



Agenda - Final

Equitable Growth & Housing

Chairperson, Jeff Cramerding
Vice Chairperson, Reggie Harris
Councilmember, Meeka Owens
Councilmember, Mark Jeffreys
Councilmember, Anna Albi
Vice Mayor, Jan-Michele Kearney
Councilmember, Victoria Parks
Councilmember, Scotty Johnson
Councilmember, Seth Walsh

Wednesday, January 17, 2024

1:00 PM

Council Chambers, Room 300

AGENDA

1. [202400017](#) **REPORT**, dated 1/4/2024, submitted Sheryl M. M. Long, City Manager, regarding the City Plans for a New Disparity Study. (Reference Document #202302220).

Sponsors: City Manager

Attachments: [Report](#)
[Attachment](#)

2. [202400119](#) **MOTION**, submitted by Vice Mayor Kearney and Councilmember Johnson, **WE MOVE** for a report within sixty (60) days on establishing a Community Investment Trust (CIT) program in Cincinnati, including feasibility, costs, and steps for implementation. Portland, Oregon established its CIT program in 2015. The mission of the CIT "Learn-Invest-Profit" program is to move investors from "owing to owning." Residents of the building and of the surrounding communities, especially low to moderate income residents, are encouraged to be investors. Each investor invests a small dollar amount (\$10-\$100) every month into the building in which they are living. As time passes, the investors buy more shares in the building as the building value appreciates and the loan amount decreases. The investors pay expenses for the property. They receive an annual dividend when there is a profit. There is also a provision, a Letter of Credit, to protect the investors from losses. Investors may cash out at any time. Being an investor requires residency in the building or the surrounding community (as defined by zip codes), and participation in financial literacy classes. (STATEMENT ATTACHED)

Sponsors: Kearney and Johnson

Attachments: [Motion 202400119](#)
[Attachment](#)

ADJOURNMENT

January 4, 2024

To: Mayor and Members of City Council

202400017

From: Sheryl M. M. Long, City Manager

Subject: Communication response re Councilmember Motion on City Plans for a New Disparity Study

Reference Document #202302220

The City Council at its session on October 25, 2023, referred the following item for review and report:

MOTION, submitted by Vice Mayor Kearney, WE MOVE that the Administration prepare a report within the next thirty (30 days) on plans for a new disparity study ("Croson Study") for the City of Cincinnati including the timeline for issuing a new Request for Proposal from vendors through the targeted completion date for the study, as well as the proposed scope of the new disparity study.

Background

The City of Cincinnati's Department of Economic Inclusion ("DEI"), which administers and oversees the City's inclusion programs, was established in 2015. Before that, responsibility for administration of the City's race-and-gender-neutral inclusion program was vested in the Office of Contract Compliance under the City Manager's Office. To ensure economic opportunity and inclusion for all citizens seeking to do business with the City of Cincinnati and to serve as a catalyst for the growth of minority, women, and small businesses in the city and throughout the region, a disparity study was conducted in February 2015. Disparity studies are required for government agencies to stand up an MBE/WBE program. A disparity Study determines whether there is a statistically significant disparity in the percentage of dollars received by minority- and women-owned businesses under government contracts and the availability of those firms in the relevant geographic market area that cannot be explained by factors unrelated to race/ethnicity and gender.

The 2015 study analyzed the City's contracting for the period January 1, 2009, through December 31, 2013, and it analyzed the data by contract type, contract size, prime vs. subcontract spend, race, and gender. A copy of the July 2015 City of Cincinnati, Ohio Disparity Study Final Report can be found on DEI's website at www.cincinnati-oh.gov/inclusion/economic-inclusion-advocacy-accountability-board/ for reference.

To maintain the City's inclusion program, a new disparity study must be conducted every 5 to 7 years. Thus, staff embarked on a new disparity study with Griffin & Strong, PC (GSPC) in June 2021 and concluded in February 2023. GSPC performed a comprehensive review of the City's procurement and contracting processes and of City dollars spent with minority-owned and women-owned businesses as prime contractors and subcontractors. GSPC's methodology did not include non-certified MBE and WBE businesses in their calculation of availability. While GSPC found that disparities by race, ethnicity, or gender status of the firm owners remained, the subset used to determine these findings were limited to only certified firms. This inadvertently excluded non-certified minority and women owned firms; a large subgroup which was not analyzed.

