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Kevin,

As you are well aware due to recent conversations we have had, I have some concerns over the long-term consequences that will result from Opportunity Zones in low-income neighborhoods. I've listed some of my main concerns for you below:

- **Elephant in the Room:** The government has never addressed or acknowledged their role in creating "slums" in every major city through redlining, zoning and other Federal entities like the FHA. Thus, unless policies are enacted to undo the damage from a federal level, we are simply "shoving the dirt around" in terms of cleaning up these poor areas.
- **Major Displacement:** The main strategy with investors into these low-income areas are to provide newly renovated rental properties for residents to lease from them. However, in most cases the newly renovated property is listed for prices out of range for the local residents of the neighborhood, forcing most to move to an area closer to their affordability.

Also, landlords (seeing the area is improving) begin raising rent on existing residents without having done any improvements to the property. This allows the landlord to leverage the sales price of their home when a Real Estate Investor expresses interest in purchasing it for their own portfolio.

A recent conversation I had with a colleague informed me that in certain areas of Nashville residents are moving as far as 45 minutes from their place of residence to find affordable housing.

- **Financial Discrimination Exasperated:** One major cause of the formation of a "slum/ghetto" is the lack of financing provided to the residents. It is no secret that the financial markets have a long history of racial discrimination that started with the FHA in the 1930s, however, most are unaware of it's continued practice today.

When revitalization begins in a particular area, drastically improving property values and creating a more stable real estate market, the lack of financing to existing residents is exasperated. Existing homeowners are turned down for improvement loans and local residents are turned down for financing because the new home prices are out of range of their affordability.

- **Pressure from local Municipalities:** Higher taxes and code violations are usually the final blow to residents in a gentrified area to move residents to new areas. Owners looking to stay and benefit from rising property values often see "new violations" filed against them, that if not corrected, result in the city condemning their property altogether.

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Not only is their house in violation of the city, they cannot obtain financing to fix the issue!

- **No Wealth Building:** Some have suggested placing “Rent Controls” on properties, apartments, etc. as a way to abate major displacement of residents. This is a temporary fix at best. A permanent solution is to provide homeownership to residents that they might begin building wealth and benefit from a market they were deliberately left out of for decades. Renting property takes what wealth would have been made over time for the resident and places it in the pockets of their landlord.

Without serious intervention and measures to provide permanent solutions for residents, I’m afraid Opportunity Zones are just a tool for weaponized gentrification nationwide.

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