

David J. Kautter  
Assistant Secretary for Tax Policy  
Department of the Treasury  
1500 Pennsylvania Ave NW  
Washington, DC 20220

May 31, 2019

RE: Request for Information on Data Collection and Tracking for Qualified Opportunity Zones

Dear Mr. Kautter:

The 24 undersigned community, housing, civil rights, consumer and other advocacy organizations appreciate the opportunity to submit comments on the request for information on collecting and tracking data for qualified Opportunity Zones. We believe that publicly available, broad-based data collection, tracking and disclosure is essential to helping ensure any community development policy including the Opportunity Zone program can achieve its goals.

The Opportunity Zone program was created under the 2017 Tax Cuts and Jobs Act (TCJA) to encourage investment in what the Treasury Department calls “distressed communities.” We support the goal of stimulating beneficial investment in areas that have been historically under-capitalized but also recognize that some investments can also pose significant risks of economic dislocation and residential displacement, especially for lower-income families and families of color.

We are also concerned that investments may primarily flow to geographies that already have significant levels of investment, where the risk is of additional dislocation and residential displacement is greatest. Zillow found that property values already rose by over 20 percent in the census tracts that were selected as qualified Opportunity Zones, which is likely to raise rents and property taxes and could eliminate affordable housing and commercial options, displacing residents and small businesses.

Previous economic development programs based on less generous tax incentives such as Enterprise Zones and Empowerment Zones failed to live up to their promise. As a pre-requisite to ensure that the program’s risks do not grossly outweigh its potential benefits, the program must include comprehensive, geographically and demographically granular data collection that is publicly available at no cost so that neighborhoods, community groups, the media, and the public can evaluate the progress of the program.

The TCJA statute enumerated clear and substantial tax savings for investment into Opportunity Zones, and it is crucial that the Treasury Department collects data and establishes metrics to evaluate whether the investments under the program deliver economic benefits to neighborhoods and residents. In order to meet the stated goals of the program, there should be performance standards to make certain that the tax expenditures provided tangible benefits; none were included in the statute. There also must be sufficient reporting requirements to evaluate how much is being invested and by how many investors, where the investments are going, what investments are being made, whether the investments are encouraging

economic revitalization and affordable housing, or whether the investments are having negative impacts on existing communities.

The Treasury Department should act swiftly to collect such data about all Opportunity Zone investments and make it publicly available for free on an annual basis in a format that is internet accessible, searchable, downloadable and customizable. The data should be collected and publicly released on an annual basis no later than March 31 for the prior calendar year. The data should include:

- **Geographically specific and coded for states and metropolitan areas:** The investment, demographic, housing and economic data described below should be aggregated by census tract and census block groups of qualified Opportunity Zones that identifies the tract's and block group's unique identifier (the 10-digit Federal Information Processing Standard code of state-county-census tract number) as well as its inclusion in any metropolitan statistical area (or lack thereof), county and state to ensure the public can access local, regional and statewide data, including the presence of Opportunity Zones in metropolitan areas that cross state lines.
- **Demographic and economic characteristics of the Opportunity Zones:** The Treasury Department should assemble comprehensive longitudinal and annual data about every qualified Opportunity Zone census tract and census block group going back at least to 2012 and every year going forward to assess the potential economic performance and demographic impact of the investments.
  - **Demographic data should include:** population totals and by race (dis-aggregated based on national origin), ethnicity, and nativity; the number and proportion of population over 65 years and under 18 years of age; disability; gender and family composition; sexual orientation and gender identity; number and proportion of the population and households living below the federal poverty line; number and proportion of population over 65 years and under 18 years of age living below the federal poverty line; median household income; unemployment rate; proportion of families spending more than 30 percent of their income on housing; number and proportion of families receiving federal rental assistance; educational attainment; and population inflow and outflow migration.
  - **Residential housing stock characteristics should include:** the number and proportion of owner-occupied homes (single-family and condominium/cooperative); measurement of typical years in residence; measurements of *prevailing* median rental prices; measurements of prevailing median residential property values; residential vacancies and vacancy rates; residential property tax delinquency, tax lien and tax foreclosure numbers and rates; the number of units and buildings with specific affordable housing income limits; the number of home improvement loans and permits; the number of new construction permits; and the number and proportion of out-of-area landlords.
  - **Business characteristics should include:** the number of business establishments by North American Industry Classification System; number of employees; total payroll; average establishment size; number of sole-proprietorships or non-employer establishments; business tax delinquency, tax lien and tax foreclosure numbers and rates; number of family-

owned enterprises; number of minority and women-owned businesses; number of franchise enterprises; demographics of business owner (race, ethnicity, gender, age); average age of businesses; and business licenses (new and renewals).

