



PROSPER
PORTLAND
Building an Equitable Economy

DATE: February 11, 2026
TO: Board of Commissioners
FROM: Cornell Wesley, Executive Director
SUBJECT: Report Number 26-05
Approving the Cully Action Plan

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7638

This action by the Prosper Portland Board of Commissioners (Board) will approve the Cully Action Plan (Action Plan), a five-year community-led plan for investing tax increment finance (TIF) resources in the Cully TIF District. If approved, the Action Plan will be brought to City Council (Council) for final review and adoption in spring 2026.

STRATEGIC ALIGNMENT AND OUTCOMES

Approving the Action Plan will provide the road map for Prosper Portland TIF investments over the next five years to realize community-prioritized projects and programs. The plan is consistent with the Cully TIF District Plan and aligned with the following Advance Portland strategic priorities and outcomes:

- Objective 2: Promote Equitable Wealth Creation
- Objective 3: Foster Vibrant Neighborhood Commercial Districts
 - Outcome 3.5: Support Growth and Health of Businesses within Commercial Districts
 - Outcome 3.6 Activate Vacant Properties and Storefronts; Attract New Commercial Development
 - Outcome 3.7: Improve Public Streets and Sidewalks in Select Districts to Support the Vitality of Business Districts
 - Outcome 3.8 Address Housing Production Across a Continuum of Affordability

BACKGROUND AND CONTEXT

Cully TIF District Plan. Following a four-year co-creation and public engagement process, the Cully TIF District Plan was recommended for approval by the Board through Resolution No. 7465 on September 14, 2022, and forwarded to Council. On November 19, 2022, through Ordinance 191071, the Cully TIF District Plan, including the Cully TIF District Community Governance Charter (Charter), was adopted by Council.

The Charter calls for establishing a Cully TIF District Community Leadership Committee (CLC) to advise Prosper Portland and City of Portland (City) staff, Council, and the Board on the implementation of the Cully TIF District Plan by providing essential guidance, public recommendations, and oversight.

Community Leadership Committee. The CLC is a joint advisory body for both the Portland Housing Bureau (PHB) and Prosper Portland. The nomination process is for half of the committee to be nominated by the Prosper Portland Board and half by the Mayor’s Office, before confirmation by Council. The Board nominated seven (7) members, for three-year terms, for City Council consideration on September 23, 2023, through Resolution No. 7499. The Mayor’s Office nominated six (6) members for two-year terms, as specified in the Charter. Council confirmed appointment of the 13-member CLC through Report No. 843-2023 on October 11, 2023.

The CLC convened for the first time in February 2024 and met monthly with Prosper Portland and City staff in a co-creation process aimed at identifying affordable housing and economic and urban development priorities for a five-year period. The group spent the bulk of 2024 establishing bylaws; learning about TIF; building relationships with each other and with community partners, including Neighborhood Prosperity Network (NPN) staff; and learning about Prosper Portland and PHB programs.

At the start of 2025, the group pivoted to developing the Action Plan itself, discussing community context, public engagement, and Action Plan priorities, tools, and allocations. A draft Action Plan was published for CLC and public review on September 19, 2025, and used as a discussion tool at public meetings and events. On November 19, 2025, the CLC was presented with a summary of feedback gathered on the Action Plan draft through a variety of public events, meetings, and a widely shared survey.

A new draft Action Plan was published on December 19, 2025, incorporating public feedback and CLC revisions. On January 7, 2026, the CLC held a vote on the full Action Plan, and members present voted unanimously to approve the plan and move it forward for Board and Council consideration.

Plan Budget and Priorities. The anticipated budget for the five-year period ending in June 2031 is \$31,100,000. Per the Cully TIF District Plan and City Affordable Housing Set Aside policy, a minimum of 45% of this amount is allocated to affordable housing, roughly \$14,000,000. An additional 45% is allocated to economic and urban development, with the remaining 10% (\$3,100,000) unspecified. For this Action Plan, the CLC recommends that the remaining funds be allocated to land acquisition for a future, collaborative Prosper Portland/PHB Mixed-use Project.

