



A Blueprint for Economic Justice  
in Multnomah County

## **Appendix B**

### **Menu of Potential Approaches: Example Strategies**

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## APPENDIX B

### MENU OF POTENTIAL APPROACHES: EXAMPLE STRATEGIES

Appendix B highlights illustrative examples of the strategies listed in the *Menu of Potential Approaches*. This is not a comprehensive list or a set of recommendations. Rather, it is intended to demonstrate how the various strategies in the menu are being implemented at a local level.

#### 1. Strategies that build assets

##### ▪ **Baby Bonds:**

- **Local baby bond:** The [District of Columbia Child Wealth Building Act](#) enrolls babies born to families on Medicaid with incomes below 300% of the federal poverty level (FPL) in a Child Trust Fund. All eligible children will receive an initial \$500 deposit in the account, followed by annual deposits up to \$1,000 depending on the family's income. The children can access up to \$25,000 at age 18 to pay for education, buying a home, or other qualified expenses.
- **College savings account:** The [Oakland Promises Brilliant Baby program](#) funded by the City of Oakland is a college savings account program for families that meet income eligibility guidelines for Medicaid, WIC, SNAP or TANF. Each child enrolled in the program receives a 529 College Savings account seeded with \$500. The program estimates that with an average growth of 6% annually, each account will have an estimated \$1,400 by the time the child is 18. The program also offers financial coaching and engages a Family Leadership Group to provide input to the program and develop leadership skills.

##### ▪ **Homeownership:**

- **Home buying assistance:** The [Washington DC Housing Purchase Assistance Program](#) provides interest-free loans and grants to income-qualified first-time homebuyers. Eligible applicants can receive up to \$202,000 in gap financing assistance plus \$4,000 for closing cost assistance. For households with incomes below 80% of Area Median Income (AMI), the loan is deferred until the property is sold, refinanced to take out equity, or is no longer the primary residence. For households with incomes at 80-110% AMI, payments are deferred for five years with a 40-year principal-only repayment period.
- **Property tax reform:** Property tax payments can make the cost of homeownership prohibitive for low-income homeowners. Multnomah County could increase [property tax exemptions](#) for low-income homeowners or enact a [circuit-breaker program](#) that would cap property taxes at a certain percentage of a household's annual income. It could create a property tax deferral program for low-income homeowners (similar to the Oregon Property Tax Deferral program but not limited to homeowners who are seniors or disabled). Or it could provide an initial 5-10 year property tax break for first-time homebuyers.
- **Equity building for renters:** The [Dividend Housing model](#) creates pathways for renters to build equity while participating in property management. In Cincinnati, Renting Partnerships is implementing the model by purchasing properties at risk of gentrification, owning the properties as a land trust, and offering residents long-term leases to rent the properties. Renters accrue monthly equity credits up to \$10,000 every ten years. After five years of residency, residents can pull out all or part of their equity credits as cash, leave the money in place, or invest the money into Renting Partnerships' properties.

Enterprise Community Partners is testing a model for building renter equity with its [Renter Wealth Creation Fund](#). With funding from investors, Enterprise will buy apartment buildings in partnership with affordable housing developers. Renters who stay at least two years will start to earn equity in the buildings through their regular rent payments. If the property is later sold or refinanced, investors will get a modest return, but the majority of the profits will go to long-term tenants. Enterprise estimates that after living in a building for a decade, a tenant could earn more than \$10,000.

