

# Cully Tax Increment Finance District Plan

Cully Tax Increment Finance District Plan

Adopted by the City of Portland

DATE

Ordinance No. [ \_\_\_\_\_ ]

If Amendments are made to the Plan, the Resolution or Ordinance Number and date will be listed here. The amendment will be incorporated into the Plan and noted through a footnote.

Date	Resolution or Ordinance No.	Purpose of Change

## TABLE OF CONTENTS

I. DEFINITIONS .....4

II. BACKGROUND AND CONTEXT .....8

III. COMMUNITY ENGAGEMENT IN DESIGNING THE TIF DISTRICT.....13

IV. VISION, VALUES, GOALS .....17

V. GOVERNANCE AND DECISION MAKING .....19

VI. PRINCIPLES THAT GUIDE IMPLEMENTATION OF THE PLAN .....19

VII. TIF DISTRICT PROJECTS .....25

VIII. MAXIMUM INDEBTEDNESS .....32

IX. AMENDMENTS TO TIF PLAN .....32

X. PROPERTY ACQUISITION AND DISPOSITION .....33

XI. RELOCATION METHODS .....34

XII. TAX INCREMENT FINANCING OF PLAN .....34

XIII. VALIDITY .....35

XIV. ANNUAL FINANCIAL STATEMENT .....35

XV. RELATIONSHIP TO LOCAL OBJECTIVES.....39

XVI. LEGAL DESCRIPTION .....44

## I. DEFINITIONS

“Action Plans” means a plan which proposes investments and programs in the TIF Area on a five-year basis.

“Accessibility” means in compliance with the Americans with Disabilities Act Standards for Accessible Design.

“Affordable housing” means:

TIF funded affordable housing is guided by the Tax Increment Financing for Affordable Housing Policy, and the supplementary Implementation Plan and Income Guidelines which are binding City Policy under Section 1.07.020 A of the City Code.

For rental housing: the Portland Housing Bureau (PHB) utilizes the HUD affordability standard, which states that the rent plus expenses associated with occupancy, such as tenant paid utilities or fees, does not exceed 30% of the gross household income, based on unit size, at the level of the rent restriction.

For homeownership units: the purchase price, for which the sum of debt service and housing expenses (including an allowance for utilities and other required ownership fees), when compared to the annual gross income for a family, adjusted for family size, does not preclude conventional mortgage financing.

“Affordable commercial space” means offering access and assistance to qualified businesses in the form of an equitable tenancing application processes, access to space, and in some cases additional financial support or incentives designed to lower the barriers to entry for emerging and small businesses, such as reduced rent, tenant improvement contributions and technical assistance.

“Agency” means Prosper Portland. Prosper Portland is responsible for implementation and administration as required under ORS 457.

“Annual report” is the ORS 457.460 requirement for the production of an annual report that gets distributed to the taxing districts.

“Area” or “TIF Area” means the properties and rights-of-way located within the Cully Tax Increment District Boundary. It is a defined geography from which tax increment financing is both calculated and spent. This term is understood to refer to and replace references to the term “urban renewal area” as defined in ORS 457.010(18).

“Area median income” means an income threshold set by Department of Housing and Urban Development, updated annually, generally in December. New thresholds are effective immediately. Current MFI thresholds can be found online at <https://www.portlandoregon.gov/phb/>

“BIPOC” means Black, Indigenous and People of Color.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting a TIF plan.

“Board of Commissioners” means the Prosper Portland Board of Commissioners.

“Charter” is the Governance Charter for the Cully TIF District, as the same may be amended from time to time, pursuant to its terms and conditions. It establishes the Community Leadership Committee.

“City” means the City of Portland Oregon and includes the Portland Housing Bureau.

“City Council” or “Council” means the Portland City Council.

“Comprehensive Plan” means the City of Portland comprehensive land use plan and its implementing ordinances, policies, and standards.

“County” means Multnomah County, Oregon.

“Cully Preliminary Report” is defined and described in Section III.B of this Plan. The Cully Preliminary Report is attached as Exhibit 1 to this Plan. The Cully Preliminary Report is not the statutory report referenced in ORS 457.087 (see definition of “Tax Increment Finance Area Report” / “Report” later in this Section).

“Cully Boulevard Alliance (CBA)” is an organization engaged in community economic development at the neighborhood scale within the Cully micro-TIF district; part of Prosper Portland’s Neighborhood Prosperity Network, this organization serves all of those who live, work, or support those in the outer NE Portland neighborhood of Cully.

“Neighborhood Prosperity Districts: (NPD). Is a program initiated by Prosper Portland to strengthen the economic competitiveness of neighborhood business districts through community-planned and community-implemented actions and projects.

ELC means the Cully Exploration Leadership Committee.

“Fiscal year” means the year commencing on July 1 and closing on June 30 of the next calendar year.

“Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within a TIF Area at the time of adoption as more particularly described in ORS 457.430(1). The County Assessor certifies the assessed value after the adoption of a TIF area plan.

“Increment” means that part of the assessed value of a TIF area attributable to any increase in the assessed value of the property located in a TIF area, or portion thereof, over the Frozen Base.

“ITIN” means Individual Taxpayer Identification Number which is a tax processing number only available for certain nonresident and resident persons, their spouses, and dependent who cannot get a Social Security Number.

“Living Cully” means an innovative collaboration that formed in 2010 among [Habitat for Humanity Portland Region](#), [Hacienda Community Development Corporation](#), [Native American Youth and Family Center](#), and [Verde](#). They work to improve the quality of life for BIPOC individuals and low-income people in Northeast Portland’s [Cully neighborhood](#), and ensure that Cully will always be a place where BIPOC individuals and low-income people can live and thrive. This work requires a dual-emphasis on community-led neighborhood improvements and robust efforts to combat gentrification and displacement.

“Manufactured housing park” means an area or tract of land where two or more mobile homes or mobile home lots are rented or held out for rent.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“Metro” is the regional government for the Oregon portion of the Portland metropolitan area, covering portions of Clackamas, Multnomah, and Washington Counties.

“Minor Amendment” means any amendment to the TIF Plan that is not a Substantial Amendment.

“Mobile home” of “manufactured home” means factory-built homes that can be placed on a piece of land.

“Neighborhood Prosperity Initiative” means a Prosper Portland program focused on community economic development at the neighborhood scale. A community-driven, self-help approach is at the heart of this work. With grants, training, and support from Prosper Portland, each district is responsible for planning and implementing projects to improve the local commercial district.

“NOFA” means Notice of Funding Availability – means the official notice of availability of funds which may be disbursed for projects and is a means of soliciting proposals for undertaking projects.

“ORS” means the Oregon Revised Statutes. ORS Chapter 457 specifically relates to tax increment financing.

“Permanently affordable homeownership” means homeownership opportunities which prescribe affordability for subsequent buyers of the property or home, in contrast with homeownership opportunities which proscribe no additional affordability beyond the first purchaser.

“PHB” means the Portland Housing Bureau

“Planning Commission” means the Portland Planning and Sustainability Commission.

“Priority Communities” refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

“Prosper Portland” is the City of Portland’s economic and urban development agency.

“RFP” means request for proposals. It is a means of soliciting proposals for undertaking projects. It is a document issued by the City, Prosper Portland, a business or an organization to request bids for development, products, solutions and services.

“Regulated affordable unit” means a residential unit subject to a regulatory agreement that runs with the land and that requires affordability for an established income level for a defined period of time.

“Revenue sharing” means under-levying tax increment proceeds to effectively share a portion of the revenue with the other taxing districts who levy permanent rate taxes as described in ORS 457.470.

“Substantial Amendment” means an increase in maximum indebtedness that can be issued or incurred under the TIF Plan or an increase in acreage over one percent of the original acreage of the TIF Areas described in ORS 457.085.(2)(i).

“Tax increment finance area plan” or “TIF plan” means a plan, as it exists or is changed or modified from time to time, for one or more TIF areas, as provided in ORS 457. This term is understood to refer to and replace references to the term “urban renewal plan” or “plan” as defined in ORS 457.010(19).

“Tax increment finance area project(s)” or “TIF area project(s)” or “project(s)” means any work or undertaking carried out under ORS 457.170 and ORS 457.180 in a TIF area. This term is understood to refer to and replace references to the term “urban renewal project(s)” as defined in ORS 457.010(20).

“Tax increment finance area report” or “report” means the official report that accompanies the TIF plan pursuant to ORS 457.087.

“Tax increment finance” or “tax increment financing” or “TIF” means the funds that are associated with the division of taxes accomplished through the adoption of a TIF plan. In Portland it is a program designed to leverage private investment for economic development and affordable housing projects in a manner that enhances the benefits accrued to the public interest.

“Tax increment revenues” means the funds allocated by the assessor to renewal TIF area due to increases in assessed value over the frozen base within the area.

“Urban Renewal” means the statutory authority provided in ORS 457. In this Plan it is synonymous with tax increment financing.

## II. BACKGROUND AND CONTEXT

This Plan will be used for decision-making related to the Cully TIF District, from the development and adoption of Action Plans, to the implementation of individual programs and investments. This Plan is the result of ongoing collaboration between stakeholders in Cully, Prosper Portland, and the Portland Housing Bureau, among others. Much of the information in this Plan is drawn from the Cully Preliminary Report, prepared by Cully TIF Exploration Leadership Committee (ELC) as part of a community driven TIF District planning process and submitted to Metro in June 2021. The aforementioned report was completed to be in compliance with grant funding received from Metro for this process.