In response to these findings and recommendations, effective September 30th, 2023, the previous Chapter 324 of the Cincinnati Municipal Code, Minority and Woman Business Enterprise Program, was repealed in its entirety. It was replaced with the new Chapter 324 Minority and Woman Business Enterprise Program. Effective October 1, 2023, the previous inclusion program was replaced with a new one due to GSPC’s disparity study findings.

Under the current programs, there is no option for Minority Women Business Enterprise (MWBE) Certification. All minority women (defined by race) are represented in the MBE category and are no longer eligible for WBE certification. The industry categories included in the 2023 disparity study are Construction, A&E (or Architecture and Engineering), Professional Services, Other Services, and Goods.

Under the City’s MBE/WBE Program, which was narrowly tailored to address the specific findings of the previous disparity study, the new program removes Asian Americans and African Americans from the goods category. Only women of non-color are included in the goods category. The inclusion program now also includes Hispanic-owned businesses in construction, A&E, professional services, and other services.

Pursuant to CMC § 324-15, each contract valued at \$50,000.00 or more is reviewed by DEI, in consultation with the Chief Procurement Officer, to determine the appropriateness for inclusion in the City’s MBE/WBE Program. For those contracts included within the program, DEI recommends specific mandatory subcontracting goals for the participation of City-certified MBE and WBE firms. Solicitations are advertised with MBE/WBE goals, SBE goals, or no goals as approved by the City Manager. Only those firms that have completed the application process, been individually vetted by DEI, and approved for certification by the City as an MBE or as a WBE may be counted toward the attainment of the established MBE/WBE contract goals. The following chart outlines the changes in eligibility criteria for different program categories from the previous program to the new program effective October 1, 2023. DEI will continue to monitor inclusion spending and generate quarterly reports.

| Program Category | Previous Eligibility | New Eligibility |
|------------------------------|---|---|
| Construction | All Women-owned and African American-owned firms | African American-owned, Hispanic American-owned, and Non-minority Woman-owned firms |
| Professional Services | All Women-owned and African American-owned firms | African American-owned, Hispanic American-owned, and Non-minority Woman-owned firms |
| Architecture and Engineering | - | African American-owned, Hispanic American-owned, and Non-minority Woman-owned firms |
| Non-professional Services | All Women-owned, African American-owned, and Asian American-owned firms | African American-owned, Asian American-owned, Hispanic American-owned, and Non-minority Woman-owned firms |
| Goods | All Women, African American, Asian American | Non-minority Women |

Recommendation

To ensure the city’s inclusion program eligibility is reflective of all available businesses in the City of Cincinnati and Hamilton County respectfully, staff recommends a new disparity study be conducted. The new disparity Study should review and analyze the City’s contracting over a 5-year period that includes January 1, 2019, through December 31, 2023. The new study should capture availability beyond certification status to ensure a holistic representation of MBE and WBE firms within the City’s geographic market area.

Summary of Proposed Scope of Services

The selected Consultant will evaluate the total number of minority-owned-and-controlled business enterprises, women-owned-and-controlled business enterprises, and non-minority/non-women-owned-and-controlled business enterprises within the City’s market area that are ready, willing, and able to do business with the city. The Consultant will also generate statistical data regarding the City’s utilization of contractors within each group to determine whether any statistically significant disparity exists. The analysis must include results disaggregated by gender and by racial/ethnic groups, including African Americans, Hispanic Americans, Asian Americans, and Native Americans. The analysis also should evaluate the data by contract type (Construction, Professional Services, Non-Professional Services, and Supplies/Goods) and by contract value. In its determination of market area, the Consultant should be aware that it is common in the Greater Cincinnati area for firms and individuals located outside the geographic boundaries of the City of Cincinnati, including those located in villages, townships, and smaller municipalities, to utilize “Cincinnati” in their mailing addresses. Moreover, the selected Consultant shall conduct a comparative analysis examining Cincinnati’s inclusion spend compared to cities of a comparable size.

