



**PROSPER**  
PORTLAND

**Building an Equitable Economy**

# Prosper Portland Proposed Budget FY 2020-2021

## 5.3.20 City Council Budget Presentation

Gustavo Cruz, Chair  
Kimberly Branam, Executive Director  
Tory Campbell, Economic Development Director  
Lisa Abuaf, Development & Investment Director  
Tony Barnes, Finance Manager

# FY 2020-21 Budget Summary



## Resources

**\$291.1 M** Total  
(net of interfund transfers and tax  
increment reserved for Housing Set Aside)

- 90%** Tax Increment Financing +  
Beginning Balances
- 2%** Property Income &  
Revolving Loan
- 3%** General Fund & Cannabis
- 2%** Community Development  
Block Grants, other grants
- 3%** Enterprise Zone Community  
Fund and other resources



## Expenditures

**\$166.1 M** Total  
(net of Housing Set Aside)

- 9%** Personnel
- 2%** Administrative
- 82%** Capital (infras & redevl)
- 7%** Economic Dev. Programs



## Staff

**86.1** Total FTE/LTE

Largest staff programs:

- 30** FTE/LTE  
Development & Investment
- 17.1** FTE/LTE  
Economic Development
- 11** FTE /LTE  
Equity, Governance & Communications

# Process & Community Budget Committee

**Arlene Kimura**  
Hazelwood Neighborhood Association

**Ashley Henry**  
Business for Better Portland

**Bryson Davis**  
Williams & Russell Project Working Group

**Cara Snow**  
Technology Association of Oregon

**Corky Collier**  
Columbia Corridor Association

**Dan Zalkow**  
Portland State University

**Duncan Hwang**  
Asian Pacific American Network of Oregon

**Gwen Thompson**  
N/NE Community Development Initiative

**Helen Ying**  
Old Town Chinatown Community Association

**James Paulson**  
Worksystems Inc

**Johanna Brickman**  
VertueLab

**Karl Naone**  
TiE Oregon

**Kate Merrill**  
Central Eastside Industrial Council

**Jenny Glass**  
Rosewood Initiative

**Michael Harrison**  
Oregon Health Science University

**Oscar Arana**  
Native American Youth and Family Center

**Owen Ronchelli**  
Go Lloyd

**Rana Uzzaman**  
Council for Economic & Racial Equity

**Sabina Urdes**  
Lents Neighborhood Association

# Addressing Financial & Economic Impact of COVID-19

# Updated Financial Overview

- TIF revenue and TIF reserves remain steady
- Program Income reduced by approximately \$6M per year for next three years
  - Rent and loan deferrals to commercial tenants and borrowers
  - Lack of parking demand
  - Closure of Inn at Convention Center
- Reduction in General Fund Ongoing, increase in one-time programming resources

# Addressing Financial Impact

*Taking proactive steps in a fluid environment*

## Near-term approach to address revenue reduction

Constrain personnel costs

Reduce M&S expenditures

Reposition existing programs and resources



## Longer-term process to understand and offset financial reduction

Prioritize key transactions to address program income deficits

Evaluate workload and priorities considering updated forecasts

# Economic Relief & Stabilization: Framework & Early Actions



## 1. Increase Communication & Connections to Support

Established central number and call center for small businesses and impacted individuals: **503-823-4000**

Launched **COVID-19 Resource Page** for businesses and residents



## 2. Mitigate Economic Hardship on Impacted Individuals

Imposed an eviction moratorium for residents  
Secured unemployment insurance regulations adjustment



## 3. Help Small Businesses Stay Solvent & Retain Employees

Provided \$150k to APANO to support Jade District Businesses  
Launched \$2.4M Small Business Relief Fund with partners  
Unlocked SBA-disaster loans



## 4. Evaluate City Business Practices and Redirect Available Resources

City and Prosper offered rent and loan payment deferrals for borrowers & commercial tenants  
Redirected \$3M to invest in small business fund and household rent relief

Prioritize support to the most **vulnerable**, applying a racial equity lens.  
**Act quickly.** Leverage existing networks and assets.  
Made a difference where possible. **Partner &** advocate elsewhere.