### A. Cully: History, Current Conditions, Demographics

Standing on the site of a traditional Chinook village called Neerchokikoo, Cully was an unincorporated area of Multnomah County until its annexation to the City of Portland in 1985. Cully is Northeast Portland's largest neighborhood by land area and population: over 3 square miles, with a population of 12,756<sup>1</sup>.

Cully is socially and economically diverse. Per the *Cully TIF Preliminary Report*, which relied on American Community Survey (ACS) data from 2015-2019, "Forty-three percent of residents represent communities of color, compared to 29 percent citywide<sup>1</sup>...Cully also has a larger share of low-income populations than Portland as a whole." Access to neighborhood amenities continues to vary dramatically based on an individual's background and socio-economic status.

More recent data from ECONorthwest, which relied on 2010-2020 United States Census Bureau data, shows a changing picture for the Cully TIF boundary, with roughly 35 percent of residents representing communities of color. While the number of white households remained the same over the ten-year period, there was a noticeable, recent decline in the number of Black households from 14 percent to seven percent. This trend highlights the urgent need to invest in stabilizing projects centered on Cully's Priority Communities.

"Priority Communities" refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

Most of Cully's development occurred between 1910 and 1960. Its character from the outset has had strong rural elements: large lots, unpaved and meandering streets, and low density. Historically, investment in Cully's parks, sidewalks, roads, other infrastructure, family-oriented businesses and other amenities has lagged behind other areas of the city. This historic underinvestment contributed to the relative affordability of homes in Cully, making it possible for low-income people and BIPOC

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<sup>1</sup> 2015-2019 American Community Survey. United States Census Bureau



households to have long term stability and work together to bring about improvements to their neighborhood.

Cully residents, including households already displaced to Cully, are now threatened with displacement from Cully as investment pressures rise. Unlike in closer-in neighborhoods, some properties remain relatively affordable, and land is still available for development, attracting new private, and potentially gentrifying, development in Cully and in nearby neighborhoods. The experience of other Portland neighborhoods as well as communities from across the United States make clear that gentrification inherently entails the displacement of existing community members, especially low-income and BIPOC residents.

Much of the Cully neighborhood is zoned for single-family dwellings. Only two areas, along the western boundary at N.E. 42nd Ave. and the central artery, Cully Blvd., are zoned for commercial activity. The northern edge of the neighborhood, between N.E. Portland Highway and Columbia Blvd., is an industrial area. Cully's unique combination of rural features, sparse commercial development, and relatively low household incomes have made it relatively deficient in the commercial and recreational opportunities that characterize the rapidly developing inner neighborhoods of Portland. Portland's inner neighborhoods are, in general, highly rich in amenities such as parks, tree canopy coverage, open spaces, bike lanes and neighborhood services. Cully, by contrast, offers less walkability, scarce access to transit, relative lack of open space or tree coverage, and an abundance of brownfields or industrial lands.

As development and gentrification pressures intensify in the Cully neighborhood, there is an urgent need for community-led investments that can be used proactively to combat displacement pressures, which disproportionately affect low-income people and BIPOC individuals. In response, the neighborhood has seen some early investments in affordable housing, including the Las Adelitas and Mamook Tokatee projects. This is a unique and timely opportunity to scale up and shape investment to prevent or reduce displacement in a way that increases wealth, choice and stability for those that call Cully home, and secure those benefits for future generations of Priority Communities. Cully should remain a neighborhood where low-income people and BIPOC individuals can live and thrive.

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## **B. Development, Organizing, and Outreach Efforts in Cully**

Seven partner organizations — the Native American Youth and Family Center (NAYA), Hacienda CDC, Habitat for Humanity Portland Region, Verde, Our 42nd Avenue, the Cully Boulevard Alliance and the Cully Association of Neighbors — with strong roots in the Cully neighborhood produced the Cully Preliminary Report, on which much of the information provided in this Section III is drawn. The Cully Preliminary Report explores the potential for a Community-Controlled Tax Increment Financing (TIF) District to develop projects in the Cully neighborhood. Together, these organizations have formed an Exploration Leadership Committee (ELC) to explore this issue. For more than a decade these organizations have worked toward enhancing social and economic inclusion to prevent the displacement of Priority Community members.

The City of Portland recognizes Cully as a neighborhood likely to experience significant change in the coming years. Portland City Council adopted Resolution 36953 in August 2012, which calls for a coordinated effort by city bureaus to study and prevent displacement in Cully. Since then NAYA has developed affordable housing in multiple locations in Cully, Verde and partners have developed a Cully Energy Plan to map out the future of community-controlled energy in Cully, Cully Park converted a former landfill into the neighborhood's newest environmental asset, preservation of Oak Leaf and Arbor mobile home parks were key anti-displacement victories and the community came together to purchase and rehabilitate a run-down strip club into Las Adelitas, a Hacienda CDC affordable housing development. Since 2012 Habitat for Humanity has built a total of forty-six homes in the neighborhood with twenty-five of them being permanently affordable. There has also been a huge investment in home repair for homeowners with low incomes by Habitat for Humanity, NAYA and other partners.

Cully Boulevard Alliance (CBA) and Our 42nd Avenue are two Neighborhood Prosperity Districts (NPD) within the Cully TIF District that have existed for over a decade. The two NPDs have targeted the investments of their respective TIF funds into community and BIPOC focused economic development efforts in the neighborhood. Both have prioritized the direction of funds to create affordable commercial lease opportunities and to support BIPOC-owned businesses with tenant improvement grants. Critically, the two NPDs provided vital sustaining support for Cully businesses during the pandemic. They helped businesses to access Prosper Portland grants, state and federal support to keep their businesses alive. This level of intentional focus and commitment to preserving neighborhood businesses was the last line of defense preventing countless business closures and job losses. Working together, neighborhood organizations and public agencies have an opportunity to once again align programs and policies so that Cully remains a place where diverse residents can live, work, and thrive.

Despite these successes, the current scale of activity is entirely insufficient in the face of looming gentrification and mass displacement. If we fail to fund investments at a significantly larger scale and produce a community-led framework to direct the administration of those funds and prioritize those investments, it could soon be too late. Current development trends threaten the neighborhood's shared vision of community prosperity. There are new parks, more sidewalks and paved streets, new houses and apartments and new businesses in growing commercial districts. These improvements, while needed and desirable, make the neighborhood more attractive to developers, investors and home buyers, driving up prices and causing displacement. As rising rents spread across Cully, lower-

income families and BIPOC individuals are being disproportionately displaced from the neighborhood that they have helped to make such a vibrant, caring, diverse corner of Portland. Even Cully residents who are fortunate enough to own their homes recognize that they could not afford to buy a house there now, and their children won't be able to afford to live here in the future. Locally owned businesses face the threats of rising rents for commercial space, and the loss of their customer base due to residential displacement.

To realize the neighborhood's vision for Cully, these community organizations, together with Prosper Portland, Metro, and PHB, have facilitated a community process during the calendar years of 2019-22 to explore the creation of a Cully TIF District. While past use of TIF in the City of Portland has produced racially and economically unjust outcomes that are completely in opposition to the neighborhood's community development and anti-displacement objectives, we believe there is strong potential for this powerful tool to be repurposed to benefit Cully and its Priority Community residents. To fully explore and vet this possibility through community engagement, research, and policy analysis, we worked together with partners to secure a Metro 2040 Planning and Development Grant. This grant supported a community-driven, iterative process to determine priorities for the programming, rules, and leadership of a prospective community-controlled TIF District.

The relationship between the sections of the Plan and the ORS 457.085 requirements is shown in Table 1. The specific reference in the table below is the section of this Plan that primarily addresses the statutory reference. There may be other sections of the Plan that also address the statute.

**Table 1 - Statutory References**

Statutory Requirement	Plan Sections
ORS 457.085(2)(a)	VII
ORS 457.085(2)(b)	VII
ORS 457.085(2)(c)	XVI, and Figure 2
ORS 457.085(2)(d)	XV
ORS 457.085(2)(e)	XV
ORS 457.085(2)(f)	XI
ORS 457.085(2)(g)	X
ORS 457.085(2)(h)	VIII
ORS 457.085(2)(i)	IX
ORS 457.085(2)(j) (applicable if the Plan includes a public building)	NOT APPLICABLE

**C. Tax Increment Overview**

ORS 457 allows for the use of tax increment revenues, a financing source that is unique to TIF areas, to pay indebtedness incurred to fund eligible projects within a TIF area. Tax increment revenues - the amount of property taxes generated by the increase in total assessed values within a TIF area from the time an area is first established - are used to pay indebtedness incurred to implement eligible

projects in the area. The amount of available funds is subject to statutory and plan-based limitations, including limitations regarding maximum indebtedness that may be incurred, as well as statute-required revenue sharing in certain circumstances.

The purpose of a TIF area is to improve specific areas of a municipality that are poorly developed or underdeveloped, called blighted areas in ORS 457. Required findings regarding this definition are set forth in the Report.

The Report contains the information required by ORS 457.087, including:

- A description of the physical, social, and economic conditions in the area, together with the expected impact of the Plan, including fiscal impact;
- Reasons for selection of the Plan area;
- The relationship between each project to be undertaken and the existing conditions;
- The estimated total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired or otherwise provided for;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the area; and
- A relocation report.

