



Building an Equitable Economy

Gustavo J. Cruz, Jr.
Chair

Francesca Gambetti
Commissioner

William Myers
Commissioner

Peter Platt
Commissioner

Serena Stoudamire Wesley
Commissioner

Ted Wheeler
Mayor

Kimberly Branam
Executive Director

This document represents the official meeting record of the April 14, 2021, Prosper Portland Board of Commissioners (Board) meeting via Zoom due to the COVID-19 pandemic. The full video recording of this meeting can be found at:

<https://www.youtube.com/watch?v=94K2ugrwgRw>

1. Call to Order and Roll Call

Chair Gustavo Cruz called the Prosper Portland Board meeting to order at approximately 3:03 p.m. Pam Feigenbutz, Prosper Portland Board recording secretary, called the roll:

Chair Gustavo Cruz	PRESENT
Commissioner Francesca Gambetti	PRESENT
Commissioner William Myers	PRESENT
Commissioner Peter Platt	PRESENT
Commissioner Serena Stoudamire Wesley	PRESENT

Chair Cruz read the following statement: As a result of the COVID-19 pandemic and the need to limit in-person contact and promote social distancing, Prosper Portland is holding this meeting electronically as allowed by State law. All members of the Commission are attending remotely by phone. Prosper Portland has provided access for the public to listen to the audio broadcast of this meeting (see above). The public can also provide written testimony to the Commission by emailing ProsperCommissioners@ProsperPortland.us

2. Commissioner Reports

Commissioner Platt

- Nothing to report

Commissioner Gambetti

- Nothing to report

Commissioner Stoudamire Wesley

- Nothing to report

Commissioner Myers

- Nothing to report

Chair Cruz

- Nothing to report

3. Executive Director Report

- Attended the Williams and Russell Open House on March 3

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Suite 200
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97209-3943

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503-823-3366 TTY

- Joined the COVID-19 & Metro Economies: The Road to Recovery event presented by World Oregon and participated on a Zoom panel discussion following the presentation on April 13
- Announced after more than six years of planning, design, construction, partnership, and funding from Prosper Portland, Leach Botanical Garden in Lents has completed major improvements and the entire garden will open April 16
- Prosper Portland’s Inspiring Diversity Grant program is open
- Would like to welcome everyone to visit the Nuestro Camino Pop-up cultural show happening in Old Town
- Noted the popular Bravo Channel series, “Top Chef”, based its 18th season in Portland

4. Meeting Minutes

Chair Cruz called for a motion to approve the February 10, 2021, Prosper Portland Board meeting minutes. Commissioner Gambetti moved and Commissioner Myers seconded the motion.

AYES: Cruz, Gambetti, Myers, Platt, Stoudamire Wesley
NAYS: None

5. Public Comment for Items Not on Agenda

None received.

6. Action Item: Resolution 7411 - Approving the Construction Business and Workforce Equity Policy

Prosper Portland staff presenting this item:
John Cardenas, Business & Equity Workforce Project Manager
Wendy Wilcox, Construction Services Specialist

With this action, the Prosper Portland Board adopted the agency’s new Construction Business and Workforce Equity (CBWE) Policy which:

1. Elevates Prosper Portland’s construction-related Business Equity and Workforce Hiring programs into a policy in accordance with the agency’s Equity Policy;
2. Increases the Certified Firm participation goal on owned and sponsored projects from 20 to 22 percent and implements a sub-goal of 14 percent Minority Business Enterprise and Disadvantaged Business Enterprise participation;
3. Establishes a Construction Equity Fund to provide additional resources for business technical assistance and workforce development; and
4. Requires that 0.25 percent of hard construction costs for qualifying projects be set aside to the Construction Equity Fund.

In addition, the Prosper Portland Board action directs staff to convene a working group with key external and internal workforce development practitioners to further understand the implications of enacting a workforce agreement within the context of Prosper Portland’s unique role in public/private projects. Staff will return in three months to present the findings to the Prosper Portland Board.

