



DATE: May 9, 2018
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 18-18
Update on the Prosperity Investment Program

BRIEF DESCRIPTION OF INFORMATION ITEM

At the May 9, 2018 Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on the history, objectives, and accomplishments of the agency's Prosperity Investment Program. The Prosperity Investment Program provides matching grant funds for small-scale real property improvements and business- and development-focused technical assistance that aligns with Prosper Portland's 2015-2020 Strategic Plan and local community action plans. Program investments are awarded using social equity goals intended to foster equitable wealth creation and managed with an emphasis on increasing business competitiveness and property development.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

The Prosperity Investment Program delivers on key components of Prosper Portland's 2015-2020 Strategic Plan by focusing on equitable wealth creation for people of color, quality job growth, healthy communities, and equitable construction and contracting opportunities. The program aligns with urban renewal area (URA) community action plans, including the Old Town/Chinatown Five-Year Action Plan, Lents Five-Year Action Plan, Gateway Action Plan, and N/NE Community Development Initiative by awarding matching grants to support projects that meet at least one of the following public goals:

- Secure access to high quality employment for Portlanders
- Foster wealth creation for people of color and within low-income neighborhoods
- Build healthy communities in line with local community priorities

BACKGROUND AND CONTEXT

Prosper Portland administered the Storefront Improvement Program grant for more than 20 years to support façade improvements, such as painting, signage and storefront remodeling, with the objective of neighborhood revitalization and place-making. The Development Opportunities Services grant was created shortly after the inception of Storefront Improvement Program to provide financial assistance for redeveloping existing buildings or developing vacant land, again with the purpose of neighborhood revitalization. In 2010, the Prosper Portland Board approved the Green Features Grant to fund the implementation of sustainable improvements. All three programs required a specific financial match from the grant recipient and provided funds in the form of reimbursement.

The three grant programs were very popular but had gaps: Storefront Improvement Program funds could only be used on building façades, excluding important interior improvements; Development Opportunities Services funds were designed for feasibility and did not cover construction plans, so

projects rarely went beyond scoping and feasibility; and the Green Features Grant program was limited to sustainability improvements and not effectively delivering on Strategic Plan objectives.

In order to more effectively target Prosper Portland’s grant funds to priority populations and businesses, on June 8, 2016 the Prosper Portland Board through Resolution No. 7195 approved guidelines for the Prosperity Investment Program, replacing the three existing grant programs with a new, singular program that met high-level agency objectives including, (i) aligning the program with the objectives of the Strategic Plan, (ii) streamlining the process to ease recipients’ use and to reduce staff administration time, and (iii) ensuring that investments are consistent with the agency’s Financial Sustainability Plan.

The adopted program guidelines allow for both exterior and interior improvements and predevelopment-associated soft costs, including project management and construction plans to ensure successful project outcomes for business growth and competitiveness. Grants are awarded based on geographic and demographic alignment with the Strategic Plan and local community action plans. Since program inception, Prosper Portland has committed approximately \$1,500,000 in grant funds to 45 projects with a total project cost of \$3,700,000 that are either complete or under construction, leveraging \$2,200,000 in private investment (\$1.48 leverage). Projects are small in scale with an average cost of \$81,152 and average grant investment of \$31,397.

EQUITY IMPACT

The Prosperity Investment Program was explicitly designed to address the agency’s Strategic Plan social equity goals of fostering wealth creation for people of color. Currently, 90 projects are complete, active, or in scoping; of these, 60 (67 percent) have been awarded to persons of color and 42 are first-time recipients (see a map of grant recipients since 2016 in Attachment A). Grants support real estate wealth by aiding physical improvements to buildings, increasing the value and marketability of the space, and creating wealth through asset equity; to date, property owners have received 58 out of 90 grants and 40 of those recipients (68 percent) are people of color. Likewise, grants create business wealth and increase business competitiveness through tenant improvements build out their space, helping to reduce startup costs; 34 grants to date (37 percent of total) went to tenants, 21 of which are business owners of color.

In addition to supporting wealth creation through property and business ownership, the Prosperity Investment Program emphasizes professional and construction contracting opportunities for minority or women-owned firms. Recipients are required to utilize minority or women-owned firms to perform 20 percent or more of the project costs or show a ‘good-faith’ effort to contact minority or women-owned contractors. Recipients may be absolved from the 20 percent requirement if no minority or women-owned firms were available or the bid was significantly more costly. Of the 45 grant projects in progress or completed since tracking contracting efforts, 41 (91 percent) have utilized a minority or women-owned contractor.

ATTACHMENTS

- A. Map of Prosperity Investment Program Recipients Since 2016

Map of Prosperity Investment Program Recipients Since 2016



