Whatcom County

Opportunity Zones

Possibilities for People & Place

Purpose & Intent

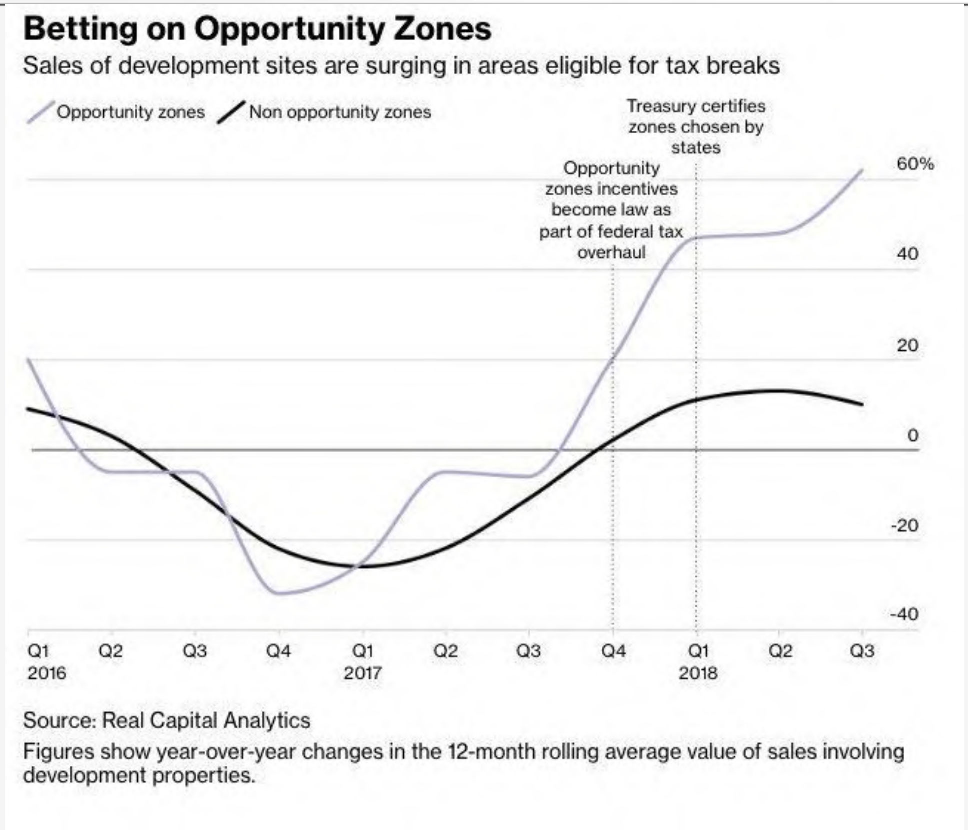
Incentivize investment in underinvested rural and urban areas that will generate **meaningful, ongoing community returns** while also generating financial returns for investors.

Forbes on O-zones:

"…one of the greatest tax-avoidance opportunities in American history, in the service of underperforming American cities and neighborhoods." *July 18,2018*

What's Happening?

People are betting on O-zones



The Opportunities

Housing

More people afford housing ≤ 30% of their income (& housing remains affordable)