### III. COMMUNITY ENGAGEMENT IN DESIGNING THE TIF DISTRICT

The community engagement process led by the Cully TIF Exploration Leadership Committee (ELC) explicitly sought to center the voices and priorities of people and groups that are structurally vulnerable to displacement and exclusion from the Cully neighborhood as a result of gentrification. This includes Black people, Indigenous people, people of color, renters, mobile home residents, low-income people, and small business owners and workers.

In late 2020, the ELC formed a sub-committee, the Community Engagement Committee (CEC), which included staff from several ELC member organizations and several Cully community members who received monthly stipends and helped lead outreach and engagement among their neighbors and networks. The CEC designed and carried out a robust community engagement process in order to inform the content of this TIF District Plan, along with three other documents: the District Report, the Governance Charter and a proposal for the resources, staffing and capacity needed by the community to support long-term implementation of the District. Collectively, these four documents comprise a holistic proposal for the Cully TIF District. The content of this Plan, along with the other three documents, reflects the voices and leadership of hundreds of community members from Cully, with particular emphasis on the voices of Priority Community members.

As a result of the COVID-19 pandemic, most community engagement activities leading to the development of the Cully TIF proposal were conducted through online methods, primarily focus groups and community meetings using Zoom video-conferencing software. In late 2020, the CEC worked with Cully-based artist and educator Patricia Vazquez to develop educational materials that could be used in online meetings to develop community members' knowledge and understanding of tax increment financing (TIF), its history of contributing to gentrification and displacement, and the ELC's vision for using TIF in a new way in the Cully neighborhood.

The CEC organized three distinct phases of community engagement, with each one iteratively informing the ELC's process of co-creating the Cully TIF proposal alongside staff from Prosper Portland and the Portland Housing Bureau. Over the course of 17 months, these efforts resulted in:

- 48 focus groups and workshop meetings, with a total of 500 participants
- 2 online surveys, with a total of 389 qualifying responses

#### A. Phase 1: Early 2021

The first series of focus groups was held from January through April 2021. The agendas for these meetings included:

- Education about the tool of tax increment financing
- Discussion of community members' priorities for the future of their neighborhood
- Developing an understanding of the differences between investments and development projects that can contribute to gentrification, and those that prevent or counteract gentrification
- Discussion of how a future Cully TIF District should be governed to keep community members in the lead as the district is implemented

These focus groups were convened by the organizations that participate in the ELC, and held with priority constituencies that are vulnerable to displacement:

- African American community (convened by Living Cully)
- Indigenous and tribal community (convened by NAYA)
- Latinx community (convened by Hacienda and Verde)
- Somali community (convened by Hacienda)
- Low-income homeowners (convened by Habitat for Humanity Portland Region)
- People experiencing homelessness (convened by Living Cully)
- Private market renters (convened by Living Cully)
- Mobile home park residents (convened by Living Cully)
- Small business owners and workers (convened by Our 42nd Avenue and Cully Boulevard Alliance)

Some of the groups met more than once. In total, 14 online focus groups were convened with a total of 95 participants. In addition, an online survey received 278 unique responses from people representing demographic groups that are structurally vulnerable to displacement, based on income, race/ethnicity, and housing status. The notes from these focus groups and the survey responses were analyzed by a contracted consultant, Amy Coplen. The resulting themes and priorities were incorporated by the ELC into the Cully TIF Preliminary Report, which was published in June 2021, with the support of Prosper Portland and the Portland Housing Bureau.

#### **B. Phase 2: Summer 2021**

The content of the Cully TIF Preliminary Report was shared with the Cully community through a series of three online workshops, held in June and July 2021. In total, 134 participants attended those sessions. The workshops were promoted through a direct mail brochure sent to USPS addresses in the Cully neighborhood, and through online channels, phone calls and text messages by the Community Engagement Committee. The workshops presented the content of the Preliminary Report (which was informed by Phase 1 community engagement), and solicited participants' input regarding any revisions, additional detail or nuance that should be included as the ELC worked with Prosper Portland and the Portland Housing Bureau to develop the final Cully TIF District Plan. Each workshop focused on a different topic:

1. Eligible investments
2. Geographic boundaries of the district
3. Governance and decision-making

Forty-one people attended a follow-up workshop in September 2021, recapping all three topics and soliciting additional community feedback. Subsequently, 111 people responded to a second online survey in order to generate additional data to inform the content of the TIF District Plan.

After the ELC made its recommendation on the geographic boundary of the District, as informed by feedback gathered during this phase of community engagement, the ELC and Prosper Portland communicated with each of the neighborhood associations beyond Cully that had small areas included in the proposed boundary: Beaumont-Wilshire, Concordia, Rose City Park, Roseway and Sumner.

Incorporating the input collected through Phase 2 activities, Prosper Portland completed the Draft District Plan in December 2021, setting up the final phase of the ELC's community engagement.

### **C. Phase 3: 2022**

The final phase of ELC-led community engagement was carried out from January to May 2022. The ELC member organizations convened eight priority constituencies, representing groups vulnerable to displacement:

- African American community (convened by Living Cully)
- Indigenous and tribal community (convened by NAYA)
- Latinx community (convened by Verde)
- Somali community (convened by Hacienda)
- Low-income homeowners (convened by Habitat for Humanity Portland Region)
- People experiencing houselessness (convened by Living Cully)
- Mobile home park residents (convened by Living Cully)
- Small business owners and workers (convened by Our 42nd Avenue and Cully Boulevard Alliance)

Each of these constituencies generally met once per month for four straight months. Each month's round of meetings focused on a different element of the Cully TIF Proposal, which was simultaneously being finalized by the ELC's Executive Committee through collaboration and negotiation with staff from Prosper Portland and the Portland Housing Bureau. The four meeting topics were:

- Meeting #1: Eligible Investments in the TIF District Plan (Section 8)
- Meeting #2: Guiding Principles in the TIF District Plan (Section 7)
- Meeting #3: Governance & Decision-Making (informing the Governance Charter)
- Meeting #4: Resources and community-based staffing needed to support implementation of the TIF District (informing the ELC's proposal to the City)

In total, 30 focus group meetings were convened with 230 participants.

Following each month's round of meetings, the Community Engagement Committee produced a written report that highlighted each constituency's central feedback and priorities, and also identified common themes that arose across all eight groups. These monthly reports were used by the Executive Committee to inform the final revisions that were made to the four documents of the Cully TIF proposal, including this District Plan.

### **D. Prosper Portland Community Engagement**

In addition to the multi-year, ELC-led community engagement described above, Prosper Portland carried out additional community engagement activities in partnership with PHB. Prosper Portland established a page on its website dedicated to this project, in order to share information about the Cully TIF proposal as it was being developed. Two online "open house" meetings were held in March and June 2022, and were publicized by Prosper Portland and the Cully Association of Neighbors.

Participants in the first open house requested an open-ended survey to provide additional comments on the draft TIF project list. At the conclusion of the second meeting, participants had the opportunity to respond to a survey, which remained open on Prosper Portland's website for

approximately three weeks. Input received via the survey and open houses was incorporated into the TIF Plan and associated documents, through discussion and collaboration with the ELC.

Several neighborhoods are either adjacent to or were included in the initial draft boundaries of the District. Prosper Portland specifically invited members of the neighborhood associations representing those neighborhoods to the open house meetings: Beaumont-Wilshire Neighborhood Association, Concordia Neighborhood Association, Cully Association of Neighbors, Rose City Park Neighborhood Association, Roseway Neighborhood Association, and Sumner Neighborhood Association. Some of these associations also accepted Prosper Portland's invitation to participate in separate briefings on the project. Approximately 50 individuals participated in neighborhood-specific briefings and the two open houses, combined.



#### IV. VISION, VALUES, GOALS

The vision, goals and principles set forth in Sections IV and VII which were developed by the Cully community throughout the engagement process described in Section IV, are intended to guide TIF investment in the Area over the life of the Plan.

##### A. Vision

The community's long-term vision is to transform Cully into a place that provides a sense of belonging for its residents, and particularly for Priority Communities. This means Cully will have plentiful safe, affordable housing, thriving BIPOC businesses, rewarding employment opportunities, safe and accessible transportation options, parks and open spaces, a clean and healthy environment, climate resiliency, with places and programs that reflect the cultural diversity of BIPOC individuals.

The community envisions that Cully will be a place where residents regularly engage in decision making and grassroots organizing to strengthen the neighborhood and develop their own leadership and collective political power. The vision is that Cully will be a neighborhood where:

- neighborhood changes are guided by and result in more opportunities and greater housing stability and economic prosperity for Priority Communities;
- all residents will participate in, guide and lead the decisions that affect them and their communities, balancing the needs of current residents with those of future generations;
- access to affordable, stable homes is preserved and expanded, and new investments and development create stability and opportunity for low-income people, rather than leading to their displacement from their homes and neighborhood;
- Cully residents will have access to meaningful, living-wage employment and economic opportunities, and new investment will bring community benefits including education, workforce training, BIPOC and woman-owned contracting and social enterprise opportunities, renewable energy resources and environmental assets; and
- The neighborhood stands as an example of how development and prosperity can occur guided by, led by and supported by Priority Communities;
- Cully based small businesses will continue to be supported and retained; and
- a Cully community that is stable and resilient in the face of climate change and related impacts to health and environment.