# Portland Small Business Relief Fund

- **Purpose:** Provide small grants and no interest loans to COVID-19 impacted small businesses; provide interim relief and enable them to retain their business and employees.
- \$1.4M available for grants up to \$10,000
- \$1M available for zero-interest loans up to \$50,000



# Equity & Vulnerability Priorities

- **Businesses owned by Black, Indigenous, Asian Pacific Islander and People of Color and/or women**
- **Businesses for whom resources will help them stay in business**
- **Businesses that continue to pay employees and/or provide healthcare and other insurance during COVID-19**

# Portland Small Business Relief Fund Grants

**8,777** applications received

**280** grants awarded

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**90%**  
to People of Color

**61%**  
to women

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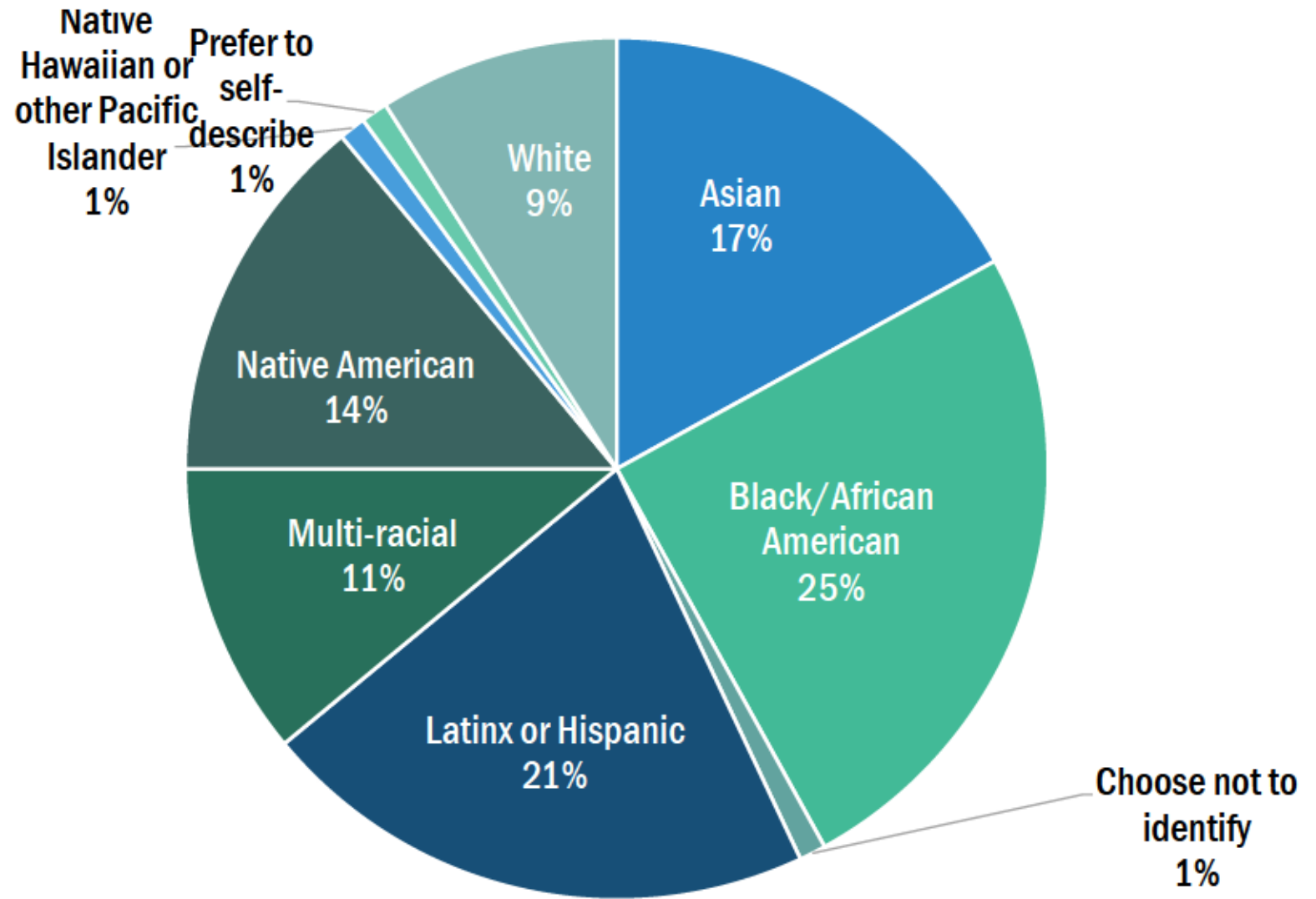
**\$2,500**  
133 grants

