

## **Community Participation in Economic Opportunities Created by the New Columbia Project**

One of the major benefits of the New Columbia project is the economic opportunity it will create over the next four years. A key project goal is to ensure that the local community is able to participate in these opportunities, whether they are new jobs or business for construction contractors and professional services firms. The Housing Authority of Portland has recently reaffirmed and strengthened its commitment to affirmative contracting and workforce diversity, and the community participation goals for the New Columbia project reflect these policies and programs.

### **The Opportunity**

Over the course of the redevelopment, HAP expects to procure approximately \$100 million in construction-related activities and professional services, with the majority of the spending on construction. Every million spent on new construction activity in Portland creates 15 jobs, six in construction and nine elsewhere in the local economy, nearly \$500,000 in wages, and about \$90,000 in small business income.

Along with direct HAP expenditures, the development and construction of the homes for sale in the new neighborhood will create additional economic opportunity.

### **Community Participation and Workforce Goals**

Two agency-wide goals for affirmative contracting and workforce diversity will guide the New Columbia project:

- a minimum of 20 percent participation by disadvantaged, minority-owned, women-owned and emerging small (D/M/W/ESB) businesses in contracting opportunities, and
- state-registered apprentices will represent at least 17 percent of the labor hours on site in each trade that has apprentices for construction contracts over \$100,000. Graduates of HAP's Evening Trades Apprenticeship Preparation (ETAP) program for its residents will receive first preference.

### **Achieving the Goals**

The goals will be met by good faith efforts on the part of New Columbia contractors and active assistance from HAP in pursuing and supporting D/M/W/ESB subcontractors. Program elements include:

- Comprehensive and targeted community outreach: HAP has started and will continue extensive outreach to D/M/W/ESB businesses. This includes attending community forums, advertising in the community

press, and initiating targeted contact with specific businesses, with special emphasis on communities of color and businesses in the North/Northeast Portland area.

- *Technical assistance for D/M/W/ESB businesses:* HAP is providing, through experienced consultants, comprehensive technical assistance in bidding and estimating, establishing lines of credit, coordinating financial statements and accounting systems, building supplier relationships, and matching firms with opportunities.
- *Creative and Flexible Business Practices:* HAP is taking the lead in securing broad participation from the community with successful strategies that include breaking business into smaller pieces, waiving prohibitive bonding where possible, and finding creative ways to reduce burdensome insurance requirements for small contractors.
- *Diversity Incentives:* HAP is offering incentives for subcontractors who commit to at least 20 percent of hours worked by minority and female employees.
- *Expanding the ETAP program:* HAP is adding an additional training session for a total of two in the next 12 months to extend the reach of the program.
- *Rigorous compliance monitoring and reporting:* HAP is requiring contractors and subcontractors to report progress monthly. HAP's Board of Commissioners and the project's Community Advisory Committee will monitor the program's success. In addition, the agency is working with several community groups, including the North/Northeast Economic Development Alliance and the Interstate Corridor Urban Renewal Advisory Committee, as well as leaders in communities of color, to shape, monitor and make any changes necessary to the program.

### **Managing the Program**

HAP has teamed internal resources with strong partners experienced in developing broad community participation. Margaret Van Vliet, HAP's deputy executive director, Development and Asset Management, has executive oversight, and New Columbia project managers are responsible for delivering results from contractors in their areas. HAP has retained Tony Jones of the Housing Development Center to assist with outreach efforts and manage HAP's technical assistance program. In addition, Walsh Construction, construction manager/general contractor for the first phase of construction, has dedicated significant resources to the effort and is strongly committed to meeting these goals.