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City Council Work Session

Council Work Session

Budget Work Session: Community and Economic Development
Service Area and Prosper Portland

📅 May 14, 2025 2:00 pm – 6:00 pm

Available Online

Council in Attendance:

- Councilor Avalos
- Councilor Dunphy
- Councilor Smith
- Councilor Kanal
- Councilor Pirtle-Guiney
- Councilor Ryan
- Councilor Koyama Lane
- Councilor Morillo
- Councilor Novick
- Councilor Clark
- Councilor Green
- Councilor Zimmerman

Meeting Materials:

 [Presentation - Community and Economic Development Service Area](#) 1.1 MB

 [Presentation - Prosper Portland](#) 6.61 MB

Submit written comments to Council by filling out the [budget comment form](#).

Council Chamber doors open to the public 15 minutes before the meeting starts. Learn more about [visiting City Hall to attend a Council meeting](#). Watch the live broadcast on [YouTube](#), on the [Open Signal website](#), or on cable TV (Xfinity Channels 30 and 330, CenturyLink Channels 8005 and 8505).

Location

City Council Chambers

1221 SW Fourth Avenue
Second Floor Auditorium
Portland, OR 97204

[Get Directions](#)

[More about this location](#)

Contact

Ruth Levine

Director, City Budget Office

✉ ruth.levine@portlandoregon.gov

Related

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Community and Economic Development Service Area Budget Work Session FY 2025-26

Donnie Oliviera
Deputy City Administrator



Agenda

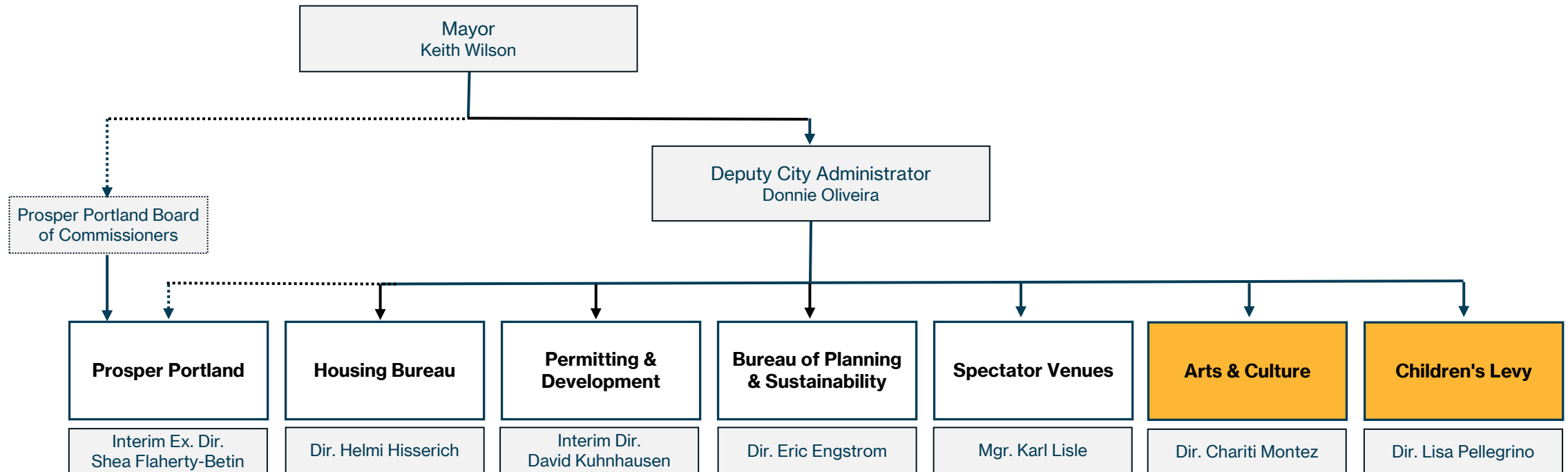
1. Introduction
2. Portland Housing Bureau
3. Bureau of Planning and Sustainability
4. Portland Permitting & Development
5. Prosper Portland
6. Portland Children's Levy
7. Office of the Deputy City Administrator
 - Office of Arts and Culture and Spectator Venues



1 Introduction



COMMUNITY & ECONOMIC DEVELOPMENT

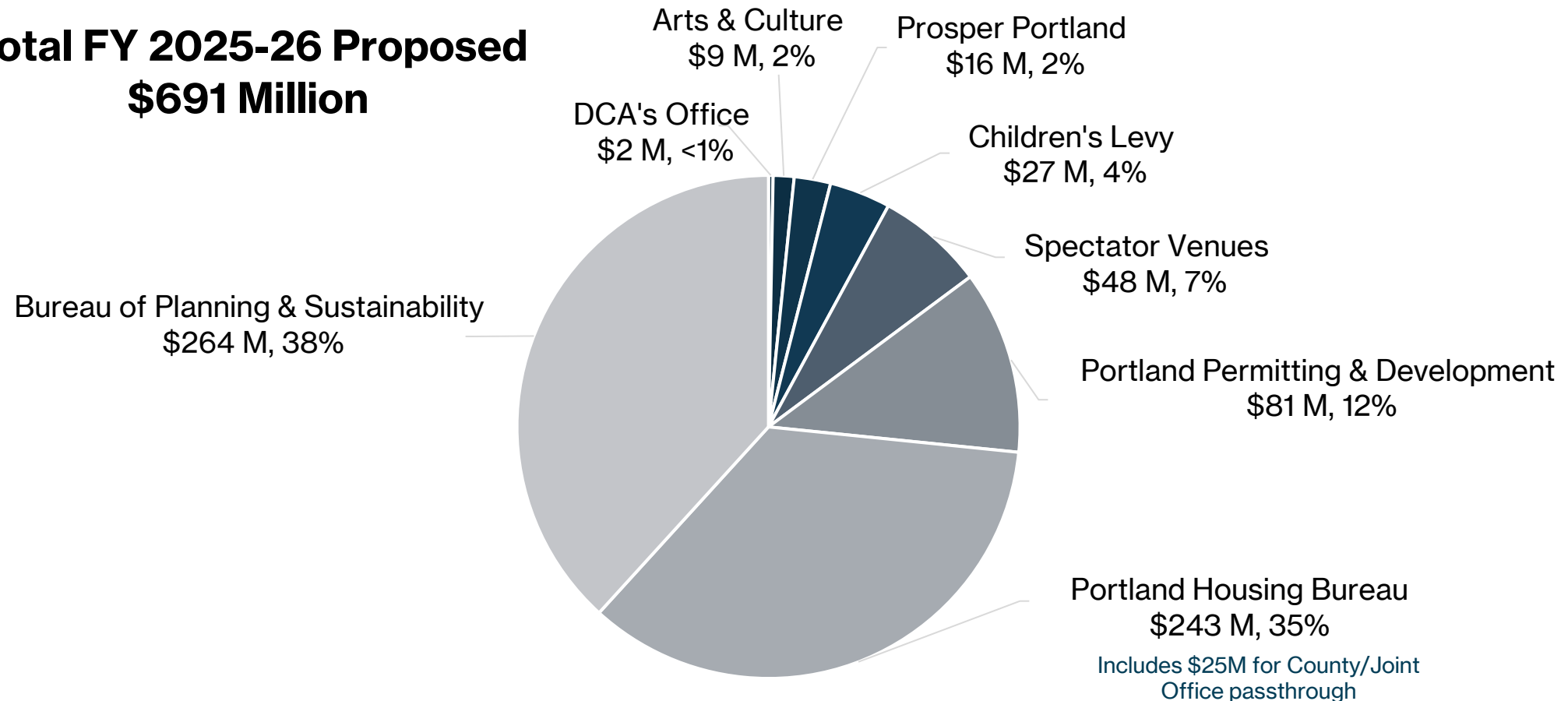


New to Service Area



Service Area Expenditures by Bureau

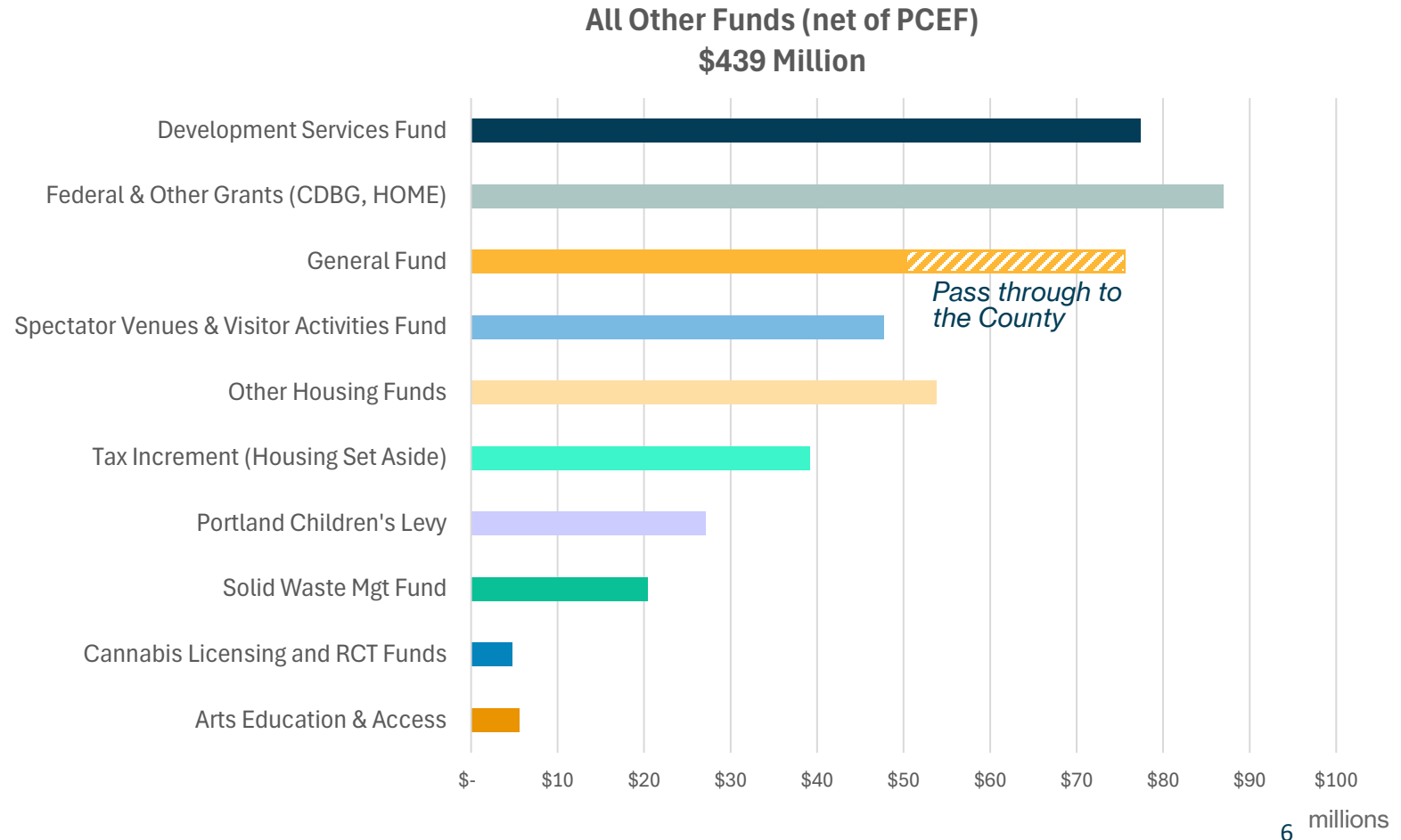
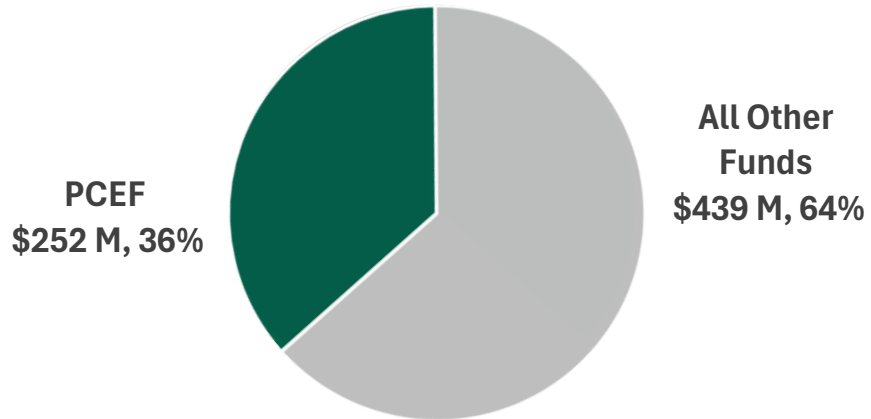
**Total FY 2025-26 Proposed
\$691 Million**





Service Area Bureau Expenditures by Fund

**Total FY 2025-26 Proposed
\$691 Million**





2

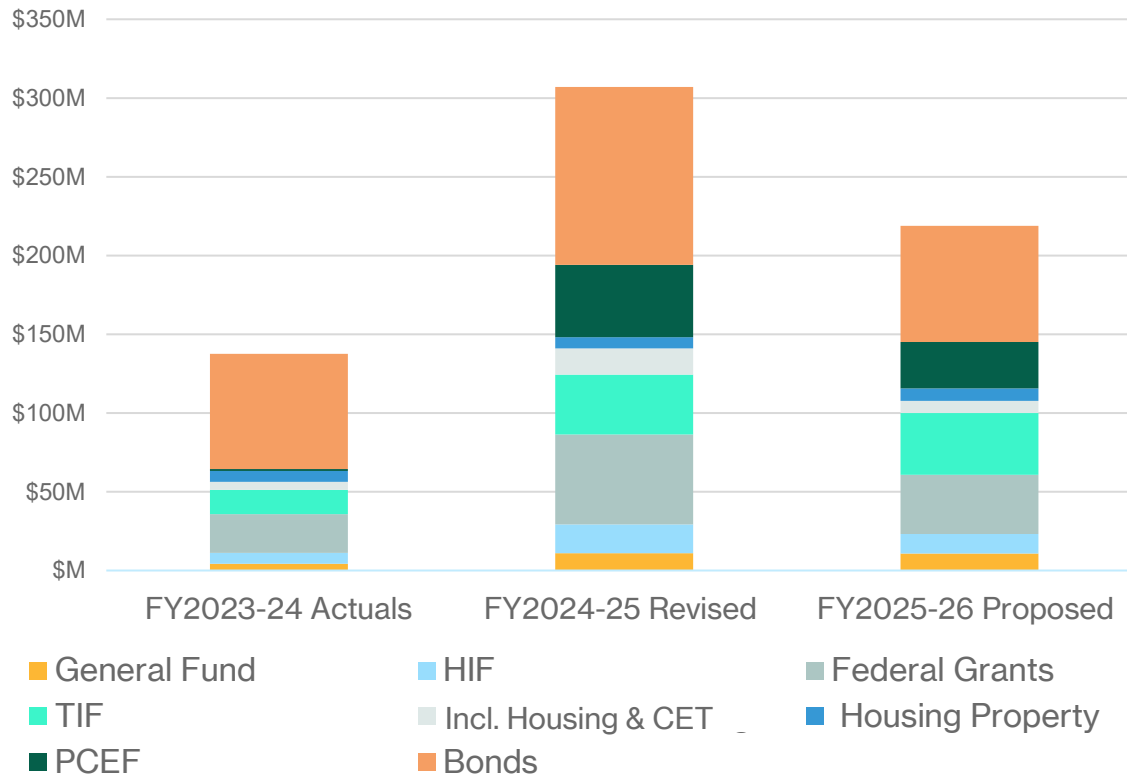
Portland Housing Bureau

Director Helmi Hisserich



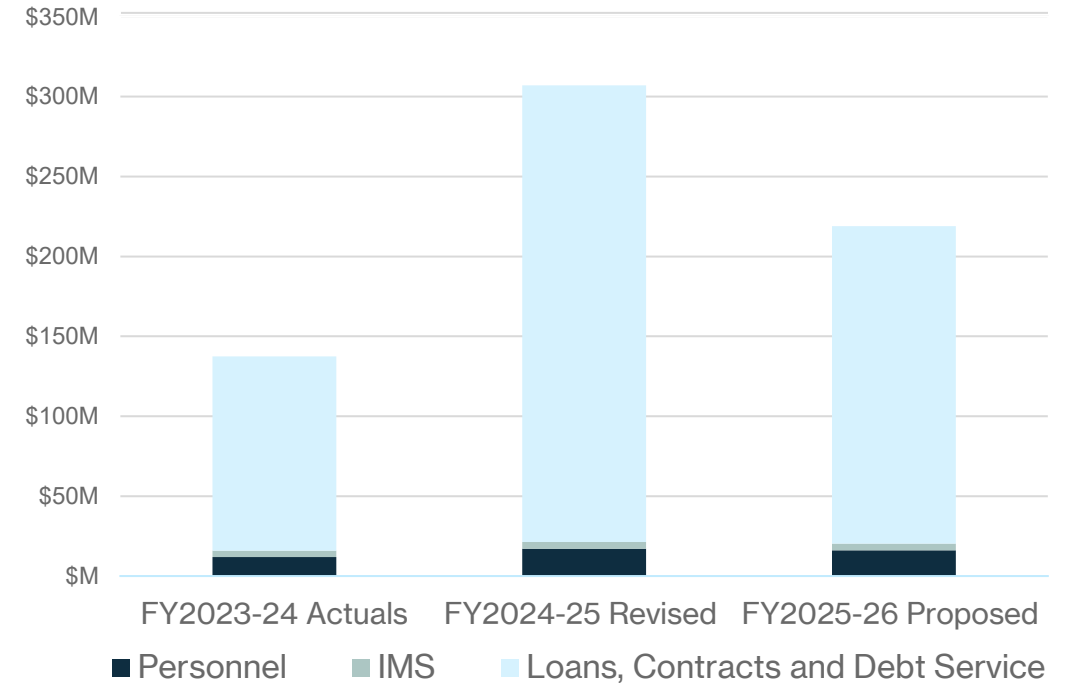
PHB Revenues and Expenditures

Total Resources



**Amount net of General Fund pass through for County / JOHS*

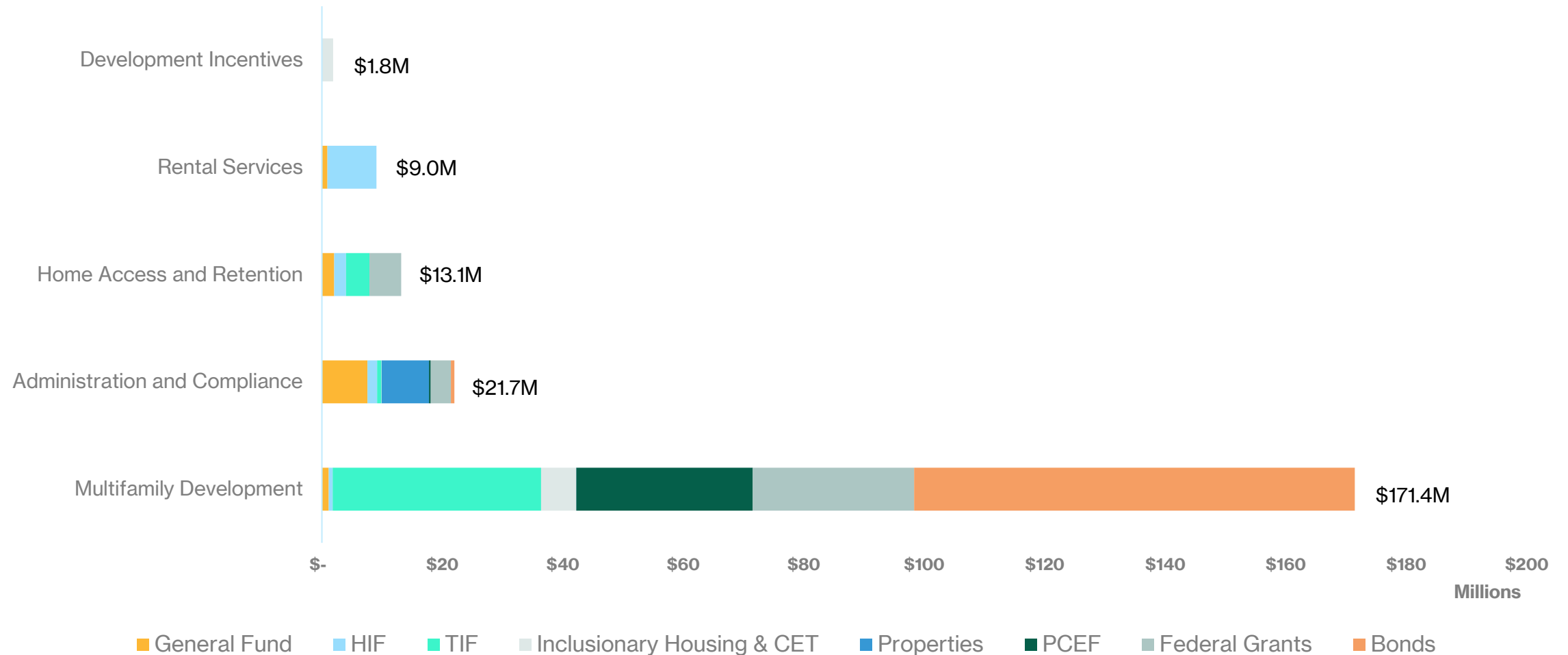
Total Expenditures



FTE	80	80	80
LTE	7	8	9
Total	87	88	89



PHB Program Funding Sources





PHB Anticipated Outcomes for FY 2025-26

- **626** new affordable rental housing units opened, serving households earning 0-60% AMI
- **150** affordable housing units preserved through repairs or financial restructures
- **400** new affordable homes for sale through homeownership programs
- **1,187** households receiving homebuyer education or counseling services
- **500** low-income households receiving home repairs to retain their homes
- **1,200** households provided legal services for housing access and stabilization
- **3,180** households provided landlord/tenant education, information, or referral services
- **385** households provided in-depth housing stabilization services



PHB Decision Packages

Adds/Reductions

- \$800k GF reduction to achieve cut target
 - Down Payment Assistance program - Reduce on-going GF resources by \$400k
 - Home Repair Grants – Reduce on-going GF resources by \$400k
- Add \$500k one-time GF for Homesharing Initiative
- Recreational cannabis – Add \$253k on-going and take one-time cut for FY25-26 (net neutral)
- County/JOHS – Reduce ongoing allocation by 5% and one-time GF by \$4.8m

Impacts

- 3 to 5 fewer low-income first-time homebuyers receiving downpayment financial support
- 10 to 20 households fewer receiving home repair grants
- Initial start up of pilot, including staff capacity in PHB and resources for contracted services via a community partner. Estimated 30 to 60 individuals served by pilot program, once launched



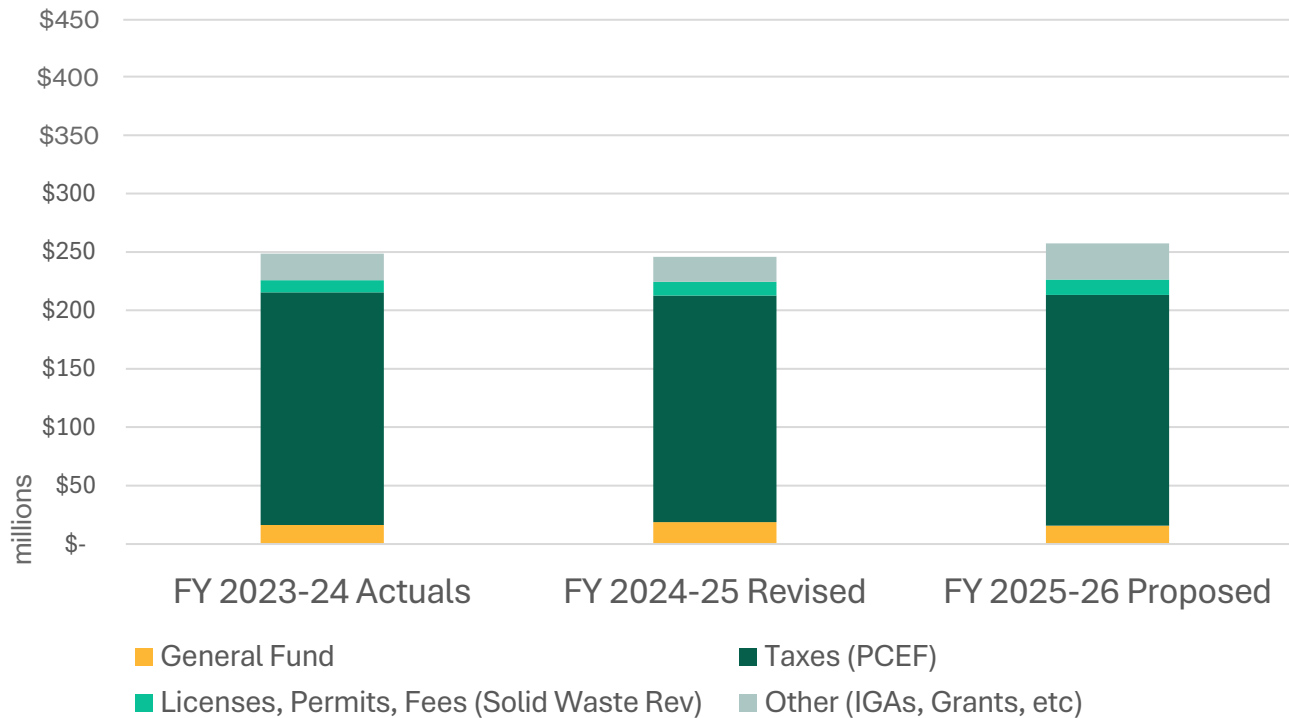
3 Bureau of Planning & Sustainability

Director Eric Engstrom

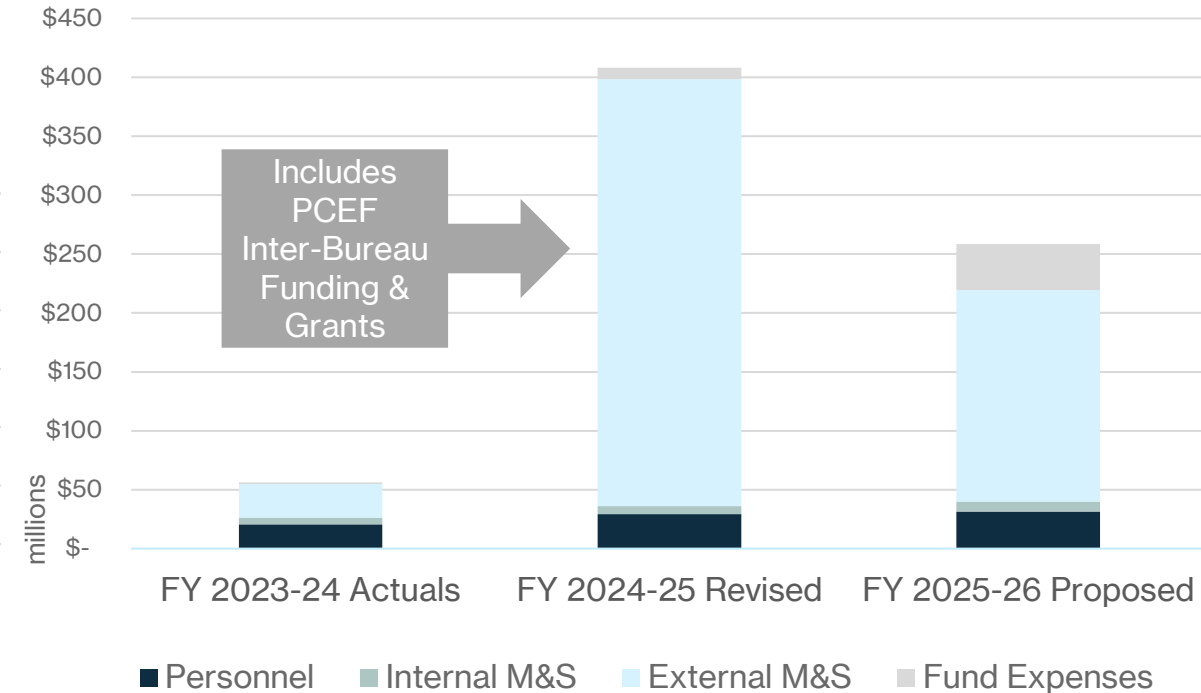


BPS Revenues and Expenditures

Total Revenues



Total Expenditures



FY 25-26 Beginning Fund Balance = \$705m
Programmed in FY25-26: \$130m
Contingency after budgeted expenditures = \$575m

FTE	134.7	151.7	174.7
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Overall PCEF FY 2025-26 Budget

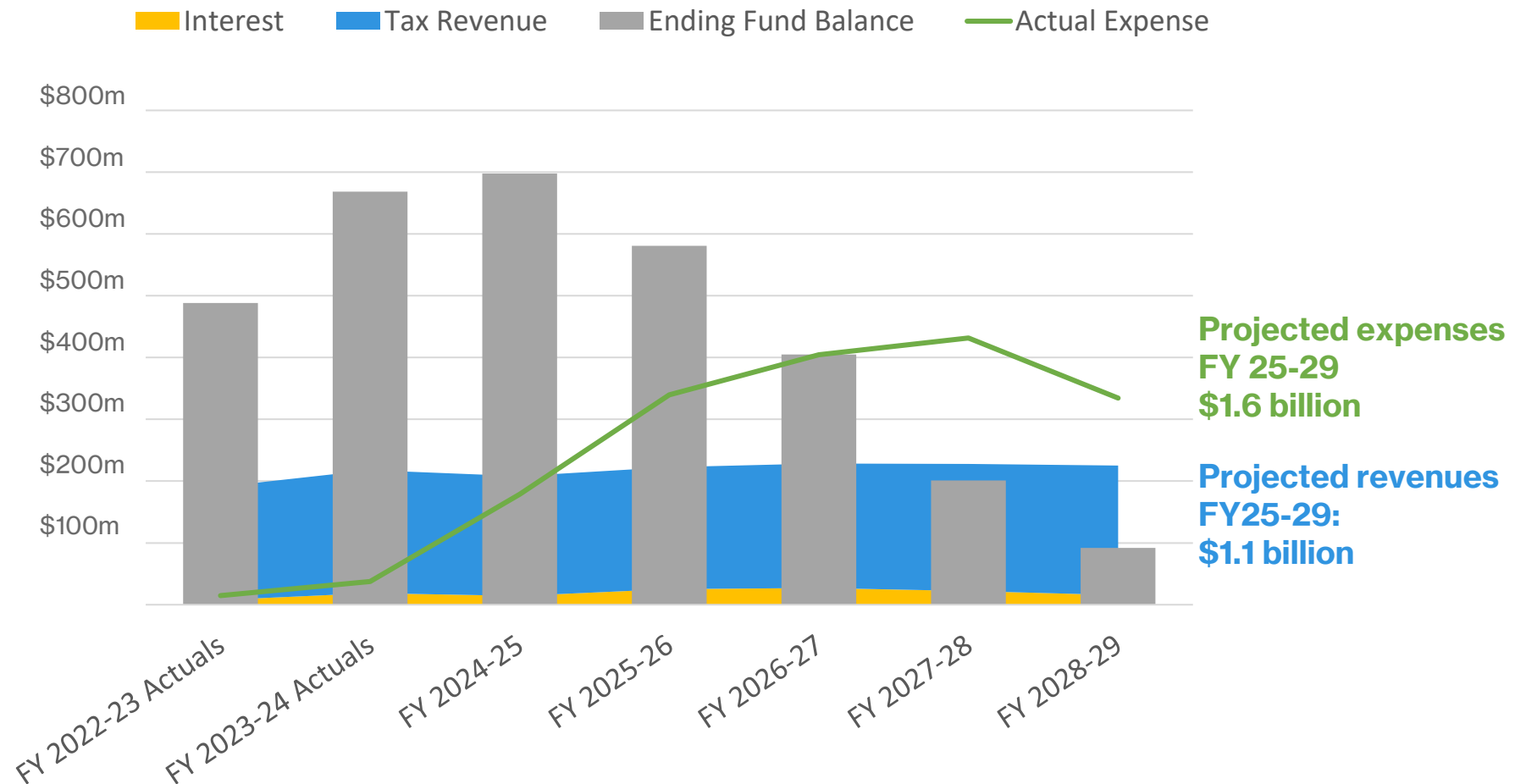
BPS Budget	
BPS Administrative Expenses	\$15.9M
Community Grants	\$110.5M
•Community Grants	\$65.5M
•Collaborating for Climate Action	\$45.0M
PCEF Strategic Programs	\$47.1M
BPS Climate Program (SP 23)	\$0.8M
TOTAL	\$174.3m

Non-BPS Admin and other expenditures	
Non-BPS Administrative Expenses	\$1.4M
Other Expenditures	\$20.9M
•Interest Transfer	\$18.8M
•Revenue Division	\$2.1M
TOTAL	\$22.3m

Non-BPS Budget	
Portland Park & Recreation	\$17.3M
Portland Bureau of Transportation	\$38.0M
Portland Housing Bureau	\$29.6M
Bureau of Environmental Services	\$15.6M
Prosper Portland	\$8.5M
Bureau of Fleet & Facilities	\$29.6M
Water Bureau	\$3.8M
City Budget Office	\$0.2M
Chief Sustainability Officer	\$0.5M
TOTAL	\$143.1m

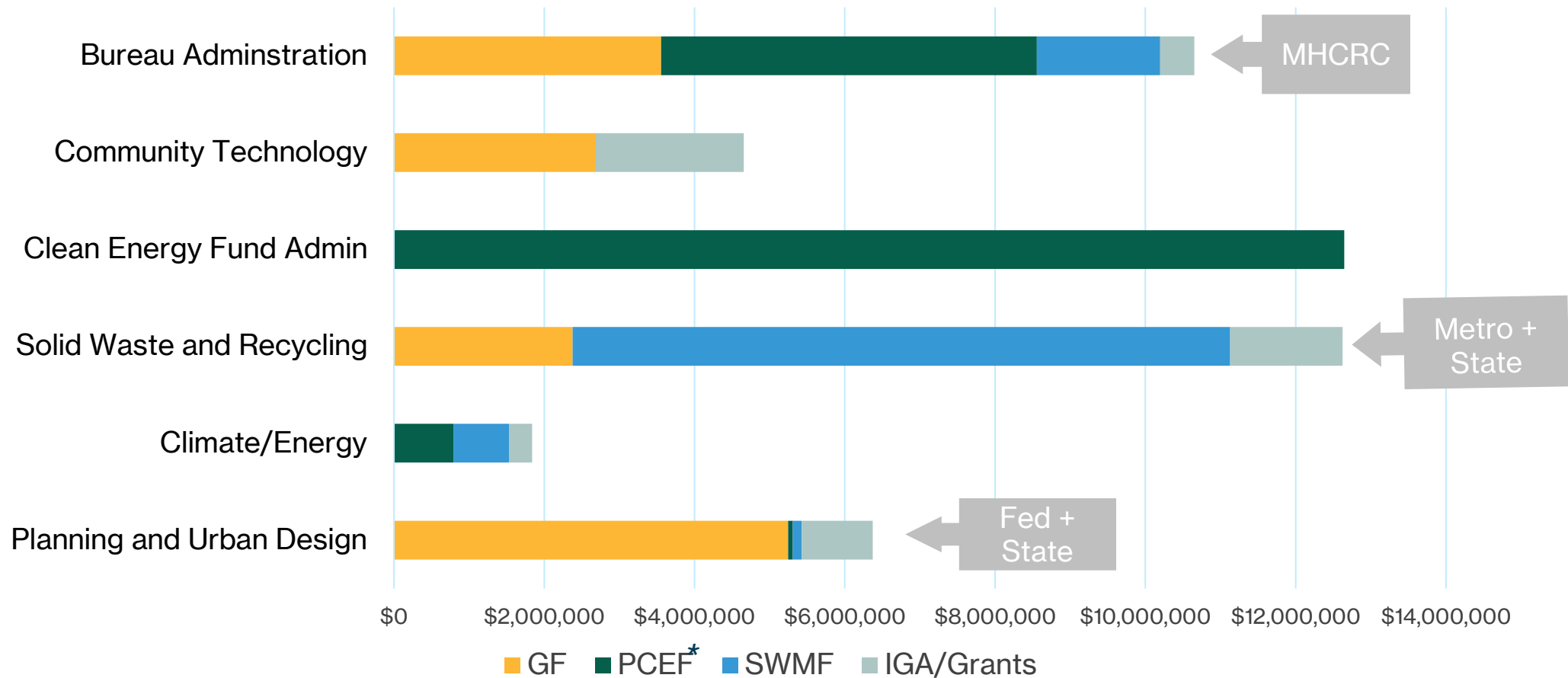


PCEF Fund Balance, projected revenues, and expenses





BPS Program Funding Sources



**Excludes PCEF CIP, only PCEF Admin is shown*



BPS Anticipated Outcomes for FY 2025-26

- Percentage of waste recycled or composted: 54%
- Number of public trash cans: 1,450 in FY25 increasing to 1,600 by end of FY 25/26
- Total franchise and utility license fees collected for City: ~\$113m
- Households equipped with efficient cooling systems: 7,000 total
- E-bike users directly outfitted and supported: 1,000 total
- Households receiving deep energy retrofits and housing stabilization: 330 total
- Percentage of Portlanders Living in a Complete Community: 70% by 2026 (up from 55% 2017)
- Percentage of new housing units are in Centers and Corridors: 72% as of 2024; FY 25-26 target is 80%
- Representation of under-represented groups in decision-making processes: 30% by FY25-26



BPS Decision Packages

General Fund Reductions

- \$1.8m GF reduction to achieve cut target
 - Planning and Urban Design – Reduce on-going GF by \$645k (offset by \$288k Grant Funds for \$357K net reduction), eliminate 1 vacant limited duration FTE
 - Climate/Energy – Reduce on-going GF by \$327k
 - Community Technology – Reduce on-going GF by \$428k, including reduced funding for Digital Inclusion grants and shifting funding for staffing
 - Bureau Administration – Reduce on-going reliance on GF by \$215k for internal services staffing
 - Chief Sustainability Officer Transfer – Transfer CSO position and 1 supporting position and \$434k on-going GF to City Administrator's office

Impacts

- Increased reliance on grants to sustain existing planning staff and reduced contract budgets
- Increased reliance on remaining funds for climate/energy staff (Grants, Solid Waste, and PCEF)
- Fewer Digital Inclusion grants resources available
- Increased reliance on other funds for internal staffing (Solid Waste, PCEF and MHCRC)



BPS Decision Packages

Additions

- Graffiti Abatement Contracts – Add \$1.5m one-time GF and 1.0 FTE staffing to continue contractor support to assist small businesses to clean up graffiti
- Open Signal Council Broadcasts – Add \$353k one-time GF for contract for City Council broadcasts
- Recycling Modernization Act – Increase staff capacity by 2.0 FTE in anticipation of additional State resources

Carryover from Spring BMP

- \$545k GF one-time for Climate floodplain analysis, Digital inclusion grants, Zoning code improvements, AVT, and Smart Cities

Impacts

- One year of contracted graffiti services
- Better meet Council Committee community broadcasting needs, government transparency
- Added solid waste and recycling team capacity to deliver contamination reduction programming, helping ensure trash is not going in the recycling bins
- Allows important work from FY24-25 to continue



BPS Decision Packages

PCEF Related Adjustments

- Cityfleet EV Infrastructure - Adjust allocations related to strategic programs managed by Fleet (\$5m) and BES (\$742k)
- Chief Sustainability Officer Transfer - Realigns \$450k as part of transfer of CSO and supporting position to City Administrator's office
- Interest Transfer to GF - \$18.6m
- Fund Balancing/BPS – Adjust \$17.7m
- Adjust \$3.9m of on-going PCEF for increased Admin Staffing to support 10 new FTE and 5 LTE conversions

Impacts

- Reduces debt financing for EV fleet infrastructure investment and technical adjustment for BES allocation
- Resources for new CSO in the City Administrator's Office
- Transfer of FY 24/25 Fund Interest to GF
- Adds budget for Collaborating for Climate Action projects approved in 2024 and other BPS-led programming in the adopted CIP
- Increases PCEF core team capacity for managing grant awards and contracts, bureau funding accountability, tracking outcomes