- **Business ownership:**
  - **Access to capital and technical assistance:** The [Invest Atlanta Accelerate Southside program](#) aims to address BIPOC owned businesses' challenges with limited access to capital and difficulty purchasing commercial space. The program includes a business accelerator training combined with a commercial down payment assistance program. The down payment lowers the barriers to purchasing, designing, and siting a shipping container in a newly developed, master-planned business site.
  - **Start-up subsidies:** [Runway](#), a financial innovation firm in Oakland, provides loans and income subsidies to help support business start-ups owned by Black women entrepreneurs. The organization provides participants in a local business training program with low-interest start-up loans along with an initial cash infusion of \$2,000 and a monthly \$1,000 stipend, no strings attached. Runway also provides participants with free business and marketing consultancy services.
  - **Expand contracting opportunities for BIPOC-owned small businesses:** Strategies to [expand government contracting opportunities](#) to under-capitalized businesses include (a) offering access to up-front payments to cover initial project costs rather than requiring all payments be made on a reimbursement basis; and (b) subsidizing the costs to enable businesses to meet licensing, insurance, and bonding requirements for doing business with local government.
- **Access to capital and credit:**
  - **Lending circles:** Local jurisdictions can provide seed funding for [lending circles](#) that allow participants to contribute monthly payments to a pooled loan fund that they can draw down and pay back. The loan can be used to meet a household's immediate needs, and the lending circle structure enables participants to build credit through repayment. [Mission Asset Fund](#) has partnered with foundations and local governments in California to sponsor lending circles and is now building a national network of providers to expand access to lending circles.
  - **Public bank:** A public bank is created by a municipality to hold a portion of locally generated tax revenue that would otherwise be deposited into a commercial bank. The public bank has a public governing board and is expected to make loans in the public interest. The Philadelphia City Council launched the [Philadelphia Public Financial Authority](#) in June 2022, creating the nation's first municipal public bank with the goal of promoting wealth-building opportunities for BIPOC communities. Implementation has run into some political obstacles, but similar public banking proposals are moving forward in other states and municipalities around the country.

## 2. Strategies that build income

- **Guaranteed income:**
  - **Demonstration project:** [Los Angeles Economic Assistance Pilot](#) aims to provide immediate and ongoing financial relief to households with children who are impacted by poverty and the effects of COVID-19. The pilot, which is funded primarily by the City, is providing 3,200 participants with \$1,000 monthly payments for one year. The program is intended to provide an income floor, supplementing existing safety net programs. There are no restrictions on how the money can be spent and no requirements for the participants. Data from the pilot will be used to reform current policies and guide future programs.
  - **Population-specific program:** [Bridge Project](#) in New York City provides up to \$1,000 a month for three years to Black and Latine mothers living below the poverty line. The program is designed to support the mothers during the first 1,000 days of their children's lives by providing them with consistent, unconditional cash on a biweekly basis. Launched in 2021 by The Monarch Foundation, the program builds on research demonstrating that money invested in a child's first few years results in long-term educational, employment, and health benefits. The pilot will be evaluated to assess its impact on families' economic stability, physical and mental health, and children's developmental progress.

- **Tax credits:**
  - **Automatic Earned Income Tax Credit (EITC) filing:** The [New York City Department of Finance](#) created a program that analyzed federal tax information to identify local residents who were eligible for the EITC but had not filed. The City then used households' tax information to fill out and mail amended tax returns so that they could claim their credits. The program helped 22,000 households claim credits totaling almost \$14 million in its first two years. Several states are now working with the IRS to replicate the program.
  - **County EITC:** Montgomery County, Maryland's [Working Family Income Supplement](#) provides a 100% match of the state EITC. Maryland's state EITC was recently reformed to include ITIN filers and childless workers and to increase the portion of the credit that is refundable. Because Montgomery County's credit is tied to the state credit, these reforms will result in an average county-level credit of about \$1,100 for eligible households, including households who are typically excluded from the federal EITC. The county credit is delivered several months after families have received their federal and state tax refunds, extending the financial benefits over additional months.
  - **State Child Tax Credit (CTC):** Ten states currently have some form of [state Child Tax Credit](#) and many others are considering one. For example, California's Young Child Tax Credit, which was enacted in 2019 and expanded in 2022, provides a per-family benefit of \$1,000 with no earnings requirements. In 2022, New Mexico, New Jersey, and Vermont also created new permanent state CTC programs. In Oregon, a fully refundable state CTC of \$3,000-\$4,000 would result in a 50% reduction in child poverty.
- **Wages:**
  - **Wage subsidies for essential workers:** [Washington DC](#) enacted a tax on the city's highest earners in 2021 to raise the pay of day-care workers because their vital work was not being sufficiently compensated by their current wages. The funding will be used to subsidize workers' pay checks to put them on a comparable scale to public elementary school teachers. The average day-care worker will receive a pay boost of about 25%.
  - **Living wage for government contractors:** [Boston's Living Wage Ordinance](#) requires that all employees of vendors working on contracts with the City of Boston worth at least \$25,000 must be paid a living wage. The living wage calculation is based on the amount required for a family of four to live at or above the federal poverty level.
  - **Employee wage standards:** In Colorado, employers have used the Self-Sufficiency Standard to set employee wage standards. The [Self-Sufficiency Standard](#) is a locally-defined measure of the income necessary to enable a household to meet its basic needs without public benefits or other income supports. The Self-Sufficiency Standard is calculated annually based on an analysis of local costs for housing, food, child care, health care, transportation, and taxes.

