



AGENDA

GOVERNANCE GROUP

November 15, 2019 2:00 – 4:00 pm

401 5th Ave, Room 115

Seattle, WA 98104

Call-in: 206-263-8114 #6923351

<u>Time</u>	<u>Agenda Item</u>	<u>Facilitator</u>
2:00	Welcome & Introductions Grounding – Equity Reflection	Michael Brown, Marguerite Ro
2:10	Consent Agenda	Michael
2:10	Invitation and Announcements	Andréa Akita
2:25	Decision: Commercial Affordability Pilot Program	José Camacho Martinez
2:40	Briefing: Systems and Policy RFP Process	Dionne Foster
2:55	Data Discussion Involuntary Displacement, Residential Mobility	Marguerite Ro
3:25	Strategy Discussion: January Retreat	Andréa
3:45	Adjourn	

***A planning / executive session with Governance Group Members will immediately follow the Governance Group meeting from 3:45 to 4:00 pm**

Next Meeting: December 20th

Governance Group Members

*Lydia Assefa-Dawson
Michael Brown
Deanna Dawson
Andrea Estes
Ubax Gardheere*

*Rod Dembowski
Matelita Jackson
Paola Maranan
Jenn Ramirez Robson
Yordanos Teferi*

*Marguerite Ro
Sili Savusa
Tony To
AJ McClure*



COMMUNITIES OF OPPORTUNITY GOVERNANCE GROUNDING

RESULTS STATEMENT

Create greater health, social, economic and racial equity in King County so that all people thrive and prosper, regardless of race or place.

GUIDING PRINCIPLES

- Consistently demonstrate the values of equity, respect and partnership.
- Ensure low-income communities and communities of color affected by inequities develop and own the solutions.
- Advocate for and change institutional policies and processes to support equity goals.
- Encourage investments (both funding and in-kind resources) in long-term community capacity building and in systems, policy and practice changes that lead to greater racial and economic equity throughout King County.
- Catalyze alignment of funding streams and partner across issues and sectors to seek preventive strategies that address root causes of today's inequities.
- Be transparent and show how data and community expertise inform initiative strategies.
- Continuously learn, improve and share work publicly.
- Focus on geographic communities with the greatest needs, while simultaneously sharing lessons learned and building relationships across King County – *We are one King County.*

VALUES

We commit to guide Communities of Opportunity using these values:

Equity: work intentionally to eliminate racial, ethnic, socio-economic and geographic disparities in health and well-being

Process Equity: an inclusive, fair and open process

Community Engagement: authentic community engagement that involves listening to and understanding the unique histories of communities

Driven by quantitative and qualitative data: Data will track and report progress, as well as support given for promising and evidence-based practices

Innovation: Recognize that change involves risk and value an adaptive approach that views failure as an important part of the learning process

2 - Communities of Opportunity - Governance Group Meeting Notes

Friday, October 18th, 2019, 2019 2:00 pm – 4:00 pm

Location: Seattle Foundation, Board Room

Members Present: Michael Brown, Jenn Ramirez-Robson, Marguerite Ro, Ubax Gardheere, Tony To, Yordanos Teferi, Marty Jackson, Andi Smith (for Andrea Estes), Paola Maranan **On Phone:** Aj McClure

COO Staff: Andréa Akita, Amanda Kay, Aaron Robertson, Kalayaan Domingo, Dionne Foster, Cristina González

Other Attendees: Kim Tippens (PHSKC), Daniel Casey, (PHSKC), Tiernan Martin (FutureWise), Yen Baynes (WCCDA), Dao Tran (WCCDA), Aaron Garcia (WCCDA), Haregu Kidane (RV), Kris Hermanns (Seattle Foundation)

Consent Agenda: Governance Group (GG) approved the consent agenda that included meeting minutes from September 20th, 2019.

