



URBAN

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Using Opportunity Zones to Advance Community Priorities

January 27, 2020

#LiveAtUrban

Speakers

Brett Theodos, Senior Fellow, Urban Institute

Solomon Greene, Senior Fellow, Urban Institute

Bradford Davy, Director of Regional Engagement, Fund for Our Economic Future

Tammy Buckner, Opportunity Zone Program Manager, WeGrowKC



#LiveAtUrban

Housekeeping

- Webinar is being recorded
- The recording will be posted online after the webinar
- All participants are muted
- Type your **questions** or **comments** into the QA box at any time. Be sure to include your name and organization





January 27, 2020

Opportunity Zone Community Impact Assessment Tool

Solomon Greene, Brett Theodos, Kathryn Reynolds, Brady Meixell, and Martha Fedorowicz



Demonstrating the Tool

- Goals
- Methods
- Features
- Use



Goals

Why we created the tool

The Problem With Opportunity Zones

TIMOTHY WEAVER MAY 16, 2018

Opportunity Zones — for Billionaires

A federal tax break intended to draw investment to lower-income areas has become one more way for the rich to avoid paying taxes.

By The Editorial Board

REAL ESTATE NEWS

Opinion: Opportunity Zones could put the magic back in our city

How 'Opportunity Zones' Could Transform Communities

The new federal program could lure fresh investment to distressed areas. But the clock is ticking.

NOVEMBER 2018

Opportunity Zones will help more Americans achieve their dreams

BY TIM SCOTT
JUN 9, 2018

The New York Times

THE BONANZA

How a Trump Tax Break to Help Poor Communities Became a Windfall for the Rich

Billionaires Keep Benefiting from a Tax Break to Help the Poor. Now, Congress Wants to Investigate.

In response to reporting by ProPublica and others that show the opportunity zone tax break helping the politically connected, members of Congress are calling for changes in the law.

by Jeff Ernsthausen and Justin Elliott, Nov. 8, 2019, 5 a.m. EST

Opinion

Column: Opportunity zones can revive struggling neighborhoods

What the tool does

- Enter project information and **receive a score**
- Real estate developments (**residential, commercial, industrial, or mixed-use**) or **operating businesses**
- Questions **tailored** to project type
- Score **weighted by community priorities**



Methods

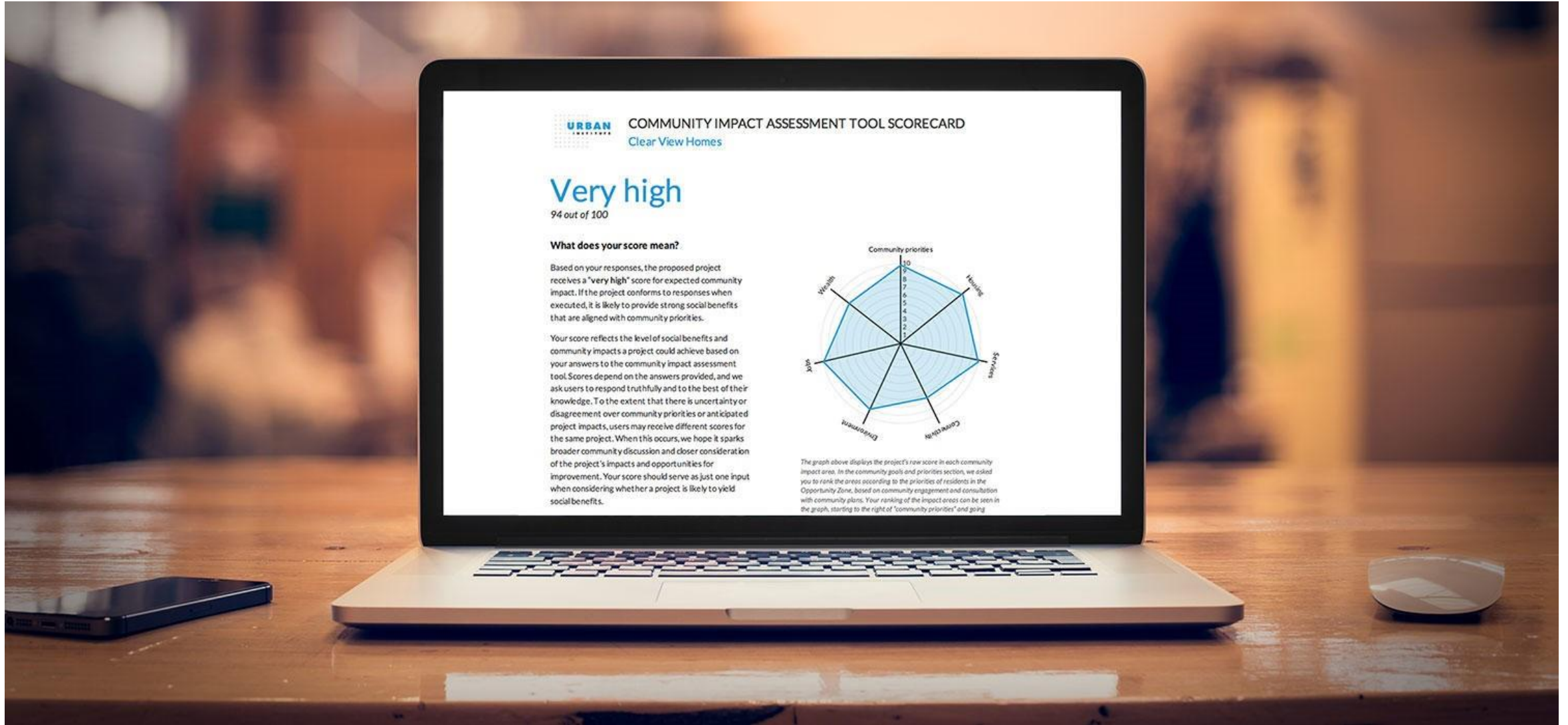
How we built it

- Interviews with community leaders in Cleveland
- Review of other social impact and racial equity assessments
- Workshop with national experts
- Piloted in Cleveland
- Tested in Alabama, Atlanta, Baltimore, and state of Washington



Features

What is in the tool



Survey Overview



Community goals and priorities



Accessible, quality jobs



Community wealth building



Affordable and accessible housing



Environment and open spaces



Health, social services, and community amenities



Transportation and connectivity

Survey Overview



Community goals and priorities



Accessible, quality jobs



Community wealth building



Affordable and accessible housing



Environment and open spaces



Health, social services, and community amenities



Transportation and connectivity

Sample impact area: affordable and accessible housing

Affordable and Accessible Housing

The housing units that will be produced or preserved are in...[More information.](#)

a rapidly appreciating area that is facing market pressures

an area with highly concentrated poverty

a neighborhood that is not experiencing either rapid appreciation or high levels of poverty

What share of the housing units that will be produced or preserved are affordable to residents with incomes at or below 50 percent of the area median income (AMI)? [More information.](#)

50 percent or more

10–49 percent

Less than 10 percent

What share of the units include long-term or permanent affordability restrictions? [More information.](#)

15 percent or more

1–14 percent

None

Briefly describe the terms of the affordability restrictions, including income targets and affordability period.

