



**PROSPER
PORTLAND**
Building an Equitable Economy

DATE: August 12, 2020
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 20-33
Authorizing Multiple Grant Agreements to Implement Business District, Workforce Development, and Business Technical Assistance Programs During Fiscal Year 2020-21

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution Nos. 7385, 7386 and 7387

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to sign the agreements identified below to implement key business district, entrepreneurship, and business support programs administered and funded by Prosper Portland. All of these annual agreements exceed the Executive Director’s signature authority and require Prosper Portland Board approval.

Grantee	Amount	Purpose
Venture Portland	\$523,726	Administer and implement business district support programs and the Catalytic Investment Initiative
Worksystems, Inc.	\$3,034,363	Administer and implement youth and adult workforce development services
Inclusive Business Resource Network (multiple grantees)	\$1,437,900	Administer and implement business technical assistance services

In fall 2020, staff will return to the Prosper Portland Board to provide a holistic overview of fiscal year (FY) 2019-20 workforce development and Inclusive Business Resource Network (IBRN) activities and outcomes and provide the opportunity for service providers and recipients to directly address the Prosper Portland Board.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

These programs exemplify Prosper Portland’s collaboration with partners to build an equitable economy. They meet Prosper Portland’s 2015-2020 Strategic Plan objectives by:

- Supporting neighborhood capacity building through training, technical assistance, and financial assistance to neighborhood business district associations,
- Improving connections between target industry employers and job seekers through workforce development initiatives that connect neighborhood residents to nearby quality job opportunities, and

- Supporting the advancement of entrepreneurs from underrepresented populations and encouraging thriving businesses that provide wealth creation opportunities for Portlanders of color and other underrepresented entrepreneurs.

BACKGROUND AND CONTEXT

Venture Portland. Since 1986, Venture Portland, a 501(c)(4) Oregon non-profit corporation, has invested in the strategic growth of Portland’s unique neighborhood business districts. Venture Portland provides unique and critical services to neighborhood business district associations that further their ability to create a positive economic development environment for local businesses and the surrounding community.

In FY 2020-21, Prosper Portland will contribute \$333,726 for Venture Portland organizational operations and programming. Venture Portland supports existing and emerging business districts through the delivery of trainings and workshops, sharing best practices, marketing and promoting business districts, and administration of Business District Capacity Building and Neighborhood Economic Development Grant programs.

In addition, Prosper Portland will provide \$190,000 to Venture Portland’s Catalytic Investment Initiative in FY 2020-21. Launched in 2015, the Catalytic Investment Initiative provides targeted support to designated neighborhood business district associations in East and North Portland. Districts served in FY 2020-21 will include Foster, Gateway, Midway, St Johns and Williams. Venture Portland will identify and recommend two additional districts for tailored support under this initiative by September 1, 2020. Venture Portland may provide limited technical assistance or staff support to 82nd Ave to help the district exit the initiative.

The Catalytic Investment Initiative provides grants and staff support to increase business association membership, volunteers, and revenue. Potential projects could include a business seminar series, seasonal event (summer/holiday), marketing/promotion activities, business mapping, or identity collateral. Eligible business associations must participate in a board strategy session, complete a 12-month work plan, and monitor outcomes to ensure the success of their grant activities.

The table below outlines Venture Portland’s annual reporting metrics and includes both actuals for FY 2019-20 and target goals for FY 2020-21.

Venture Portland General Fund Performance Metrics	Actual FY 2019-20	Target FY 2020-21
Number of technical assistance and training hours	2,341	2,700
Number of volunteer hours	9,386	8,000
Amount of grants awarded to business districts	\$118,300	\$94,270
Private funds leveraged by Venture Portland	\$474,396	\$200,000

Worksystems. Prosper Portland and Worksystems, Inc. (Worksystems) have a long-standing partnership. Prosper Portland implements the youth program (known as NextGen) and adult workforce development program (known as Economic Opportunity Program) through grants to Worksystems, which delivers the two programs in coordination with its other workforce services. Worksystems, in turn, provides sub-grants to non-profit providers specializing in youth and adult workforce development. Adult workforce development providers were selected through a request for proposals (RFP) issued by Worksystems in the spring of 2013, and youth workforce development providers were selected through a RFP in the summer of 2017. Prosper Portland was involved in the issuance of both RFPs and in the selection of providers. For a list of anticipated FY 2020-21 youth and adult workforce development service providers, see Attachment A.

The Community Workforce Navigator Program began in 2015 as a way to improve access to appropriate workforce development services and to increase the incomes of low-income residents so they can afford to stay in the neighborhood as housing costs rise. The target populations are under- and unemployed residents, low-income residents, people of color, and English as a Second Language speakers. Prosper Portland piloted this program in the Our 42nd Avenue and Cully Boulevard Alliance Neighborhood Prosperity Network (NPN) districts and has seen that the hands-on, community-based workforce navigator approach better connects services to communities of color and immigrant and refugee populations.

Staff has since expanded the program to include Jade, Division Midway Alliance, Rosewood Initiative, Parkrose and St. Johns NPN districts. The program also includes a navigator to connect residents in these priority neighborhoods to high-growth jobs in the manufacturing industry. To streamline processing and incorporate additional workforce supports, this program will be implemented through a sub-grant from Worksystems to Worksource Portland Metro (WSPM) providers. Coordination between Prosper Portland, Worksystems, WSPM providers, NPN staff, and community leaders is critical for successful program implementation.

In FY 2018-19, Worksystems programs served 1,913 adults and 502 youths; 60 percent of adults and 64 percent of youths identified as people of color. Furthermore, 62 percent of adult participants advanced in employment as demonstrated by gain in earnings, wages and/or benefits, and 69 percent of youth participants were placed in employment or post-secondary training.

Inclusive Business Resource Network. Through focused resources, collaboration, and client-centered services, IBRN seeks to drastically shift outcomes for business owners of color, immigrants, women founders, and other underrepresented minorities. IBRN began in 2017 by combining and growing existing programs to create a portfolio approach to service delivery. Capitalizing on Prosper Portland's strength as a convener, IBRN offers a more holistic and effective service delivery system for underrepresented entrepreneurs in Portland. Prosper Portland partners with and funds organizations to operate a range of programs designed to support diverse entrepreneurs across industries, growth paths, and business stages. For a list of anticipated FY 2020-21 IBRN service providers, see Attachment B.

In FY 2018-19, IBRN served 1,043 entrepreneurs, of which 502 received long-term, intensive support; of those entrepreneurs, 71 percent identified as people of color and 67 percent identified as women. Similar percentages reflect the clients served through the IBRN light-touch services (of the 656 entrepreneurs, 76 percent identified as people of color and 51 as women).

The Prosper Portland Board-approved IBRN Program Guidelines specify that contracts may be renewed for up to five years, based on performance and annual budget availability. For FY 2020-21 staff is amending 14 existing IBRN agreements. Although the IBRN Program Guidelines adopted by the Prosper Portland Board in 2018 authorize the renewal or amendment of these agreements (up to \$500,000 per year per grant) without further Prosper Portland Board approval, staff is seeking the approval nonetheless to confirm its support for doing so. Detail on these seven agreements is outlined in the Budget and Financial Information section below.

EQUITY IMPACT

Venture Portland. Gentrification and displacement pressures create significant challenges for neighborhood business district associations. Venture Portland's Catalytic Investment Initiative is designed to directly address the disparity among Portland's business district associations by focusing resources in North Portland neighborhoods experiencing gentrification pressures and East Portland neighborhoods whose demographic and economic profiles, business district size, and lack of infrastructure pose unique and significant challenges.

Worksystems. The EOI promotes achievement of Prosper Portland’s Strategic Plan goals for wealth creation, access to high quality jobs, and 21st century networks and partnerships. As of March 31, 2020, workforce development programs had served 2,110 individuals; of those served, approximately 62 percent are people of color.

