

Citywide Neighborhood Economic Development: Requested Budget – January 15, 2015

For FY 2015-15 PDC has requested approximately \$3.5 million in City General Funds and \$3.7 million in other funds to support implementation of the City of Portland’s [Neighborhood Economic Development Strategy](#) (May 2011). This strategy aims to foster economic opportunity and neighborhood vitality throughout Portland.

PDC’s requested budget will continue the implementation of the following citywide economic development initiatives and add requests funding for one new strategic initiative. The Neighborhood Economic Development work is funded with revenue from several sources as shown in the table below. Programs are described following this summary table.

Neighborhood Economic Development Program	General Fund	CDBG	Ezone	TIF	Mult Co	NW Area Foundation	Total
Neighborhood Prosperity Initiative (NPI) & Main Street Initiative	\$783,219	\$-	\$140,000	\$683,031	\$-	\$60,000	\$1,666,250
Small and Micro Business Technical Assistance	\$912,385	\$503,174	\$200,000	\$-	\$-	\$-	\$1,615,559
Adult and Youth Workforce Development	\$1,188,532	\$1,677,926	\$-	\$-	\$57,844	\$127,000	\$3,051,302
Venture Portland	\$311,023	\$-	\$-	\$-	\$-	\$-	\$311,023
Community Development Fund	\$500,000	\$-	\$-	\$-	\$-	\$-	\$500,000
Neighborhood Total	\$3,695,160	\$2,181,100	\$340,000	\$683,031	\$57,844	\$187,000	\$7,144,135

This Requested Budget will allow the City to continue to provide the following on-going neighborhood economic development efforts:

- Neighborhood Prosperity Initiative (NPI) and Main Street Network:** PDC partners with eight community-based organizations located in North, Northeast and East Portland to drive economic development in priority neighborhoods. Each district focuses on the unique needs of its community with the goal of growing businesses and increasing employment opportunities. Grants from PDC enable the organizations to hire full time staff, manage district economic and community development projects, make small-scale physical improvements and increase the visibility of the district. PDC staff provide technical assistance training to districts.
- Small and Micro Business Technical Assistance:** Continues funding for the Small and Micro Business Development Program which provides business technical assistance and support to businesses owned by people with low incomes, people of color and people with limited English proficiency. Technical assistance and support is delivered through PDC contracts with 8 non-profit groups including: Hispanic Metropolitan Chamber, Microenterprise Services of Oregon, and the Small Business Legal Center. In FY 15-16 providers are anticipated to serve 450

businesses: 75% of businesses in NPI and Main Street areas, and 50% will be owned by people of color.

- Workforce Development: PDC collaborates with Worksystems, Inc., also known as WSI, to fund and administer workforce development programs for low-income Portlanders with significant barriers to employment. WSI contracts with eleven non-profit providers including: SE Works, Human Solutions, Mt Hood Community College and POIC which serve approximately 1000 individuals, with up to three years of individualized support and training with an emphasis on career track employment. PDC's investment leverages at least \$2 million in investment from WSI. PDC is proactively connecting the workforce development providers with NPI and Main Street Managers with the goal of connecting under and unemployed residents of NPI areas to career track employment opportunities.
- Venture Portland: Venture Portland is the City's local partner in building the capacity of Portland's 37-plus neighborhood business districts. Venture Portland's work focuses on regular training and technical assistance workshops for the districts, administration of a business district grant program, and increasing the visibility of districts through marketing support.

In addition to the continuation of the above NED programs, PDC's General Fund Request also includes one add package. Please see attached Decision Package for further detail.

For more information and questions please contact Kate Deane, Community Economic Development Manager at: 503-823-3313 or deanek@pdc.us.

Decision Package Template

Decisions Package Name: *Community Development Fund*

Amount: \$500,000

Description:

Provide initial capital to launch a new revolving loan fund to provide gap financing for community-driven, public-benefit development projects that are in or adjacent to the Neighborhood Prosperity Initiative (NPI) districts.

When the mini-urban renewal districts were formed for the six NPI districts in May of 2012, the goal was to enable NPIs to make small-scale, non-catalytic, community driven investments to improve the district and businesses within the district. Three years into the NPI process, districts and the City, are recognizing that there are key, public-benefit projects that are beyond the scale of the NPIs tax-increment revenue to accomplish. Such projects include: developing property to remove family-unfriendly uses, securing long-term commercial affordability in developments, and creating space for community events and uses.

The Community Development Fund will be matched with capital from private entities including foundations and private companies. The Fund will be operated independent of government, projects will be identified and developed by NPIs and their partners. Funded projects will support an equity and anti-gentrification agenda; further, projects will be aimed at reducing economic disparities and building wealth.

Expected Results:

Outputs:

Metric	Target	Time Frame
Design Program Guidelines & Write RFP	Develop guidelines and RFP	By Q1: FY 2015-16
Select Fund Manager	Issue RFP by end of Q1.	By Q2: FY 2015-16
Secure Private Match	Secure \$500,000 from private sources including foundations, and other private investors	By Q2: FY 2015-16
Finance Projects	Up to 6 projects over 5 years	By June 30, 2020

Outcomes:

- Access to capital for public benefit projects
- Specific benefits of funded projects will vary from project to project. Individualized public benefits may include:
 - Number of jobs created
 - Sq ft of affordable commercial space created
 - Sq ft of community-benefit space created
- Repayment of loans