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GREENLINING.ORG

March 15, 2018

Governor Edmund G. Brown
c/o State Capitol, Suite 1173
Sacramento, CA 95814
OZcomments@dof.ca.gov

RE: California Implementation of Opportunity Zone program

Dear Governor Brown:

We the undersigned groups and organizations from across the State of California write to you to share our hopes and concerns about the rollout of the Opportunity Zone initiative in California. While there was not much for low-income and communities of color to celebrate with the Tax Cuts and Jobs Act of 2018, one potential silver lining is the Opportunity Zone program, based on the *Investing in Opportunity Act*, a bipartisan effort meant to encourage investment in distressed communities nationwide. Implementing the Opportunity Zone initiative has the potential to help or harm the most economically marginalized households, and the devil will be in the proverbial details in determining how much the benefits actually flow to the people who have the most economic needs.

Extend the Comment Period by 30-days

The Greenlining Institute and our Coalition strongly recommend that the public comment period be extended for an additional 30 days, in order to allow for more meaningful public engagement on this key initiative. Many of our coalition members, which includes technical assistance providers, community based organizations, and municipal entities, were at best partially aware of the Opportunity Zone program. Given the thousands of qualifying census tracts cutting across neighborhoods and cities all over our diverse state, it would be more reasonable to request the additional 30-days provided under the law in order to allow for broader and deeper public engagement and feedback on the proposed designated Opportunity Zones.

Communities must be given a real opportunity to ground-truth the data and criteria used to make the designations, and local government should also be given more time to be made aware-of, and respond to, the proposed designations. Furthermore, the comment process must allow for communities to provide feedback about census tracts they do not wish to be designated, including those tracts that are not at this time recommended by your office. This will allow communities to speak against certain census tracts from being added after the comment period, which they believe would be detrimental to their communities. The inability for communities to advocate *against* adding certain census tracts is a critical flaw in the current process, which we believe must be remedied by extending the comment period.

Ensure That Opportunity Zones Improves Residents Lives

A key public policy consideration should always be to limit the harm to vulnerable groups. With low-income and communities of color being rocked by the housing crisis and the the unbalanced economic recovery, the Opportunity Zone initiative has the potential to exacerbate the gentrification and displacement process that is devastating precariously housed families all over the state.

Greenlining’s research shows that financial institutions have been perversely getting credit for fueling gentrification in low-income neighborhoods.¹ We recommend preferencing Opportunity Zones in places that have anti-displacement measures in place. If a jurisdiction lacks anti-displacement protections, a key lens that should shape Opportunity Zone criteria is whether or not designation will result in equitable development without displacement.

Closing

With significant waves of new capital coming into California’s most underinvested communities, it will be key to put guardrails in place to ensure that we do not harm the very people this policy is meant to help.

The Greenlining Institute is proud to be a thought partner in support of the equitable implementation of the Opportunity Zone program. Thank you for the opportunity to comment.

Sincerely,

Handwritten signature in black ink, appearing to read 'TKM'.

Teddy Ky-Nam Miller
Economic Equity Director, The Greenlining Institute

Coalition Signatories:

- Access Plus Capital
- American G.I. Forum
- Asian Inc.
- Azul Management Systems Institute
- Business Resource Group
- California Diverse Business Alliance
- California Minority Vendor Alliance
- Community Housing Opportunities Corporation
- Fresno Black Chamber of Commerce
- KNK Engineering Consulting Corp.
- Mission Economic Development Agency
- National Federation of Filipino American Associations
- Oakland Citizens Committee for Urban Renewal (OCCUR)
- Rising Sun Energy Center
- Southeast Asian Community Center
- The Unity Council

¹ “State of Gentrification,” (Greenlining) December, 2017.

<http://greenlining.org/wp-content/uploads/2017/12/State-of-Gentrification-Home-Lending-to-Communities-of-Color-in-California.pdf>