Prosper Portland’s investments in youth and adult workforce leverage significant investment by Worksystems. For the youth system, Worksystems anticipates spending an additional \$2,000,000 in Multnomah and Washington counties. In addition to these investments in intensive one-on-one workforce development services, Worksystems contracts with a work experience intermediary to develop and match youth to appropriate work experience opportunities and provide coaching to the youth and the employer to achieve successful placements. Work experiences are essential in learning the demands and expectations of the work environment and exploring careers of interest in a safe and supportive context. The youth system also funds cohort trainings in the four targeted sectors of healthcare, construction, technology, and manufacturing to give youth entry-level skills to start on a career path in one of these industries.

For adult participants, Worksystems anticipates providing an additional \$1,000,000 in workforce preparation, training, and employment services through WSPM, whose services are set aside for low-income individuals with barriers to employment in Multnomah County. WSPM services are available to address different skill levels, work histories, and career goals and can be accessed by EOI participants to support their career plans.

The Community Workforce Navigator Program provides neighborhood-based workforce support to residents and business owners who are able to more easily connect job seekers to employment opportunities right in their neighborhood. In FY 2019-20 the program served Our 42nd Avenue, Cully Boulevard Alliance, Jade District, Division Midway Alliance, Rosewood, Parkrose, and St Johns NPN district residents and Urban League Portland community members. As of March 2020, the program provided services to 738 individuals; of those, 68 percent are people of color.

Inclusive Business Resource Network. IBRN is designed to serve entrepreneurs who are currently underrepresented as successful business owners in Portland, whether they are low-income or identify as a person of color or other underrepresented identity. Annually, providers serve recipients who typically are 70 to 75 percent people of color.

In addition, IBRN providers, referred to as the Community of Practice (CoP), have been working together to develop a shared equity lens. Since FY 2017-18, the CoP has participated in more than five days of equity training emphasizing racial equity and tools for business advisors to be better prepared to coach their business clients in a culturally competent way.

Prosper Portland staff convene the CoP monthly to build trust and share best practices. More than 60 percent of the business advisors in IBRN are people of color and collectively speak more than 20 languages. Advisors can often speak the client’s first language and add the value of shared experience with business owners of color.

COMMUNITY PARTICIPATION AND FEEDBACK

Venture Portland. There has been no specific public participation related to this action. However, Venture Portland’s board meets quarterly, and it also supports 300 volunteer board members citywide.

Worksystems. As noted above, Prosper Portland and Worksystems, in coordination with PHB, issued RFPs for the selection of service providers for the youth and adult workforce development programs. The process of selecting new providers was open and transparent and involved significant outreach and input from existing providers and other entities interested in providing workforce development services.

Inclusive Business Resource Network. Prosper Portland plays a dual role of funder and convener of IBRN. As a convener, Prosper Portland staff believe the CoP model is essential to IBRN’s success because it supports an environment of trust building, learning, and client-centered collaboration. Annually, a survey of IBRN organization staff provides greater understanding of whether the CoP model is accomplishing its goals and how staff might improve their experience.

IBRN partners inform and help shape the program in multiple ways: monthly CoP meetings, one-on-one check-ins with contract managers, and topic-specific committees including Marketing/Outreach, Professional Services, Equity, Outcomes, and Program Managers.

This collaborative approach gives Prosper Portland staff real-time feedback in order to identify gaps, areas for iterative improvement, and ideas to pilot. For example, as a result of recommendations and ideas from IBRN partners, staff piloted a business tax support program in FY 2018-19 and were able to secure ongoing General Fund resources to continue that program. Staff also piloted a digital marketing support program along with trainings and a digital marketing roadmap for IBRN business advisors, and last year secured \$100,000 from the Governor’s Strategic Reserve Fund to further the digital marketing program.

BUDGET AND FINANCIAL INFORMATION

The City of Portland General Funds, including Cannabis tax revenue, will be provided to Prosper Portland through an annual intergovernmental agreement (IGA) with the City Budget Office (CBO) that will be considered by the Prosper Portland Board through another action on the August 12, 2020 agenda. The Community Development Block Grant (CDBG) funds will be provided through an annual IGA with the Portland Housing Bureau (PHB), also being considered by the Prosper Portland Board on the same agenda. The anticipated overall budget for the three programs under consideration, with all funding sources, is shown in the table below. Funds have been included in Prosper Portland’s FY 2020-21 Adopted Budget. Funds from both PHB and CBO will be provided on a reimbursement invoicing basis with the respective City bureau.

