

Small Bank Looks to Make Big Impact

Albina Bank expands opportunities

BY ERIKA-LEIGH GOODWIN
THE PORTLAND OBSERVER

It is unusual to find a bank whose goal is the growth of its community.

"As banks go, we're pretty weird," said President and CEO Robert McKean. "We're one of about 55 certified community development banks in the country."

The bank's genesis came from lawsuits filed against two of the city's major power companies in the late '80s. Pacific Power and PGE settled the disputes over failed investments and nuclear power. PGE chose to provide a rebate to its ratepayers while Pacific Power chose another avenue to make amends.

"Pacific Power wanted to do something that had a little more community value and a longer lasting effect," McKean said.

Pacific Power placed funds in the Oregon Community Foundation part of which was allocated to create a sustainable financial resource in Northeast Portland.

A committee was charged with determining what to do with the resources.

"They were sitting around my (board) vice chair's kitchen table talking about what they could do that will have a lasting value and be a community resource," said McKean. "They came across the concept of community development banking."

The Pacific Power grant matched with dividends from local investors made Albina Community Bank a reality.

Albina currently has 285 shareholders. With 52 percent of its shareholders being women or ethnic minorities, the US Treasury Minority Deposit Program has certified Albina as a minority owned bank.

"Because we're a bank, by regulation we cannot be a nonprofit; we have



Albina Community Bank is a minority-owned financial institution headquartered on Northeast Martin Luther King Jr. Boulevard.

PHOTO BY MARK WASHINGTON/THE PORTLAND OBSERVER

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to be very mindful of both the safety and soundness of how we operate, but also provide a decent return to support growth and the operation of the bank," McKean said.

Albina is full-service bank, which provides affordable financial services for the "economically underserved."

"We're very clear about our mission," said McKean. "When the bank was first founded, the original mission was to accelerate the redevelopment of north and northeast Portland while working to ensure that low and middle income persons and small businesses share in that economic upturn."

In 2004 the bank provided nearly \$4 million in affordable housing homeowner loans in the community and more than \$16 million in commercial loans.

Albina's employees play another role in redeveloping the community through volunteer service. In 2004 the bank's 48 employees completed 3,423 hours of service with Junior Achievement, the Ways to Work Program, the Greater Portland Urban League and Ethos to name a few.

The Scholastic Plastic Visa Card Program generated more than \$6,000 for five north and northeast Portland schools.

"After 30 years in the business this is the only company that I've ever worked for where we talked about whether or not what we're doing is central to the mission of the bank," McKean said.

McKean said that the mission is a constant factor in decisions made when looking for loans, depositors or what to do with foreclosed properties.

Albina's board has noticed and responded to a developing trend in the several of the nation's economically disadvantaged minority communities.

"About two years ago our board sat down and talked through what's happening in northeast Portland; there has been marked gentrification throughout specific parts of northeast Portland over the course of the last five years."

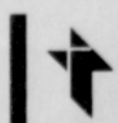
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– Faye Burch, FM Burch & Associates

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Treasury Fund Helps Disadvantaged

The U.S. Treasury Department has awarded \$234,000 to Albina Community Bank for community development initiatives completed in 2004. The

recent award was recognition of the northeast Portland minority bank's efforts to provide critically needed financial products and services to eco-

nomically disadvantaged people.

The Community Develop-

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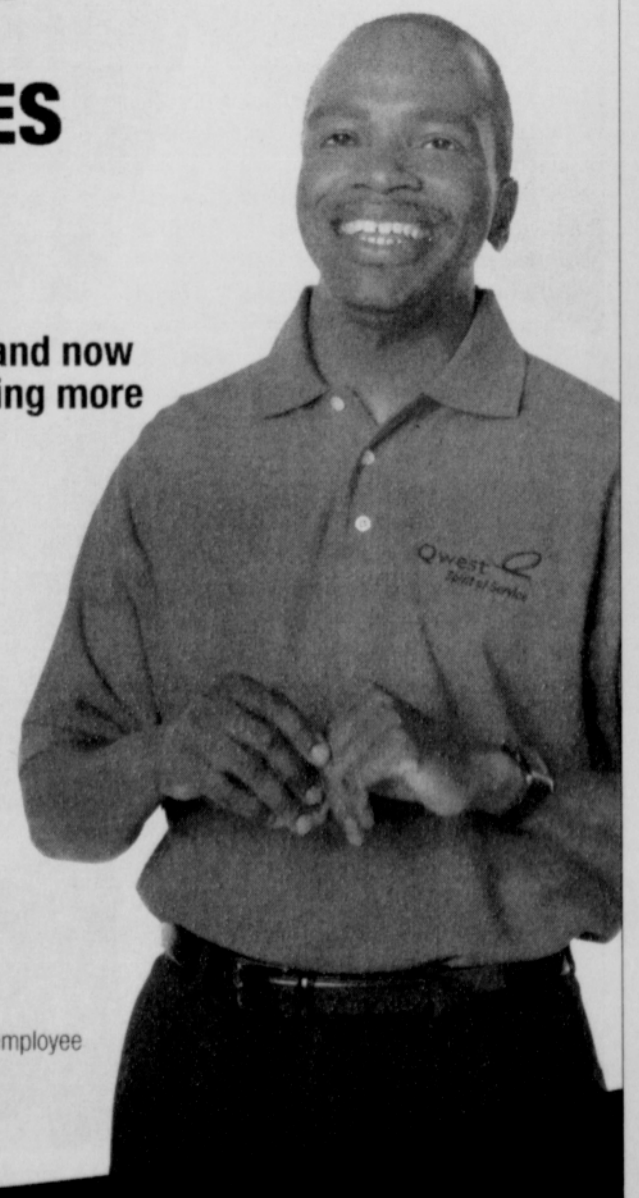
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