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## **B. Values**

These shared values, which were specifically affirmed by the Exploration Leadership Committee (ELC), guided the process of planning, community engagement, and development of this Plan:

- Equity
- Inclusivity
- Diversity
- Community leadership and control
- Cultural responsiveness
- Community Stabilization and Prosperity
- Forward thinking
- Solidarity with similar community-led efforts

## **C. Goals**

1. Prevent the displacement of vulnerable people, communities, businesses and community-based institutions from Cully.
2. Preserve existing opportunities for affordable housing and economic prosperity activities and create new opportunities for vulnerable people and communities, especially Priority Communities to live, work and thrive in Cully, including those previously displaced.
3. Ensure that current residents benefit from investments and neighborhood change, and that opportunities for housing and economic prosperity activities will be preserved and expanded for future generations.
4. Ensure that Priority Communities play lead roles in decisions about investments and policies that affect them and their communities.
5. Develop and inspire a new model for the creation of future TIF districts in Portland and beyond.

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“Priority Communities” refers to the intended beneficiaries of the Cully TIF District: African American and Black persons; Indigenous and Native American persons; persons of color; immigrants and refugees of any legal status; renters; mobile home residents; persons with disabilities; low-income people; houseless people; and other population groups that are systemically vulnerable to exclusion from Cully due to gentrification and displacement.

6. Actively work to remove barriers that could preclude community members from accessing TIF-funded projects and opportunities, including barriers such as immigration status, credit history, legal history, rental history, eviction history, and experience of domestic violence.
7. Spur innovation of environment and climate change initiatives in TIF projects.

## **V. GOVERNANCE AND DECISION MAKING**

Implementation of this plan will be undertaken with significant community leadership, input and involvement, a key component of which is the Community Leadership Committee as set forth in the Governance Charter, attached as Exhibit 2 to this Cully TIF Plan, as the same may be amended from time to time, in accordance with its terms. This Charter details what decisions and actions require Committee oversight, how the Committee will make recommendations regarding implementation, membership, consequences for not following the Charter, and other pertinent matters. It is a living document that may be updated from time to time, pursuant to the procedures stated within.

## **VI. PRINCIPLES THAT GUIDE IMPLEMENTATION OF THE PLAN**

The principles that will guide implementation of the Plan are described below. These principles should be applied to guide all decisions about the use of TIF funds, including the selection of projects, programs and investments for inclusion in Action Plans. Once projects, programs and investments are selected, these principles should also guide decisions about how they are designed and implemented in order to achieve the goals and purposes of the Cully TIF District.

While all of the principles will be proactively considered for each project, it may not always be possible to apply every principle, especially for smaller-scale projects. In general, larger-scale projects, which draw on larger investments of TIF funds, entail a greater responsibility and more leverage to implement these principles in a comprehensive manner.

### **A. Analyze Potential Investments**

Proactively analyze potential projects, programs and investments, in order to ensure that they meet and do not undermine the values, vision, and goals set forth in Section V, and the guiding principles in this section. This analysis will be undertaken with significant community leadership – as described in the Governance Charter – and will serve as a key input into the development of Action Plans and other decisions about the use of TIF funds.

This analysis should:

- Assess a program's, project's, or investment's anticipated contributions to achieving the District's goals, which include:
  - Reducing or preventing gentrification and displacement (both commercial and residential);
  - Securing stable, affordable homes and economic prosperity for people who are vulnerable to displacement; and

- Securing those benefits not only for current residents and businesses, but for future generations.
- Identify any potential for the project, program or investment to contribute to gentrification and displacement -- especially in terms of contributing to upward pressure on rents and property values.
- Identify mitigation measures for any potential displacement impacts, to include the options of foregoing, delaying or revising the project, or accompanying the project with other mitigating investments.
- Creatively identify if and how each of the guiding principles in this section can be applied to the proposed program, project or investment.

#### **B. Strategically sequence investments over time**

Action Plans will thoughtfully and strategically prioritize and sequence activities and investments to achieve the values, vision, goals and guiding principles of the Plan. In general, investments will be prioritized in the following order over time:

1. Projects that prevent displacement and stabilize current residents, businesses and community institutions
2. Real estate acquisition to remove property from the market, including to protect current leaseholders from displacement (residential and commercial), and secure opportunities for later development of the projects in Section VIII.
3. New development to expand opportunities for affordable housing and economic prosperity
4. Amenities that improve the quality of life for Cully residents, but whose primary function is neither affordable housing nor economic prosperity

Categories 1 and 2 (stabilization and real estate acquisition) should be done simultaneously when possible (e.g. to enable the acquisition and rent-stabilization of existing market rate housing).

Priority will be placed on pairing investments in category 4 (Amenities) with accompanying projects that explicitly prevent or counteract displacement and gentrification (e.g. building permanently affordable homes and commercial space in conjunction with a community center).

#### **C. Set Aside Funds for Opportunistic Property Acquisition**

When developing Action Plans, strongly consider the inclusion of dedicated, flexible property acquisition funds. Such funding should enable quick and nimble property acquisition by public or nonprofit entities for the purposes of:

- Preventing the displacement of residents, businesses and community-based institutions from existing buildings; and/or
- Securing opportunities for the subsequent development of projects included in Section VII of this plan.

Acquisition opportunities won't always align with the timelines of RFPs and NOFAs, and will often require the availability of funds that can be used opportunistically.

A similar set-aside of funds for emergency repair and rehabilitation projects, for the purpose of preventing displacement, should also be considered.

#### **D. Leverage and Prioritize TIF Resources Alongside Other Funding Sources**

Ensure that finite TIF funds have the largest possible impact in terms of achieving the values, vision and goals of the Plan.

Whenever possible, TIF-funded projects should leverage other funding sources in order to preserve TIF funds for additional projects. Where TIF is unavailable or certain undertakings are not eligible for TIF funding, or where TIF funding is prioritized for other goals described in this Plan, other funding sources should be pursued and utilized.

TIF investments should be paired with programmatic/operating funds, if available, that can ensure the long-term success of the TIF capital investment, which may require funding from non-TIF sources.

TIF investments should be focused on projects that are not likely to be adequately funded by other sources. Where adequate non-TIF funding already exists, TIF funding should be deprioritized.

TIF funds should not be used to pay for basic infrastructure that public agencies should already be expected to provide, except as specified in the Infrastructure subsection of Section VIII.

#### **E. Create Community Benefits from TIF Investments**

In relative proportion to the scale of each project, TIF investments should produce meaningful, long-term benefits to the broader community, in addition to whatever benefits go to a property owner, developer or other recipient of TIF funds.

1. For larger-scale projects, particularly those that acquire property and/or develop new buildings, there will be more leverage to ensure robust, long-term community benefits by guiding the ownership and use of properties:
  - a) Seek to permanently remove properties from the private market so they provide significant, multi-generational community benefits in line with this Plan;
  - b) Such investments should generally result in properties being owned by entities such as non-profit organizations, public agencies, land trusts, and cooperatives (rather than private or for-profit entities).
2. For smaller-scale investments, such as repairs or other improvements to existing structures:
  - a) When investing in properties that will remain privately owned, prioritize property that is owned by community members from populations that have historically been subject to displacement and/or excluded from ownership opportunities;
  - b) Ensure that investments in privately-owned properties create community benefits, in addition to benefits for the property owner. Mechanisms to be

considered for ensuring community benefits from smaller-scale investments include, but are not limited to:

- i. Affordability covenants with property owners, in order to ensure stable rents for tenants of rental properties (commercial and residential);
- ii. Master leases by a public or nonprofit entity, in order to provide below-market rent to tenants (applicable to both commercial and residential properties);
- iii. ‘Right of first refusal’ or ‘Right of first purchase’ agreements, which give nonprofits and public agencies the first opportunity to purchase properties that have received TIF investments, at whatever point in the future they might be sold;
- iv. Structuring investments as loans that are repaid only if the property is sold to another private owner, but forgiven if the property is sold to a nonprofit or public entity;
- v. Commitments to hire workers from Cully and nearby neighborhoods for good-paying jobs.

#### **F. Create Equitable Contracting and Employment Opportunities**

Ensure that there are quality job standards and equitable opportunities and outcomes for workers and small business owners who represent Priority Communities.<sup>5</sup> Opportunities and outcomes should extend beyond to construction to include ongoing maintenance, property management, architecture work, and operations of properties that receive TIF investments.

#### **G. Prioritize and Support Community-based Organizations and Businesses**

When making Cully TIF investment decisions, prioritize organizations and businesses that have an established presence or strong connection to the district, or represent Priority Communities. It is critical that entities or partnerships performing/leading Cully TIF investments represent these communities. Cully TIF investments should create opportunities to sustain, enhance, invest in, develop, and grow the environment of organizations and businesses led by those from Priority Communities.

Additionally, to build on lessons learned from existing hyper-localized economic development initiatives, such as the work of the Neighborhood Prosperity Network, it is critical to maintain place-based community capacity that leverages other City of Portland funding sources, serves as key pipeline and referral infrastructure for TIF products, and aligns with capacity opportunities tied to 5-Year Action Plans.

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#### **H. Advance Climate Action and Environmental Stewardship**

Ensure that TIF investments respond to the reality that climate disaster and environmental inequities are a driving force of displacement. TIF investments should result in environmentally sustainable development, and the resulting benefits (e.g. lower energy costs from solar power) should go to Priority Community members.

Reduce barriers, spur innovation, and provide incentives for energy efficiency, renewable energy, stormwater management, climate resiliency, and robust environmental standards in affordable housing and commercial projects.

#### **I. Incorporate Arts, Culture and Signage**

Seek opportunities to include historical and cultural art and signage in TIF investments, to celebrate and represent Priority Communities in Cully. These elements should be developed by and/or in collaboration with artists and community members who represent those communities. It is the intent that these elements be infused throughout the projects completed in the District.