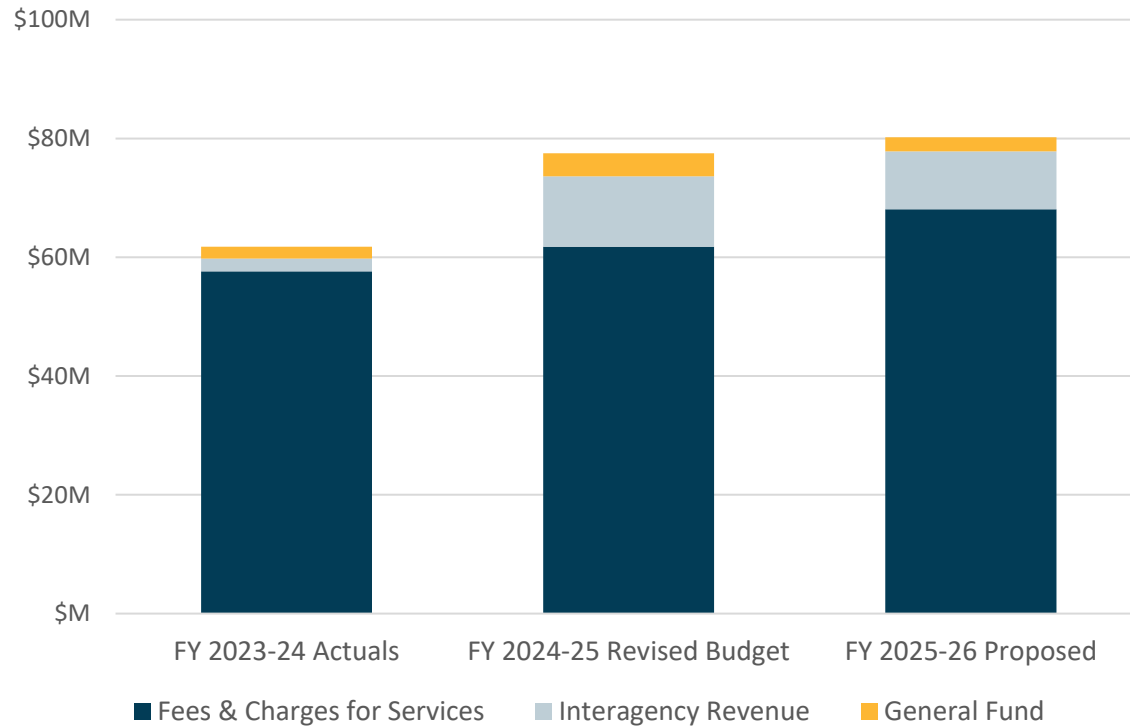
4 Portland Permitting & Development

Interim Director David Kuhnhausen

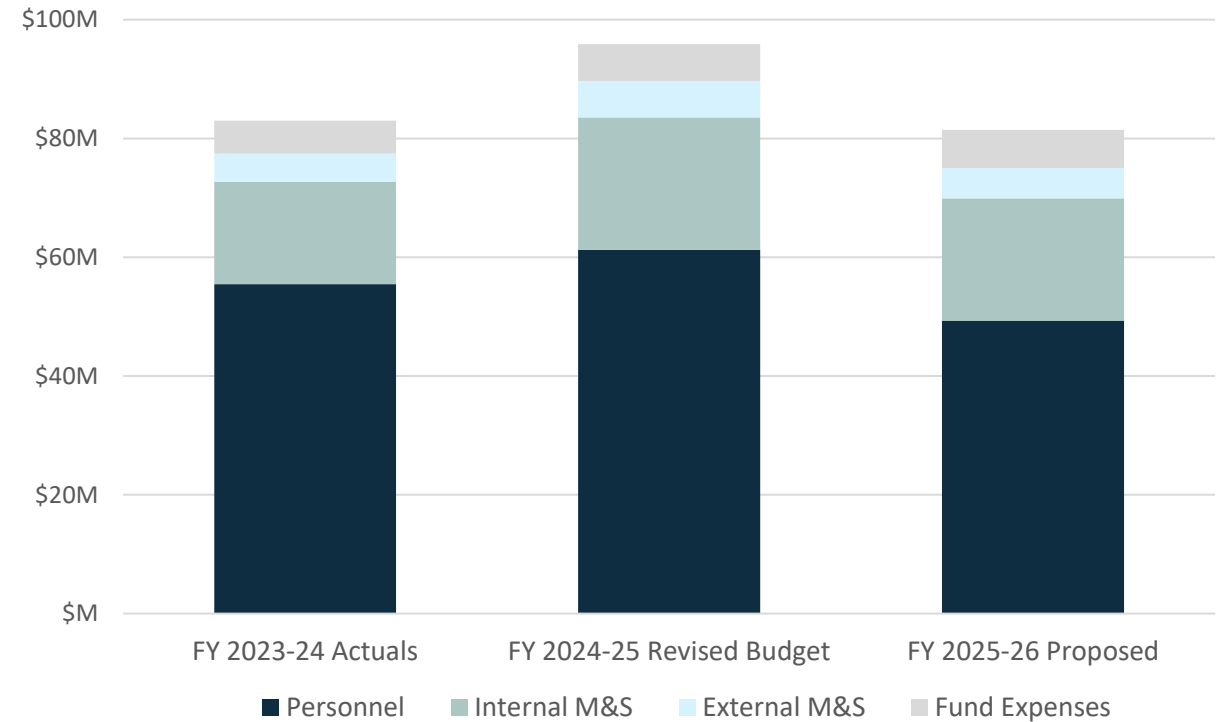


PP&D Revenues & Expenditures

Total Revenues



Total Expenditures

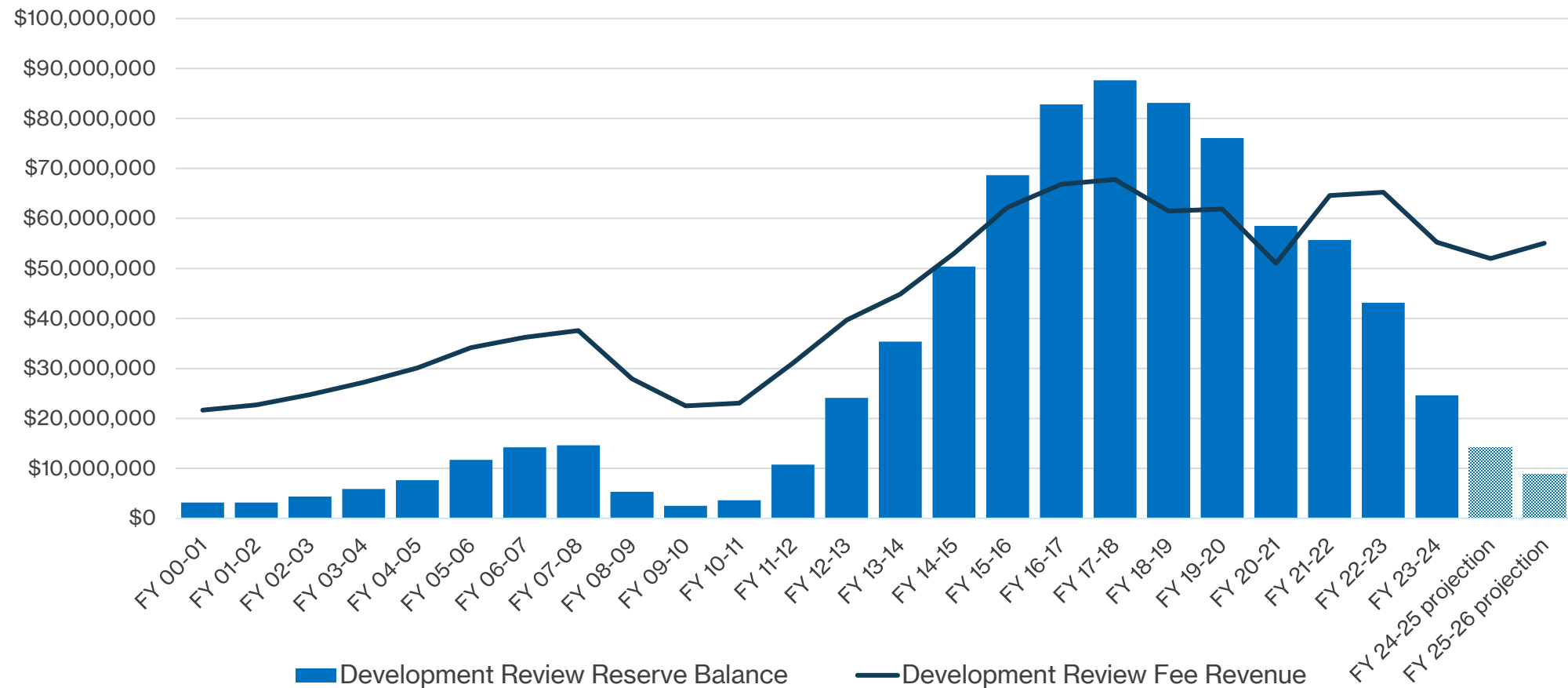


FY 25-26 Beginning Fund Balance (reserve) = \$14m
Programed FY 25-26 contingency after budgeted expenditures: \$12.6m

FTE	291.9	344.9	281.9
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PP&D Revenues & Year End Reserve Balance





PP&D Anticipated Outcomes for FY 2025-26

- **Customer Appointments** - 11,500 Development Services Center appointments booked
- **Land Use** ~ 388 land use review and final plan applications
- **Building Permit Issuance** ~ 7,868 building, 11,850 mechanical, 16,380 electrical, 7,596 plumbing, and 406 sign permits issued
- **Inspections** ~ 92,660 residential inspections and 39,140 commercial inspections performed
- **Code Compliance** ~ 688 housing units brought up to code



PP&D Decision Packages

Adds/Reductions

- Not asked for GF reduction to achieve cut target
- Forecasted Revenue Shortfall – Reduced staffing due to anticipated \$14m deficit in permit fee revenues
 - Eliminating 12.0 FTE vacant positions
 - Reduction of 53.0 FTE filled positions across all teams and elimination of three programs
 - Assumes some natural attrition
- Extending Permit Improvement Team work – Add \$425k one-time General Fund resources to extend 2.0 FTE for FY25-26

Impacts

- Inability to meet service delivery goals
 - Permit timelines extended
 - Customers experience longer wait times and reduction in all services
 - Select programs eliminated as revenues are not enough to support operations
- Continues important process improvement work focused on improving the City's permitting systems for an additional year
 - Current team is supported by one-time funds



Considerations

Immediate

Layoffs

- 53 FTE filled positions in addition to 19 FTE natural attrition
- High impact to service levels
- Slows permitting timelines
- Unable to staff up quickly when development activity picks up again

Additional funding

- Reduces severity of layoffs
- For every \$1 million in additional funding, reduces layoffs by 5-6 FTE
- Helps maintain service levels

Medium- & Long-term

Change funding model

- Fees for services model ties funding to the unpredictable and volatile construction industry
- Countercyclical funding needed to provide stability and prevent need for layoffs in future business cycles



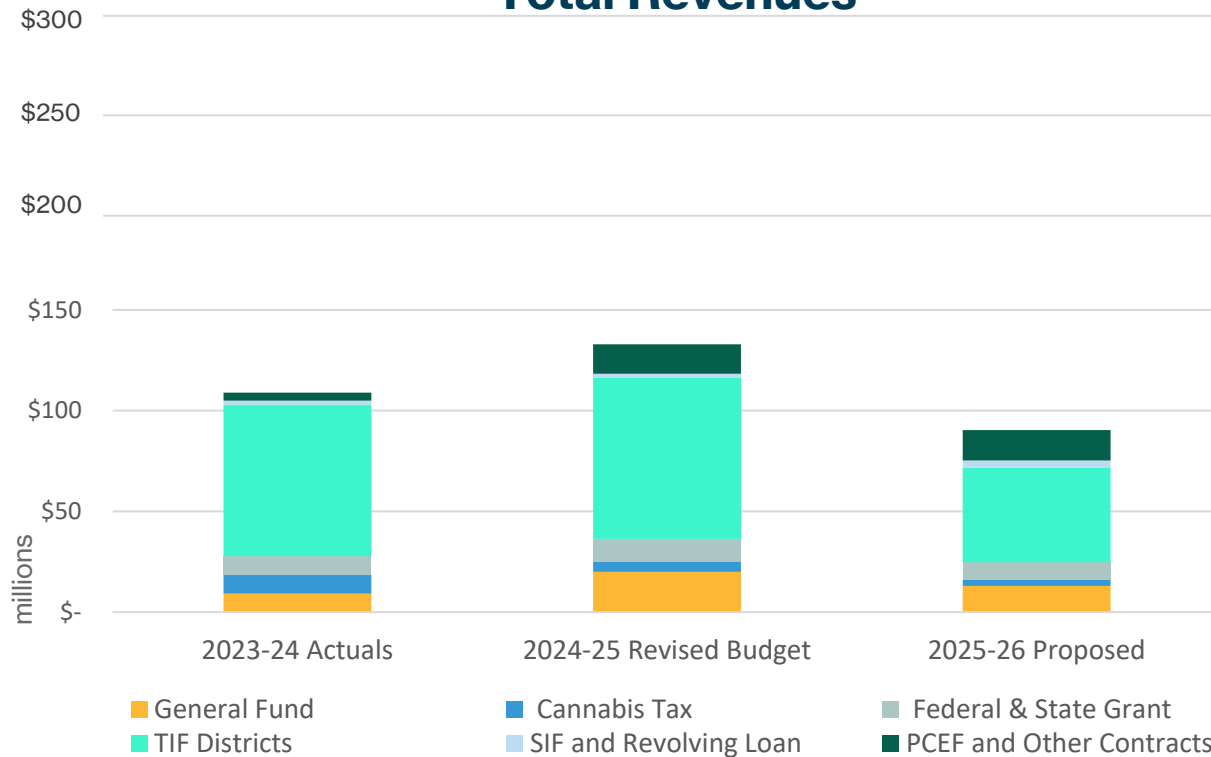
5 Prosper Portland

Interim Executive Director
Shea Flaherty-Betin

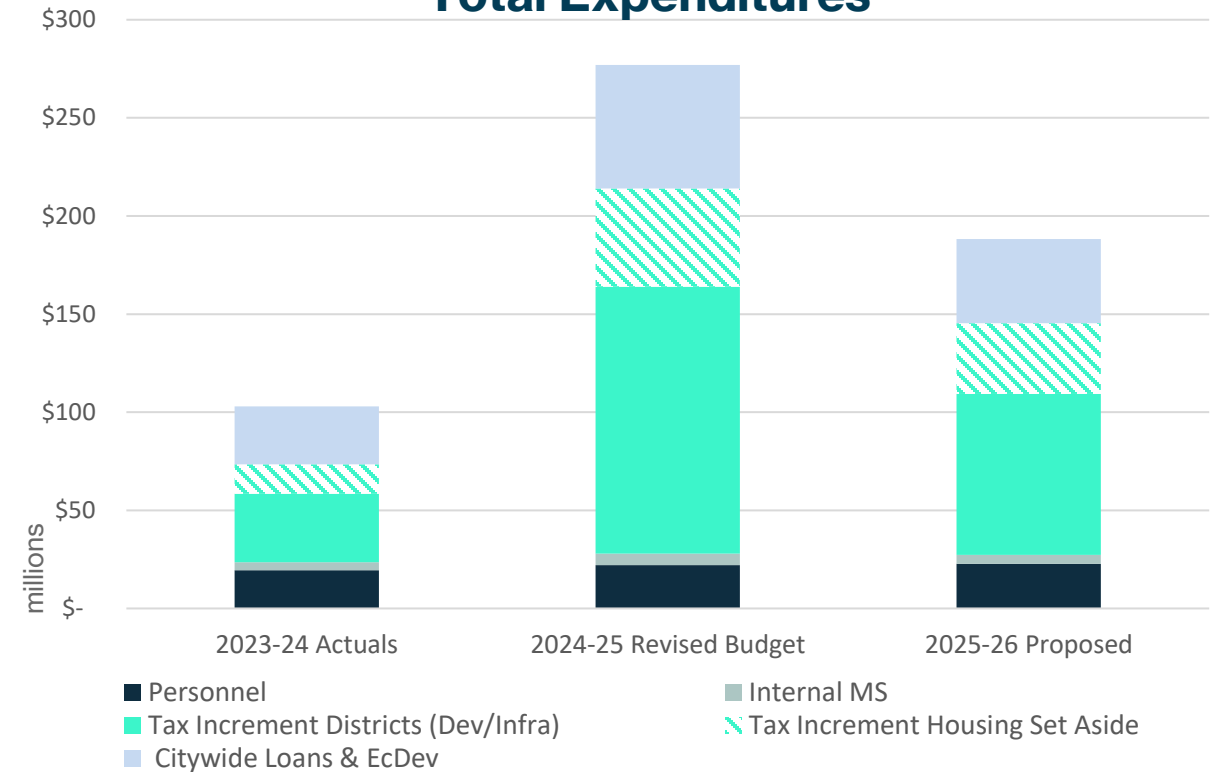


Prosper Revenues & Expenditures

Total Revenues



Total Expenditures



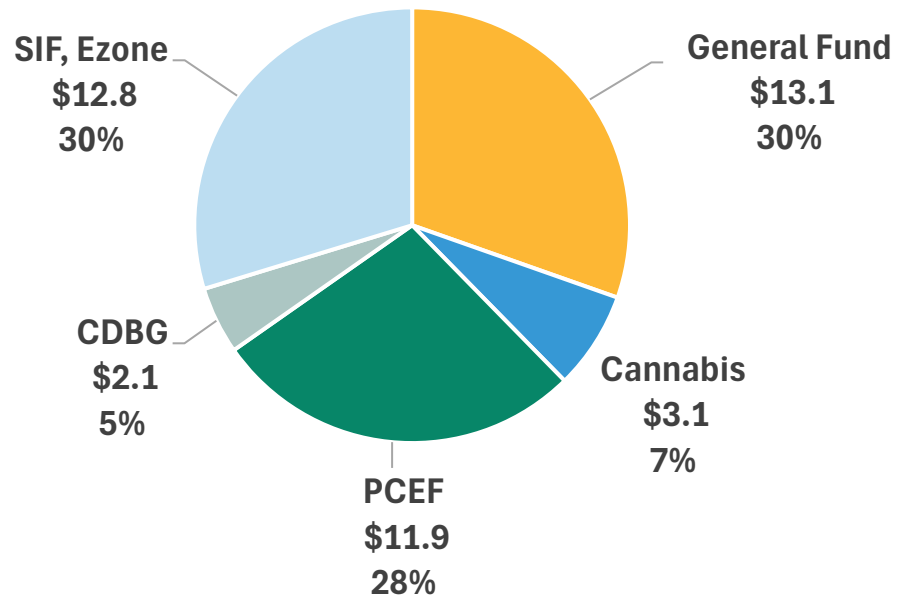
Total Beginning Fund Balance for FY 25-26: \$218m
Funding expenditures in FY 25-26: \$100m
Most of balance not programmed to expenditures are reserved for future year expenditures based on spending plan.