60% of our residences will be available to residents with incomes at or below 50 percent of the AMI.

Will 50 percent or more of the housing units developed be priced at or above 150 percent of current median rents or sale prices in the census tracts? [More information.](#)

Yes

No

Sample impact area: affordable and accessible housing

Affordable and Accessible Housing

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Yes

No

Scorecard



COMMUNITY IMPACT ASSESSMENT TOOL SCORECARD

Clear View Homes

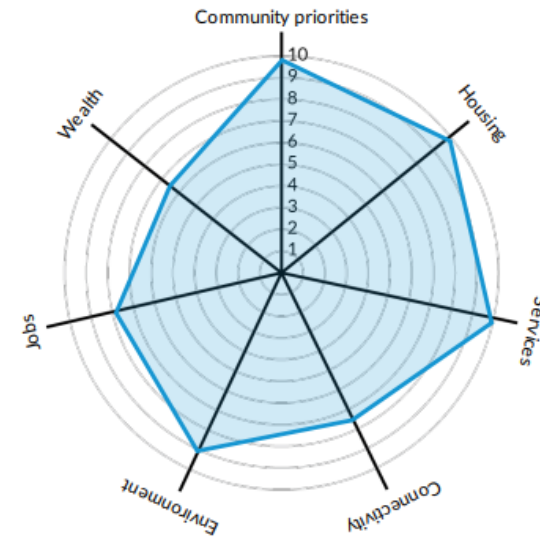
Very high

92 out of 100

What does your score mean?

Based on your responses, the proposed project receives a **“very high”** score for expected community impact. If the project conforms to responses when executed, it is likely to provide strong social benefits that are aligned with community priorities.

Your score reflects the level of social benefits and community impacts a project could achieve based on your answers to the community impact assessment tool. Scores depend on the answers provided, and we ask users to respond truthfully and to the best of their knowledge. To the extent that there is uncertainty or disagreement over community priorities or anticipated project impacts, users may receive different scores for the same project. When this occurs, we hope it sparks broader community discussion and closer consideration of the project’s impacts and opportunities for improvement. Your score should serve as just one input when considering whether a project is likely to yield social benefits.

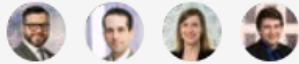


The graph above displays the project’s raw score in each community impact area. In the community goals and priorities section, we asked you to rank the areas according to the priorities of residents in the Opportunity Zone, based on community engagement and consultation with community plans. Your ranking of the impact areas can be seen in the graph, starting to the right of “community priorities” and going clockwise. A project’s overall community impact score is not the average of scores displayed above; it is calculated by weighting the scores for each impact area according to your ranking.

User Guide

TECHNICAL PAPER

Opportunity Zone Community Impact Assessment Tool User Guide



Solomon Greene, Brett Theodos, Kathryn Reynolds, Brady Meixell, Martha Fedorowicz
January 9, 2020

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PRINT

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Abstract

The Opportunity Zone Community Impact Assessment Tool User Guide is meant to accompany the use of the Assessment Tool which can be found [here](#). The User Guide describes why the Assessment Tool was created, how and by whom it can be used, the principles around which the Tool was developed, and how to interpret and apply the results of the assessment. The User Guide also provides the methodology behind the Tool's development and shares additional resources for those looking to create positive impact in their community.

LATEST IN ECONOMIC
GROWTH AND
PRODUCTIVITY

Measuring Inclusion in
Small New England Cities



Use

How the tool can be used

TABLE 1

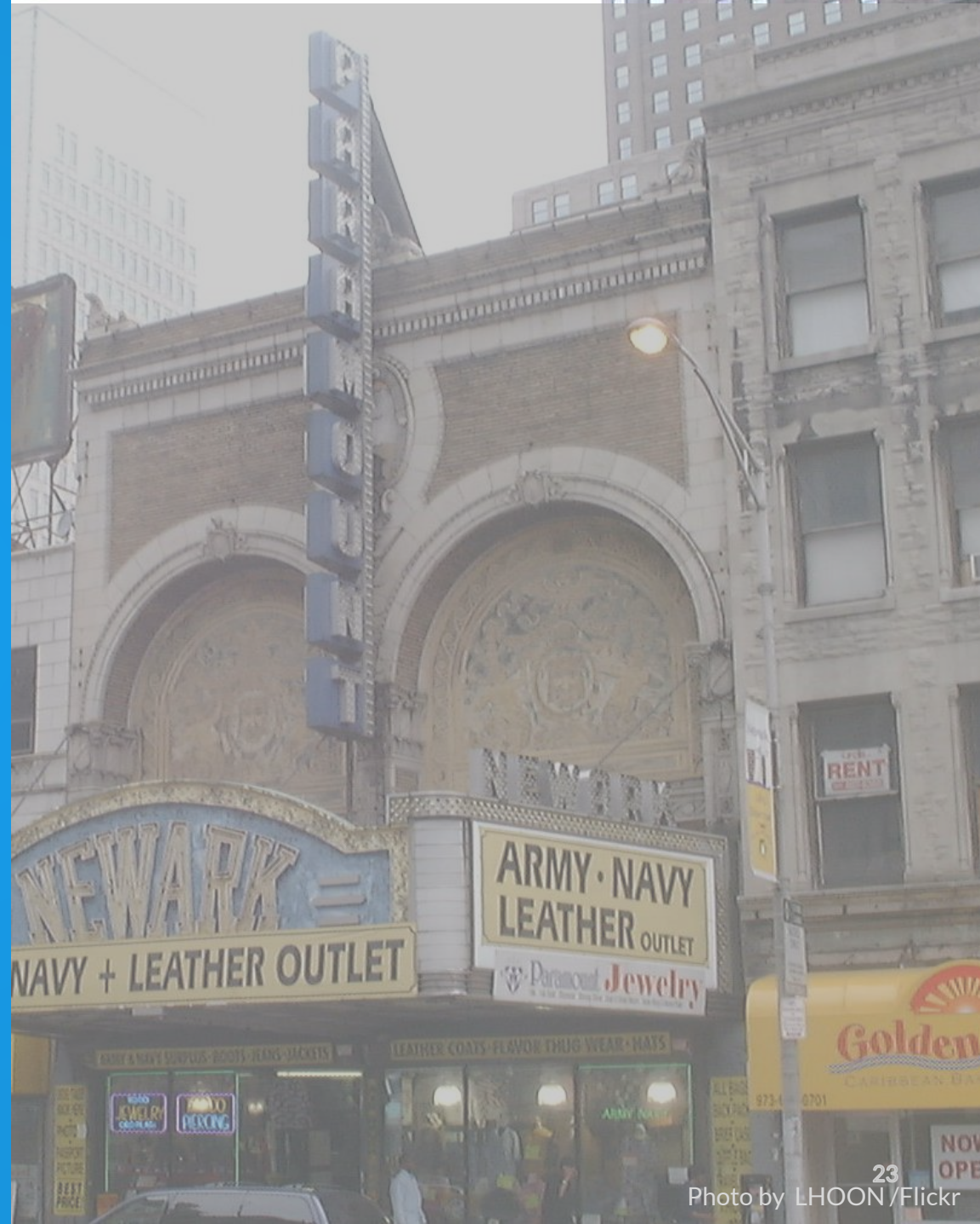
How Different Stakeholders Might Use the Tool