Job Creation & Entrepreneurship

New and expanded job and ownership opportunities, including for un/underemployed

Green Building & Renewable Energy

Multigenerational investments in the future economy and the built environment

Infrastructure

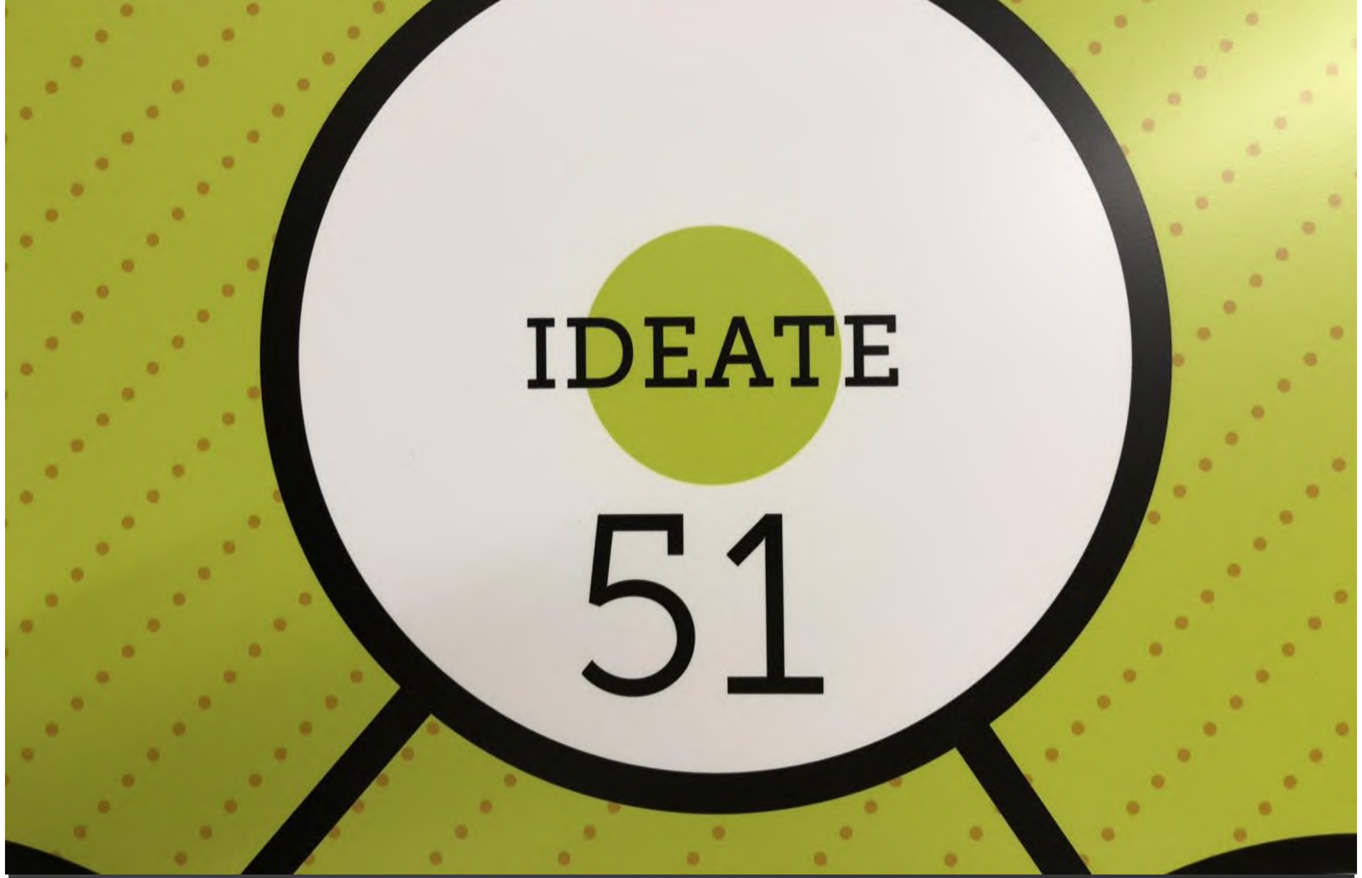
New and improved necessities

Accessibility

People have easy access to employment opportunities, goods, services & recreation

Design vs. Implementation

Steve Glickman, one of the architects and champions of the legislation, characterizes the optimal approach to O-zone investing



Steve Glickman
Develop LLC

"If you do this program right, you're viewing it through the lens of what I call place-based value investing – making long-term bets on places that other people aren't seeing."

The Risks

Gentrification & Displacement

People – individuals, families and even businesses – are forced to move because they can no longer afford to stay

Missed Opportunities

New property ownership models are not pursued

People with the potential to start, expand or reinvent a business are overlooked

Unintended Consequences

Increased demands on transportation infrastructure, increased housing instability and more

Balancing Benefit & Returns

Sean Parker, Tech Entrepreneur

"Instead of having government hand out pools of taxpayer dollars, you have savvy investors directing money into projects they think will succeed."

