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Cully TIF District City Council Hearing

November 9, 2022

Our Agenda

1. Background on Cully TIF Exploration
2. Overview of Proposed TIF District Plan
3. Financial Implications
4. Proposed District Governance & Accountability
5. Next Steps



Exploring a New TIF Model

Partnership with the Cully Community

What's similar?

- Property tax-based funding tool
- Action Plans guide investments
- Influenced by economic and real estate market trends
- Outreach & engagement to gather input on projects
- City Council, Prosper Board have defined decision making authority, legal liability

But what's different?



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1. Background on Cully TIF Exploration

What's Different?

- Community asked question, “What if TIF could be different?”
- Community-initiated and led exploration process
- Early & prioritized focus on the needs of groups vulnerable to displacement



We have been using TIF in Cully for 10 years



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Who are the Cully Partners?

Partners + Community members at large = Exploration Leadership Committee



Community Engagement

BROAD: PLACE-BASED ENGAGEMENT

Prosper Portland & Portland Housing Bureau led



DEEP: COMMUNITY-BASED ENGAGEMENT

ELC Subcommittee-led



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Community Priorities We Heard

Community spaces for recreation, education and connection

Buy and bank land

Remove opportunity access barriers

TIF funds should be targeted on **stabilization** rather than broadly spent on infrastructure

Invest in stabilizing, affordable housing

Stabilize Communities Vulnerable to Displacement!

Secure **additional benefits** from projects and investments

Provide **inclusive oversight** opportunities

Support local **BIPOC** business

Support **historical** and **cultural** public art

Drive **equitable economic** opportunity

Safety-related transportation investments

Need more **natural** areas



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From Preliminary Report to the Plan: The Vision



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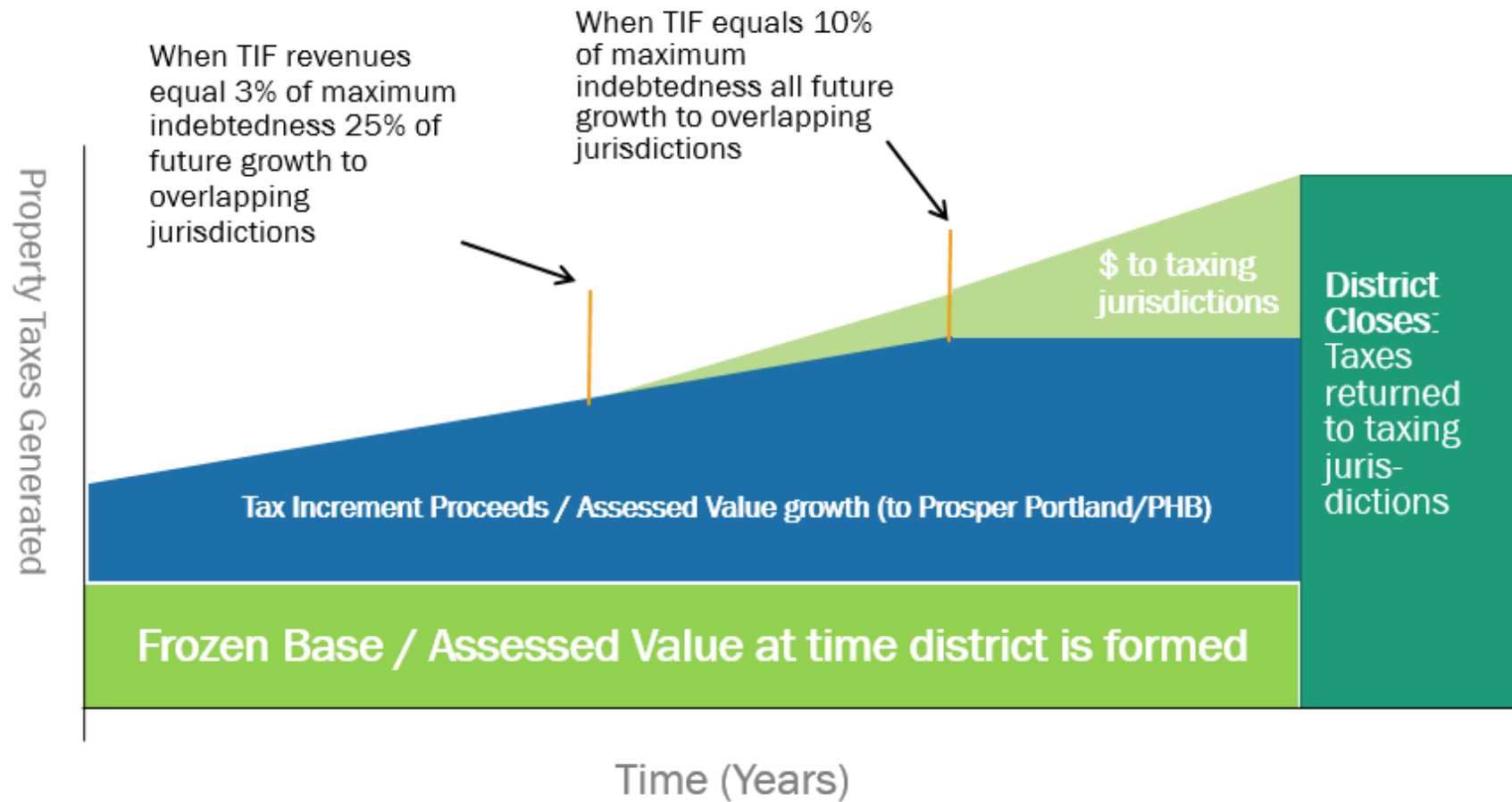
2. Overview of Proposed Cully TIF District Plan

