



January 8, 2014

Ms. Cyreena Boston Ashby, Director
Portland African American Leadership Forum
3920 N. Kerby
Portland, OR 97227

Dear Ms. Boston Ashby,

Thank you for your letter of December 17, 2013. We appreciate the opportunity to respond to the issues you raised and to also broaden the conversation about the future of economic development in North and Northeast Portland.

As we have stated in previous conversations, we agree that gentrification has caused significant demographic change and displacement in North and Northeast Portland, and the impact of these changes has been particularly acute in the African-American community. Further, we acknowledge that the Portland Development Commission's (PDC's) past work in North and Northeast Portland has contributed to the destructive impact of gentrification and displacement on the African American community. PDC today, however, has equity at the core of its mission and a heightened sensitivity to the impact of its investments and programs on communities of color, and we welcome partnerships with organizations like the Portland African American Forum (PAALF) as we work to build a more equitable Portland.

In support of our social equity and neighborhood economic development objectives, PDC and the City of Portland (City) are currently undertaking the following investments in the Interstate Corridor Urban Renewal Area (Interstate URA):

Affordable Housing

- 30 percent of all tax increment financing (TIF) investments goes directly to affordable housing, almost exclusively to 0-60 percent of median family income. PHB and PDC have invested approximately \$36.9 million towards affordable housing since 2001. These funds can only be spent in the Interstate URA and make an ongoing contribution to meeting housing needs in the area.

Development Projects

- The \$2,400,000 renovation of Dawson Park that has 88 percent minority contracting, including a Latino minority business enterprise prime contractor and an African-American trucking contractor; the overall construction project manager is an African-American architect.
- Pedestrian and safety improvements on North Killingsworth Avenue.

- The Daimler expansion on Swan Island. In partnership with Governor John Kitzhaber and the Port of Portland, PDC is lending \$8,000,000 toward the \$152,000,000 expansion of the Daimler Truck North America headquarters on Swan Island that will bring over 400 new jobs to Portland.

2013-14 Community Livability Grants

These grants are currently in the pipeline following the award announcement in November 2013:

- Portland Community Reinvestment Initiatives, Inc. (PDC is funding roof repairs for the PCRI building that houses the Urban League)
- The Skanner Foundation
- Historic Kenton Firehouse
- Community Warehouse
- Humboldt Neighborhood Association
- St. Andrew and All Souls Episcopal Church
- Vocoform Inc.
- Water in the Desert
- The new soccer field at New Columbia
- The Peninsula Children's Learning CenterBradley Angle

Long-Term Property Owner development program

As a result of the community-led expansion of the Interstate URA in 2009, PDC identified a number of long-term property owners, most of them African-Americans, who are interested in developing their properties. PDC is paying for development, planning, and technical assistance for each of these property owners, some of whom are close to advancing their projects to the funding stages:

- Black United Fund
- The Portland Observer (family of late publisher Charles Washington)
- Mr. Samuel Riggins (owns building at NE 29th Ave. and Alberta St.)
- North Portland Bible College
- Jerome Polk, owner of JP Framing
- Jeff Moreland-Raimore Construction
- Alando Simpson, City of Roses Recycling

Organizational Support

In addition to development projects and grants, PDC uses funds from the Interstate URA to support community organizations consistent with our mission. These include (but are not limited to):

- Funding for services and outreach through the Minority Contracting Improvement Partnership and National Association of Minority Contractors-Oregon.
- Membership within the North-Northeast Business Association, African-American Chamber of Commerce, Native American Chamber of Commerce, Philippine-American Chamber of Commerce and The Asian-American Pacific Chamber of Commerce.

- Support for The Skanner Foundation, Oregon Tradeswomen, Inc., The Black United Fund, Portland Community Reinvestment Initiatives, Inc., Constructing Hope, Asian Reporter Foundation, The Latino Network, CAUSA, Inc. and Self-Enhancement, Inc.

