

# Opportunity Zones in the Central Valley

*What can counties do next  
to attract investments?*

**CSAC  
Central Valley Regional Meeting  
June 27, 2019**



# About the Institute for Local Government

ILG is the non-profit training and education affiliate of...



**California Special  
Districts Association**  
*Districts Stronger Together*

# ILG Promotes Good Government at the Local Level

## Program Areas

Leadership & Governance

Sustainable Communities

Public Engagement

Youth & Civics Education



## Services

Education & Training

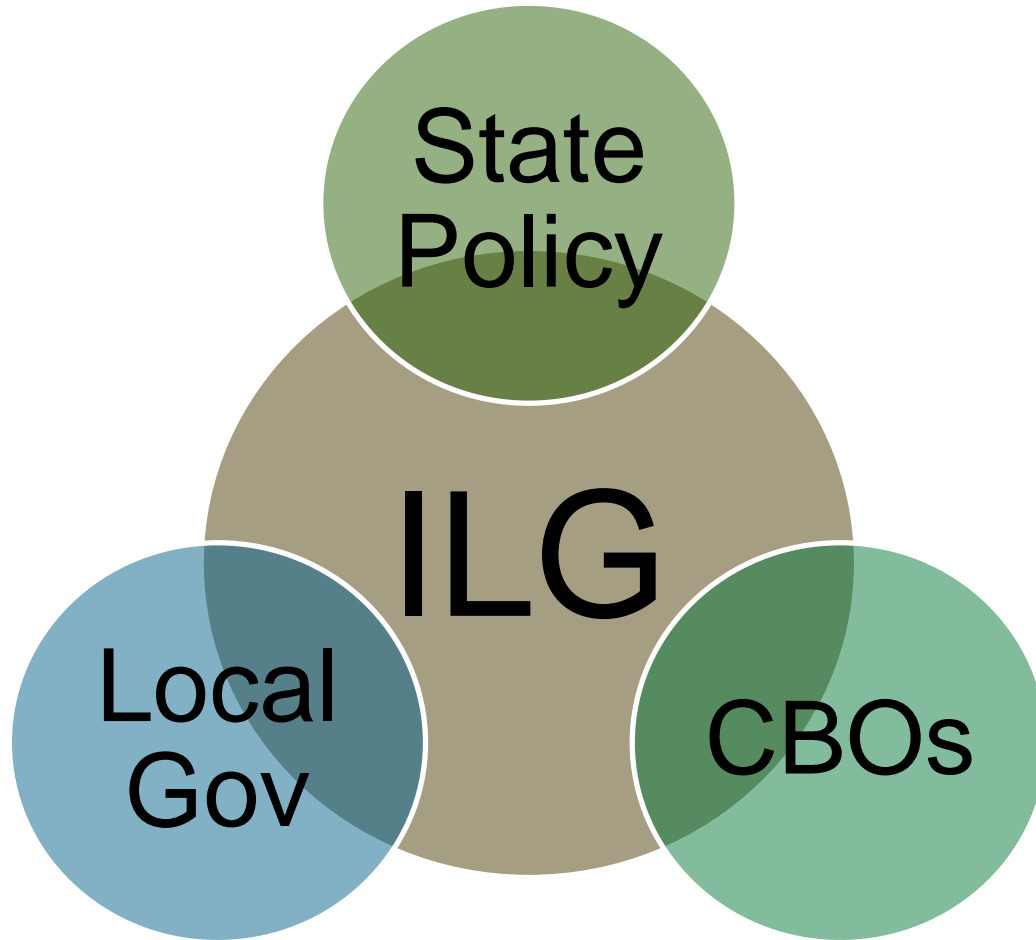
Technical Assistance

Capacity Building

Convening

# ILG's Mission

*To provide practical and easy-to-use resources so local agencies can effectively implement policies on the ground*



Rural

Urban

Suburban

Vulnerable

# Opportunity Zone Basics

- In December 2017, Congress passed the Tax Cuts and Jobs Act, which created the Opportunity Zone incentive
- The legislation was designed to encourage investment in census tracts that qualify as low-income communities and are designated as Qualified Opportunity Zones (QOZs or OZs)
- There are approximately 8,700 OZs in the US; nearly 10% are in California
- Proposed regulations were issued in October 2018 and updated in April 2019
- The regulations free up appreciated capital for investment in communities that need to be revitalized by allowing deferral and reduction of capital gains taxes
- Unlike other programs, there are no monetary caps on investments, which makes it flexible and scalable
- Corporations and individuals can defer capital gains until December 31, 2026. And, if invested in a Qualified Opportunity Fund (QOF) for at least 10 years, the gain on the investment (but not the deferred gain) is not taxable.