Stakeholder type	Possible uses
Project sponsor	<ul style="list-style-type: none"> ■ Solicit investment from Opportunity Funds, impact investors, and other private funds. ■ Share score with community groups to gain support for a project.
Public entity	<ul style="list-style-type: none"> ■ Evaluate proposed projects for tax benefits. ■ Identify projects that present risks for closer scrutiny in development and permitting approvals.
Nonprofit or community-based organization	<ul style="list-style-type: none"> ■ Negotiate a community benefits agreement with a project sponsor. ■ Seek funding for community-driven projects. ■ Find projects with maximal community benefits.
Project investor	<ul style="list-style-type: none"> ■ Avoid projects that risk harming communities.

Next Steps

For more information and to use the tool:
www.urban.org/oztool

If you have questions, email us at:
opportunityzones@urban.org



Bradford Davy

Director of Regional Engagement
The Fund for Our Economic Future

Email: Bdavy@thefundneo.org | Social: @Bradford__James



Working Toward
GROWTH &
OPPORTUNITY



A total of 64 census tracts in Cuyahoga County are eligible for Opportunity Fund investments. Among these, 48 are located within the City of Cleveland, while the remaining 16 tracts lie in the suburban communities of Bedford Heights, Brook Park, Cleveland Heights, Euclid, Garfield Heights, Maple Heights, North Randall, Richmond Heights, and Warrensville Heights.

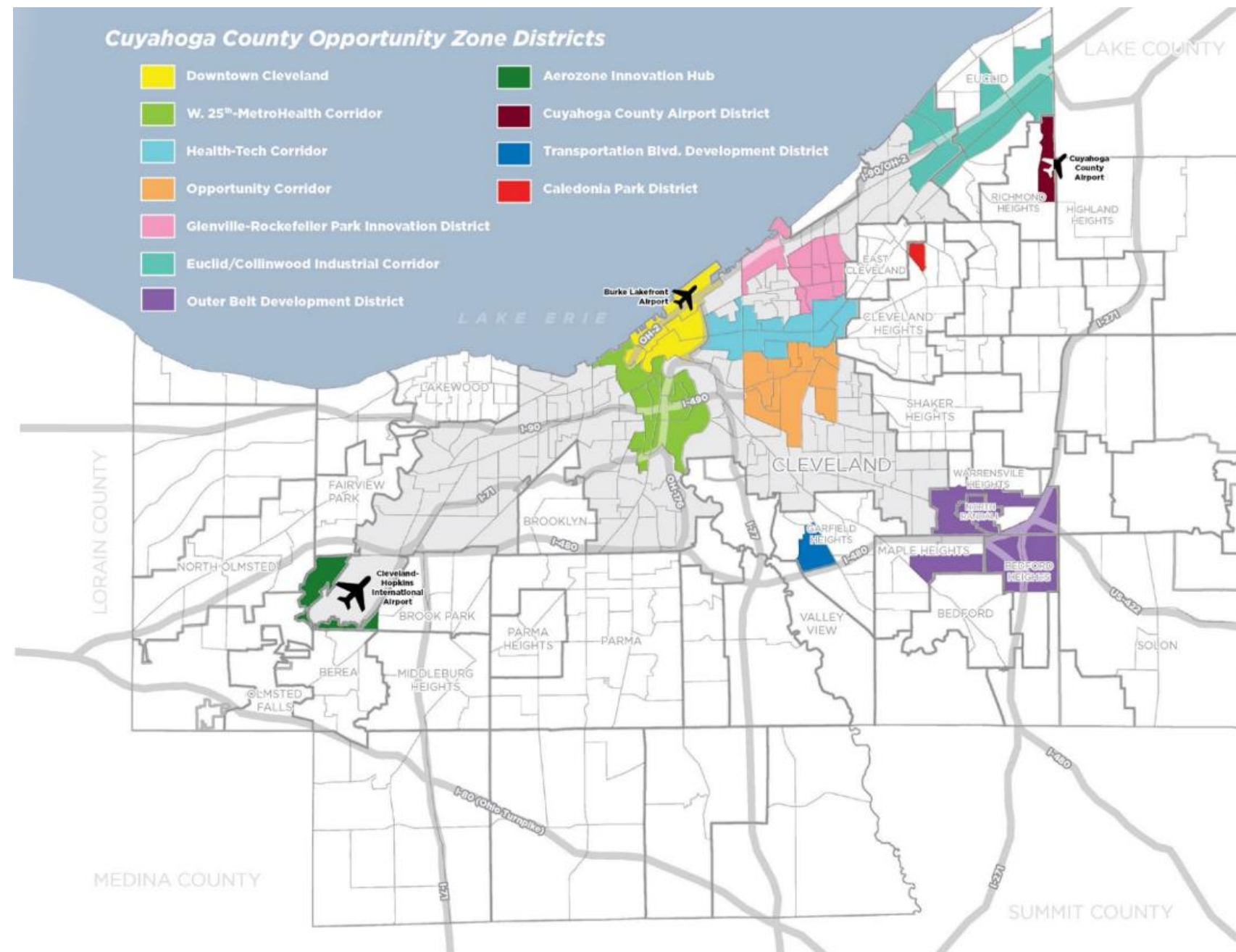
These 64 census tracts have been organized into 11 unique districts based on numerous factors, including but not limited to their geography within the county, existing community development areas, recent planning efforts, common land uses and assets, and infrastructure. As such, each district offers distinct investment opportunities as part of the Opportunity Fund program.

Cuyahoga County - Overall

Land Area:457 sq. miles
 Population:..... 1,248,514
 Median Age:..... 40.1 years
 Median Household Income: .. \$46,784
 Median Home Value:\$131,700
 Poverty Rate:..... 18.0%

City of Cleveland - Overall

Land Area:78 sq. miles
 Population:..... 385,552
 Median Age:..... 36.2 years
 Median Household Income: .. \$28,974
 Median Home Value:\$70,200
 Poverty Rate:.....33.1%



Our Economic Development Community

CONNECT WITH ONE OF US, BENEFIT FROM ALL OF US

Cleveland and Cuyahoga County's robust and agile network of public, private, and philanthropic partners creates a cohesive economic development ecosystem unlike any other in the nation. Working with one of us provides access to the full spectrum of resources, including neighborhood level organizations, state and federal governments, utility and infrastructure agencies, workforce development organizations, private developers, and key industry experts.



The **City of Cleveland** Department of Economic Development provides technical assistance, creative financing and educational opportunities that will ensure a vibrant economic future for the region. Our mission is to provide assistance to businesses expanding within or relocating to the City of Cleveland: including financing, workforce solutions and technical assistance that will encourage investment in the community to enhance the lives of our citizens. The City's economic development tools encourage wealth creation throughout the community by supporting entrepreneurs and small businesses seeking growth.



The **Cuyahoga County** Department of Development works to facilitate job creation and economic growth by developing and administering creative and innovative programs in community development, economic development, and housing. Our professional staff works with local elected officials, business leaders, small business owners, entrepreneurs, non-profits, arts and cultural organizations, and universities to provide technical assistance and educational opportunities that will ensure a vibrant economic future for our region.



The **Cuyahoga Land Bank** serves as a key partner in urban land aggregations, research and spatial analysis for developers and development projects. Whether partners are seeking land and buildings in opportunity zone geographies or project based development throughout the county, the Land Bank can serve as a valuable research and land assembly tool. Through its unique land banking powers, the Land Bank has directly assisted project developers and political subdivisions assemble parcels for dozens of projects resulting in over \$250 million of investment.



With more than 12,000 members, the **Greater Cleveland Partnership** is one of the largest metropolitan chambers of commerce in the country. We're focused on building a strong and thriving climate for the broad business community, including small businesses, middle-market companies and large corporations. We do this by mobilizing private-sector leadership, expertise and resources to create attractive business conditions that create jobs, grow investment and improve the economic prosperity of the region.



Cleveland Development Advisors is a real estate and business development finance organization that invests private capital and New Markets Tax Credit allocations into catalytic projects in Cleveland. We have helped provide financing for more than 130 projects, including regional icons such as the Gateway sports complex, the Rock & Roll Hall of Fame and Museum and FirstEnergy Stadium.



The **Fund for Our Economic Future** is an alliance of funders -- foundations, corporations, education institutions, health care systems, business and civic organizations, and government entities -- from across Northeast Ohio, who pool their resources and collective know-how to strengthen and sustain the regional economy in ways that also increase access to opportunity for all people. The members of the Fund all agree that a healthy economy is necessary to advance their diverse missions.

Key Opportunity Zone Partners

Municipal Partners

City of Bedford Heights
City of Brook Park
City of Cleveland Heights
City of Euclid
City of Garfield Heights
City of Maple Heights
Village of North Randall
City of Richmond Heights
City of Warrensville Heights

Philanthropic Partners

The Cleveland Foundation
The George Gund Foundation

Neighborhood/Community Partners

Burten, Bell, Carr Development Corporation
Campus District Inc.
Downtown Cleveland Alliance
Fairfax Renaissance Development Corporation
Famicos Foundation
Hispanic Business Center
Metro West Community Development
MidTown Cleveland
Ohio City Inc.
Playhouse Square
Slavic Village Development
St. Clair-Superior Development Corporation
Tremont West Development Corporation
University Circle, Inc.

Regional Partners

Aerozone Alliance
Cuyahoga Metropolitan Housing Authority
Northeast Ohio Regional Sewer District
Port of Cleveland
Team NEO

State Partners

JobsOhio
Ohio Department of Transportation

OpportunityCLE Workstreams

Focusing on Platform and Social Impact Integration

Marketing 1

Build a stand-alone brand on a website with visible sponsorship from OpportunityCLE partner organizations. The site will include an opportunity zone prospectus and provide a direct connection to our platform.

Local Fund 2

Create a locally supported Qualified Opportunity Fund that leverages capital to invest in socially conscious projects specifically in the Greater Cleveland Area

Pipeline + Database + Platform 3

Host deals on a front facing, web-based platform. Create a deal aggregation site for a cultivated set of projects to solicit investment.



Policy 6

Craft, advocate and advise on additional policy levers and incentives that will increase the impact of Opportunity Zones locally/regionally.

Education + Technical Assistance 5

The community requires a more in-depth technical understanding of QOZ's and QOFs. We will work to provide opportunities for investors, stakeholders, business owners, and residents to realize the opportunity.

Social Impact Framework 4

Create a framework that will allow OpportunityCLE to award a social impact designation to projects that have the potential for social benefit by utilizing well-established, straight forward metrics developed by reputable partners.



Opportunity CLE

<http://www.opportunitycle.com>

Ohio

14 Public Projects

Cleveland and Cuyahoga County's robust and agile network of public, private, and philanthropic partners creates a cohesive economic development ecosystem unlike any other in the nation. Working with one of us provides access to the full spectrum of resources, including neighborhood level organizations, municipal and state governments, utility and infrastructure agencies, workforce development organizations, private developers, and key industry experts.

DISCLAIMER: No Qualified Opportunity Fund (QOF) investment is guaranteed to any project as a result of this submission.



CLEVELAND, OH

Cleveland Rocks - Climbing Gym

\$2,500,000

This project includes the renovation and revitalization of the Historic Masonic Temple in Cleveland...

Development Next 6 months

[VIEW DETAILS](#)



CLEVELAND, OH

Carshare as a Service For Real Estate, Corporate Campuses, And Underserved Neighborhoods

\$1,000,000

Sway Mobility, Inc. (Sway), a Delaware C-Corp, is raising a pre-seed equity investment of \$1MM to do...

Business Next 6 months

[VIEW DETAILS](#)



CLEVELAND, OH

Warner Swasey

\$53,000,000

The adaptive re-use of a historic structure, the Warner Swasey building formerly a telescope manufac...

Development 6 - 12 months

[VIEW DETAILS](#)



CLEVELAND, OH

Brook Park Aerozone Land

\$2,200,000

29 acres of commercial land for development in close proximity to Cleveland's primary airport, Cleve...

Property 12+ months

[VIEW DETAILS](#)



CLEVELAND, OH

Tappan Building

\$21,846,792

Equity sought for a mixed-use, 95 Unit Housing with 60% of Units being held at rates for people making...

Development Next 6 months

[VIEW DETAILS](#)



EUCLID, OH

Celebration Village

\$205,628,000

An 82 acre - Fully Secure & Gated (55+) Age Restricted Retirement Resort. Featuring 846 residents...

Development 6 - 12 months

[VIEW DETAILS](#)



CLEVELAND, OH

El Mercado

\$13,858,672

La Villa Hispana is a revitalization initiative underway in the Clerk-Fulton neighborhood, the dense...

Development Next 6 months

[VIEW DETAILS](#)



WARRENSVILLE HEIGHTS, OH

Northfield Town Center Development (Phase II)

\$80,000,000

22+ acres of land, with all buildings demolished - property is shovel ready. Cleared environments...

Property 12+ months

[VIEW DETAILS](#)

Integration and Systems Change

How OpportunityCLE has implemented the Assessment Tool in our process

Submit a Project

Fill out the form below with your contact information and your project details to get started!

Contact Information

First Name

Bradford

Last Name

Davy

Email Address

bdavy@thefundneo.org

Your Organization

Enter Organization Name

Project Details

Project Name

Industrial Hub

What type of project is it?

A development plan for an Opportunity Zone

Total project size (\$)

4,000,000

How much equity are you seeking? (\$)

1,000,000

Project Street Address

Begin typing an address here...

City

Cleveland

State

Ohio

Zip Code

Zip Code

Briefly describe the investment opportunity:

Light Manufacturing Project. 20 acres of infill redevelopment. 100+ permanent jobs and 25 short term jobs. Strong IRR.



Summary and Overall Impact Score: By Section

Section 1: Alignment with community goals and priorities

Raw Score:

3

Weighted Score:

10.21

Section 2: Produce accessible, quality jobs

Raw Score:

11

Section Rank:

1

Weighted Score:

30.62

Section 3: Support community wealth building

Raw Score:

2

Section Rank:

2

Weighted Score:

9.53

Section 4: Create or preserve affordable and accessible housing

Raw Score:

6

Section Rank:

6

Weighted Score:

1.92

Section 5: Environment and open spaces

Early Wins

CDA Targeted Opportunity Zone Fund

CDA raised \$9 million in new commitments to support development in Clark-Fulton, Glenville and Buckeye-Kinsman, all of which are key Opportunity Zone neighborhoods. Mission investors were attracted to their commitment to using strong social impact measures.

Arctaris Impact Fund

Development of 10MM fund in partnership with Arctaris Impact Investors. Cuyahoga County (1.5MM) and The George Gund Foundation (\$500K) have provided loans with the understanding that investments will follow social impact parameters contained in the assessment tool.

OZ Catalyst Prize

OpportunityCLE named as a Forbes “OZ Catalyst” for leading community-focused OZ work and for its creation of a positive model for other communities.

Fund for Our Economic Future Grant Making

Technical Assistance grant to The Central Kitchen, a business incubator and accelerator whose OZ expansion plan scored high-marks on the Social Impact Assessment Tool.



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Using Opportunity Zones to Advance Community Priorities

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We Grow KC is a coalition brought together by The Kauffman Foundation, The Kansas City Chamber of Commerce, the Urban Neighborhood Initiative to engage in dialogue and formulate a strategy focused solely on improving the livelihoods of opportunity one residents.



Tammy Buckner

Opportunity Zone Program Manager

wegrowkc.org

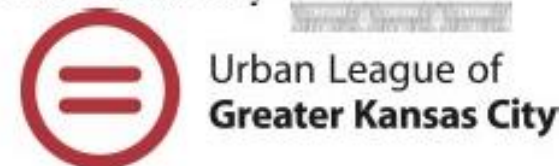
hello@kcoportunityzones.com

816-382-5966

Twitter: [tammycbuckner](https://twitter.com/tammycbuckner)

Our Process

1. Brought together the ecosystem of stakeholders into a conversation (*private foundations, & investors, CDFIs, local government, community development organizations more importantly community residents.*)
2. Conducted interviews with dozens of practitioners to begin ***“last-mile” evaluation*** of combinations of projects, both operating businesses and commercial real estate.
3. Solicited feedback from local working groups to build deals that ***meet both community and investor needs.***
4. Interviewed investors to ***bridge the gap*** between community advocates and capital allocators
5. Resident engagement: community-based organizations engaged residents both on overarching values for investments and specific deals.



Vision

Stimulate economic activity and jobs in areas of disinvestment in Kansas City in ways that:

