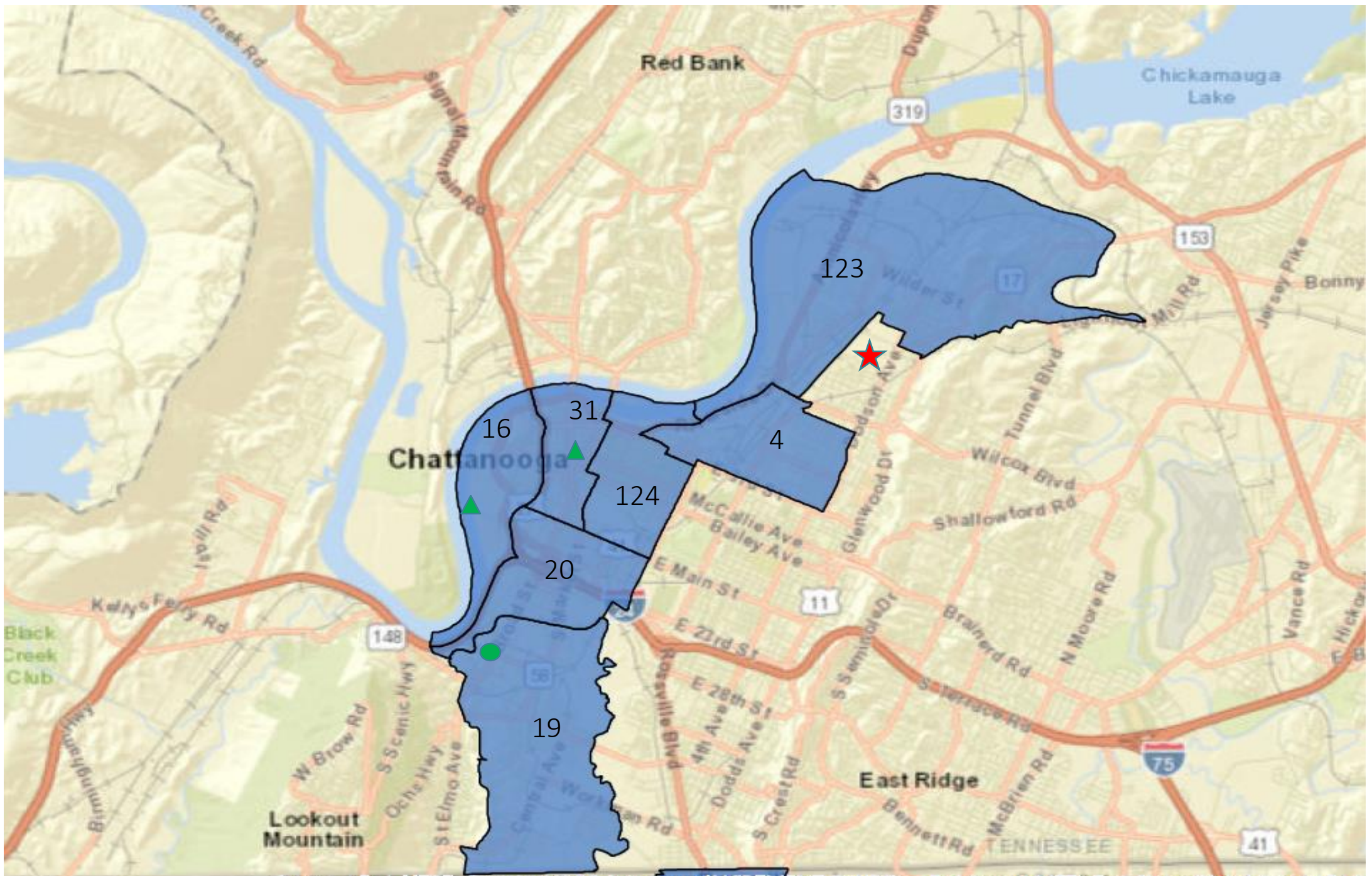


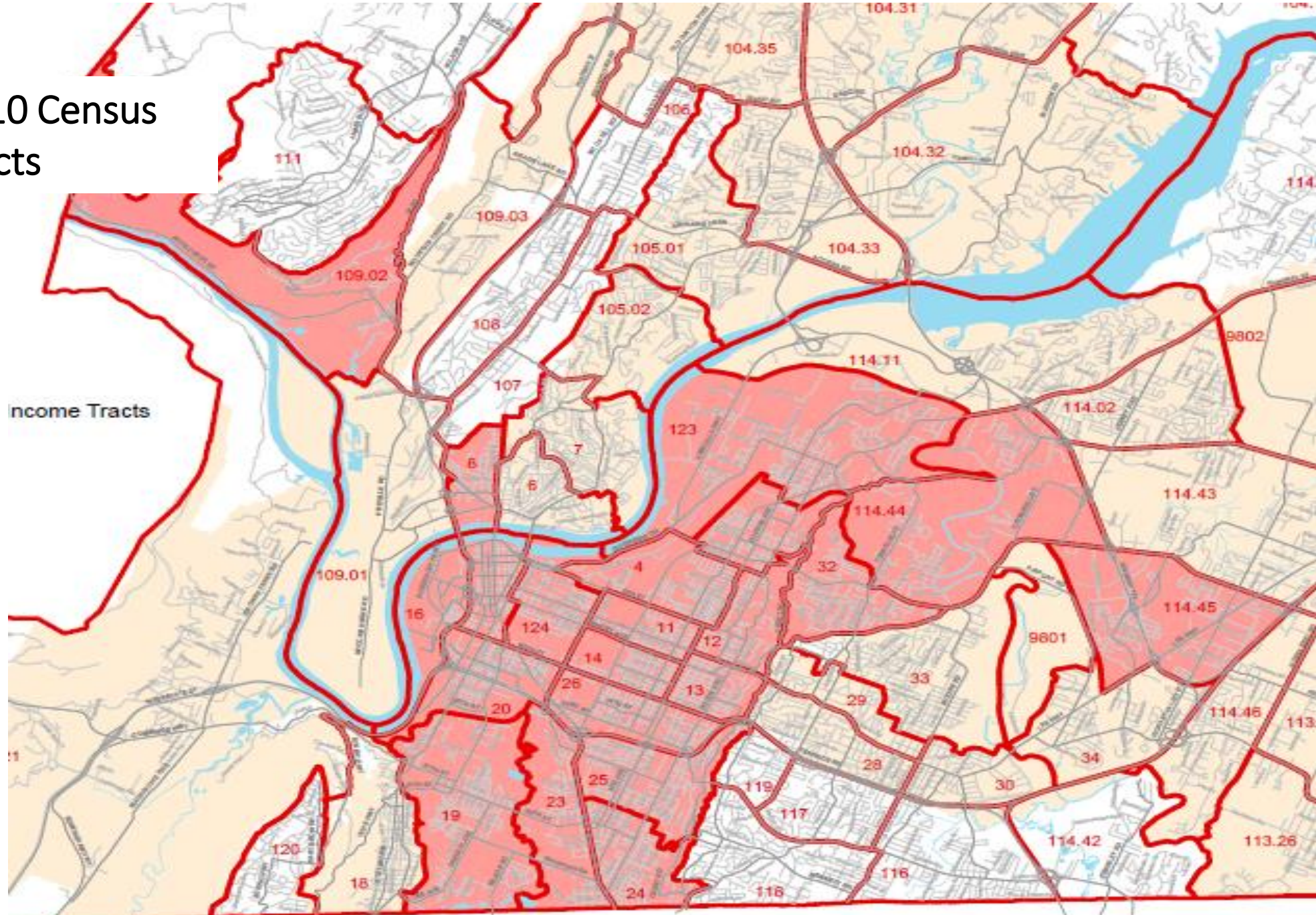
Chattanooga, TN

Opportunity Zones

- Eight Tracts
 - Seven tracts in Chattanooga
 - One tract in North Georgia

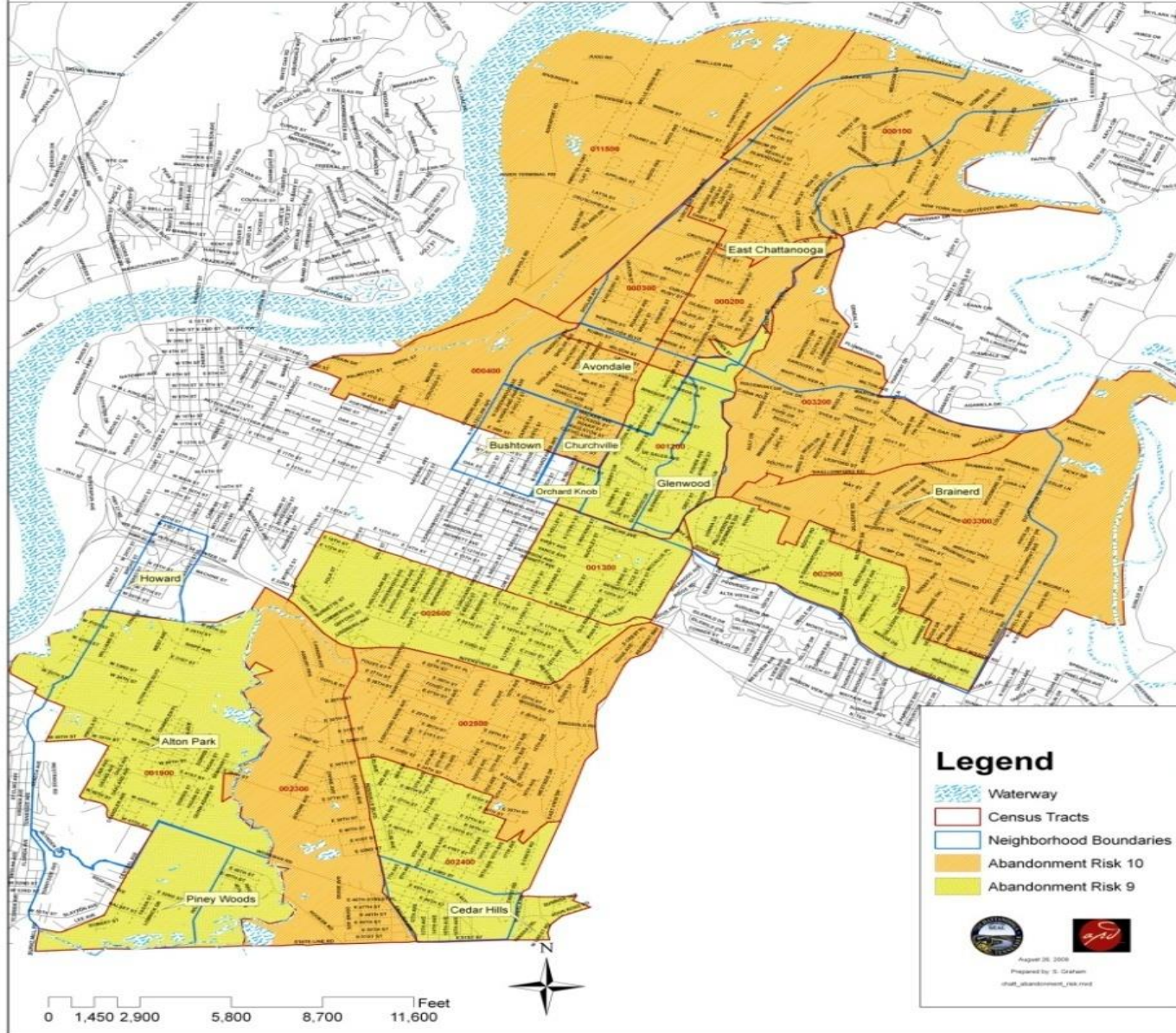


2010 Census Tracts



NSP

Greatest Needs Abandonment Risk Map by Census Tract



Skepticism & Concerns

- Displacement
- Gentrification
- Investments going into projects that would happen anyway
- Investors “sitting on” holding property
- Projects that are not effective for our community and its needs
- Outside investments not in alignment with our community’s priorities
- Communities have limited control

Skepticism & Concerns, Cont

Rather than bringing critical resources to struggling neighborhoods, there's a possibility that the tax benefits could accelerate displacement trends in economically shifting neighborhoods by favoring developers and investors who already stand to have large capital gains.

The value of the tax subsidy is ultimately dependent on rising property values, rising rents, and higher business profitability. That means Opportunity Zones could also serve as a subsidy for displacing local residents in favor of higher-income professionals and the businesses that cater to them—a subsidy for gentrification. The highest returns to investors, and thus the largest tax subsidies will flow to those investing in the fastest gentrifying areas.

