

**Cully Association of Neighbors General Meeting
6025 NE Prescott, 7-9pm 1/8/19
Approved Minutes**

Board members in attendance: Josh Heumann, Mac McKinlay, Claire Alyea, Isha Leinow, Annette Pronk, David Sweet. Absent: Rich Gunderson, Laura Young, Stephanie Neely

1. Introductions by Josh Heumann at 7:16pm (board present: Isha, David, Josh, Anette, Mac, Claire) - 37 people attending
2. Approval of Agenda - Annette moves, Mac seconds, all in favor.
3. Participation Guidelines

4. Announcements from the Floor

- Kalthleen Walsh - Columbia EcoVillage. Oregon Humanities Conversation Project Talk at 47th and Killingsworth. The meaning of Climate Change, David Osborne, professor at PSU. Talk will be about changes coming to their own communities to help people understand their motivation for what they want to do. Tuesday the 15th at 7pm in the Common Hall. No charge.
- Kathleen - A studio is for sale \$129K single room at the Columbia Ecovillage
- Eli Spivek - recently completed a community at Cully and Mason (Mason St. Townhomes). Currently there are affordable units open through this Friday with Proud Ground (\$219K units x 3). Portland Land Use Commission has an opening.

5. Proposal - Community Controlled Development in Cully (David Sweet)

- For several weeks proposal has been worked on.
- Good news: a new park - Cully Park and K^hunamokwst Community Economic Development on Cully Ave and 42nd Ave. in association with NPIs.
- Bad news: good things attract people with money: Normandy Apartments where rents doubled. Pricing out/displacement. Low income people and POC face particular adversity.
 - Cameron interjects: Normandy just resold for 3.6M, twice what it sold for 2 years ago. Flipped 1.9 mil to 3.6 mil in 1 year.
- Good news: neighborhood is fighting back against displacement. The Sugar Shack was purchased 3 years ago. Hacienda CDC was able to purchase the land and it will become 140 affordable apartments (Las Adelitas). NAYA and CDP and NARA are building units at 42nd and Holman St. Oak Leaf Mobile Home Park was saved. Cully helped lead rezoning for anti displacement of mobile home parks/residents. Our 42nd Ave. is able to provide sub-market rents for businesses. There are

a number of great organizations in Cully but of course resources are limited.

- What if we had a lot more money? Could build more affordable housing and keep rents low. Proposal: Tax Increment Financing (TIF)
 - TIF is a mechanism where increases in property values reflected in increases in property taxes get kept in the community so the community can do good things with this funding.
 - When a TIF district is started a base is frozen. Growth of taxes is then used within the district.
 - Taxes would be the same as they would otherwise (go up 3% a year just as they always do + bond measures approved through vote) - but more money stays in the neighborhood.
- questions and answers:
 - are there tax increment financing districts in the city? Yes.
 - For new construction all taxes would stay within the district.
 - Sugar Shack would qualify for property tax exemption because it is permanently affordable housing is exempt from property taxes
- how could money be used?
 - land banking
 - buy existing apartments and make the rents affordable forever
 - build new affordable housing
- Would this be urban renewal?
 - references: Memorial Coliseum, Legacy Emanuel, Lloyd District. Interstate Light Rail Line. These all were disastrous for all of the low income/POC within these areas that were removed due to urban renewal.
 - If we did this in Cully, we would do this because this would be a community controlled district where the community decides what we will do . It would be as far as we know, the first project of this type. Believes that TIF is something that can be used for good.
- Who Decides?
 - A new organization - community organization that has board of low income / POC that would make decisions about how to make decisions and what direction we take.
 - Not about raising property values, about affordability.
- What's Next?
 - proposal to Prosper Portland (formerly PDC) to fund an exploration of this idea
 - Community engagement to hear ideas, questions and concerns
 - Have to develop a district plan of Cully - decide the neighborhood boundaries of Cully and who should be included/a plan. If we can

have a plan by August of this year, would start at the beginning of the next property tax year - July 1, 2020. If it takes longer to develop a plan that the community can get behind, might have to push it back a year to 2021.

- When we start the first 5 years will be operating with just the tax increment that comes in each year. This is the same way Cully Blvd Alliance and Our 42nd Ave. work currently. After 5 years, we get to project how much the tax increment will be over the next 20 years and then begin to borrow against. This is where transformational sums of money can be acquired.
 - www.livingcully.org/tif
 - tif@livingcully.org
 - Will talk more about this at: CAN TLC Meeting, Cully Grove Common House, Tuesday Jan 15, 7pm. 4779 NE Going St.
 - There are volunteers that can go out to other groups and talk more about this idea and listen to what your friends and neighbors have to say about this project.
- Questions:
 - Q: Will you be able to specify all parking must be on the property?
A: Everything is up in the air. No fine grain decisions.
 - Would this steer the types of businesses? Would the board be reviewing what type of businesses can be in the neighborhood?
 - If we created affordable commercial spaces, then yes we would be able to choose the tenants and be able to use these spaces to support the vision of stopping displacement in Cully.
 - Michael De Marco: the community does not get to rewrite the land use and zoning tools, it does not allow the community to rewrite everything. This is a financial tool: if the community wanted to prioritize/make financially viable to have a certain business, this could be an incentive tool.
 - The community is made up of a business thing; Hacienda has about 200 units in the neighborhood.
 - Spending our tax money for housing is a nice thing; Cully is one of the poorest neighborhoods; how do we balance the economics of business versus housing? We need more jobs in our neighborhood. Who is there to balance that? A: This is the type of issue we will be looking at. Currently Hacienda and other orgs are working to getting people employable, help them find work, etc. Tax increment \$ is limited on what you can do with it: it is limited to capital improvement (brick & mortar).

- Assuming PDC gets on board, are they the last word on if it gets approved or not? A: No, it will have to be approved by PDC, the planning commission (for comment only), and city council would have the last word. If we meet our timeline we would be going by city council by the end of this year. Cully is well received at city hall.
- Eli: I served on the advisory committee for the interstate advisory committee. We did not have much control overall, it was mostly decided by PDC. My hope is that the Prosper Portland relinquishes most of the authority, and lowers the overhead cost (3% margins on the past project).
 - A: right now the mandate is 45% of affordable housing in any TIF district. We would exceed this. We would need to see how much we want to spend on housing versus community economic development.
- If you want to create a board of low income/POC individuals, how are you outreaching to these individuals in a low Why would I live here versus live in SE portland in a low income house?
 - Cameron: how would this thing be governed in a way that's different from the way the city's standard practice is so far? Part of the exploration we want to do is to learn from other cities. There isn't another place that has done a TIF district that is locally controlled, but there are other places that did local community development initiatives that have local people on the board that decide how to make decisions. We have a lot to learn; Cully has a level of incredible participation, starting with the folks who live in Mobile Home Parks; this neighborhood is 10x more active than any other neighborhood in this city. Many people have shown a lot of commitment to this neighborhood. Thinks there will be a good showing of people to participate, the
- AJ: I am new to Portland by 2 months, but have been involved in this kind of work for . How do you define low income? Is it determined by the market? Generally the people who need those services are the people who aren't paying property taxes because they are the renter. Experience says we come to these meetings and then you do what you want. Frame it that the people who are being brought to the table are not organization-heavy; should be people who are local residents, impacted by economic change in the neighborhood. NEFP can help get you some people.
 - A: Cameron and Living Cully have had good success bringing people to the table with the Cully Housing Action Team.

They pushed through the Mobile Home Park Ordinance. Those meetings are about people that are affected. We know some things about getting people to show up/ but need to work more on it.

- Mac: From the perspective of Cully Park being there, to get people really involved you need to have a kind of visioning process for the future: we want to have culture, nature, urban agriculture, like they are components of parks and things like that.
- Can you give some projects that address quality of life, a rich community, that doesn't raise property taxes?
 - A: Michael on 42nd and Cully Blvd Alliance are examples of good things that are happening, ex: through low rent..
 - with the Sugar Shack, tried to bring in employers that would bring in new projects.
 - Michael Demarco: acquisition of land is esp. expensive, but could use the dollars to negotiate some kind of community benefits agreement that prioritizes local hiring that would be legally binding. Mulu Terefe at PCC etc. Folks that need access to opportunity can get the dollars first, as long as you meet our expectations about how the community will be enhanced. From downtown it is broad stroke policy and harder to get good things that the community wants out of it.
 - Building tons of affordable housing with no access to transportation or access to local businesses doesn't work: a fair chunk needs to be for economic development as well. 45% is typically housing as a max. We are using this exploration to figure out what type of projects would be needed.
- So you're talking about changing the culture ? We're talking about a transformational shift that would keep our neighborhood viable for generations to come.
- Who makes the final decision? City Council. Before that Prosper Portland (formerly PDC).
 - Let's say you get this approved: the idea is you develop a space that entrepreneurs could set up a nonprofit so they could write grants?
 - Rose: Yes, you leverage that money to bring in money from a variety of sources to build affordable housing.

- How is this regulated?
 - State Statute that governs how this works.
- I haven't heard anything about repairing the roads.
 - A: that's correct, we have some news about road repair later, we see this as a function that the city ought to provide to this neighborhood. Feel that it is a government function. Only 30% of street frontage has sidewalks in Cully.
- Didn't the city pass a large low income housing bond?
 - The city and metro proposed a bond to build affordable housing. Part of the city's funding will build 50-75 apts. on Prescott West of Cully Blvd.
 - Will board be reviewing types of businesses opening in neighborhood? We could if we can create space for them?

6. Group Discussions - Community-Controlled Development in Cully

- What about a potential Cully TIF district
 - Increasing power of community to determine what kind of development happens
 - Being able to frame what kind of development is created
 - Opportunity to have input on changes to neighborhood
 - Ability to improve neighborhood without pricing out people
 - Keeping tax dollars
 - Increasing transportation in the neighborhood / possible light rail line
 - Seems like a viable way to improve quality of living and decrease displacement.
- Summary of comments and questions from group discussion tables:
 - How do we keep our plan from getting derailed from our current ideas to something way down the road
 - Who would comprise the board - how would they get elected - how would regular community members who are not on the board be able to influence how this takes shape.
 - Crippling vagueness about where we want to go
 - Power grabs by board members
 - Most of the money seems to be going towards affordable housing. We already have many housing developments: we will have more density of people. How will we be able to take a lot more people/kids without sidewalks. Do we have less density because of our large lots? How do we integrate this into the neighborhood. Need to be careful how we change the community in this way.

- 3% a year increase for property owners. Is this capped at 3% - what determines that? How will more students in our schools finance our schools. What are the other repercussions that affect outcomes beyond this?
- What is it we really want? The other development projects wanted the most money: that was the goal. We want to develop something for the community but also keep it affordable.
- How will increasing population density for the community affect how taxes will be paid by other members of the community?
- It's clear that we need a case study for people to understand how the TIF funding gets generated.
- It is a deal-breaker if there is no community control / it becomes a free market sweep.
- Concern about saturation of the lowest incomes in the Cully neighborhood: how do we ensure we have mixed incomes in the neighborhood?
- Environmental issues: can TIF be used for our tree canopy
- Redeveloping / cleaning up old underdeveloped properties
- Businesses that are relevant to us that we can afford to shop at.
- Looking to find a way for a committee/board to share the results and that they take feedback.
- Groups that are organizing the proposal might feel entitled to funding to various projects, not let priorities of organizations drive how funds are used.
- Would the city / Prosper Portland really let the \$ be locally controlled?
- Will there be a formula for a % of the use of funds? If you have a strong formula from the beginning would you be less concerned about arbitrary decisions by committee
- What would be some unforeseen consequences - brainstorm them?
- Maintaining and increasing diversity in the neighborhood
- Overbuild of affordable housing - snowball of tax dollars not coming in - this might not actually be a concern
- undemocratic decision making by the board
- Concerns about jobs - would they be true living wage jobs for the community?
- bringing in new people / potential customers
- focusing too much on specific outcomes that would stifle our visioning process
- wanted to make sure all economic classes were represented - what about the middle class?
- adaptable vision that changes with the community as it changes.

- what processes would guarantee that the community continues to be heard?
- how long will the TIF last in general?
- -mandate 45% affordable housing for TIF districts. We could probably go higher.

7. Board Reports

- Southeast portland is getting gravel placed this winter; next winter all of southeast and North/Northeast portland will get gravel for unimproved roads!
 - Newsletter
 - spring issue will be printed beginning of March
 - 2 positions are opening at the newsletter: newsletter layout person - need a replacement. Mac will be willing to train someone, especially if you have any experience in graphic design
 - need an ad manager / ad managing circulation
 - Treasurer (Stephanie): Current balance is \$23,963.97. Expenses were 2,080.19 and deposits were \$1,216.84.
 - PSAC (Annette Pronk): Portland Safety Action Committee. Community members are welcome to come meet with crime prevention specialists. Meet at 440 NE Emerson St. Thursday. All can attend and share concerns. Address larger concerns and specific neighborhood concerns.
 - Website: Chris Brown. Runs the website. Haven't heard from anybody in a long time. I know the website has issues. About the website: if anyone sees anything wrong with the website please contact him. If anyone wants to get involved please contact him.
 - CNN: A conversation will be happening Thursday at 6pm at CNN. 2 presenters Portland Housing Bureau will have a presentation on the history of housing policy and what they are doing now to address inequity. Presentation from the Bureau of Planning and Sustainability about surplus property by faith-based communities.
8. Old Business - none
9. New Business - none
10. Adjournment - Annette moves to adjourn, Chris seconds. Meeting adjourned at 8:50 pm.

Minutes taken and submitted by Claire Alyea, Secretary, Cully Association of Neighbors