Investors

Place-purposed resources…

Local Context

Informed by community opportunities and needs…

Local Knowledge

Matched with the right partners

If you want to go fast, go alone. If you want to go far...

Mission Investment

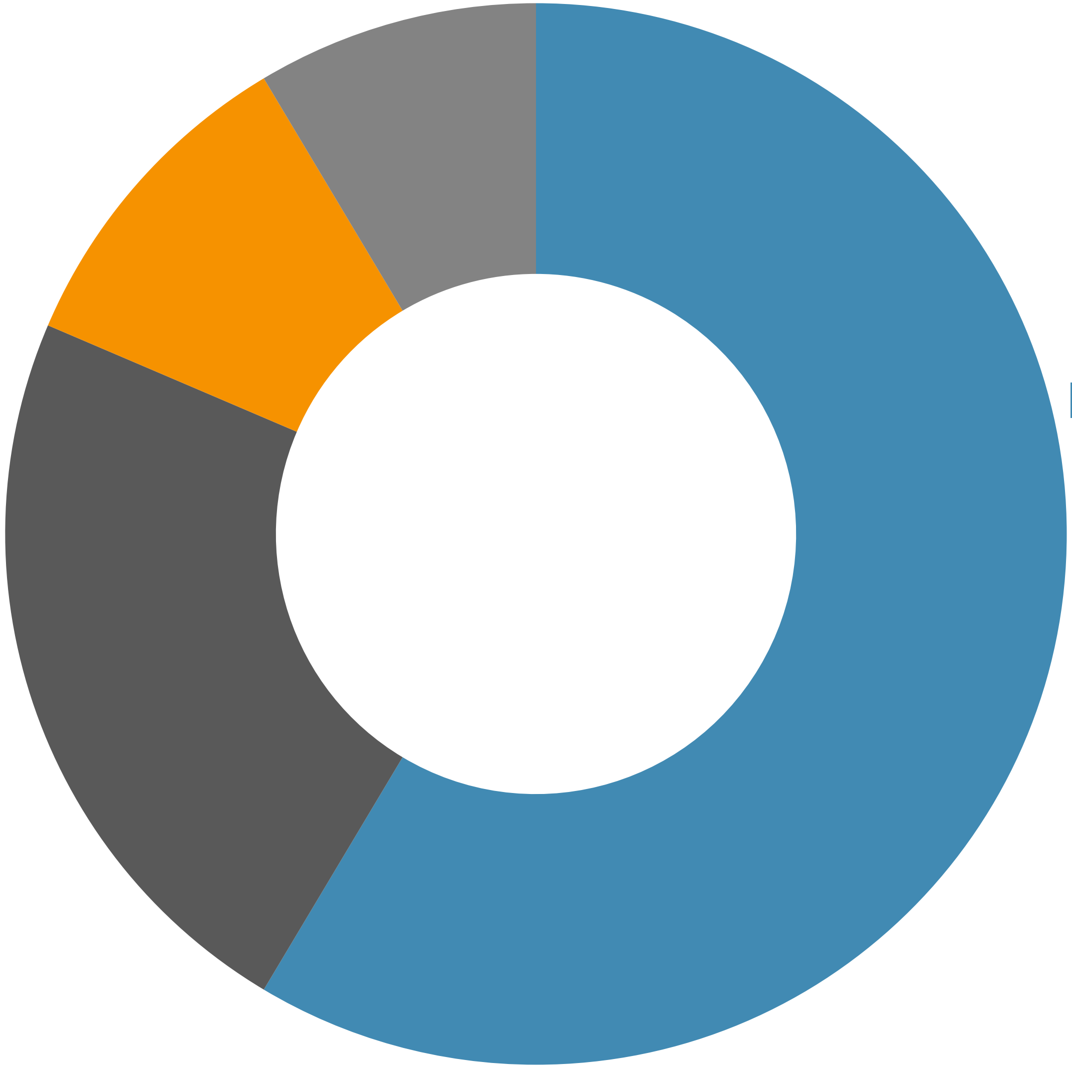
Investments that marry mission and a passion for place with financial return

