



42nd
Ave



St. Charles
Borromeo
Parish

Governor Kate Brown
900 Court Street NE, Suite 254
Salem, OR 97301-4047

March 29, 2018

RE: Opportunity Zones

Dear Governor Brown:

As community-based organizations rooted in the Cully neighborhood in Northeast Portland, we strongly urge you not to designate our neighborhood's census tracts (74, 75 and 76) as Opportunity Zones.

Opportunity Zones are designed to attract outside investment to low-income neighborhoods by eliminating capital gains taxes on real estate and commercial investments. However, Cully is *already threatened by outside investment* that works against the interests of lower-income residents and people of color. Such investment is being used to buy property, raise rents, evict tenants, target mobile home parks for closure and redevelopment, and build new homes and businesses that primarily serve higher-income households. In other words, outside investment is driving gentrification. By limiting investors' tax liability, an Opportunity Zone would only make these kinds of investments even more lucrative, exacerbating the daunting challenge that we already confront.

In the face of intensifying gentrification, our organizations have worked together for many years to bring investments to Cully that preferentially benefit people of color and lower-income families. We built a 25-acre public park that created first-time park access for 130 households; we purchased and shut down a notorious strip club and plan to redevelop that property with over 130 affordable apartments; we purchased a mobile home park to prevent its closure and the displacement of its residents; we create homeownership opportunities for first-time buyers; we provide affordable retail space for women- and minority-owned businesses; we channel employment and contracting opportunities to people of color and minority-owned firms; and we proactively acquire properties for future affordable housing development.

Our organizations need resources for these kinds of projects, and we welcome investments that are managed by Community Development Financial Institutions (CDFIs) and other socially-motivated entities. However, such investments must be restricted to projects that reduce disparities and expand opportunities for people of color and lower-income families -- not projects that lead to their displacement from our neighborhood. An Opportunity Zone in Cully would do the latter, by making gentrification even more profitable for private investors.

With many important details of the Opportunity Zones still undefined, we have little faith that the Trump administration will implement this program in a way that benefits our community. Rather, an Opportunity Zone in Cully would do irreversible harm. We call on you, Governor Brown, not to designate an Opportunity Zone in Cully. And we encourage community leaders in other areas experiencing -- or at risk of -- gentrification to consider the likely negative ramifications of Opportunity Zones in their neighborhoods.

Sincerely,



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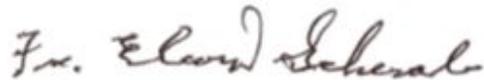
Steve Messinetti
Executive Director, Habitat for Humanity



Laura Young
Chair, Cully Association of Neighbors
District Manager, Cully Boulevard Alliance



Michael DeMarco
Executive Director, Our 42nd Avenue



Fr. Elwin Schwab
St. Charles Catholic Church, Parish priest

CC: Speaker of the House Tina Kotek; Senator Lew Frederick; Senator Michael Dembrow; Representative Tawna Sanchez; Representative Barbara Smith Warner; Multnomah County Commissioner Loretta Smith; Mayor Ted Wheeler and Portland City Council