FTE	81	93	99
LTE	15	9	5.5
Total	96	102	104.5

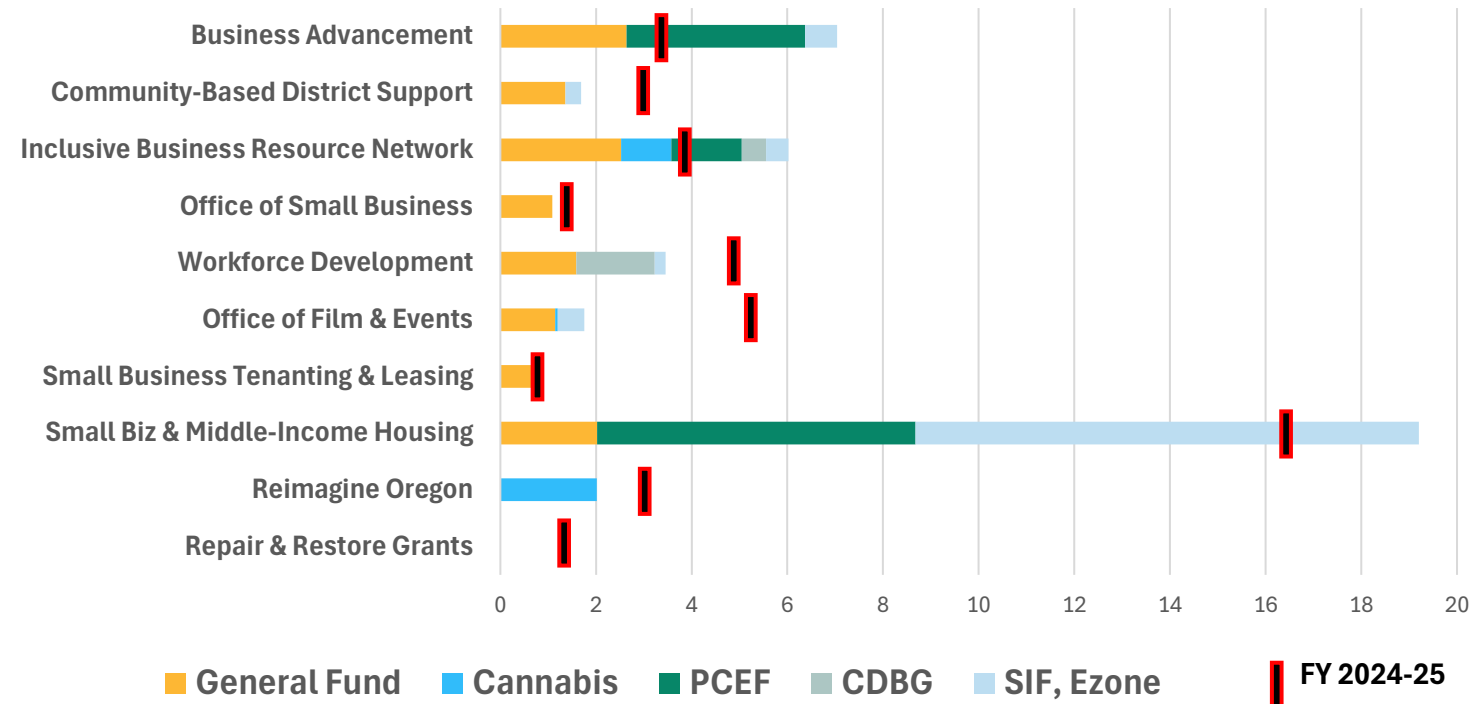


Prosper Resources for Citywide Economic Development

Total Resources for Citywide Investment
(non-TIF) \$43M



Total Citywide Resources by Program





Prosper Anticipated Outcomes for FY 2025-26

- **Access to Capital** ~ \$23m in new loans serving 15 small businesses and development projects; \$7.3m in grants serving 125 business through prosperity investment (PIP), affordable commercial (ACT) and PCEF funded energy retrofit (BEE) grants.
- **Equitable Development** ~ 3:1 leverage for loan/grant programs; 35% COBID target
- **Small Business Leasing & Asset Mgt** ~ 24,000 sq ft. in affordable commercial space managed.
- **Inclusive Business Retention, Expansion & Competitiveness** ~ Direct support to 250 traded sector businesses; \$125m of local investment from E-Zone and expansion projects; 44,000 employees at companies participating in public benefit agreements/public pledges.
- **Small Business Support** ~660 unique businesses clients served by IBRN and COEP; ~500 businesses served by Office of Small Business
- **Office of Film & Events** – 12 scale up grants and 7 large event grants ; navigation support and technical assistance for 15 large events, Film navigation support for over 150 production permits, target \$100m in project spending in Portland.
- **Workforce Development** ~ 1,250 people served through youth, adult, navigator and COEP
- **Business District Capacity Building** ~ 6,500 volunteer hours; \$100k disbursed in business district grants



Prosper Decision Packages

Adds/Reductions

- \$1.7m GF on-going reduction to achieve cut target
 - Reallocate Economic Development and Lending Staff - \$650k reduction
 - Venture Portland - \$380k reduction
 - IBRN – \$200k reduction
 - Office of Film & Events - \$50k reduction
 - Redirect \$400k to Service Area from Economic Devel. and Workforce Devel.
- \$2m on-going GF changed to one-time
- Recreational cannabis – Carryover and cut ~\$600k

Impacts

- Reduces capacity for operational support and ability to expand services / absorb cuts in other funding sources
- Refocuses Business District support to Prosper Portland
- Reduced IBRN administrative capacity limits Community of Practice meetings
- Reduces grants available from OFE
- Reduces Workforce Career Coaching by ~100 participants
- Future elimination of at least one business line in FY26-27 (e.g. Workforce, Small Business)



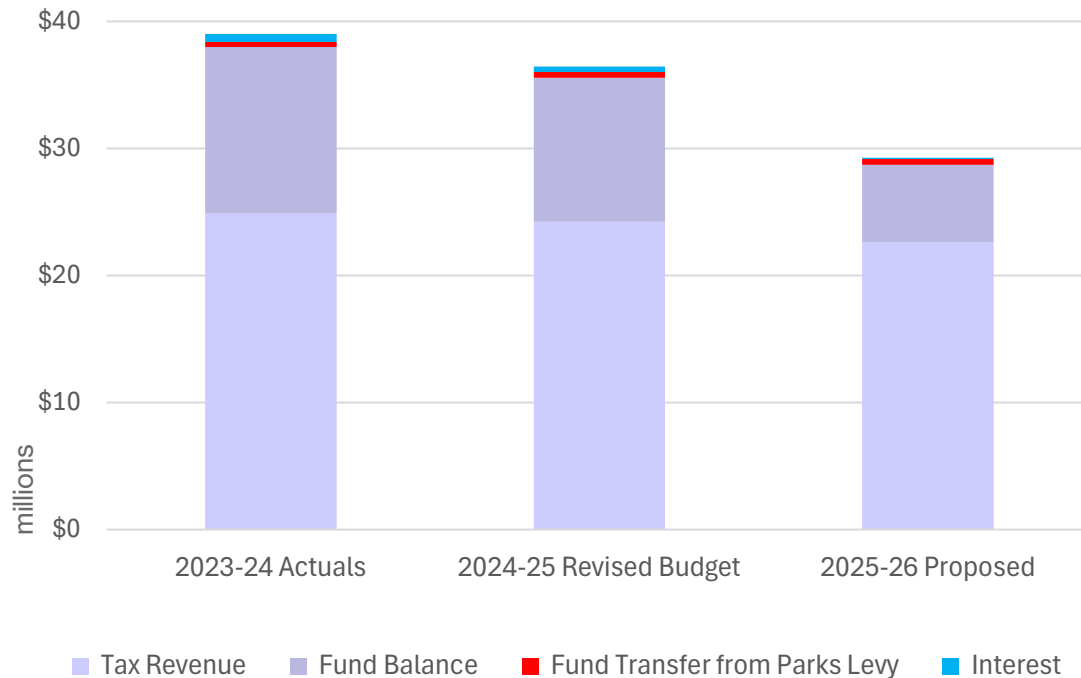
6 Portland Children's Levy

Director Lisa Pellegrino

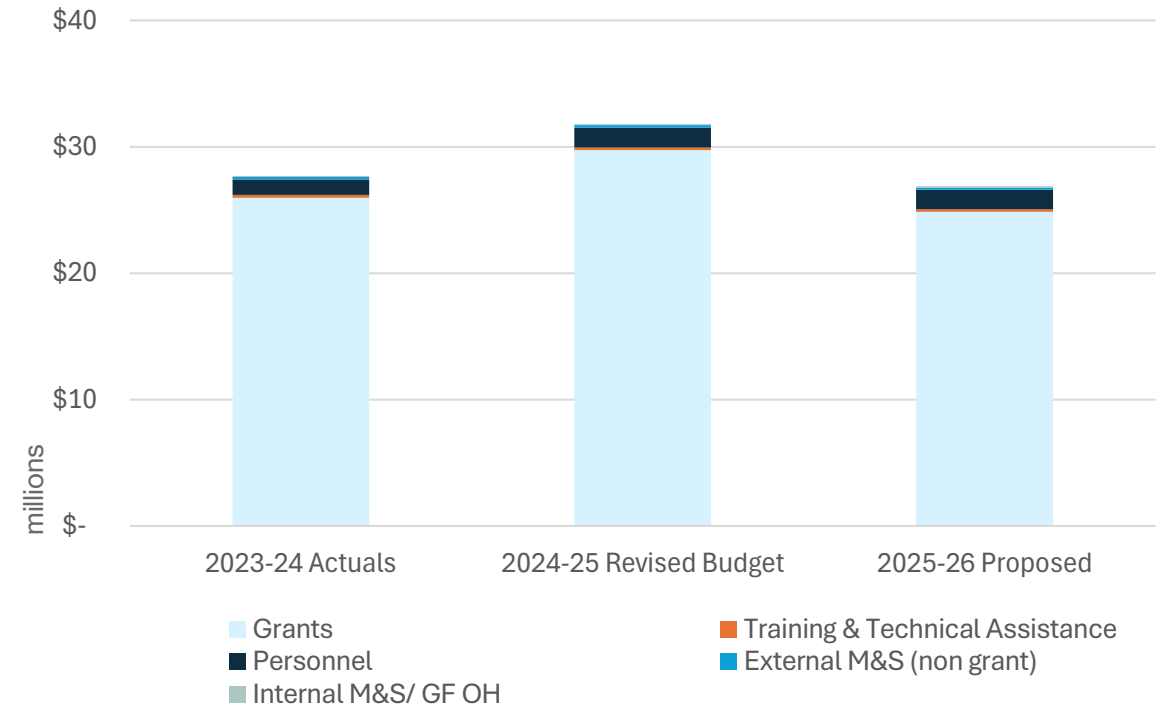


Children's Levy Revenues & Expenditures

Total Resources



Total Expenditures



FTE	7.6	7.6	7.6
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CL Anticipated Outcomes for FY 2025-26

- 3,500-4,000 children/youth receive afterschool academic support and enrichment programming
- 900-1,000 children/parents receive child abuse prevention services such as family stabilization, parent support and education, therapeutic classrooms and respite care
- 1,000 children/parents receive early childhood services such as home visiting, parent education, behavioral and mental health support
- 500-600 foster youth receive additional supports including reunification, adoption, life skills education and post-secondary transition
- 1,000–1,500 children/youth receive 1:1 and group mentoring services that support youth development, academic performance, and transition to career and post-secondary education
- 10,000-12,000 children receive hunger relief services including food pantries, meal delivery, gardening and nutrition education
- 200 working families receive childcare subsidies to access high quality care for their children



Children's Levy Decision Packages

Adds/Reductions

- n/a

Other Adds/Reductions (not DP)

- Projected \$4.9 million (21%) reduction in resources for PCL large grants due to reduced levy resources available

Impacts

- n/a

Impacts

- Fewer children receive afterschool, early childhood, child abuse prevention/intervention, foster care, mentoring and hunger relief services
- Level of services provided to children/families declines



7

Office of the DCA

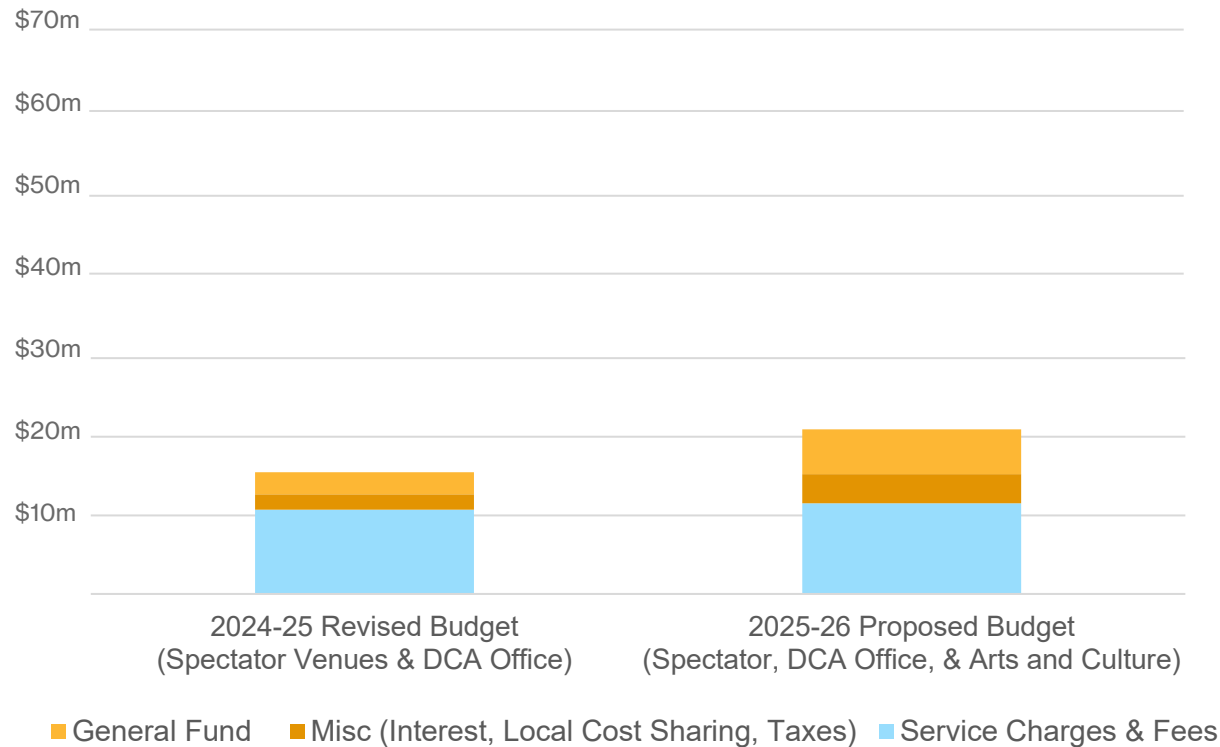
(Includes the Office of Arts & Culture and the Spectator Venues Program)

DCA Donnie Oliveira
Director Chariti Montez



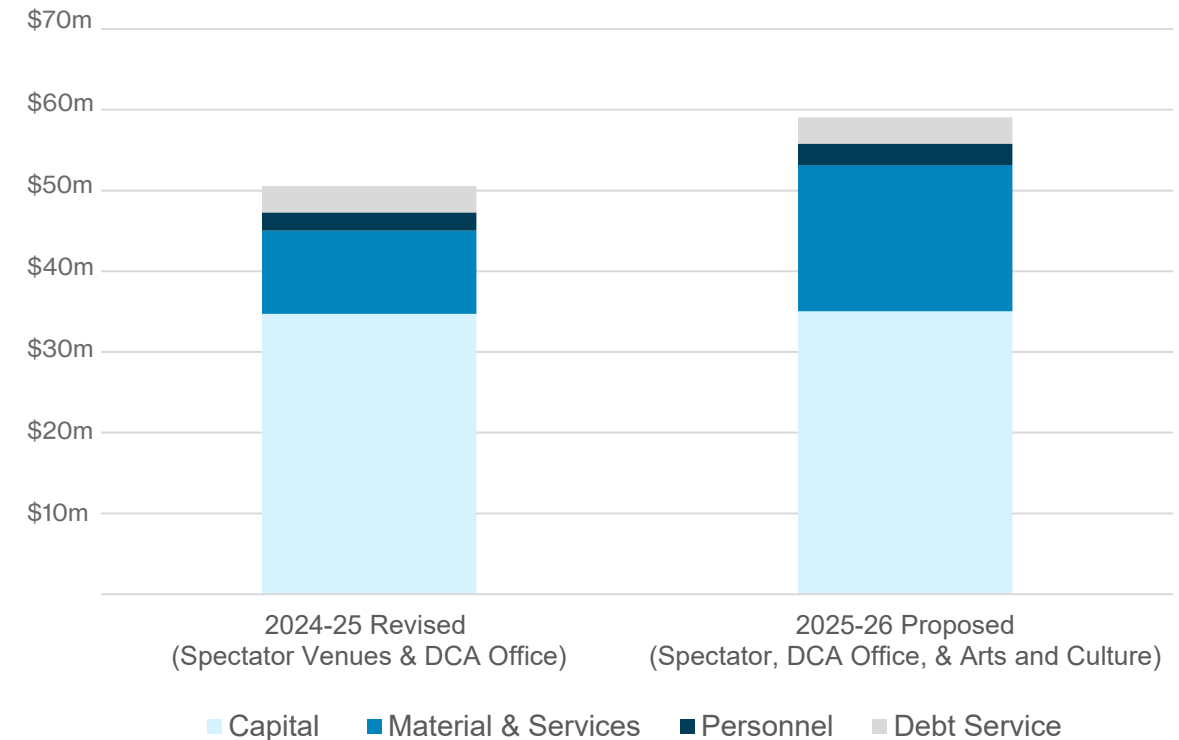
Office of the DCA – Revenues & Expenditures

Total Revenues



FY25-26 Beginning Fund Balance: \$50.6m (Spectator Venues Fund and Arts Funding combined)
Programmed expenditures in FY25-26: \$38m

Total Expenditures

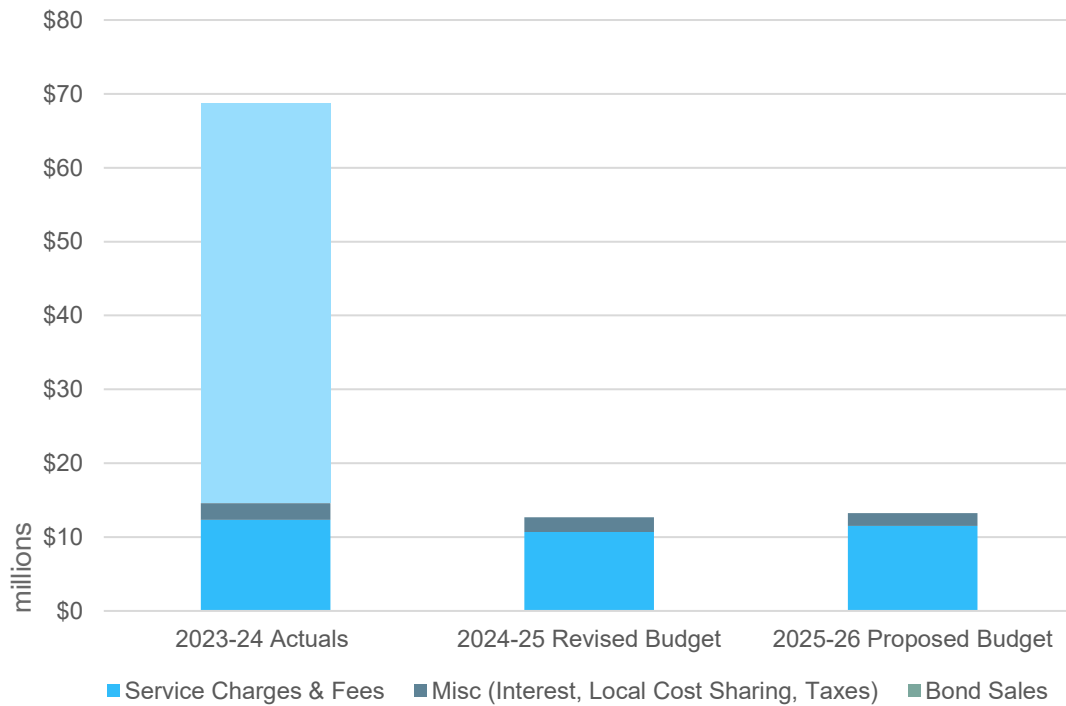


FTE	10	11
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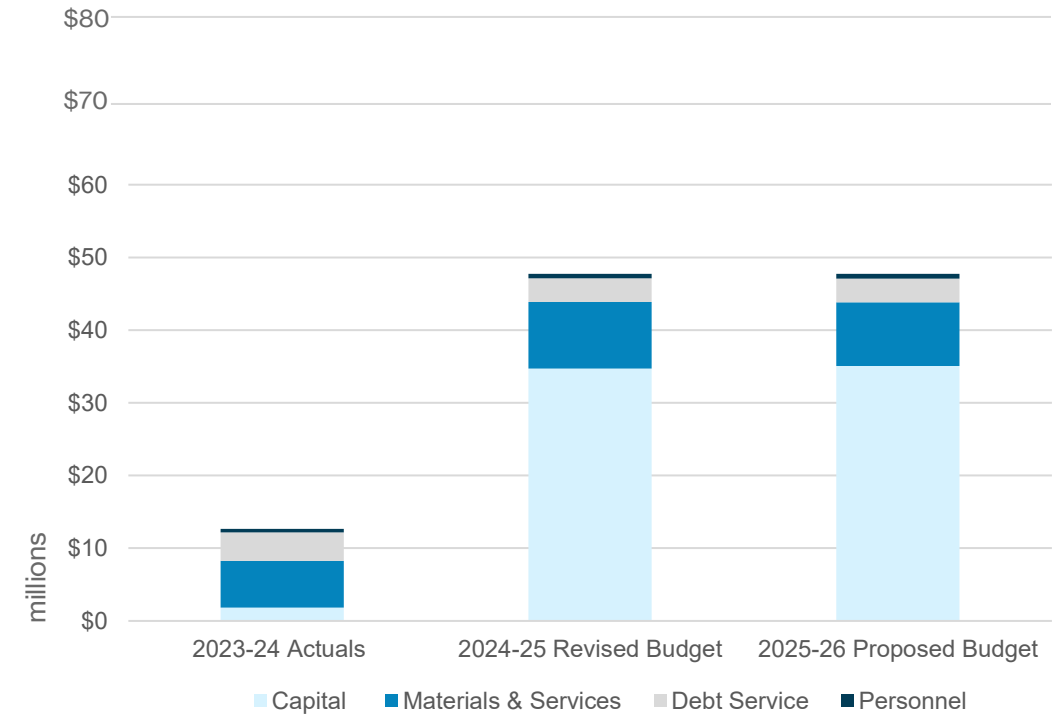


