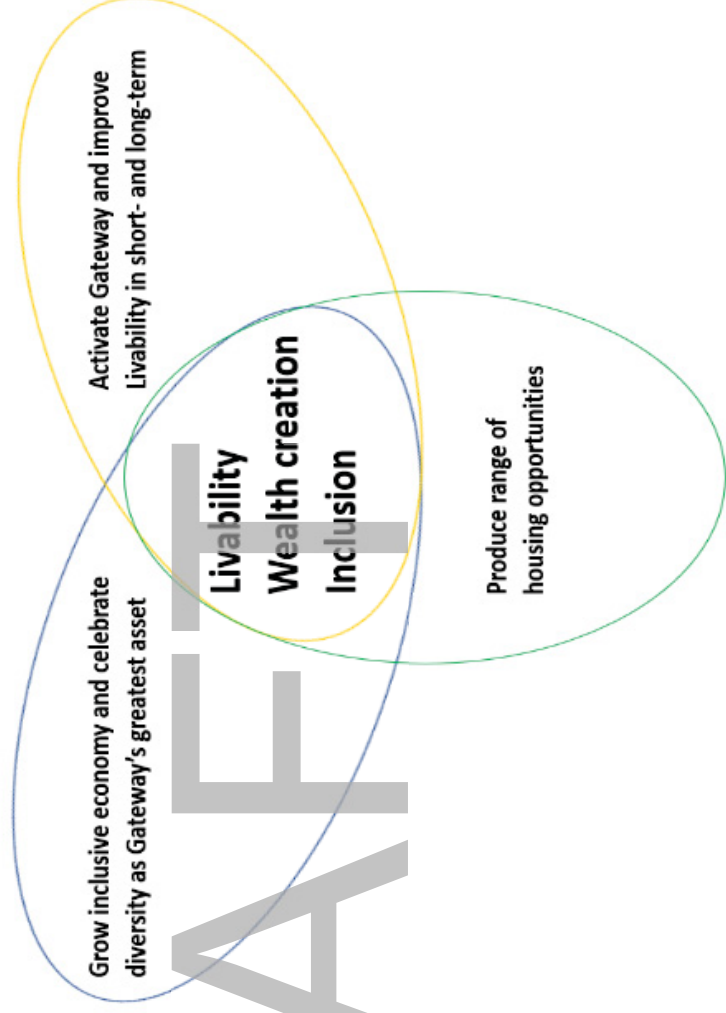
Gateway is envisioned as a “Gateway to the World” that thrives due to multicultural diversity and inclusive economic opportunities. Gateway will be rooted with housing opportunities that meet the needs of all individuals and families, supporting new innovations that create wealth and connect residents to the Portland region’s bustling economy. Through partnerships and direct funding, Prosper Portland and the Portland Housing Bureau will invest Tax Increment Finance (TIF) funds to bring vibrancy and livability to one of the city’s vital transit centers and employment hubs.

To achieve this vision, the Gateway Action Plan identifies the area’s core priorities, strengths and needs, and directs investment of TIF funds in the following three programmatic areas to actualize a livable district that creates wealth and is inclusive for all:

- Celebrate and cultivate diverse businesses; provide small business stabilization and inclusive economic growth
- Activate properties and sponsor interim uses that will improve livability throughout Gateway
- Support housing opportunity, ownership, and income diversification

The Action Plan embeds programmatic areas that highlight the neighborhood’s greatest strengths and directly tackle the impediments to the district’s success. This framework for inspiration is intended to provide guideposts for investment of Tax Increment Financing while also allowing flexibility as the district and economy change over time.

## Stabilize, Activate, & Diversify





# Inclusive Economic Growth & Celebrating our Diverse Business Community

While Gateway is ethnically diverse and rich with international cultures, new and existing small businesses face numerous challenges. Many Gateway businesses struggle to access traditional lending tools to grow their business or start a new one. Prohibitive lease rates are a key factor limiting access to new businesses. In an analysis Prosper Portland had completed for Portland's economic corridors following the pandemic, it was identified that larger retailers in the area skew data for commercial market rents in Gateway, with anchor retailer rents coming in significantly higher than for smaller, neighborhood-serving retail businesses. Additionally, much of the commercial building stock is aging and requires extensive and costly tenant improvements.

Prosper Portland will also remove geographic constraints from the previous 2016 Action Plan by discontinuing the sub-district approach, as previously many businesses were not able access resources outside of the designated investment areas.