Signage is not specifically for beautification but for the greater purpose of the TIF district. It should be funded if it is a part of a project that is TIF-funded. Adding any of these elements outside of a TIF funded project will require being included in an Action Plan or reviewed and approved by the Community Leadership Committee, as established in the Governance Charter.

#### **J. Remove Barriers to TIF-Funded Opportunities**

Actively partner with financial institutions and others to address barriers that could preclude community members from accessing TIF-funded projects and opportunities (e.g. housing, commercial investments, contracting, employment, etc.). Ensure equitable access regardless of barriers such as immigration status, credit history, legal history, rental history, eviction history and experience of domestic violence.

#### **K. Support Cooperative Ownership**

Support the formation of resident, tenant, and business cooperatives in conjunction with the acquisition, rehabilitation or development of residential and commercial properties.

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**L. Ensure Physical Accessibility**

Design buildings and physical spaces to ensure accessibility for people of all abilities and incentivize the use of innovative standards, such as universal design, that provide accessibility, potentially beyond legal requirements. Support accessibility and safety through design elements such as pedestrian-focused lighting for public spaces.



## VII. TIF DISTRICT PROJECTS

Funding for the projects and programs below will use Tax Increment Financing (TIF) resources and leverage, to the extent practical, other resources to achieve the goals of this Plan. In general, financial resources will be made available through either loans or grants (or both), and the City's direct acquisition of property. The list below outlines the projects and programs eligible to be funded with these resources, including those selected through Action Plans.

In addition to the programs listed in this section, other programs can be added as eligible investments through amendments to this plan, following the process established in the Charter and the principles in Section VII of this Plan.

### A. Affordable Housing

In partnership with mission-driven organizations and developers, preserve and create affordable housing for families and individuals. Tax Increment Financing funds may be used for activities that support property acquisition, pre-development, development, rehabilitation and/or preservation of affordable housing.

As a result of the TIF Set-Aside Policy adopted by Portland City Council in 2006, at least 45% of all TIF resources generated in the District will be allocated for affordable housing. In accordance with city policy, rental housing is created and preserved with a focus on families earning less than 60% of area median income, and homeownership housing with focus on families earning 80% to 100% or less of area median income depending on home size.

This Plan authorizes projects and programs which fulfill the housing-related goals and objectives of this Plan. This Plan envisions that through collaboration with the community, the Portland Housing Bureau will lead implementation of affordable housing related activities. The type and funding level for projects and programs will be based on the Action Plans, , and the Portland Housing Bureau's Strategic Framework, as well as other adopted City housing policies, where applicable.

The following programs that are currently operated by the Portland Housing Bureau and are eligible to receive funding through the Cully TIF District.

1. Single Family Home Repair – support low-income community members who currently own their homes, so that they are more likely to be able to stay in place, through home repairs relating to life safety, code compliance, energy efficiency upgrades, and accessibility upgrades.
2. Homeownership – through the provision of down payment assistance and other types of financial assistance, as well as the financial subsidization of the development of new homes. The preferred model for homeownership investments made under this plan is permanently affordable homeownership utilizing mechanisms such as down payment assistance, community land trusts, and covenants that ensure the homes remain affordable for subsequent buyers.
3. Multi-family Rental Development – development of new affordable rental housing in a variety of unit sizes, including family sized units (two-bedrooms or larger).

4. Rehabilitation & Preservation of Existing Regulated Housing - Provide funding to rehabilitate and preserve the affordability of existing regulated affordable housing.
5. Acquisition & Rehabilitation of Existing Market-Rate Housing - Purchase market-rate housing, including foreclosed and unoccupied properties, make needed repairs and renovations, and convert to regulated affordable housing (for individual ownership, cooperative ownership, and rental), in order to protect current residents from displacement and secure permanently affordable homes.
6. In addition to the creation of affordable housing for people experiencing houselessness, a limited amount of resources may be used for capital expenditures for community services which would include the creation of stand-alone shelters or shelters that are integrated into affordable housing or commercial developments, and sanitation facilities such as showers and laundry

The Cully community is particularly interested in the implementation of existing programs which align with identified community priorities. Additional details highlighting housing stabilization, anti-displacement, resident-owned cooperatives, and repair funds that can be quickly accessed to respond to emergency situations are examples of these priorities.

In addition to the programs operated by the Portland Housing Bureau in 2022, Cully community members and stakeholders have expressed an interest in new programs using TIF funds. These new programs may or may not be developed in accordance with the current legal definitions of affordable housing, but if agreed to as part of an Action Plan, will be implemented in line with the vision, values, goals, and implementation principles in this District Plan. Consideration of and decisions regarding any new programs the Housing Bureau currently does not operate will occur during the planning process for an Action Plan. The following new programs are eligible for legal, financial, feasibility and impact analysis, and if determined feasible, for program development and implementation through a five-year action plan.

- Affordable infill and middle-density housing: Add regulated affordable housing (for both rental and homeownership) in middle-density configurations including attached units (e.g., duplexes, triplexes, other -plexes), cottage clusters, tiny houses and accessory dwelling units (ADUs).
- Manufactured housing park stabilization, preservation and development: Support the *Provide funding for the* acquisition and rehabilitation of existing manufactured housing parks, and the development of new manufactured housing parks, by affordable housing providers and resident-owned cooperatives, including repairs to existing manufactured homes and purchase of new manufactured homes.
- Rehabilitation loans or grants to single family owners of manufactured structures

Alongside current and new programs, there is an intention for the Community Leadership Committee to work in partnership with the City to facilitate discussions among mortgage lenders and affordable housing providers to advance the availability of mortgage specific products for ITIN borrowers.

## **B. Commercial Property Acquisition, Development and Renovation**

Retain, create, and expand economic opportunities through investments in commercial, industrial and mixed-use properties, and in residential properties where home-based businesses operate.

This project category will be advanced in a manner consistent with the goals, values and implementation principles identified in Sections V and VI of this Plan. In addition, TIF-funded commercial projects will seek to:

1. Provide long-term stable, affordable commercial space with priority for businesses and non-profits that are owned, led by, and/or support Priority Communities; especially existing businesses located within the District boundary, and new businesses being started by community members with ties to Cully and surrounding neighborhoods. This especially includes investments in properties developed, owned or otherwise controlled for the long term by public agencies and non-profit organizations;
2. Support employment of community members from Cully and adjacent neighborhoods, particularly of Priority Communities;
3. Support mixed-use development that combines commercial space with the other eligible projects in this plan, including affordable homes, and priority services and amenities; and
4. Support access to high-wage employment for the benefit of Cully residents.

For the purposes of this section, the terms "commercial" and "business" also include non-profit uses, unless otherwise stated.

The following types of business and services have been prioritized by community members as those that TIF investments should seek to support:

- Affordable and culturally relevant groceries, fresh food and restaurants
- Credit union or bank that serves our community in line with the goals of this Plan
- Affordable childcare
- Retail goods and services that meet regular household needs, such as clothing, home goods, and cleaning services
- Services and businesses that expand multimodal transportation options available in Cully, including but not limited to bicycle, electric vehicle and automotive services and repair.
- Health services, including mental health

To achieve the above goals, eligible activities to implement this project category include:

- Technical and/or financial assistance to determine the feasibility of development, redevelopment and renovation projects

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- Acquisition of properties
- Development, redevelopment and renovation activities such as:
  - New construction
  - Building façade improvements
  - Landscaping enhancements and pedestrian amenities, including lighting and safety improvements
  - Professional services such as engineering, architecture, landscape design, and other building and site design assistance
  - Tenant improvements
  - Building repairs and upgrades including, but not limited to, mechanical, electrical, weatherization, HVAC, and renewable energy, including those to support ongoing industrial use in industrially zoned areas
  - Community solar projects
  - Seismic, fire suppression, and other public safety improvements
  - Accessibility improvements
- Funding for permanent infrastructure to support food cart operations and other temporary, pop-up, seasonal and low-barrier opportunities for startup businesses and non-profits.
- A set-aside of funds for emergency repair and rehabilitation projects, for the purpose of preventing displacement, will also be considered.

### **C. Arts, Culture and Signage**

Seek opportunities to include historical and cultural art (not public art as a “public building,” defined in ORS 457.010) and signage in TIF investments, to celebrate and represent Priority Communities in Cully. These elements should be developed by and/or in collaboration with artists and community members who represent those communities. It is the intent that these elements be infused throughout the projects completed in the District.

Signage is not specifically for beautification but for the greater purpose of the TIF district. It should be funded if it is a part of a project that is TIF funded. Adding any of these elements outside of a TIF funded project will require being included in an Action Plan.

### **D. Land Acquisition and Land Banking**

Acquire properties for future development or redevelopment in conformance with Sections V and VI of this Plan. These activities will directly implement Section V: Vision, Values and Goals and Section VI: Principles of this Plan by providing future development opportunities to prevent the displacement of vulnerable people and communities from Cully, preserve existing opportunities for affordable housing and economic prosperity and create new opportunities for vulnerable people and communities, especially BIPOC individuals, low-income people and Indigenous and tribal people to live, work and thrive in Cully, including those previously displaced.

This project also implements the specific principles stated in Section VI that focus efforts on

- controlling land so that it remains affordable.

- sets aside funds for rapid, opportunistic property acquisition when TIF eligible opportunities arise that would further the goals of the Plan.

