

To: Barry Manning, City of Portland Bureau of Planning & Sustainability

From: Micro Enterprise Services of Oregon

Re: MP2H – Northeast/Hollywood Feedback Session Interim Report

Target Group: Minority- and women-owned small business owners

In May and June, as part of a contract with the City of Portland Bureau of Planning and Sustainability (BPS), Micro Enterprise Services of Oregon (MESO) held sessions to obtain feedback from BIPOC and women owners of small businesses about three possible Portland streetcar routes being considered in northeast Portland as part of the City of Portland’s Montgomery Park to Hollywood (MP2H) Transportation Strategy.

The sessions were intended to gather input from small businesses that have traditionally been underserved and underrepresented during planning for City transportation projects. The objectives focused on providing information about the proposed project and the routes being considering, and then providing a chance through discussion and completion of a survey for the business owners to share how each route might benefit or impact them. While those goals were met during the sessions, current events in Portland, including a growing awareness and call for increased social and racial justice, influenced the conversations and discussions.

The discussion and feedback gathered from the sessions provide insight into business owner views and opinions about the proposed streetcar project. The majority of participants, for example, see the proposed route along Sandy as the preferred route. However, the participant feedback and comments also offer a first-hand look issues that small business owners, especially BIPOC entrepreneurs, believe need to be addressed at the City level in order to create a foundation of equity that can then be used to plan, develop and move forward with physical projects such as extending the Portland Streetcar line from the Montgomery Park area to the Hollywood District

SESSION DETAILS

As per MESO’s contract with BPS, we focused outreach for both sessions on minority- and women-owned small business that either were located in the Northeast project area or worked

with clients in that area. Our original proposal, submitted to BPS before Gov. Brown issued a stay-at-home mandate in mid-March, indicated we would conduct outreach to between 60 and 80 small businesses. We planned on holding two two-hour in-person feedback sessions and estimated we would gather feedback from a total of between 30 and 50 small business owners. However, due to COVID-19 precautions, the two-hour in-person format original planned for the session was adjusted to two virtual sessions of one hour each. Prior to the change, approval was obtained from City representatives.

Both sessions featured a similar format. After a welcome from MESO and initial introductions that included identifying staff from MESO, BPS, Portland Bureau of Transportation (PBOT) and Prosper Portland, City staff provided background information about the purpose of the project and presented a video to educate participants about project, including routes being considered. MESO then facilitated a discussion that allowed participants to talk ask questions and share their viewpoints with MESO and City staff. Participants were sent an online survey after each session.

Each participant received a \$50 stipend/compensation for completely filling out and returning an online survey designed to gather feedback about how the proposed routes might impact their businesses and/or business activity. All participants returned completed surveys, with 23 stipends provided

Just under 40% of the session participants/survey respondents were men, slightly more than 56% were women, with a little more than 4% self-describing. Approximately 52% identified as Black/African American; nearly 18% identified as Hispanic or Latinx; slightly more than 4% identified as Asian, nearly 22% identified as White and approximately 4% declined to provide racial/ethnic information. Approximately 65% operate home-based businesses; the remainder lease storefront spaces, with monthly lease rates ranging from \$1,751 to \$4,000. Respondents spent an average of nearly 13 minutes filling out the survey.

MESO participants who attended the sessions included Stephanie Basalyga, Nita Shah, Carmen Madrid and Vianca Moto. Sessions also were attended by Barry Manning of BPS, Kate Drennan of PBOT, and Joana Filgueiras of Prosper Portland.

MESO held the first of the two virtual sessions on May 27. Eighteen minority and women owners of small businesses located in, or associated with, the study area containing the three routes viewed a video about the project and participated in a discussion led by MESO and staff from PBOT, BPS and Prosper Portland. Participants were part of a group of current MESO clients who were invited to participate in the session.

The second feedback session was held on June 18. MESO invited clients that were unable to attend the first session. We also used our in-house MarketLink research service to identify more than 200 small businesses with ownership that met the target audience because they are located in the project area and/or work with clients in the area. The latter group of businesses received direct-mail postcards that invited them to attend the session and provided information about the project (including links to the City's MP2H project website).

The second session drew a smaller number of participants. Although approximately 20 people registered for the event, a total of five people actually attended the session. MESO attributes this lower attendance to conditions related to the pandemic. The first session was held at a time when many small businesses were closed, so owners had time free to attend. By the time the second session was held, however, small businesses had either started to open or had pivoted their goods and services in ways that allowed them to start serving customers once again. Focused on reopening, including rebuilding inventory and preparing physical spaces to meet safety requirements, fewer owners had time available to attend the June session.