Mr. Cardenas outlined the four main features in the policy as notated above via items 1 through 4. Mr. Cardenas continued by providing examples of how the policy aligns with Prosper Portland’s Strategic

Plan. Mr. Cardenas described the public participation and feedback received from multiple minority-owned construction entities while developing the policy, including Oregon Tradeswomen, the NW College of Construction, LatinoBuilt, Professional Development Business Group, Oregon’s National Association of Minority Contractors, and Metropolitan Alliance for Workforce Equity.

Ms. Wilcox explained features of the CBWE policy, including a Accountability, a Culture Change & Anti-Harassment program, a Construction Equity Fund, and potentially a Community Workforce Agreement. Ms. Wilcox stated staff would be convening a work group to help inform the Community Workforce Agreement and bring the recommendations back to the Board in 90 days.

Commissioner Stoudamire Wesley recommended the word Culture Change be replaced with “Anti-Racism”. In addition, the commissioner asked that the workgroup also discuss aggregating workforce and aspirational goals. The commissioner continued by asking the team to state within the policy what the data are being collected for and expected impacts on the communities to be woven throughout the CBWE policy.

Chair Cruz invited guests to testify

Nate McCoy, Executive Director, National Association of Minority Contractors- Oregon shared requests regarding the policy changes.

Amy James-Neel, Workforce and Contracting Manager, Portland State University testified in support of the resolution.

Chair Cruz invited forth public testimony

Kelly Haines provided written testimony. (See attachment 1)

Connie Ashbrook, member of Metropolitan Alliance for Workforce Equity, spoke in support of the resolution and shared some requests.

Ranfis Vilatoro, BlueGreen Alliance requested there be clear goals regarding clean energy space.

Chair Cruz called for a motion to approve Resolution 7411; Commissioner Myers moved and Commissioner Stoudamire Wesley seconded the motion.

AYES: Cruz, Gambetti, Myers, Platt, Stoudamire Wesley

NAYS: None

7. Action Item: Resolution 7412 - Adopting a New Financial Investment Policy

Prosper Portland staff presenting this item:

Sarah Harpole, Project Manager I

With this action the Prosper Portland Board updated the Financial Investment Policy and Process for Internal Review and Approval of Financial Investments (Financial Investment Policy). The updated Financial Investment Policy (FIP) will more clearly center equity within the agency’s consideration of financial investments in furtherance of the Equity Policy adopted by the Prosper Portland Board through Resolution No. 7335, adopted August 14, 2019.

Ms. Harpole reviewed the internal engagement for the revision process and three key items provided through feedback. Ms. Harpole continued by reviewing the recommendations and approval process. Ms. Harpole stated the resolution adds a sixth investment principal to the FIP to: i.) establish a Committee for Accountability of Finance and Equity (CAFÉ) to reflect additional roles in line with equity goals and review investment procedures and guidelines.

Mr. Lane experienced technical difficulties with his audio and directed the Board to review the Powerpoint slide referencing the Financial Sustainability Plan timeline for both May and September 2021.

Ms. Harpole listed next steps dependent upon Board approval of the resolution.

Chair Cruz called for a motion to approve Resolution 7412; Commissioner Myers moved and Commissioner Stoudamire Wesley seconded the motion.

AYES: Cruz, Gambetti, Myers, Platt, Stoudamire Wesley

NAYS: None

8. Information Item: Update on Fiscal Year 2021-22 Budget Development Process

Prosper Portland staff and guest presenting this item:

Tony Barnes, Finance Manager

Mr. Barnes provided an overview of the fiscal year 2021-22 budget development process and reviewed Prosper Portland's general fund request submitted to Portland City Council (City Council) in January 2021. Mr. Barnes reviewed subsequent changes to the proposed budget and next steps in the budget approval process via City Council ending with the final vote by City Council sometime in late May and a hearing before the Tax Supervising & Conservation Commission in June 2021.

9. Information Item: Update on the Early Retirement Incentive Program

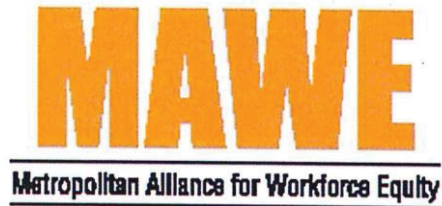
Prosper Portland staff presenting this item:

Sean Murray, Director, Human Resources

Mr. Murray reviewed the Early Retirement Incentive Program – to address declining resources and incentivize fully vested PERS employees.

