



PROSPER
PORTLAND
Building an Equitable Economy

DATE: June 18, 2025
TO: Board of Commissioners
FROM: Lisa Abuaf, Interim Executive Director
SUBJECT: Report Number 25-21
Authorizing Settlement of EDPA2 Litigation

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7613

Authorizing Settlement of EDPA2 Litigation, formally known as Case 3:22-cv-01896-SI; Emanuel Displaced Persons Association 2 (EDPA2), Gloria Campbell-Cash, Isaac Campbell, Izeal Campbell, Marilyn K. Hasan, Rosie Taylor, Elizabeth Foucher-Branch, Bobby Foucher, Karen Smith, Alicia Byrd, Brian Morris, Joanne Bowles-Spires, Claude Bowles, Mary Bowles Shoals, Royal Harris, Rahsaan Muhammad, Mike Hepburn, Beverly Hunter, Juanita Biggs, Connie Mack, Travante Franklin, Donna Marshall, Barbara Dumas, Lakeesha Dumas, James Smith Sr., C. Tyrone Dumas, and Valda McCauley v. City of Portland, Prosper Portland fka the Portland Development Commission, and Legacy Emanuel Hospital & Health Center.

This action by the Prosper Portland Board of Commissioners (Board) will authorize a settlement with the above-named plaintiffs for damages arising from an alleged conspiracy to displace Black households from Central Albina beginning in the late 1950s and continuing through the 1970s.

STRATEGIC ALIGNMENT AND OUTCOMES

This action settles a lawsuit brought by EDPA2 and 26 individuals who are survivors and descendants of the families who were displaced from Central Albina during the proposed Legacy Emanuel Hospital expansion.

BACKGROUND AND CONTEXT

On December 8, 2022, plaintiffs filed a complaint in the United States District Court for the District of Oregon. The complaint alleged claims for violation of 28 U.S.C. sec. 1985, public nuisance, and unjust enrichment. Defendant Legacy Emanuel Hospital settled the lawsuit in late 2024, and the terms of that settlement are confidential. By entering into the Settlement Agreement, Prosper Portland acknowledges Portland's systemic discrimination and displacement harmed Black communities beginning in the 1950s and continuing through the 1970s, by excluding them from homeownership and wealth-building opportunities; by denying them access to educational resources, jobs and healthy neighborhoods; and by perpetuating segregation, displacement, and harmful stereotypes through the zoning code, deeds and covenants, lending practices, public housing, and urban renewal.

The Settlement Agreement provides cash payment to the plaintiffs of \$7,500,000 from the City (the City Cash Payment) and \$1,000,000 from Prosper Portland. The City has requested that Prosper Portland

separately reimburse the City for a portion of the City Cash Payment. The resolution would authorize the Executive Director to make such reimbursement in an amount to be determined from funds that are available for this purpose within the Interstate Corridor TIF District Fund, provided that there is no impact to the Interstate Corridor TIF District's anticipated \$50 million in N/NE Action Plan commitments and other related projects.

In addition, the Settlement Agreement gives the plaintiffs the opportunity to perform due diligence and potentially acquire the properties commonly known as 240 NE MLK and 3620 NE MLK, which are together valued at \$2,299,180, for a total potential Prosper Portland contribution under the Settlement Agreement of \$3,299,180.

EQUITY IMPACT

Twenty-six descendants of Black individuals displaced by government actions at the local, state, and federal level in Portland during the 1960s and 1970s are receiving financial compensation and the other relief described in the Settlement Agreement, in addition to any amounts received through a confidential settlement with Legacy Emanuel Hospital. More broadly, Prosper Portland has acknowledged historic wrongdoings to the Black community in N/NE Portland and ongoing displacement impacts in the more recent past and worked to address these impacts through generational collaborations such as the Williams & Russell CDC Project and the Albina Vision Trust Partnership, and through partnership on City initiatives such as the N/NE Housing Strategy and the N/NE Community Development Initiative.

COMMUNITY PARTICIPATION AND FEEDBACK

Given the legal considerations of this specific action, staff did not conduct community participation specific to this item.

In acknowledgement of the import of the return of the Williams & Russell property to community, in 2018, the Williams & Russell Project Working Group (PWG) was established by a nominations committee made up of community-based organizations with ties to Portland and to Portland's Black community to guide the future of the site. The Williams & Russell PWG members included several second and third generation Portlanders who have personal experience and institutional knowledge about the community, family members who were displaced as a result of urban renewal tied to this area, and extremely strong ties to community-based institutions and organizations. Leaders of the EDPA2 group served on the PWG during the early stages of the effort. The EDPA2 members chose to step away from the PWG in 2019. The Williams & Russell CDC was formed from the work of the PWG in 2021 and the CDC has been working since that time to realize a community-led redevelopment of the Williams & Russell property.

BUDGET AND FINANCIAL INFORMATION

The \$1,000,000 payment will be made from Interstate TIF District Fund. If the payment is made in the current fiscal year (FY 2024-25), appropriations from current year projects and programs not spending by June 30 will be used to facilitate the payment. If the payment is made on or after July 1, 2025, in the new fiscal year budget, staff will request a budget revision to appropriate any funding necessary to incorporate the payment into the FY 2025-26 Budget. In both cases, the source of the payment ultimately will be available program income in the district and have no impact to the N/NE Community Development Initiative Action Plan investment commitments or to the additional resources made available through the district's increase in maximum indebtedness, including to the Williams and Russell CDC project. The payment will potentially be recuperated through litigation or settlement with Prosper Portland's insurers. Any recuperation would be returned to the Interstate Corridor TIF District Fund.

In addition to the cash payment from Prosper Portland, the Board resolution provides for the possible disposition of two properties valued at \$2,299,180 partially offset by the elimination of property management costs of those parcels, as well as the possible reimbursement of a portion of the City Cash Payment, to be taken from the Interstate Corridor TIF District Fund and subject to availability of additional discretionary program income in that district.

RISK ASSESSMENT

Approval by the Board will fully settle the lawsuit against Prosper Portland. No future public involvement is anticipated or necessary.

ATTACHMENTS

None.