

PORTLAND COMMUNITY INVESTMENT FUND

DATE: February 8, 2017
TO: Governing Board
FROM: Robert Betcone, Portland Community Investment Fund Counsel
SUBJECT: Report Number PCIF-1

GOVERNING BOARD ACTIONS REQUESTED

Adopt Resolution No. 1

ACTION DESCRIPTION

On October 12, 2016, through Resolution No. 7214, the Portland Development Commission (PDC) Board of Commissioners (Board) directed staff to create a Community Development Entity (CDE), a federally-authorized organization that is eligible to apply for and receive New Markets Tax Credits (NMTC) from the U.S. Department of Treasury's Community Development Financial Institutions Fund (CDFI Fund). If successful in securing an NMTC allocation award, PDC would attract financial investment to qualifying projects that meet PDC 2015-2020 Strategic Plan goals in Low-Income Communities across the city of Portland.

Since October, staff has registered Articles forming an Oregon non-profit corporation that will serve as PDC's CDE (See Attachment A). The CDE is named the Portland Community Investment Fund (PCIF). In order for PCIF to become a fully-functioning organization, on February 8, 2017, the PCIF Governing Board, will be asked to take the following actions or review and approve by resolution the following documents:

- A. Affirm membership on the Governing Board of the PCIF
- B. Elect a Governing Board Chair
- C. Adopt Bylaws, including a Conflict of Interest Policy (Exhibit A)
- D. Appoint Officers to serve PCIF
- E. Appoint members of an initial Advisory Board (Exhibit B) and delegate to the PCIF President the authority to replace or add members of the Advisory Board
- F. Approve an Agreement with PDC to Provide Professional Services (Exhibit C)
- G. Authorize the PCIF President to execute all instruments necessary to further organize and support PCIF subject to a \$300,000 aggregate expenditure, the majority of which will be for NMTC application consulting services, outside counsel legal fees, and staff time
- H. Authorize application for 501(c)(3) status (tax exempt), application for CDE certification and creation of two limited liability companies all of which are necessary elements of or vehicles for deployment of NMTCs. The LLCs will only be utilized if and when PCIF receives a NMTC allocation and after further authority is granted by the Governing Board.

At the February 8, 2017 meeting, staff will describe the intent of each of these actions and discuss the necessary next steps toward securing a NMTC award. It is anticipated that staff will return to the Governing Board in spring 2017 to review the set of projects endorsed by the Advisory Board and approve an application to the CDFI Fund for a NMTC allocation. This application will highlight in greater detail the type, location, and public benefits of potential projects that could be funded with a NMTC allocation award.

ATTACHMENTS

- A. Portland Community Investment Fund Articles of Incorporation



Secretary of State
Corporation Division
255 Capitol Street NE, Suite 151
Salem, OR 97310-1327

Phone: (503)986-2200
www.filinginoregon.com

Registry Number: 1284807-95
Type: DOMESTIC NONPROFIT CORPORATION

Next Renewal Date: 01/19/2018

ATTN: ROBERT BETCONE
C/O PORTLAND DEVELOPMENT COMMISSION
222 NW 5TH AVE
PORTLAND OR 97209

Acknowledgment Letter

The document you submitted was recorded as shown below. Please review and verify the information listed for accuracy.

Document

ARTICLES OF INCORPORATION

Filed On

01/19/2017

Jurisdiction

OREGON

Nonprofit Type

PUBLIC BENEFIT

Name

PORTLAND COMMUNITY INVESTMENT FUND

Registered Agent

UNISEARCH, INC.
325 13TH ST NE STE 404
SALEM OR 97301

Mailing Address

ATTN: ROBERT BETCONE
C/O PORTLAND DEVELOPMENT COMMISSION
222 NW 5TH AVE
PORTLAND OR 97209

Registry No. 1284807-95

NONPROFIT ARTICLES OF INCORPORATION
OF
PORTLAND COMMUNITY INVESTMENT FUND

FILED
JAN 19 2017
OREGON
SECRETARY OF STATE

I, the undersigned natural person of the age of eighteen (18) years or more, acting as incorporator of a corporation under the Oregon Nonprofit Corporation Act, do hereby adopt the following Nonprofit Articles of Incorporation (the "Articles of Incorporation") for such corporation:

ARTICLE 1
Name

The name of the corporation is PORTLAND COMMUNITY INVESTMENT FUND (the "Corporation").

ARTICLE 2
Type

The Corporation is a public benefit corporation and its duration is perpetual.

ARTICLE 3
No Members

The Corporation will not have members.

ARTICLE 4
Purposes and Powers

The purposes for which the Corporation is formed, and the business and objectives to be carried on and promoted by it are as follows:

- (a) This Corporation is organized and shall be operated exclusively for charitable and/or educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder, or the corresponding section of any future United States internal revenue law, including, for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501(c)(3) of the Code or the corresponding section of any future United States internal revenue law. Notwithstanding any other provision of these Articles of Incorporation or the Bylaws of the Corporation, the Corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from Federal income taxation under Section 501(c)(3) of the Code and the regulations promulgated thereunder, or the corresponding section of any future United States internal revenue law, or (ii) by a corporation, contributions to

which are deductible under Section 170(c)(2) of the Code or the corresponding section of any future United States internal revenue law. The Corporation has all implied powers needed to carry out its purposes.

(b) The primary mission of the Corporation is to serve, or provide investment capital for, “low income communities” or “low income persons” (each as defined in Section 45D of the Code) within the City of Portland, Oregon as the Corporation’s designated service area (or such other service area as the Corporation may designate from time to time). Consistent with the foregoing, the Corporation may engage in all lawful purposes, activities, and pursuits presently or hereafter allowed to be carried on by a corporation which (i) qualifies under Section 501(c)(3) of the Code and (ii) is permitted by all applicable law.