Remediation activities can be funded through this Plan on all land banked property to ensure that it is developable in the future.

#### **E. Recreational Improvements**

In partnership with public agencies and community-based organizations, assist in the creation of recreational facilities for the District.

Eligible investments include:

- Community centers
- Community gardens
- Athletic facilities such as basketball courts and soccer fields
- Recreational facilities that are located in affordable housing and commercial developments

The following have been prioritized by community members as desired elements of a community center:

- Community and adult education
- Youth activities and gathering spaces
- Indoor recreation
- Safe space for community gathering and connection
- Gallery space, art studios and other facilities to support local artists

**F. Infrastructure Improvements**

Provide infrastructure improvements, including safety-related transportation improvements, sidewalks, natural areas, green infrastructure or other climate resilience investments, that are triggered by or directly support community stabilization for Priority Community members, or the implementation of other investments in this Plan, but not for general infrastructure improvements.

**G. Administration**

Authorizes expenditures for the administrative costs associated with managing the TIF District including budgeting and annual reporting, planning and the implementation of projects in the District.

**Table 2 – Relationship of Projects to Goals**

Project Category	Goals	Priorities
Affordable Housing	1,2,3,4,6,7	A,B,C,D,E,F,G,H,J, K,L
Commercial Property Acquisition, Development and Renovation	1,2,3,4,6,7	A,B,C,D,E,F,G,H,J,K,L
Arts, Culture and Signage	2,3,4	A,B,D,E,F,G,I
Land Acquisition and Land Banking	1,2,3,4,6,7	A,B,C,D,E,F,G,H,J,K
Recreational Improvements	2,3,4	A,B,D,E,F,G,L
Infrastructure Improvements	1,2,3,4,6,7	A,B,D,E,F,G,H,L
Administration	1,2,3,4,5,6,7	



## VIII. MAXIMUM INDEBTEDNESS

Maximum indebtedness is the amount of indebtedness secured by a pledge of tax increment revenue as described in ORS 457.190. The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$350,000,000 (Three Hundred and Fifty Million Dollars). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on bond proceeds.

## IX. AMENDMENTS TO TIF PLAN

The Plan may be amended as described in this section.

### A. Substantial Amendments

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Prosper Portland Board of Commissioners, the Planning and Sustainability Commission, Multnomah County Board of Commissioners, and adoption by the City Council by non-emergency ordinance after a hearing.

Notice of such hearing shall be provided to individuals or households within the City of Portland, as required by ORS 457.120.

Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:<sup>8</sup>

1. Add land to the urban renewal area, except for an addition of land that totals not more than a cumulative 1% of the urban renewal area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

### B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457. Minor Amendments require approval by the Board of Commissioners by resolution.

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<sup>8</sup> Unless otherwise permitted by state law, no land equal to more than 20 percent of the total land area of the original Plan shall be added to the urban renewal area by amendments, and the aggregate amount of all amendments increasing the maximum indebtedness may not exceed 20 percent of the Plan's initial maximum indebtedness, as adjusted, as provided by law and by concurrence provisions in ORS 457.470.



**C. Amendments to the Portland Comprehensive Plan and/or Portland Municipal Code**

Amendments to the Portland Comprehensive Plan and/or Portland Municipal Code that affect the Plan and/or the Area shall be incorporated automatically within the Plan without any separate action required by the Agency or City Council. If a Substantial Amendment is thereafter adopted, the Section of this Plan on Relationship to Local Objectives should also be updated at the same time.

**X. PROPERTY ACQUISITION AND DISPOSITION**

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use. If property acquisition includes a public building, how that public building serves and benefits the Area must be identified per ORS 457.085(2)(j). The schedule for acquisition and disposition will be based on the availability of funding. The Plan is anticipated to complete all projects and have sufficient revenue to terminate in 2059, a thirty-six year program.

**A. Property acquisition for public improvements**

The Agency may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legally-authorized means, including any means authorized by ORS 457.

**B. Property acquisition from willing sellers**

This Plan authorizes Agency acquisition of any interest in property within the Area that the Agency finds is necessary or appropriate for private redevelopment, but only in those cases where the property owner wishes to convey such interest. Property acquisition from willing sellers may be required to support development of projects within the Area i.e. to acquire and renovate housing to prevent displacement of current residents. Residents of properties being considered for acquisition will be involved in making decisions about the future of their homes.

**C. Land disposition**

The Agency will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction, operation and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement, or otherwise if agreed by the appropriate public agencies.

The Agency may dispose of property it acquires pursuant to this Plan, subject to any contractual or legal constraints that may exist, by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value, as defined in ORS 457.230. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may (but will not necessarily) be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Agency determines is reasonable.

#### **D. Properties to be acquired**

Property may be acquired where it is consistent with this Plan and where the Board of Commissioners, believes such acquisition is reasonably necessary or appropriate to furthering the goals and objectives of the Plan.

### **XI. RELOCATION METHODS**

The overall goal of the Plan is to prevent displacement, not cause it.

When the Agency acquires occupied property under the Plan, occupants of such property shall be offered relocation assistance, in such circumstances as may be required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations as reviewed by the Community Leadership Committee, as necessary, for the administration of relocation assistance including but not limited to right of return for current residents, support for tenants to form cooperative ownership structures or other methods that will prevent permanent displacement.

The Agency will comply with all applicable state and Federal law in providing these potential benefits. All acquisitions will be reviewed for potential of relocation benefits.

### **XII. TAX INCREMENT FINANCING OF PLAN**

Tax increment financing consists of using annual tax increment revenues to make payments on debt, usually in the form of bank loans or revenue bonds. The proceeds of the debt are used to finance the urban renewal projects authorized in the Plan. Debt may be either long-term or short-term.

Tax increment revenues equal the portion of the annual property taxes imposed on the cumulative increase in assessed value within an urban renewal area over the frozen base value (i.e., total assessed value at the time an urban renewal plan is adopted), subject to certain statutory qualifications. The property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.

#### **A. General Description of the Proposed Financing Methods**

The Plan will be financed using a combination of revenue sources. These include, but are not necessarily limited to:

- Proceeds of indebtedness secured by tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from federal, state, or local governments, or other public bodies;

- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

The Agency will take reasonable measures to ensure that any revenues obtained by the Agency for the purpose of implementing the Plan are used in accordance with applicable legal or contractual (e.g., bond or indebtedness document) requirements.

#### **B. Tax Increment Financing**

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.420 to 457.470 shall be deposited into the special fund and used to finance indebtedness for projects as described in this Plan, or as otherwise permitted or required by applicable law.

#### **XIII. VALIDITY**

Should a court of competent jurisdiction find any work, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

#### **XIV. ANNUAL FINANCIAL STATEMENT**

The Agency shall prepare an Annual Financial Statement in compliance with ORS 457.460. This statement must include

- The amount of moneys received during the preceding fiscal year
- The purposes and amount for which any moneys received and from indebtedness incurred were expended during the preceding fiscal year
- An estimate of moneys to be received during the current fiscal year and from indebtedness incurred
- A budget setting forth the purposes and estimated amounts for which the moneys that have been or will be received and from indebtedness incurred are to be expended during the current fiscal year.
- The maximum indebtedness for the TIF District, including the amount of indebtedness incurred through the end of the immediately preceding fiscal year; and
- An analysis of the impact, if any, of carrying out the TIF District Plan on the tax collections for the preceding year for all taxing districts impacted by the TIF District

