

Report: Frequent towing caused hardship for low-income Latinos

Yesenia Amaro - The Oregonian/OregonLive

Many low-income Latino families faced economic hardship from towing practices at five affordable housing complexes owned by a Latino-focused community development corporation in Portland's Cully neighborhood, an investigation by the city's ombudsman's office found.

The towing practices at Hacienda CDC's properties may be in violation of state law, the ombudsman's office concluded.

A property management company paused tows at the properties in 2022 but resumed them in mid-2023 following complaints from residents that too many vehicles parked in the area without required permits. Tow truck companies subsequently removed 178 vehicles over roughly six months ending last December.

Signs explaining parking and towing rules at the properties are only in English even though more than half of Hacienda's clients report Spanish as their primary language.

It's unclear what outreach, if any, took place to warn residents before the increased towing enforcement resumed, and if that education was made available in Spanish. Neither Cascade Management, which manages the sites, nor Hacienda explained what information tenants received.

Residents had to pay nearly \$51,000 in towing and mileage fees to reclaim their vehicles, the city's investigation found.

One resident reported paying more than \$1,000 because their vehicle was towed three times. Another resident reported a tow-truck driver made them pay more than \$500 to release their vehicle, exceeding the allowed fee by \$232, according to the investigation.

"It undermines the city's goals to allow towing of vehicles of residents of low-income housing projects," Deputy Ombudsman Tony Green said Tuesday. "A tow,

given all the costs and fees, can have an economically devastating impact on a family.”

Ernesto Fonseca, chief executive officer for Hacienda, defended the vehicle tows by saying they all “had a valid reason,” with 84% lacking a permit, at least 10 being in a handicap spot illegally and three not being in a defined parking spot.

Even so, Fonseca said Hacienda would follow recommendations from the ombudsman’s office to install signs in Spanish and conduct an outreach campaign for residents. Both, he said, will be implemented in the next 90 days.

Hacienda’s work, Fonseca said, is to be responsive to the community’s needs.

“Over time, we have tried different approaches,” he said, “that have included shifting from patrol towing to on demand towing, to no towing at all.”

The five Hacienda apartments, totaling nearly 400 units, are clustered near Northeast Killingsworth Street and Cully Boulevard. At least two of the five properties received more than \$16 million in city construction loans, the city report said. More than a third of Hacienda clients reported making less than 30% of the area median income, or \$33,840 for a family of four in 2023.

A single tow cost nearly half of the \$559 monthly rent for a studio at Las Adelitas, one of the five sites, the investigation found.

The ombudsman’s investigation also found limited capacity for resident parking. For example, the investigation found that each apartment in Las Adelitas is assigned a parking permit, but many residents weren’t aware “that there are not enough parking spaces for each permit holder,” creating confusion about the parking rules.

Parking and towing concerns also affected visitors to a Multnomah County community center and health clinic, which leases space from Hacienda and shares a joint entrance with two of the apartment complexes.

The county’s designated parking lot includes bilingual signs in English and Spanish about parking and towing, but it was often full.

“Several women have dropped out of domestic violence and mental health programming because they consistently can’t find a place to park and are afraid of getting towed if they park outside the County lot,” the city found.

Cascade Management, which wouldn't answer specific questions, in a statement said it takes community concerns seriously.

“We were made aware of the current situation and are conducting a comprehensive review of the situation to ensure all aspects of the matter are fully understood,” the company said in the statement, “and appropriately addressed.”

One of the two tow companies hired by Cascade Management to remove vehicles from the properties was sued in January 2023 by the Oregon Department of Justice for “unscrupulous towing practices,” according to the city report.

Fonseca, the chief executive officer for Hacienda, said his corporation only recently became aware of the lawsuit against Retriever Towing. He said Cascade Management has maintained its agreement with Retriever because it's the least costly vendor.

The ombudsman's office concluded that tows at four of Hacienda's properties would have required signed authorization from Cascade Management at the time of the tow, under state law. But 88% of the 92 tows from those lots occurred between 11 p.m. and 7 a.m.

City officials questioned the legality of those tows and wrote that Cascade Management declined to answer questions about whether staff worked during those hours or provided signed authorizations.

The office recommended that Hacienda and Cascade Management look into contracting with a company that issues penalty notices instead of towing vehicles. Safeguards should be in place, however, to prevent predatory ticketing, such as issuing warnings for the first offenses and prohibiting tickets for minor violations.

The report calls for Hacienda to create a patrol plan to reduce unpermitted parking. Green, however, said there has been what he described as pushback to the alternative plan due to “concern about the cost.” The Housing Bureau, he added, has not received a response from Hacienda on the implementation of such alternative.

Fonseca said Hacienda's new asset manager is working to identify a provider that can best meet the needs of residents while complying with regulations.