Proposed Timeline

1. Preparation Phase (December 2023 – April 2024):
 - Compile and review City payment data
 - **Data migration updates
 - Finalize Request for Proposals (RFP) for firms to conduct the study.
 - Develop, review and finalize the RFP.
2. RFP Release and Firm Selection (April 2024 – June 2024):
 - Release the RFP to solicit bids from qualified firms.
 - Evaluate proposals and select a firm based on qualifications and cost-effectiveness.
3. Study Preparation (June 2024 – August 2024):
 - Contract negotiation with the selected firm.
 - Develop a detailed plan and methodology for the study.
4. Study Implementation (August 2024- June 2025):
 - Provide necessary data and information to the firm.
 - Commence the disparity study as outlined and agreed upon in the prepared plan.
 - Kick off meeting and presentation to City Council
 - Regular check-ins with the study committee and selected firm for progress updates.
 - Mid-point
5. Data Analysis and Reporting (June 2025 – September 2025):
 - Analyze collected data and information.
 - Compile findings and draft a comprehensive report.
6. Review and Presentation (September 2025 – November 2025)
 - Review the draft report internally for accuracy and completeness.
 - Prepare a presentation to the City Council summarizing the findings.
 - Present the final report to the City Council for review and discussion.

*****Challenges***

DEI is dedicating resources to improving the current data migration process. The data migration exports contract payments and PO payments from CFS to B2GNow by using Microsoft Access. DEI has been facilitating data migration over the past two years and has recently seen issues with payments not posting to the contract. The City’s Enterprise Technology Solutions department is investigating the issue as payment data will be a major component analyzed in the proposed disparity study.

Anticipated Fiscal Impact

Based on the proposed scope of services and previous proposal submissions, staff anticipates a total cost of \$900,000-\$1,000,000 to conduct a new unlimiting and comprehensive disparity study.

c:/ Natasha S. Hampton, Assistant City Manager
 Laura Castillo, Interim Director, Department of Economic Inclusion

SCOPE OF SERVICES/SPECIFICATIONS

A. Project Management Plan

The Consultant shall develop a project management plan that sets forth, among other things, a timeline for the initiation, progress and completion of each component of the disparity study; including the provision of periodic drafts of the disparity study report and the submission of a written final disparity study report; identifies the project management team that will be the city's primary contact throughout the disparity study, delineating the specific component(s) of the disparity study for which each member of the team shall be the primary contact; includes details regarding a project initiation meeting and regular progress and status update meetings with and reporting to the city, including DEI, to ensure any potential obstacle to the completion of the disparity study and submission of the final disparity study report on-time and within budget is identified at the earliest possible date; identifies records and data sources the Consultant will need to review in connection with the disparity study data collection and analyses; specifies plans the design and implementation of community engagement that is direct, meaningful and sets forth plans for participation in public hearings, and presentations to City leadership.

B. Legal Review and Analysis

The Consultant shall design and conduct a disparity study that meets the requirements of existing law, including the *Croson* decision and subsequent case law, with a specific, although not exclusive, consideration of cases from the 6th Circuit Court of Appeals, and any other relevant jurisprudence. Within a legal review section of the final disparity study report, the Consultant will provide an analysis of relevant law and will set forth both the requirements for a legally sound study and for the implementation of legally defensible remedies that will meet the applicable standard for judicial scrutiny if challenged. The legal section of the disparity report shall make clear how the disparity study and recommended remedies satisfy those requirements.

C. Availability Review and Analysis

The Consultant shall perform an appropriate review and analysis to determine the availability within the relevant market area of minority-owned-and-controlled and women-owned-and-controlled businesses, disaggregated by racial/ethnic group and gender, that are qualified, ready, willing, and able to do business with the City of Cincinnati, broken down by Construction, Architecture and Engineering, Professional Services, Other Services, and Supplies contracts.