The discussions also differed between the two sessions. During the first session, discussion was split between the transportation project and participants' views on steps the City should take to improve equity in both City projects and development of underserved and underrepresented communities.

During the second session participants focused their questions and discussion more on the topics of equity and opportunity, especially in the areas of neighborhood development and fair participation. We attribute that shift in focus to events (such as the Black Lives Matter protests) that took place between the first and second sessions that turned a spotlight on the need for greater social justice and equity. This led to an increased willingness of participants to share their own experiences with inequity as small business and property owners in Portland. The resulting participant comments and discussion during the second virtual session, presented in detail later in this report, provide valuable information that may help the City as it moves forward with building relationships in communities that historically have been underserved and underrepresented.

For both sessions MESO gathered surveys and feedback from a total of 23 individuals. Although the total number of attendees was below the number originally proposed by MESO, survey responses among participants were consistent, leading us to determined additional survey responses would result in similar results.

SURVEY RESULTS SUMMARY

Based on all survey responses, 43% of respondents selected the Sandy option as their favored streetcar route, citing a need for more public transit options along that route and seeing Sandy as a straightforward way to connect the Montgomery Park and Hollywood areas.

“Sandy is a two-way artery. There seems to have more space for street car, vehicles and bikes to share,” one small business owner commented. “Also, some parts of Sandy ... are steep; therefore, pedestrians could benefit by having the option to take the street car uphill.”

A little more than 26% selected the Broadway route as their favorite option. A little less than 9% selected the Irving/Sandy option. Nearly 22% said they didn’t favor any of the routes, with several comments providing an indication those respondents didn’t see streetcar as an addition that would benefit the study area. *(See Appendix A on page 11 for raw data and additional comments related to the most favored route.)*

The least favored route was Broadway, which was selected by a little more than 39% of survey respondents. The 26% who saw Sandy as the least favorable option felt bringing in a streetcar line would worsen gentrification already occurring along that route. Another 26% who felt Irving/Sandy was the least favored route thought placing a streetcar line would make the route too confusing to navigate.

Those who selected Broadway as their least favorite option indicated the area already had enough public transit options. Concerns about placing a streetcar line on Sandy focused on the possibility of the project increasing the inequity through community displacement that has already taken place along that route. *(See Appendix B on page 12 for raw data and additional comments related to the least favored route.)*

Increased commercial and residential rents topped the list of participants’ concerns about negative impacts that might result from bringing a streetcar line into the study area. Following close behind were concerns about possible increases in property taxes and displacement of both residents and businesses. About one-quarter of respondents saw development that might result from a streetcar line as a possible negative impact. *(See Appendix C on page 14 for raw data and comments about possible positive/negative impacts related to streetcar service in neighborhoods.)*

Impacts on traffic were most commonly cited by participants as their number one concern about how construction of a street line would impact their areas and their ability to effectively run their business. Close behind were concerns about a loss of adequate parking and difficulties for customers in accessing businesses in or near areas of construction work.

When it comes to sharing feedback about projects or discussing projects with the City, half of the respondents favored doing so at public meetings. The remaining 50% were evenly split in favoring one-to-one conversations, online video conferences, or email conversations.

In the survey, participants also were provided with an opportunity to write their own responses to a question asking them to identify the most important thing the City should keep in mind with regard to equity as it moves forward on this project.

Responses provided, which were supported by comments made during the discussion periods in both feedback sessions, indicate participants are seeking consistency and follow-through from the City. They also called for the City to continue to seek out voices of those already in the area in order to avoid displacement of residents and businesses similar to what has happened in other parts of the city.

Specific suggestions included:

- “(Make) affordable housing for BIPOC and BIPOC businesses (a priority).”
- “Make sure (the process) is inclusive of residents as well as business owners, and that People of Color know about the planning stages and are given a right to voice their opinions.”
- “Continual dialogue with all stakeholders – especially the disenfranchised.”
- “(The City should consider) how will minorities be impacted and what is defined (as) middle-wage jobs/low income housing. If there is still low-income housing, then that means these people will still feel less than the areas they live in. Maybe home ownership is a better investment.”
- “Equity at its core is a redistribution of wealth. I suggest considering ways to implement progress in a way that abandons the traditional exclusionary practices.”
- “Please listen to the locals before move forward.”

(Refer to Appendix D on page 16 for additional participant responses/suggestions.)

At least one respondent acknowledged the difficulty that comes with trying to address myriad needs and interests of stakeholders in projects such as the one being considered in the MP2H study.