Suspending all TIF investments would significantly impact the aforementioned efforts and potentially halt many of the PDC funded development projects benefiting the African American community. In addition to TIF investments, PDC also invests general fund and federal community development block grant dollars in North and Northeast Portland through our workforce and business development programs:

Workforce Development:

- In FY 13-14, PDC will invest nearly \$2.6 million in workforce development contracts with non-profit organizations who assist individuals in overcoming significant barriers to employment. North and northeast Portland is a particular focus of Oregon Tradeswomen & Constructing Hope, Open Meadow, Human Solutions & Self Enhancement Inc., Native American Youth and Family Services and Portland Opportunities Industrialization Center.
- In FY 12-13, approximately 47.9% of the individuals enrolled in PDC funded workforce development programs were people of color; approximately 24.5% were African Americans.

Small and Microenterprise Development:

- In FY 13-14 PDC will invest \$1.2 million through contracts with organizations for delivery of business technical assistance. Services are aimed at small and micro businesses located in North/Northeast or East Portland and to businesses owned by people of color and those with limited English proficiency. Business owners are provided technical assistance such as development of business plans, financial management, legal services, marketing and credit repair. North and Northeast Portland is a particular focus of Microenterprise Services of Oregon, Hispanic Chamber, NAYA and Hacienda CDC and PCC's Small Business Development Center.
- In FY 12-13, organizations funded by PDC provided business technical assistance to 476 small and micro businesses. Of those business owners served, 60% were people of color (17.3% of microenterprise and 8.6% of small business assistance enrollees were African American); 32% percent had limited English proficiency; and 59% were low income (50 percent of median family income or below).

As the above clearly demonstrates, PDC and the City are actively working to address the impacts of displacement on North and Northeast Portland. However, we fully recognize that more needs to be done and are committed to working with you and other stakeholders to enhance that work.

With regard to the development at NE Alberta and Martin Luther King, Jr. Blvd., the City, PDC, and the developers of Vanport Square have a long-standing commitment to bring an anchor tenant adjacent to the existing small businesses in and near Vanport Square. Those small business owners have been waiting for a decade for a successful anchor tenant to be brought to their site. Our goal at the outset was to create a community asset that will serve all residents of North and Northeast Portland. We welcome any recommendations to improve the current proposal and move the City closer to its goal of creating that community asset in a timely fashion. We understand that stakeholders have differing ideas

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about the future of the site, but also understand that stakeholders almost universally would like development of the site to take place sooner and not later. Therefore we encourage you to participate in the ongoing community conversations with PDC and the developer around the design and benefits of the project in a timely and practical manner.

Lastly, if we are to have a broad discussion about the future of our investments in North and Northeast Portland, we must first start with the Gem List of projects that resulted from the 2008-09 public process led by PDC Commissioner Charles Wilhoite to prioritize PDC resources in North and Northeast Portland. The Gem List projects range from completing the Jefferson High School Plaza, Unthank Park renovation, street safety improvements, affordable housing, and others. I have attached a status report on this list for your information.

This broader conversation must also include the range of other cultural communities and institutions, like Legacy Emanuel, that call North and Northeast Portland home. PDC has a longstanding public commitment to the Latino, Native American, and Asian-Pacific Island communities to include them in all discussions over the future use of public resources. The public committee that created the Gem List included representatives from all communities and affirmed our collective commitment to full inclusion and transparency in all future resource discussions. So while we look forward to an open and constructive dialogue with you and other stakeholders on securing a better economic future for Portland's African American community, any dialogue on the broader priorities for North and Northeast Portland must be an inclusive conversation.

Thank you again for the opportunity to respond to your letter. PDC and the City of Portland will continue to work with you and our other community partners and stakeholders on these and other issues that affect North and Northeast Portland.

Sincerely,



Mayor Charlie Hales
City of Portland



Patrick Quinton
Executive Director
Portland Development Commission

C:
Portland City Council
PDC Board of Commissioners
John Jackley, Portland Development Commission
Tony Hopson, Self Enhancement, Inc.
Maxine Fitzpatrick, Portland Community Reinvestment Initiatives