Philanthropic Investment

Purpose-driven investments that may or may not generate a financial return

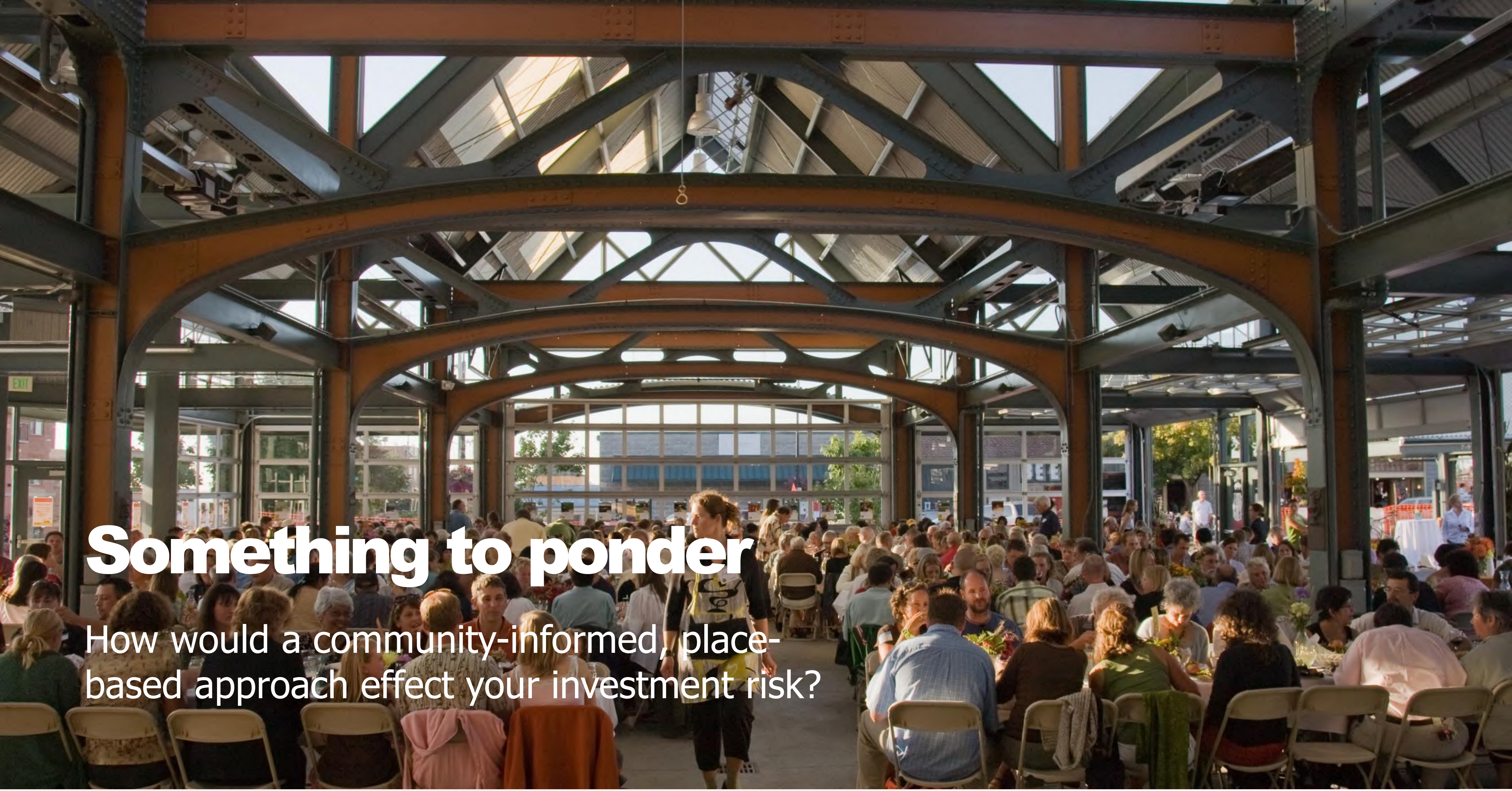
Public Investment

Place & purpose-driven investment



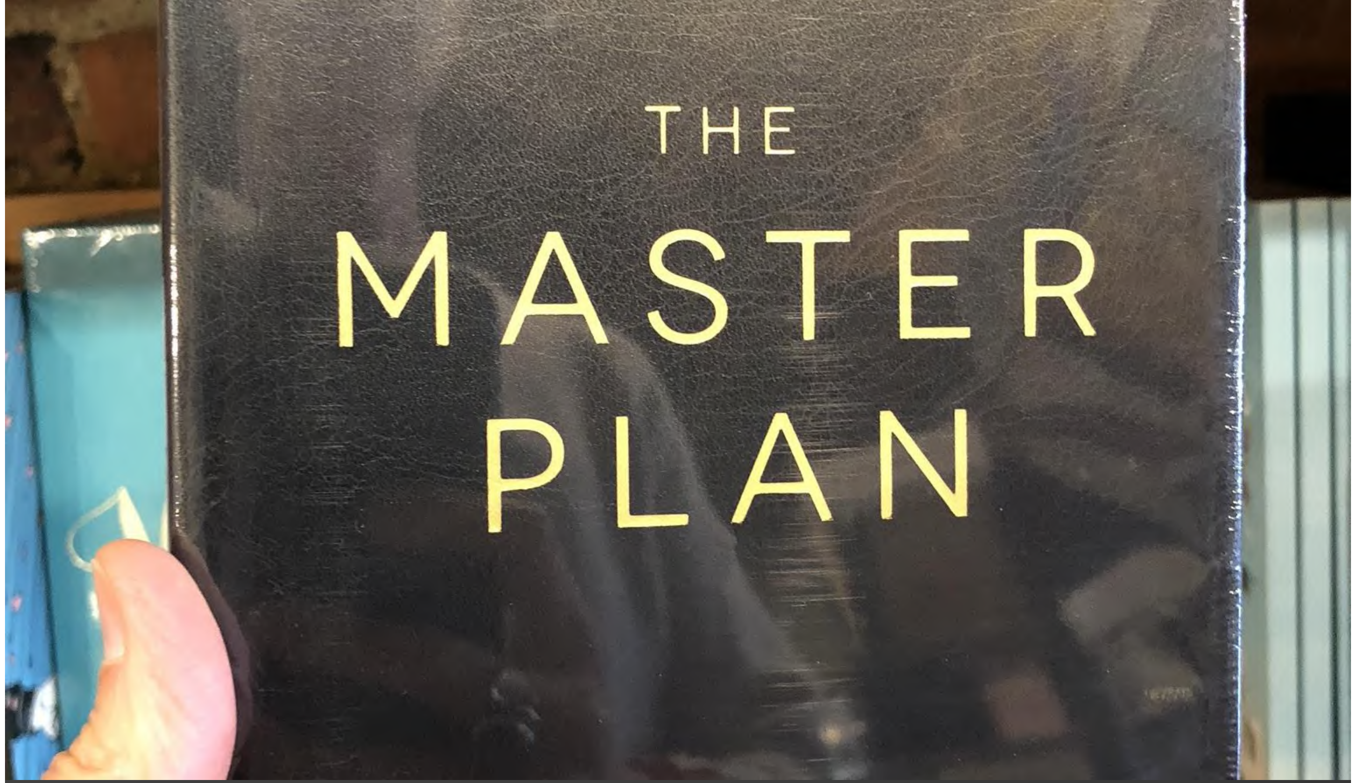
Qualified Opportunity Fund

Qualified investments with a focus on community and financial return



Something to ponder

How would a community-informed, place-based approach effect your investment risk?