Because the focus of the Cully TIF District Plan is anti-displacement and inclusive growth, priorities reflect a desire to balance the immediate need to place dollars in community to stabilize vulnerable residents and small businesses, while also looking to the future, supporting smaller-scale development projects and land acquisition for future projects that support Priority Communities, as defined in the Action Plan.

Implementation of Prosper Portland’s portion of the Action Plan will take advantage of a number of amended or new programs to be launched in Cully that will provide financial access to property reinvestment, development, and small business support, including:

- *NPN-Administered Micro-Grants* will build on the existing relationships between NPN partners and small businesses in the Cully area.
- *Prosperity Investment Program (PIP) grants* will continue to lower barriers to entry for larger needs, particularly for businesses struggling to obtain costly credit from financial institutions.
- *The Affordable Commercial Tenanting Program* will be available to provide grants for improvements to ground floor commercial property in exchange for property owners offering commercial spaces at 10 to 25 percent below market rents.

- *The Small Business Loan Program* will offer small business loans to pay for PIP match and support larger tenant improvements.
- *The Commercial Property Loan Program* may be used for predevelopment, tenant improvements, construction financing, and land acquisition.
- *The Community Livability Grant* will support cultural and community assets that promote healthy, complete, and resilient neighborhoods while providing a sense of belonging for all residents of Cully.

Prosper Portland anticipates there will be approximately \$14,000,000 of PHB-administered affordable housing set-aside funds to be allocated within the next five years. These dollars will support creation of first-time homebuyers, retention of existing homeowners, and land acquisition for future development. Additionally, the Action Plan calls for the creation of a new PHB program to support mobile home residents to prevent displacement.

To realize the full potential of the proposed projects and programs, Prosper Portland will look to deepen partnerships with the private and nonprofit sectors to leverage additional funding and create lasting improvements for Priority Communities in the district.

EQUITY IMPACT

The Action Plan embeds priorities for equity throughout the proposed projects, programs, and outcomes, ensuring that resources will fund projects and programs that serve a broad range of Priority Community¹ business and residents. Specifically, PIP grants, Community Livability Grants, Affordable Commercial Tenancing, lending, and other project resources will be deployed to lift up Priority Community members and businesses, with a focus on providing support to projects and individuals without access to conventional debt or capital.

Similarly, Action Plan outcomes will be tracked and reported to ensure both investments and benefits are programmed to be accessible to Priority Community members. In partnership with PHB, affordable housing set-aside resources will be allocated for regulated affordable housing projects to help stabilize residents of all incomes within the district. The Action Plan adopts a modified definition of “Priority Communities” that will be used in its implementation.

COMMUNITY PARTICIPATION AND FEEDBACK

Prosper Portland and PHB developed this Action Plan in partnership with the Cully TIF Community Leadership Committee (CLC), informed by input from small businesses, area nonprofits and service organizations, and community members who participated in CLC meetings, interviews, or community events. Engagement efforts built on the multi-year Cully TIF District Plan development process.

¹ *Priority Communities refers to the intended beneficiaries of the Cully TIF District, which are those who are vulnerable to exclusion from Cully due to gentrification and displacement. We recognize that historically those who suffered displacement have primarily been African American and Black persons; Indigenous and Native American persons; Hispanic and Latinx persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; and houseless people. Nevertheless, TIF investments will be made in compliance with all applicable Federal civil rights and nondiscrimination laws. All funding decisions will be made without regard or preference based on protected class status.*

PHB and Prosper Portland contracted with partners at the Living Cully Coalition (Verde, NAYA, Habitat for Humanity, and Hacienda CDC) to lead community engagement. Early engagement focused on reinforcing relationships and available avenues for continued engagement, participation, and information sharing; and gathering input on immediate priorities for affordable housing and economic and urban development investment. This was done through various channels including posting neighborhood flyers, inviting members of the public to attend CLC meetings, reaching out to those engaged as part of the Cully TIF District Plan development process, attending community meetings, and tabling at events.

