

East Portland Action Plan

Economic Development (EcDev) Subcommittee Notes

August 6, 2018

The purpose of the East Portland Action Plan (EPAP) Economic Development Subcommittee is to develop a strong business environment that strengthens existing businesses, promotes new businesses, and expands family wage jobs in East Portland

Facilitator: Leslie Lum, **Notetaker:** Todd Struble, **Food Gatherer:** Annette Mattson

Attendees: Leslie Lum, Janine Gates, Kathy Pape, Todd Struble, Julia Shev, Nick Kobel, Linda Robinson, Annette Mattson, Jarrod Hogue, Iore Wintergreen, Kevin Minkoff, Linda Bauer, Janine Gates, Leesha Posey, and Katie Larsell

1. Introductions

2. Next EPAP EcDev Meeting: Monday, September 10, 2018

Facilitator: Leslie Lum

Notetaker: Kate Coenen

Food Gatherer: Kathy Pape

Clean Up: Nick Kobel

3. Next EPAP General Meeting: Wednesday, August 22

Reporter: Leslie Lum

4. Review of East Portland Action Plan Guiding Principles Leslie Lum

5. Update on Residential Infill Project (RIP) Katie Larsell

- Katie Larsell update: Idea is to target single-family homes to prevent tear-downs of small single-family homes and building large homes. It sort of grew from there and wasn't initially going to target East Portland.
- A-overlay created to allow extra units in order to create more density.

- East Portland initially left out because they thought it would cause displacement.
- As the PSC reviewed it, now adding an extra unit, allowing 3 units and 4 on corners, and reviewing places that were excluded and now the overlay includes everything.
- Now that it includes East Portland and increases density by a lot, now it affects us.
- Splits opinion - equity issue allowing more folks to own homes in favor of adding it
 - Against, big changes and might not get the desired effect.
- Suggest we advocate for programs that benefit the community with those changes. Outreach for low-income home-owners so they know what's going on and providing technical assistance for those programs.
- Avoid predatory investors buying from limited-information homeowners and information for renters.
- A-overlay extension means that folks that are newly covered won't have the benefit of the information that other folks got because they weren't initially included.
- PSC still going through it. No more opportunity to bring testimony to PSC, but the next step is in front of City Council.
- Benefits for property owners:
 - Can add two more units adding value to the property
- How does it drive or prevent displacement?
 - Impacts are unknown generally. Could provide more units, but also could increase property values.
 - There is no proof that increased supply will drive prices down in higher-income areas.
 - Lower-income folks can't afford to build the extra unit and don't benefit from it.
 - Predatory developers can buy and develop offering vulnerable homeowners less than market value.
- Annette:
 - Didn't get infrastructure to support the annexation of East Portland. Now the City is starting to fulfill promise of infrastructure. Concerned that we aren't ready for the increased density.
 - Serious concerns about loss of permeable surfaces, our practices are not sustainable and we're not thinking about the impact of increased density.

- Nick
 - Complex problem: empirical evidence showing increased supply lowers rents if nothing else changes, but as you zoom into a neighborhood scale, a lot of those principles break down and it's hard to determine what one or multiple factors can drive displacement.
 - Two market rate units have the same impact as one affordable unit on stabilizing rents.
- Katie: Do we want it now? Only a small part of East Portland was included. We could work to get that back. PSC is opening it up more.
- Property owners who are of moderate means might benefit from this with inclusion of properties. Scale of development might help lower-income folks.
- Leesha: Programs need to come first, then the overlay applied. Folks need to have more time to prepare rather than having to play catch-up. Make sure the programs are effective, not just use programs because we have them.

ACTION: Katie will draft a letter with EPAP EcDev Consensus that states:

- **1)** East Portland informed that there's been a change in implementation of the RIP and a chance to weigh in
- **2)** programs assessed as appropriate and effective need to be implemented before expansion

6. Updates on Community Benefit Agreement (CBA) Advocacy Lori Boisen

No discussion - received update via printed e-mail:

It appears the City of Portland is not committing to the 1% set aside fund for three projects it is currently engaging in CBAs on.

The notes relevant to this conversation are below:

- City of Portland upcoming CBA projects
 - Matt and Cassie met with Commissioner Fish's office about the Portland Harbor and it seemed positive. Matt will follow up with them to engage and help create a basic outline/memo by August.
 - Matt was not able to meet with Fish about the Bureau of Environmental Services (BES) projects

- Maurice highlighted a Portland Housing Bureau (PHB) project that will fall under a CBA (Safari Club)
- Kelly will work this month on getting meetings with PHB and with Fish to discuss upcoming CBA projects
- Kelly will reach out to Auditor's office to understand how to get notified about projects that will require a CBA.
- Community Opportunity and Enhancement Program ("1%")
 - City put out an Request For Proposals (RFP) for funds related to Portland Building, 12th and Yamhill, and Washington Park.
 - Worksystems Inc. (WSI) has been working with PATPs to develop a consortium application
 - The process has been incredibly challenging and biased within Procurement
 - WSI plans to formally complain and engage with Mayor's office to get clarity and work to resolve the issues in order to ensure a better process
 - WSI will continue to work with the PATPs to develop a strong proposal for the funds.
 - This funding opportunity is not for the entire 1% (Resolution 37331) but appears to just be for the funds set aside for the three projects mentioned above
 - The Metropolitan Alliance for Workforce Equity (MAWE) group, of which EPAP is a member, felt strongly that this needed to be addressed immediately and that the trades and community should come united to the City and demand better impartiality by Procurement
 - A subgroup made-up of Bill, Willy, Andrew and Kelly will determine next steps on how to engage with the Mayor's office

As you can see in the highlighted portion, MAWE plans to call out the City on this and will want support from its stakeholders.

