

## **Williams & Russell Project Working Group Meeting Minutes Wednesday September 16, 2020, 5:30 - 7:30 pm**

### **Meeting desired outcomes:**

The purpose of the meeting is to discuss the Project Working Group Ownership subcommittee recommendations regarding ownership options and recommendations.

**Meeting Minutes:** On September 16, 2020, **Dr. Steven Holt** opened the Project Working Group (PWG) public meeting via Zoom and introduced the memorandum that was sent to the PWG by the Ownership Subcommittee two weeks prior for PWG consideration and discussion. He hosted a brief centering exercise acknowledging the political and forest fire contexts and pressures within which the PWG is meeting. The following is a brief outline of what was discussed.

**Mjayi Mernahkem** provided notice that Brian Terrett, Legacy Health, will be joining late due to a conflict and Nancy Wilson, Prosper Portland, is unable to attend. Dr. Holt shared James Faison will not be in attendance due to a conflict.

- 1. Ownership Memorandum:** Dr. Holt reintroduced the memo and the aim of walking away from tonight's meeting with a decision or determination by the PWG. **Bryson Davis** opened up the discussion with an overview of the Ownership subcommittee recommendation to form a new nonprofit to hold the land and manage the project. He also welcomed questions from the PWG regarding the other options described in the memo. The subcommittee's recommendation is for a new nonprofit with a board of at least 3 voting members that could expand as needed. The nonprofit could file for 501c3 status so it could receive contributions towards the project. With a new nonprofit, there is also the ability to shape a new organization guiding the work going forward – for example, the board could look similar to the PWG with different existing community-based organizations helping to shape the purpose, mission, and vision of a new organization and the project that aligns with the vision originally set forth by the PWG.

He also presented other advantages of a new nonprofit compared to a government related or partnering entity in that it could help address some of the friction and issues the PWG have had with Prosper Portland by hiring an independent staff person(s) to focus on and undertake project work.

He addressed a point Jillian Saurage brought up previously and clarified the new nonprofit would need to provide liability protections for its board members similar to other private or LLC organizations. Board members would have duty of loyalty, duty of care and engaging in good faith.

He presented that a major con of the new nonprofit approach is the lack of operating and financial history. Given that the entity would have access to land ownership and the related asset value, that would hopefully overcome some of that challenge.

He indicated there are still several more steps for the PWG to take if they support this recommended approach. The name, mission, purpose, and vision of the nonprofit will need to be determined together with a governance standard regarding who can be on the board and a process for determining initial board members. Once that is in place, then the PWG would need to transfer its authority over to the project to the new nonprofit. These are significant questions to answer and structures to put in place to make sure the new nonprofit is responsible and can be held accountable for carrying forward the work the PWG is doing.

He described the process the subcommittee undertook, including looking at the options summarized in the memo, discussing the pros/cons of each, narrowing it down to a shortlist of a new nonprofit and community land trust model. For the reasons stated in the memo, the subcommittee decided upon their recommendation.

Dr. Holt asked for Bryson to share a list of the Ownership subcommittee members – Bryson shared Michael Alexander, Charles Wilhoite, Leslie Goodlow, Stephen Green, and Sharon Maxwell (prior to her stepping off of the PWG) were members of the subcommittee. **Michael Alexander** indicated Bryson provided a thorough oversight and reflected on the subcommittee considering the pros/cons of an existing nonprofit relative to a new nonprofit. He described the intent of a new nonprofit as harvesting as much as possible the assets of the PWG and subject matter expertise that existing nonprofits serving the African American community today bring while acknowledging the fact that the project may need fluidity over time and may challenge the capacity of an existing nonprofit with a deep well of experience in one area but needing to grow/expand for the project. **Charles Wilhoite** reaffirmed this summary and the analysis.

The PWG then opened up the discussion for questions and clarifications.

- 2. Ownership Discussion:** **Lakeitha Elliott** inquired about the funding structure for a new nonprofit and whether funding could be leveraged through the ownership of the property. Bryson clarified that funding for staffing likely couldn't be covered in that way, but land ownership could contribute to construction and project development cost leverage. He was hopeful grant funding could help cover early operating and staffing funding, such as funding that has supported the PWG's work to date.