What's Different?

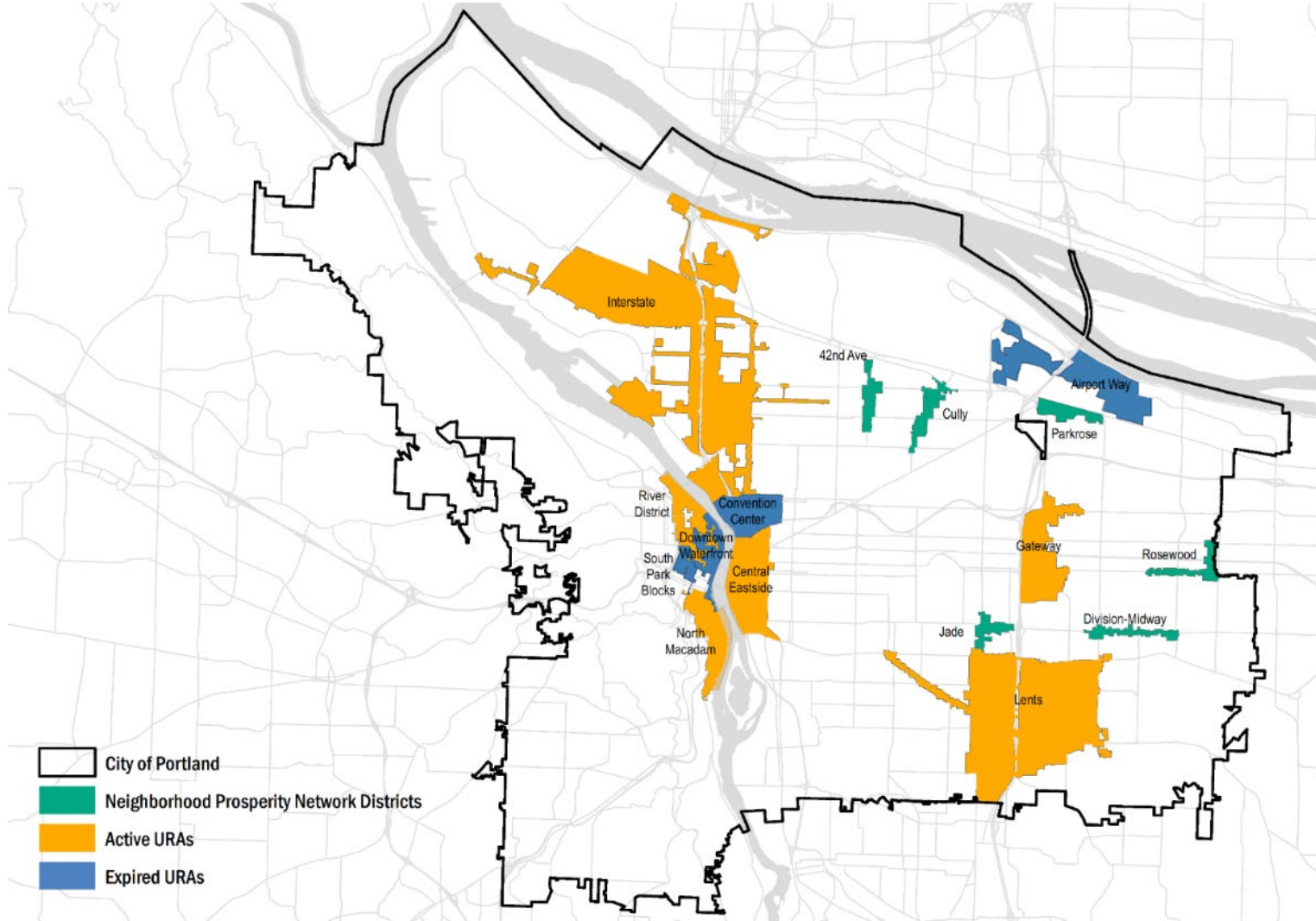
- Co-created vision, priorities, and goals
- Focus on phasing and early stabilizing investments; benefits to current residents
- Priority Communities
- Limit on general infrastructure spending