This inclusive approach will expand opportunities to directly serve more vulnerable economic groups in East Portland. While Prosper Portland offers grants and loans throughout the district, the agency will prioritize intended beneficiaries that advance the multicultural strengths of the district. Funding for grants and loans will be aggressively marketed to the small business community, including ethnically diverse business owners who can serve the culturally diverse Gateway TIF District.

Intended beneficiaries include, but are not limited to:

- ✓ Small businesses, including minority and women-owned businesses
- ✓ Businesses that create food, goods, and services that highlight international cultures
- ✓ Daycare providers and other multigenerational services
- ✓ Food and Beverage manufacturers
- ✓ Healthcare organizations providing community services

Grants will support an inclusive and diverse Gateway business community by deepening incentives in the existing Prosperity Investment Grant (PIG) program, fully leasing The Nick Fish commercial spaces, and expanding new programs to Gateway that reduce lease rates for small businesses. PIP resources will increase the current 50/50 match to a 75/25 split, with additional matching loans to cover expenses for income-qualified businesses. Through the Affordable Commercial Tenanting (ACT) Program, Prosper Portland will provide funds for property improvements and opportunities for local business owners to connect to technical assistance to foster business growth and wealth creation. In exchange, property owners will offer commercial space to eligible business owners at 10-25% below market rate.

Investing in multigenerational diversity is another key area for growth in the Gateway TIF District. While there are notable successes in providing housing and services for aging adults, resources are limited for daycare and other family services. Gateway's grant and loan products work in tandem with Multnomah County "Preschool for All" and other statewide resources to create new opportunities that can serve residents and Gateway employees throughout the district. Prosper Portland recently helped bring a new daycare center to The Nick Fish, a perfect synergy with the family-oriented Gateway Discovery Park.

Another major challenge for the Gateway business community is the absence effective business support. Prosper Portland will continue to work with the small business community to identify ways to organize and support their growth. Additionally, as part of the East Portland TIF Exploration, Prosper Portland will work to synergize and strengthen support systems throughout East Portland.

Over time, Prosper Portland will work to uplift the Gateway TIF District as an authentic "international district" that features food, goods, services, and events highlighting Portland's connection to the world.



# Inclusive Economic Growth & Celebrating our Diverse Business Community

**Action 1.1.1:** Support small businesses through direct loans and grants throughout the district.

- Adjust grant program requirements to increase program accessibility for high barrier businesses. Increase PIP grant match to a 75/25 split and provide PIP Matching Loan to qualified businesses.
- Promote business tenant improvement and working capital loans within the district, including through community-based lending partners.
- Remove sub-district restrictions to increase access.
- Promote and prioritize small businesses supporting multigenerational diversity, with a focus on delivering new childcare facilities.

✓ **Measures of success:** loans and grants disbursed to **15-20 businesses**, and an investment of **\$1.55M** over life of the plan.

**Action 1.2:** Expand the Affordable Commercial Tenanting Program (ACTP) to support retailers within the district.

- Increase access for existing businesses wanting to expand or stabilize with grants for improvements to ground floor commercial properties in exchange for property owners offering commercial spaces at 10-25% below market rate. Grant amounts equivalent to the rent discount and/or rent abatement for the duration of the affordable rate and not exceed \$300,000.

✓ **Measure of success:** affordable commercial support to **10 - 12 businesses**; and an investment of **\$3.3M**. Launch program in FY 24 and serve 2-3 businesses annually by FY27.

**Action 1.3:** Fully tenant The Nick Fish ground floor retail

- Continue to aggressively market and incentivize remaining leasable commercial spaces

✓ **Measure of success:** All spaces leased by FY26



**Case Study: Namaste Indian Bazaar**  
Coinciding with the Halsey street upgrades, Prosper Portland delivered several grants to improve the HVAC and kitchen for this incredible merchant and restaurant still thriving at 103<sup>rd</sup> and NE Halsey.



**Action 1.4:** Business District Organizational Support: Explore new models for organizing small business community in Gateway and synergize with efforts in other East Portland geographies. Consider additional organizational structures (ESD, etc.) and partnerships to support a thriving and safe business district.

✓ **Measure of success:** Identify and support a new or expanded business organization that serves Gateway small business and community needs.

