Parkrose Community Plan Home Based Businesses and Small Businesses Recommended Solutions

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INTRODUCTION

This memo presents the Jobs and Small Businesses Community Working Group's (CWGs) recommendations on solutions and actions to address issues and opportunities identified by the community, as revised by the Community Decision Team on December 13, 2021. This section also identifies issues related to implementation and identifies who may benefit or be burdened by these solutions in order to inform the CWG's consideration of the solutions.





THE BUREAU OF PLANNING & SUSTAINABILITY Home-based businesses (HBB) are an important type of small business. There are two types that are distinctly different. Informal home-based businesses often include unregistered business entities. Owners of informal home-based business are sometimes deterred by the complexities and costs of legally registering their businesses. Examples of these businesses include hair braiding services, baked goods, and other prepared foods. The second type of home-based business is formal home-based businesses. These include legally registered businesses, with all the required licenses. There are 417 officially registered home based businesses in Parkrose with a median age of 5 years. Real Estate is the most common type, with a wide range of other types of businesses (ground passenger transportation is fairly common in the area, often owned by Ethiopian and other immigrants). Other types include home-based childcare, home-based adult foster care, etc. These types of businesses must be licensed and certified by various governmental agencies. For these reasons and others, the needs of informal and formal business are quite different.

The Sandy Boulevard main street includes the area's largest concentration of small storefront businesses. These provide opportunities for home-based businesses to expand within the neighborhood, but there are only a limited number of storefront vacancies.

COMMUNITY INPUT

Prior to the COVID-19 pandemic, intensive outreach to home-based businesses through canvassing the neighborhood and flyers was planned. Because of the pandemic, these engagement efforts were halted. Therefore, project staff had limited contact with these types of businesses. However, through information gleaned from the Jobs community working group, youth, and adult workshops, this memo is able to shine some light on some of the needs of these types of businesses. Other community conversations separate from meetings listed above: May Saechao from Iu Mien community; Toc Soneoulay-Gillespie from Lao Buddhist Temple; Historic Parkrose staff.

Home-Based Business Needs:

- Informal home-based business needs:
 - Building trust with informal home-based businesses is key, as some of these entrepreneurs are newcomers who are typically not well versed on business rules and regulations. If they are newcomers, there may be language barriers. Meeting these community members in culturally sensitive and appropriate ways is also key. It will then be possible to support these entrepreneurs in navigating the legal requirements.
- There is a huge need to support both youth and adult entrepreneurs.
- Historic Parkrose received a grant from the Portland Office of Community and Civic Life (SEED Cannabis Equity Grant) to create Youth Financial Empowerment and Entrepreneurship programing for Parkrose youth with Parkrose School District providing students with school credit.

- This program will work with youth on skill sets and provide mentorship for Parkrose youth prioritizing youth of color, houseless youth, and disadvantaged youth. The youth will learn how to write resumes and how to apply for jobs.
- The program will provide training for youth on topics, such as financial wellbeing, career navigation, entrepreneurship, college financial aid navigation, and resume building.
- Youth will learn how to create and make live presentations that will lead up to a business plan, along with their financial plan. Volunteers will provide mentorship and advice.
- Youth may have opportunities at a pop-up market, either setting up their own vending stall or shadowing vendors.
- There will also be ongoing trainings, such as mock interviews and networking best practices.
- A large goal of this program is to recruit volunteers to share their knowledge, experience, connections to jobs.

Small Business Needs:

- Not many available storefronts in the area for businesses. Pop-up markets could help with business start-ups.
- One of the restaurants in the district, Fork & Spoon started from almost nothing -got tables, materials, from Goodwill. Following are some of their recent experiences.
 - It was important to be brave and have a positive attitude.
 - Historic Parkrose NPI provided a grant for signage, flooring, and other storefront improvements.

• When COVID hit, business revenue decreased significantly, so contingency funds, grants, or loans are needed. During the pandemic, Historic Parkrose also provided disaster relief assistance grants to the small businesses in the district.

