



May 31, 2019

Assistant Secretary David J. Kautter  
Assistant Secretary for Tax Policy  
U.S. Department of the Treasury

Dear Assistant Secretary Kautter,

On behalf of **LOCUS: Responsible Real Estate Developers and Investors**, we welcome the opportunity to respond to the U.S. Treasury's recent *Request for Information (RFI) on Data Collection and Tracking for Qualified Opportunity Zones*. LOCUS is Smart Growth America's national coalition of responsible real estate developers and investors who advocate for sustainable, equitable, and walkable development in America's cities and towns. We believe Opportunity Zones with a balanced regulatory framework can create an enormous incentive to accelerate the transformation of many of America's distressed communities into thriving, healthy, and prosperous places.

Since the enactment of the *Tax Cuts and Jobs Act* in 2017, LOCUS and Smart Growth America have worked extensively with the investment community and municipalities across the country on developing local equitable development frameworks and project pipelines representing billions of dollars of potential redevelopment investments in Opportunity Zones. We are pleased that the U.S. Treasury is seeking to assist investors, communities, and businesses looking to make the most of this important tax incentive and committing to measuring and assessing the impacts and outcomes of investments in Opportunity Zone communities across the country.

However, as it stands, there are still no reporting or outcome requirements for Opportunity Funds, without which it will remain extremely difficult for investors, local policymakers, and community groups to ensure investments benefit those residents and businesses whose low-income status enabled Opportunity Zone designation in the first place. While LOCUS has created mapping tools for cross-referencing the locations of QOFs, Opportunity Zone projects, and the locations of Opportunity Zone census tracts, there is also currently no national register of all QOFs and their identifying information.

In order to ensure that Opportunity Funds and their investments are functioning as economic and community development tools and responsible private investment vehicles, we urge the collection of data on both individual Qualified Opportunity Funds and Qualified Opportunity Fund investments. LOCUS supports the development of an online Qualified Opportunity Fund database that will provide key information about each QOF. Information to be collected by this database includes:

- Fund name
- Date fund was established
- Fund address (such as office location)



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- Fund contact
- Fund strategy
- Total assets under fund management
- Target return
- Composition of QOF investments by asset class
- Location of qualified investments
- If applicable, the intended community benefit of the QOF's investment in an Opportunity Zone

Additionally, we recommend the online database to include whether or not a QOF or QOZB is in compliance. Similar to the IRS tax-exempt status database, users should have the ability to determine and track a QOF and QOZB's compliance history to reduce the risk of fraud and abuse.

We also encourage the U.S. Treasury to encourage Opportunity Funds to self-declare whether their governing structure and operations meets an equitable development and investment standard as part of their Fund certification. As part of the self-declaration, the QOF should provide supportive documentation that would be made available to the general public. Requesting this additional information will send a clear market signal to QOFs to incorporate equitable development principles into their stated goals and objectives, and also allow QOFs operating within the same designated Opportunity Zone to streamline and coordinate their investment outcomes.

We would also like to reiterate the need for additional reporting on the outcomes of QOF investments in Opportunity Zones. This data should be collected annually so that it can be tracked as long as Opportunity Zones exist. We recommend the following data points be collected as part of the online Qualified Opportunity Fund database outlined above:

- The number of dedicated affordable housing units (for households earning 120 percent of Area Median Income or less)
- The number of housing units lost to demolition or rehabilitation, as well as the number of affordable housing units lost to demolition or rehabilitation
- The number of commercial spaces (for small businesses and non-formula/national chain businesses with fewer than 50 employees and under \$5 million in annual revenue)
- Jobs created, jobs created that will go to locals, and jobs created that guarantee a living wage
- Annual housing and transportation costs for households in Opportunity Zones.

LOCUS also supports the following recommendations developed by Enterprise Community Partners:

- All data collection and tracking for QOZs should be required as applicable by all Qualified Opportunity Funds.



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- All collected data should be made publicly available so that federal agencies, cities, private fund managers, and public policy experts can completely evaluate the local and national impacts of the tax incentive.
- The U.S. Treasury should publicly release all data on an annual basis in a report on the prior year's activities.

LOCUS is appreciative of the opportunity to provide information on data collection and tracking for Qualified Opportunity Zones stand ready to serve as a resource.

If you have any questions regarding this information, please do not hesitate to reach out to me at [ccoes@locusdevelopers.org](mailto:ccoes@locusdevelopers.org) or 202-971-3924.

Sincerely,

Christopher Coes  
Vice President, Land Use and Development, Smart Growth America  
Director, LOCUS: Responsible Real Estate Developers and Investors