**Jillian Saurage** shared multiple questions and requests for clarification. She asked if the expectation is for the nonprofit to hire the developer or to transfer ownership to the developer. Bryson indicated the nonprofit would hold the land long term with the developer undertaking the development, but ownership would not pass to the developer. Jillian indicated that would preclude affordable housing because it creates obstacles to affordable housing funding sources like Low Income Housing Tax Credits (LIHTC) where the investor has to have ownership. She reflected on limiting benefits to a developer could limit the number of developer(s) interested in responding to the Request for Proposals (RFP) and that a shared ownership model could create more interest. **Lisa Abuaf** reflected on ownership, financing and the developer role all working together and shared the example of 106<sup>th</sup> & Halsey where structures of separating land ownership, financing and development ownership are doable. Jillian clarified if the intent is for the nonprofit to continue to hold the land or the development as well. Bryson indicated the latter as the goal is to manage the tenants and operations of the property over time.

Jillian also reflected on how the nonprofit board is formed and how its purpose stays true over time to the initial vision and purpose of the PWG. Bryson reflected on this as a challenge that would likely occur under different scenarios and the PWG could mitigate that risk through selection of the original board together with connecting the nonprofit's purpose to the work of the PWG and setting forth the selection processes for future board members.

Jillian posed the question of what the business proposition is for the developer if a shared ownership model isn't proposed. **Walter Robinson** brought up the importance of the concept of wealth creation through the project as one of the key considerations and needs to be considered when discussing ownership. He inquired whether the nonprofit is being created singularly for the site. Bryson responded that this is one of the reasons that the nonprofit's role in management of the building and tenants in the building long term needs to be considered. He suggested there should be opportunities to build in other components that the nonprofit could consider going forward into development (example: nonprofit as an information hub). Walter inquired if the nonprofit created would need to go through a competitive process or if the nonprofit would be awarded the land. Bryson address the nonprofit would be created for this specific project and therefore no rationale for bidding.

Walter contemplated if the nonprofit would have similar trust concerns with the community as a public/government entity given it doesn't have a track record, especially if the nonprofit is primarily seeking funds from governmental entities. The PWG discussed this is why it would be important for the PWG to decide upon the

formation of the new nonprofit and not government entities and could seek third party funds through foundations like Meyer Memorial Trust's investments in the PWG together with tax increment financing (TIF) for site based work.

Walter brought up the challenges to operating a nonprofit, particularly a brand new nonprofit during a recession, and the issues with receiving operating funds via a foundation or governmental support. Bryson reflected on the new nonprofits ability to leverage the work of the PWG as an asset of the nonprofit going forward. Michael agreed that the transition from the PWG to the next generation of this work would encounter these challenges under many of the scenarios the subcommittee considered. He expressed the singularity of purpose of the new nonprofit is an important and significant beginning point. He agreed with many of the challenges being brought up, some of which the PWG can address and some the new nonprofit needs to be charged to address. Charles seconded this and reinforced the import of a nonprofit with singularity of purpose and focus in developing something on that piece of property in the interest of the Black/African American community in recognition of historical wrongs.

**Tony Hopson** reflected on the decision today being about the best option for how to move forward and then taking up some of the additional questions coming up this evening as an outcome of that decision. He expressed confidence in the ability of the new nonprofit to garner resources to staff the new nonprofit based on the breadth of support the project has had to date.

**Chabre Vickers** appreciated the importance of singularity of purpose as critical to potential funders as well as the due diligence around how the nonprofit comes together will impact the ability to garner larger grants. From a development funding perspective, like LIHTC, this brings up a whole other layer of consideration. She contemplated the limitations to a new group and if this could become an extension of a rooted and beloved existing organization. **Karis Stoudamire Phillips** agreed with the singularity of purpose together with the capacity constraints existing organizations and inquired if the subcommittee considered or reached out to organizations who could be a partner. Bryson responded that one of the issues the subcommittee discussed was around the community politics to reaching out or connecting to an existing community nonprofit and with the interest of bringing together multiple community nonprofits.

