

*Opportunity Zones  
&  
Data Reservoir*

*Interview with The Data Incubator  
Terrence E. Gilchrist, Finalist*

*May 13, 2020, 3 p.m.*

# Course of Presentation

- Creation of Opportunity Zones
- Personal Interest
- Data
- Problem Statement
- Potential Solution

*CREATION OF*  
**OPPORTUNITY ZONES**

*DOES MONEY  
CHANGE  
POOR NEIGHBORHOODS?*

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Unlocking Private Capital  
to Facilitate Economic Growth  
in Distressed Areas

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BY JARED BERNSTEIN, CENTER ON BUDGET AND POLICY PRIORITIES  
AND KEVIN A. HASSETT, AMERICAN ENTERPRISE INSTITUTE

APRIL 2015



**Senator Tim Scott, R-SC / Senator Cory A. Booker, D-NJ**



*The*  
**TAX CUTS & JOBS  
ACT**  
COMMUNICATIONS AND  
POLICY DETAILS

# *PERSONAL INTEREST*

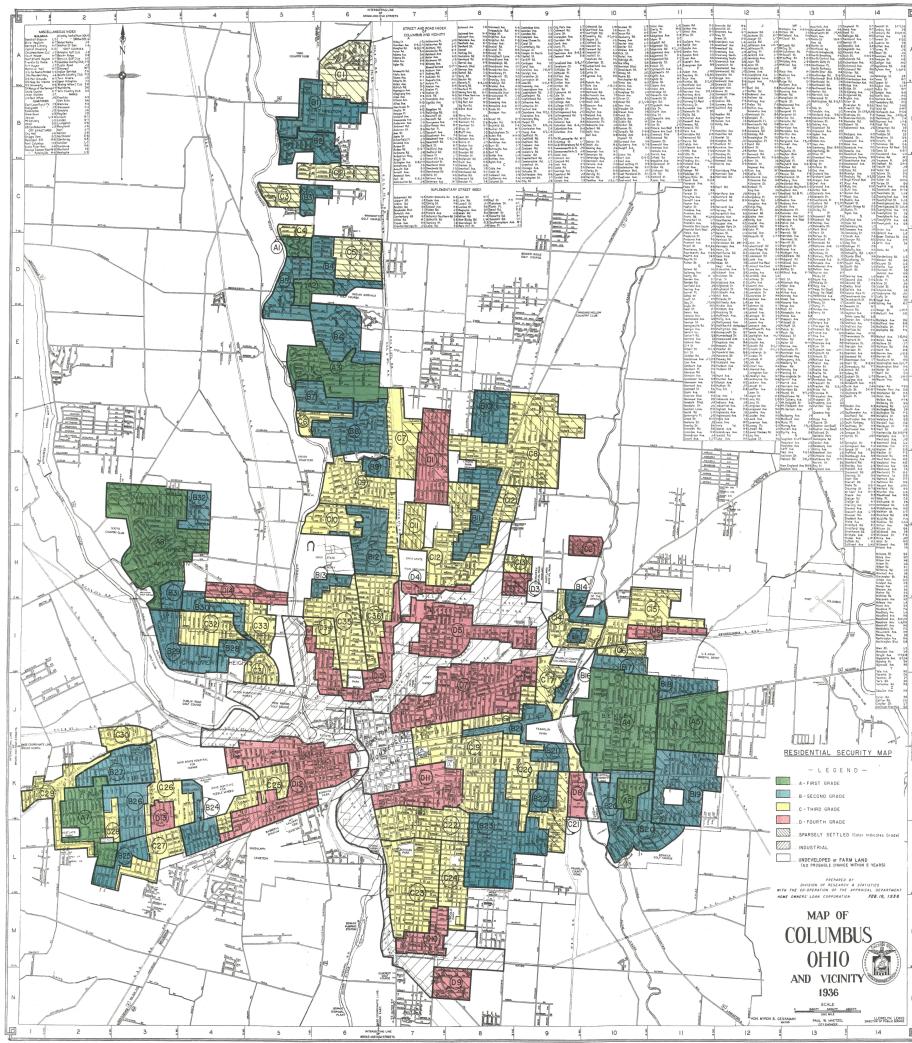
# Mount Vernon Avenue, Circa 1949



AP/30  
©2012 M. Richardson

# Changes, 1930 to 2015

Home Owners' Loan Corporation Map, 1936



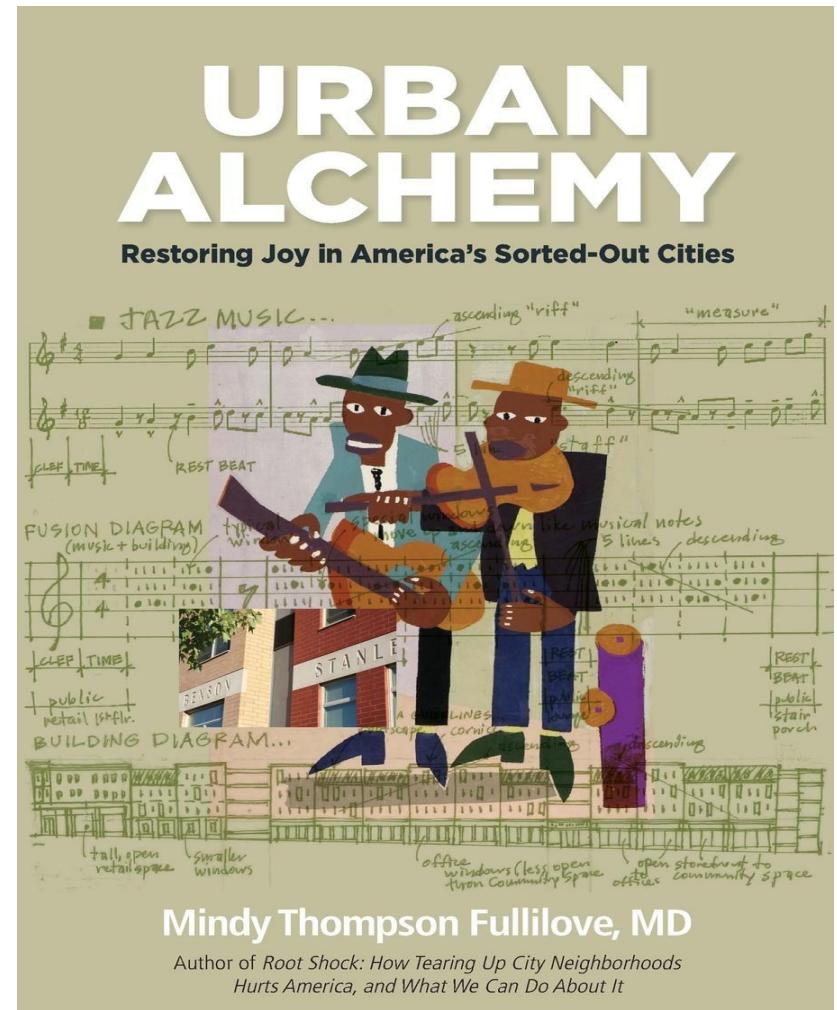
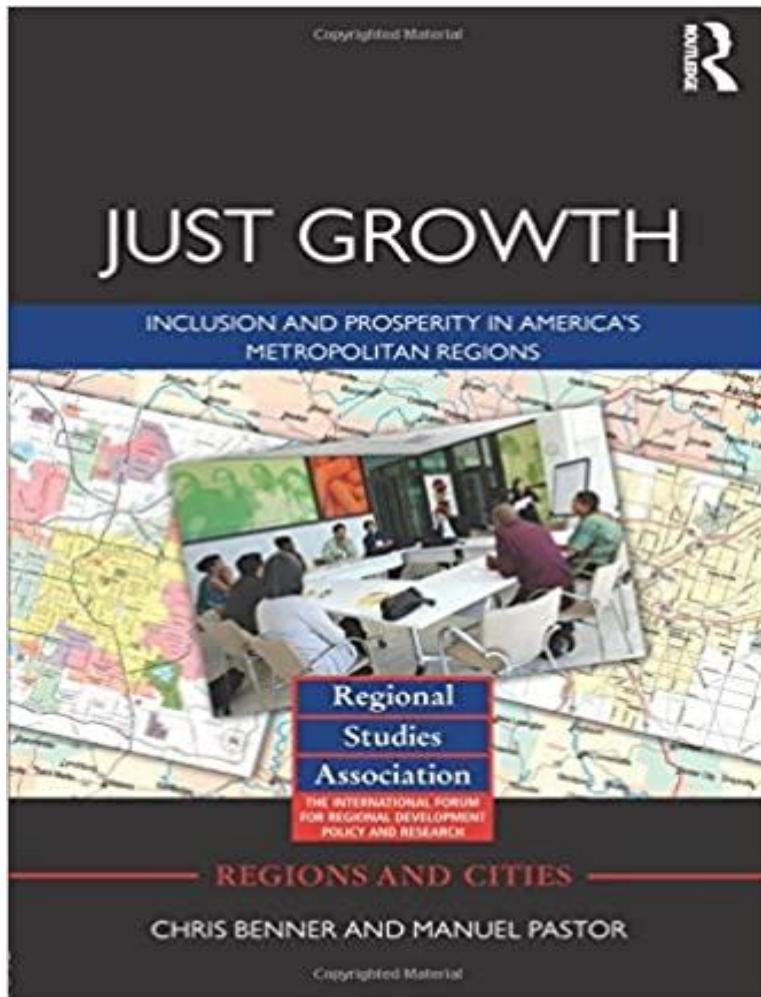
Cancer Cluster, 1950 to 2016



Data Sources: Ohio Department of Health, Ohio EPA, Respondents

Prepared by: Terrence E. Gilchrist, MPA

# Equitable Development and Inequality



*DATA*

# Sources & Software

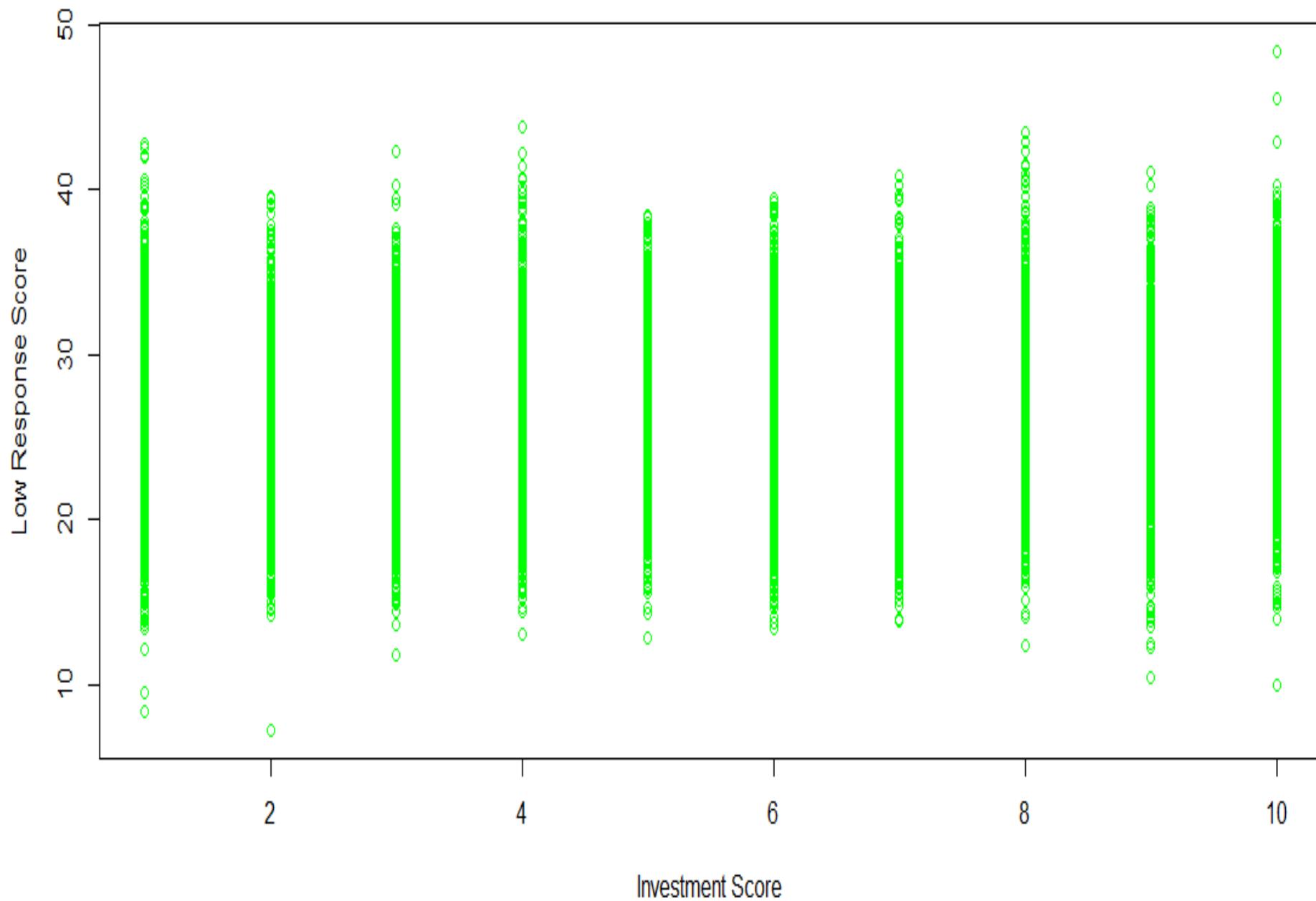
## Sources

- Federal Reserve Bank of St. Louis
- Urban Institute
- U.S. Census Bureau
- U.S. Department of the Treasury

## Software

- R

## Comparing the Urban Institute's Opportunity Zone Investment Scores with Census Low Response Scores



# Investment Score by Qualifying Census Tract Type

Tract Type	N	Median	Mean	SD
Socio-Economic Change	1122	8	7.52	2.56
Contiguous	10268	6	6.17	2.75
Low-Income Community	30933	5	5.27	2.88

# Investment Score by Designated Census Tract Type

Tract Type	N	Median	Mean	SD
Non-LIC Contiguous	198	8	6.76	2.84
Low-Income Community	8566	6	5.71	2.93