# Session Objectives



Understand Opportunity Zone basics

Clarify the role of counties in creating successful OZ outcomes

Explore strategies to maximize the impact of OZs and leverage creative financing tools

Learn how to position your community for investment

Understand how best to move forward

# Discussion Agenda

Session Overview & Panelist Introductions

Opportunity Zone Basics and a County's Unique Role

Differentiating Your County, Attracting Investors and Creating Value

Leveraging OZs to Maximize Economic and Social Impact

Q&A

Closing Remarks

# Our Panelists



**Larry Kosmont**

President & CEO  
Kosmont Companies

**Will Oliver**

Director of Business Services  
Fresno County EDC



**Matthew Horton**

Associate Director, California Center  
Milken Institute

**Erica Manuel**

CEO & Executive Director  
Institute for Local Government





# The Shifting Sands of Economic Development: Welcome to the “O” Zone



**California State Association of Counties**  
**Economic Development Workshop & Opportunity Zone Panel**  
June 27, 2019

Presented by:

**Larry J. Kosmont, CRE®**, Chairman & CEO | Kosmont Companies | [lkosmont@kosmont.com](mailto:lkosmont@kosmont.com)



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# OPPORTUNITY ZONES



**“WE ALSO WANT TO PAIR EIFDS  
WITH THE OPPORTUNITY ZONES.  
THIS IS THE BIG IDEA.”**

**— Gov. Newsom**  
*January 10<sup>th</sup>, 2019*  
*2019-2020 State Budget Release*

# OPPORTUNITY ZONES AREA DESIGNATION PROCESS

The Tax Cuts and Jobs Act of 2017 created **Opportunity Zones** to unlock unrealized capital gains by **incentivizing private sector investment and development** in low income census tracts

3,516 low-income census tracts in California;  
25% eligible for nomination

Tract screening criteria:  
poverty level  
Sufficient business activity  
Geographic diversity

879 O-Zones  
approved in California

8,700 census tracts approved in the United States  
**879 Census tracts approved in the State of California in April 2018**

# OPPORTUNITY ZONES

## BASICS AND COMMUNITY BENEFITS

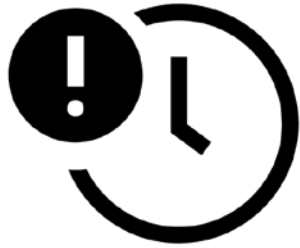
### OZ BASICS

- **Incentivizes** individuals to take capital gains and invest in certain low-income areas through tax deferrals and reductions.
- **Timing** is critical to maximize investments
- **Competition** will be high for OZ investment

### OZ COMMUNITY BENEFITS

1. Opportunity Zones can be used as part of an economic development strategy, **creating jobs, stimulating economic activity, and jump-starting projects** within a community.
2. Opportunity Zones can stimulate housing development, **paving the way for cities to meet legislative housing mandates.**
3. Opportunity Zones can be used to augment other tax incentives and economic development strategies, and **can enhance the economic viability of a proposed project by mixing with EIFDs, NMTC, other Fed Tax Credits).**

# OPPORTUNITY ZONES INVESTOR BENEFITS



## Temporary Tax Deferral

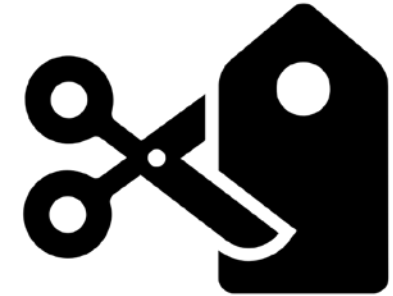
Capital Gains reinvested in an Opportunity Fund can be deferred until the earlier of 12/31/2026 or upon exit.