**\$5,000**  
94 grants

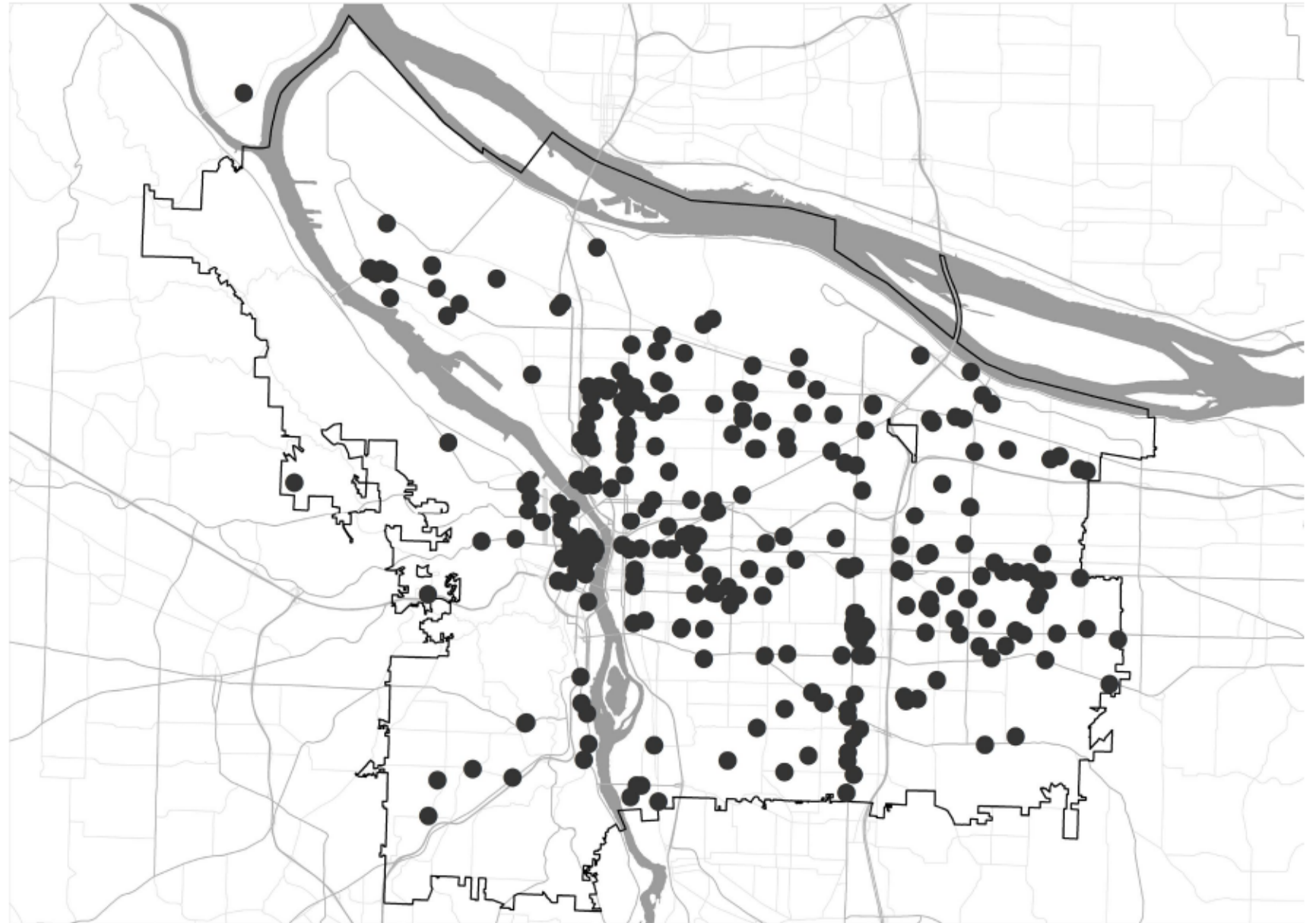
**\$10,000**  
53 grants

# Small Business Relief Fund Awardees

## RACE / ETHNICITY OF RECIPIENTS

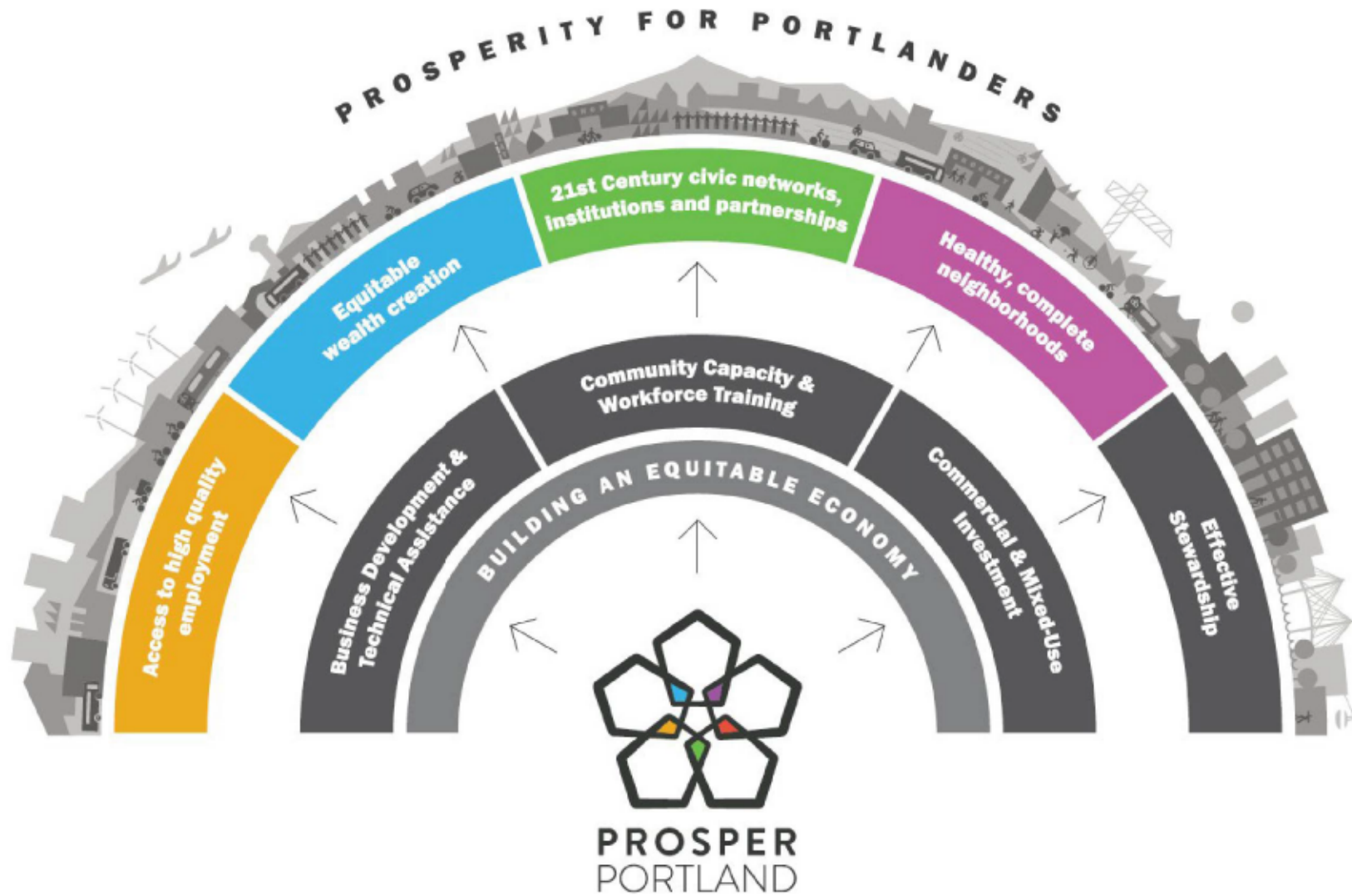


**Small Business  
Relief Fund  
Awardees  
BUSINESS LOCATION**



# FY20-21 Budget: Prioritizing Economic Relief & Recovery

# 2020 Strategic Plan



# Economic Stabilization & Recovery Priorities



**Household Relief & Recovery:** Access to Support & Employment



**Business Stabilization & Recovery:** Retaining & Creating Business Assets



**Community Partners Stabilization & Recovery:** Retain Critical Services



**Neighborhood Stabilization & Recovery:** Community Development & Mitigating Displacement

# FY18/19 Impacts



**3,463** Jobs Created/  
Retained/Placed



**~50K**

SF of Affordable  
Commercial  
Tenancing Space

**1,470** Total/BIPOC  
Workforce  
(61%) Participants

**\$1.2M**  
(68%)

Total/BIPOC  
Prosperity  
Investment Program  
Grant Investment



**1,040** Total/BIPOC  
IBRN Clients  
(72%)



**\$1.5M**

Community  
Livability  
Grants

**23%** Certified/DMWBE  
(20%) Participation



# FY20/21 Priorities

## Entrepreneurship & Community Economic Development

*General Fund, CDBG, E-  
Zone, Cannabis Funds &  
NPN Resources*



**Workforce Development:** Pivot to light-touch support; increase capacity of partners



**Small Business Relief Fund:** Support 300+ additional businesses with 1-time funding



**IBRN:** Increase light touch assistance; ongoing support for BIPOC cannabis firms; focus Mercatus/MPM online



**Neighborhood Prosperity Network & Venture Portland:** Build organization capacity to support businesses, residents through recovery

# FY20/21 Priorities

## Traded Sector Development

*General Fund, CDBG, E-Zone, Cannabis Funds & NPN Resources*



### **Traded Sector Support:**

Increase firm and industry engagement to identify opportunities and vulnerabilities; retain jobs



### **Portland Means Progress:**

Pivot to employer COVID-19 response w/strong equity framework; maximize intentional purchasing from BIPOC businesses.



**Startups:** Ramp up support for post-layoff company development



**Enterprise Zone:** Review program to maximize revenue and reduce disqualifications

# FY20/21 Priorities

## Commercial & Mixed- Use Investment

## *Tax Increment Finance Resources*



**Commercial Corridors & Job Centers:** Coordinate with PBOT, PHB, BPS to further infrastructure and anti-displacement in Gateway, Lents, N/NE, Central Eastside, South Waterfront



**Small Business Support:** \$3 million new Prosperity Investment Program grants; loan deferrals for impacted local businesses



**Anchor Non-Profit Support:** Resource physical space needs and capacity w/\$1.7M new Community Livability grants



**Commercial Stabilization:** Identify at-risk property owners and stabilizing investments to support businesses, property owners and communities (e.g. affordable commercial tenanting).