**Community Inspiration:**

“Need more affordable commercial property and mixed-income communities”  
“I love supporting diverse businesses”  
“I would love to see Gateway designated as Portland's "International District" with even more ethnic stores (and not just food)”



# Activate a Livable Gateway

Board Resolution - Approving the Gateway Action Plan Update  
June 18, 2024

Exhibit A  
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Among the many community issues raised through the Action Plan, livability and safety consistently ranked highest. The small business community continues to struggle with theft and property damage as a lasting impact of the pandemic. Residential communities struggle with homes and neighborhood safety, organized crime, and property damage. While Prosper Portland does not engage directly in community safety, investments in this Action Plan can nonetheless support improvements that benefit district livability. Working with land and building owners, small business owners, residents, nonprofits, and public/private partnerships, Prosper Portland will leverage the density of public, private, and nonprofit providers in the area to facilitate community cohesion through direct investments in building security, land activations, events, and new models for district-wide services.

**Case Study: The Outer Rim.** Gateway businesses are fortunate to have an inspiring pilot project located on NE Halsey. The Outer Rim Bicycle shop reported dozens of burglaries, window damage, and significant theft over the past few years. Through a grant provided by Venture Portland, the business secured their façade with a steel sculpture of Mt. Hood designed and built by a Portland artist. Since its creation, the store has made a dramatic shift towards normalizing their business operation and creating an artistically inspired addition to the Halsey-Weidler Couplet.



The opening of Gateway Discovery Park and Gateway Green provided residents and visitors with new places to celebrate community and multicultural events in the district. However, current resources are not enough to sustain a vibrant and active community. While the City of Portland needs to continue to innovate ways to deliver on the original intent of the Gateway Regional Center as an urban destination—thriving with performing arts and event venues—Prosper Portland will prioritize immediate activations to stabilize the existing community.

Prosper Portland will fund property activations in the Gateway TIF District, with a focus on key properties at the Gateway Transit Center, including partnerships with the David Douglas School District. This funding can create new opportunities for community recreation and public events that feature music, entertainment, food, and multiculturalism that multiply benefits for the business community and breathe life into vacant properties. While TIF resources cannot be used for temporary activations, Prosper Portland will work with community partners to leverage additional public and private resources to deliver community-oriented events and lean into opportunities for additional permanent improvements when feasible, particularly around the East Burnside MAX and Central Gateway (between Burnside and Stark).

Prosper Portland is also engaging with other public and private entities to deliver new services in the Gateway TIF District that will help to keep the neighborhood clean and safe. This is particularly important around the Gateway Shopping Center and along NE Halsey where the built environment historically created barriers to realizing Gateway's promise of a walkable community that could add foot traffic and eyes on the street.





# Activate a Livable Gateway

**Action 2.1:** Invest in community anchor nonprofits to support cultural inclusion and community livability via Community Livability Grant (CLG) investments:

- Prioritize projects that include performance or community spaces for maximum community benefit.
- Create opportunities for projects that include public art to activate community on a 24/7 basis.
- ✓ **Measure of success:** At least 5 completed projects

**Action 2.2:** Identify key opportunities for artistically-designed facade improvements that honor the community vision and increase business security

- Based on recent success, grow program annually from 1-2 businesses served to 3-4 by FY 27

- Offered as competitive special authority grants with no match required.
- ✓ **Measure of success:** 10 grants disbursed of up to \$10,000 each.

**Action 2.3:** Partner to deliver events and interim activations at key locations, including at Prosper Portland-held properties and with partners like David Douglas School District:

- Partner with private and public sector to deliver intergenerational infrastructure and facilities investments
- Partner with nonprofit and business community to support multicultural events and pop-up activations, with a focus on vacant lands at the Gateway Transit Center and in Central Gateway
- ✓ **Measure of success:** 2-3 major property activations and ongoing Gateway events

## Community inspirations:

“Would like to see open concerts with music from different cultures”

“To have facilities available for various cultural arts performances by and for the community”

“Safety issues [are most important] after seeing my favorite businesses relocate out of area where customers and employees feel safe”



**Action 2.4:** Implement public infrastructure improvements to reconnect community and ensure safe access and crossings.

- Deliver on street and sidewalk investments around Gateway Transit Center and Central Gateway that improve community access.
- Leverage investments to deliver on increased activations and community programming within the district
- ✓ **Measure of success:** at least two larger scale infrastructure connectivity and safety projects at an estimated investment of \$5.5M.