7. Division Transit Project update Todd Struble

Todd: Update on advocacy.

- The Memorandum of Agreement (MOU) for the Division Transit Project that community partners Jade District, Division Midway Alliance (*DMA soon after signing withdrew their signature*), and OPAL Environmental Justice signed onto with project staff and partners is not fully funded. (*EPAP never agreed to sign*)

- Specifically, a business mitigation fund for community organizers and technical assistance for businesses was not funded in the Mayor's budget. Jade District and Division Midway are continuing to advocate for this support and we will not support the project moving forward unless the MOU asks are funded.
- Received commitments from staff, but Fall Bump (*when the City reconsiders budgets and projects*) is the next available opportunity for the item to be funded. We expect a scaled back ask/request to get funded, but it should fund bilingual organizers at Jade and DMA.

8. Gateway Economic Education Development Center (GEEDC)

- Suggestions to the letter. Mustafa and Arlene revised the letter that the EPAP Operations Committee had approved by full consensus, due to concern voiced by a couple general membership people. Friday Frida and Annette sent an extra suggestion. Arlene and Mustafa are re-reviewing the letter.
- Letter not ready for this committee.
- Meeting on July 17th: Prosper Portland and Mayor's Office announced and presented information related to moving forward with a 102nd and Pacific MOU.
- We don't have all the information on this project.
 - Folks and institutions have different agendas.
 - We don't have all the information
- July 17th meeting
 - Public meeting held, Prosper Portland working on MOU. Presentation demonstrated that the community expressed interests were similar to the GEEDC recommendations. Year-long process developing the MOU.
 - Partners had a chance to talk/share their positions.
- Prosper Portland applied for a Metro Grant for Equitable Development, so they will create an advisory committee.
- Prosper Portland had a list of items community asked for. It is early in the process and positive that those asks are similar to the GEEDC, but some worry that they will be cut in the end. Ask that our voices are at the table (EPAP voices). It's public dollars so we should have a voice.
 - We want one person from each relevant EPAP Subcommittee on the Advisory Committee:
 - Housing
 - EcDev

- Civic Engagement

ACTION: Consensus on having lore send Prosper Portland a request to include 3 EPAP Subcommittee representatives on the 102nd & Pacific Project Advisory Committee: one each from EPAP Housing, Economic Development, and Civic Engagement.

- Jarrod: Who pays the rent for the GEEDC 9 – 12 Public School workforce training facility?
 - lore: School superintendents willing to commit their workforce development dollars to it.
 - Annette asks if this is supposed to be from Measure 98 funding?

9. Family Limited Trust Kevin Minkoff

- Ability to legally devalue a property or business asset by adding limited partners.
- Looking at limited liability partnerships for neighborhoods and communities so that the entire neighborhood owns the neighborhood as a limited partner.
- Folks coming in are looking at a lower value because when they buy; they don't own 100% of the property

10. Next Meeting: August 6, 2018

If you want to be on the agenda, contact Kate Coenen:

kate@historicparkrose.com

If you want childcare or interpretation, contact lore: 503.823.4035 or

lore.wintergreen@portlandoregon.gov

2018 - 20 East Portland Action Plan Economic Development Strategic Priorities

All Municipalities: Maximize East Portland’s economic benefits from public projects through local and diverse hiring provisions and community benefits. (E.C.1.4, EC.2.3, EC.4.2, CM.1.2, CM.1.3, CM.2.3, and CM.2.7)

Prosper Portland with City Bureau of Planning & Sustainability and METRO: Establish the “Gateway Education/Economic Development Center.” (EC.2.3, EC.4.1-.4, L.3.2, L.6.3, CM.1.2-.4, CM.2.4, and CM.2.7)

Prosper Portland with City Bureau of Planning & Sustainability and METRO: Promote catalyst workforce development projects in East Portland; partner with the Neighborhood Prosperity Initiatives and other urban renewal and economic development efforts to bring living wage jobs to East Portland. (EC.4.2, EC.4.4, CM.1.2-.3, and CM.2.7)

EPAP Involuntary Displacement Prevention Tools Economic Development Subcommittee Recommendations

- A.** Living Wage Provisions
- B.** Local Hiring
- C.** Minority Contracting
- D.** Commercial Stabilization and Commercial Rent Stabilization
- E.** Community Reinvestment Act
- F.** Transit Oriented Development
- G.** Community Benefit Agreements