Commercial Affordability RFP

Andréa reviewed the goals for the Commercial Affordability Pilot, the RFP process, and role of the Governance Group in the process. Through the pilot program, COO seeks to identify and develop models, tools and services that increase community ownership as part of an anti-displacement and equitable development strategy and slow the displacement of businesses within the Communities of Opportunities region. COO is making up to \$1.5 million available for a two-year pilot program. We received 8 proposals; a Review Committee has been assembled that includes GG members, Ubax Gardheere and Michael Brown, along with community partners, and individuals with experience in community development finance and lending; we also invited county council representatives to participate as non-voting members. José Camacho Martinez has done an excellent job of facilitating the Review Committee and he will be bringing the recommendations of the review panel to Governance Group in November.

Neighborhood Change and Displacement

Gentrification and displacement are reshaping areas of King County. Involuntary displacement is one of the COO 'headline indicators' that we seek to measure. A number of COO partners and staff are working to better understand how different areas are changing. Three newly developed tools were presented: 1) the [COO Neighborhood Change Typology](#), 2) a metric (social distance) that compares social, economic, and demographic characteristics of new residents to current residents in a way that considers the current qualities of the neighborhood, and 3) maps and metrics showing how residential mobility varies by time, place, and socioeconomic characteristics.

Tiernan Martin and Yen Baynes (FutureWise) and Daniel Casey and Kim Tippens (Public Health APDE) jointly presented the tools to the group. They noted several limitations including the use of relative measures as opposed to a baseline measure, which they do not have. As well as data is not disaggregated by race, ethnicity, or neighborhood.

The tools and data highlight different approaches that are helping to describe the impacts of involuntary displacement. There's not a single tool or approach that adequately describes the context and impact on communities. The initial research generated lively discussion that emphasized gaps and needs for qualitative data that will help to amplify the impacts and experience within communities.

There was not sufficient time for discussion and interpretation of the information presented. The consensus was to continue the conversation at November meeting.

Meeting adjourned at 3:35 pm

DRAFT

3 - Staff Report

November 2019 Governance Group Meeting

Governance Group Agenda Items

The agenda for the Governance Group meeting includes the following topics:

(1) Commercial Affordability RFP – Recommendation and Decision

Last month we reviewed the goals for the Commercial Affordability Pilot, the RFP process, and role of the Governance Group in the process. We will seek a decision from the Governance Group to award a contract for a Commercial Affordability Pilot Program. José will walk through recommendations from the Review Committee. See Item 4 in your agenda packet for the decision/background memo.

(2) Systems & Policy RFP

Dionne will briefly review the goals for the Systems & Policy Request for Proposal (RFP), the RFP process, and role of the Governance Group in the process. In December we will seeking a decision from the Governance Group to make funding awards.

(3) Neighborhood Change and Displacement – Continued

Our discussion will focus on interpreting the data/information presentations that we received during the October meeting. We want to explore questions that can further shape quantitative and qualitative data that we gather to describe impacts and support communities & decision makers in developing solutions and directing resources.

(4) Retreat Planning

We would like to hold a Governance Group retreat in early 2020. Please respond to Amanda’s email message regarding potential retreat dates in January.

PROGRAM UPDATES

Additional staff updates on COO’s Place-based partnerships, Learning Community, Economic Development/Economic Opportunity, and Evaluation are described below.

We are working on RFP review processes including scheduling and attending site visits with systems & policy change applicants, engaging with partnerships for a funding renewal of the Place-Based and Cultural Community partnerships, and rolling out multiple Learning Community activities (described in the October staff report). In addition, we have been participating in contract/finance site visits with King County-contracted partners and providing technical assistance to help respond to needs that are identified through these visits.

One of the major events taking place this week is the:

- **Equitable Development Summit.** COO with the City of Seattle Equitable Development Initiative are co-sponsoring the 2019 [Equitable Development Summit](#) on November 14-15 at the Northwest African American Museum. The two-day event will bring together individuals and groups who are actively working on anti-displacement strategies and equitable development projects in King County. The agenda will feature [Nwamaka Agbo](#), a leader and practitioner in Restorative Economics, who will join us from Oakland.

4 - Communities of Opportunity: Commercial Affordability Pilot Decision Memo

PROPOSED ACTION:

Award \$1,500,000 to the National Development Council to create a Commercial Affordability Pilot Program for a two-year contract term, effective January 1, 2020 through December 31, 2021.

Review Committee Recommendation

Communities of Opportunity received eight proposals. The list of organizations that applied for funding is attached.

The review committee unanimously recommends that funding be awarded to the National Development Council (NDC) and its partners, Craft3, BDS Planning & Urban Design, and Moving Beyond. Their proposal included a programmatic approach to provide capital and assistance to address commercial affordability for specific community driven projects that combined small business support, real estate finance and development tools:

Small Business Support

- Provide technical assistance to strengthen and support small businesses. For example, one-on-one, pre-loan technical assistance to assess loan readiness; consultation and assistance with financial projections and general business counseling; and connecting entrepreneurs with business resources as applicable and appropriate to meet the unique needs of businesses.
- Research and development of a more equitable credit-evaluation process that would allow more entrepreneurs of color and low-wealth entrepreneurs to qualify for funding.
- Formation of a community-backed loan guarantee fund to support commercial affordability or anti-displacement projects that can offset inadequate collateral available, a common barrier to accessing capital especially for tenant improvement projects by entrepreneurs of color or low-wealth entrepreneurs.

Real Estate Finance & Development

Assist small businesses and property owners with tenant improvements required for occupancy or improvements to tenant space to support business growth. Small businesses have a difficult time achieving construction efficiencies with required tenant improvements and, as a result, typically pay a higher renovation cost per square foot.

- Seek a programmatic approach to tenant improvements that could pool design firms and general contractors, so services are streamlined and expedited for businesses.
- Specific expertise for businesses engaged in food services to evaluate the business approach, costs and space configuration to achieve maximum results.
- Work with public agencies and community-based organizations to evaluate available commercial space to make it available to existing businesses in the community or provide space for new and growing businesses.
- Provide Real Estate Development training to COO members.
- Establish and manage a diverse capital stack for real estate development.

RFP BACKGROUND

Commercial Affordability Pilot Program Goals and Objectives

Communities of Opportunity (COO) released a Request for Proposal (RFP) that seeks to combat financial and environmental pressures that small businesses are experiencing with the rapid growth and development in Seattle/King County. Commercial affordability involves a complex and interrelated set of issues that affect small businesses in a variety of ways. Both financial and environmental contribute to the displacement of established businesses that are experiencing higher rent prices for commercial space, low vacancy rates, inventory that may not meet needs, and inequitable access to small business loans.

The Commercial Affordability Pilot seeks to identify and develop models, tools and services that increase community ownership as part of an anti-displacement and equitable development strategy and slow the displacement of businesses within the Communities of Opportunities region. The goals and objectives for a pilot program include:

- Build upon existing successful models to test or expand approaches that will influence systems/policy change and investment practices to promote micro/small businesses to remain in their community, to benefit from development, revitalization, investment, and contribute to economic stability and resiliency in COO communities.
- Increase access to capital by communities where current lending products/models have not been available or acceptable.
- Create tools that address needs of micro/small businesses to access capital and leverage resources for feasibility studies, tenant improvements/capital improvements.
- Provide technical assistance for small/microbusiness retention.
- Identify barriers and solutions to public investment to support strategies.

RFP Process timeline

RFP Release Date	August 20, 2019
Outreach and info sessions	August – September 2019
RFP Applications Due	September 26, 2019
Review Committee Orientation & Anti-Bias Training	September 27, 2019
Review Period	October 1 – 13, 2019
In person Review Committee Session	October 15, 2019
Recommendation to Governance Group	November 15, 2019
Notice of selected and non-selected proposals	November 29, 2019
Contract development	November – December, 2019
Contract Term	January 1, 2019 – December 31, 2021

RFP Review Committee Members

As part of the review committee outreach and selection process, we included outreach to small business owners, non-profit staff and professional along with other regional experts in the areas of small business development, real estate development, and economic development. As part of these effort we offered stipends, and flexibility in scheduling to meet the needs of the review committee schedule. Small business owners expressed limited capacity, scheduling conflicts and other barriers that would not allow them to commit to fully participate in the review committee process.

As part of Best Starts for Kids, COO is required to extend an invitation to all King County Council staff to participate in the review process as non-voting members, of the nine, two council member staff showed interest in the process and were available to participate through the review committee schedule.