- Assistance from Small Business Association.
- \circ $\;$ It's been three years of ups and downs. Grant allowed them to hire more people.

• Now expanding restaurant to also include a coffee shop to help make ends meet

• Would like to contribute to bringing jobs to the community, including to the jobless.

Community Working Group:

- Not all students interested in a college track. Entrepreneurship should be an option youth are aware of.
- Working multiple jobs while working on starting the business and taking classes can be necessary.
- Historic Parkrose is trying to reach home-based business and asked about the most effective way to reach out to home based businesses. Suggestion to search for businesses online, but it is more difficult if they don't have websites.

- Mentors can help move entrepreneurs more quickly on their journeys. This will help avoid learning mostly through trial and error.
- Youth want to do things they have a frame of reference for and that's accessible.
- Youth tend to be connected online more than previous generations. This could provide new opportunities for connecting youth to businesses opportunities YouTuber entrepreneurs are something most youth know about and often aspire to.
- Oregon Community Development Financial Institutions are financial institutions dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities: <u>https://www.cdfi.org/wpcontent/uploads/2015/02/Oregon.pdf</u>

Conversations with May Saechao and Toc Soneoulay-Gillespie

- Community members are having difficulty making ends meet with termination of stimulus checks.
- There are many artisans and craftspeople who need support to start their own business.
- The Lao Buddhist Temple has holiday and occasional retail events in their parking lot, but would like support to get the word out.
- Many in the Iu Mien community do not speak English and there are not many interpreters for their language.
- Both communities have been hosting vaccination clinics. These are great opportunities to alert community to other resources and perhaps also host pop up retail experience?

Youth Workshops

- Rent is usually expensive, reducing the opportunity to start a business.
- Parkrose area dangerous for street vendors and/or people working from home.
- Expensive rent is a barrier for entrepreneurs to start business.
- There is no guidance for people of color to learn how to start business.

Open house survey

- Small Businesses Needs:
 - Education/seminars on business licensing, taxes, City fees, businesses plans, how to start a home business.
 - Mentors and networking.
 - Business incubator space to assist new businesses and expanding home businesses.
 - Shared commercial kitchen to support small businesses with food production.
 - Address trash, crime, homelessness to improve business district.
 - Help with financing.
 - Address costs with tax incentives, streamlined permitting, utility fee breaks.
 - The 2021 pop up Market that Historic Parkrose hosted together with the support of various community advocates has been helpful in connecting home-based businesses to customers.

- Types of Businesses Desired for Historic Parkrose Main Street:
 - More family-friendly food and drink places to spend time in, like coffee shops, bakeries, restaurants.
 - More diverse food options, including international foods store, deli, vegetarian/vegan, health foods, ethnic restaurants, juice bar, wine place, ice cream/yogurt places, cheese

RECOMMENDED IMPLEMENTATION SOLUTIONS

The following are solutions and actions the Jobs and Small Businesses CWG recommended to be included in the Parkrose Community Plan, as revised by the Community Decision Team on December 13, 2021.

1. Support Informal Home-Based Business (most importantly, establish trusting, safe and culturally/linguistically appropriate environment and customized programs)

Action 1A: Establish and hold home-based business resource sharing workshops by providing services and technical assistance to informal businesses in various languages where various microenterprise service nonprofits, government agencies such as Portland Bureau of Development Services, tax, and small business legal clinic providers can provide direct assistance to HBB who want to become formalized. It is essential to explain the legal and tax implications for informal HBB to make the decision on what is their best course of action.

Issue/s Addressed: Improves HBBs knowledge of formalization process and establishes connections and possibilities to help them do so, if interested.

Feasibility/Barriers: Need staff and resources to commit time to conduct outreach and coordinate with nonprofits, government agencies, and legal consultants to. If similar efforts already exist, there could be a risk of duplicating efforts already taken by other communities. **Benefits and Burdens:** May lead to formalization of HBBs and could improve businesses' economic resiliency. Displacement Risk low and Community Stabilization high.

