



PROSPER
PORTLAND
Building an Equitable Economy

DATE: July 14, 2021
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 21-22
Authorizing Multiple Agreements to Implement Business District, Workforce Development, and Business Technical Assistance Programs During Fiscal Year 2021-22

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution Nos. 7427, 7428 and 7429

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to sign the agreements identified below to implement business district support, workforce development, and small business/entrepreneurship programs administered and funded by Prosper Portland in fiscal year (FY) 2021-22. Three annual agreements exceed the Executive Director’s signature authority and require Prosper Portland Board approval. Additional agreements are included in this authorization in the event that additional funds become available during the fiscal year.

Grantee	Amount	Purpose
Venture Portland	\$1,071,479	Administer and implement business district support programs and the Catalytic Investment Initiative
Worksystems, Inc.	\$3,289,115	Administer and implement youth and adult workforce development services
Inclusive Business Resource Network (multiple grantees)	\$2,823,500	Administer and implement business technical assistance services

Later in 2021, staff will return to the Prosper Portland Board to provide a holistic overview of FY 2020-21 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 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 2021-22, Prosper Portland will contribute \$540,548 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.

Venture Portland will dedicate \$190,000 to fund the Catalytic Investment Initiative (CII) in FY 2021-22. Launched in 2015, the CII provides targeted support to designated neighborhood business district associations in East and North Portland. Districts served in FY 2021-22 will include Foster, Gateway, Lents, Midway, St Johns and Williams. The CII 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.

An additional \$530,931 of American Rescue Plan Act funds allocated by Portland City Council will be included in this grant agreement. These funds will be used to hire a CII program manager, increase CII staff capacity, and implement an events team to provide event specific technical assistance and resources for business districts across the city.

The table below outlines Venture Portland’s annual reporting metrics and includes actuals as of March 30, 2021, for FY 2020-21 and target goals for FY 2021-22.

Venture Portland General Fund Performance Metrics	Current Actual FY 2020-21	Target FY 2021-22
Number of technical assistance and training hours	3,254	2,700
Number of volunteer hours	4,669	8,000
Amount of grants awarded to business districts	\$75,000	\$97,299
Private funds leveraged by Venture Portland	\$19,655	\$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

an RFP in the summer of 2017. Prosper Portland was involved in the issuance of both RFPs and in the selection of providers. A list of anticipated FY 2021-22 youth and adult workforce development service providers is included in Exhibit A to Resolution 7428.

The Community Workforce Navigator Program began in 2015 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 District, Division Midway Alliance, Rosewood Initiative, Historic Parkrose, and St. Johns Center for Opportunity NPN districts. The program also includes a navigator at Urban League 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 2019-20, Worksystems programs served 1,801 adults and 524 youths; 67 percent of adults and 70 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 73 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. Prosper Portland launched IBRN 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. A list of anticipated FY 2021-22 IBRN service providers is included as Exhibit A in Resolution 7429

In FY 2019-20, IBRN served more than 1,050 businesses, of which approximately 500 received long-term support (at least 30 hours per year). Seventy-four percent of clients were People of Color and 58 percent identified as women or gender-expansive.

On September 12, 2018, through Resolution No. 7286, the Prosper Portland Board approved IBRN Program Guidelines which specify that contracts may be renewed for up to five years, based on performance and annual budget availability. For FY 2021-22 staff is executing 18 IBRN agreements. The amendment to the agreement with Livelihood NW requires Prosper Portland Board authorization as it exceeds \$500,000. The remaining agreements fall under the IBRN Program Guidelines which authorize the renewal or amendment of these agreements (up to \$500,000 per year per grant) without further Prosper Portland Board approval. Nonetheless, staff is seeking approval to confirm its support for doing so and is seeking Prosper Portland Board approval to authorize the Executive Director to increase contract budgets (potentially over \$500,000) if additional funds become available during the fiscal year. Detail on these agreements is outlined in Resolution 7429.

Note, this action does not include agreements with partners that provide service through the Community Opportunities and Enhancements Program. While part of IBRN, those agreements are guided by an Intergovernmental Agreement (IGA) with the City's Office of Management and Finance and the City's Office of Equity and Human Rights, which will be described through a different item on the July 14, 2021, Prosper Portland Board meeting agenda.

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. The workforce development programs serve over 2,000 individuals per year; approximately 68 percent of those served in FY 2019-20 identified as 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 Initiative, Historic Parkrose, and St Johns Center for Opportunity NPN district residents and Urban League Portland community members. In FY 2019-20, the program provided services to 906 individuals; of those, 76 percent were 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, identify as a person of color or are a member of another underrepresented community. Annually, 70 to 75 percent of clients served are 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 10 days of equity training and workshops emphasizing racial equity and providing tools for business advisors 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 the CoP 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

While there has been no specific public participation related to these actions, there has been considerable community engagement over many years. Most recently, Prosper Portland's Community Budget Committee (CBC) reviewed the FY 2021-22 draft budgets for these economic development programs. The CBC's top priority, as expressed in their January 29, 2021, letter recommended restoring the five percent cut requested by Mayor Wheeler in his budget directive.

Venture Portland. Venture Portland's board meets quarterly and is comprised of an all-volunteer board of directors and professional staff. The board is made up of delegates from member business districts that simultaneously serve on Venture Portland's board and contribute to their business district while also working at their own businesses.

Worksystems. As noted above, Prosper Portland and Worksystems 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. Periodic surveys of IBRN organization staff provide 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 have secured funding from the Governor's Strategic Reserve Fund and Cannabis tax revenue 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 IGA with the City Budget Office (CBO) that was approved by the Prosper Portland Board through Resolution No. 7421 on June 23, 2021. The Community Development Block Grant (CDBG) funds and CDBG COVID (CDBG-CV) funds will be provided through an annual IGA with the Portland Housing Bureau (PHB), that was approved by the Prosper Portland Board through Resolution No. 7422 on June 23, 2021. 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 2021-22 Adopted Budget. Funds from both PHB and CBO will be provided on a reimbursement invoicing basis with the respective City bureau.

	General Fund	Community Development Block Gant (CDBG)	CDBG CARES Act (CDBG-CV)	Enterprise Zone	Cannabis Revenue	American Rescue Act Plan (ARPA)	TOTAL*
Venture Portland	\$540,548	\$0		\$0	\$0	\$530,931	\$1,071,479
Worksystems (see Exhibit A to Resolution 7428 for further detail)	\$1,197,627	\$1,762,488	\$100,000	\$229,000	\$0	\$0	\$3,289,115
IBRN (see Exhibit A to Resolution 7429 for further detail)	\$1,219,501	\$570,406	\$0**	\$265,000	\$768,593	\$0	\$2,823,500

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

**There is a separate process to allocate CDBG-CV funds for small business support. Many IBRN partners were awarded funds through this process, however these contracts are separate from the IBRN contracts.

It is possible that additional funds may be identified to support this work. Therefore Resolution Nos. 7427, 7428, and 7429 authorize the Executive Director to increase funding to grantees/subrecipients by up to an additional \$500,000, should additional resources become available.

RISK ASSESSMENT

The following processes and contractual obligations identified in the Venture Portland, 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 and ARPA funds.

Venture Portland- specific:

- Close coordination with Prosper Portland to ensure ARPA funds are appropriately administered.

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:

- Regular check ins between Prosper Portland Program Manager and Contract Manager.
- Participation in CoP meetings and working within the Network-developed program values.

ATTACHMENTS

None.