Spectator Venues Program – Revenues & Expenditures

Total Revenues



Total Expenditures



FTE	3	3	3
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FY 25-26 Beginning Fund Balance: \$47m
Programmed as part of expenditures in FY 25-26: \$34m



SV Anticipated Outcomes for FY 2025-26

- Ongoing implementation of VMC renovations
- Fulfill operating and development agreement obligations
- Preserve Fund Balance reserve level for fiscal stability
- Continue partnerships with COBID registered businesses

SV Decision Packages

Adds/Reductions

- n/a

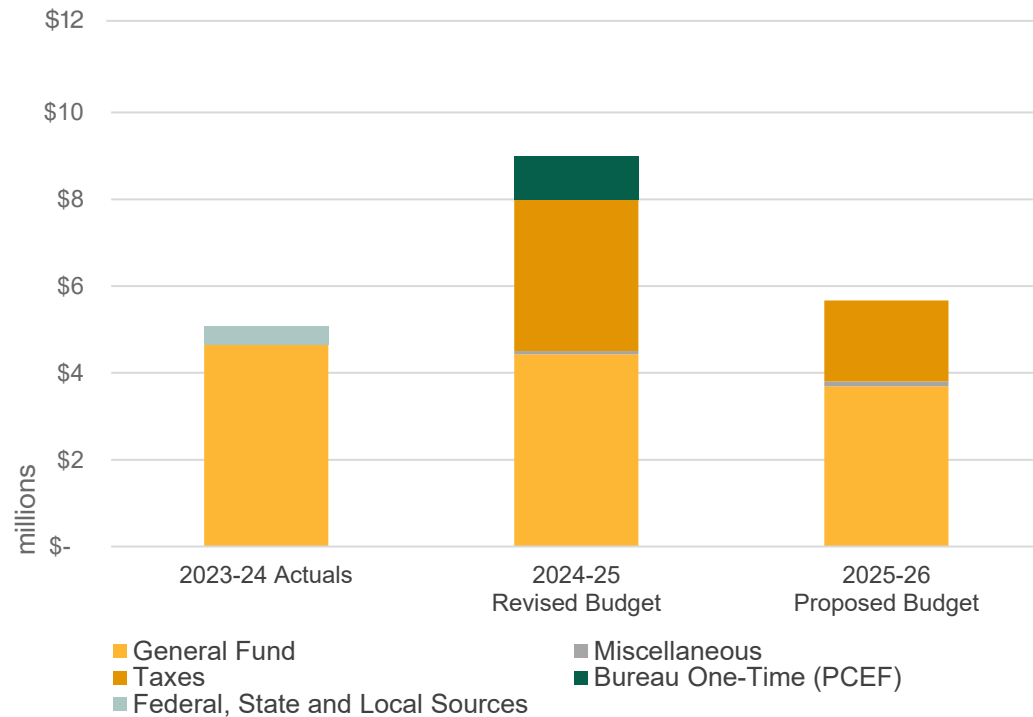
Impacts

- n/a

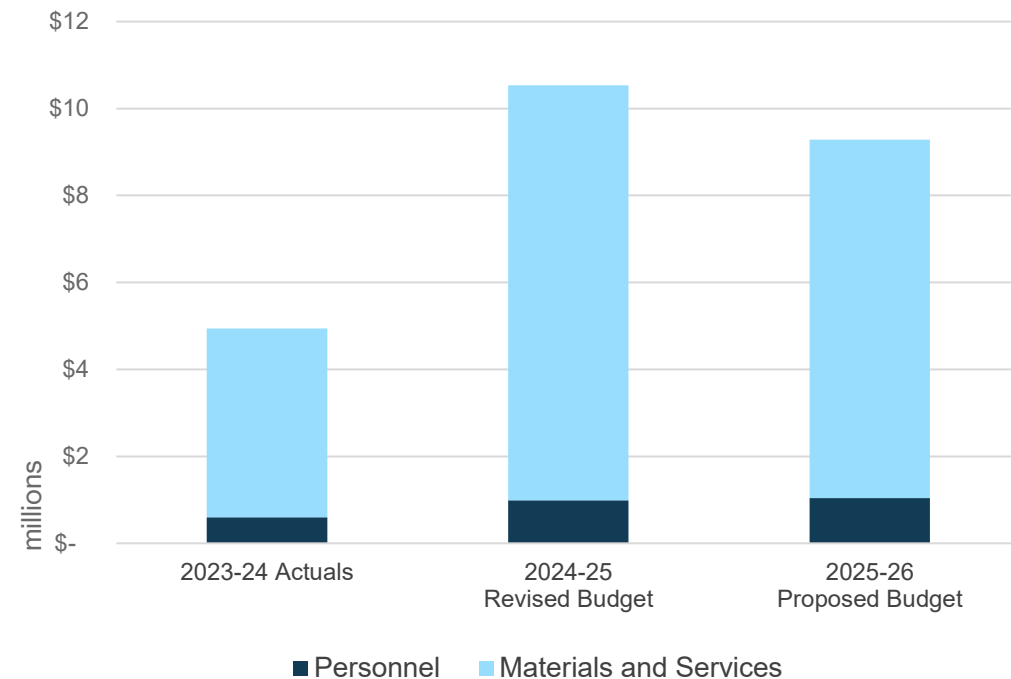


Arts & Culture – Revenues & Expenditures

Total Revenues



Total Expenditures



FY 25-26 Beginning Fund Balance: \$3.6m*
Programmed as part of expenditures in FY 25-26: \$3.6m*

FTE	3	6	6
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A&C Anticipated Outcomes for FY 2025-26

- **80 nonprofit arts organizations** receive General Operating Support
- **300+ artists and arts organizations** receive project grants
- **28,000 public elementary students** have access to a high-quality arts education
- **114 arts educators** funded in part by Arts Access Fund (SY24-25)
- **1,700+ pieces in the public art collection** managed and maintained

Decision Packages

Adds/Reductions

- \$357,184* GF reduction to achieve cut target
*Due to technical error, 8% target cut was loaded twice in Mayor's proposed. Technical fix is needed to adjust.

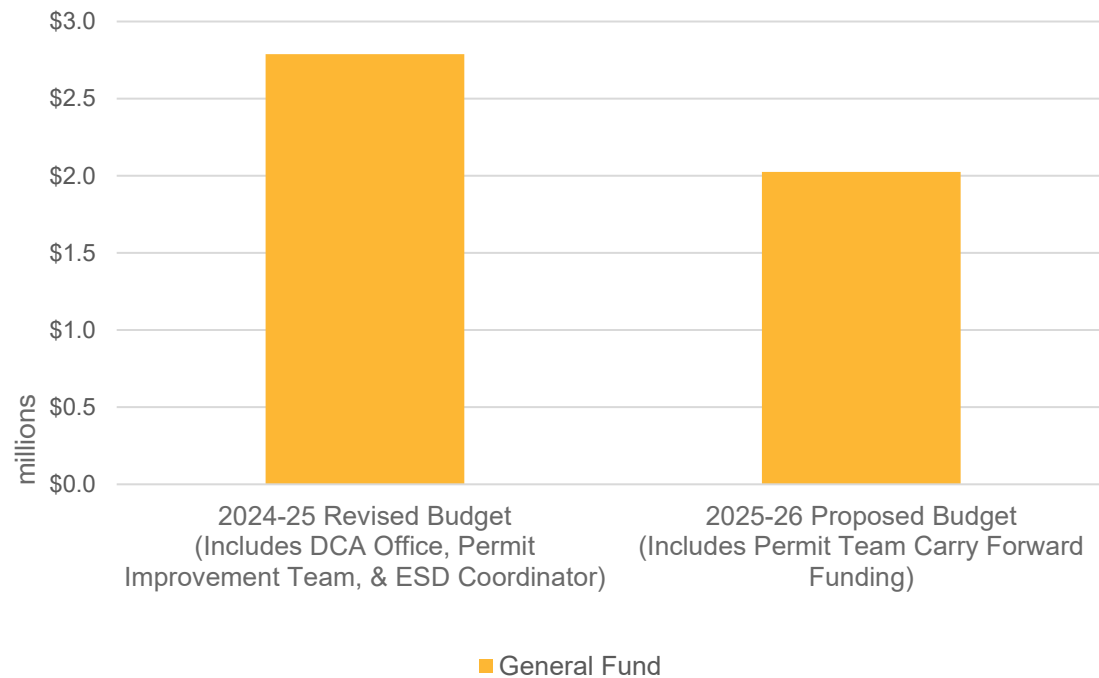
Impacts

- Reduces contracted public art collection management, funding for public art murals, and maintenance of non-Percent for Art funded public art

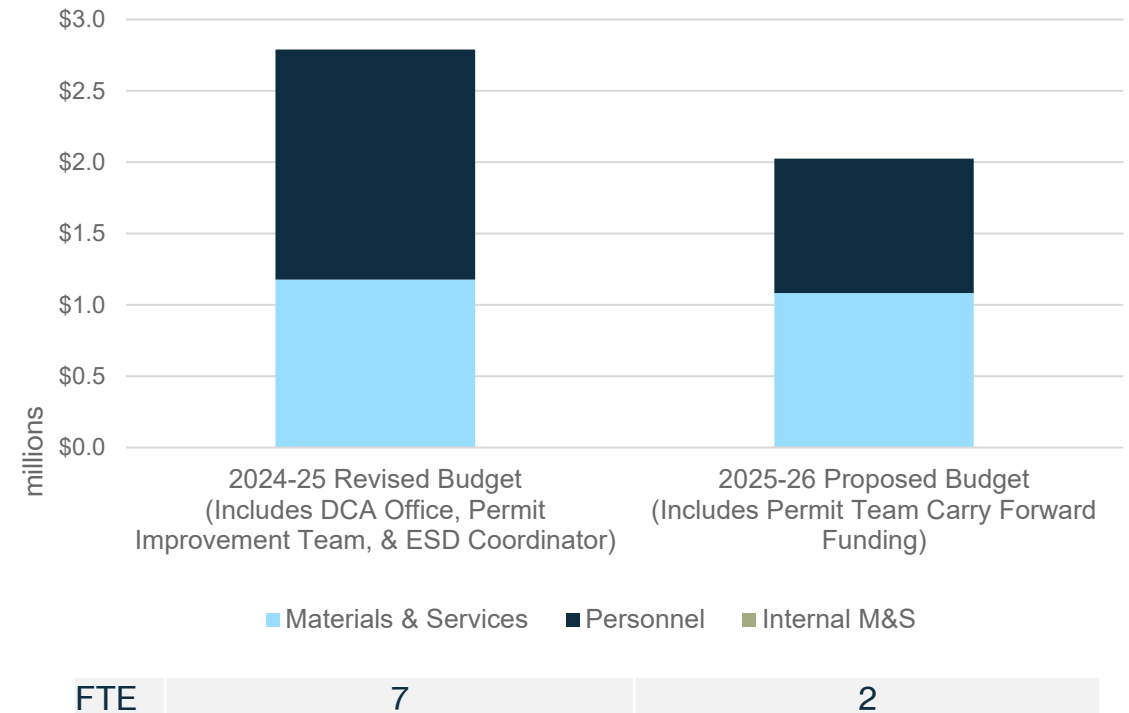


DCA Office – Revenues & Expenditures

Total Revenues



Total Expenditures





Other DCA Office Decision Packages

Adds/Reductions

- Redirects \$400k in ongoing General Fund resources from Prosper Portland to support service area operations
- Permit Improvement Team – Carryover of \$972k one-time GF
- Transfer Enhanced Services District Coordinator to Portland Solutions – Moves \$193k (55% ESD and 45% GF) and one staff to Portland Solutions in City Administrator's Office

Impacts

- Adds resources to help build office structure to support service area, in line with Mayor's new organizational structure
- Continues multi-year initiative for complete website design and shift to customer focused, agile digital services approach for permitting
- ESD Coordinator is liaison to DT Clean and Safe, Central Eastside Together, and Lloyd ESD



Community and Economic Development



Community and Economic Development

FY25-26 Proposed Budget Decision Packages - Summary

<https://www.portland.gov/budget/2025-2026-budget/documents/fy-25-26-proposed-budget-decision-packages-summary>

Portland Housing Bureau	Requested					Mayor's Proposed				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Alternative Non-Frontline Reduction			\$0		\$0			\$0		\$0
Current year state funds revenue swap with MultCo		\$0			\$0		(\$4,800,000)			(\$4,800,000)
Down Payment Assistance Loans			(\$400,000)		(\$400,000)			(\$400,000)		(\$400,000)
Enterprise Efficiencies			\$0		\$0			(\$50,586)		(\$50,586)
Eviction Legal Defense			(\$398,122)		(\$398,122)			\$0		\$0
Home Repair Grants			(\$400,000)		(\$400,000)			(\$400,000)		(\$400,000)
Homesharing Initiative	0.00	\$0			\$0	1.00	\$500,000			\$500,000
Joint Office of Homeless Services Allocation 5% Reduction			\$0		\$0			(\$1,559,345)		(\$1,559,345)
Recreational Cannabis Tax One-time Reduction				\$0	\$0				\$0	\$0
Portland Housing Bureau Total	0.00	\$0	(\$1,198,122)	\$0	(\$1,198,122)	1.00	(\$4,300,000)	(\$2,409,931)	\$0	(\$6,709,931)



Community and Economic Development

FY25-26 Proposed Budget Decision Packages - Summary

<https://www.portland.gov/budget/2025-2026-budget/documents/fy-25-26-proposed-budget-decision-packages-summary>

Bureau of Planning & Sustainability	Requested					Mayor's Proposed				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Add: 2 Positions Supporting Recycling Modernization Act	2.00		\$0	\$458,475	\$458,475	2.00		\$7,414	\$458,475	\$465,889
Add: Funding for Council broadcasts		\$0	\$353,000		\$353,000		\$0	\$353,000		\$353,000
Add: Graffiti Abatement Admin Staff	1.00					1.00				
Add: Graffiti Contract Funding		\$1,000,000			\$1,000,000		\$1,500,000			\$1,500,000
BPS Climate Division Reduction			(\$327,566)		(\$327,566)			(\$327,566)		(\$327,566)
BPS Community Technology Division General Fund Reduction	1.00	\$0	(\$428,119)		(\$428,119)	-1.00	\$0	(\$428,119)		(\$428,119)
BPS Internal Services General Fund Reduction			(\$215,315)		(\$215,315)			(\$215,315)		(\$215,315)
BPS Planning Division General Fund Reductions	-1.00		(\$645,000)	\$288,351	(\$356,649)	-1.00		(\$645,000)	\$288,351	(\$356,649)
CityFleet PCEF award amendment				(\$5,000,000)	(\$5,000,000)				(\$5,000,000)	(\$5,000,000)
Climate Office Transfer	-2.00		(\$444,810)		(\$444,810)	-2.00		(\$434,899)		(\$434,899)
Enterprise Efficiencies		\$0	\$0	\$0	\$0		\$16,375	(\$125,267)	(\$227,322)	(\$336,214)
FY 2024-25 Carryover: Climate Floodplain		\$0			\$0		\$70,080			\$70,080
FY 2024-25 Carryover: Digital Inclusion Fund		\$0			\$0		\$280,000			\$280,000
FY 2024-25 Carryover: Zoning		\$0			\$0		\$121,250			\$121,250
FY 2024-25 Program Carryover: Albina Vision Trust		\$0			\$0		\$19,000			\$19,000
FY 2024-25 Program Carryover: Smart Cities		\$0			\$0		\$85,000			\$85,000
PCEF - Additional BES Amount				\$0	\$0				\$0	\$0
PCEF Adjustments	15.00			\$4,165,254	\$4,165,254	15.00			\$3,973,137	\$3,973,137
PCEF Fund Balancing				(\$17,774,698)	(\$17,774,698)				(\$17,774,698)	(\$17,774,698)
PCEF Interest Transfer - PN				\$0	\$0				\$18,699,480	\$18,699,480
Sustainability officer realignment				(\$450,000)	(\$450,000)				(\$450,000)	(\$450,000)
Bureau of Planning & Sustainability Total	16.00	\$1,000,000	(\$1,707,810)	(\$18,312,618)	(\$19,020,428)	14.00	\$2,091,705	(\$1,815,752)	(\$32,577)	\$243,376



Community and Economic Development

FY25-26 Proposed Budget Decision Packages - Summary

<https://www.portland.gov/budget/2025-2026-budget/documents/fy-25-26-proposed-budget-decision-packages-summary>

Portland Permitting & Development	Requested					Mayor's Proposed				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Enterprise Efficiencies										
Interagency Balancer Between PP&D and PBOT				\$0	\$0				(\$4,022,644)	(\$4,022,644)
Permit Improvement Project - Limited Term Development Review Analyst III (2)	2.00	\$425,000		\$0	\$425,000	2.00	\$425,000		\$0	\$425,000
Portland Permitting and Development Position Reduction for Cost Recovery	0.00			\$0	\$0	-53.00			\$0	\$0
Portland Permitting & Development Vacancy Reduction	0.00			\$0	\$0	-12.00			\$0	\$0
Portland Permitting & Development Total	2.00	\$425,000		\$0	\$425,000	-63.00	\$425,000		(\$4,022,644)	(\$3,597,644)



Community and Economic Development

FY25-26 Proposed Budget Decision Packages - Summary

<https://www.portland.gov/budget/2025-2026-budget/documents/fy-25-26-proposed-budget-decision-packages-summary>

Prosper Portland	Requested					Mayor's Proposed				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Cut: Community-Based District Support		\$0	(\$380,000)		(\$380,000)		\$0	(\$380,000)		(\$380,000)
Cut: Inclusive Entrepreneurship		\$0	(\$192,688)		(\$192,688)		\$0	(\$192,688)		(\$192,688)
Cut: Office of Events & Film		\$0	(\$50,000)		(\$50,000)		\$0	(\$50,000)		(\$50,000)
Cut: Workforce Development		\$0	(\$200,000)		(\$200,000)		\$0	\$0		\$0
Funding for Community & Economic Development Office redirected from Prosper			\$0		\$0			(\$400,000)		(\$400,000)
Ongoing Reduction Backfilled One-time		\$0	\$0		\$0		\$2,000,000	(\$2,000,000)		\$0
Reallocate Economic Development and Lending Staff		\$0	(\$650,000)		(\$650,000)		\$0	(\$650,000)		(\$650,000)
Recreational Cannabis Tax Allocation Reduction				\$0	\$0				(\$630,167)	(\$630,167)
Recreational Cannabis Tax Carryover - Prosper				\$0	\$0				\$600,000	\$600,000
Prosper Portland Total		\$0	(\$1,472,688)	\$0	(\$1,472,688)		\$2,000,000	(\$3,672,688)	(\$30,167)	(\$1,702,855)

Portland Children's Levy	Requested					Mayor's Proposed				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Enterprise Efficiencies										
Portland Children's Levy Total										



Community and Economic Development

FY25-26 Proposed Budget Decision Packages - Summary

<https://www.portland.gov/budget/2025-2026-budget/documents/fy-25-26-proposed-budget-decision-packages-summary>

Office of Community and Econ Development	Requested					Mayor's Proposed				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Carryover: DX - Enhanced Services District		\$0			\$0		\$0			\$0
C&ED - Enhanced Service District 8% General Fund Discretionary Reduction			\$0		\$0			\$0		\$0
C&ED-ESD-Program Transfer to Portland Solutions	-1.00		(\$98,936)	(\$95,055)	(\$193,991)	-1.00		(\$98,936)	(\$95,055)	(\$193,991)
DX - Office of Arts and Culture GF Reduction			\$0		\$0			(\$357,184)		(\$357,184)
Enterprise Efficiencies			\$0		\$0			(\$57,230)		(\$57,230)
Funding for Community & Economic Development Office redirected from Prosper			\$0		\$0			\$400,000		\$400,000
FY 2024-25 Carryover: Permit Improvement Team Carryover - Website Project		\$0			\$0		\$972,300			\$972,300
Office of Community and Econ Development Total	-1.00	\$0	(\$98,936)	(\$95,055)	(\$193,991)	-1.00	\$972,300	(\$113,350)	(\$95,055)	\$763,895

Office of Vibrant Communities	Requested					Mayor's Proposed				
	FTE	GF One-Time	GF Ongoing	Other Rev.	Total	FTE	GF One-Time	GF Ongoing	Other Rev.	Total
Office of Arts and Culture General Fund Reduction			(\$357,184)		(\$357,184)			\$0		\$0
Office of Vibrant Communities Total			(\$357,184)		(\$357,184)			\$0		\$0



Prosper Portland Proposed Budget

City Council
MAY 8, 2025

Presentation Overview

Prosper Portland Overview

Prosper Portland Budget

- TIF District & Citywide Urban Development Investments
- Citywide Economic Development Programs & Initiatives
- FY 2025-26 Budget and Metrics



Prosper Portland Overview

WHO WE ARE

PROSPER PORTLAND
CREATES INCLUSIVE
ECONOMIC GROWTH
AND OPPORTUNITY
FOR PORTLAND



Prosper Portland Governance

ORS457 & City Charter Section 15

Legally Separate Government Entity

- Authorized by ORS 457, which created urban renewal agencies statewide
- Activated in 1958 through Portland voters' amendment of City Charter Chapter 15

Governed by 5-Member Volunteer Board of Commissioners

- Sets strategic direction
- Approves TIF expenditures in alignment with approved TIF district budgets
- Oversees day-to-day agency operations

City of Portland Oversight and Collaboration

- City Council approves new TIF plans and major amendments
- Serves as Prosper Portland's budget committee (GF, Cannabis, TIF, and other resources)
- Provides explicit General Fund resources for Prosper to administer to deliver on specific Council directed projects and priorities

Portland City Charter

Based on a citywide vote, Prosper Portland is a legally separate entity administered separately from the City.