Chabre reflected on the Asian Health Service Center and that a benefit to an existing nonprofit delivers to the community as a whole in a way that moves the project forward. Tony affirmed that the project coming to an existing nonprofit could disrupt the community. He added creating a new nonprofit is but a transition from and building on what the PWG has been doing as a committee. He added that several folks on the

PWG should be part of governing the nonprofit and taking the project forward. Michael contributed that the collective voices and lenses of the PWG and the work that's been done for the last two years would contribute to the nonprofit structure and agency of that structure going forward. **Anthony Deloney** shared some initial unease and the mandatory importance of this as a transition from the PWG to the nonprofit. He reaffirmed the importance of the meeting minutes and notes as background for how and the process by which the PWG got there.

Jillian reflected she would struggle with transitioning from the PWG to the nonprofit based on the scale of commitment is large and lack of clarity about how development funding would work. She also inquired about how the nonprofit furthers the goal of wealth creation to the community. Bryson reflected on the role of the nonprofit in waiving profit that a developer would otherwise pursue in ownership unit sales or business tenanting. Tony expressed the importance of a coalition of Black organizations coming together to capture this opportunity from a historical standpoint and to help address harms to the community.

**Justice Rajee** inquired about any considerations from Legacy Health regarding transfer of the property as an important part of the discussion. Charles affirmed transferring of land to a nonprofit rather than a for profit would have fewer challenges and that a sound entity will be important. Justice expressed the importance of the land having been taken out of community hands and that it should be a priority that it is returned into community hands with inquired about the opportunity for Black developers or entities to have shared ownership.

Justice asked about what a land trust could do relative to the nonprofit and how much different the roles would be in those scenarios. Bryson indicated the nonprofit could act as a land trust and vice versa. A new nonprofit could have a greater role and pivot to more functions beyond land holding. Jillian added a land trust could act as a deed restriction, for example around housing affordability, and is a way to maintain a mission statement related to the property for a long period of time (e.g. 99 years). Michael inquired about land trust bearings on development ownership. Jillian indicated that land trusts function similar to a land lease and is able to put restrictions on any future asset sales. The PWG discussed the similarities and differences of a land lease (which has a long, but limited term) relative to a land trust (which is in perpetuity). Michael inquired about the difference between structure and strategy and that there are multiple structures to accomplish the strategy.

**Lakeitha Elliott** provided a link to an article regarding land trusts and expressed concerns about creating a new nonprofit and whether it is disingenuous without

engaging the community first. Walter expressed interest in understanding how ownership would function with a new nonprofit, and Bryson shared starting with the nonprofit could function as a land trust and/or a community investment trust which could guide income generation but likely couldn't be the financing to fund the whole project. The PWG discussed examples of projects and nonprofit entities, like the Sabin Community Development Corporations that have been formed with similar purposes. Lakeitha supported engaging with existing nonprofits and expressed concerns about the community response to acting to form a new nonprofit before having reached out to existing nonprofits.

The subcommittee brought forward the recommendation to put in place a new nonprofit with PWG members as new board members for consideration by the PWG; reflected on the legitimate concerns and questions brought up through tonight's discussion; and clarified the decision is "if we do this" relative to "how we do this," acknowledging that is important next steps work. The PWG vote was 8 in favor (M Alexander, B Davis, A Deloney, T Hopson, J Rajee, K Stoudamire Phillips, W Robinson, C Vickers) and 2 against (L Elliott, J Saurage). PWG members expressed support for the providing information and responses addressing the questions and concerns of PWG members who voted no to be comfortable with the decision if possible.

- 3. CoChair & PWG Updates:** Bryson shared that based on the PWG's action, the Ownership subcommittee would continue to meet and bring forward governance recommendations for the PWG's consideration. He also conveyed that he and Lakeitha would be meeting with Albina Vision to discuss how to work together. He indicated there was a letter sent from attorneys representing EDPA2 looking for a discussion with the PWG. Finally, there is a meeting upcoming with Legacy Health, Prosper Portland and the City where they will discuss the extension of the Memorandum of Understanding.