Action 1B: Host various ethnic/cultural group home-based business meetups (e.g. Latinx HBB meetup).

Issue/s Addressed: Can help build mentorship and community trust through communities that look and speak to the business owners' personal experience and background.

Feasibility/Barriers: Smaller cultural groups could be left out if other HBBs of their identity don't exist. Could implement a more inclusive "BIPOC" HBB meetup to avoid this issue. Could extend range or partner with other community organizations to hold meetups that include HBBs in communities other than just Parkrose. Marketing of events needs to be robust in order to have a good turnout.

Benefits and Burdens: Not limited to only informal HBBs, but could be most beneficial to them. Displacement Risk low and Community Stabilization high.

Action 1C: Provide financial assistance for business registration and permitting requirements.

Issue/s Addressed: Help successful transitions to a formal home-based business.
Feasibility/Barriers: Should also be paired with solution that connects with more home-based businesses because we need to know who needs/wants to be formalized.
Benefits and Burdens: An easy, short-term goal to implement. Beneficial to home-based businesses of color. Displacement Risk low and Community Stabilization low.

Priority: High

2. Support formal Home-Based Businesses in building capacity

Action 2A Establish a "buddy system" program for existing, successful small business owners to provide one-on-on technical assistance to businesses interested in transitioning to a commercial space.

Issue/s Addressed: Could lead to economic resiliency of community by establishing anchor businesses. Improves knowledge and resources of HBBs seeking a storefront or more formalized home office space.

Feasibility/Barriers: May be hard to find willing mentors; what's in it for them. May be heard to find mentors with desirable skills or experience, but could look outside of Parkrose for wider pool of potential mentors.

Benefits and Burdens: This could also help build community and networks within homebased business ecosystem. Displacement Risk low and Community Stabilization high.

Action 2B: Host workshops to teach best practices and skill-building opportunities with bookkeeping, marketing, human resources, legal, and tax resources. An example here is the Zoning Code limitation of having a maximum of 8 visiting customers a day.

Issue/s Addressed: Contribute to stability of businesses.

Feasibility/Barriers: Need to identify organizations/individuals who are willing to lead workshops. Marketing of events needs to be robust in order to have a good turnout. Need to figure out what sort of skills are most desired to have a workshop on.

Benefits and Burdens: Lowers potential conflicts with legal and tax issues. Displacement Risk low and Community Stabilization medium.

Action 2C: Connect businesses with microenterprise, community organizations, and financial organizations who provide business Individual Development Accounts (IDA) and offer credit building loans.

Issue/s Addressed: Contribute to stability of businesses.

Feasibility/Barriers: Needs to be paired with connecting with more home-based businesses to know which ones need this and be able to connect them with these organizations.

Benefits and Burdens: Having more financial resources and/or savings account will help to stabilize and grow businesses. Displacement Risk low and Community Stabilization medium.

Action 2D: Provide a marketing channel for businesses such as a virtual/printed community business registry directory.

Issue/s Addressed: Helps extend presence and community awareness of local businesses and improve sales.

Feasibility/Barriers: Needs to be paired with connecting with more home-based businesses to be sufficiently robust

Benefits and Burdens: Can implement virtually as well as physically to improve visibility. Virtual implementation would make it easy to continually update to reflect new businesses or businesses who learn about this outlet later. Displacement Risk low and Community Stabilization high.

Action 2E: Identify affordable/feasible commercial space to assist in transitioning homebased businesses to a storefront setting.

Issue/s Addressed: Improves community knowledge of storefront opportunities and may attract businesses who otherwise may not have known of these opportunities.

Feasibility/Barriers: Would be most successful if concerted efforts are taken to improve commercial opportunities and increase infill development on major arterials like Sandy to avoid too low of a "draw" to the area to make businesses economically viable in Parkrose. Does this space sufficiently exist in Parkrose? Who will assist in identification of this space and how will it be advertised?

Benefits and Burdens: Could lead to economic prosperity within the community. Can contribute to smart growth of Parkrose by concentrating growth in desired areas while pairing with improvements to transit along these areas. Over time, could lead to higher rents and losing long-standing businesses through gentrification. Displacement Risk medium and Community Stabilization medium.