“Hard to say (what the City should keep in mind as it goes forward with this study). Seems like a ‘damned if you do, damned if you don’t situation,’” the respondent wrote. “Increasing the efficiency of traffic flow is going to make the city better, and making the city better is going to lead to gentrification unless middle-class jobs and homeownership are made available to poor people in the areas you’re improving. Can PBOT guarantee these options? Seems like fixing the systemic issues that lead to gentrification is beyond the scope of PBOT. So do you just leave some parts of the city poorly-developed so that they’re cheap enough for poor people to live in? That doesn’t seem like a good solution either.

“I think maybe the best option would be to guarantee low-income housing along any lines that are developed and to create parks and green spaces nearby. From what little I know about urban planning, it seems that creating green spaces is correlated with educational achievement. So if you have guaranteed low-income housing near parks and good transportation, you could potentially, in some small way, help narrow the achievement gap for kids of color, which, over time, should reduce the wage gap between whites and people of color, which should lead to homeownership in communities of color, which should make them more resistant to gentrification because your rent can’t be raised if you’re not a renter.”

INSIGHTS AND OBSERVATIONS

The Positive Potential of Development: On the subject of new development in communities, it’s often assumed underserved and underrepresented residents and small business owners don’t support development in their communities because it usually drives up residential and commercial/office/retail space rents and prices, and forces lower-income residents out of the area. At first glance, our survey results would appear to support that assumption. Examining the responses and comments more carefully, however, leads to an important realization.

Of the respondents, 21.75% said they considered new development as a possible drawback to a streetcar being brought to the Hollywood District. In addition, 79.57% of respondents worried that bringing streetcar access to their neighborhood could lead to increases in commercial/retail/office rents as well as jumps in residential housing prices, and 70% worry

about how new development might impact their ability to stay in their communities and neighborhoods due to gentrification.

However, 35% of small business respondents indicated they see development associated with a streetcar line as having potential benefit to revitalize historically under-served communities that haven't seen investment. Respondents who see development as having potential benefits supported their viewpoint with comments that indicate those benefits can only be realized by not just including residents and small business owners already in the neighborhood in decision making, but also by finding opportunities to allow them to financially benefit from any development that occurs (see Collective Bargaining Agreements section later in this report for further analysis).

Creating Opportunity: One word was brought up by participants of color during both sessions – Opportunity. BIPOC business owners in both sessions said they appreciated the opportunity to weigh in on potential development and transportation plans in the Montgomery Park and Hollywood districts. However, they felt the efforts were mainly “window dressing” and failed to address the real issues that they say have been problems in traditionally minority communities.

Several participants in both sessions stressed that simply giving BIPOC residents and small business owners a say in the types of development and transportation options in underserved areas falls short of what's really needed. Instead, they called for more opportunities for BIPOC small business owners especially to be provided with opportunities to participate in – and benefit from – actual development efforts.

One participant during the second session, for example, expressed frustration that large developers from outside the Portland area seem to have little difficulty obtaining permits and approval to tackle developments in his neighborhood. Meanwhile he owns two pieces of property that he says he has tried to develop, only to run into what he considered roadblocks from the City.

Both this property owner and others involved in the sessions said they found the City's permitting and design review processes and systems confusing and skewed to favor larger, more experienced developers. BIPOC property and small business owners might benefit from a class or program that walks them through how the City approaches development and transportation projects.

A mentorship-type program that connects BIPOC owners of property zoned commercial or retail with experienced developers also might prove beneficial. Such a program also would support and promote genuine equity in the development of underserved communities and

neighborhoods. As feedback session participants stressed, in order to create true equity for BIPOC small business owners and residents, the City needs to examine ways to help them actually invest in their communities, with the goal of keeping those dollars in the specific communities.

Community Benefit Agreement Suggestions: The move from home-based to brick-and-mortar represents a major accomplishment for a small business owner. The transition can often offer the opportunity for the business to grow its customer base, product lines and revenue. Too often, however, moving into storefront space, especially in new developments, can incur expenses higher than most small business can afford. In addition, traditional commercial and retail spaces are often larger than most small or micro businesses need, with rents higher than they can afford.

A true commitment to supporting a diverse, inclusive business community in a neighborhood requires providing opportunities for micro enterprises to gradually grow into larger businesses. That commitment must come from both developers and local government.

Community Benefit Agreements (CBAs) for developers should be shaped in ways that encourage developers to turn first to locally owned businesses to fill commercial and/or retail spaces. Local tenants are more likely to reinvest in the community, spending their dollars to help support other local businesses in the community.