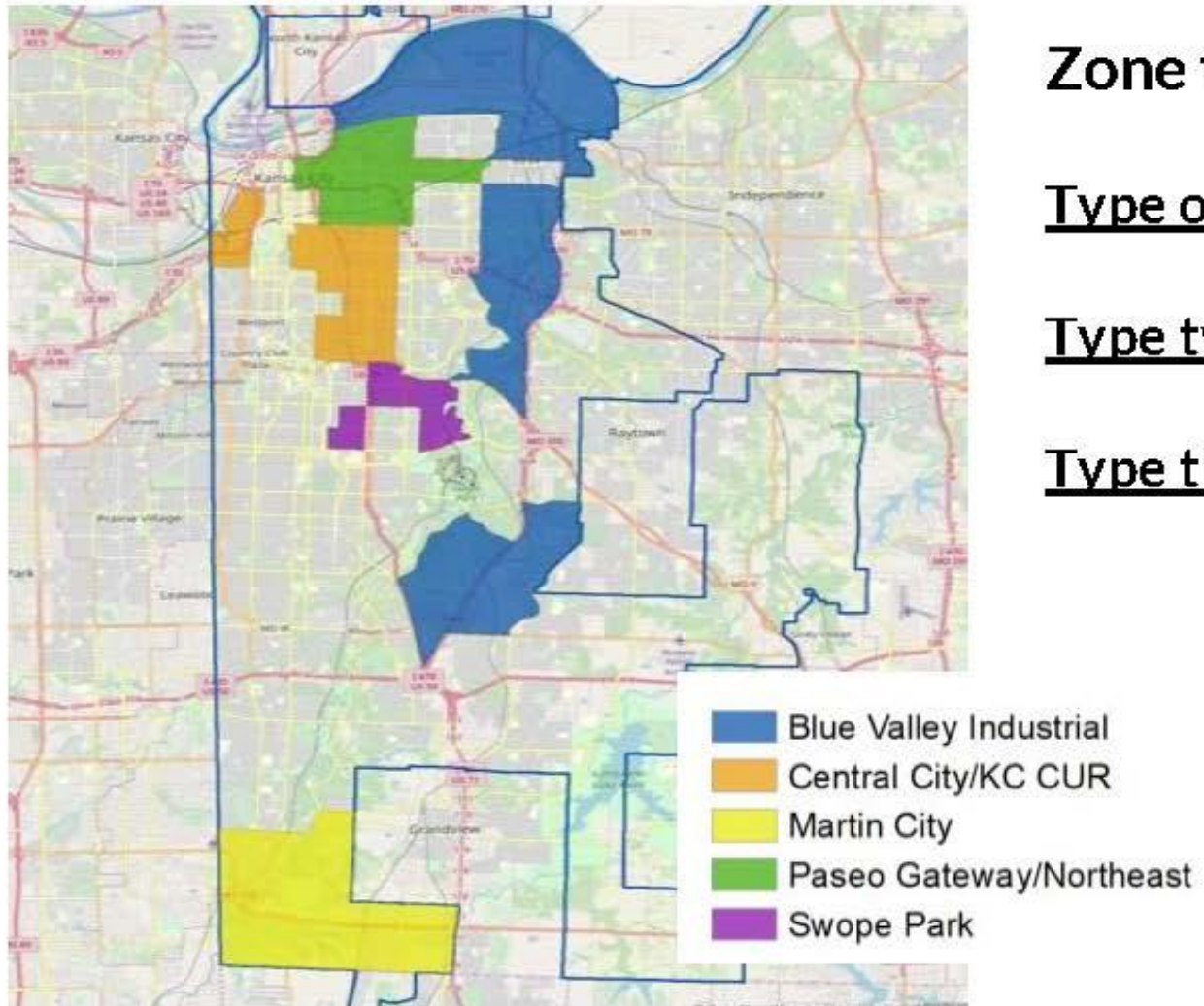
1. Build wealth
2. Increase economic mobility...
3. ...for residents currently living in the zones

Mission

We work to connect economic development resources with each other to help build a trusting and diverse ecosystem.

We help enable Kansas City East Side neighborhoods by involving them in the process of economic development.

Our Zones



Zone types:

Type one: Industrial

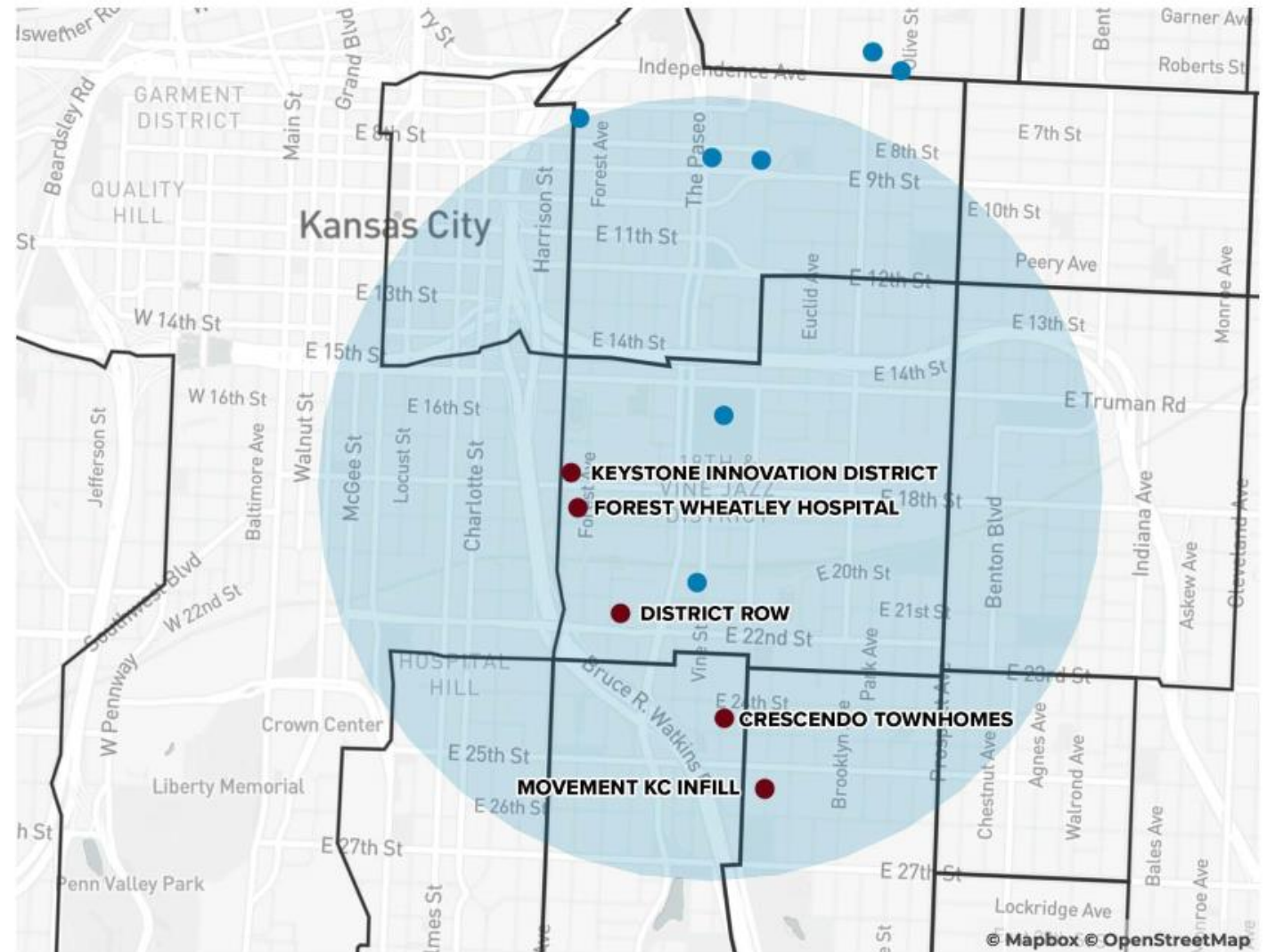
Type two: Greenfield project

Type three: City 'street corner'

Transactions with synergistic effect, versus one-off deals

Core real estate deals clustered between 18th & 25th street.

