

Memorandum



CITY OF DALLAS

DATE January 31, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Rockefeller Foundation Opportunity Zone Grant and Supportive Services**

In September 2019, the Dallas City Council adopted a resolution to accept a grant and supportive services awarded by the Rockefeller Foundation, as a participant in the Foundation's Opportunity Zone Initiative. A contract for this grant was received in November. Subsequently, during review of this contract and the scope of our collaboration, the City of Dallas and the Foundation agreed to change how the grant will be administered. Programming and supportive services will remain available to the City, however, the position of Chief Opportunity Zone Officer (COZO) will not serve as an employee of the City of Dallas.

Staff is currently engaged with the Rockefeller Foundation in a review both local and national non-profit organizations to partner with us as host of our Chief Opportunity Zone Officer. A short list of candidates has been shared with the Foundation and we anticipate a selection will take place within the next 4-6 weeks. Supportive services will remain accessible to the City of Dallas directly. These include promotion on the Opportunity Exchange – a curated national hub for high-impact Opportunity Zone projects; a community engagement Vista Member, via Cities of Service and collaboration on an OZ Forum we are planning to host on the margins of EarthX.

Staff will provide an update when decisions are made on a local partner and a Chief Opportunity Zone Officer.

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.

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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. 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.

If you have any questions, please do not hesitate to contact me at 214-670-3390.



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
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer 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
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors