Ms. Reigle and Mr. Dinwiddie,

My name is Jill Homan and I am the President of Javelin 19 Investments, a Washington, DC-based real estate development, investment, and advisory firm focused on Opportunity Zones with more than $155 million in investments. I have more than fifteen years' experience in real estate acquisitions and development totaling over $400 million in total capitalization. Finally, by way of background, I serve on the board of directors of the first Opportunity Zone focused trade association, the Opportunity Zone Association of America (OZAA). I appreciate the chance to speak with you.

While my company is partnering in a number of Opportunity Zone development projects, I am most proud of co-developing a $50 million student housing project in an Opportunity Zone in Maryland. There, we are doing exactly what the legislation envisioned-fulfilling a need (housing for students) which has a noticeable community-based effect.

While my written summary, which I presented, addressed eight subjects, in the interest of time and to concentrate on subjects most likely to unlock still hesitant investors, I will focus on five:

I. Relaxing the 180-day investment period for individuals who recognized gain during the first year of implementation of the Opportunity Zone.

In the Proposed Regulations, Treasury allowed a partner in a partnership which generated the gain to start the 180-day period from the end of a partnership's taxable year and that made perfect sense.

But, many individual taxpayers recognized a gain after January 1, 2018, and in the early months of OZ activity, they were reluctant to invest within the 180-days of the gain event because of the then absence of clear guidance on a number of material subjects. Treasury could provide relief and incentivize substantial immediate new investments by allowing taxpayers, regardless of whether they recognized the gain at the individual level or through ownership in an entity, the ability to commence the 180-day period to invest at the end of calendar year 2018.

II. "Reasonable cause" exception of Code Section 1400Z-2(f)(3).

Treasury has already recognized the need for a "reasonable cause" exception to the 90 percent requirement of Code Section 1400Z-2(d)(1). The real estate investment trust ("REIT") income test rules found in Internal Revenue Code 856 (c)(6)(B) and Treas. Reg. 1.856-7 provide a workable test for determining whether a failure to comply should be excused. In the REIT context, there is reasonable cause if the REIT exercised ordinary business care and prudence, and not willful neglect, in attempting to satisfy the requirements and such care and prudence is exercised at the time each transaction is entered into by the REIT. Likewise, the Qualified Opportunity Fund could be held to a similar standard over the holding period of the investment, demonstrating the requisite ordinary business care and prudence to meet the reasonable cause exception.

III. What constitutes an "active trade or business?"

The "active conduct" of a Qualified Opportunity Zone Business could easily be defined in a manner consistent with the New Markets Tax Credit program by adopting a regulation similar to Treas. Reg. Section 1.45D-1(d)(4)(iv)(A). The "active conduct" requirement would be satisfied if the Qualified Opportunity Zone Business generates revenue within three years after the date the Qualified Opportunity Zone Property is acquired. Given that the legislation permits a full 30 months for the "substantial improvement" of a property, allowing 36 months for the Qualified Opportunity Fund or Qualified Opportunity Zone Business to become active in the conduct of a trade or business is reasonable and consistent with the legislative intent of the statute.

Further, the "reasonable cause" exception I suggest under Code Section 1400Z-2(f)(3) should also apply if a Qualified Opportunity Zone Business is reasonably expected to generate revenue within three years of the acquisition of the Qualified Opportunity Zone Property, but ultimately does not owing to a "reasonable cause."

IV. A "Safe Harbor" For QOFs That Directly Own QOZBP.

Many Qualified Opportunity Funds will raise capital prior to the time it is needed to be deployed at the Qualified Opportunity Zone Property level. The Proposed Regulations generously provide a 31-month safe harbor for Qualified Opportunity Zone Businesses (qualified opportunity zone partnerships and corporations) in which a Qualified Opportunity Fund invests. But this safe harbor does not apply to Qualified Opportunity Funds that intend to directly own and operate Qualified Opportunity Zone Business Property.

For this reason, I recommend that cash raised by a Qualified Opportunity Fund be treated as Qualified Opportunity Zone Property for all purposes of Section 1400Z-2 for a period of 12 months after such cash is invested in the Qualified Opportunity Fund. If and to the extent the equity capital contributed into a Qualified Opportunity Fund is not invested in Qualified Opportunity Zone Property within the 12-month period, such capital would no longer be treated as Qualified Opportunity Zone Property for purposes of Code Section 1400Z-2(f) unless the Qualified Opportunity Fund can demonstrate reasonable cause for failing to satisfy the 12-month rule. The result of this rule would enable a Qualified Opportunity Fund to have 12 months to accumulate and then deploy equity capital when acquiring Qualified Opportunity Zone Business Property directly.

V. Original Use Under Section 1400Z-2(d)(2)(D)(i)(II).

I concur with those who have suggested that "original use" include the concept an investing in (and re-invigorating) a property which has been vacant or its use disbanded for a period of time. Many zoning ordinances and by-laws consider two years an appropriate abandonment metric.

That concludes my remarks. I appreciate the opportunity to share with you comments and recommendations on what will encourage more investment in such a worthwhile program. Thank you.