**FY20/21**

**Priorities**

**Commercial & Mixed-  
Use Investment Cont'd**

*Tax Increment Finance  
Resources*



**N/NE Cultural  
Business Hub  
Interstate**



**106<sup>th</sup> &  
Halsey  
Gateway**



**Broadway  
Corridor  
River District**



**92<sup>nd</sup>  
& Harold  
Lents**



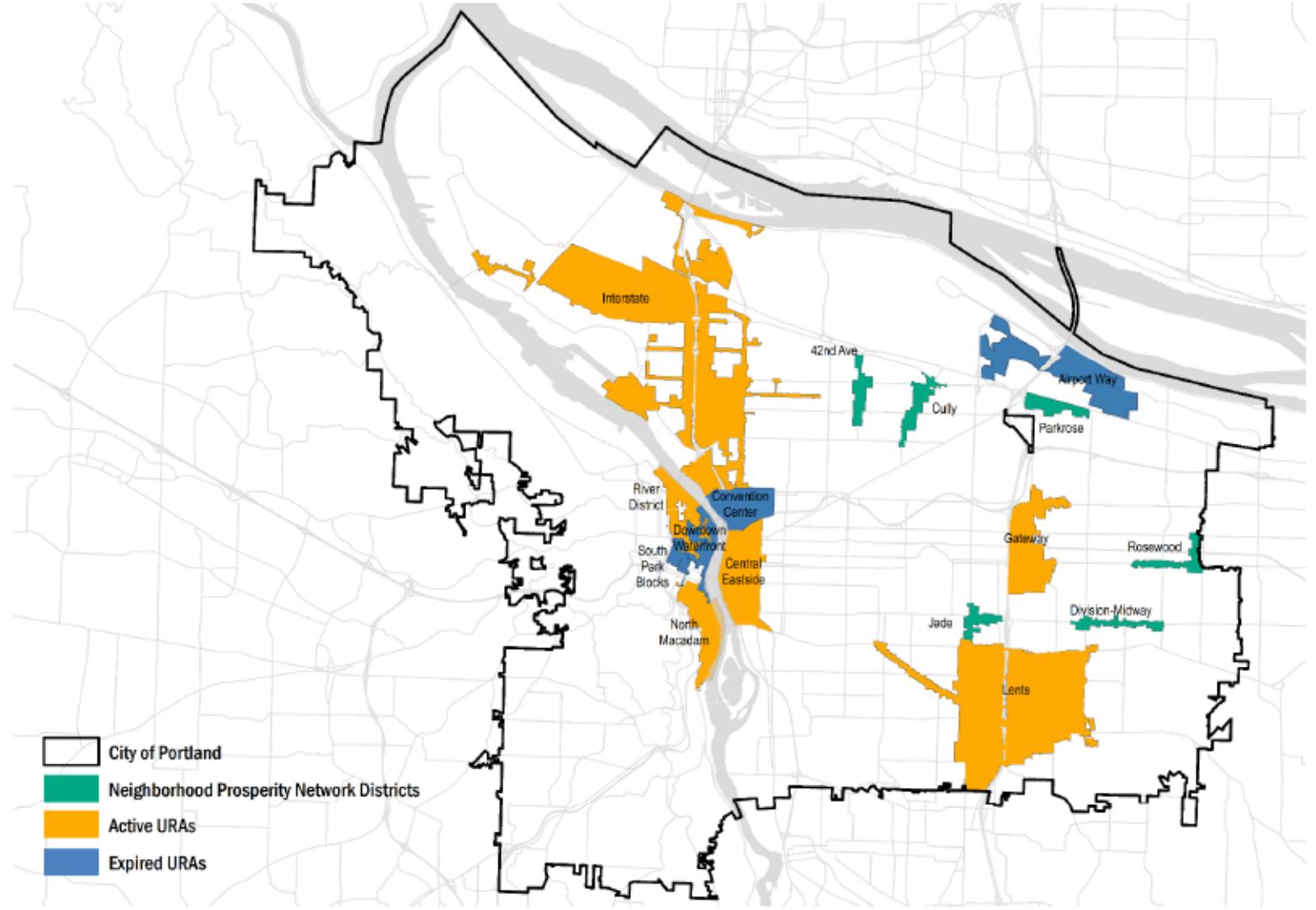
**4<sup>th</sup> & Burnside,  
Blocks 24 & 25  
Old Town /  
Chinatown**



