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Opportunity Alabama From OZs To Covid-19 Recovery.

We're spotlighting the impact of each of the [Forbes OZ 20 Grand Prize winners](#). Two communities and two funds were honored at the 2020 Winter Innovation Summit for bringing transformative capital to long-overlooked areas across the U.S.

Opportunity Alabama's singular skill for connecting capital, community leaders and developers earned the nonprofit a Forbes OZ 20 Grand Prize. Now that knack for coalition and capacity-building work is being leveraged to help Alabama communities bounce back from Covid-19's economic blows.

Next week, Opportunity Alabama (OPAL) will be announcing the first cohort of a new initiative called the Rural Recovery Accelerator, aimed at providing economic-development training and resources to counties with populations under 175,000 across the state.

Covid-19 has reminded the country how existing inequities are easily compounded by the unexpected. Small and low-income communities that were struggling before the pandemic are also less likely to have the resources and infrastructure necessary to take surefooted economic steps in the months ahead. To make the outlook even worse, shrinking economies mean shrinking tax bases, muddling hopes for local government intervention.

OPAL wants to use its expertise to help communities think beyond immediate concerns about "reopening," instead focusing on the next six to twenty-four months. Over the course of an intensive six-to-eight week program, OPAL's recovery accelerator will lead participating communities through the process of putting together a recovery roadmap, a data profile, a pipeline of potential deals, a community recovery website, and outlining their community's broader recovery ecosystem.

Members of the OPAL team will continue to provide resources after the course to make sure each community's deal pipeline sees investment.

Communities—at the city, town, or business district level—can designate between one and five local coordinators to participate, committing in-kind time and effort. OPAL then helps local coordinators to map trajectories, connect the dots and take first steps. Thanks to funding from the Appalachian Regional Commission and Delta Regional Authority, the accelerator will be free for communities in 54 Alabama counties.

Seeing where a few missing pieces make all the difference is OPAL's raison d'être. If OPAL's work in opportunity zones (OZs) is any indication, communities will see the Rural Recovery Accelerator's returns continue to multiply.

OPAL's investment ecosystem-building track record started when founder and CEO Alex Flachsbart was working as an attorney in Birmingham.

A partner at the firm where Flachsbart worked came to him with an offer to help a group in Selma. Flachsbart would need to help the Selma group figure out how to get their project off the ground, including everything from the project's legal framework to whether grants or other incentives were

available.

“You never get to do that as a lawyer,” says Flachsbart, “so it was a lot of fun.”

For that project and others, part of Flachsbart’s work became turning rocks, looking for money wherever he could to “help move the needle in low-income places.” Flachsbart went deep into the weeds researching everything he could find: social impact bonds, CDFIs, New Markets Tax Credit. It was on Twitter, during a sleepless night caring for his infant daughter, that Flachsbart’s research into economic development incentives finally led him to OZs.

Flachsbart recalls the moment of realization, thinking “this is the missing equity solution we’ve been looking for.”

One of the lessons Flachsbart learned as a lawyer was that “using law and finance as tools only gets you so far.” To get projects off the ground, says Flachsbart, you depend on “that third leg of community—community engagement and community support.”

With the tax incentive at the heart of the OZ framework, Flachsbart finally saw how to “connect all these disparate stakeholders who believe in low-income community revitalization.”

Before final guidance on OZs came from the Treasury Department in early 2019, OPAL was already laying a foundation for one of the nation’s most creative information hubs to connect capital, communities, institutional partners and leaders. Instead of focusing on just a few areas, OPAL developed a data-driven, scalable strategy for all 158 of Alabama’s census tracts that were designated as OZs.

It was “almost a no brainer,” as Flachsbart describes it. “This opportunity zone incentive gave us a vehicle for having a conversation that we needed to have for 20, 25 years.”

Those conversations are happening now. “We have more collaboration than we’ve had—I know—in my adult life,” says Anthony C. Hood, Ph.D., Director of Civic Engagement University of Alabama’s president’s office and part of the Opportunity Alabama team.

Conversations and collaboration mean it’s now a lot easier for wealthier Alabamans to invest in Alabama. “A guy in rural west Alabama sells his company and makes \$5 million,” Flachsbart explains. “There’s now infrastructure in place where he knows to call the local mayor because the local mayor had a conversation with him about opportunity zones, who then goes and calls the local economic developer who’s got five easy shovel-ready projects teed up.”

OZs are already making a difference for local investment in Alabama. For Tanya Maloney, Director of Economic Development in Helfin, OZs opened the door for a new senior care facility in her city that wouldn’t have seen investment otherwise. In Maloney’s words, “it’s just a shining example of what opportunity zones can do for a rural community.”

The Opportunity Alabama team hopes there will be shining examples for years to come. “Hope means that we have quality of life for the next generation,” Flachsbart reflects when asked what it means to his work. “It means that we’re able to confront the challenges that we have today, have open conversations about the past, have open conversations about the still-open wounds that exist in parts of our society”

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