Adjourn

There being no further business, Chair Cruz adjourned the Prosper Portland Board meeting at approximately 5:03 p.m.



To: Gustavo J. Cruz Jr., Commissioner Chair
Francesca Gambetti
William Myers
Peter Platt
Serena Stoudamire Wesley

Cc: Kimberly Branam
John Cardenas
Wendy Wilcox

Prosper Portland Board of Commissioners:

We are the Metropolitan Alliance for Workforce Equity (MAWE), a historic partnership between the Carpenters, Operating Engineers, Laborers, other unions, minority contractors, pre-apprenticeship programs, and community-based organizations. MAWE works to promote economic opportunity and equity in workforce and contracting and develop practical strategies to address historic inequities in the region. As you are aware, these partners developed Portland's first Community Benefits Agreement (CBA) to create a framework for shared community oversight and accountability, fair labor standards, and goals and resources to increase contracting and workforce opportunities for historically underserved community members.

The goals of MAWE are to:

- Support the creation of good quality construction jobs and contracting opportunities in the Portland Metro area.
- Specifically connect these jobs and opportunities to historically underrepresented populations, including people of color and women.
- Sustain and grow the training and community infrastructure with resources in order to address the regional need for a trained, qualified, and diverse construction workforce and contractor pool.
- Work with partners, contractors and public owners to replicate best practices on construction projects and systematize those practices region-wide in order to accomplish workforce and contracting equity.

We are part of a broad coalition of community partners who are working together to address the complex issues that have resulted in disparate impacts for communities of color, those with low-incomes, renters, workers, and minority- and women-owned small businesses. We are united in the belief that the benefits of the City's investments must be broadly shared, focused particularly on achieving equitable outcomes for communities who have historically been burdened by or currently experience displacement from public investments and development.

We represent over 200,000 constituents and their families in our collective power.

While we applaud the work Prosper has embarked upon to better standardize their workforce and business policies, explore a Community Workforce Agreement, develop a funding mechanism to support growing capacity, and increase the percentages for D/MBE firms' revenue, we are writing this letter to clearly articulate that we do not support or endorse this proposed policy in its current form, and would like to offer some critical amendments.

If adopted, our requested amendments will directly improve the ability for BIPOC communities and women to have stable and increased access to career opportunities in the trades on Prosper projects and ensure Prosper's public investments are advancing economic and racial justice.

Without these changes, the new policy will have a substantially negative impact on workforce equity standards in the region, including:

- Decreasing the number of construction career opportunities for women and people of color in the community
- Decreasing the overall supply of a skilled workforce in the construction trades
- Watering down robust contracting standards for any business accessing public works projects

Registered apprenticeship is one of the best, time-tested models for helping train and educate people into a lifelong career in construction. It is the "original four-year degree," and can offer many people, especially those coming from a low-income background, the opportunity to learn while being paid on the job, to gain real skills, and to realize economic stability in their lives.¹

Additionally, there is a huge workforce shortage right now in Construction². There is a significant lack of skilled construction workers in the region. Talk to any contractor and you will find out they are in dire need of licensed electricians, or journey-level carpenters, the list goes on. Many are currently bringing in these workers from other parts of the country because there is not enough supply of local skilled workers. To water down apprenticeship requirements now only exasperates that issue, and further magnifies the likelihood that these good jobs will not go to local residents. It also guarantees that public agencies, developers and contractors will continue to pay a premium for skilled labor in construction.

Because you cannot create a supply of skilled and licensed construction workers without first investing in apprenticeship.