How Does TIF Work?



Where are Portland's TIF Districts?



-  City of Portland
-  Neighborhood Prosperity Network Districts
-  Active URAs
-  Expired URAs

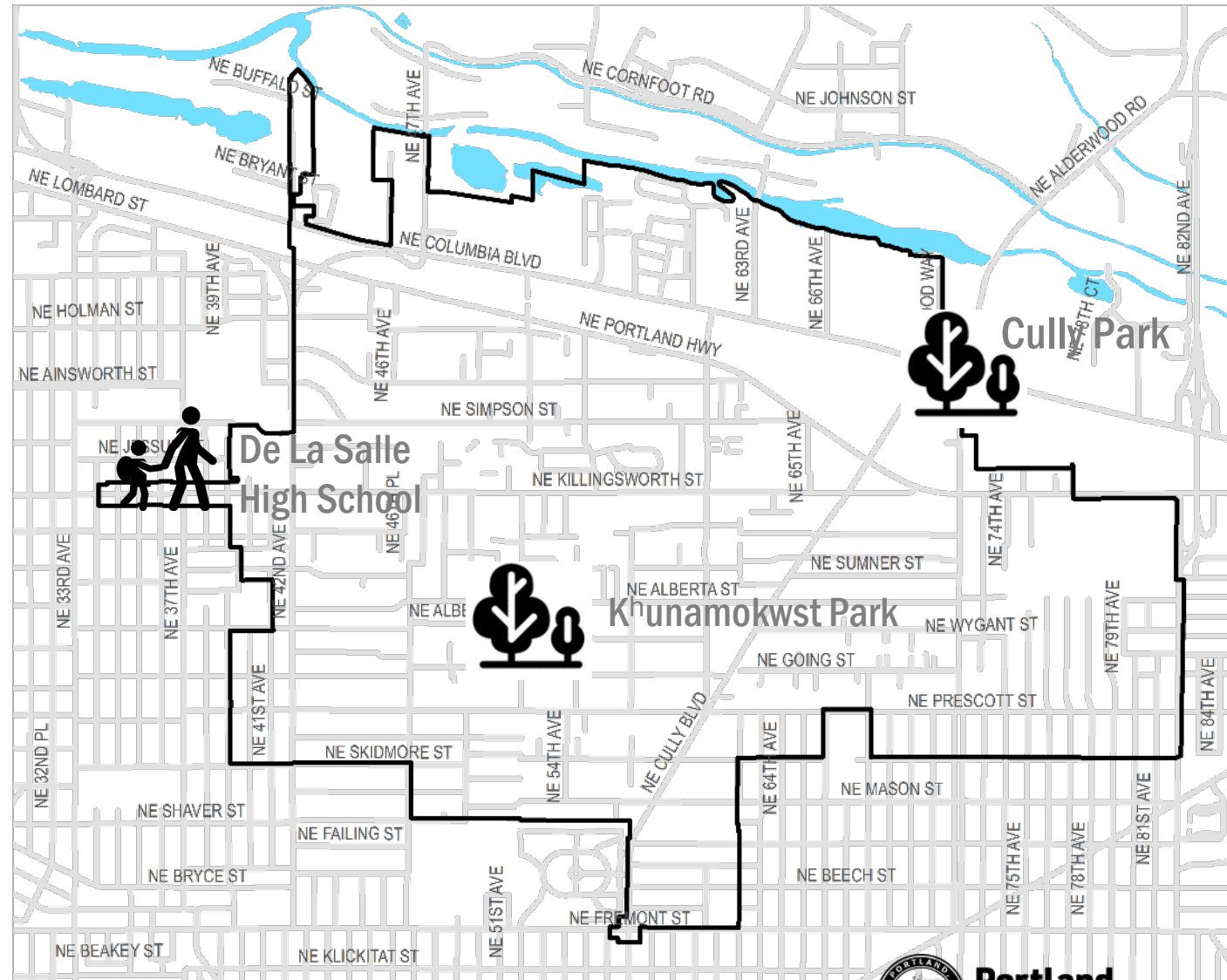


Proposed Cully TIF Boundary

What's Different?

Iterative, community-led, strategic conversations with adjacent geographies

- 1,623 Acres
- 56% single-family
- 25% employment/ industrial
- 11% multi-dwelling
- 4% commercial
- 2% mobile home parks
- 1% open space



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District Goals

1. Prevent displacement
2. Preserve existing opportunities for affordable housing and economic prosperity, and create new opportunities
3. Ensure that current resident benefit from investments
4. Ensure that those most affected will play lead roles
5. Develop and inspire a new model for TIF
6. Actively work to remove access barriers
7. Spur innovation of environment and climate change



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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.



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Eligible Projects List

1. Affordable housing, homeownership and home repairs
2. Business support, property acquisition, development and renovation
3. Arts, culture and signage
4. Land acquisition and land banking
5. Recreational improvements
6. Infrastructure improvements



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How TIF Plan relates to Action Plan

TIF Plan

30-year Vision, Values,
Goals

Principles that Guide
Implementation

TIF Eligible Projects

The TIF Plan creates a legally allowable “menu” for future TIF investments & guides action plans

The Action Plan sets forth a strategy for implementation: project & budget prioritization, measures of success, and accountability & oversight

