



# THE UNITED STATES CONFERENCE OF MAYORS

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May 31, 2019

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

Re: Request for Information on Data Collection and Tracking for Qualified Opportunity Zones, 84 FR 18648 (May 1, 2019)

Dear Assistant Secretary Kautter:

On behalf of the U.S. Conference of Mayors, we respond to the "Request for Information on Data Collection and Tracking of Qualified Opportunity Zones, 84 FR 18648" on May 1, 2019.

Data collection and tracking are essential to the success of the Opportunity Zone program and critical to the ability of cities to supplement investments in Qualified Opportunity Zone (QOZ) projects with additional programs that help Opportunity Zone residents and businesses benefit from QOZ designation. In addition, without such information and tracking, cities will be less able to further advance their economic and community development goals for these low-to-moderate income neighborhoods and to leverage additional and balanced investment in them. We submit that data collection and tracking is needed not only for proper evaluation of the OZ program, but the ability to attract additional public and private investments. Examples of such additional planning and investments would be in the areas of infrastructure development, workforce training, housing and educational needs, among others.

We therefore request that information be collected from Qualified Opportunity Funds (QOFs) on a census tract basis that includes the date and amount of each QOF investment; the location of the business or property invested in; the type of business; the type of investment and type of activity made possible by the investment (e.g. economic sectors for businesses, commercial property, or single or multi-family housing for real property); estimate of the number of new jobs (FTEs) to be created as a result of the investment; the overall level of employment of QOZ businesses at the time of the project's completion; and the square footage of real property and/or number of residential units put into service. This information should be collected and updated on an annual basis and where possible provided to the city and the public in an expeditious manner.

This investment-specific data conforms to the legislation recently introduced as H.R. 2593 and S. 1344, and we agree with the comments submitted by the Economic Innovation Group-led Opportunity Zone Coalition that affirm Treasury and the IRS have ample authority to collect and report such information under existing law and regulations, given that this data is required to meet certain regulatory requirements, such as the 50% gross income test, the 70% business property test, the 90% QOF capital deployment test, and the general anti-abuse rule.

As to meeting the Department's disclosure limitations, we believe such information can be aggregated and made anonymous for purposes of taxpayer privacy requirements, while still conveying overall OZ economic activity in a particular QOZ zone to both cities and the public. In instances where anonymity cannot be achieved (such as addresses, or even census tract specific information), broader geographic designations could be used to aggregate such activity.

While Treasury and IRS must balance privacy and openness, it is important to acknowledge the associated tax incentives resulted in forgone tax revenue to the federal government. Therefore, it is important to both Congress and taxpayers that QOFs provide the data necessary for understanding the specific and overall economic impact of Opportunity Zone investments in order to determine the efficacy of policy.

We also concur with other responders that data sets in the aggregate should be made available to allow third party researchers to assess the overall impact of the Opportunity Zone program.

Finally, we encourage Treasury to take a long view toward evaluating the Opportunity Zone program. Creating economic opportunity in low- and moderate-income neighborhoods often takes a decade or more before overall assessments of a specific revitalization approach, such as Opportunity Zones, can be evaluated. Therefore this more patient evaluation must take on a broader set of measures that should include changes over time in employment levels, including both new and existing residents; the rise in property valuations in the OZ; the average and median wage of OZ employees for both residents and non-residents; the change in the number of new and/or expanded businesses or self-employed individuals; the change in population of the OZ; the change in the poverty level of residents in the OZ; the level of public and private investment in transportation, water and other basic infrastructure; and the level of new investment in the "quality of life" amenities such as parks, walkways, and libraries. As to employment measures, we encourage Treasury to assess not only residents of the zones who were beneficiaries of the OZ program, but also citywide residents. We believe the above measurements of QOZs should be evaluated in comparison to the broader economic measurements of the city to determine QOZs specific and broader impacts.

Hon. David J. Kautter  
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We wish to thank Treasury for the opportunity to comment on the RFI. If you have any questions, please contact Dave Gatton [dgatton@usmayors.org](mailto:dgatton@usmayors.org) 202-861-6712.

Sincerely,

A handwritten signature in blue ink that reads "Steve Benjamin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen K. Benjamin  
President, U.S. Conference of Mayors  
Mayor of Columbia, SC

A handwritten signature in black ink that reads "Tom Cochran". The signature is bold and cursive, with a prominent vertical stroke at the beginning.

Tom Cochran  
CEO and Executive Director  
U.S. Conference of Mayors