**Workshop  
Blocks  
Central  
Eastside**

# Long Term Forecast

# TIF Districts 2020-2021



## Five Year Forecast

Total Resources -  
\$601 million

Includes \$228M  
beginning fund balance

New Resources - \$373  
million

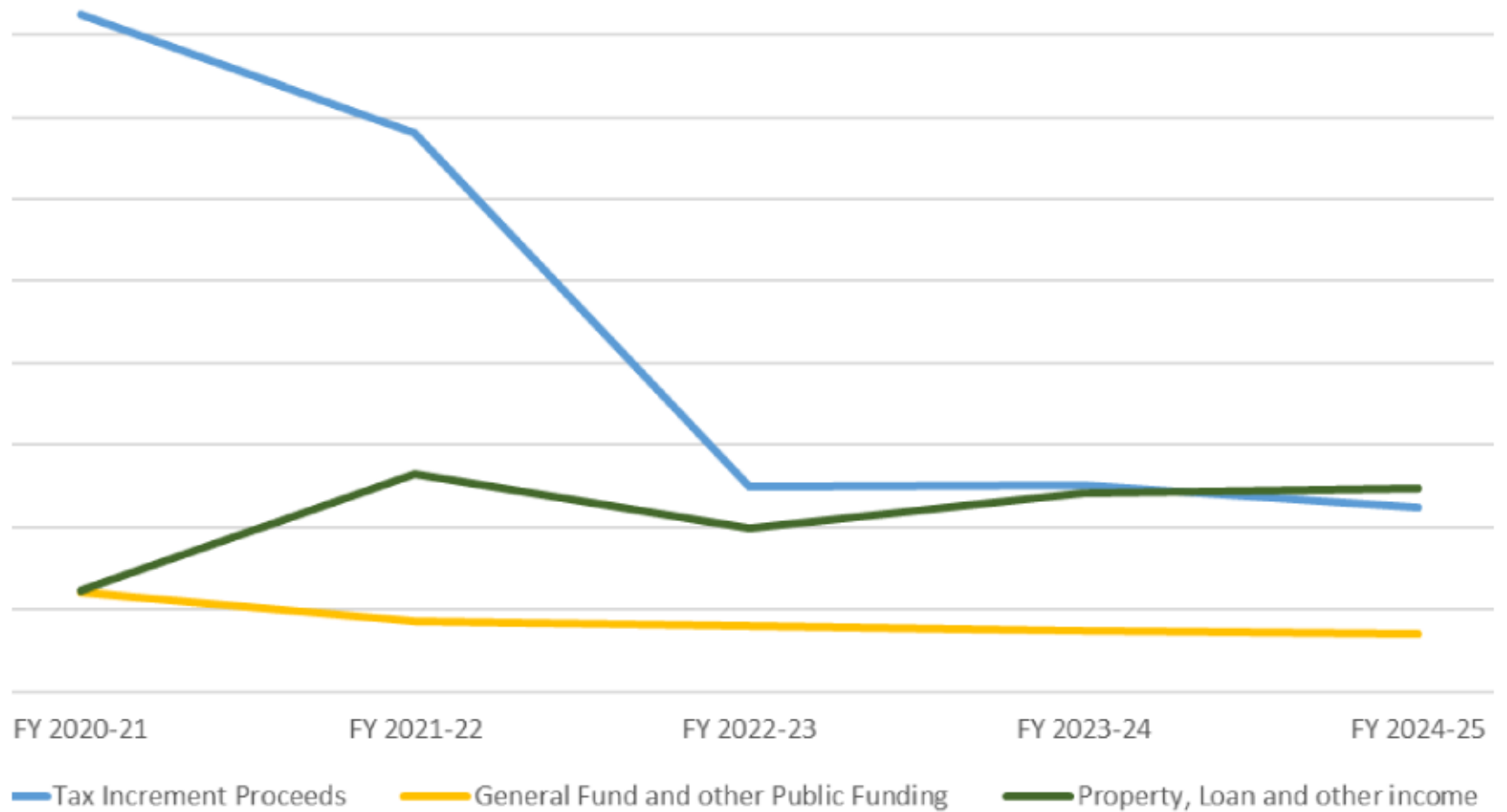
60% - Tax Increment

29% - Program Income

12% - General Fund etc.

Housing Set Aside -\$122M

### Five-Year Forecast - New Resources



# Five-Year Forecast & Beyond: Key Challenges

- **River District:** Implementation of Broadway Corridor/Line of Credit Repayment reduction in program income causes significant balancing challenges in Five-Year Forecast.
- Speed of recovery, availability of new public resources, and performance on key investments have significant impact; Could mean up to -\$23M hit over next three years and significant hit to **Financial Sustainability Plan**



# Discussion