1. The Consultant shall conduct an appropriate review and analysis to determine the relevant market area considering relevant jurisprudence, instructive caselaw, and the geographic distribution of city contracts during the study period. The final disparity study report shall identify the relevant market area, discuss the manner in which the Consultant made its determination, and include the summary data that supports the market area determination.
2. The final disparity study report shall discuss the manner in which the Consultant determined availability, specifically (although not necessarily exclusively) as it relates to how the Consultant (a) made its determination that a contractor is ready to do business with the city; (b) made its determination that a contractor is willing to do business with the city; and (c) made its determination that a contractor has the capacity/is able to do business with the city. To the extent to which the Consultant utilized the directories or other lists maintained by government agencies, chambers of commerce, or other organizations as a resource in determining availability, the final disparity study report shall specify each specific directory or list the Consultant determined was a credible and reliable source of such information and upon which it relied. In its determination of availability, the Consultant shall utilize, among other resources,

the City of Cincinnati's directory of city-certified SBE, SLBE, ELBE, MBE and WBE firms.

3. The Consultant shall categorize each minority-owned-and-controlled and women-owned-and-controlled businesses identified by the Consultant to be available ("ready, willing, and able to do business with the city") as a prime contractor or as a subcontractor and located within the relevant market area by race/ethnicity, gender, primary classification/contract type (Construction, Professional Services, Non-Professional Services, and Supplies/Services), and the primary North American Industry Classification System ("NAICS") code the Consultant determines is most appropriate for the nature of the work performed by the firm. If there is no appropriate NAICS code for the work, the Consultant shall identify the primary National Institute of Government Purchasing ("NIGP") code applicable to the firm.
4. The final disparity study report shall include summary information that indicates the number (disaggregated by racial/ethnic group and gender) and fractional proportion of those minority-owned-and-controlled and women-owned-and-controlled firms by classification/contract type and in total.
5. A detailed list of those firms included in the summary information shall be provided to the City of Cincinnati in an acceptable database format accessible by the City of Cincinnati and from which the city can filter, sort and export data and generate reports and visualizations. The information contained in the database detail shall include the name of the firm; any contact information (address, email, telephone number, etc.) provided to or culled from other resources by the Consultant; the primary NAICS code the Consultant determined was most appropriate for the nature of the work performed by the firm or, if there is no appropriate NAICS code for the work, the primary NIGP code applicable to the firm; the race/ethnicity and gender of the interests representing majority ownership of the business; the Consultant's determination as to the contract category in which the firm was included for purposes of the study; the source from which the firm was identified; and any other demographic information upon which the Consultant relied in its analysis.
6. The Consultant should determine, and the final disparity study report should address, whether there is evidence that private marketplace conditions and/or racial/ethnic or gender discrimination exists which may cause an imbalance in the availability and capacity of minority-owned-and-controlled and women-owned-and-controlled firms in the relevant market area.

D. Utilization Review and Analysis

The Consultant shall perform an appropriate review and analysis to determine the actual utilization of minority-owned-and-controlled and women-owned-and-controlled firms within the relevant market area as prime contractors and as subcontractors on city contracts during the identified study period, disaggregated by race/ethnicity and gender, by contract type, and by contract size.

1. The Consultant shall collect and review prime contractor payment data maintained by the City of Cincinnati in the City's financial system ("CFS"), the prime and subcontractor payment and award data exported to or directly entered into the B2Gnow third-party vendor system for contracts subject to subcontracting inclusion goals, the award data maintained by the City's Department of Economic Inclusion for contracts valued at \$50,000.00 or more that were approved by the City Manager through the Procurement Review process and were awarded to MBE or WBE firms and/or were subject to mandatory MBE/WBE inclusion goals, and all other project files, documents, databases, surveys, questionnaires or other information relevant to a determination of prime and subcontract awards and payments during the study period. To the extent there may be gaps in the city subcontract data, the Consultant shall reach out to

prime contractors to ascertain any necessary information.

