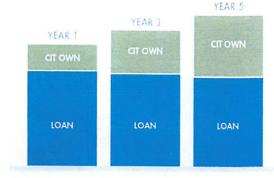# Memo

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.

COMMUNITY INVESTMENT TRUST

- 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[5]	$181,597 Capital appreciation Mercy Corps[6] $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)