As one small business participant commented: “Larger developers and big conglomerate chains seem to have first dibs or first rights of use to the most coveted commercial spots. They snatch the spaces even before construction starts. It would be ideal to favor small local business and entrepreneurs first.”

In addition, CBAs should encourage developers to consider innovative approaches to commercial, office and retail that create smaller spaces that are more affordable to micro businesses. Small business participants in the feedback sessions also suggested providing incentives to encourage developers to find ways to make it easier – and less expensive – for micro and small businesses to move into spaces. Build outs of hard-shell spaces in typical developments, for example, can end up being more expensive than most micro businesses can afford while move-ins of soft-shell spaces are more affordable.

Home-based businesses: While the tendency may be to focus on small businesses located in storefronts, the Hollywood area is host to many home-based businesses. In fact, more than 63% of the participants in the feedback sessions ran their small businesses out of their homes

While storefront businesses are easiest to connect with for input, effort also should be made to ensure communication and notices about upcoming meetings and projects are reaching home-based businesses. The input of home-based businesses is critical to accurately determining project impacts on the business community of an area or neighborhood. Many home-based businesses provide services that are needed – and used – by local brick-and-mortar-based businesses.

As development occurs in areas, attention should be paid to the types of home-based small businesses in the area. Encouraging developers to fill retail spaces with storefront businesses that will be able to use the goods and services of local home-based businesses – and creating programs and ways to connect those businesses – will help build a healthy, inclusive foundation for a neighborhood business landscape that will benefit all in the area.

As one participant commented in their survey, “The development on nearby Division Street has greatly boosted local businesses, which in turn helps me get more clients.’

Leading versus open-ended questions: At least two respondents in the first session felt at least one question MESO included in the feedback survey was phrased in a way that was “leading” respondents to provide a positive answer. The question, related to participant experiences with development in their neighborhoods, was taken almost verbatim from a survey used by the City during its open house.

After reviewing the question, MESO agreed the question could be perceived as trying to draw a positive response from participants. We removed the question from the survey form that was sent to second-session participants and also removed the question and its results from answers from the participants in the first session. Prior to the second session, we also carefully reviewed the rest of the survey questions to ensure they didn’t appear to be “leading” respondents to certain types of answers.

For both MESO and the City, the experience highlights an important reminder that not everyone approaches situations from the same viewpoint. While bias in how questions are phrased may never be completely eliminated, it is important to consider what filters those creating the questions may be using and to run surveys by outside groups for input prior to releasing them to larger groups.

FUTURE CONVERSATIONS

When asked in the survey to name the most important step for the City to take to support and promote equity during the study and any future projects, one small business owner responded: “Actually create equity instead of just talking about it. Find a way that people of color can benefit from the changes.”

By holding these feedback sessions to connect with minority- and women-owned small businesses, BPS has taken important first steps. The agency has opened up a dialogue that should – and must – continue in order to create true equity and inclusion in underserved, underinvested parts of Portland.

BIPOC- and women-owned small businesses in the Northeast portion of the MP2H project area are interested in both receiving ongoing information about the project and being given a seat at the table – and a voice – to shape how a possible Portland Streetcar expansion can be done in a way that promotes true equity and inclusion. Approximately 69.5% said they would be interested in attending another feedback session when the City narrows the northeast routes down to two options. Meanwhile, a little more than 43% said they would be interested in participating in feedback sessions when environmental review information is available. And at least one survey participant suggested providing a financial report examining how different scenarios would economically impact and/or benefit specific racial and ethnic groups (*see Appendix D on page 16 for specific comment*).

While CBOs like MESO can play an important part in connecting the City with BIPOC- and women-owned businesses, it is critical that the City and its agencies be an active partner in dialogues and discussions. Having representatives from City agencies such as BPS and Prosper Portland participate in both feedback sessions gave participants an opportunity to feel their voices, concerns and viewpoints were being heard. It’s how trust is built. Through consistent and long-term commitment to the scenario of inclusion and equity that is being painted by this project and approaches such as minority/women-specific feedback sessions, Portland has an opportunity to move beyond past trauma and pain toward a brighter and more equitable future.

APPENDIX A

Survey Question: Which of the three possible routes do you see as most favorable? (Select one; open-ended question – 23 responses)

Responses:

Broadway	26.09%
Sandy	43.48%
Irving/Sandy	8.70%
None favorable	21.74%

Comments:

“Sandy is a two-way artery. There seems to have more space for street car, vehicles and bikes to share. Also, some parts of Sandy ... are steep; therefore, pedestrians could benefit by having the option to take the street car uphill.”

“(Sandy is) already congested but having the streetcar might improve the flow of traffic, similar to Burnside.”