# Housing Production & Opportunity

Gateway residents from across the income spectrum emphasized the need for livability enhancements and income diversity throughout the District. Driven in part by the recent successes of the Lents Town Center, there is broad community support for Prosper Portland to play a leading role in creating new homes that could prove pivotal in place-making and enhanced community livability, particularly near transit.

As acknowledged in the 2016 Gateway Action Plan, significant market constraints are well documented in the District and have long held back redevelopment near transit. As an example, the District was intended to create at least 3,900 new units of housing with a particular focus on “transit-oriented housing...encouraged within a quarter-mile of light rail stations” (URA Plan, 2001). As of now, 707 units of multifamily housing (including age-restricted senior housing communities) completed construction since 2010, 89% of which are deed-restricted affordable homes, primarily concentrated along NE Glisan. Russellville Commons Phase III\* and Traditions at Hazelwood, both senior housing projects located on East Burnside, are the only residential projects constructed since 2001 within a quarter mile of rail transit.

The small business community, particularly retailers along the commercial corridors, struggle to attract regular business without a dense and diverse mix of residents to frequent their shops and services. As a pass-through commercial corridor, few people walk along the Halsey-Weidler Couplet between homes and shops, which is reflected in the few neighborhood-serving retail businesses. Broadly speaking, community members and business owners support significant new mixed-income residential density as an essential ingredient for the long-term stability of the small business community.

Community members also expressed strong support for investing in a greater diversity of housing types and income levels. While the Portland Housing Bureau (PHB) is directly responsible for prioritizing new affordable housing, Prosper Portland is uniquely positioned to support workforce and middle-income housing opportunities—including adding more bedrooms for larger families—that otherwise are not able to move forward in the private sector under past and present market conditions. This Action Plan’s signature residential project is anticipated to be a public/private partnership targeted at 250+ units of workforce housing and commercial development. As a result of this partnership, the public infrastructure and connectivity around the Gateway Transit Center, the District’s “front door,” will be significantly improved. Prosper Portland’s investment in this partnership is vital to fix inherent failures in the capital markets to deliver middle-income housing—a core priority in the City of Portland’s *Advance Portland* plan.

Community voices also strongly encouraged Prosper Portland, and by extension PHB, to build on the strengths and affordability of the market for homeownership. A recent project by Habitat for Humanity received more than 1,000 applications for 31 units at the Cherry Blossom project, demonstrating a large demand for clustered, attached homes. There are numerous vacant parcels throughout the District—many of which are not suited for multifamily development and remain vacant nuisances near transit—that are ideally suited for dense townhomes or cottage clusters. Prosper Portland will fund and prioritize new commercial loan program geared to support infill housing as a critical new investment tool throughout the district.

Lastly, Prosper Portland will work with bureau partners and City Council members to support mixed-income development in Gateway together with producing affordable housing. In particular, Prosper Portland will work in collaboration with PHB to explore mixed-income housing at a PHB-owned parcel at 102<sup>nd</sup> and E. Burnside that could support more than 100 new homes. Additionally, Prosper Portland will work with bureau partners to expand Inclusionary Housing (IH) incentives east of I-205. Should Gateway market dynamics shift, IH requirements could adjust to incorporate Gateway as a key opportunity to grow mixed-income communities in East Portland.

# Housing Production & Opportunity

Board Resolution Approving the Gateway Action Plan Update  
June 18, 2024

Exhibit A  
Page 15 of 17

**Action 3.1:** Attract new neighborhood investment to activate key properties and improve mixed-income housing production and commercial development through public/private partnerships.

- Invest in a public/private partnership to deliver 150 - 250+ middle-income homes, commercial development, improve street connectivity and walkability, and provide public benefits and district activation.
- Pursue redevelopment of Prosper Portland property at the Gateway Transit Center via partnership with adjacent property owners, key anchor tenants, and TriMet.

✓ **Measure of success:** at least one signature middle-income project on track to deliver 250+ new mixed-income units in the District.

**Action 3.2:** Facilitate development on privately-held properties with an emphasis on mixed-income housing by offering commercial loans for middle-income rental and homeownership opportunities:

- Provide loans to fund predevelopment, construction, and/or permanent financing for projects targeting 5-10 units with a focus on homeownership and a diversity of homeownership types (cottage clusters, condos, attached townhomes)
- Prioritize loans for larger scale mixed-income housing projects that deliver on a diversity of floorplans (3-4 BR) to increase multigenerational and immigrant-focused housing
- ✓ **Measure of success:** Three smaller to larger scale housing projects delivering approximately 30 homes.