In later stages of engagement, when a draft Action Plan was available for review, a survey was created and promoted through virtual information sessions, neighborhood flyers, community presentations, and blast emails shared across numerous community networks, including Living Cully Coalition members, Prosper Portland, PHB, and the Cully Association of Neighbors. Results and feedback from the survey mirrored what was heard from community members at earlier stages of engagement and was shared with the Cully CLC. One significant adjustment made in response to public feedback was a shift of resources to facilitate additional land acquisition for future affordable housing and mixed-use development in the Cully area.

BUDGET AND FINANCIAL INFORMATION

The budget commitment to implement the Action Plan is estimated at \$31,100,000 over the next five years, including affordable housing set-aside funds from PHB. The budget commitment is available in the Cully TIF District FY 2025-2026 budget and forecast, included as Attachment A.

Pursuant to the Affordable Housing Set-Aside Policy, set-aside funds will be distributed to and administered by PHB in alignment with the Action Plan partnership.

RISK ASSESSMENT

There are no risks to adopting this action, as it will simply inform priorities and budget allocations. The Prosper Portland Board will have the opportunity to adjust budget allocation in the future should priority and circumstances demand.

ATTACHMENTS

- A. Cully TIF Fund Financial Summary

Cully TIF Fund Financial Summary

**Financial Summary
Forecast**

<u>Cully TIF Fund</u>	<u>Revised FY 2025-26</u>	<u>Requested FY 2026-27</u>	<u>Forecast FY 2027-28</u>	<u>Forecast FY 2028-29</u>	<u>Forecast FY 2029-30</u>	<u>Forecast FY 2030-31</u>
Resources						
Beginning Fund Balance	818,547	1,604,513	2,197,745	12,105,291	939,473	8,251,590
Revenue						
Interest on Investments	24,880	48,992	204,176	185,580	128,629	-
TIF - Short Term Debt	2,400,449	3,034,726	3,636,596	3,270,235	3,942,433	-
TIF - Long Term Debt	-	-	17,000,000	-	8,000,000	-
Total Revenue	2,425,329	3,083,718	20,840,772	3,455,815	12,071,062	-
Total Resources	3,243,876	4,688,231	23,038,517	15,561,106	13,010,535	8,251,590
Requirements						
Administration						
A00840-Debt Management & Legal-CUL	16,893	7,000	7,000	7,000	7,000	-
Administration Total	16,893	7,000	7,000	7,000	7,000	-
Economic Development						
Community Economic Development						
A00733-Community Development-CUL	99,296	68,750	68,750	68,750	68,750	-
Economic Development Total	99,296	68,750	68,750	68,750	68,750	-
Housing						
A00732-Affordable Housing-CUL	838,664	923,486	8,837,061	4,943,750	2,311,062	-
A00733-Community Development-CUL	56,250	56,250	56,250	56,250	56,250	-
Housing Total	894,914	979,736	8,893,311	5,000,000	2,367,312	-
Property Redevelopment						
A00731-Project Development-CUL	90,866	300,000	500,000	8,000,000	700,000	-
Redevelopment Grants						
A00771-Prosperity Investment Program (PIP) Grant-CUL	100,000	100,000	100,000	100,000	100,000	-
Property Redevelopment Total	190,866	400,000	600,000	8,100,000	800,000	-
Total Program Expenditures	1,201,969	1,455,486	9,569,061	13,175,750	3,243,062	-
Personnel Services	232,713	517,500	649,141	690,000	725,000	-
Total Fund Expenditures	1,434,682	1,972,986	10,218,202	13,865,750	3,968,062	-
Interfund Transfers - Indirect Charges	204,681	517,500	649,141	690,000	725,000	-
Interfund Transfers - Cash Transfers	-	-	65,883	65,883	65,883	-
Reserved For Future Expenditures	1,604,513	2,197,745	12,105,291	939,473	8,251,590	8,251,590
Total Fund Requirements	3,243,876	4,688,231	23,038,517	15,561,106	13,010,535	8,251,590