



**PROSPER**  
**PORTLAND**  
Building an Equitable Economy

**DATE:** July 13, 2022  
**TO:** Board of Commissioners  
**FROM:** Kimberly Branam, Executive Director  
**SUBJECT:** Report Number 22-24

Authorizing Execution of Amended Intergovernmental Agreement with the City of Portland Office of Management and Finance to Implement Economic Development Projects with Federal American Rescue Plan Funds

#### **BOARD ACTION REQUESTED AND BRIEF DESCRIPTION**

Adopt Resolution No. 7458

This action by the Prosper Portland Board of Commissioners (Board) will i.) authorize execution of an amended Intergovernmental Agreement (IGA) with the City of Portland (City) Office of Management and Finance (OMF) to implement economic development projects with local federal American Rescue Plan Act (ARP) Funds; and ii.) authorize the Executive Director to execute subrecipient contracts. If approved, this action will allow Prosper Portland to invest \$21,398,933 of federal relief resources to support Portland's small businesses, events and activations, community-based providers, and workforce development services for residents.

#### **STRATEGIC PLAN ALIGNMENT AND OUTCOMES**

This action will deliver on Prosper Portland's Strategic Plan goals to create healthy, complete neighborhoods; provide access high quality employment; foster wealth creation within communities of color; and form 21st century civic networks, institutions, and partnerships.

#### **BACKGROUND AND CONTEXT**

The American Rescue Plan, also known as the COVID-19 Stimulus Package or American Rescue Plan Act (ARP) of 2021, is a \$1,900,000,000,000 economic stimulus bill signed into law in March 2021. The City received \$207,900,000 of local relief funds in two installments. City Council, through Ordinance Nos. 190443, 190525, and 190868 appropriated \$21,398,933 to Prosper Portland to implement the following eight economic development projects:

##### **Minority Chambers of Commerce Support**

The Minority Chamber of Commerce Support provides capacity building funds to community-based partner organizations directly serving BIPOC and diverse small business. Prosper Portland entered into subrecipient agreements last fiscal year with the Hispanic Metropolitan Chamber, Black American Chamber of Commerce, Oregon Native American Chamber, Soul District Business Association and Oregon Pride In Business. This project was funded through the first ARP allocation and is expected to be completed in December 2022.

Venture Portland Catalytic Investment Initiative

Prosper Portland entered into a subrecipient contract in fiscal year (FY) 2021-22 with Venture Portland to increase its staff capacity to better serve six designated Catalytic Investment Initiative (CII) business districts that have historically been under-represented and have a higher number of BIPOC-owned businesses. The additional staff capacity increased organizer hours from 12 hours a week per district to up to 36 hours per week in six CII districts, which includes St Johns, Williams, Foster, Lents, Gateway, and Midway business districts.

In addition to support for the CII districts, Venture Portland deployed an Events Hub Team that is a one-stop-shop for business districts and organizations needing technical assistance to implement neighborhood and large-scale events while navigating COVID-19 restrictions and best practices. This project was funded through the first ARP allocation to provide these services for one year. The second allocation of funding expands these services for an additional two years and provides grant funding for business districts. The project is expected to be completed December 2024.

Downtown and Commercial Business Corridors Revitalization and Activation Consultant Team

Prosper Portland contracted with a consultant team to implement a near-term retail and activation strategy with a focus on prioritizing businesses owned by and community-based organizations serving Black, Indigenous, and People of Color. The consultant led the following activities to support and elevate small businesses and organizations adversely impacted by the COVID-19 pandemic:

- Developed a marketing and communications campaign to promote activities within the central city and broader city of Portland featuring small businesses and community-based organizations
- Planned and execute pop-up small business events and activations for interim use activities in vacant storefronts and adjacent spaces, including working with property owners and small businesses for short-term leasing opportunities.
- Programmed community-based events and activations at key community business nodes and corridors in partnership with community-based organizations.

Although this project will be completed August 31, 2022, most of this work will continue under the new activations and re-tenanting project.

Small Business Resource Navigation & Technical Assistance

Prosper Portland is helping to address the inequitable access to federal and state funds and business support by implementing a culturally specific navigator program which will help BIPOC-owned businesses impacted by the pandemic access relief-focused assistance and light touch navigation services. The business navigation services will be provided through community partners who will support businesses who need assistance accessing grants, loans, or other COVID-19 relief resources. Prosper Portland entered into a subrecipient contract with the providers that were selected through a request for proposal (RFP) process. Services and the navigation hub website will launch this fiscal year. Below is the list of providers selected through the RFP. These services will be in place through June 2024.

