



PROSPER
PORTLAND
Building an Equitable Economy

DATE: September 27, 2023
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 23-26
Nominating Members to the Cully Tax Increment Finance District Community Leadership Committee and Recommending City Council Appointment

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7499

This action by the Prosper Portland Board of Commissioners (Board) will nominate seven members to the Cully Tax Increment Finance (TIF) Community Leadership Committee (Committee). If nominated, Portland City Council will consider appointing these seven individuals and six others nominated by Mayor Ted Wheeler to serve on the Committee and fulfill obligations as outlined in the Cully TIF District Plan and Community Governance Charter (Charter) that is attached as Attachment A, namely, to advise on implementation of the Cully TIF Plan by providing essential guidance, public recommendations, and oversight implementation. This action will also delegate future Prosper Portland nominations to the Executive Director.

STRATEGIC ALIGNMENT AND OUTCOMES

The work of the Committee in advising on Cully TIF District Plan investments will address Objective 2 of *Advance Portland: A Call to Action for Inclusive Economic Growth* by promoting equitable wealth creation and ownership opportunities for those historically underserved and Objective 3 by fostering neighborhood commercial districts and supporting small businesses, particularly along NE 42nd Avenue and Cully Boulevard.

BACKGROUND AND CONTEXT

In 2018, a group of community-based organizations, representing people of color, tribal and Indigenous communities, immigrants, and low-income people in Northeast Portland's Cully neighborhood, approached Prosper Portland and the Portland Housing Bureau (PHB) to determine whether TIF could be available for community development and anti-displacement efforts. To realize the neighborhood's vision, Cully community organizations, together with Prosper Portland and PHB, facilitated a community process from 2019 to 2022 to explore the creation of a Cully TIF District.

Supported by funding from Metro and the City of Portland, an Exploration Leadership Committee (ELC) comprised of community-based organizations and Cully residents played a central role in overseeing a thorough engagement process. The ELC was actively involved in collecting valuable insights and input from the community and their efforts culminated in the development of the Preliminary Report, which served as the foundational basis for the subsequent formulation and presentation of the Cully TIF Plan.

With staffing support from Living Cully, members of the ELC included:

- Cully Association of Neighbors
- Cully Boulevard Alliance
- Habitat for Humanity Portland Region
- Hacienda Community Development Corporation
- Native American Youth and Family Center
- Our 42nd Avenue
- Verde
- Residents of the Cully Community

Following this multiyear process, on September 14, 2022, through Resolution No.7465, the Prosper Board approved the Cully TIF District Plan, followed by Portland City Council adoption on November 19, 2022, through Ordinance 191071. Over the approximately 35-year life of the district, the Cully TIF District Plan will have a maximum indebtedness, or borrowing limit, of \$350,000,000, of which approximately \$143,000,000 (forty-five percent of net proceeds) is reserved for Portland Housing Bureau affordable housing investments in alignment with the City of Portland’s Set Aside policy. The remaining funds will be administered by Prosper Portland with a minimum of forty-five percent reserved to support small businesses and economic development initiatives.

The Cully TIF District Plan outlines a list of eligible projects and investments that increase equitable access to capital, housing stability, and economic opportunities for those that reside or own a business in Cully. Eligible projects include:

- Affordable Housing (single family home repair, homeownership, multifamily rental development, rehabilitation and preservation of existing regulated housing, acquisition, and rehabilitation of existing market rate housing)
- Commercial Property Acquisition, Development and Renovation (long term stable affordable commercial space, employment support, mixed used development, and access to high wage employment)
- Arts, Culture & Signage (with a focus on celebration and representation of Priority Communities in Cully)
- Land Acquisition and Land Banking (acquiring properties for future development or redevelopment)
- Recreational Improvements (such as community centers, gardens, athletic and recreational facilities)
- Infrastructure Improvements (safety-related transportation improvements and other infrastructure triggered by or directly supporting community stabilization for Priority Communities)

One of the Committee’s primary roles will be to work with Prosper Portland and PHB staff to create a five-year action plan that prioritizes TIF investments in the types of projects listed above. The Committee consists of thirteen individuals who either live, work, worship, have children enrolled in school, or have been displaced from the Cully TIF District boundary. The Committee’s composition reflects the diversity of the Cully community, and all members are expected to represent community interests rather than their own individual interests. All nominated members have a range of professional, lived experience and technical knowledge to guide and promote implementation of the TIF Plan (e.g., affordable housing, economic development, or engagement expertise).

As set forth in the Charter, the Prosper Portland Board nominates seven individuals for three-year terms, while the Office of the Mayor nominates six individuals for two-year terms. Portland City Council will consider appointing all nominees in October 2023. The Charter allows for the Prosper Portland Board to delegate to the Executive Director future Committee nominations.

EQUITY IMPACT

This action will continue to prioritize Cully community voices in how public resources are invested in a community experiencing displacement and change. Over the past ten years, Cully has experienced increased market and gentrification pressures through rising retail and office lease rates (thirty-seven percent and fifty-one percent, respectively) and increased housing costs, making rental housing unaffordable to average three-person extremely low-income households, Black residents, and single parents in the Cully-Roseway neighborhood.

Launching the Committee establishes a model for equitable governance, institutionalizing a long-term, co-creation partnership between the City and Cully community, intentionally centering the representation and needs of Priority Communities and those households and businesses most economically vulnerable to displacement.

COMMUNITY PARTICIPATION AND FEEDBACK

In partnership with the City’s Office of Civic and Community Life Advisory Body Program, staff conducted a public recruitment process to solicit interest in serving on the Committee. The application was live in both English and Spanish from April 12, 2023, to May 8, 2023; this was the first time a city board application process resulted in applications received in a language other than English. During the recruitment period, Prosper Portland supported Living Cully to conduct a bi-lingual open house at Las Adelitas on April 13, 2023; approximately fifty people attended.

In the ongoing spirit of co-creation, a selection panel was established consisting of four community members, two Prosper Portland staff, and one PHB staff. The selection committee reviewed 27 applicants and submitted an initial list of names for consideration. The list was ultimately adjusted to increase the number of Committee nominees who had participated in or helped lead the ELC process (with the goal of maintaining that historical knowledge) and to augment economic development perspective. The adjustments and rationale were shared with the initial recommending selection committee, and no objections were made.

BUDGET AND FINANCIAL INFORMATION

There are no budget impacts from this action.

RISK ASSESSMENT

There are no risks to Prosper Portland from this action.

ATTACHMENTS

- A. Cully Community Governance Charter