Action Plans

5-year Priorities

Identify Specific
Projects

Identify budget



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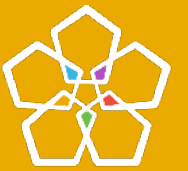


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3. Financial Implications



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Building an Equitable Economy

Maximum Indebtedness

District anticipated to reach maximum indebtedness in FY 2054-55

Proposed Uses of TIF	
Affordable Housing (At least 45%)	\$143.7M
Economic & Community Development (45% to 55%)	\$175.7M
Debt Administration, Issuance Costs & Reserves	\$30.6M
Total Maximum Indebtedness	\$350M



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Sample Phasing and Type/Scale of Investments

Years 1 - 15

				Potential Investments & Sequencing			
District Timeline	Affordable Housing	Economic Development	Total	Stabilizing grants and loans	Land acquisition	Predev/Dev of acquired properties	Significant investment in new development
Years 1-5	\$11M	\$14M	\$25M*	✓	✓		
Years 6-10	\$14M	\$16M	\$30M	✓	✓	✓	
Years 11-15	\$22M	\$27M	\$49M	✓	✓	✓	✓



1



Photo Credit: Chere Nichole

2



3



4

* Includes bonding issued at year five.



Impact on Taxing Jurisdictions

Revenue share anticipated to begin in FY 2038-39

General Government

	Total Impact*	Average Annual
City of Portland	\$116M	\$3.2M
Multnomah County	\$110M	\$3.05M
Multnomah County Library	\$31M	\$861K
FPDR Fund	\$76M	\$2.1M
Other (Metro, Port, East Mult. Soil & Conservation)	\$7M	\$55K-\$83K
SUBTOTAL	\$339M	\$9.4M

Education

	Total Impact*	Average Annual
Portland Public Schools	\$9M	\$250K
SSF	\$127M	\$3.53M
Portland Comm. College	\$5M	\$139K
Multnomah ESD	\$8M	\$222K
SUBTOTAL	\$140M	\$3.9M

*High end of range of impact.