<b>Services</b>	<b>Provider(s)</b>
Central Resource Hub Navigator	Black American Chamber of Commerce
One-on-One Business Assistance Navigation	IRCO, Mercy Corp NW, Livelihood NW, Micro Enterprise Services of Oregon, Hacienda CDC

Relief & Recovery Technical Assistance for Black-owned businesses	Micro Enterprise Services of Oregon
Relief & Recovery Technical Assistance for Green Cities Businesses	VertueLab

Rapid Workforce Training & Employment for Vulnerable Portlanders

Prosper Portland entered into a subrecipient contract with Worksystems, Inc to provide paid work opportunities and rapid re-careering services for Portlanders who are houseless, at risk of eviction, or at risk of involvement in violence. These services will address the disproportional economic impacts COVID-19 has had on people of color and other vulnerable populations currently disconnected from the workforce.

The paid work and stipend employment opportunities will focus on city recovery efforts, including trash and graffiti cleanup and houseless community support. These work opportunities will also include placements at businesses that are at risk of closing because of losses incurred while cooperating with the social distancing guidelines required by the State of Oregon.

The rapid workforce training component will help individuals re-career through short-term and intensive trainings focused on high-demand industries with middle-income jobs. The trainings are approximately 12 weeks or shorter in duration from the start of the training to employment. After a participant has completed a training program, they will be provided direct connections to employers. This funding will be used to scale existing industry specific trainings that have been developed. These programs have connections with employer partners who hire program graduates in areas such as construction, waste and recycling hauling, entry-level clerical positions within hospitals and clinics, entry level information technology careers, and banking customer service.

This project was funded through the first ARP allocation. The second allocation of funding expands these services for an additional two years and also provides funding for intentional shopping campaigns by purchasing Kuto App credits for use in priority business districts adversely impacted by the pandemic. The project is expected to be completed December 2024.

Activations and Re-tenanting

Building on the previous work done through the ARP funded Downtown and Commercial Business Corridors Revitalization and Activation consultant team, Prosper Portland will continue this support by partnering with public and private property owners, small businesses, artists, and event producers to invest along ‘main streets’ and within larger business districts in a way that will bring customers to these areas, while providing technical and financial resources to small businesses and business advisors to support tenant readiness to re-tenant vacant buildings within those districts.

These efforts coupled with strategic marketing campaigns will create and raise awareness of partner-led and Prosper Portland-hosted local events and activities happening around Portland. Activities such as retail pop-ups, window activations, and event productions support the growth and vitality of local small businesses while generating activity and increased foot traffic in our neighborhood business districts.

A key activation within a larger district format will be My People’s Market (MPM), which provides critical access and visibility for BIPOC makers, designers, artists, and food-based businesses. Building off the market’s success in August 2021 in the North Park Blocks where it provided an opportunity for 150 businesses to sell in the pandemic and reclaim a part of their lost sales, the most recent MPM brought businesses together once again at an outdoor market at the Workshop Blocks in the Central Eastside

(hosted by Prosper Portland) on June 2, 3, 4, 2021. It was a great proof of concept and MPM will establish a more regular event presence in the Central Eastside and nearby venues, providing six additional selling opportunities each year for BIPOC owned businesses.

#### Small Business Stabilization and Operating Support

Prosper Portland will enter into subrecipient agreements and contracts with community-based organizations and other real estate advisors to help retain small business through technical and financial assistance who are critical to the city's return to a healthy street environment along commercial corridors in some of the most impacted districts including within East Portland, Old Town, and Central Eastside.

As the pandemic continues to disrupt economic activity, many businesses including restaurants and local retailers are struggling to stay in their brick-and-mortar spaces. They continue to face reduced revenue, past due rent, labor shortages, increased costs including insurance premiums, and ongoing break-ins and security challenges. These issues compounded by spikes in COVID variants that impact their ability to stay open.

Access to technical and financial resources is critical for small businesses who have a range of needs spanning from operating support to keep them in their space to financial and legal advice for those who have been forced to close their businesses and are in eviction proceedings and/or being sued. Additional supports will likely include legal services for lease negotiation and mediation, financial resources for back and future rents, as well as security including de-escalation techniques to increase safety for customers and staff. Prosper Portland will consult with partners and advisors to scope the services and allocate the resources.

#### Fairfield Project

The Fairfield Retail Revitalization project will restore 3,000 square feet of much needed retail space in the heart of the West End and Pride Plaza along SW Harvey Milk St. The space is unique, co-located inside a federally subsidized extremely low-income housing building called the Fairfield Apartments. The four-story brick building was built in 1911 and has, for many years, contained 82-unit single room occupancy (SRO) units. The Portland Housing Bureau (PHB) has operated the building since 2010, but the aging building has needed major renovations and seismic upgrades for much longer. PHB has partnered with Home Forward to lead and manage the work and Home Forward has successfully assembled funding for housing-related components of the building, but those cannot, by law, cover the commercial spaces. Recognizing the importance of the ground floor space to the overall health of the business district, Portland City Council asked Prosper Portland to lead a development and operations strategy for it. Prosper has been tasked with identifying funding sufficient to cover the currently estimated \$2,500,000 development cost. Prosper has determined it is able to provide up to \$600,000 from River District TIF funds, leaving a financing gap for the development of approximately \$1,900,000 ARP funds cover that gap.