November 9, 2022

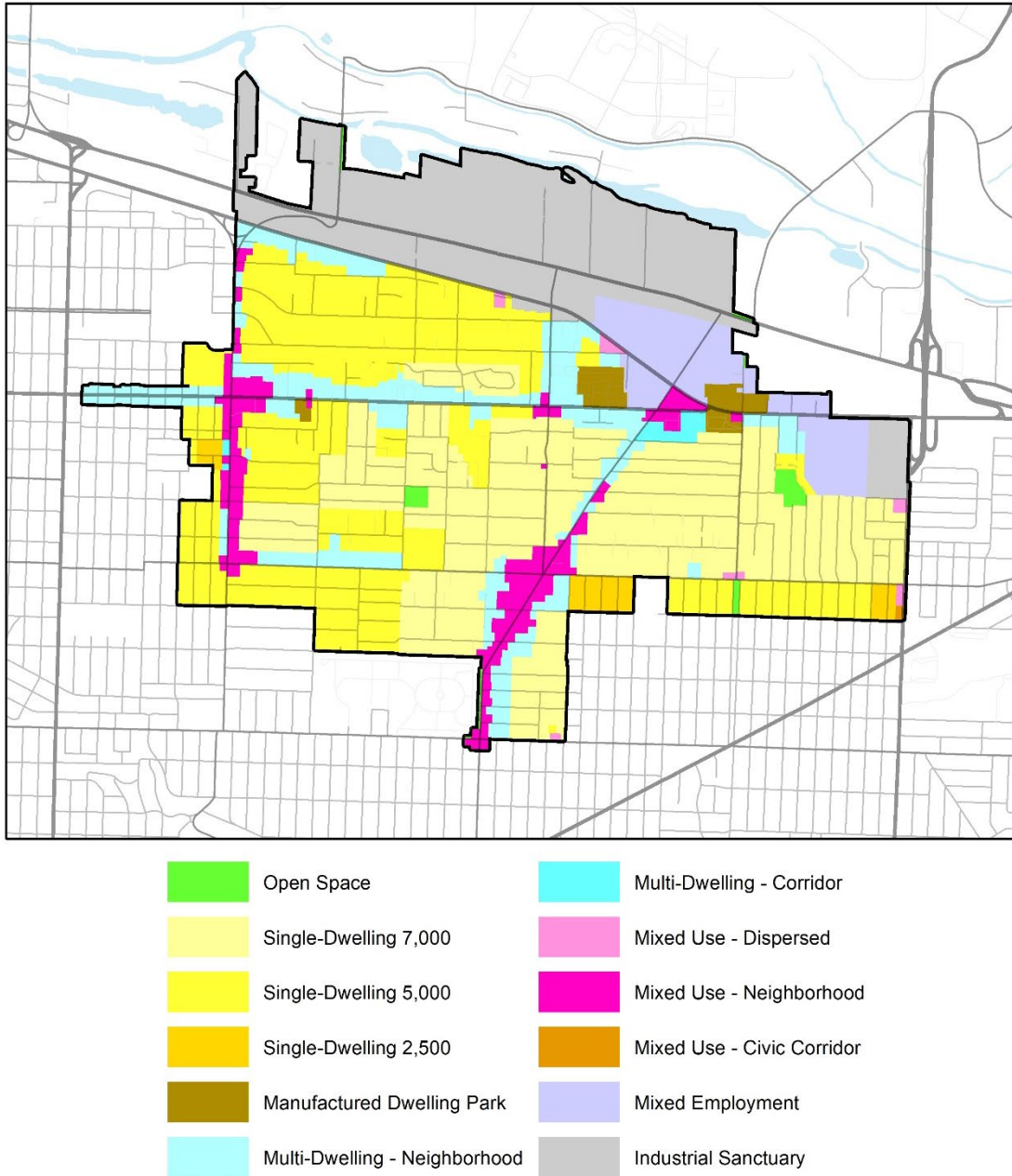
Page 36 of 44

The statement shall be filed with the City of Portland and with Prosper Portland and distributed to each taxing district affected by the TIF District.

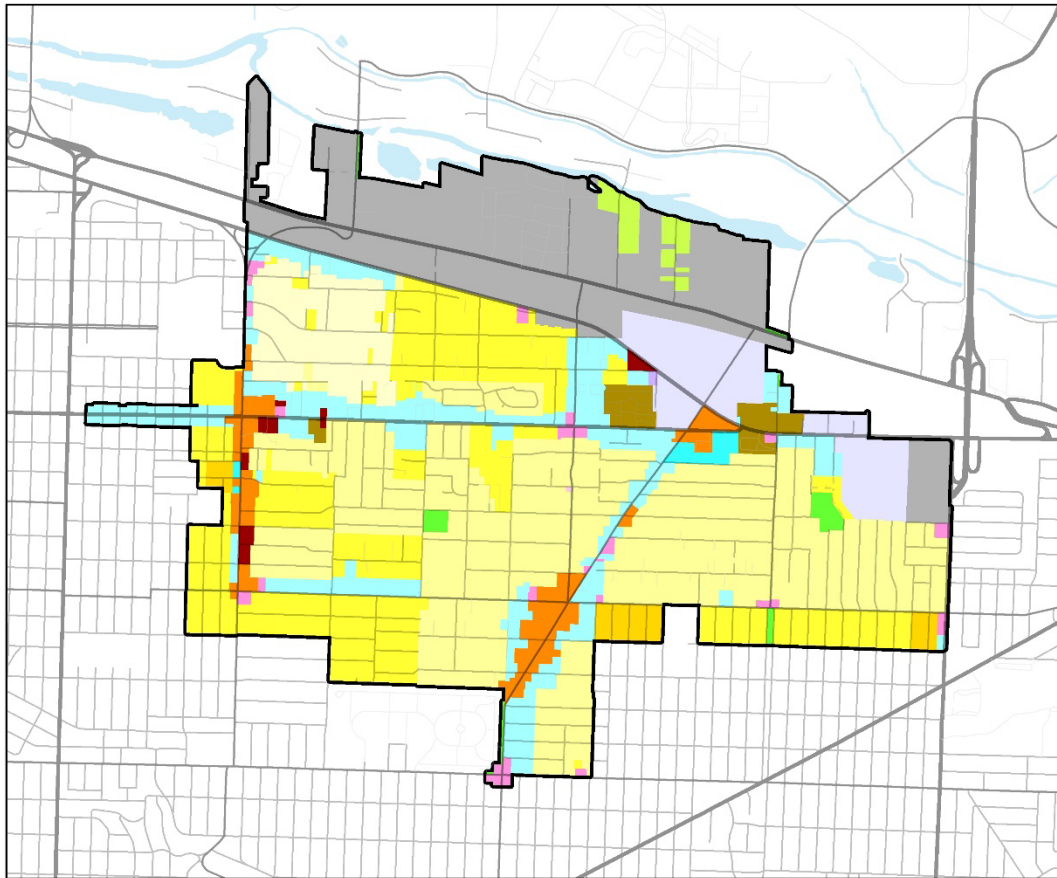
Notice shall be published that the statement has been prepared and is on file with the City and Prosper Portland and the information contained in the statement is available to all interested persons. The notice shall be published once a week for not less than two successive weeks before March 1 of the year in which the statement is filed. The notice shall summarize the information required and shall set forth the full information about the impacts on taxing districts.

















A representative of Prosper Portland shall be available to consult with the taxing districts and respond to questions.

Figure 2 Comprehensive Plan Designations



**Figure 3 Zoning Designations**



	Commercial Employment (CE)		Single Dwelling Residential 10,000 (R10)
	Commercial Mixed Use 1 (CM1)		Single Dwelling Residential 2,500 (R2.5)
	Commercial Mixed Use 2 (CM2)		Single Dwelling Residential 5,000 (R5)
	Commercial Residential (CR)		Single Dwelling Residential 7,000 (R7)
	General Employment 1 (EG1)		Residential Farming (RF)
	General Employment 2 (EG2)		Residential Multi-Dwelling 1 (RM1)
	General Industrial 2 (IG2)		Residential Multi-Dwelling 2 (RM2)
	Open Space (OS)		Residential Manufactured Dwelling Park (RMP)

## **XV. RELATIONSHIP TO LOCAL OBJECTIVES**

ORS 457.085 requires that the Plan conform to local objectives including the comprehensive plan and economic development plan of a locality. This section provides that analysis. Relevant local planning and development objectives are contained within the *Portland Comprehensive Plan (Comprehensive Plan)*, the *Cully Neighborhood Plan*, the *Albina Community Plan*, the *Concordia Neighborhood Plan* and the *82<sup>nd</sup> Avenue Study*.

Comprehensive Plan designations for all land in the Area are shown in Figure 2. All proposed land uses conform to Figure 2. Maximum densities and building requirements for all land in the Area are contained in the Portland City Code, Title 33 of Planning and Zoning and are identified below:

### **Open Space Zone**

#### **33.100.010 Purpose**

The Open Space zone is intended to preserve and enhance public and private open, natural, and improved park and recreational areas identified in the Comprehensive Plan. These areas serve many functions including:

- Providing opportunities for outdoor recreation;
- Providing contrasts to the built environment;
- Preserving scenic qualities;
- Protecting sensitive or fragile environmental areas;
- Enhancing and protecting the values and functions of trees and the urban forest;
- Preserving the capacity and water quality of the stormwater drainage system; and
- Providing pedestrian and bicycle transportation connections.

### **Single-Dwelling Residential Zones**

#### **33.110.010 Purpose**

The single-dwelling zones are intended to preserve land for housing and to provide housing opportunities for individual households. The zones implement the comprehensive plan policies and designations for single-dwelling housing.

**A. Use regulations.** The use regulations are intended to create, maintain and promote single dwelling neighborhoods. They allow for some non-household living uses but not to such an extent as to sacrifice the overall image and character of the single-dwelling neighborhood.

**B. Development standards.** The development standards preserve the character of neighborhoods by providing six different zones with different densities and development standards. The development standards work together to promote desirable residential areas by addressing aesthetically pleasing environments, safety, privacy, energy conservation, and recreational opportunities. The site development standards allow for flexibility of development while maintaining compatibility within the City's various neighborhoods. In addition, the regulations provide certainty to property owners,

developers, and neighbors about the limits of what is allowed. The development standards are generally written for houses on flat, regularly shaped lots. Other situations are addressed through special regulations or exceptions.

<b>Full Name</b>	<b>Short Name/Map Symbol</b>
Residential Farm/Forest	RF
Residential 10,000	R10
Residential 7,000	R7
Residential 5,000	R5

### **Multi-Dwelling Zones**

#### **33.120.010 Purpose**

The multi-dwelling zones are intended to preserve land for urban housing and to provide opportunities for multi-dwelling housing.

**A. Use regulations.** The use regulations are intended to create and maintain higher density residential neighborhoods. At the same time, they allow for institutional, limited commercial, and other nonresidential uses, but not to such an extent as to sacrifice the overall residential neighborhood character of the multi-dwelling zones and their intended role as places for housing.

**B. Development standards.** The six multi-dwelling zones are distinguished primarily by their allowed scale and development standards. The development standards work together to create desirable residential areas by promoting aesthetically pleasing environments, safety, privacy, energy conservation, and recreational opportunities. The development standards generally assure that new development will be compatible with the City's character and contribute to the intended characteristics of each zone. At the same time, the standards allow for flexibility for new development. In addition, the regulations provide certainty to property owners, developers, and neighbors about the limits of what is allowed. The development standards are generally written for development on flat, regularly shaped lots. Other situations are addressed through special standards or exceptions.