(c) No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its exempt purposes. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to an candidate for public office.

ARTICLE 5 Management

(a) Management of the affairs of the Corporation is to be vested in the Board of Directors composed of such number of persons, (not less than three (3), as may be fixed by the Bylaws of the Corporation. Until changed by the Bylaws, the number of directors constituting the initial Board of Directors shall be five (5) persons. Except as set forth in subsection (c) herein, each Director of the Corporation shall also be a commissioner of the Portland Development Commission (“PDC”).

(b) Each PDC commissioner shall automatically serve as a Director without further appointment or election unless such PDC commissioner declines to serve as a Director. A Director shall be automatically removed if either he or she ceases to be a commissioner of PDC, or such PDC commissioner separately resigns as a Director of the Corporation. Each Director shall hold office for a term which is coterminous with such Director’s tenure as a PDC commissioner.

(c) The Portland Development Commission may appoint a temporary Director to fill a vacancy on the Board of Directors in the event a PDC commissioner declines to serve as a Director or resigns as a director of the Corporation, or in the event a vacancy exists on the PDC board of commissioner. Such temporary Director shall serve as a Director until he or she is replaced by a new person that is appointed as commissioner of PDC.

Registry No. _____

ARTICLE 6
Distribution of Assets on Dissolution

Upon the dissolution of the Corporation, all of the remaining assets of the Corporation shall be distributed only to the City of Portland, or to one or more organizations (each, a “Qualifying Entity”) created and operated for one or more exempt purposes within the meaning of Article 4(a) hereof other than for religious purposes, all of the foregoing within the meaning of Section 501(c)(3) of the Code and the regulations promulgated thereunder, or the corresponding section of any future United States internal revenue law; *provided, however*, that preference shall be given to one or more Qualifying Entities that supports economic development within the City of Portland, Oregon. Any such assets not so disposed of shall be disposed of by Multnomah County Circuit Court, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE 7
Registered Office and Registered Agent

The street address of the Corporation’s initial registered office is 325 13th Street NE, Ste. 404, Salem, OR 97301 and the name of the Corporation’s initial registered agent at such office is Unisearch, Inc.

ARTICLE 8
Amendments

These Articles of Incorporation may be amended by a majority vote of the Board of Directors of this Corporation in accordance with the Corporation’s Bylaws.

ARTICLE 9
Incorporator

The name and address of the incorporator of the Corporation is as follows:

<u>Name</u>	<u>Address</u>
Dan Budihardjo	Kantor Taylor Nelson Evatt & Decina PC 901 5 th Avenue, Suite 4000 Seattle, WA 98164

ARTICLE 10
Mailing Address for Notices

The mailing address to which notices may be mailed is:

c/o Portland Development
Commission
222 NW 5th Avenue
Portland, OR 97209
Attn: Robert Betcone

ARTICLE 11

Indemnification

The personal liability of any member of the Board of Directors, any duly elected officer of the Corporation, any PDC employee acting in support of the Corporation, and any member of the Advisory Board (as defined in the Corporation's Bylaws) (each, an "Indemnified Person") for monetary damages for conduct as a Director, officer, support services provider or Advisory Board member is eliminated to the fullest extent permitted by law, and the Corporation shall defend, indemnify, and hold each Indemnified Person from any loss or damage, including attorneys' fees actually and reasonably incurred by it, by reason of any act or omission performed or omitted by it on behalf of the Corporation or in furtherance of the Corporation's interests; provided, however, such indemnification or agreement to hold harmless shall be recoverable only out of the assets of the Corporation. The foregoing indemnity shall extend only to acts or omissions performed or omitted by an Indemnified Person in good faith and in the belief that the acts or omissions were in the Corporation's interest or not opposed to the best interests of the Corporation. The Corporation shall not eliminate or limit the liability of an Indemnified Person for any act or omission occurring prior to the date when such provision becomes effective, and such provision shall not eliminate or limit the liability of a director or officer for:

- (A) Any breach of the Indemnified Person's duty of loyalty to the corporation or its members (if any);
- (B) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (C) Any unlawful distribution;
- (D) Any transaction from which the Indemnified Person derived an improper personal benefit; and Any act or omission in violation of Oregon Revised Statutes 65.361 to 65.367; and


- (E) Any provision that under this chapter is required or permitted to be set forth in the bylaws.

[The remainder of this page is intentionally left blank.]

ARTICLE 12
Effectiveness of Filing

These Articles of Incorporation become effective when filed by the Secretary of State of Oregon.

IN WITNESS WHEREOF, the undersigned executes these Articles of Incorporation on this 18th day of January, 2017.



Dan Bucihardjo, Incorporator

Kantor Taylor Nelson Evatt & Decina PC
901 Fifth Avenue, Suite 4000
Seattle, WA 98164

Person to contact about this filing:


Tom Nelson
Kantor Taylor Nelson Evatt & Decina PC
901 Fifth Avenue, Suite 4000
Seattle, Washington 98164

Registry No. _____

CONSENT TO APPOINTMENT AS REGISTERED AGENT

Unisearch, Inc. hereby consents to serve as Registered Agent in the State of Oregon for **Portland Community Investment Fund**. As agent for the public benefit corporation, Unisearch, Inc. acknowledges responsibility to accept service of process on behalf of the public benefit corporation; to forward all mail to the public benefit corporation; and to immediately notify the office of Secretary of State in the event of resignation or of any changes in the registered office address.

Dated: January 18, 2017

Name:  Carol Berg
Title: Asst. Secretary