“The Broadway route seems as though it would better connect folks who don't already have pretty decent access to bus and Max routes. It would also limit extra impact to Sandy, which is already seeing a lot of new development and will undoubtedly see increases in rent, traffic and all of the other negative effects of forced development.”

“The construction alone (on Broadway) would be disruptive to the thoroughfare, which already is congested. We have existing streetcar lines and buses on this route. Sandy Boulevard connects a number of different areas of the city.”

APPENDIX B

Survey Question: Which of the three possible routes do you see as least favorable? (Select one; open-ended question – 23 respondents)

Responses:

Broadway	39.13%
Sandy	26.09%
Irving/Sandy	26.09%
Undecided	8.70%

Comments:

“Too many people rely on vehicle transportation in (the Irving/Sandy) area.”

“(Broadway) is one of the rear streets that has 2-3 lanes in this area and ... being that the Max is near & the other streetcar goes up to 7th before re-routing.”

“Too much traffic on Sandy right now.”

“Driving on a road with a streetcar in is not a great experience. I know the point is to reduce traffic and encourage the use of public transport, but until that becomes cheap enough to use as a regular alternative, being able to drive comfortably on a road, without slipping into tram tracks (whether it's wet or dry), will be more important to me as a business owner. I drive up and down Sandy regularly and would definitely be negatively impacted by reduced lane usage and having to maneuver around tram tracks. Not to mention waiting for stops, and the inevitable increase of foot traffic in the Hollywood area.”

“Deeper congestion and community displacement. With deepening gentrification of communities across the Portland Metro area, how would these particular routes support the thousands of cars driving into Portland from cities outside of the Portland Metro area?”

“It seems like having a line on Sandy would be less useful to people because Sandy runs diagonally to the grid. It's easier to navigate the public transit system when lines run parallel to each other.”

“I think (Irving/Sandy) would be confusing for people to navigate.”

“There was just a direction project in this area, so why up root all that has been done to add more transportation. Money can be allocated in other areas.”

APPENDIX C

Survey Question: What do you see as possible benefits to having streetcar service in your neighborhood? (Multiple choices allowed – 23 respondents)

Responses:

Decrease traffic/solve parking problems	56.52%
Bring more customers to my business	39.13%
Bring new development to the area	34.78%
Easier for my employees to get to work	21.74%
No benefits that I can see	27.74%

Comments:

“I was located on N Williams Ave 2 blocks north of Broadway for 18 years and just moved to NE 28th 1 year ago. I did not feel the street car had any benefit to my business or my rental located on Williams Ave.”

Survey Question: What do you see as possible drawbacks to having streetcar service in your neighborhood? (Multiple choices allowed – 23 respondents)

Responses:

Bring new development to area:	21.74%
Increase commercial/residential rents	69.57%
Increase property taxes	73.91%
Displace businesses and residents	69.57%
No drawbacks that I can see	8.7%

Comments:

“As development happens the businesses who have been in the area for a long time seem to get pushed out. The development areas loose some of their uniqueness and flavor which is what made them interesting in the 1st place. I have experienced firsthand a huge spike in taxes in the developing area which definitely adversely affects existing residents and businesses. The new construction is either too expensive to afford a lease and/or very generic with no character, no green space, it's very uninviting and doesn't encourage pedestrian traffic.”

APPENDIX D

Survey Question: What is the most important thing for the City to consider with regard to equity as it moves forward with this study? (Open-ended question – 23 respondents)

Responses:

“Gathering comments from community members, record comments and utilize before decision making happens.”

“Stopping the increase in commercial rent to allow businesses with established locations to avoid being forced out of their homes. Similarly, assessing what other negative impacts the development will have on those businesses. As listed above, decrease of available parking, increased traffic, etc.”

“When it comes to affordable housing, there should be rental and business ownership. Not just rental property for the rich. People should be given the opportunity to buy.”

“Consider black people, their opinions, their values, and their businesses.”

“That development projects positively impact the people who already live and work here.”

“Impact on preexisting neighborhoods and businesses.”

“(Think about) who would want to have a business or live in the area and participate in growing the community as well as embracing the existing businesses? Encouraging diversity and celebrating individual culture so the area is not generic. A grant for existing businesses to make upgrades or do maintenance, improve signage, make it easier for a small business or start up to have a retail space as well as helping with education and networking so they can be successful.”

“As I discussed within the meeting, (I would like to see) a detail fiscal impact statement that disaggregates its data by race for the data being used for your projections. I would also suggest exploring additional projects that would center Black, Indigenous, and People of Color investors and business owners.”