2. The final disparity study report shall identify all sources from which the Consultant extracted prime utilization data and all sources from which it extracted subcontract utilization data.
3. All contracts valued at \$5,000.00 or above are to be included in the utilization analysis.
4. If the volume of purchases under \$5,000.00 makes it cost-prohibitive to include each of those individual purchases in the disparity study, the Consultant may utilize a statistically significant random sample of appropriate sample size and methodology for those purchases. The proposal should identify the sample methodology likely to be utilized, and the final disparity study report shall describe in greater detail the methodology utilized for selecting its representative sample.
5. The Consultant shall organize the utilization data using contract value ranges that, at a minimum, mirror the thresholds for the various procurement processes set forth in the relevant City ordinances and administrative regulations, i.e, \$5,000.00 and under, \$5,000.01 to \$49,999.99, \$50,000.00 to \$249,999.99, and \$250,000.00 or more. The Consultant may further subdivide that utilization data into smaller subsets if the Consultant believes useful and appropriate.
6. The final disparity study report will provide summary data for prime contractor utilization within each contract value range, disaggregated by contract type and further disaggregated by race/ethnicity and gender, indicating the number and relative percentage of total contracts and the dollar value and relative percentage of total dollar value of all contracts of that type for each racial/ethnic and gender group.
7. The Consultant separately shall provide to the city the underlying data identifying the specific prime contractors included in the summary information in an acceptable database format accessible by the City of Cincinnati and from which the city can filter, sort and export data and generate reports and visualizations. The information contained in the database detail shall include the name of the prime contractor; the contract number; the contract name (if applicable); the awarded value of the contract, including amendments and change orders; the award date; the primary NAICS code the Consultant determined was most applicable to the contract or, if there is no appropriate NAICS code for the contract, the primary NIGP code applicable to the contract; the race/ethnicity and gender of the prime contractor as considered by the Consultant in its utilization analysis; the Consultant's determination as to the contract category (Construction, Professional Services or Supplies/Services); the total payments made to the prime contractor under the contract; the Retained Payments (payments made by the City less payments made to subcontractors); and any other information upon which the Consultant relied in its utilization analysis.

E. Disparity Review and Analysis

The Consultant shall use the information from its Availability Review and Analysis and the information from its Utilization Review and Analysis to determine whether a statistically significant disparity exists between the expected utilization of minority-owned-and-controlled firms and women-owned-and-controlled firms (based on their availability in the relevant market area) and the actual utilization of those firms on City contracts during the study period.

1. The statistical analysis shall be conducted separately for prime contract utilization and for subcontract utilization within each contract dollar value range determined in the Utilization Review and Analysis.

2. Within each such prime contract and subcontract analysis, the Consultant shall determine and report whether there is a statistically significant disparity in the utilization of contractors by contract type (Construction, Professional Services, and Supplies/Services), with the information specifically disaggregated by race/ethnicity and by gender. The reported information included in the final disparity study report shall include the dollar value of the utilization, the percentage of utilization, the determined percentage of availability, the expected dollar value of utilization based on availability, and the identified disparity between the expected utilization and the actual utilization, if any.
3. The final disparity study report shall identify and generally discuss the statistical model and methodologies utilized to determine whether a statistically significant disparity in utilization exists within each group.
4. If the Consultant determines that a disparity exists in any category or group, the Consultant shall determine whether evidence exists, including but not limited to anecdotal evidence, that the disparity is the result of active or passive discrimination. That analysis also shall include a review of the city's relevant procurement ordinances, policies, regulations, and practices to determine whether there are any barriers to full participation in city contracting by minority-owned-and-controlled and by women-owned-and-controlled firms. The final disparity study report shall address those findings with specificity and shall discuss the existence or non-existence of such evidence. The information collected from interviews, surveys, questionnaires and other means during the disparity study shall be the property of and made available to the City at the end of the contract, or earlier if requested.

F. Recommendations and Remedies

The Consultant shall formulate and present recommendations for both race-and-gender-neutral and race-and-gender-conscious remedies, including amendments or modifications to existing programs, designed to address any identified statistically significant disparities in the utilization of minority-owned-and-controlled and women-owned-and-controlled firms in the relevant market area that are ready, willing and able to do business with the city.