Plans & Data

There's a lot of information eager to be mined

- Community Economic Development Strategies (CEDS)
- Community Health Assessment
- City of Bellingham
  - Comprehensive Plan
  - District Plans
  - Neighborhood Plans

Market Opportunity

$6.1T

Estimated Unrealized Capital Gains (12/31/2018)

Mutual funds, stocks and corporations (Economic Innovation Group)

$100B

Anticipated O-zone Investments

$16B+ raised to date

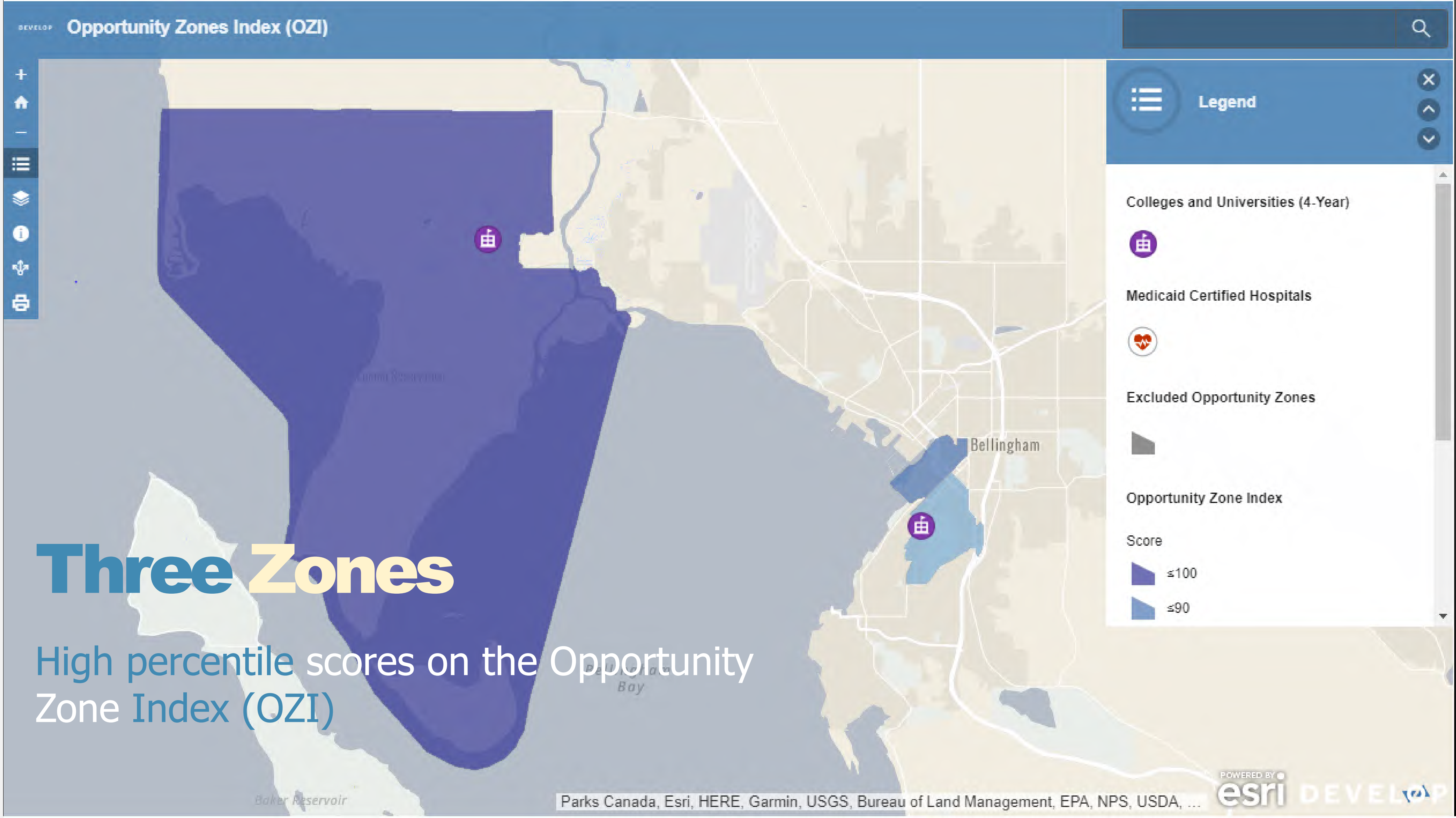
$??M

Community Benefit Focused Investments

How much will be tapped for Whatcom County’s O-zones?

