



42<sup>nd</sup>  
Ave



Kimberly Branam  
Prosper Portland  
222 NW 5th Ave.  
Portland, OR 97209

October 24, 2018

Dear Prosper Portland:

As gentrification intensifies in the Cully neighborhood, there is an urgent need for locally controlled funds that can be used proactively to preferentially benefit – and prevent the displacement of – low-income people and people of color. Needed investments include land acquisition and land-banking; affordable housing development and preservation; workforce training and employment opportunities; and affordable commercial space for minority- and women-owned businesses that serve our community.

Among the four Living Cully partners and our allies at Our 42<sup>nd</sup> Avenue, Cully Boulevard Alliance, and the Cully Association of Neighbors we have the expertise and proven track-record to successfully carry out all of these projects. However, our current scale of activity is entirely insufficient in the face of gentrification and mass displacement. If we cannot develop the funds to operate at a significantly larger scale – and a community-controlled framework to administer and prioritize the use of those funds – it will soon be too late. As property values climb, and as more low-income families are priced out each month, we have a limited window of opportunity to make the anti-displacement investments that will ensure Cully is always a neighborhood where low-income people and people of color can live and thrive.

In light of this urgent challenge, our organizations are developing a proposal for a new kind of tax increment financing (TIF) district. Where Portland's use of TIF has in the past driven gentrification and displacement, we seek to create rules, restrictions, and a governance structure that will ensure TIF funds are used explicitly and exclusively for investments that 1) prevent gentrification and displacement, and 2) expand opportunities for people of color and low-income people to live, work and thrive in our neighborhood. We are not content with a set-aside of some funds for affordable housing; we believe that 100% of TIF dollars should be used to prevent displacement through community-controlled investments in housing and community development, including community-led economic development.

We envision a community-controlled TIF district that operates on the following principles, with legally-binding rules and restrictions to ensure that they are followed:

- TIF should only fund projects that prevent displacement and preferentially create opportunity and stability for people of color and low-income residents:
  - Acquire and develop property for affordable housing, affordable commercial space, and community-defined priority amenities and services;
  - Create and channel employment, contracting, business ownership, and other economic opportunities to people of color, women, low-income people, and Cully residents -- including opportunities to participate in construction and development, and long-term business and employment opportunities.

- TIF should never be used for projects that can be expected to drive up property values and rents and cause displacement;
- Acquisition of land and preservation of ‘naturally occurring affordable housing’ should be prioritized at the beginning of the TIF district life-span;
- TIF should not be used to fund basic infrastructure that the public sector should already be expected to provide (e.g. sidewalks and transit);
- TIF funds should be administered by an independent, community-controlled entity, with decision making in the hands of low-income people and people of color who are Cully residents, and the non-profit institutions that represent them.

Adherence to these principles would ensure that this tool is used in a dramatically new way: rather than driving gentrification, TIF would explicitly and exclusively be used to *prevent* gentrification and make Cully a place where *more* people of color and low-income families have stable, affordable homes and meaningful, well-paid work.

Over the coming months, we plan to develop a detailed proposal to the City for the TIF district that we envision and need for the Cully community. This work will entail:

- Culturally specific community engagement;
- Research into best practices from around the world;
- Economic forecasting and market analysis;
- Analysis of regulatory and legal barriers at the city and state levels;
- Coordination with community-based organizations in other Portland neighborhoods;
- Extensive collaboration among our Cully-based organizations, with technical assistance from a variety of partners, to develop rules and systems to govern and administer TIF funds.

We look forward to the support of Prosper Portland for our effort – through technical assistance and resources that can cover the costs of developing the proposal and engaging our community to participate in that process.

Finally, we have the strong desire to see TIF repurposed as an explicit anti-displacement strategy not only in Cully, but citywide, wherever it is used. We have no desire for Cully to be an ‘exceptional’ neighborhood where TIF benefits marginalized communities, while business as usual is allowed to continue in other parts of the city. We look forward to building on the work that Cully Boulevard Alliance and Our 42nd Avenue are already doing to use TIF resources for the benefit of our community -- while continuing our coalition advocacy alongside organizations throughout Portland that are fighting to prevent gentrification and preferentially benefit people of color and the poor.

Sincerely,

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*on behalf of:* Verde, NAYA, Hacienda CDC, Habitat for Humanity Portland/Metro East, Our 42nd Avenue, Cully Boulevard Alliance, Cully Association of Neighbors