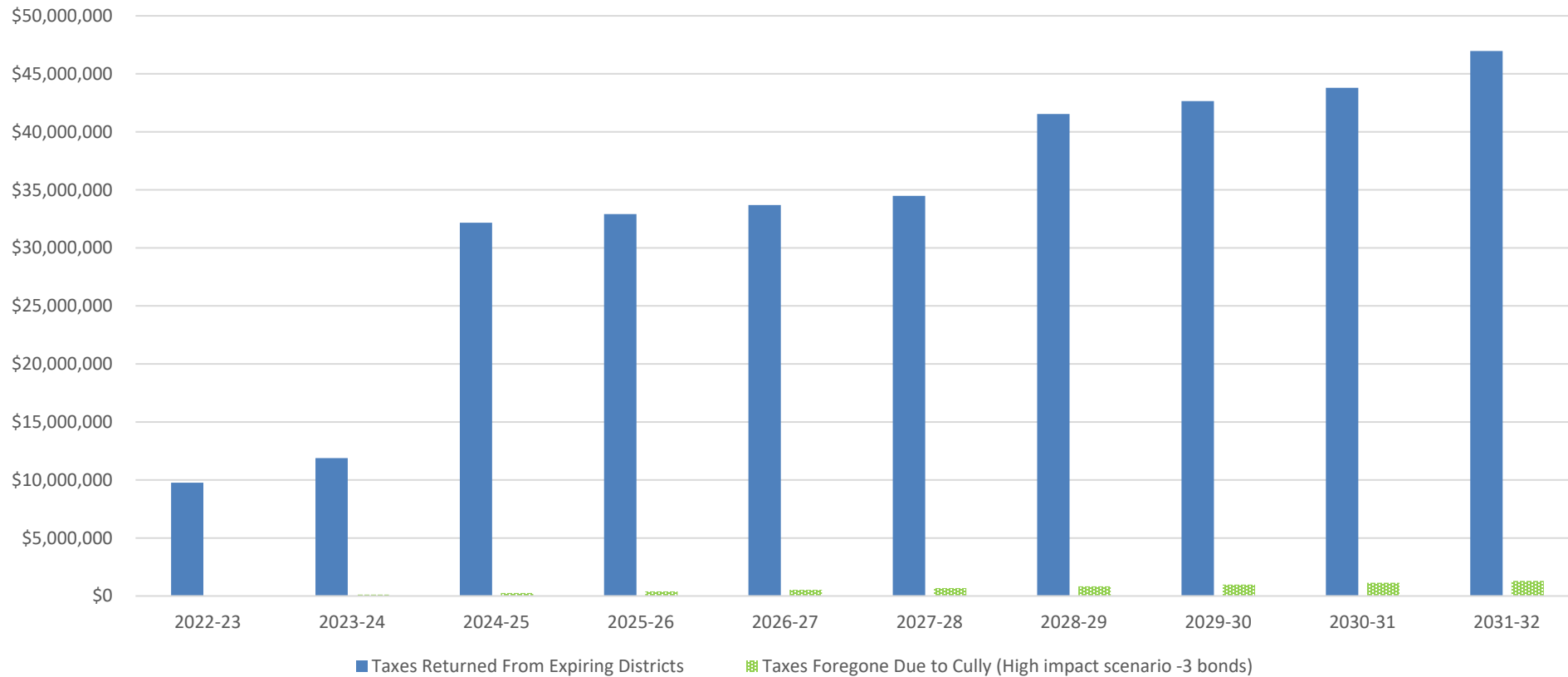


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City Taxes Returned & Taxes Foregone

Taxes Returned (Expiring Districts) and Taxes Foregone (Cully)



4. Proposed District Governance & Accountability

What's Different?

- Joint Prosper Portland/City Committee
- Co-creation roles, expectations, processes and consequences detailed in Governance Charter
- Community-based staffing to support CLC and connect Priority Communities to resources