- ***Critical services and infrastructure data should include:*** mass transit routes and stops or stations; the number and type of health care facilities; the number of practicing physicians; the number of grocery retailers and the number that sell fresh fruits and vegetables; the number of schools or educational facilities and the number of students; and the number of emergency 911 calls by emergency service (fire, medical services or police).
- **Opportunity Fund data by investment:** Each Opportunity Fund should report its total assets, its number of investors, median investments, its total investments in Opportunity Zones, the quantity and type of investments:
  - ***New or rehabilitated residential housing stock data should include:*** the number of residential units in multifamily housing and single-family homes including unit size (number of bedrooms) and rent as percentage of Department of Housing and Urban Development area Fair Market Rents.
  - ***New or investments in business enterprises data should include:*** the number of business enterprises (partnerships, purchases and starts); square feet of retail, commercial, and industrial space; the number of temporary and permanent jobs created and sustained at businesses backed by Opportunity Fund investments; the number of residents of Opportunity Zones with temporary and permanent jobs at businesses backed by Opportunity Funds; the number of business enterprise investments (partnerships and purchases) in existing minority or women-owned businesses; and the number and type of investments (tangible business properties) sold and purchaser's income brackets by census tract and census block group.
- **Aggregated Opportunity Fund data by census tract and census block group:** The Treasury Department should collect and make available for every qualified Opportunity Zone census tract and census block group the number of funds that have made investments, the total value of these investments, the quantity and type of investments:
  - ***New or rehabilitated residential housing stock data should include:*** the number of residential units in multifamily housing and single-family homes including unit size (number of bedrooms) and rent as percentage of Department of Housing and Urban Development area Fair Market Rents.
  - ***New or investments in business enterprises data should include:*** the number of business enterprises (partnerships, purchases and starts); square feet of retail, commercial, and industrial space; the number of temporary and permanent jobs created and sustained at businesses backed by Opportunity Fund investments; the number of residents of Opportunity Zones with temporary and permanent jobs at businesses backed by

Opportunity Funds; the number of business enterprise investments (partnerships and purchases) in existing minority or women-owned businesses; and the number and type of investments (tangible business properties) sold and purchaser's income brackets by census tract and census block group.

- **Data related to potential negative effects of investments:** In addition to the demographic and economic data monitoring that would demonstrate the potential negative impact of the investments on existing residents and neighborhoods (population changes, household income changes, etc.) the Treasury Department should collect data on dislocation and displacement including the number of residential rental eviction filings, completed evictions and eviction rates; the number of foreclosures initiated; the number of foreclosure sales completed; the number of homes sold due to property tax foreclosure; the number of tax lien certificates sold; the number of purchases or transfers of property owned by distressed or delinquent borrowers, including data on whether borrowers received a permanent modification of their loan and whether borrowers transferred their property through a deed-in-lieu or short sale; the number of land installment contracts entered into; the number of small business exits by census tract and census block group.

The Opportunity Zone program should require strong data collection, public disclosure and performance requirements provisions. The Opportunity Zone program could offer a needed infusion of investment or it could exacerbate an already existing housing unaffordability crisis that is displacing lower-income households and families of color from their neighborhoods. It is imperative that the Treasury Department collect, assemble, track, disclose and make publicly available a sufficiently broad set of data to evaluate the program and assess its potential economic impacts – both positive and negative – on communities and residents.

Signed,

Action Center on Race and the Economy  
Allied Progress  
Americans for Financial Reform Education Fund  
Association for Neighborhood and Housing  
Development  
Bargaining for the Common Good  
California Reinvestment Coalition  
Center for Community Progress  
Center for NYC Neighborhoods  
Center for Responsible Lending  
Connecticut Fair Housing Center  
Grounded Solutions Network  
Main Street Alliance  
NAACP  
National Community Reinvestment Coalition  
(NCRC)  
National Community Stabilization Trust

National Consumer Law Center (on behalf of its  
low-income clients)  
National Fair Housing Alliance  
National Housing Law Project  
National LGBTQ Task Force  
New Jersey Citizen Action  
Poverty & Race Research Action Council  
Prosperity Now  
The National Council of Asian Pacific Americans  
(NCAPA)  
Woodstock Institute