Most major metropolitan areas are already grappling with the right balance between promoting development and helping existing residents

Skepticism & Concerns, Cont

Impact on Affordable Housing

For many companies that finance and build new affordable housing, the primary tool they utilize is the Low Income Housing Tax Credit program. In order to receive opportunity zone benefits, investors need to redeploy capital gains into a project, but the vast majority of LIHTC investors are not using capital gains

The program can help create mixed-use developments with retail and amenities that can improve neighborhoods with large concentrations of affordable housing

What Tools/Defenses Do We Have?

- Effective Leadership
- Community Benefits Agreements
- Zoning and policy alignment
- Commitment to communities and inviting community member participation
- Community education and awareness

City of Chattanooga

Low- Moderate Income Census Tracts

| Area | Census Tract | Pop. | Percentage | | Race/Ethnicity | | | | |
|--|--------------|-------|------------|--------|----------------|----------|------------|-------|--|
| | | | L/M | White | Black | Hispanic | Am. Indian | Asian | |
| Orchard Knob, Avondale | 4 | 3,143 | 68.45% | 6.8% | 89.2% | 2.4% | 0.6% | 0.0% | |
| Hill City | 8 | 1,348 | 68.31% | 64.7% | 32.8% | 1.1% | 1.6% | 0.0% | |
| Fortwood | 11 | 1,774 | 62.87% | 29.5% | 50.2% | 23.3% | 0.0% | 0.0% | |
| Glenwood | 12 | 3,513 | 61.11% | 13.6% | 84.8% | 0.7% | 1.2% | 0.0% | |
| East Lake, Ridgedale | 13 | 2,064 | 74.25% | 38.6% | 50.5% | 18.5% | 0.4% | 0.0% | |
| Highland Park | 14 | 2,066 | 66.42% | 56.1% | 42.2% | 9.7% | 0.0% | 0.2% | |
| Westside | 16 | 2,481 | 100.00% | 18.3% | 80.0% | 0.0% | 0.9% | 0.8% | |
| South Chattanooga, Alton Park, Piney Woods | 19 | 3,959 | 85.83% | 2.8% | 94.7% | 1.3% | 0.3% | 0.0% | |
| Southside | 20 | 1,211 | 85.02% | 21.0% | 65.1% | 11.5% | 2.4% | 0.0% | |
| Clifton Hills, | 23 | 1,492 | 68.56% | 43.4% | 29.3% | 26.5% | 0.9% | 0.0% | |
| Cedar Hill, East Lake | 24 | 4,256 | 78.12% | 72.9% | 13.0% | 28.3% | 2.0% | 3.7% | |
| East Lake | 25 | 4,773 | 80.76% | 35.7% | 55.1% | 11.4% | 2.1% | 0.0% | |
| Oak Grove | 26 | 2,734 | 75.76% | 34.5% | 49.4% | 24.3% | 0.0% | 0.0% | |
| Downtown | 31 | 1,708 | 60.53% | 64.2% | 34.7% | 3.3% | 0.0% | 0.0% | |
| Foxwood Heights | 32 | 3,385 | 61.81% | 15.5% | 75.6% | 5.2% | 3.9% | 0.0% | |
| Signal Mt. Blvd. | 109.02 | 1,007 | 70.31% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Eastdale | 114.44 | 3,813 | 59.59% | 17.3% | 80.8% | 2.4% | 0.0% | 0.0% | |
| Shepherd | 114.45 | 3,704 | 51.24% | 55.2% | 39.5% | 10.2% | 0.0% | 1.1% | |
| Avondale, East Chattanooga | 122 | 2,908 | 86.55% | 5.7% | 92.9% | 2.0% | 0.0% | 0.0% | |
| Amnicola, East Chatt, Glass Farm | 123 | 4,609 | 66.32% | 30.5% | 63.9% | 0.8% | 2.0% | 1.2% | |
| ML King, Fortwood | 124 | 5,092 | 68.17% | 64.1% | 28.5% | 2.1% | 0.1% | 6.6% | |

Source: U.S. Census Bureau, 2010 Census