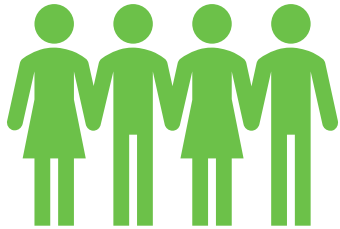
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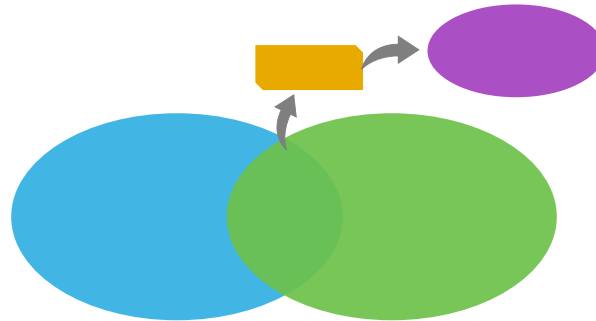
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Community Governance Charter

Goal: Lean into partnership, documenting expectations and processes to ensure TIF Plan implementation reflects in-depth guidance from Cully residents and stakeholders for the life of the district.



**Community Leadership
Committee (CLC)**



**Co-creation roles,
processes, expectations**



Accountability



Community Leadership Committee



Joint Prosper Portland/PHB Committee

Purpose: Provide recommendations and guidance on different types of decisions

Membership: 13 members; must live, work, worship, have kids enrolled in school or have been displaced from Cully

Representation: Individuals represent Priority Community members rather than personal or organizational interests



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Co-creation Roles, Expectations and Processes



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Accountability



Co-creation Missteps: Gives examples of breakdowns in the co-creation process

Escalation Paths: Charter defines escalation paths for all parties if they feel another party is not acting in co-creation

Annual Report: Committee will submit a report to City Council summarizing their perspective, concerns and recommendations. *As part of the report, the Committee may recommend termination of the District.*



5. Next Steps

What's Different?

- Community-based staffing to support the Leadership Committee and proactively connect Priority Community members to resources
- Community Leadership Committee (CLC) is first City/Prosper Portland advisory body

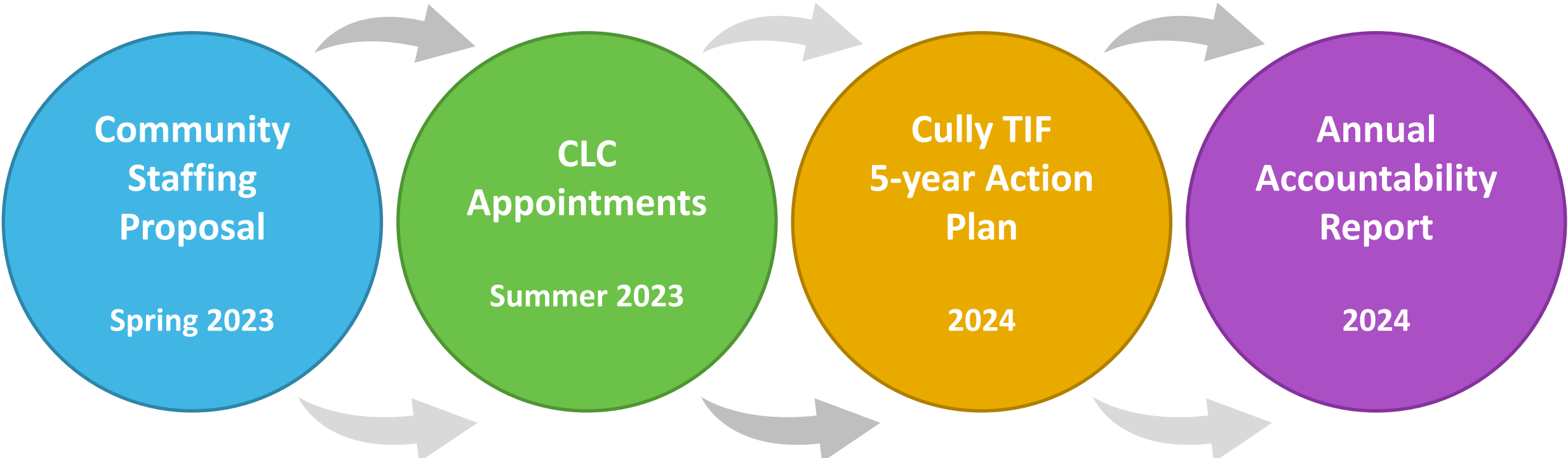


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City Council's Role in Implementation



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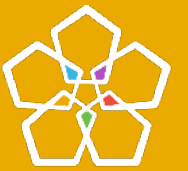


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Questions?



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Building an Equitable Economy