Priority: High

3. Create coworking spaces that provide affordable opportunities for multiple small tenants

Action: Leverage storefront improvement grants and other resources to create commercial space. Different uses could include a commercial kitchen, small retail spaces for home-based businesses to grow.

Issue/s Addressed: Support growth of local home-based businesses in a low-cost way that utilizes cost efficiencies provided by shared spaces.

Feasibility/Barriers: High costs for administration of shared space. Bureaucracy, documentation required of small businesses with little no capacity or knowledge of such requirements. There might be resistance from property owners. Property owners might not like to sublease building as coworking space for multiple tenants due to insurance liability and high turnovers.

Benefits and Burdens: Rents in district are higher than average in East Portland. Shared rental spaces may make rent costs less prohibitive. This would offer space for small business expansion. Staffing at existing organizations that support entrepreneurs are at capacity, so would require coordination with different organizations. Provides opportunities for emerging

small businesses. Over time, could lead to higher rents and losing long-standing businesses through gentrification. Displacement Risk medium and Community Stabilization medium. **Priority: High**

4. Work with property owners to develop and/or sustain local BIPOC makers market and/or farmers market, retail incubation space, commercial kitchen, food entrepreneurship programs, and the Pop Up Marketplace

Action 4A: Support Lao Buddhist Temple on Sandy in growing their marketplace through technical assistance and funds to access materials, marketing, and interpretation services Issues Addressed: Help to sustain and grow local small and home-based businesses. Feasibility/Barriers: Location does not have good visibility from Sandy, Boulevard. Language barriers between businesses and the general public - Need compensation or support for community volunteer interpreters. Benefits and Burdens: Grow local BIPOC businesses. Displacement Risk medium and Community Stabilization high.

Action 4B: Create shared makers spaces (spaces for light industrial work) where they might also have pop up retail space or events.

Issue/s Addressed: Help to sustain and grow local small and home-based businesses. **Feasibility/Barriers:** Investigate artists, craftspeople or artist collectives in the area who might be interested in this idea. Investigate if there are artists or craftspeople who have ample space to share with others in the area.

Benefits and Burdens: Grow local BIPOC businesses. Over time, could lead to higher rents and losing long-standing businesses through gentrification. If this activity is occurring or if there's interest in this activity in residential areas, noise compliance may be an issue. Displacement Risk medium and Community Stabilization medium.

Action 4C: Support individual craftspeople, food vendors, and other entrepreneurs scaleup to show their ware at existing pop-up markets (such as the 2021 summer Historic Parkrose's pop-up market) and support the Lao Buddhist Temple on Sandy in growing their marketplace. Host outdoor pop-up markets at various intersections to activate corner of areas with high commercial vacancy rate while bringing more visibility to businesses around that intersection.

Issue/s Addressed: Help to sustain local community groups.

Feasibility/Barriers: When events occur, they are successful, which indicates that there is a need for these types of marketplaces.

Benefits and Burdens: Support BIPOC entrepreneurs. If this type of activity grows and draws many new people to the area, it could ultimately lead to high rents and more development in the area, which might lead to gentrification and then displacement. Displacement Risk medium and Community Stabilization high.

Priority: High

5. Support Historic Parkrose Main Street businesses through education, networking, and promotion

Actions:

- A. Historic Parkrose Neighborhood Prosperity Initiative (HPR) hosts holiday events and other promotional events and with fundraising for business district support.
- B. HPR provides classes on a regular basis for businesses owners on a variety of topics, based on need.
- C. HPR hosts happy hour and social events to facilitate information sharing, networking, and for business district cohesion.
- D. HPR visits with businesses to share information and provide support.

Issue/s Addressed: Help to sustain and grow local small businesses.

Feasibility/Barriers: The need is great, but the current resources available are limited.

Benefits and Burdens: Retain existing local businesses. Relationship building between local businesses. Displacement Risk medium and Community Stabilization high.