To be combined with investments in high growth commercial tenants & main street tenants.



1. Active Neighborhood Outreach

A method of neighborhood inclusion that is actively driven by the economic development entity.

A measurable amount of time is spent in the field searching for potential opportunities.

Trust is developed between the entity and neighborhoods.

A physical office location is easily accessible and welcoming for neighbors

2. Placemaking Through Matchmaking

A system that evaluates economic development projects with the goal of combining projects so they meet specified economic and neighborhood impact criteria.

Unlocking incentives by combining projects to meet minimum capital or impact thresholds.

3. Partnered Wealth Building

A partnership between neighbors and philanthropies where philanthropic capital is leveraged to create an (ESOP-like) trust.

Neighbors, over time, would purchase shares per their payment of “rent” or utilities.

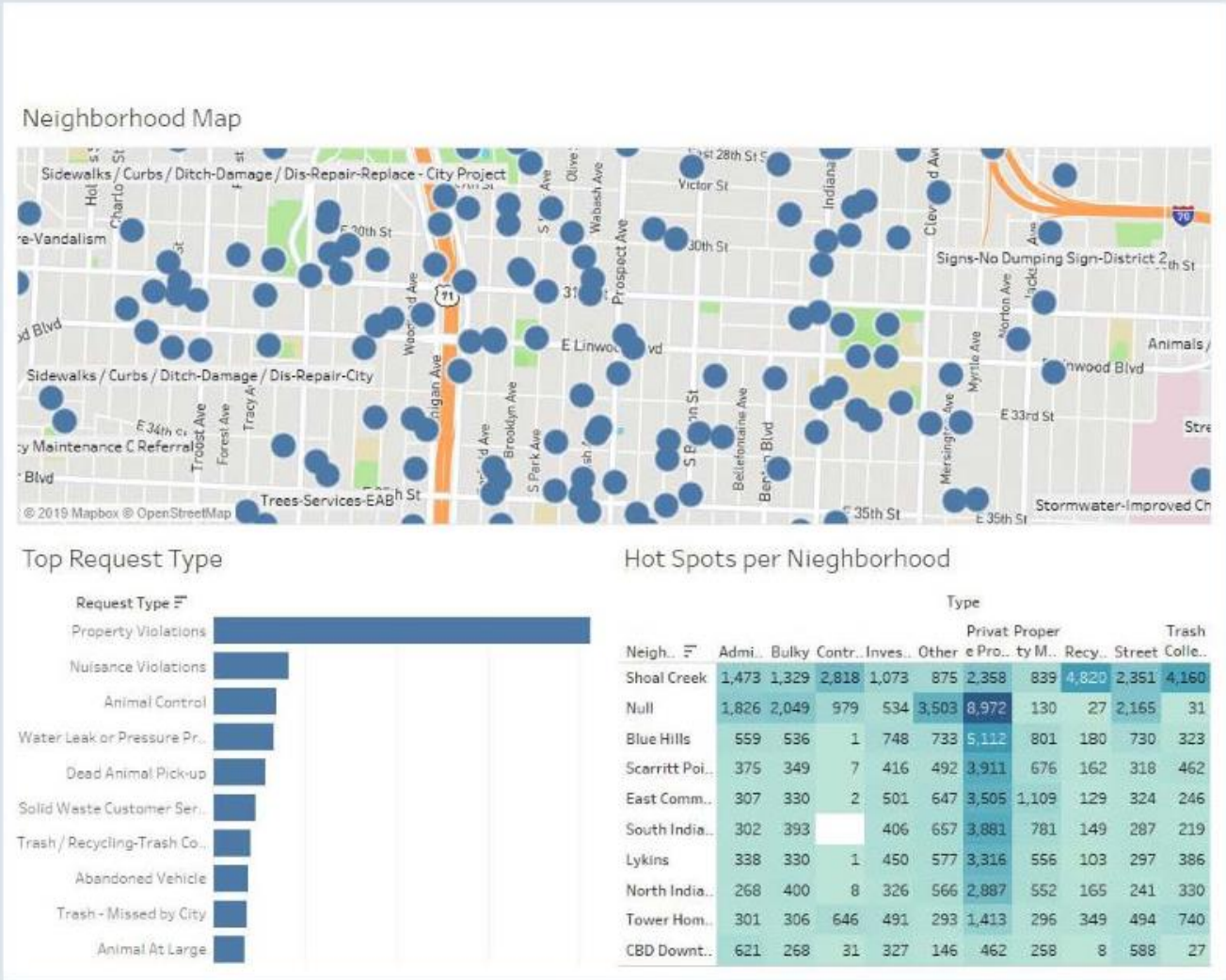
The development of various “terms” would be driven by customer need and opportunity.