1. Recommendations for race-and-gender-conscious remedies must be designed to meet the evidentiary requirements for the level of judicial scrutiny applicable to each such remedy if challenged. Such recommendations also should consider the effectiveness of the existing MBE/WBE Program and related procurement rules in achieving more inclusive and proportionate contracting with minority-owned-and-controlled and women-owned-and-controlled firms when compared to their availability in the market area.
2. Recommendations for race-and-gender-neutral remedies should take into consideration the effectiveness of the existing SBE Program and existing race-and-gender-neutral procurement rules in achieving more inclusive and proportionate contracting with minority-owned-and-controlled and women-owned-and-controlled firms when compared to their availability in the market area.
3. In the event any race- and/or gender-conscious remedies implemented by the city in accordance with the recommendations of the Consultant are challenged through litigation, the Consultant, if requested, shall serve as an expert witness to defend the disparity study and the recommendations of the final disparity study report, and the Consultant shall cooperate with the City in its preparation and presentation of a defense against such action.

G. Periodic Project Deliverables

1. Within 14 days of receiving notice to proceed with the disparity study, the Consultant shall have completed its initiation meeting with the city.
2. Within 30 days of receiving notice to proceed with the disparity study, the Consultant shall provide the DEI with a preliminary outline of the proposed final disparity study report, identifying the main section headings and any anticipated sub-section headings with a general description of the type of information that will be included within each heading and sub-heading.
3. Beginning 30 days after receiving notice to proceed with the disparity study, and continuing every 30 days throughout the contract period, the Consultant shall provide written progress reports to DEI that set forth, at a minimum:
 - a. A description of the specific activities conducted since the date of the last report;
 - b. The to-date progress toward completion on each component of the disparity study delineated in the approved Project Management Plan;
 - c. A description of the specific activities the Consultant plans to conduct within the next 30 days;
 - d. An indication as to whether any potential obstacles or issues have arisen or are foreseen but were not originally anticipated that may create a delay or cost overrun in the completion of any component of the disparity study; quantification of the projected resulting delay and/or cost overrun; the efforts made to-date to resolve those matters; and the proposed plan for moving forward; and
 - e. Any other information the Consultant believes may be relevant or the city, acting through DEI, may request.
4. At the midpoint in the established disparity study timeline, the Consultant's report for that month shall include the following additional information:
 - a. Provision to the city of access to all preliminary database information that has been collected to-date relative to the Availability Review and Analysis and the Utilization Review and Analysis;
 - b. Preliminary observations made from the data reviewed and analyzed to-date, including any assumptions made by the Consultant and any identified conditions that may impact the disparity study;
 - c. A list of all of the data sources reviewed by the Consultant to-date;
 - d. A supplemental outline of the draft final disparity study report with additional detail regarding the information to be included within each heading and sub-heading and the identification of any additional sub-headings; and
 - e. Any additional information that may be requested by the city.
5. No later than 60 days before the scheduled date for the submission of the final disparity study report, the Consultant shall submit a preliminary rough draft of the report in electronic form to DEI for the City Administration's review and comment. At the time of the submission of the preliminary rough draft, the services and analyses required by the scope of work under the contract may not be complete. However, the preliminary rough draft must be complete for any component of the disparity study for which the timeline for completion of review and analysis has passed without agreed amendment and must be substantially complete for any component of the disparity study for which additional time remains for completion of the review and analysis. If preliminary rough drafts of individual sections of the final disparity study report

are completed earlier than 60 days prior to the scheduled date for the submission of the final disparity study report, those individual sections can and should be submitted to DEI for review and comment as soon as they are available.