Justice shared they had a Community Engagement subcommittee meeting and is working to compile meeting notes. The subcommittee also discussed outward facing communications and will be sending a proposal to the subcommittee and then to Mjayi for sharing with the PWG for discussion at an upcoming meeting.

Dr. Holt reminded the PWG of the next meeting on October 7<sup>th</sup> in the evening and the meeting concluded.

## PWG - Meeting Attendance Record

	Name	Representing	Email
✓	<b>Bryson Davis, CoChair</b>	Soul District Business Association (SBDA)	<a href="mailto:bryson.davis@harrang.com">bryson.davis@harrang.com</a>
✓	<b>Lakeitha Elliott, CoChair</b>	Community at large	<a href="mailto:lakeithaelliott@gmail.com">lakeithaelliott@gmail.com</a>
	<b>Cupid Alexander</b>	City of Portland, Mayor's Office	<a href="mailto:cupid.alexander@portlandoregon.gov">cupid.alexander@portlandoregon.gov</a>
✓	<b>Michael Alexander</b>	Black United Fund & Portland Opportunities Industrialization Center (POIC)	<a href="mailto:mcalexhog@aol.com">mcalexhog@aol.com</a>
	<b>Joy Alise Davis</b>	Portland African-American Leadership Forum (PAALF)	<a href="mailto:joy@paalf.org">joy@paalf.org</a>
✓	<b>Anthony Deloney</b>	Self Enhancement Inc (SEI)	<a href="mailto:anthonyd@selfenhancement.org">anthonyd@selfenhancement.org</a>
	<b>James Faison</b>	Professional Business Development Group (PBDG)	<a href="mailto:info@faisonconstruction.com">info@faisonconstruction.com</a>
	<b>Leslie Goodlow</b>	City of Portland, Portland Housing Bureau	<a href="mailto:Leslie.Goodlow@portlandoregon.gov">Leslie.Goodlow@portlandoregon.gov</a>
	<b>Stephen Green</b>	Black Investment Consortium for Economic Progress (BICEP)	<a href="mailto:greenerpasturesnw@gmail.com">greenerpasturesnw@gmail.com</a>
✓	<b>Tony Hopson</b>	Self Enhancement Inc (SEI)	<a href="mailto:tonyh@selfenhancement.org">tonyh@selfenhancement.org</a>
	<b>E.D. Mondainé</b>	Portland National Association for the Advancement of Colored People (NAACP)	<a href="mailto:edmondaine@ctoregon.org">edmondaine@ctoregon.org</a>
✓	<b>Justice Rajee</b>	Portland Opportunities Industrialization Center (POIC)	<a href="mailto:jrajee@portlandoic.org">jrajee@portlandoic.org</a>
✓	<b>Walter Robinson</b>	Portland African-American Leadership Forum (PAALF) & Urban League	<a href="mailto:wlrii45@gmail.com">wlrii45@gmail.com</a>
✓	<b>Jillian Saurage</b>	North/Northeast Housing Strategy Committee	<a href="mailto:jily99@gmail.com">jily99@gmail.com</a>
✓	<b>Karis Stoudamire Phillips</b>	North/Northeast Community Development Initiative Oversight Committee	<a href="mailto:karis.stoudamirephillips@modahealth.com">karis.stoudamirephillips@modahealth.com</a>
✓	<b>Chabre Vickers</b>	Wells Fargo	<a href="mailto:Chabre.L.vickers@wellsfargo.com">Chabre.L.vickers@wellsfargo.com</a>
✓	<b>Charles Wilhoite</b>	Legacy Health, Board of Directors	<a href="mailto:cawilhoite@willamette.com">cawilhoite@willamette.com</a>

### Additional Attendees:

✓	<b>Vicki Guinn</b>	Legacy Health	<a href="mailto:vguinn@lhs.org">vguinn@lhs.org</a>
	<b>Brian Terrett</b>	Legacy Health	<a href="mailto:bterrett@lhs.org">bterrett@lhs.org</a>
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### Action Item Log

1.	Ownership subcommittee discussions regarding governance; including understanding the questions & concerns of PWG members who voted no on the new nonprofit recommendation and providing additional information in response.
2.	Meeting with Albina Vision regarding partnership opportunities.