<b>Full Name</b>	<b>Short Name/Map Symbol</b>
Residential Multi-Dwelling 1	RM1
Residential Multi-Dwelling 2	RM2
Residential Manufactured Dwelling Park	RMP

#### **33.120.030 Characteristics of the Zones**

**A. RM1 zone.** The RM1 zone is a low-scale multi-dwelling zone that is generally applied in locations intended to provide a transition in scale to single-dwelling residential areas, such as the edges of mixed-use centers and civic corridors, and along or near neighborhood corridors. Allowed housing is characterized by one to three story buildings that relate to the patterns of residential neighborhoods, but at a somewhat larger scale and building coverage than allowed in the single-dwelling zones. The major types of new development will be duplexes, triplexes, rowhouses, courtyard housing, small apartment buildings, and other relatively small-scale multi-dwelling and small-lot housing types that are compatible with the characteristics of Portland's residential neighborhoods.



**B. RM2 zone.** The RM2 zone is a medium-scale multi-dwelling zone that is generally applied in and around a variety of centers and corridors that are well-served by transit. Allowed housing is characterized by buildings of up to three or four stories with a higher percentage of building coverage than in the RM1 zone, while still providing opportunities for landscaping and outdoor spaces that integrate with residential neighborhood characteristics. The major types of new housing development will be a diverse range of multi-dwelling structures and other compact housing that contribute to the intended urban scale of centers and corridors, while providing transitions in scale and characteristics to lower-scale residential neighborhoods.

**F. RMP zone.** The RMP zone is a low-scale multi-dwelling zone that allows manufactured dwelling parks. Allowed density may be up to 29 units per acre. Allowed housing is manufactured dwellings that are assembled off-site. Units are generally surrounded by vehicle circulation systems, pedestrian pathways and open area, often resulting in lower building coverage than other multi-dwelling zones. Development is compatible with low and medium-density single-dwelling development and multi-dwelling development. Generally, RMP zoning will be applied on large sites.

### **Commercial/Mixed Use Zones**

#### **33.130.010 Purpose**

The commercial/mixed use zones are intended for commercial and mixed-use areas of the City as designated on the Comprehensive Plan map. These zones implement the vision, guiding principles, and goals and policies of the Comprehensive Plan, and encourage economic prosperity, human health, environmental health, equity, and resilience. These zones are primarily distinguished by the uses allowed and the intensity of development allowed. The zones allow a mix of commercial activities, housing, and employment uses that reflect the different types of centers and corridors described in the Urban Design chapter of the Comprehensive Plan, and also accommodate smaller, dispersed commercial and mixed-use areas to provide opportunities for services in areas between the centers and corridors. The commercial/mixed use zones are intended to serve local neighborhood areas, larger districts, as well as broader citywide or regional markets. The regulations promote uses and development that support healthy complete neighborhoods—places where people of all ages and abilities have safe and convenient access to the goods and services they need in their daily life, and where people have the opportunity to live active lifestyles. The zones encourage quality and innovative design and facilitate creation of great places and great streets.

The development standards are designed to allow development flexibility, within parameters, that supports the intended characteristics of the specific zone. In addition, the regulations provide guidance to property owners, developers, and neighbors about the limits of what is allowed.

<b>Full Name</b>	<b>Short Name / Map Symbol</b>
Commercial Residential	CR
Commercial/Mixed Use 1	CM1
Commercial/Mixed Use 2	CM2
Commercial Employment	CE

**33.130.030 Characteristics of the Zones**

**A. Commercial Residential zone.** The Commercial Residential (CR) zone is a low-intensity zone for small and isolated sites in residential neighborhoods. The zone is intended to be applied in limited situations on local streets and neighborhood collectors in areas that are predominately zoned single-dwelling residential. The zone encourages the provision of small scale retail and service uses for surrounding residential areas. Uses are restricted in size to promote a local orientation, and to limit adverse impacts on surrounding residential areas. Where commercial uses are not present, residential density is limited to provide compatibility with surrounding residential areas. Development is intended to be pedestrian-oriented and building height is intended to be compatible with the scale of surrounding residentially zoned areas.

**B. Commercial/Mixed Use 1 zone.** The Commercial/Mixed Use 1 (CM1) zone is a small-scale zone intended for sites in dispersed mixed use nodes within lower density residential areas, as well as on neighborhood corridors and at the edges of neighborhood centers, town centers and regional centers. The zone is also appropriate in core commercial areas of centers in locations where older commercial storefront buildings of 1 to 2 stories are predominant. This zone allows a mix of commercial and residential uses. The size of commercial uses is limited to minimize impacts on surrounding residential areas. Buildings in this zone will generally be up to three stories tall. Development is intended to be pedestrian-oriented and compatible with the scale and characteristics of adjacent residentially zoned areas or low-rise commercial areas.

**C. Commercial/Mixed Use 2 zone.** The Commercial/Mixed Use 2 (CM2) zone is a medium scale zone intended for sites in a variety of centers, along corridors, and in other mixed use areas that have frequent transit service. The zone allows a wide range and mix of commercial and residential uses, as well as employment uses that have limited off-site impacts. Buildings in this zone will generally be up to four stories tall unless height and floor area bonuses are used, or plan district provisions specify other height limits. Development is intended to be pedestrian-oriented, provide a strong relationship between buildings and sidewalks, and complement the scale of surrounding residentially zoned areas.

**E. Commercial Employment zone.** The Commercial Employment (CE) zone is a medium-scale zone intended for sites along corridors with a Neighborhood Collector or higher traffic classification, especially along civic corridors that are also Major Truck Streets or Priority Truck Streets. This zone is generally not appropriate in designated centers, except on a site that is currently developed in an auto-oriented manner and where more urban development is not yet economically feasible. The zone allows a mix of commercial uses, including auto-accommodating development and drive-through facilities, as well as some light manufacturing and distribution uses that have few off-site impacts. The emphasis of this zone is on commercial and employment uses, but residential uses are also allowed. Buildings in this zone will generally be up to four stories tall. This zone is intended to allow for development with auto-accommodating configurations, while also including pedestrian oriented design features that support transit and pedestrian access.

**Employment and Industrial Zones**

**33.140.010 General Purpose of the Zones**

The employment and industrial zones are for areas of the City that are reserved for industrial uses and for areas that have a mix of uses with a strong industrial orientation. The zones reflect the diversity of industrial and business areas in the City. The zones differ in the mix of allowed uses, the allowed intensity of development, and the development standards. The regulations promote areas which consist of uses and developments which will support the economic viability of the specific zoning district and of the City. The regulations protect the health, safety and welfare of the public, address area character, and address environmental concerns. In addition, the regulations provide certainty to property owners, developers, and neighbors about the limits of what is allowed.

<b>Full Name</b>	<b>Short Name/Map Symbol</b>
General Employment 1	EG1
General Employment 2	EG2
General Industrial 2	IG2

**33.140.030 Characteristics of the Zones**

**A. General Employment.** The General Employment zones implement the Mixed Employment map designation of the Comprehensive Plan. The zones allow a wide range of employment opportunities without potential conflicts from interspersed residential uses. The emphasis of the zones is on industrial, industrially-related, and office uses, typically in a low-rise, flexspace development pattern. Retail uses are allowed but limited in intensity to maintain adequate employment development opportunities. The development standards for each zone are intended to allow new development which is similar in character to existing development. The intent is to promote viable and attractive industrial/commercial areas.

1. General Employment 1. EG1 areas generally have smaller lots and a grid block pattern. The area is mostly developed, with sites having high building coverages and buildings which are usually close to the street. EG1 zoned lands will tend to be on strips or small areas.

2. General Employment 2. EG2 areas have larger lots and an irregular or large block pattern. The area is less developed, with sites having medium and low building coverages and buildings which are usually set back from the street. EG2 zoned lands will generally be on larger areas than those zoned EG1.

**C. General Industrial.** The General Industrial zones are two of the three zones that implement the Industrial Sanctuary map designation of the Comprehensive Plan. The zones provide areas where most industrial uses may locate, while other uses are restricted to prevent potential conflicts and to preserve land for industry. The development standards for each zone are intended to allow new development which is similar in character to existing development. The intent is to promote viable and attractive industrial areas.

2. General Industrial 2. IG2 areas generally have larger lots and an irregular or large block pattern. The area is less developed, with sites having medium and low building coverages and buildings which are usually set back from the street.

**XVI. LEGAL DESCRIPTION**

A tract of land and road rights-of-way located in the Northeast and Southeast One-Quarters of Section 13, and the Northeast and Southeast One-Quarters of Section 24, Township 1 North, Range 1 East, in the Northwest, Southeast, and Southwest One-Quarters of Section 17, the Northwest, Northeast, Southwest, and Southeast One-Quarters of Section 18, the Northwest, Northeast, Southwest, and Southeast One-Quarters of Section 19, the Northwest, Northeast, Southwest, and Southeast One-Quarters of Section 20, the Northwest and Southwest One-Quarters of Section 21, and in the Northeast One-Quarter of Section 30, Township 1 North, Range 2 East, Willamette Meridian, City of Portland, Multnomah County, Oregon.

See Exhibit 3 for the full legal description and map of the TIF District

**ATTACHMENTS**

- Exhibit 1 – Preliminary Report
- Exhibit 2 - Governance Charter
- Exhibit 3 – Legal Description