	General Fund	CDBG	Enterprise Zone	Cannabis Revenue	Community Opportunities Enhancement Program	TOTAL*
Venture Portland	\$523,726					\$523,726
Worksystems (see Exhibit A to Resolution 7386 for additional breakdown)	\$1,026,702	\$1,778,661	\$229,000			\$3,034,363
IBRN Total (see below for further detail)	\$1,023,266	\$570,406	\$448,188	\$547,140	\$375,000	\$2,964,000

*Does not include Prosper Portland staff time and materials and services

IBRN budgets specific to this Prosper Portland Board action:

Provider	Multi-year cumulative	FY 2020-21 Budget
Asian Pacific American Network of Oregon (APANO)	\$516,881	\$88,800
Hacienda CDC	\$588,000	194,000
Micro Enterprise Services of Oregon (MESO)	\$2,387,317*	\$488,000
Native American Youth and Family Center (NAYA)	\$576,200	\$174, 600
NuLeaf	\$575,000	\$210,000
Portland Incubator Experiment (PIE)	\$585,000	\$145,000
Xxcelerate	\$550,000	\$137,500

*Includes \$365,500 as part of the FY 2019-20 COVID Small Business Relief Fund

It is possible that additional funds may be identified to support this work. Therefore Resolution Nos. 7385, 7386, 7387 authorize the Executive Director to increase funding to grantees/subrecipients by up to \$500,000, should additional resources become available.

RISK ASSESSMENT

Venture Portland administers a long-standing City program and has done so consistently since 1986. The following processes and contractual obligations identified in the Worksystems and IBRN agreements limit risk and ensure that partners deliver optimal services and work toward the goals of the programs:

- Report accomplishments, challenges, and outcomes bi-annually (or more frequently).
- Regularly invoice for reimbursement of program costs (monthly, or at least quarterly).
- Adhere to federal regulations regarding the use of CDBG funds.

Worksystems-specific:

- Regularly involve Prosper Portland in policy discussions about the youth and adult workforce development system.
- Provide training to providers to ensure CDBG funds are properly administered

IBRN-specific:

- Collaborate with Prosper Portland to administer a client survey or other program evaluation tool every year.
- For organizations receiving CDBG funding, adhere to federal regulations regarding the use of CDBG funds.

ATTACHMENTS

- A. List of Anticipated FY 2020-21 Workforce Development Service Providers
- B. List of Anticipated FY 2020-21 IBRN Service Providers

List of Anticipated FY 2020-21 Workforce Development Service Providers

Provider	Adult Workforce	Youth Workforce	Workforce Navigator
Central City Concern	X		
Home Forward		X	
Human Solutions	X		
Immigrant and Refugee Community Organization	X	X	X
Mt Hood Community College			X
New Avenues for Youth		X	
Oregon Tradeswomen / Constructing Hope	X		
Portland Opportunities Industrialization Center		X	
Portland Community College			X
Portland Youth Builders		X	
SE Works	X		X
Urban League			X
Worksystems, Inc.	X	X	X

List of Anticipated FY 2020-21 IBRN Service Providers

Provider	One on One	Growth	Startup	Business Navigation	COEP	Professional Services
Asian Pacific American Network of Oregon (APANO)				X		
Hacienda CDC	X					
Hispanic Metropolitan Chamber (HMC)	X					
Immigrant and Refugee Community Organization (IRCO)				X		
LatinoBuilt					X	
Livelihood NW	X	X		X	X	X
Metropolitan Family Service (MFS)						X
Mercy Corps NW	X					
Micro Enterprise Services of Oregon (MESO)	X			X		X
Native American Youth and Family Center (NAYA)	X			X		
National Association of Minority Contractors of Oregon (NAMC-Oregon)					X	
Neighborhood House	X					
NuLeaf	X					
Oregon Native American Chamber (ONAC)				X		
Portland Incubator Experiment (PIE)			X			
Professional Business Development Group (PBDG)					X	
Small Business Legal Clinic (SBLC)						X
TiE Oregon			X			
Urban League of Portland					X	
Xxcelerate		X				