Michael Brown –COO Governance Group member

Ubax Gardheere –COO Governance Group member

Barney Herrera – Seattle Credit Union, VP Strategic Partnerships

Jan Laskey – Bank of America, Senior Vice President – Community Development Lending Northwest

Maria Ramirez – South Park Information and Resource Center, Board Member and Consultant

Catherine Martin – JPMorgan Chase, Vice President, Pacific Northwest, Global Philanthropy

Non-voting members

Lane Covington – King County Councilmember Lambert staff

Grant Lahmann - King County Councilmember McDermott staff

Hugo Garcia – Economic Development Program Manager, King County Department of Local Services

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2019 Commercial Affordability Applicants

Organization Name	Partners	Project Location	Amount	Summary
Africatown Community Land Trust / Black Dot	Craft3. Business Impact Northwest.	Central District	\$686,250	The proposed vision and approach is to leverage the work of Black Dot (in terms of business development) and Africatown Community Land Trust's work in the built environment to create affordable spaces for black/people of color entrepreneurs to house their businesses.
Business Impact NW	Homestead Community Land Trust. Black Dot. Central Area Collaborative. Housing Development Consortium.	Central District	\$472,700	Business Impact NW proposes to increase community ownership of commercial space through the creation of a limited cooperative-owned mixed use model, including affordable housing, affordable commercial space, and affordable nonprofit commercial space.
CREA Affiliates, LLC	Seattle Business Education HUB. World Relief Seattle. Business Impact NW. Multicultural Community Coalition. Rainier Valley Community Development Fund. Tie Seattle. Totally Buiness Triar. MBDA	King County	\$1,500,000	CREA's vision is for a Commercial Affordability Program is that of a multi-pronged and comprehensive suite of tools, strategies and partners that will provide holistic and impactful support to marginalized and other small businesses in King County.
El Centro de la Raza	Seattle Credit Union. Mercy Corps. Business Impact Northwest. SCORE Greater Seattle. Seattle and King County Public Library System.	Federal Way - S. King County	\$494,863	El Centro de la Raza proposes to exapnd program already being implemented in South King County locations: the 8-week business development training course, comprised of a series of workshops in both English and Spanish that cover legal requirements, taxes, licensing, insurance, marketing, digital marketing, sales plans, and business management/expansion related issues specific to program participants.
Mercy Corps NW	Highline College. South Seattle Chamber of Commerce.	S. King County	\$1,500,000	The goal of Mercy Corps NW's proposal is to address financial and environmental pressures by better ensuring equitable economic development in COO through three objectives: 1) Strengthen the financial health, knowledge, and security of small businesses that have been historically under-represented, marginalized, and under-served; 2) increase income and assets for entrepreneurs earning 80% or less of the area median income; and 3) enhance linkages of small businesses to COO.
National Development Council	Craft3. BDS Planning. Moving Beyond.	King County	\$1,500,000	NDC proposes to address commercial affordability throuh real estate and business finance. The business underwriting will help determine sustainable rent levels that we would look to achieve in the real estate financing. Better understanding the long-term needs of the business provides a better understanding of the real estate subsidy needs and provides a more holistic approach to business growth
Seattle University Innovation and Entrepreneurship Center	Community House. TenForward. Small Business Administration SCORE. Project Management Institute CARES.	Central District	\$878,153	Through RAMP, businesses each have a designated client account manager (CAM), who acts as a single point of contact for access to bundled services including: 1) orientation and referrals to publicly-available services such as the SBA, City of Seattle, SHA, local chambers of commerce, and small business technical assistance; 2) training in primary business skills; and 3) access to financial services and products.
Ventures	Wayfind. Evergreen Business Capital. White Center Community Development Association.	White Center, Burien, Tukwila	\$1,500,000	The collaborative seeks to expand Ventures' successful microenterprise and advocacy program, increase access to commercial loans and create neighborhood and industry-specific tools for at-risk businesses. After successful development and implementation in Burien, Tukwila and White Center, we will formalize a "Commercial Affordability Program" that can be replicated.