Three Zones

High percentile scores on the Opportunity Zone Index (OZI)



Beyond the Garden

Options for investors pairing community enrichment and profits

Solo

Self-certify & explore opportunities with data & local context experts

Search

Seek an existing fund that best aligns with your values

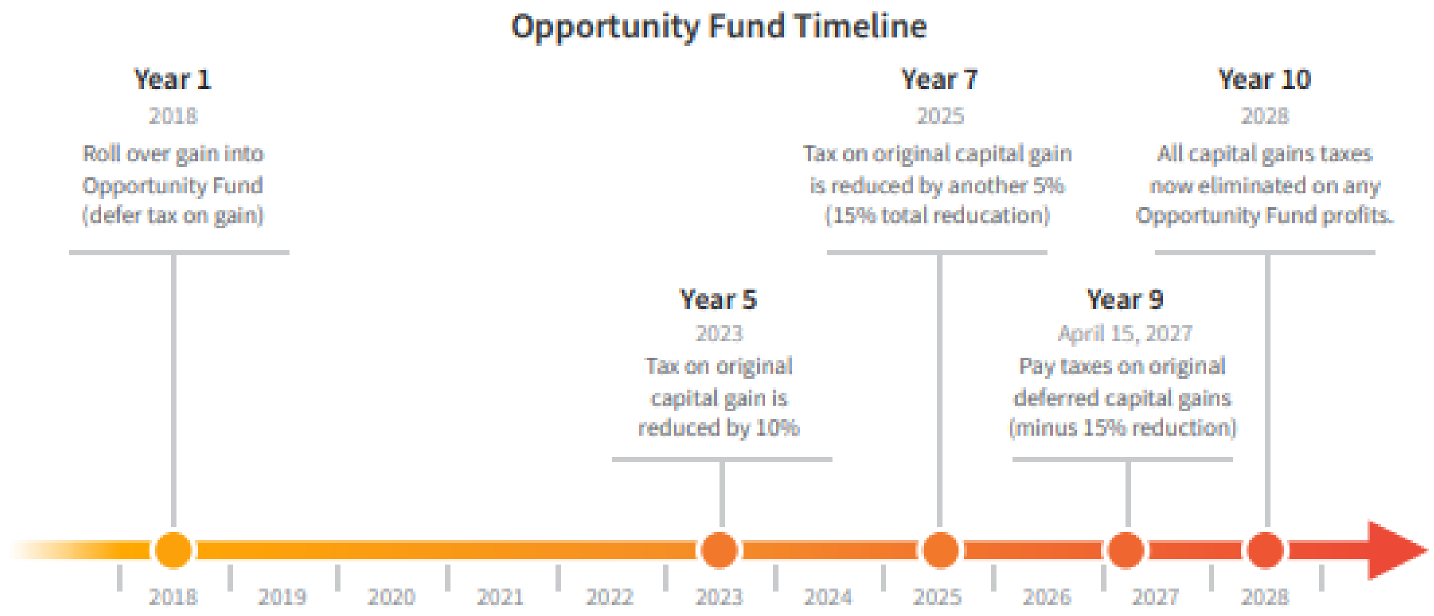
iQOF

Explore a "purpose & profits" fund - pool investment dollars for community-focused projects

What have you done for me lately?

How Investing in an Opportunity Fund Works

To receive the most favorable tax treatment on their investment, investors are incentivized to hold their stakes in an Opportunity Fund over the long term, with the program providing the most potential upside to those who hold their investment for 10 years or even more.



Source: Fundrise

The Buzz

"The great thing about this legislation is it can bring together sectors that may not have worked together before."

Jim Sorenson, Entrepreneur/Impact Investor

"The goal was to make these funds accessible enough so that it wouldn't be only large institutional players that can participate."

John Lettieri, Economic Innovation Group

"If the investments don't provide better housing, better jobs ... then it's been a big waste of time and we've all failed."

Margaret Anadu, Goldman Sachs

Whatcom Community Foundation

Thank You

Mauri Ingram, President & CEO

360 671 6463

mingram@whatcomcf.org

http://www.whatcomcf.org/