#### East Portland Equitable Development - 82nd Avenue Small Business Grants and Technical Assistance

Prosper Portland will receive up to \$825,000 in ARPA funds to implement business supports in the form of grants and/or technical assistance to businesses in and around the 82nd Ave corridor who have been adversely impacted by COVID-19. In 2021 the Portland Bureau of Transportation (PBOT) announced the award of \$80,000,000 in ARP funds to deliver Phase 1 of comprehensive improvements to the 82nd Avenue roadway and the adjacent transportation facilities. However, the project funding cannot be used to address construction impacts to businesses or to anticipate the impact of potential displacement pressures for those living and working on and near the corridor.

City Council approved a budget package that was allocated to PHB, with the intent that the funding allocation would be closely coordinated PBOT and Prosper Portland, to support a holistic package, addressing people that live, work and do business in the corridor.

Prosper Portland staff are currently developing a project implementation plan and budget with bureau partners. Prosper Portland will be responsible for administering business grants for small scale property improvements and/or operating costs, and business technical assistance through community-based organizations within the Inclusive Business Resource Network.

**Branding and Marketing Consultant**

Prosper Portland will receive ARPA funds to support and promote central city events, activations, and awareness campaigns. These funds were previously allocated to a Portland Bureau of Transportation project but will be redirected to Prosper Portland. Due to the ongoing impact of COVID-19, retailers, restaurants, and clubs located in the central city continue to struggle. Prior to the pandemic, most of these businesses enjoyed regular support provided by downtown workers and visitors. The event promotion and awareness campaigns will be closely coordinated with an array of public, private, and non-profit partners with the overall goal of inviting residents, visitors, employees, and employers to actively support the local businesses that are directly linked to the vibrancy of the central city.

In order to pass the federal resources to Prosper Portland, OMF, and Prosper Portland have entered into an IGA that outlines the scopes of work, equity requirements, and reporting requirements.

**EQUITY IMPACT**

These projects were funded by City Council because they align with the City’s core values of anti-racism, equity, in-language access, and transparency to ensure benefits for Black, Indigenous, and communities of color and the most vulnerable Portlanders.

**COMMUNITY PARTICIPATION AND FEEDBACK**

In March 2021, staff convened the Economic Relief and Stabilization Coordinating Council (Economic Council) to identify, coordinate, and deliver on key economic relief and stimulus priorities aligned with City Council direction, community input, and near-term opportunities. The Economic Council coordinated across City bureaus to achieve shared priorities, reduce duplication and confusion, and provide options and recommendations to City Council.

Staff also engaged with the Economic Recovery Task Force, the City of Portland action tables, and the Prosper Portland Community Budget Committee.

**BUDGET AND FINANCIAL INFORMATION**

Prosper Portland anticipates receiving \$21,373,933 of ARP funds. The chart below provides a breakdown of funding allocation by project. Prosper Portland anticipates allocating approximately \$1,700,000 of these funds toward staffing and overhead costs. A limited term (LTE) project manager and project coordinator were hired to implement a portion of Round 1 work. Three more LTE positions are also projected to implement Round 2 work.

<b>Project</b>	<b>Round 1 Amount</b>	<b>Round 2 Amount</b>	<b>Total Allocation</b>
Rapid Workforce Training & Employment for Vulnerable Portlanders	\$4,000,000	\$3,000,000	\$7,000,000
Venture Portland Catalytic Investment Initiative	\$530,931	\$1,778,002	\$2,308,933

Downtown and Commercial Business Corridors Revitalization and Activation Consultant Team	\$165,000		\$165,000
Small Business Resource Navigation & Technical Assistance	\$2,000,000		\$2,000,000
Minority Chamber of Commerce Support	\$700,000		\$700,000
Activations and Re-tenanting		\$2,250,000	\$2,250,000
Business Stabilization and Support		\$4,000,000	\$4,000,000
Fairfield Project		\$1,900,000	\$1,900,000
East Portland Equitable Development - 82nd Avenue Small Business Grants and Technical Assistance		\$825,000	
Branding and Marketing Consultant		\$250,000	
<b>Total</b>	<b>\$7,395,931</b>	<b>\$14,003,002</b>	<b>\$21,398,933</b>

**RISK ASSESSMENT**

Staff will conduct a risk assessment for each organization contracted through a subrecipient agreement. If an organization is considered moderate to high risk, additional monitoring and/or reporting may be required.

Project timelines may need to be adjusted to recruit and onboard additional staff to manage the projects.

**ATTACHMENTS**

None.