6. Within 14 days of receipt from DEI of the City Administration's comments, the Consultant shall revise the report to provide any clarification or supplementation DEI identifies as necessary to the provision of a clear, thorough, comprehensive, and legally defensible report, and the Consultant shall submit the revised draft to DEI for a final review.
7. Once finally approved by DEI as complete without the need for further clarification or supplementation, the final Disparity study report shall be provided to DEI in pdf form along with 12 bound paper copies.
8. At the conclusion of the contract, the Consultant shall provide the city with all notes, working papers, underlying records and analyses that may be helpful in defending the disparity study or any final disparity study report recommendations implemented by the city if the same were to be challenged by the initiation of any legal proceeding. A presentation shall be given in person to the City Council by the consultant summarizing the findings.



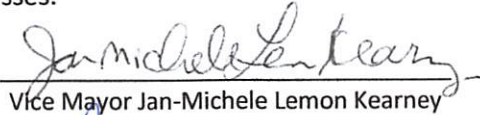
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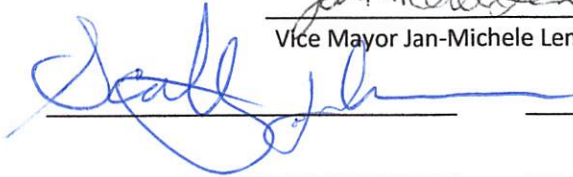
Jan-Michele Lemon Kearney
Vice Mayor

January 9, 2024

MOTION

WE MOVE FOR A REPORT within sixty (60) days on establishing a Community Investment Trust (CIT) program in Cincinnati, including feasibility, costs, and steps for implementation. Portland, Oregon established its CIT program in 2015. The mission of the CIT "Learn-Invest-Profit" program is to move investors from "owing to owning." Residents of the building and of the surrounding communities, especially low to moderate income residents, are encouraged to be investors. Each investor invests a small dollar amount (\$10-\$100) every month into the building in which they are living. As time passes, the investors buy more shares in the building as the building value appreciates and the loan amount decreases. The investors pay expenses for the property. They receive an annual dividend when there is a profit. There is also a provision, a Letter of Credit, to protect the investors from losses. Investors may cash out at any time. Being an investor requires residency in the building or the surrounding community (as defined by zip codes), and participation in financial literacy classes.


Vice Mayor Jan-Michele Lemon Kearney



STATEMENT

Portland, Oregon's Community Investment Trust (CIT) program uses a "Learn-Invest-Profit" model to break the cycle of poverty by moving investors from "owing to owning." The goal is to build generational wealth through ownership of real estate. The program focuses on low to moderate income families, but can also help young people just starting their careers as well as older residents who want to pass on wealth to their heirs.

CIT is a low-dollar, loss protected investment opportunity for all community residents. Investors build equity in a commercial property. CIT offers a long-term path to collective, communal ownership of real-estate for investors for \$10 - \$100/month. CIT aims to help all community residents benefit from economic prosperity and build community through financial inclusion.

Portland started its CIT in 2015. By 2019, 33% of investors reported improved credit scores, 65% reported becoming more involved in their community by participating in neighborhood events, and 96% reported using the financial planning techniques to stay on track for their financial goals.

PHILOSOPHY

CAL → Equitable Housing.

JMLK

(1) The Commission on the Status of Women (CSW) was established in 1946 by the United Nations. Its mandate was to study the status of women in all countries and to make recommendations for their improvement. The Commission has since held several sessions and has produced a number of reports and resolutions. One of its most significant achievements was the adoption of the Declaration on the Equality of Rights of Men and Women in 1948, which states that men and women have equal rights and should enjoy equal opportunities in all spheres of life.

The Commission has also been instrumental in the development of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), which was adopted in 1979. This convention is the only international human rights treaty that deals specifically with the rights of women. It obligates states to eliminate discrimination against women in all areas, including political, economic, social, cultural, and domestic violence. The Commission continues to monitor the implementation of CEDAW and to provide technical assistance to countries in this regard.

The Commission has also been active in promoting women's participation in decision-making at the national level. It has held numerous workshops and seminars on this topic, and has produced a number of reports and resolutions. One of its most recent reports, "Women's Participation in Decision-Making: A Review of Progress and Challenges," highlights the need for greater gender equality in leadership and decision-making. The Commission continues to work towards achieving this goal through its various activities and initiatives.