Data Expertise and Data Collection

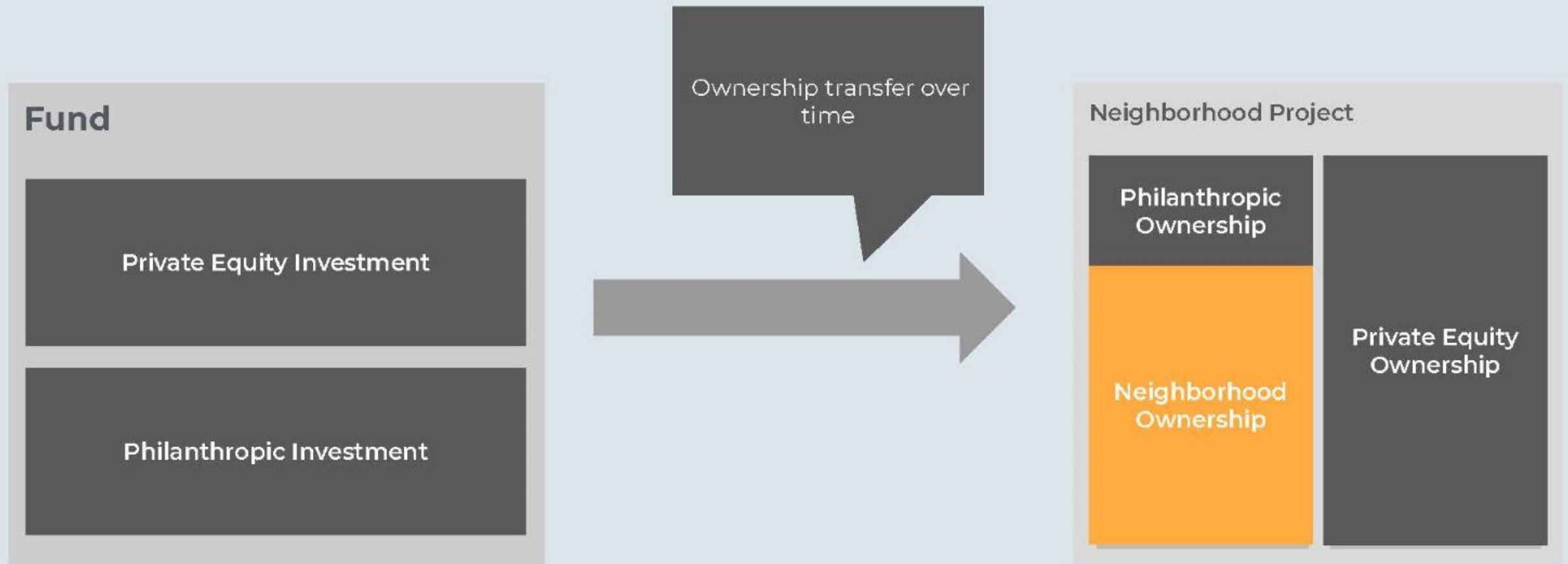
Part of the outreach is collecting data and projects from the neighborhood and using the OZ Assessment Tool to assist with other data provides intelligence for development and the means to evaluate impact.

Neighborhood
Dashboard

Open Data KC
311 Request Dataset



Equity Transfer - Over time philanthropic equity is bought out by neighborhood members.

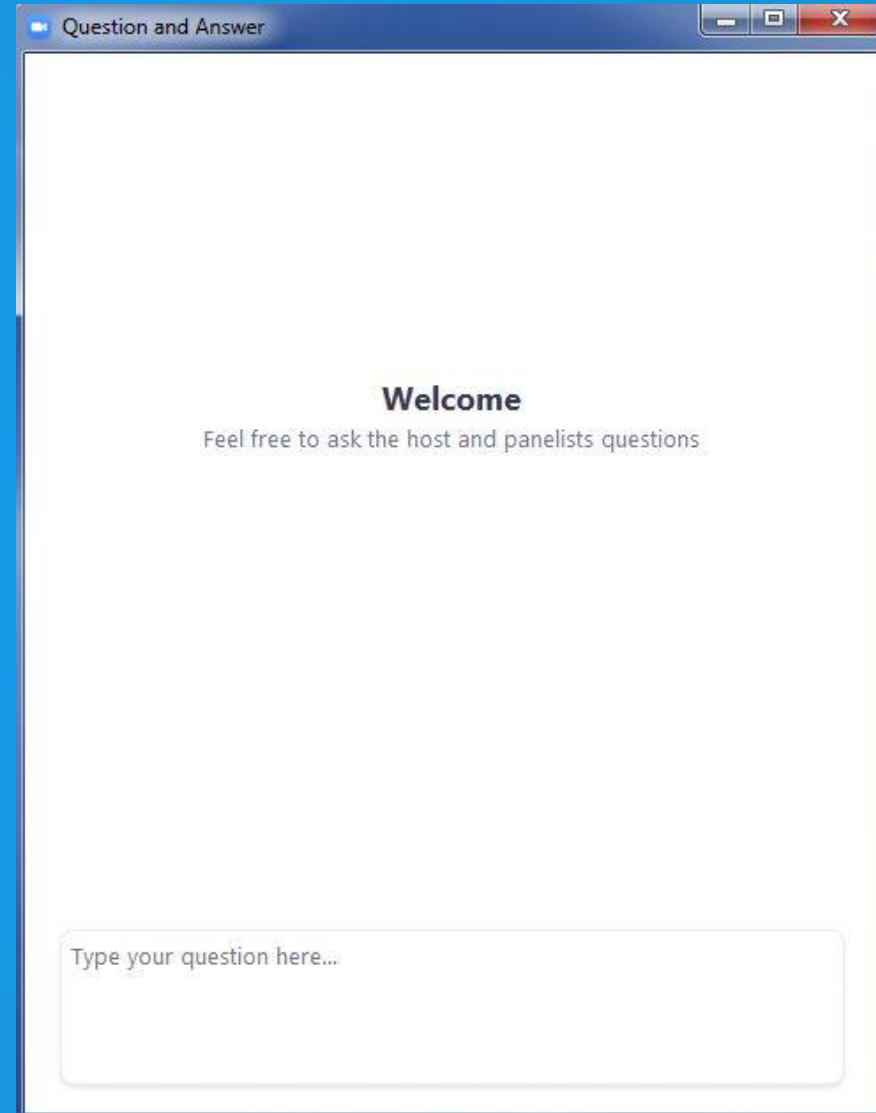


We Grow KC Coalition

- **We Grow KC** recognized and named as one of Forbes Top OZ Catalyst" for leading community-focused OZ work and for its creation of a positive model for other communities
- **The Affordable Living KC Opportunity Fund** allows investors to invest in the volume production of net zero ready new construction for-sale housing for buyers earning between 30 - 120% AMI in urban neighborhoods that's been designated oz.
- **Alt Cap created Equity 2** as a qualified opportunity fund to provide patient capital for new and growing businesses and community-enhancing projects.
- Neighborhood Equity a for-profit entity with community engagement at its core.

For more information visit wegrowkc.org

Questions?



Question and Answer

Welcome

Feel free to ask the host and panelists questions

Type your question here...

The image shows a screenshot of a web browser window titled "Question and Answer". The window has a white background and a blue header bar. In the center, there is a bold "Welcome" message followed by the text "Feel free to ask the host and panelists questions". At the bottom, there is a text input field with the placeholder text "Type your question here...". The window's title bar includes standard minimize, maximize, and close buttons.

Thank you!

For more information and to use the tool:

www.urban.org/oztool

If you have questions, email us at:

opportunityzones@urban.org