# Inequality

## Franklin County, Ohio

	2015	2018
Dissimilarity Index	44.39	43.81
Income Inequality Ratio	16.23	15.26



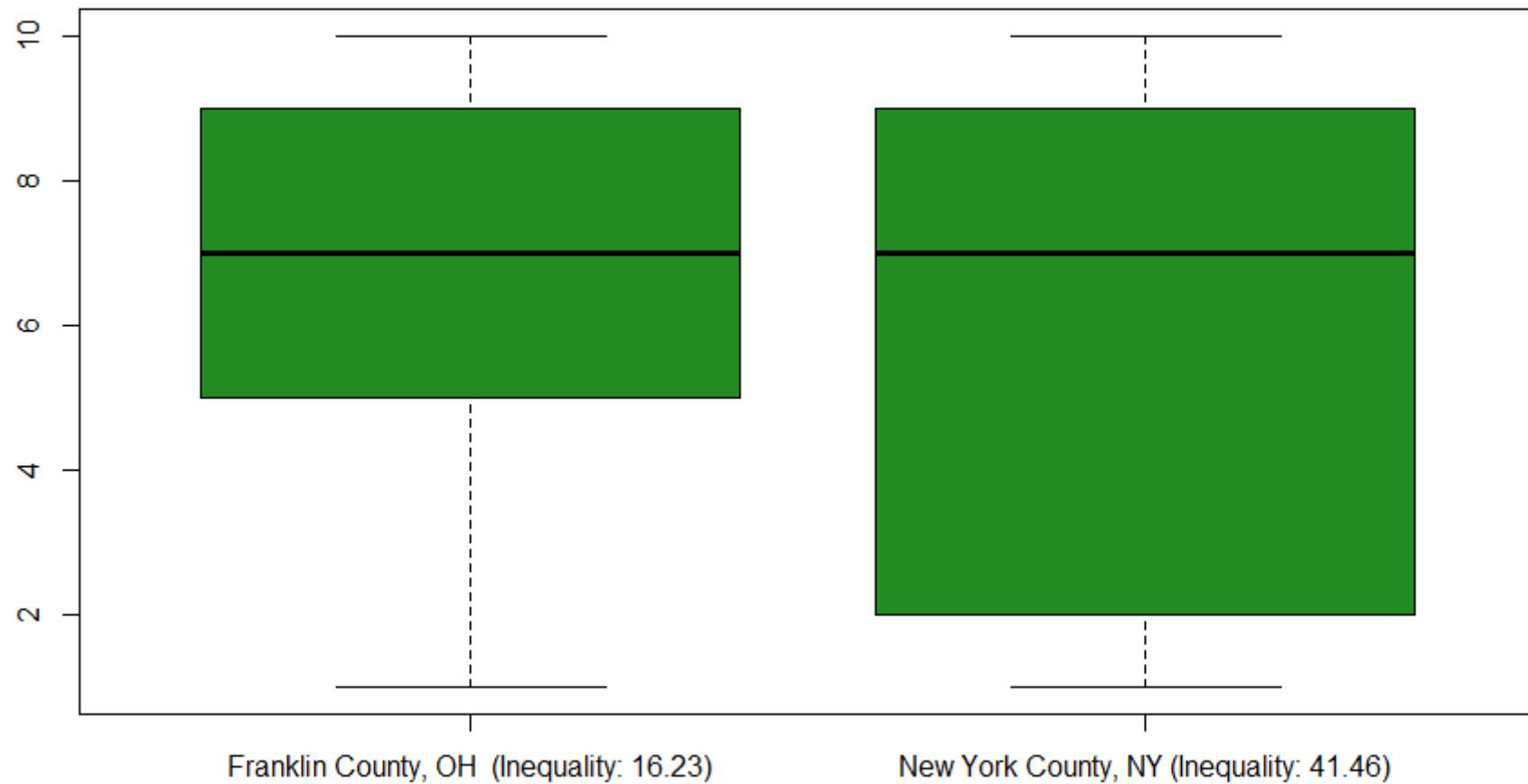
## New York County, New York

	2015	2018
Dissimilarity Index	57.03	55.48
Income Inequality Ratio	41.46	43.12



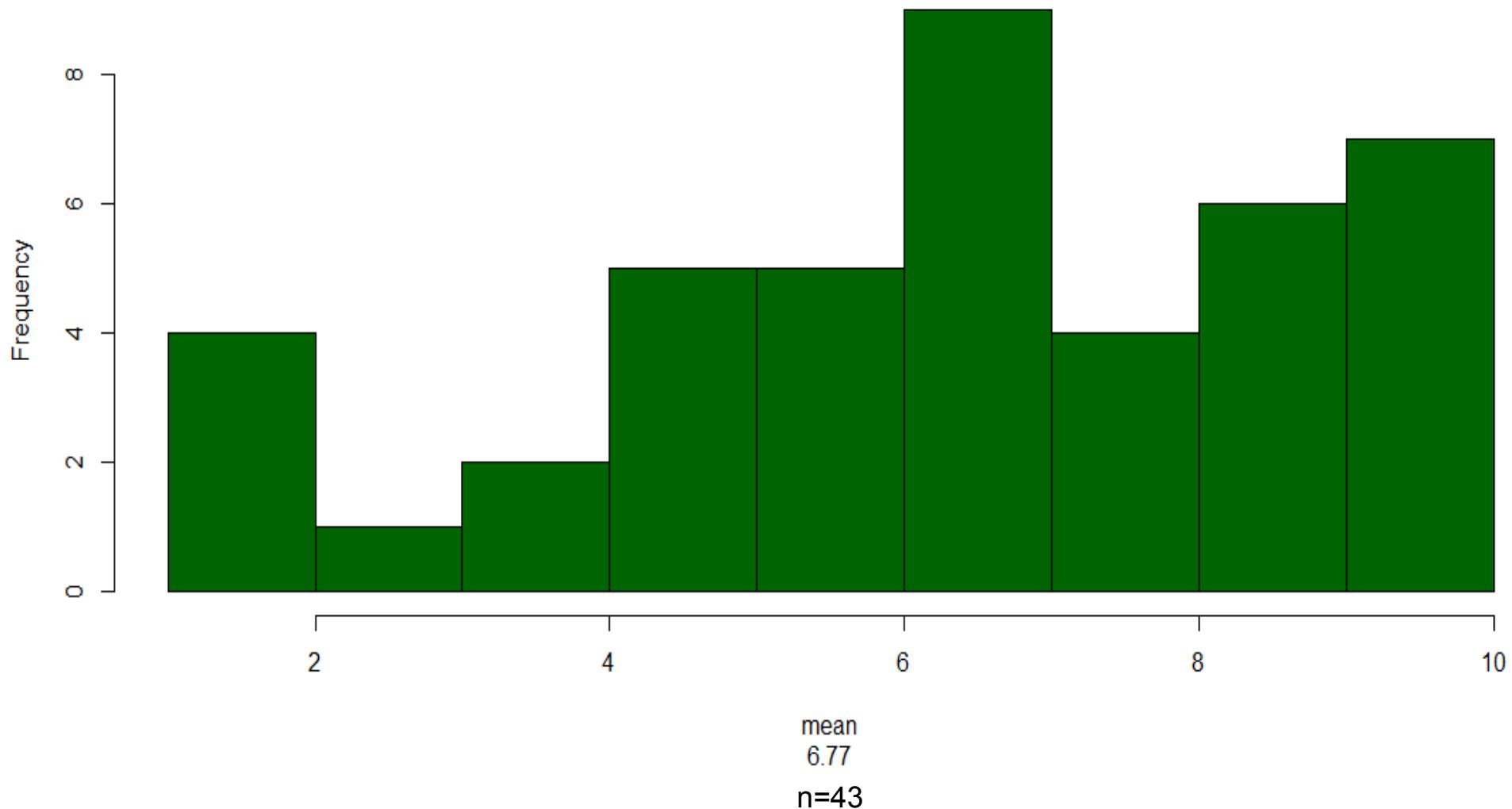
# Box Plots of Investment Scores

2011 to 2015



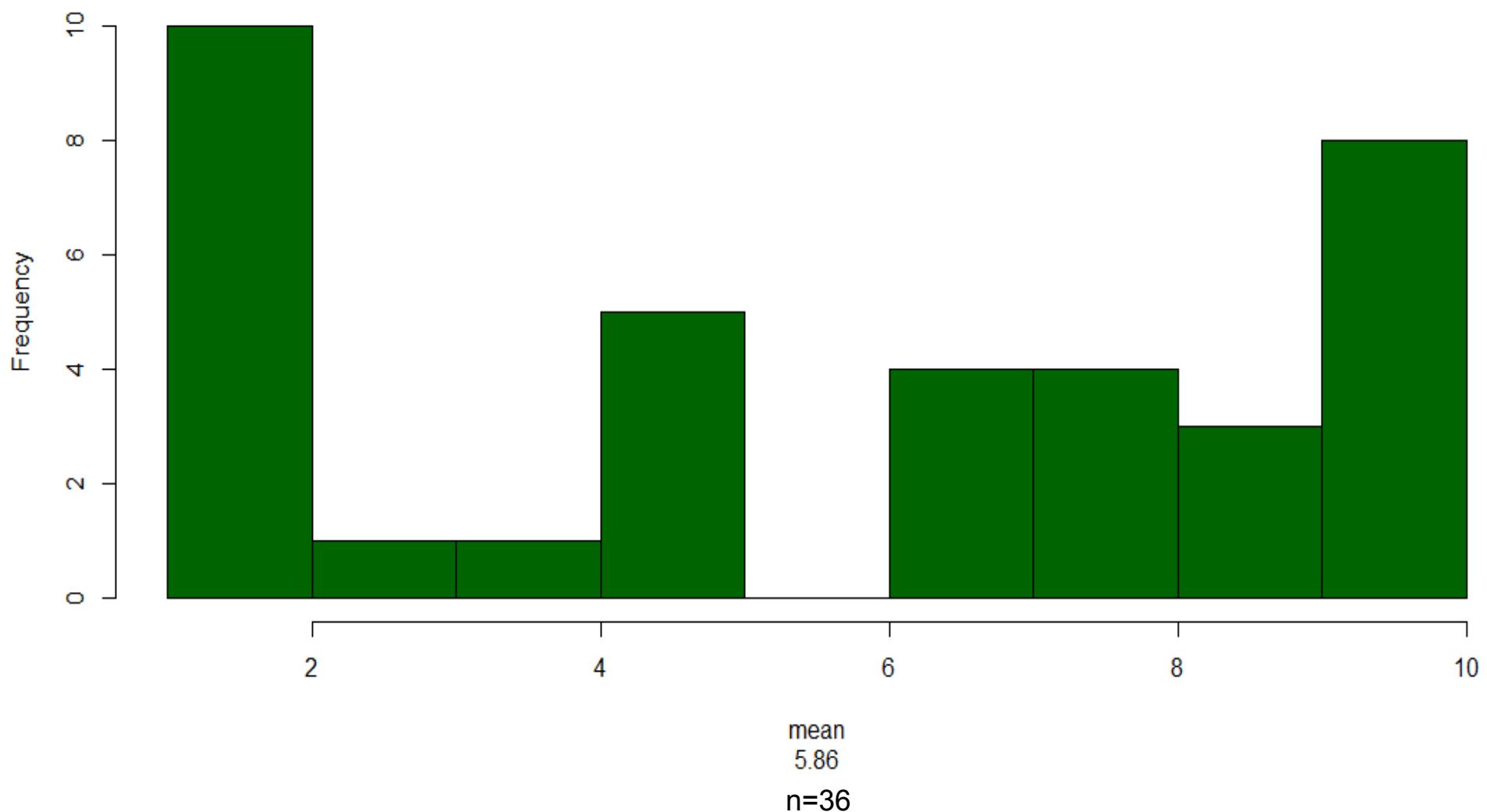
# Franklin County, Ohio

Investment Scores across Designated Opportunity Zone Census Tracts



# New York County, New York

Investment Score across Designated Opportunity Zone Census Tracts