- Public meetings, records, finance, audit, and ethics rules require distinct systems and services.
- Charter states Prosper Portland Board is responsible for hiring, compensating, and discharging officers, employees, and agents.
- Staff are under a separate collective bargaining agreement governing employment and benefits.
- Separate internal services and related expertise reflect the City Charter-defined “General Powers and Duties.”

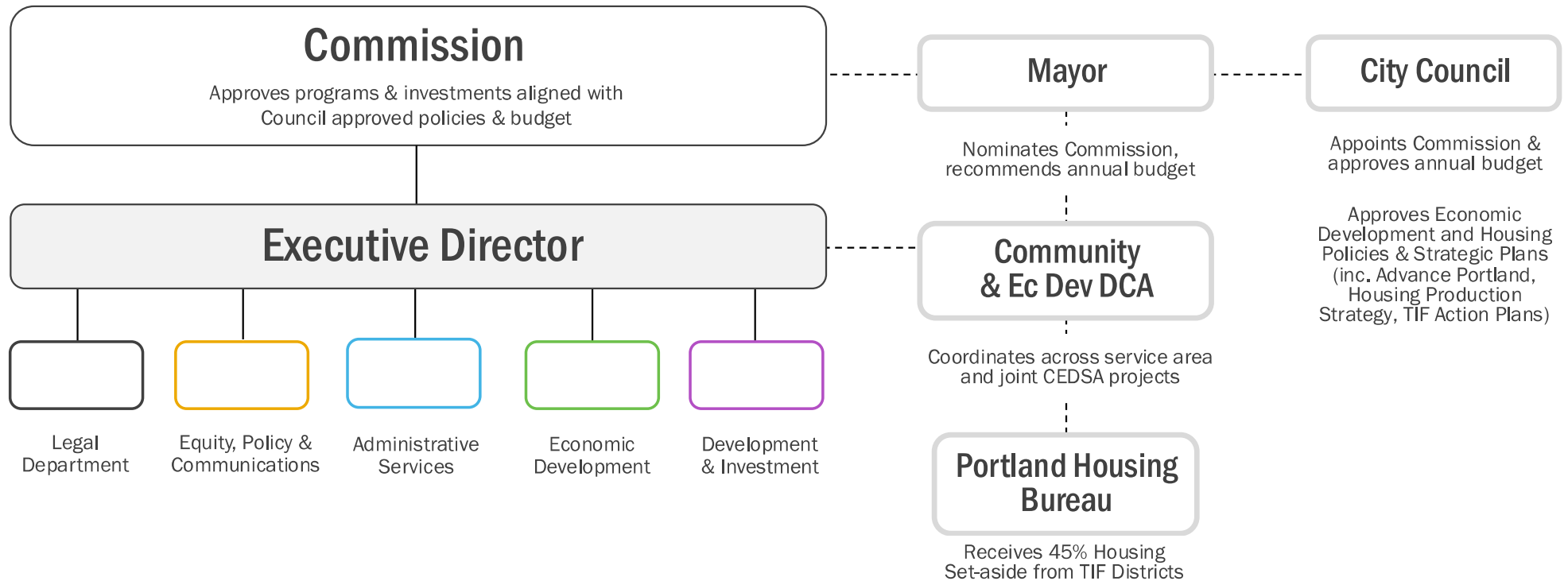
SECTION 15-103

GENERAL POWERS AND DUTIES.

The Commission shall implement the vision and goals of the City as adopted by City Council relating to urban renewal, economic development and affordable housing. The Commission shall advance social equity in carrying out all of its duties and shall involve the constituencies of the City to create, maintain and promote a diverse, sustainable community in which economic prosperity, quality housing and employment opportunities are made available to all residents.

Prosper Portland Governance

City Charter. Section 15



Prosper Portland at a Glance (Proposed 2025-26 Budget)



Gustavo J. Cruz, Jr., Commission Chair



Marcelino Alvarez, Commissioner



Felisa Hagins, Commissioner



Michi Slick, Commissioner



Serena Stoudamire Wesley, Commissioner

\$307M*

Total Resources

- 69% Tax Increment Districts
- 15% Strategic Investment Fund
- 6% Federal & State Grants, Enterprise Zone
- 5% General Fund & Cannabis
- 5% PCEF & COEP

*\$105 million Reserved for Future Year Expenditures

\$189M

Total Operating & Capital Budget

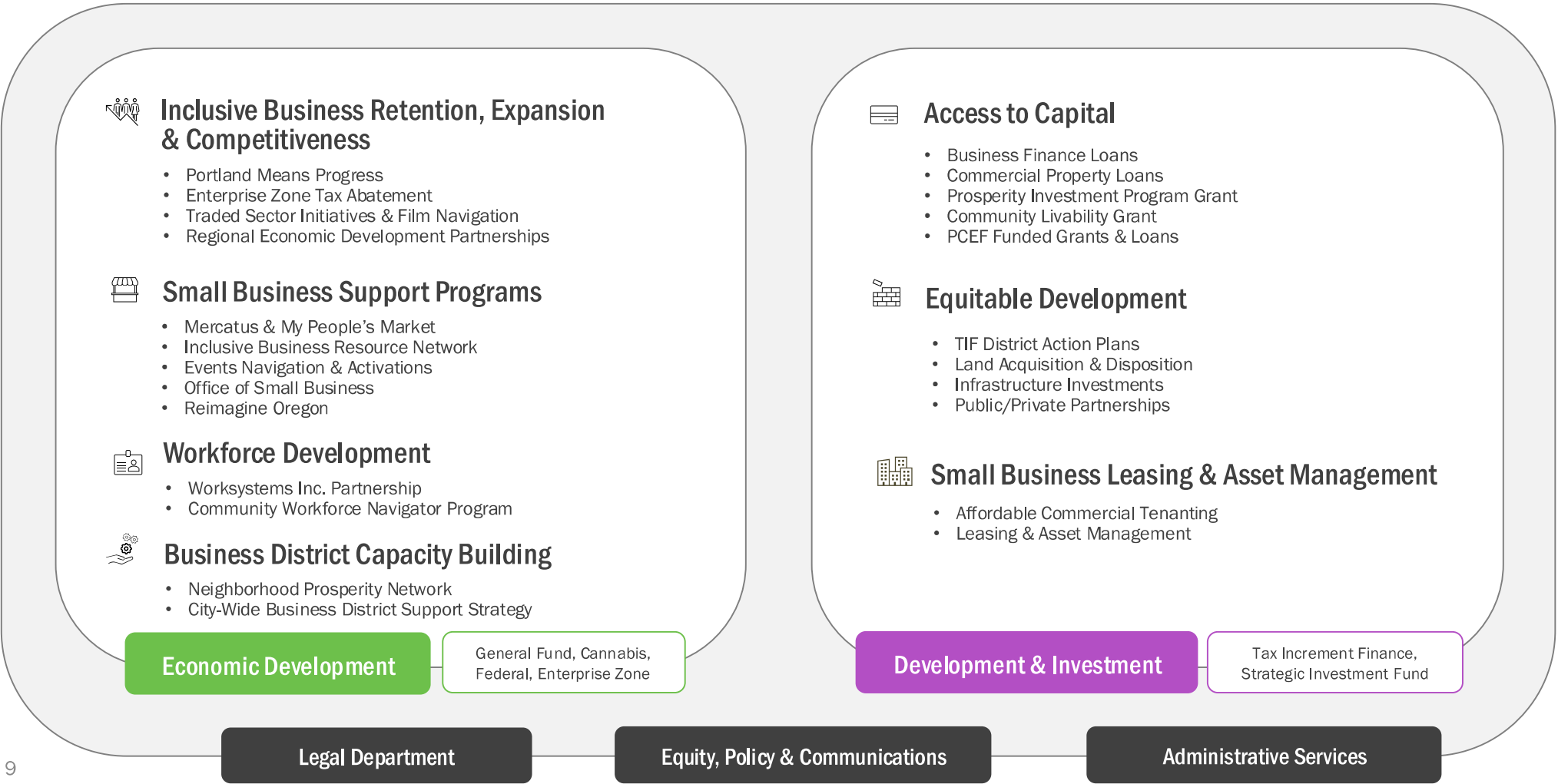
- 43% Tax Increment Districts Development & Infrastructure
- 19% Tax Increment Districts Housing Set Aside
- 16% Citywide Economic Development Assistance
- 15% Program Delivery & Administration
- 7% Strategic Investment Fund – Citywide Lending

104.5

Total Positions

(99 FTE/5.5 LTE)

Business Lines – What We Do



Inclusive Economic Development in Context

Advance Portland: A Call to Action for Inclusive Economic Growth

OBJECTIVE 1

Propel Inclusive Economic
Growth & Innovation

OBJECTIVE 2

Promote Equitable
Wealth Creation

OBJECTIVE 3

Foster a Vibrant Central
City & Neighborhood
Commercial Districts

OBJECTIVE 4

Connect Portlanders to
High-Quality Jobs in
Future-ready Sectors

FUNDAMENTAL INPUTS:

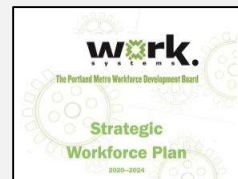
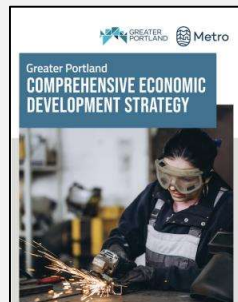
Houselessness
Livability
Community Safety
Public Education System

Regional

- Workforce Development Plan
- Comprehensive Economic Dev. Plan
- A Home for Everyone
- Cradle to Career

City of Portland

- 2035 Comprehensive Plan
- Climate Action Plan
- Housing Production Strategy



Our Equity Statement

We acknowledge our past as we move forward to create economic opportunity and prosperity for all communities.

We make racial equity the foundation of our community and economic development work. We hold ourselves accountable to Portland's communities of color and others our work has negatively impacted.

While racial equity is the primary lens to focus our efforts, we understand the connection between racism and other forms of bias that lead to oppression.



Community Outcomes & Impact



Inclusive Business Retention, Expansion, and Competitiveness

41,000

Jobs Public
Benefit Agreement

\$126M

local investment
through E-Zone



Small Business Support Programs

1,727

businesses assisted

82%

are People of Color



Workforce Development

1,900+

people served

78%

are People of Color



Business District Capacity Building

6,500

volunteer hours



Access to Capital

971

business
clients

47%

to BIPOC-owned
businesses



Equitable Development

36%

to COBID
Certified Firms

7:1

leverage



Small Business Leasing & Asset Management

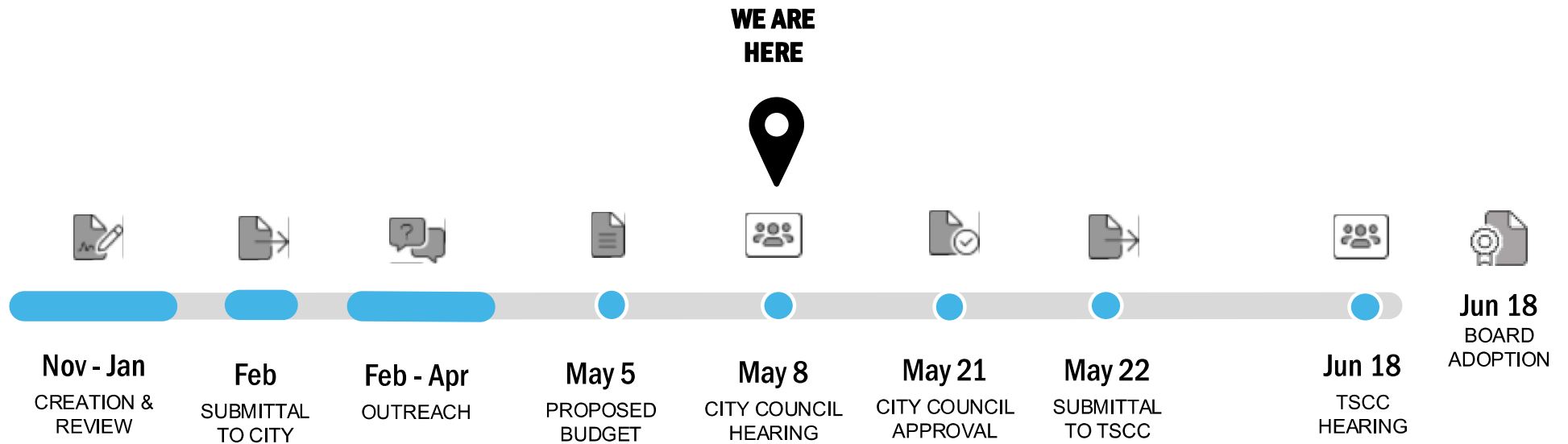
24,000 sq. ft

Commercial Space



Prosper Portland Budget Overview

Budget Process



Community Budget Committee

Prashanth Arulsakaran

Trailhead Credit Union, SCORE

Michael Harrison

Oregon Health & Science University

Stephen Green

Business for Better Portland

Bryson Davis

Williams & Russell Project CDC

Thad Fisco

Portland Kettle Works

Vacant

Technology Association of Oregon/
Industry Association

Carolyne Holcomb

Central Eastside Industrial Council

Corky Collier

Columbia Corridor Association

Kari Naone

TiE Oregon

Erica Bjerning

Foster Powell Association

James Paulson

Worksystems Inc

Justice Rajee

Urban League of Portland & Reimagine
Oregon

Owen Ronchelli

Go Lloyd

Oscar Arana

Native American Youth and Family Center

James Taylor

N/NE Action Plan Leadership Committee

Targeted TIF District Budget Outreach:

Central Eastside Industrial Council – Old Town Community Association – Cully Leadership Committee

N/NE Action Plan Leadership Committee – South Portland Neighborhood Association

Financial Overview and Themes

Active/Sunsetting TIF Districts ~\$135M to place over five-years

- Lower returns focused on high impact investments

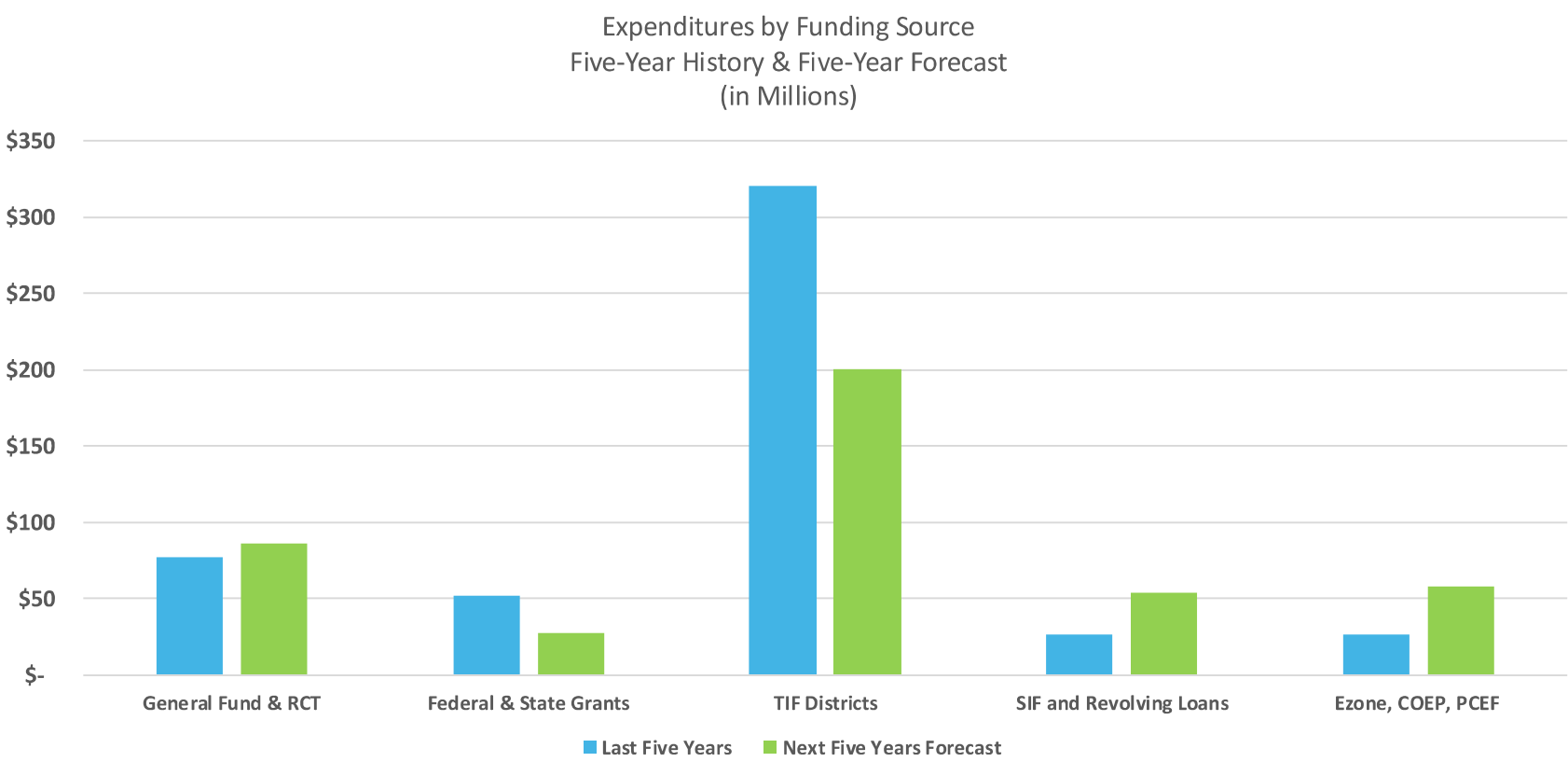
New TIF Districts have limited resources in 25-26 and Five-Year Forecast \$68M

- Focus on Action Plan development

Strategic Investment Fund ~\$50M to place in investment city-wide over five-Years

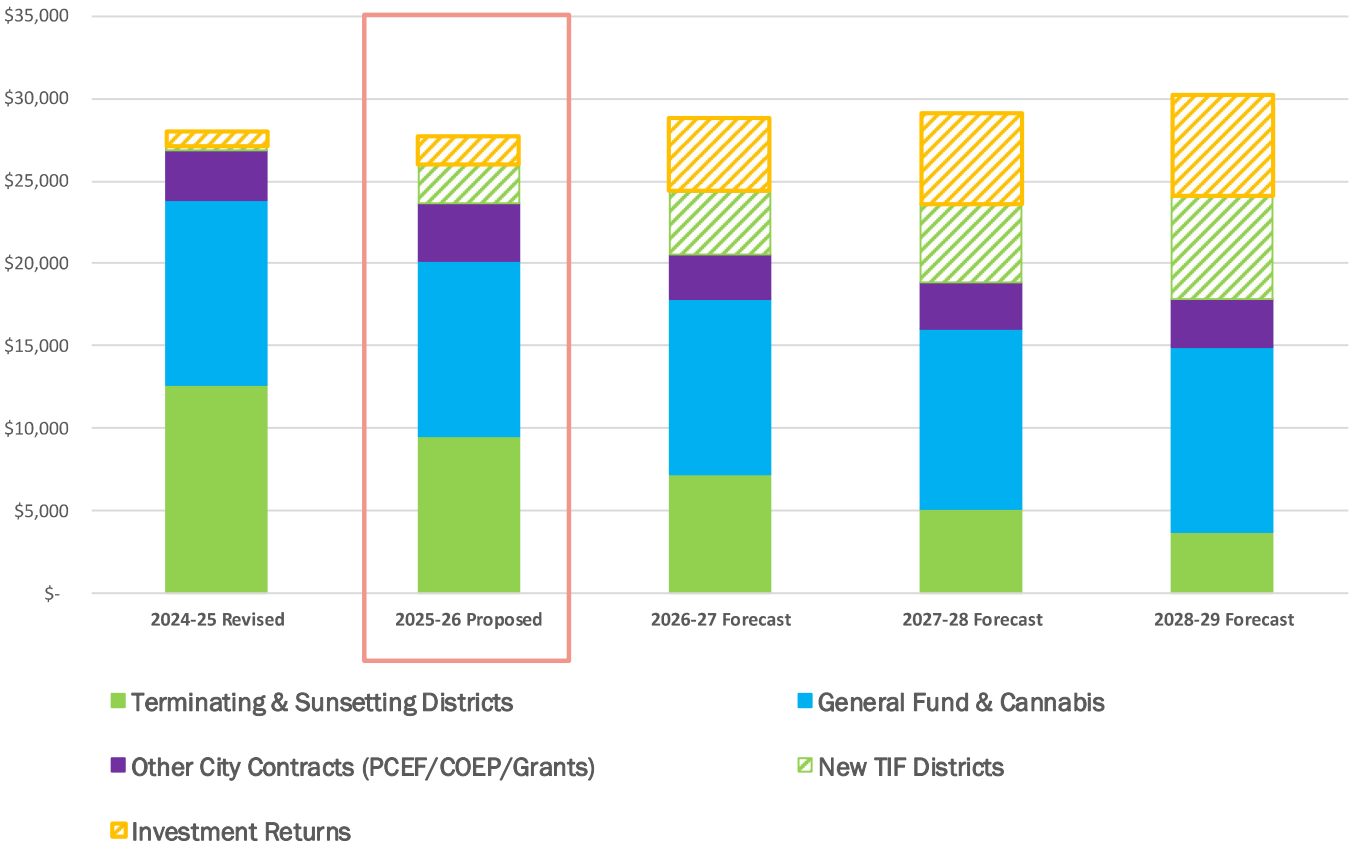
- Revolving investment fund; higher and more stable returns to support Operating Budget

Investments – Five Year Look Back and Forward



Operating Budget: Current Year Budget and Forecast

Operating Budget Sources
Goal to Stabilize Staffing at 102 Positions



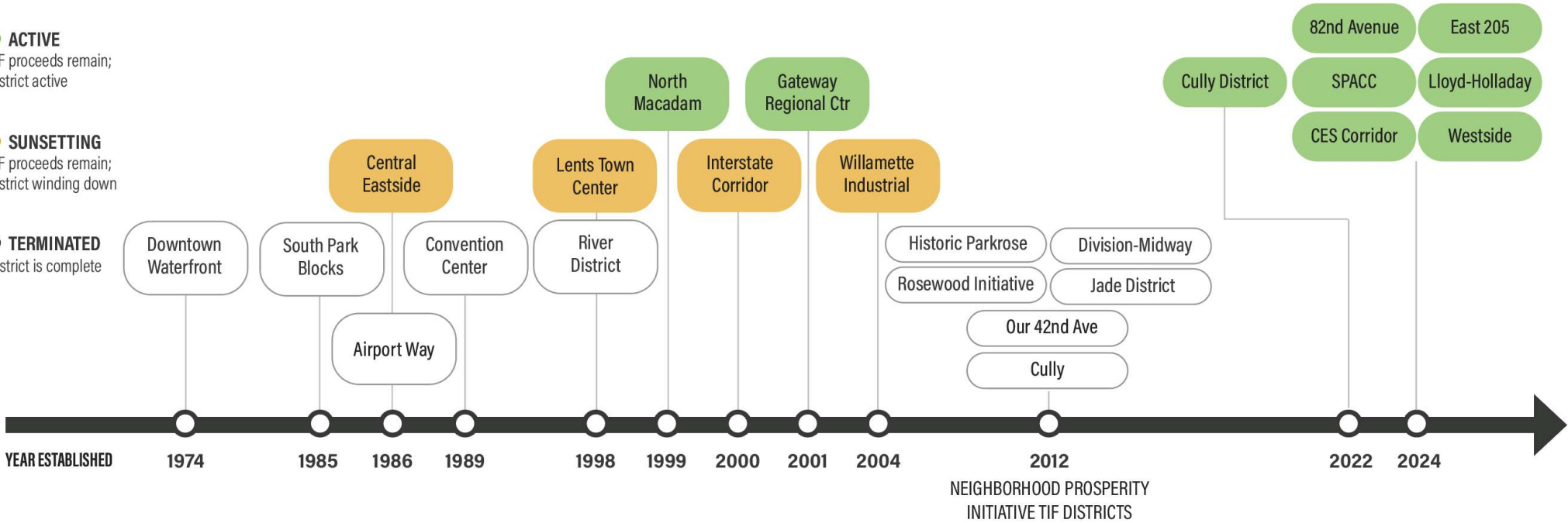


Tax Increment Districts & Citywide Urban Development Investments **Budget Overview**

Portland TIF Districts: Status

District Status

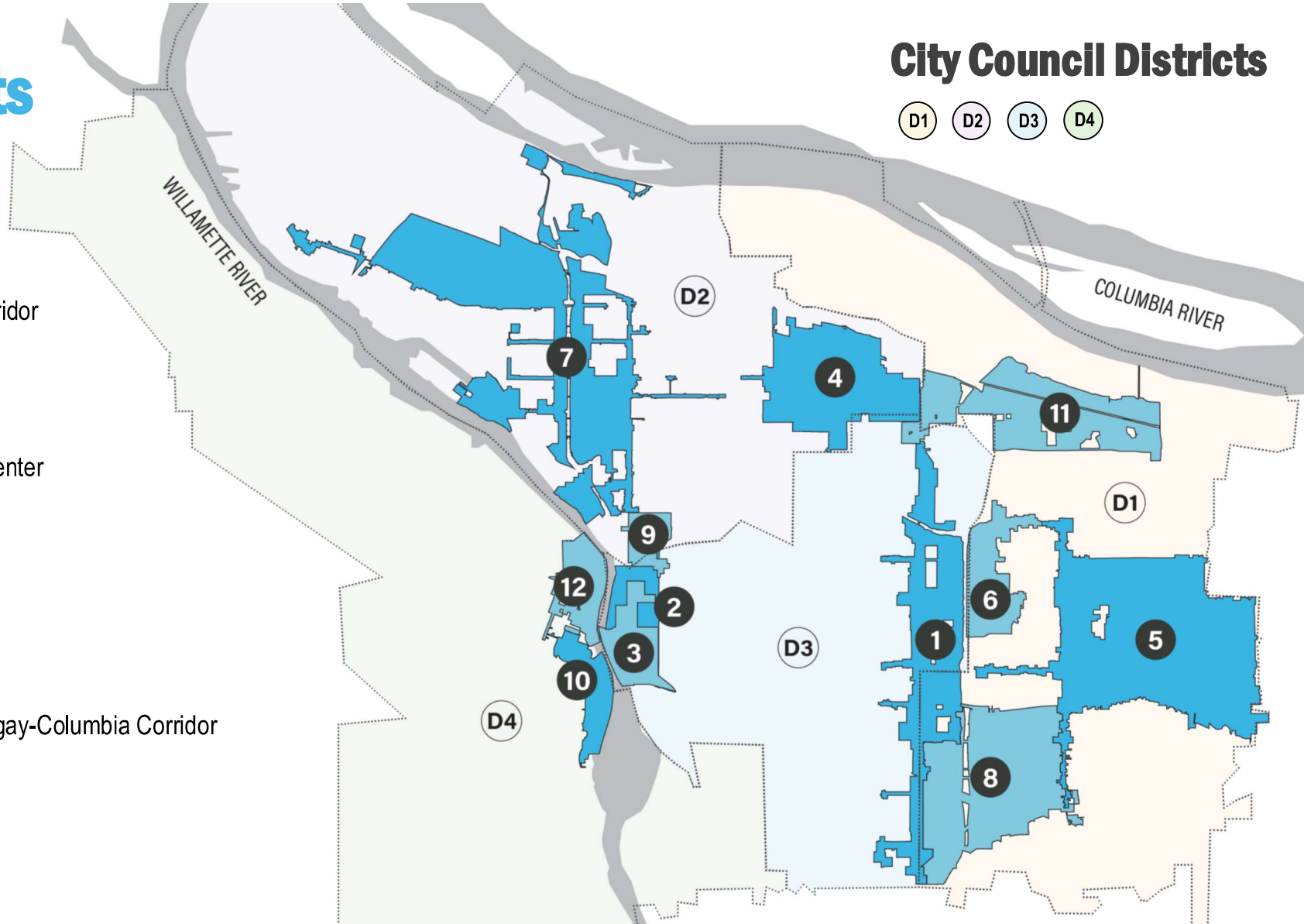
- **ACTIVE**
TIF proceeds remain;
district active
- **SUNSETTING**
TIF proceeds remain;
district winding down
- **TERMINATED**
District is complete



TIF Districts

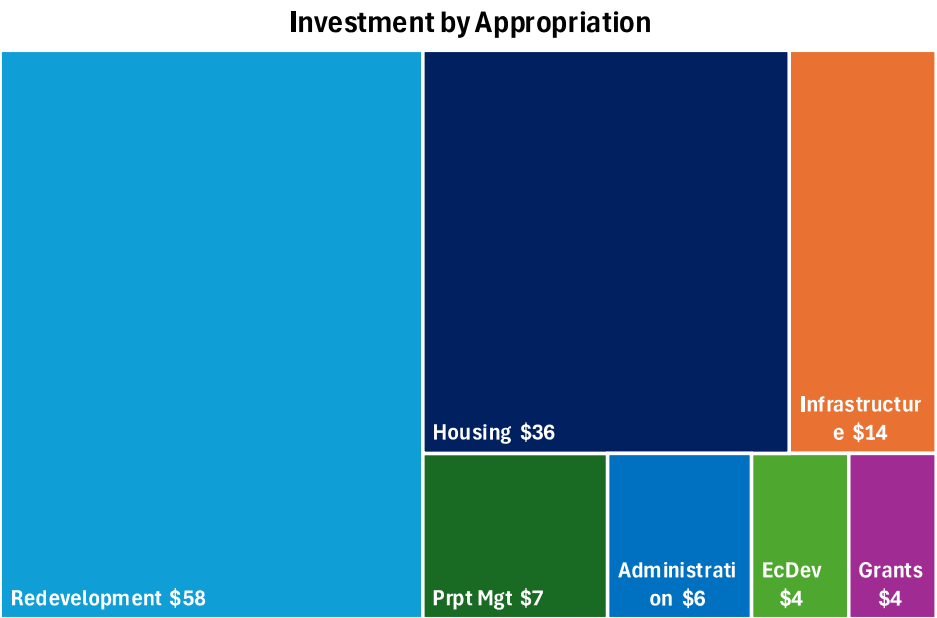
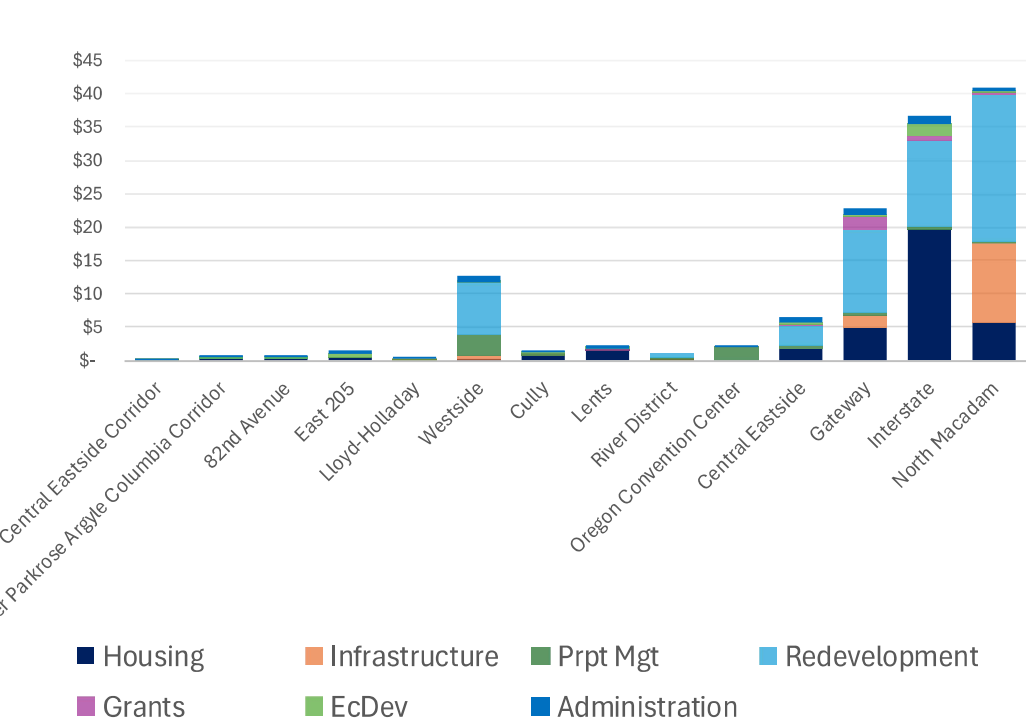
- 1 82nd Avenue
- 2 Central Eastside
- 3 Central Eastside Corridor
- 4 Cully
- 5 East 205
- 6 Gateway Regional Center
- 7 Interstate Corridor
- 8 Lents Town Center
- 9 Lloyd-Holladay
- 10 North Macadam
- 11 Sumner-Parkrose-Argay-Columbia Corridor
- 12 Westside

City Council Districts



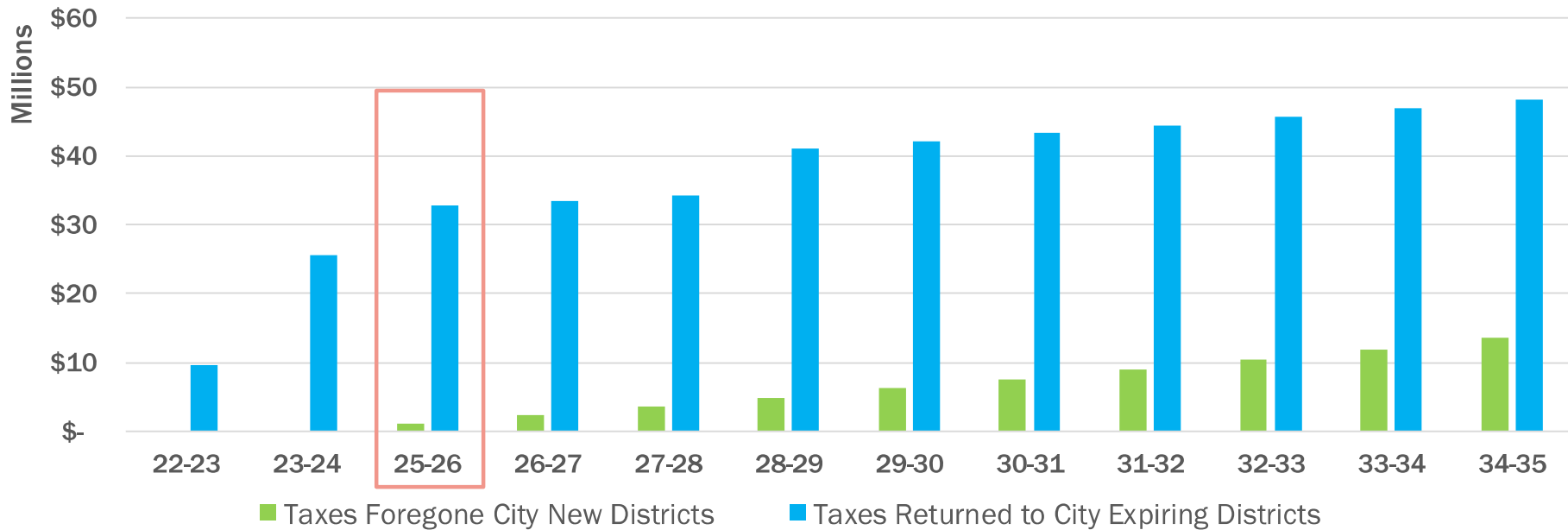
FY 2025-26 Proposed Budget - TIF Investments by Investment Type

\$130M Across all TIF Districts (with Housing Set Aside)



New Districts vs. Returning TIF (Boomerang) – Impact on GF

Estimated Taxes Foregone vs. Returned



Impact in First 10 Years:

Taxes returned - expiring districts	\$448M
Taxes foregone – new districts	\$71M
Net taxes returned:	\$377M

Through 2059, there is a positive net impact of \$1.3B with 3% avg growth on most of the returning TIF

Council Adopted TIF District Action Plans



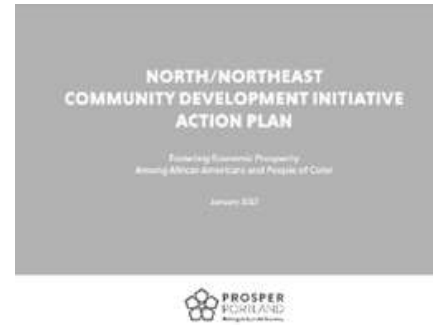
\$57M Commitment

- Neighborhood Investment
- Business Vitality
- District Livability



\$36M Commitment

- Lents Town Center
- West Foster
- Commercial Corridors
- Affordable Housing
- Industrial & Open Space



\$32M Commitment

+\$19.3M additional resources

- Promote Property Ownership
- Business Ownership and Growth
- New/Existing Homeowners
- Advance Community Livability
- Cultural Biz Hub(s)



\$65M Commitment

- Inclusive Economic Growth & Celebrating our Diverse Business Community
- Activate a Livable Gateway
- Housing Production & Opportunity

Business Lines



Access to Capital

- Business Finance Loans
- Commercial Property Loans
- Prosperity Investment Program Grant
- Community Livability Grant
- PCEF Funded Grants & Loans



Equitable Development

- TIF District Action Plans
- Land Acquisition & Disposition
- Infrastructure Investments
- Public/Private Partnerships



Small Business Leasing & Asset Management

- Affordable Commercial Tenanting
- Leasing & Asset Management

Development & Investment

Tax Increment Districts
Strategic Investment Fund

Spotlight: Repair/Restore

 Access to Capital

Outcomes

1,528

Total grants disbursed
across all programs

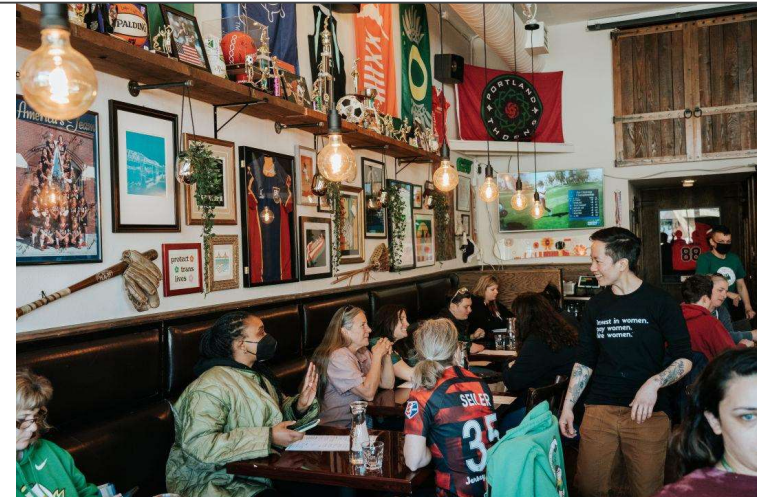
1,044

local small businesses

\$6.9M

in grant dollars

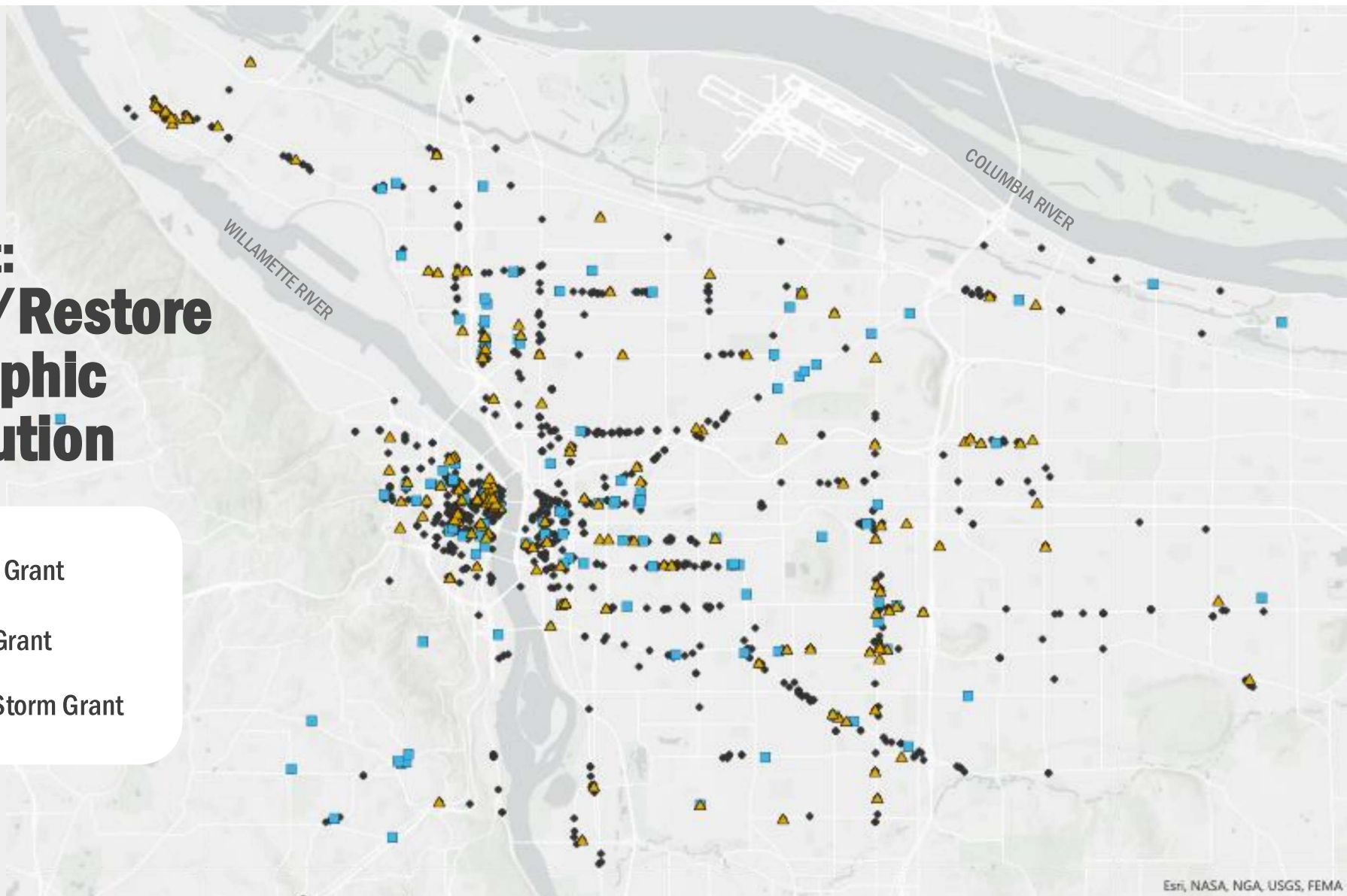
Outcomes over five years, as of February 2025



 The Sports Bra (top) and
Bun Bo Hue (bottom)

Spotlight: Repair/Restore Geographic Distribution

- ▲ Restore Grant
- ◆ Repair Grant
- Winter Storm Grant



Spotlight: Business & Property Loans

 Access to Capital

27 loans

small business and
commercial
development lending
over the past 2 years

\$44.6M

total Prosper Portland
lending leveraging
\$65M of investment

- Shortstack Mississippi: 36 units of new mixed-income housing, innovative mass timber construction
 - Investment of \$3.5 million Strategic Investment Fund construction loan
 - Achieved 96% DMWESB/SDV utilization for Professional Services and 29% utilization for construction



 Shortstack Mississippi

Spotlight: 5 Year PCEF Partnership

 Access to Capital



Small Commercial Buildings Clean Energy Grants **\$19.25M**

Grants to increase energy efficiency for small businesses and properties (<50 employees, <40,000 sq ft), with specific funding for 82nd Avenue

Program will launch this month



Access to Capital **\$7M**

Commercial/Office to Residential conversion pilots

Commercial energy retrofits & improvements



Sustainable Contracting Capacity Development **\$3.5M**

Small contractor business technical assistance grants

Spotlight: NE 102nd & Pacific



Equitable Development

~200 new housing units

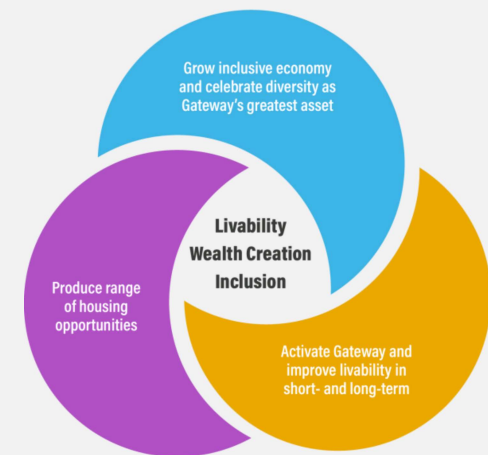
Land banking a development ready site for middle-/mixed-income housing

Gateway Action Plan / Gateway TIF District

Public/Private Partnership with David Douglas School District & Private Developer

- New street grid at NE 100th to support David Douglas School District
- Interim activation

Stabilize, Activate & Diversify



Spotlight: Williams & Russell

 Equitable Development

85 units

Affordable one- to three-bedroom apartments at 30% - 60% AMI

20 homes

middle income homeownership at 60-120% AMI

30,000 sq ft

Black Business Hub cross laminated timber development

N/NE Action Plan and N/NE Neighborhood Housing Strategy / Interstate TIF District

Williams & Russell CDC-led project with Portland Community Reinvestment Initiatives and Adre Development

- \$400,000 Prosper predevelopment grant
- \$10M Prosper TIF investment
- Up to \$25M PHB TIF investment



Spotlight: Leasing & Tenanting



Small Business Leasing
& Asset Management

24,000 sq. ft

Commercial Space

Lents Commons

- Anchor tenant: Pro Gear Bike Shop

Alberta Commons

- Anchor tenants: MESO's Makers Market, Champions & Cason's Fine Meats

The Nick Fish

- Anchor tenant: Happy Go Lucky Daycare



 Pro Gear Bike Shop

TIF District Engagement & Governance

	Project & Initiative Focused Engagement	District Action Plan Engagement & Reporting	Co-Creation with Community Leadership Committee
<div> <div></div> <div> Level of Policy & Investment Commitments </div> </div>	<div>TIF Plan (Council adopted)</div> <div>Project-by-project frameworks</div>	<div>TIF Plan (Council adopted)</div> <div>Action Plan (Council adopted)</div>	<div>TIF Plan (Council adopted)</div> <div>Action Plan (Council adopted)</div> <div>Governance Charter (Council adopted)</div>
<div> <div></div> <div> Level & Frequency of Engagement </div> </div>	<div>Annual budget prioritization</div> <div>Project-by-project engagement</div>	<div>Annual budget prioritization</div> <div>Regular at monthly or quarterly formal engagement with existing community groups (e.g. business and neighborhood associations)</div>	<div>Annual budget prioritization</div> <div>Regular engagement with existing community groups</div> <div>Specially convened public body to guide/monitor Action Plan performance & accountability</div>
<div> <div></div> <div> Shared Legal Framework & Fiscal Accountability </div> </div>	<div>TIF District Plan governs district geography and eligible projects</div> <div>City Council has approval authority for Plan amendments and annual budget</div> <div>Prosper Portland board and City Council have approval authority for TIF expenditures</div>		

Governance: East PDX Community Leadership Committees



13 members with strong connections to the district: live, work, worship, have children enrolled in school, previously displaced, etc.



Reflect full diversity of community, and specifically, representatives from populations disproportionately vulnerable to displacement



Committee members must understand and support the stabilization & inclusive growth goals and values of the Plan



Range of experience and knowledge to inform implementation, drawing from life experiences, community connections and leadership, education and professional experience



Members represent interests of vulnerable community



Citywide Economic Development Programs **Budget Overview**



Business Lines



Inclusive Business Retention, Expansion & Competitiveness

- Portland Means Progress
- Enterprise Zone Tax Abatement
- Traded Sector Initiatives & Film Navigation
- Regional Economic Development Partnerships



Small Business Support Programs

- Mercatus and My People's Market
- Inclusive Business Resource Network
- Events Navigation & Activations
- Office of Small Business
- Reimagine Oregon
- COEP



Workforce Development

- Worksystems, Inc. Partnership
- Community Workforce Navigator Program



Business District Capacity Building

- Neighborhood Prosperity Network
- City-wide Business District Support Strategy
- Business District Technical Assistance, Training, Grants

Economic Development

General Fund, Cannabis, Federal, Enterprise Zone

Spotlight: Business Advancement



Inclusive Business Retention,
Expansion & Competitiveness

Goal:

To propel inclusive economic growth and innovation that creates high-quality and future-ready jobs

Tools:

Traded-sector action plans and initiatives; Regional partnerships; the Enterprise Zone program; PCEF Clean Energy Hub with BPS

Equity at the Center:

Portland Means Progress



📷 Left to right: Danner, Dos Hermanos, Daimler Trucks North America

Spotlight: Small Business Support



Small Business
Support Programs

- Mercatus and My People's Market
- Inclusive Business Resource Network (IBRN)
- Events Navigation & Activations
- Office of Small Business
- Reimagine Oregon
- Community Opportunities and Enhancements Program (COEP)



📷 Left to right: For Bitter or for Worse, El La Dean, Nico's Ice Cream, Hot Mama Salsa, Sibiho

Spotlight: Workforce Development

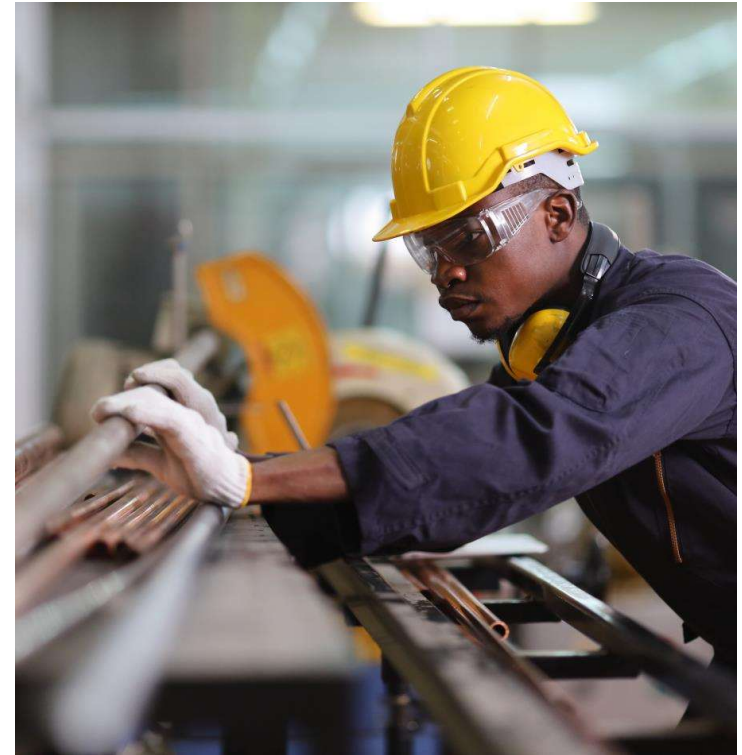


Workforce Development

Worksystems, Inc. Partnership

- Economic Opportunity Program (Adult)
- NextGen Program (Youth)
- Community Opportunities and Enhancements Program (Construction Pre-apprenticeship)

Community Workforce Navigator Program



Spotlight: Business District Capacity Building

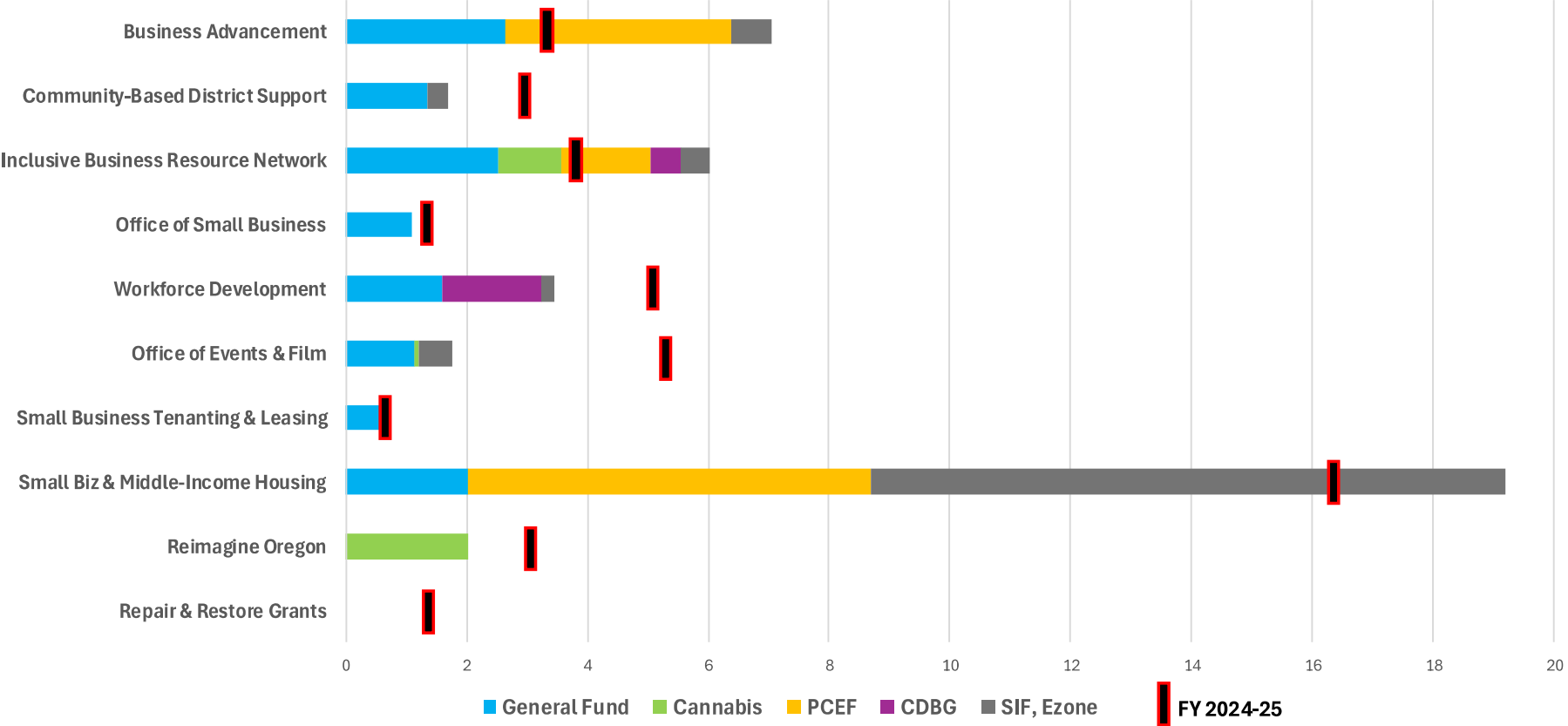


- Neighborhood Prosperity Network
- Citywide business district support strategy:
 - Coordination with Office of Small Business, PBOT, Enhanced Service District program
- Business district training, technical assistance, and grant support



FY 2025-26 Proposed Budget - Citywide Programs & Investments

\$43M Across all Non-TIF District Resources



Ongoing GF Reductions in 2025-26 Mayor's Proposed Budget

12% Cut (\$1.7M)

- Removes Venture Portland admin & refocuses internal Prosper Portland capacity to deliver district support
- Reduces funding to IBRN Community of Practice meetings
- ~112 fewer workforce development participants via Worksystems, Inc.
- Strategic Investment Fund absorbs 50% of the cut to continue to stabilize programs in FY 2025-26

\$2M replacement of ongoing General Fund with one-time resources:

Without new funding, potential elimination in 2026-27 of:

- Workforce Programs *or*
- Small Business Support programs

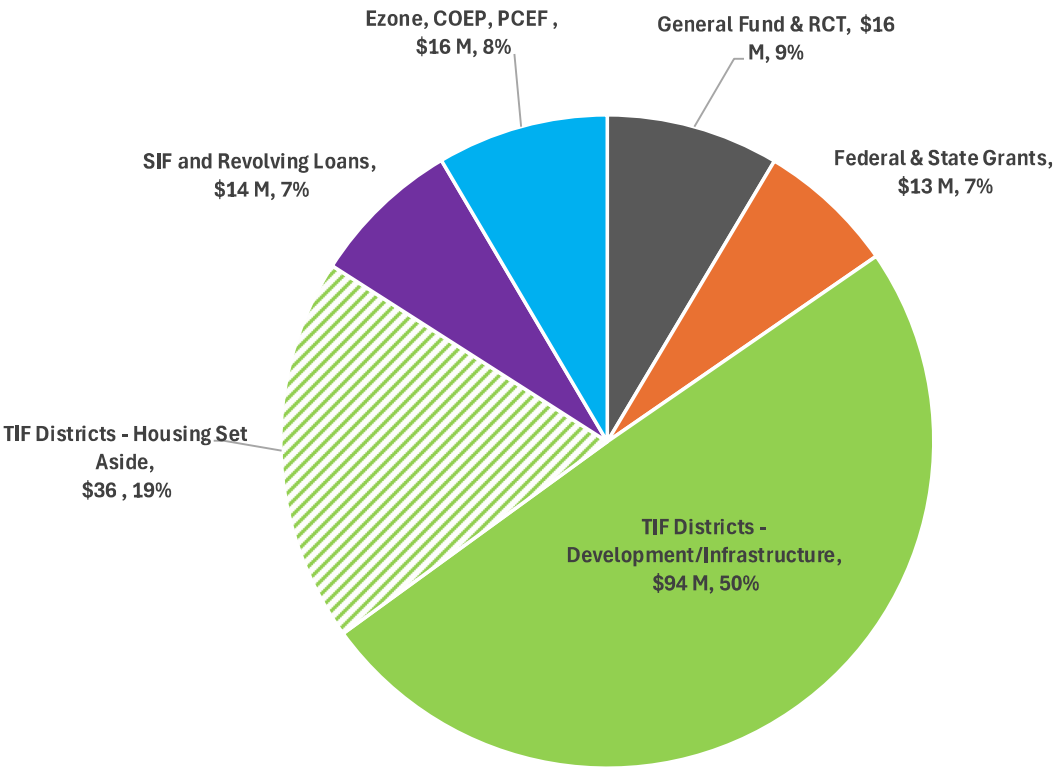


Summary **Budget Overview**



FY 2025-26 Proposed Budget – Expenditures by Source

\$189M – All Funds with Housing Set Aside
(\$153M Net of Housing Set Aside)



Community Outcomes & Impacts

- **Access to Capital** ~ \$23M in new loans serving 15 small businesses and urban development projects; \$7.3M in grants serving 125 businesses through prosperity investment (PIP), affordable commercial (ACT) and PCEF funded energy retrofit grants.
- **Equitable Development** ~ 3:1 leverage for loan/grant programs; 35% COBID target
- **Small Business Leasing & Asset Mgt** ~ 24,000 sq ft. in affordable commercial space managed.
- **Inclusive Business Retention, Expansion & Competitiveness** ~ Direct support to 250 traded sector businesses; \$125M of local investment from E-Zone and expansion projects; 44,000 employees at companies participating in public benefit agreements/ public pledges
- **Small Business Support** ~660 unique businesses clients served by IBRN and COEP; ~500 businesses served by Office of Small Business
- **Office of Film & Events** – 8 scale up grants; navigation support for 9 large events (e.g. Winter Ice Rink, NYE Drone Show, Winter Light Festival etc. etc), Film navigation support for over 163 production permits resulting in more than \$1.2M in local lodging spend and over \$100M in project spending.
- **Workforce Development** ~ 1,250 people served through youth, adult, navigator and COEP
- **Business District Capacity Building** ~ 6,500 volunteer hours; \$100K disbursed in business district grants

Partner Testimony



Discussion