Priority: High

6. Create a small business information hub that provides connections to resources and customers (solution added by the Community Decision Team)

Actions:

- A. Create a small businesses resources center and/or online site that connects people to business resources, local businesses, and other community information. This could involve creating a small business technical assistance, navigation and resource guidebook for Parkrose.
- B. Support Historic Parkrose's role in holding weekly office hours to provide small business support services to help with accessing resources.

Priority: High

7. Connect Home-Based Businesses and Entrepreneurs

Action: Connect with potential BIPOC entrepreneurs and home-based businesses through grassroots, informal, community, cultural and faith institutions, like Iu Mien community.

Issue/s Addressed: Hard to identify and thus support home-based businesses, particularly informal ones. Help to sustain and grow local small businesses and community groups through mutual support and shared learning.

Feasibility/Barriers: Outreach to home-based and small businesses. Finding staff who are culturally competent and have the right skill set to make the necessary bridges to organizations that support business owners. Limited cultural competency to sustain the relationship.

Benefits and Burdens: Provide more services to interested businesses. Displacement Risk low and Community Stabilization high.

Priority: Medium

8. Develop a Neighborhood Business Ambassador Program

Action: Recruit volunteers to get Parkrose communities involved in supporting and promoting district businesses. Word-of-mouth, social media campaigns, limited time offers, and promotional events such as hosting networking events at the various district businesses may be effective tools. While bringing more visibility to businesses, social media would also be a good place to share success stories. Community members with specific talents such as marketing and business backgrounds could volunteer to help existing businesses- e.g. painting, clean ups, advocating for other amenities, and sharing promotional materials with the broader community.

Issue/s Addressed: Help to sustain and grow local small businesses.

Feasibility/Barriers: There may be low-cost entry points to provide start this program, e.g., free public service announcements to recruit volunteers.

Benefits and Burdens: Boost community building efforts. Displacement Risk low and Community Stabilization high

Priority: Medium

9. Improve Sandy Blvd Business District to support businesses

Action 7A: Encourage and build outdoor seating and associated amenities.
Issue/s Addressed: Help to sustain and grow local small businesses.
Feasibility/Barriers: Will require funding or resources for maintenance.
Benefits and Burdens: Physical improvements might result in gentrification of the area and cause displacement of longer-term businesses. Displacement Risk high and Community Stabilization medium.

Action 7B: Help existing businesses with graffiti abatement and painting buildings.
Issue/s Addressed: Help to sustain and grow local small businesses.
Feasibility/Barriers: Will require funding or resources for maintenance.
Benefits and Burdens: Physical maintenance of Sandy may make the main street more of a draw for pedestrians and other potential customers. Displacement Risk low and Community Stabilization medium.

Action 7C: Attract a wider variety of retail experiences on Sandy Blvd, such as culturally-specific services, coffee shops, ice cream shop, family friendly restaurants, a wider variety of restaurants and food related businesses, produce market, plant shops, bakeries, clothing and shoe stores, bike stores, pet stores, salons, and other gathering spaces.

Issue/s Addressed: Help to grow and sustain local entrepreneurs, home based businesses, and local resident needs. Community concerns of lack of family-friendly amenities on Sandy. Contribute to greater economic development of Parkrose through generation of higher tax revenue from higher quantity of businesses.

Feasibility/Barriers: Would be most successful if concerted efforts are taken to improve commercial opportunities and increase infill development on major arterials like Sandy to

avoid too low of a "draw" to the area to make businesses economically viable in Parkrose. A receptive customer base in Parkrose. Higher than average rents compared to other parts of East Portland and the city. Congestion and safety issues on Sandy Blvd. Access to capital and loans for Parkrose residents who wish to start or expand into these businesses.

Benefits and Burdens: Less carbon emissions from Parkrose residents having to drive out of the neighborhood for these services. Can contribute to smart growth within Parkrose by concentrating growth in desired areas while pairing with improvements to transit along these areas. Displacement Risk medium and Community Stabilization medium.

Priority: Low