### 3. Strategies that repair past harms by local jurisdictions

- **Black reparative justice:**
  - **Evanston:** [Evanston, IL](#) adopted a resolution in 2019 committing \$10 million to fund local reparations for Black Evanston residents. The process began with an analysis of the specific role played by the City in inflicting harm on the Black community. Ongoing consultations were held with the City's Black community to generate proposed remedies. The initial restitution program focuses on housing assistance because of the City's role in promoting housing discrimination through zoning ordinances in place between 1919 and 1969. Eligibility is established by proving that an ancestor was a resident of Evanston who lived in the city between 1919 and 1969 or encountered housing discrimination because of City policies after 1969. A Stakeholders Authority made up of leaders from Evanston's Black community oversees the awarding of grants, which can be used for home repairs, mortgage assistance, or down payments.

- **Asheville:** [Asheville, NC](#) passed a resolution in 2020 apologizing for slavery, for the City government’s role in enforcing segregation, and for implementing an urban renewal program that destroyed multiple Black communities. A community commission plans to identify and implement policies to support Black homeownership, affordable housing availability, and intergenerational wealth development. The City allocated \$2.1 million to support these efforts. The resolution also calls for reparations at the state and federal levels.
- **Indigenous reparative justice:**
  - **Land return:** In 2022, the [City of Oakland](#) announced plans to return five acres of City-owned land to permanent Indigenous control. Under the proposal, the Sogorea Te’ Land Trust – an Indigenous-led organization that facilitates the return of land to Indigenous people – will have control over the use of the land for cultural, environmental, and educational uses.
  - **Land tax:** The [Shuumi Land Tax](#) in California compensates the Ohlone people indigenous to the region for the ongoing use of their ancestral lands. The rent payments aim to acknowledge Indigenous peoples’ rightful connection to their ancestral lands and support efforts to compensate for continued exploitation of stolen resources.
  - **Rent fund:** In Seattle, ancestral territory of the Duwamish Tribe, the [Real Rent Duwamish](#) fund is an effort to compensate the Duwamish for colonial seizure of their land and the continued use of their territories. Rent payments go toward supporting Duwamish cultural preservation efforts and educational, health, and social services.