**Action 3.3:** Encourage construction of additional affordable housing units and take advantage of opportunities to construct new mixed income, multifamily housing projects.

- ✓ **Measure of success:** support at least 1 new multifamily rental project with regulated affordable housing units.



**Case Study: The Nick Fish** is a multi-partner collaboration between Prosper Portland, Portland Housing Bureau, and Our Just Future. The Nick Fish is a mixed-use, mixed-income catalytic project in the Gateway Regional Center TIF District, adjacent to Gateway Discovery Park. The project features 75 mixed-income homes and 22,000 square feet of ground floor commercial spaces and second floor office space.

## Community inspiration:

“Need more mixed-income and workforce housing”

“Strong condo/ownership market could make Gateway unique”





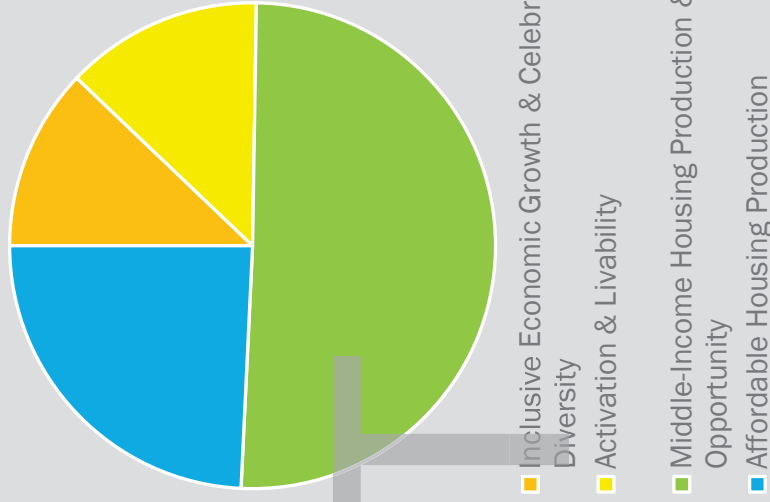
# Gateway Action Plan Summary of Proposed Investments

**\$65.6M\***

Board of  
June 18, 2024

Exhibit A  
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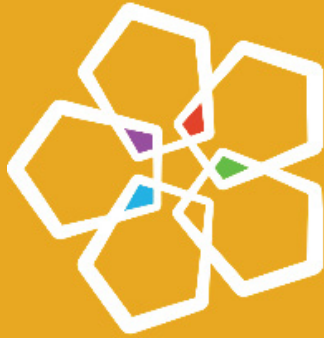
## Gateway Action Plan Draft Budget



Housing Production & Opportunity		Inclusive Economic Growth & Celebrating Business Diversity		Activation & Livability	
Budget	Expected outcomes	Budget	Expected outcomes	Budget	Expected outcomes
Signature Project: \$21M	1 Middle-income project with 250+ units	Small Business Grants & Loans: \$1.275M	Loans & grants disbursed to 15-20 businesses	Community Livability Grants: \$1.42M	5 committed projects
Infill development loans: \$5M	30 middle-income homes, prioritizing homeownership	PIP Loans: \$275K	Support to 10-12 businesses	Activations, Public Art & Security Improvements: \$1.64M	10 art & security grant
Prospective signature project: \$7M	1 Mixed-income project in pipeline	Affordable Commercial Tenanting Program: \$3.3M	The Nick Fish is fully leased and operational by FY26	Public Improvements: \$5.5M	2-3 major property activations
Prospective affordable project: \$15.6M	1 deed-restricted affordable project in pipeline	The Nick Fish Tenant Improvements: \$3M			Finalize 2 major public infrastructure projects
<b>Subtotal: \$48.6M</b>		<b>Subtotal: \$8M</b>		<b>Subtotal: \$9M</b>	

\* Includes forecasted affordable housing set aside funds for PHB. Additional TIF revenue for affordable housing and economic development will continue to accrue after this 5-year budget until the Gateway TIF District reaches its allowable limit by state law.