## Reduction of Capital Gains Taxes

Taxes reduced on current capital gains via step-up in basis for holding OZ investment:

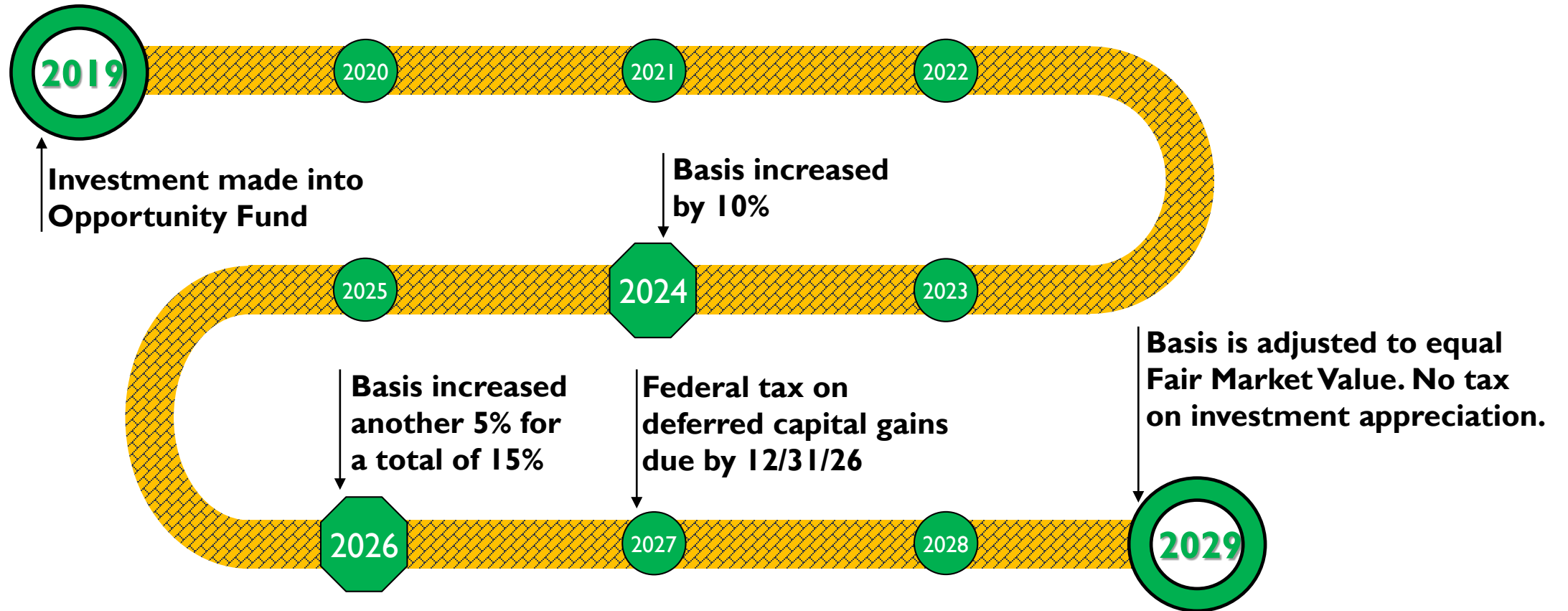
- 5 year hold: basis increased 10%
- 7 year hold: basis increased 15%



## Permanent Exclusion

Exemption from tax on capital gains from the sale of Opportunity Fund investment, if held for at least 10 years.

# OPPORTUNITY ZONES INVESTMENT TIMETABLE



# TWO PRIMARY TYPES OF OZ INVESTMENT QUALIFIED OPPORTUNITY FUND REQUIREMENTS\*

## REAL PROPERTY

Property acquired by an Opportunity Fund after 12/31/17 (*unrelated party rules apply*):

- Substantial Improvements: Basis attributable to building must be doubled over any 30-month period
- Land Excluded from substantial improvement test
- Purchase may be by a Joint Venture (JV entity) or QOF (direct purchase)