#### 4. Strategies that eliminate barriers to wealth-building

- **Debt mitigation:**
  - **Predatory lending regulations:** Jurisdictions can regulate predatory lending by capping interest rates and ensuring a borrower’s ability to repay. They can also prohibit certain types of predatory lending, cap the number of lenders in a given area, and/or advocate for the state to enact more stringent regulations. For example [San Jose, California](#) has restricted the number of predatory lenders that can exist in the city and has explicitly barred predatory lending in very low-income census tracts.
  - **Small-dollar loans:** [Employer-sponsored small-dollar loans](#) support employees in handling financial emergencies while avoiding predatory lenders such as payday or auto title loans. Loan eligibility is based on employment income, not on credit score. Loan repayment is through payroll deduction over a period of 3 to 12 months. Repayment is reported to credit bureaus which can help to repair or build the borrower’s credit score over time. Partnering with a bank or credit union for the program can help unbanked borrowers develop a relationship with a financial institution.
- **Fines and fees reform:**
  - **Fines and fees taskforce:** [Chicago’s Fines, Fees and Access Collaborative](#) is an alliance of community organizations, City departments, elected officials, advocacy centers, and academic institutions that worked to review the City’s fines, fees, and collection practices. The Collaborative hosted multiple roundtables to gather feedback from residents directly impacted, conducted a review of existing policies, analyzed viable solutions, and developed a series of recommendations. Stakeholders then worked with the City to move forward implementation. The recommendations included the establishment of a Chicago Financial Justice Director position to coordinate efforts across City departments and serve as point person on reform implementation.
  - **Debt clearance:** In 2021, [Phoenix, Oregon](#) wrote off all traffic debts that were incurred 10 or more years ago and cleared suspensions related to the unpaid debts. For drivers who still owed fines for traffic debts incurred within the past 10 years, the City offered payment compromises, such as through a 50% balance reduction or the option of paying off debt through community service.

- **Dismissal of quality of life fines:** Quality of life fines stem from citations issued for infractions related to the experience of homelessness, such as public camping, urinating in public, and littering. San Francisco’s [CONNECT Program](#) provides people experiencing homelessness an opportunity to have the infractions dismissed by receiving help from a caseworker or social service provider.
- **Protection from displacement:**
  - **Tenant Opportunity to Purchase:** The first [Tenant Opportunity to Purchase](#) (TOPA) law was enacted in Washington DC to give tenants at risk of displacement a pathway to ownership over their homes. DC’s law works in combination with other tools to support tenants in creating limited equity co-ops or condominiums that enable them to remain in their homes long-term. DC’s Housing Production Trust Fund works in concert with TOPA to offer tenants access to flexible funding that can be used to purchase and stabilize the building.
  - **Community Opportunity to Purchase:** San Francisco’s [Community Opportunity to Purchase Act](#) (COPA) requires building owners to notify a list of community-based nonprofits before putting their buildings for sale on the open market. The nonprofits have the first opportunity to bid on the building and to match any higher offer later. A City-funded bridge-loan tool provides short-term capital to enable the nonprofits to act quickly to acquire the properties, with the funding replenished once they secure long-term financing. Buildings that go through a COPA process must remain rentals, and the purchasing nonprofit must guarantee affordability in perpetuity.
- **Address barriers for people with a history of involvement with the criminal justice system:**
  - **Protected class status:** The [Atlanta City Council](#) voted in October 2022 to make justice-involved people a protected class. The ordinance prohibits discrimination against individuals based on their involvement with the criminal legal system. The vote was the result of advocacy by Barred Business, a nonprofit led by formerly incarcerated women, that is working to launch campaigns across the country with the goal of leveraging local policy changes into a national campaign to include justice-involved people as a protected class under federal civil rights legislation.
  - **Automated expungement:** The nonprofit [Code for America](#) is partnering with states and local governments to provide technology that automates the record expungement process. To address the limitations of petition-based expungement processes, Code for America worked with district attorneys’ offices in California to develop technology that reads criminal history data, determines eligibility for expungement, and produces the necessary documentation for courts. This work has expanded to states and municipalities across the country with the goal of making automated record clearance processes a routine function of local government.
  - **Ban the box:** [Ban the box](#) laws aim to fight employment discrimination against justice-involved individuals by removing questions regarding conviction history from employment applications. Oregon’s ban the box law makes it unlawful for an employer to ask about an applicant’s criminal record before the interview stage. Portland’s ban the box law goes one step further by requiring employers to wait until a conditional offer has been made before asking about the applicant’s criminal record.