



National Council of
State Housing Agencies

May 31, 2019

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

RE: Data Collection and Tracking for Qualified Opportunity Zones

Dear Assistant Secretary Kautter,

On behalf of the nation's state Housing Finance Agencies (HFAs), the National Council of State Housing Agencies (NCSHA)¹ appreciates the opportunity to respond to the U.S. Department of the Treasury (Treasury) request for information on data collection and tracking for Qualified Opportunity Funds.

Opportunity Zone investments have significant potential to benefit economically distressed communities and their low- and moderate-income residents by generating increased levels of affordable housing development, small business startup and expansion, and new community infrastructure.

State HFAs have decades of experience working in distressed communities, many of which are now designated as Opportunity Zones. This experience includes administration of the federal Low Income Housing Tax Credit (Housing Credit) program and issuance of tax-exempt private activity Housing Bonds, two of the primary tools for the preservation and development of affordable housing in the country, as well as operation of many other federal and state affordable housing programs.

A number of HFAs also administer vital programs that finance other job-creating activities such as economic development, infrastructure, and small business development.

¹ NCSHA is a nonprofit, nonpartisan organization. None of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

Treasury notes that the purpose of information collection and tracking is to measure the effectiveness of the Opportunity Zone policy in achieving its stated goals and to ensure that the investment remains an attractive option for investors.

The Congress directed the Treasury in its Conference Report that accompanied the Tax Cuts and Jobs Act of 2017 to report to Congress on the impacts and outcomes of the Opportunity Zone incentive. NCSHA supports Treasury action to ensure Opportunity Zone incentives meet their public purposes and key program users submit information necessary to analyze the program's performance.

To enable assessment of investment impacts and outcomes, NCSHA encourages the Treasury to collect the following project-level data, as applicable, for each Opportunity Zone investment:

- The dollar amount of capital invested as equity and as debt;
- The geographic location of the investment, including census tract(s) and parcel number(s) if applicable;
- The existing use of the land and structures at this location or locations prior to investment;
- The primary purpose (i.e., commercial real estate, single family residential, multifamily residential, affordable or workforce housing, student housing, community revitalization, economic development, small business development or expansion, infrastructure investment, hospitality development, mixed use development, etc.) of the investment;
- The number of full-time equivalent jobs associated with the investment;
- In the case of a business, the number of new business starts associated with the investment;
- In the case of real property, the number of new housing units developed as a result of the investment, the tenure type (homeownership or rental), and the number of units affordable to households earning 60 percent of Area Median Income (AMI), 80 percent of AMI, and 120 percent of AMI;
- In the case of real property, the number of existing affordable housing units (as defined above) preserved as a result of the investment; and
- The number of existing affordable housing units (as defined above) demolished or converted to market rate use as a result of the investment.

We recommend that Treasury collect the above information at the time of initial investment and annually thereafter. We also suggest that Treasury aggregate this project-level data to allow analysis of any change in the economic and financial status of each Opportunity Zone, including available metrics related to poverty reduction.

When establishing reporting requirements, we urge Treasury to minimize the added administrative burden of such information collection on program participants and to recognize the difficulty in collecting some potentially desirable information about Opportunity Zone investments and their impact. To minimize unnecessary burden, we encourage Treasury to solicit public input on proposed data collection parameters and timing.

NCSHA and our HFA members are excited to help realize the potential of the Opportunity Zone program and to facilitate investments in distressed communities using HFA affordable housing and economic development tools. Thank you for considering our comments as you develop data collection and tracking requirements for Qualified Opportunity Funds.

Sincerely,

A handwritten signature in black ink, appearing to read "Garth Rieman", with a long horizontal flourish extending to the right.

Garth Rieman
Director of Housing Advocacy and Strategic Initiatives