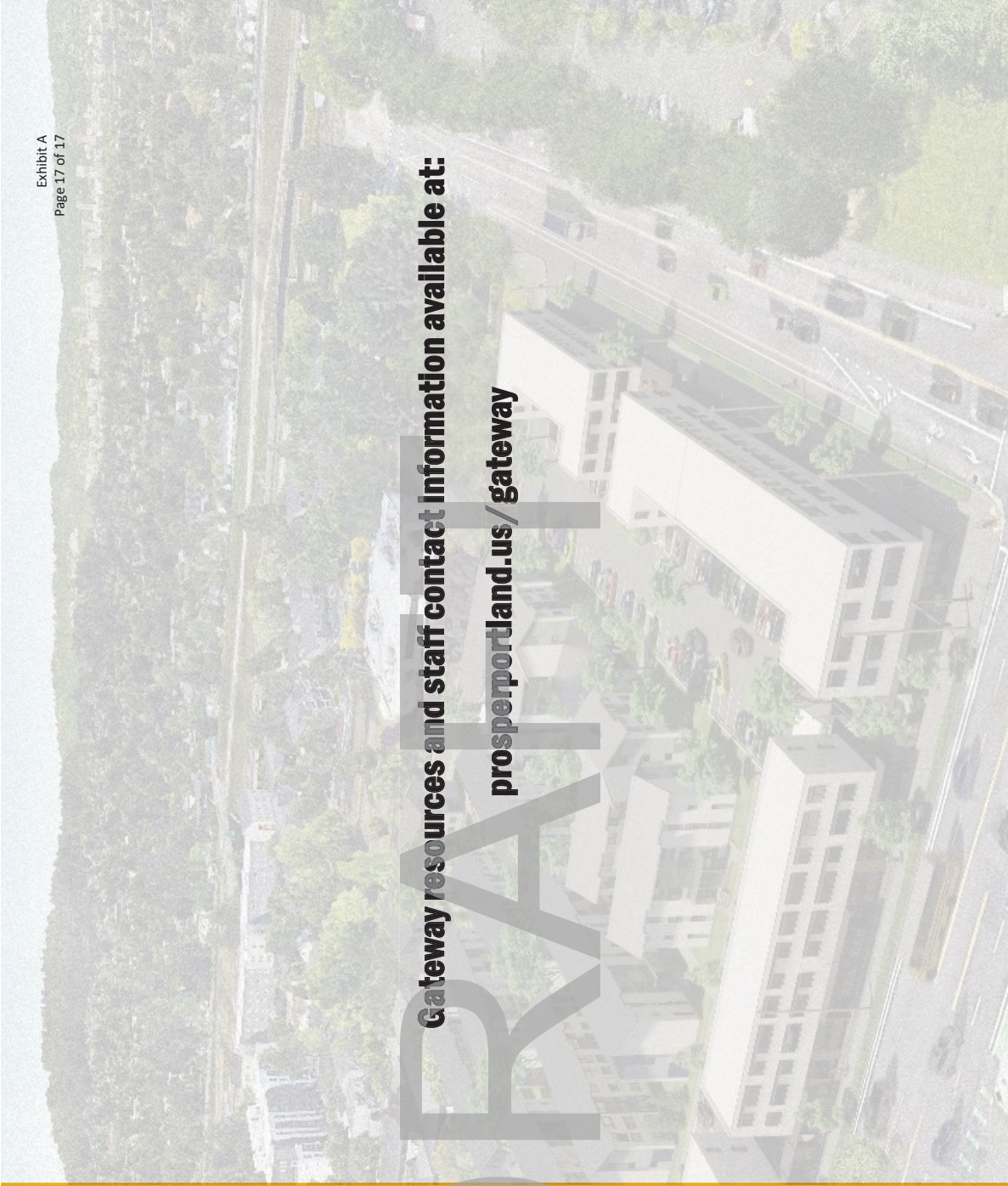


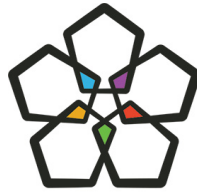
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**Gateway resources and staff contact information available at:  
[prosperportland.us/gateway](http://prosperportland.us/gateway)**





**PROSPER  
PORTLAND**  
Building an Equitable Economy

**RESOLUTION NO. 7536**

**RESOLUTION TITLE:**

APPROVING THE GATEWAY ACTION PLAN UPDATE


Adopted by the Prosper Portland Commission on June 18, 2024

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 checked="" type="checkbox"/>	Commissioner Marcelino J. Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner William Myers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner Michi Slick	<input 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.*

	<b>Date:</b>  June 24, 2024
<b>Pam Feigenbutz, Recording Secretary</b>	