# *PROBLEM STATEMENT*

(1) *WHAT ARE  
QUALIFYING OPPORTUNITY  
FUNDS  
DOING?*

# Stillman College, Alabama



RENAISSANCE EQUITY PARTNERS LLC



Save the Date

Elevate Stillman &  
Opportunity Zone  
Discussions

July 18, 2019

11:30 am - 1 pm

Lunch will be served



# Rybovich Superyacht Marina, FL



(2) HOW TO  
EVALUATE  
OPPORTUNITY ZONES?

# Tools & Framework

## OZ Community Impact Assessment Tool



Urban Institute

## OZ Reporting Framework

### **DRAFT** Sample Reporting Form

Mission statement: Key target impact of investments.

Investment Thesis: What are the sectors or industries in which the fund seeks to invest and why?

Commitment to report publicly: Yes/No

#### Fund information

- Size of the fund
- Location of capital deployment (census tracts)
- Type of qualifying property or business
- GP demographics (race and gender composition)

Intended impact: Defined for each fund and investment. [There are existing tools available for fund managers to help define, measure and quantify impact].

- Intended impact, e.g. (not limited to)
  - Education – high school graduation rates, school retention rates, job retained
  - Affordable housing – number of affordable units created as % of development
  - Jobs – number of jobs retained within community, % of salary increase for lowest paid employees
  - Entrepreneurship – number of new businesses started, number of female and minority owned businesses created
  - Access to healthy food
  - Environment impact

#### Community Engagement

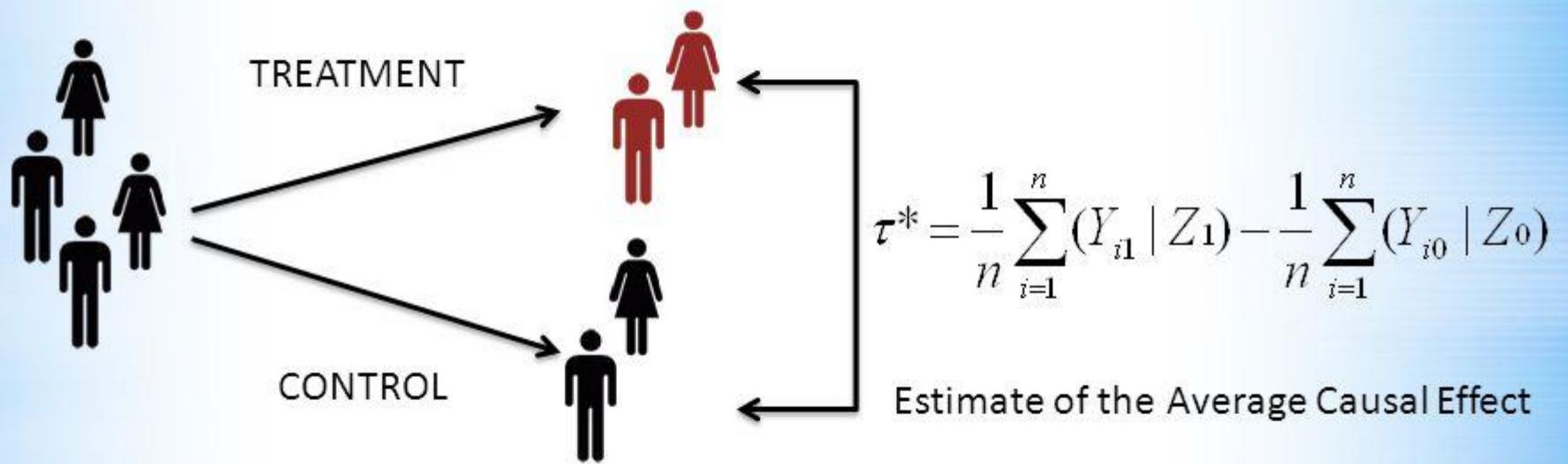
- Method of community engagement
- Type of feedback incorporated
- Partnerships with local organizations and type of partnership
- Community needs assessment or alignment with established community priorities
- How investment is aligned with local/regional economic development strategies