¹ <http://oregonapprenticeship.org/women-in-construction/>

² http://www.oregonlive.com/business/index.ssf/2017/07/oregon_construction_boom.html

Lastly, we are concerned to see Prosper Portland move backwards on workforce standards. These requirements have been in place in the region for over 20 years: **Proposer should be a leader by improving upon these standards, not watering them down.** The State of Oregon has recently released their draft tool that outlines the Return On Investment (ROI) for Apprenticeship³. As the minority contractors in MAWE understand, it can be confusing to take on apprentices for the first time. It takes time and resources to understand the process and to train new workers. But the model works: companies able to pay apprentice wages to offset the cost of training, as well as receive regular support from an Apprenticeship Committee, which meets consistently to ensure our apprentices are successful on the job. Not allowing other small contractors the opportunity to grow their businesses in this way is simply delaying the inevitable. If they hope to grow in the future, they will need apprentices on their jobsites.

Our concerns are regarding a few key areas where the new Workforce and Business Equity Prosper policy being proposed actually *decreases* workforce and training opportunities for the community. Below are the sections of the policy we request amending with more detail.

1. "The Workforce Training and Hiring Guidelines (WTHG) will apply if the project receives \$300,000 or more of Prosper Portland Resources to support **a project with a Hard Construction Cost greater than \$1,000,000.**"

These thresholds are much higher than all other agencies in the region, whose threshold are contracts over \$200,000 and subcontracts over \$100,000. By increasing this threshold, Prosper is removing opportunities, and particularly for women and people of color. Data from Portland Housing Bureau Projects supplied by the City of Portland show that:

- Of *all* the apprentices listed (1,001), over a quarter (26.5%, 266) worked on projects under \$300k.
- Home Forward apprentice data included race and gender attributes. Of the apprentices who worked on projects below \$300k, 58% were women and people of color.
- Subcontracts can *easily* be broken out to be below \$200k. This policy will most certainly increase the number of contracts that fall below that threshold to avoid apprenticeship requirements. Historical data cannot reflect how this policy will impact future contractor behavior.

Our request is for you to, in the least, align with the regional standards on Workforce Training and Hiring thresholds.

2. "Ensure that a minimum requirement of twenty percent (20%) of labor hours in each apprenticeable trade performed by the prime contractor/subcontractor, are worked by State Registered apprentices **if working an excess of 300 hours or more on any trade.**"

300 hours is nearly two months of full-time work for an apprentice. Registered apprentices only advance in their education, wage increases, and career through being employed on a jobsite, which is essentially their classroom. By allowing that those significant chunks of 2 months of work not counting on Prosper Projects, it has the potential to vastly decrease the amount of career advancement that can occur on Prosper Projects. This will impact the wage increases of

³ <https://innovativeapprenticeship.org/wp-content/uploads/2017/11/Oregon-ROI-Tool-Design-DRAFT.pdf>

apprentices, the work experience in their portfolios, and ultimately, the ability for them to earn a journey level credential and support themselves and their families.

Our request is that you eliminate this minimum hours condition.

3. “Work to achieve the following goals: (i) thirty percent (30%) of hours worked by minorities; and (ii) fifteen percent (15%) of hours worked by women. **This goal will be measured in aggregate by combining both apprentice hours and journey hours.**”

An amendment for this section of the policy is the most critical. As our country faces an ongoing and urgent racial reckoning, we cannot go backwards on the policy levers that have been proven to work for racial and economic justice. Emerging best practice across the region is to disaggregate the goals for journey level and apprentice level diversity hours. This is because, without a tracking of journey level diversity, contractors will continue to “hit their goals” by hiring and laying off new diverse apprentices without advancement and will continue to lack diversity in the most skilled and highest paying positions. We know that the graduation rate for women and people of color in the trades is 36%. That is too low. Without clear and enforceable goals, contractors will not change their behavior and diverse workers will continue to struggle to advance and journey out. As a capital project owner, you have the power to change that through your policies.

We understand you plan to “track” by journey and apprentice. For us, that is like watching a house burn and “tracking it” while you have the firehose in your hand that could help. Please don’t underestimate the level of impact you could truly have by choosing the more impactful policy for your projects.

Our request is that you develop goals for both apprentice and journey level diversity and enforce those goals on your Projects, based on regional best practices.

Thank you for your consideration and please reach out with any questions. We look forward to partnering with you on this important work.

Regards,

MAWE Partners and Allies