

# **Bond Case Briefs**

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## **Where to Find Some of the Best Opportunity Zone Opportunities.**

A widespread group of mostly-impooverished, densely-packed urban neighborhoods offers some of the best potential for Opportunity Zone investment, according to ATTOM Data Solutions and CityBldr. A study from the two firms spotlights 11 neighborhoods in seven states and the District of Columbia for some of the nation's most attractive opportunities to take advantage of federal reinvestment tax benefits.

These range from Anacostia in southeast Washington, DC, to the South Shore area of Chicago to City Heights in central San Diego. Other neighborhoods identified include Mid-City in central Los Angeles; Parramore in west-central Orlando; Central District in eastern Seattle; West Colfax in western Denver; Spartan Keyes in eastern San Jose; North End/New Center in northern Detroit; Buckman/Kerns in southeastern Portland, OR; and Hilltop in central Tacoma.

Most of those neighborhoods stand out as notably poorer and more densely populated than the U.S. as a whole, with lower income and educational levels and far higher percentages of renters than homeowners. However, contributing to their economic potential, a few have above-average educational levels, and most have home values far above the national median home price.

These neighborhoods also have seen a wide range of median home price increases and decreases over the past year. In South Shore, prices have nearly doubled in the past 12 months, while in L.A.'s Mid-City section, they've declined nearly 12%, according to ATTOM data.

ATTOM and CityBldr reported that between 53% and 98% of households rent homes in the 11 areas, compared to 36% nationwide. The lowest rental rate is in Detroit's North End/New Center, while the highest is in Orlando's Parramore community.

The areas were identified by CityBldr as among those where both communities and housing developers have the most to gain from Opportunity Zone tax benefits. The findings were based on machine learning technology from various data sources and a detailed understanding of the various markets.

"This data tells us that housing developers should consider investing in these neighborhoods because they have an immense amount of potential, plus tax benefits aimed at realizing that potential," said Bryan Copley, co-founder and CEO of CityBldr. "What we've done with this study is create a standardized score to compare every Opportunity Zone in the U.S. to determine which areas would yield the highest average return on investment."

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