#### Post-Exit Evaluation

- Community impact beyond hold period
- Variation from original intention

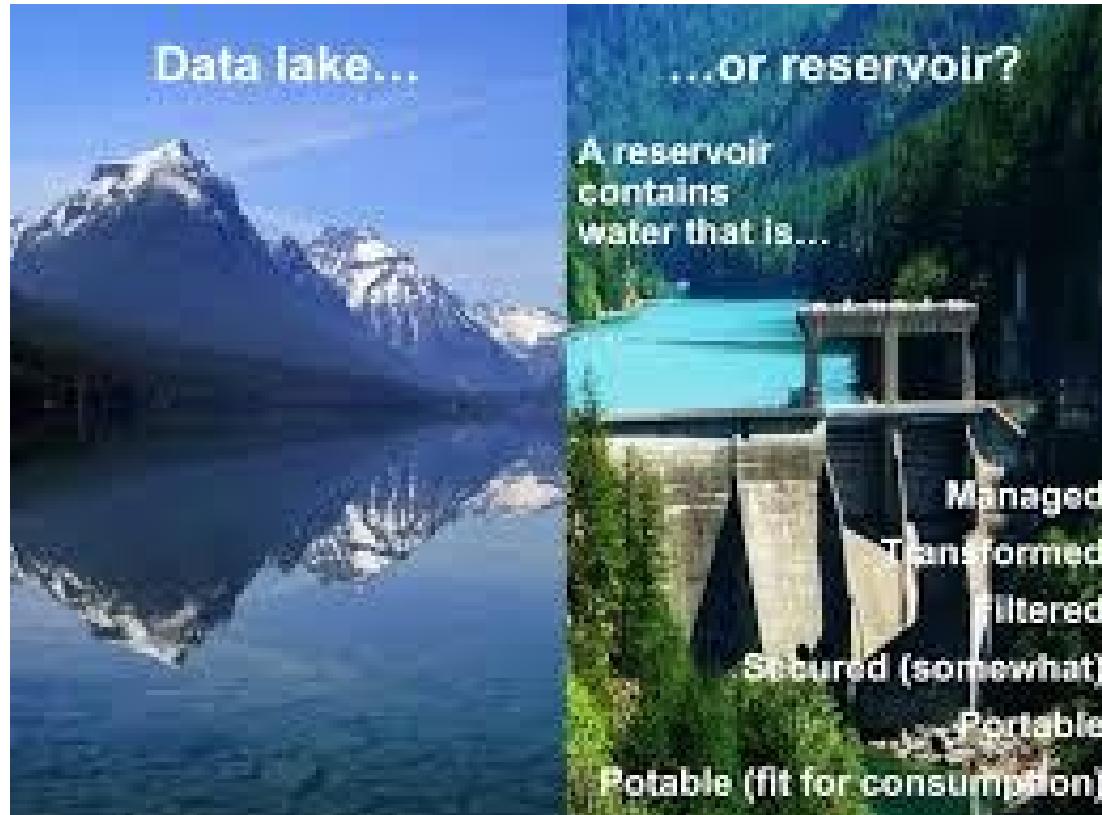
The U.S. Impact Investing Alliance

# Rubin Causal Model



# *POTENTIAL SOLUTION*

# Data Reservoir



# Data to Compile

- Brownfields
- Childhood poverty
- Earnings
- Education levels of adults
- Investments by qualified opportunity funds
- Public health conditions
- Rent and housing values
- Unemployment level per month

# Audience and Users

- Academic researchers and evaluators
- Foundations
- Governors
- Local public officials
- Members of Congress and Senators
- Qualified Opportunity Funds
- Recipients of investment
- U.S. Department of the Treasury

# Benefits

- (1) Real-time outputs and outcomes
- (2) Comparison census tracts for causal inference
- (3) Permanency for posterity

*THANK YOU*