The Commission's work is essential for the achievement of the Sustainable Development Goals (SDGs), particularly Goal 5, which aims to achieve gender equality and empower all women and girls. The Commission's reports and resolutions provide valuable guidance for governments and other stakeholders in this regard. Its continued efforts are crucial for ensuring that women's rights are fully realized and that they play an equal role in the development of their countries.

Memo

To: Vice Mayor Kearney

From: Anthony Stevens

Date: 11/30/2023

Subject: Community Investment Trust

- Investors make money by following our Learn-Invest-Profit steps:
- Through the CIT class, investors LEARN how to Move from Owing to Owning, then enroll to INVEST \$10, \$25, \$50, or \$100 per month.



- As time passes, investors buy more shares in the building. During that time, the property appreciates, and the loan owed on the property goes down.
- The combination of the two factors increases the value of the CIT shares.



POTENTIAL VALUE OF CIT BUILDING

- During the year the building tenants pay rent and expenses for the property. When there is money in the end that is PROFIT, investors receive an annual dividend.



- What sets the CIT model apart is that we have built-in a provision to protect the shareholder's investment from losses through a Letter of Credit.
- Start investing and build assets
- Earn Annual Dividend (minimum 2%)
- See the value of your shares appreciate over time with the appreciation of the property value and the pay-down of commercial mortgage

- Build your investment that's protected from loss
- You can cash out at any time and every year you know what your sale price will be
- Property Viability evaluates the property's price and estimate of improvement costs relative to assessed and market values.
- 2. Government Support evaluates the potential for government funding (is the property in an urban renewal area, transportation corridor or area of other public sector attention and potential support?) Governmental support can influence the financial bottom line of a project in a variety of positive ways, including subordinated debt (increasing potential transaction size) and soft cost offset programs. Government support is not necessarily expected or required in each transaction, but it can have significant implications for the feasibility of a given project.
- 3. Housing lists the number of units of affordable housing and housing agencies within a two-mile radius of the property.
- 4. Partners lists and evaluates the number and quality of potential partner groups such as neighborhood associations, non-profits, schools, churches, libraries and community-based groups. Partner organizations will play a key role in outreach, community engagement, and education in any project location.
- 5. Flexibility lists and scores the flexibility of the property through its property value, land to improvement value, lot size, building to lot size, age, condition and zoning.
- 6. Location relates to various aspects of the property's location visibility, proximity to public transportation and current or potential tenant mix.
- 7. Neighborhood lists the conditions of the neighborhood such as the poverty rate, median income, ethnic diversity and primary languages spoken.

| Entity | Date | Value | Financing/ Debt | Notes |
|---|----------|--------------------------|---|---|
| Plaza 122 Community Investment LLC (single member LLC of MCNW) | 12/18/14 | \$1,200,000 | \$900,000 Beneficial State Bank (interest only loan) \$115,000 Impact Investor Loan \$115,000 Impact Investor Loan \$122,782 Loan MCNW | See closing document for detailed reconciliation |
| Plaza 122 Community Investment LLC | 6/6/17 | \$1,540,000 | \$920,000 Northwest Bank (included \$20K cash deposit) \$115,000 Impact Investor Loan \$115,000 Impact Investor Loan \$220,000 Loan MCNW | Loan to LLC without recourse to Mercy Corps. Loan increased due to capex on Plaza 122 |
| Plaza 122 Community Investment LLC | 7/14/17 | \$1,540,000 | \$150,000 Letter of Credit Note: LC with primary mortgage of \$920,000 subject to a 75% LTV (Loan to Value) of Plaza 122 at \$1,540,000 | Loan to LLC without recourse after ownership transfer below |
| Plaza 122 Community Investment LLC (single member LLC ownership transferred to East Portland CIT Corporation) | 7/31/17 | \$1,540,000 ^b | \$181,597 Capital appreciation Mercy Corps ^b \$243,824 Loan MCNW | Loan to Mercy Corps increased due to asset transfers (cash, deposits) to Plaza 122 Community Investment LLC |

Table 1: Transaction History of East Portland CIT Corporation (aka Plaza 122)