

Memorandum



CITY OF DALLAS

DATE September 6, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Rockefeller Foundation Opportunity Zone Initiative Announces Grant and Supportive Services Valued at \$920,000 to the City of Dallas**

Earlier today, the Rockefeller Foundation designated the City of Dallas as a participant in the Foundation's Opportunity Zone Initiative. Mayor Eric Johnson was present and delivered remarks during an announcement ceremony held in the Anacostia neighborhood in Washington, DC. A resolution from the Dallas City Council to accept the grant and supporting services is scheduled on course for the City Council's agenda on September 25. The duration of this initiative is 2 years, from the date of City Council's action.

The Opportunity Zone initiative, which launched in May 2019, aims to help U.S. cities attract responsible private investment in economically distressed communities through Opportunity Zones created in the 2017 Tax Cuts and Jobs Act. Other cities participating in the Opportunity Zone Initiative include Washington, DC; Oakland, CA; St. Louis, MO; Atlanta, GA and Newark, NJ.

Dallas, which has more than 76,000 residents living in 15 designated Opportunity Zones, will receive \$920,000 in grants and supportive services, to establish and fund a Chief Opportunity Zone Officer, embedded in the Office of the City Manager and reporting directly to Michael Mendoza, Chief of Economic Development and Neighborhood Services. Funding will also support the placement of two AmeriCorps VISTA (Volunteers In Service To America) members who will facilitate community involvement in proposed Opportunity Zone projects and businesses; and technical assistance to help develop project pipelines that balance the interests of investors with those of existing community members.

The Rockefeller Foundation recognizes the City of Dallas' commitment to equitable development through the design and implementation of its housing and economic development programs. This Opportunity Zone (OZ) Initiative aligns with the City's desire to drive economic growth, while delivering inclusive opportunities.

The City of Dallas has clustered the 15 Opportunity Zones into 9 zones. We will approach each cluster as a unique opportunity. Development themes will include adaptive reuse, commercial corridor development, housing development, and mixed-use transit-oriented development. The Chief Opportunity Zones Officer will work across

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City departments and at the community level to engage and inform residents about OZs and how they can get involved as potential partners, project sponsors, or investors. Our first line of trackable metrics includes the City's Market Value Analysis (MVA) tool - an objective, data-driven tool built on local administrative data and validated with local experts. Additional measures will assess social impact and economic impacts including, employment, aggregated income, housing units, property values, and fiscal impact to City revenues.

BACKGROUND

Federal Opportunity Zone legislation allows investors to get a tax break if they put money into certain businesses and properties in "distressed" areas selected by the state and federal government. More than 8,700 census tracts have been designated as "opportunity zones." Analysts report estimates of more than \$6 trillion in unrealized capital gains that could qualify for investments on OZs. However, there's been concern that the benefits of the investments might only be felt by developers, or that investors might focus their money on gentrification or real estate projects rather than businesses that could foster the community. Balancing the community's wisdom and desires with the potential for displacement is a real challenge for a city like Dallas. The Foundation's U.S. Jobs and Economic Opportunity programs will serve the residents of Dallas well, by complementing the city's neighborhood vitality programs, which include community capacity building and outreach programs.

We will keep City Council informed of our progress and provide more information on the implementation effects of the grant during a future briefing when a respective committee is established. If you have any questions, please do not hesitate to contact me at (214) 670-3309.



Michael A. Mendoza

Chief of Economic Development and Neighborhood Services

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Alequresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors