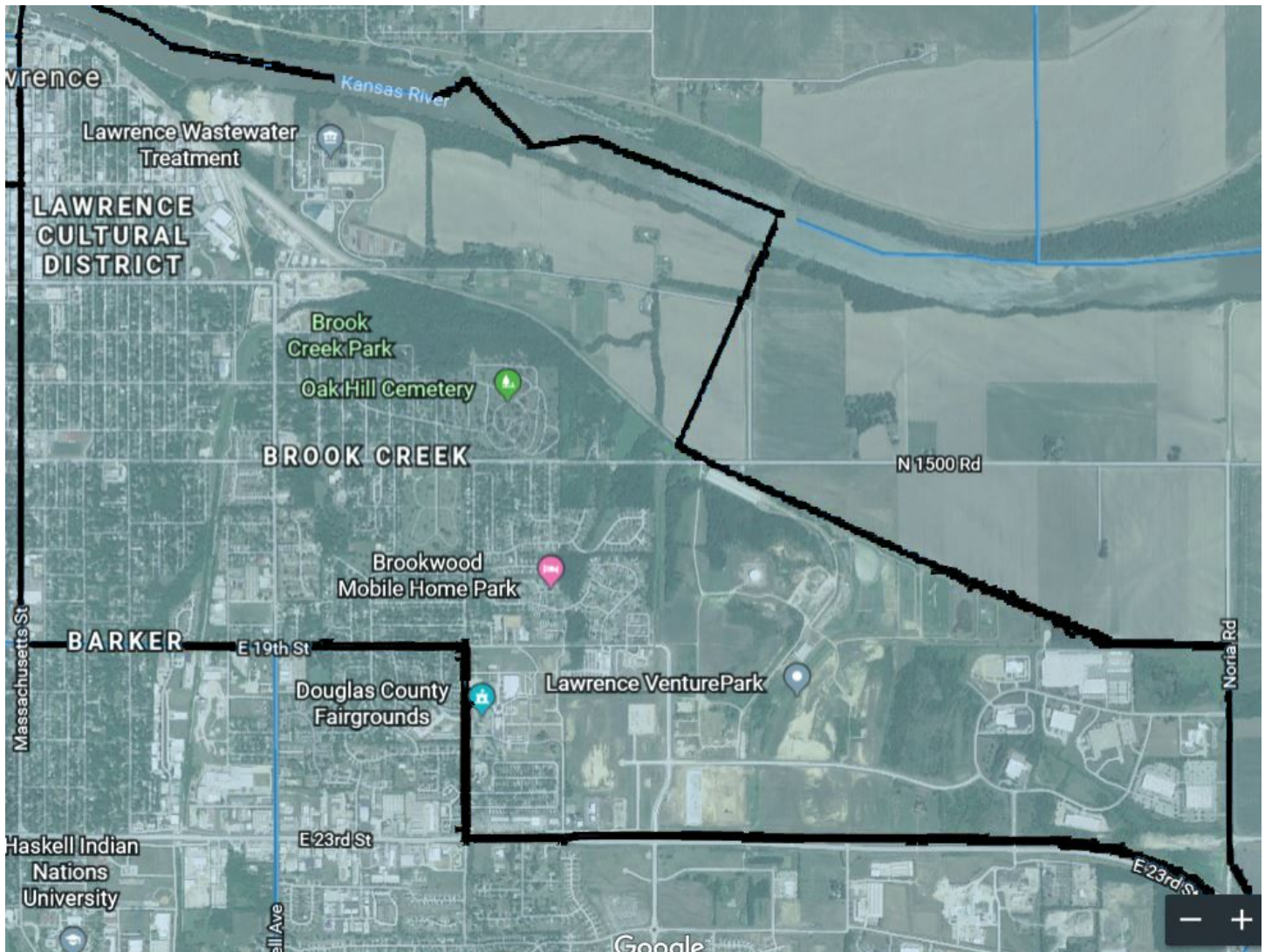


## Opportunity Zones in Lawrence, Kansas: A Preliminary Summary of Possible Threats and Opportunities



Map of the Opportunity Zone that includes the East Lawrence, Brook Creek, and Barker neighborhoods, with apologies for the Google Earth error of calling East Lawrence the “Lawrence Cultural District” I reported that error to Google.

### Potential Threats

“If everything goes right, a big slice of the estimated \$6.1 trillion of paper profits currently resting on American balance sheets is about to go to work to revitalize America’s depressed communities. If all goes wrong, however, it will prove to be one of the biggest tax giveaways in American history, all in service of *gentrifying neighborhoods and expelling local residents*.” An Unlikely Group Of Billionaires And Politicians Has Created The Most Unbelievable Tax Break Ever, Forbes (<http://bit.ly/LFK10>)

“Research suggests place-based incentive programs redistribute rather than generate new economic activity, subsidize investments that would have occurred anyway, and *displace low-income residents* by increasing property values and encouraging higher skilled workers to relocate to the area.” Opportunity Zones: What We Know and What We Don’t, Tax Foundation (<http://bit.ly/LFK15>)

"Supporters say this will help revitalize distressed communities, but there is a risk that instead of helping residents of poor neighborhoods, the tax break will *end up displacing them* or simply provide benefits to developers investing in already-gentrifying areas." Will Opportunity Zones help distressed residents or be a tax cut for gentrification?, Brookings Institute (<http://bit.ly/LFK17>)

"... additional investment driven by opportunity zones could have the unintended effect of fueling higher real estate prices that serve to *displace low-income citizens and businesses* rather than benefit them." How Opportunity Zones Benefit Investors and Promote Displacement, Institute on Taxation and Economic Policy (<http://bit.ly/LFK16>)

"But the "opportunity zones" could also lead to *private investors tearing down existing houses* to build big, new houses and getting tax breaks on their returns" "So you drive gentrification, is that your point?" Tax breaks could drive new development in Durham. Could they also worsen gentrification? Durham NC News & Observer (<http://bit.ly/LFK18>)

"While the Opportunity Zone incentive may increase real estate development in certain geographic areas, there are *no guarantees that existing residents will not be displaced* in favor of luxury condominiums." The Treasury Department's Regulations for Opportunity Zones Ignore the Communities They Should Serve, Center for American Progress (<http://bit.ly/LFK22>)

## Potential Opportunities

We would like to see Opportunity Zones used as a tool to maximize community benefit and minimize negative impacts in neighborhoods by creating significant permanently affordable housing stock, by softening or eliminating further economic strain on already existing affordable housing stock and neighborhood residents, and by creating new economic and employment opportunities for community members beyond those directly invested in the development properties within the opportunity zones. For example, several cities, including Minneapolis, have signaled to the investment community that they want opportunity zone projects to deliver a social good, such as affordable housing, and that they do not want opportunity zone funding to be used for luxury housing or other projects that displace residents. A few examples:

New tax breaks could lift distressed areas - or become a big, gentrifying tax giveaway, TwinCities.com (<http://bit.ly/LFK23>)

Can Opportunity Zones Provide Transformational Change In Affordable Housing?, Baltimore Real Estate News (<http://bit.ly/LFK24>)

Opportunity Zones: A New Tool for Affordable Housing, CAHEC - a nonprofit regional tax credit equity syndicator that helps finance the development of affordable rental housing (<http://bit.ly/LFK25>)

## **Next steps**

We feel that positive collaborations are possible among all stakeholders, and we wish to see every effort made to ensure a democratic deliberative process and meaningful and broad citizen engagement.

The following document is recommended for community stakeholders to utilize local control of opportunity zones to avoid gentrification and displacement of existing residents:

Equitable Economic Development in Opportunity Zones - Recommendations for Opportunity Zones Leveraging private investment for equitable economic development, PolicyLink (<http://bit.ly/LFK26>)