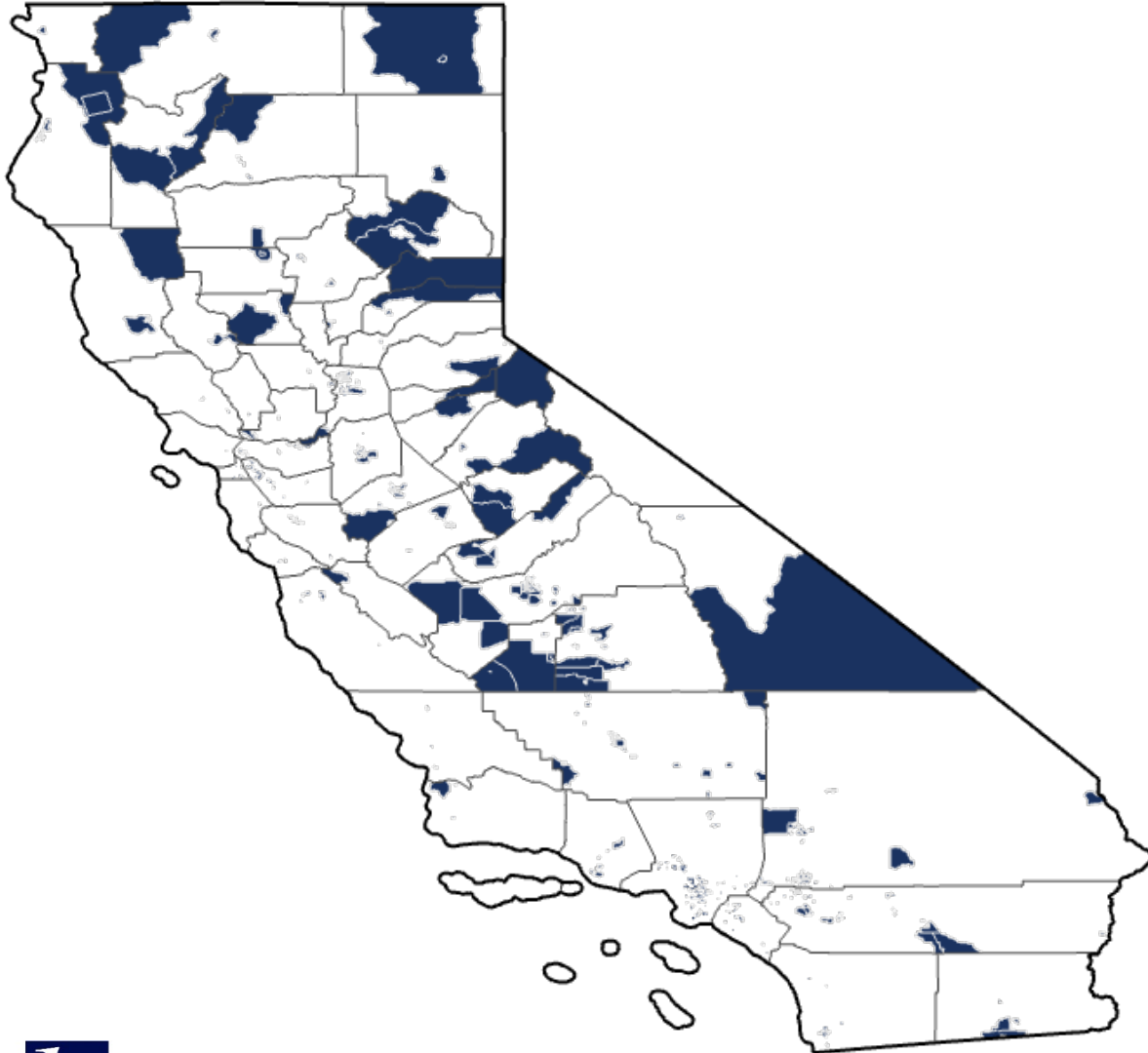
## BUSINESS INVESTMENT

Tangible property acquired by the Opportunity Fund after 12/31/17 (*unrelated party rules apply*):

- 70% of Tangible Property must be qualified OZ Business Property
- ≥50% of Total Gross Income derived from active conduct of the business
- Original Use commences with purchase
- Limitations on Business Type – no sin businesses (*racetracks, gaming, massage, liquor store, other*)

**\*Consult additional clarifications in recent federal regulations/guidance, released May 2019.**

# OPPORTUNITY ZONES IN 57 CA COUNTIES



County	OZs	County	OZs
Butte	9	Sacramento	43
Colusa	2	Shasta	6
Glenn	2	Solano	9
Fresno	47	Stanislaus	17
Kern	35	Sutter	4
Kings	5	Tehama	1
Madera	5	Tulare	17
Merced	11	Yolo	7
Placer	3	Yuba	3
San Joaquin	20		

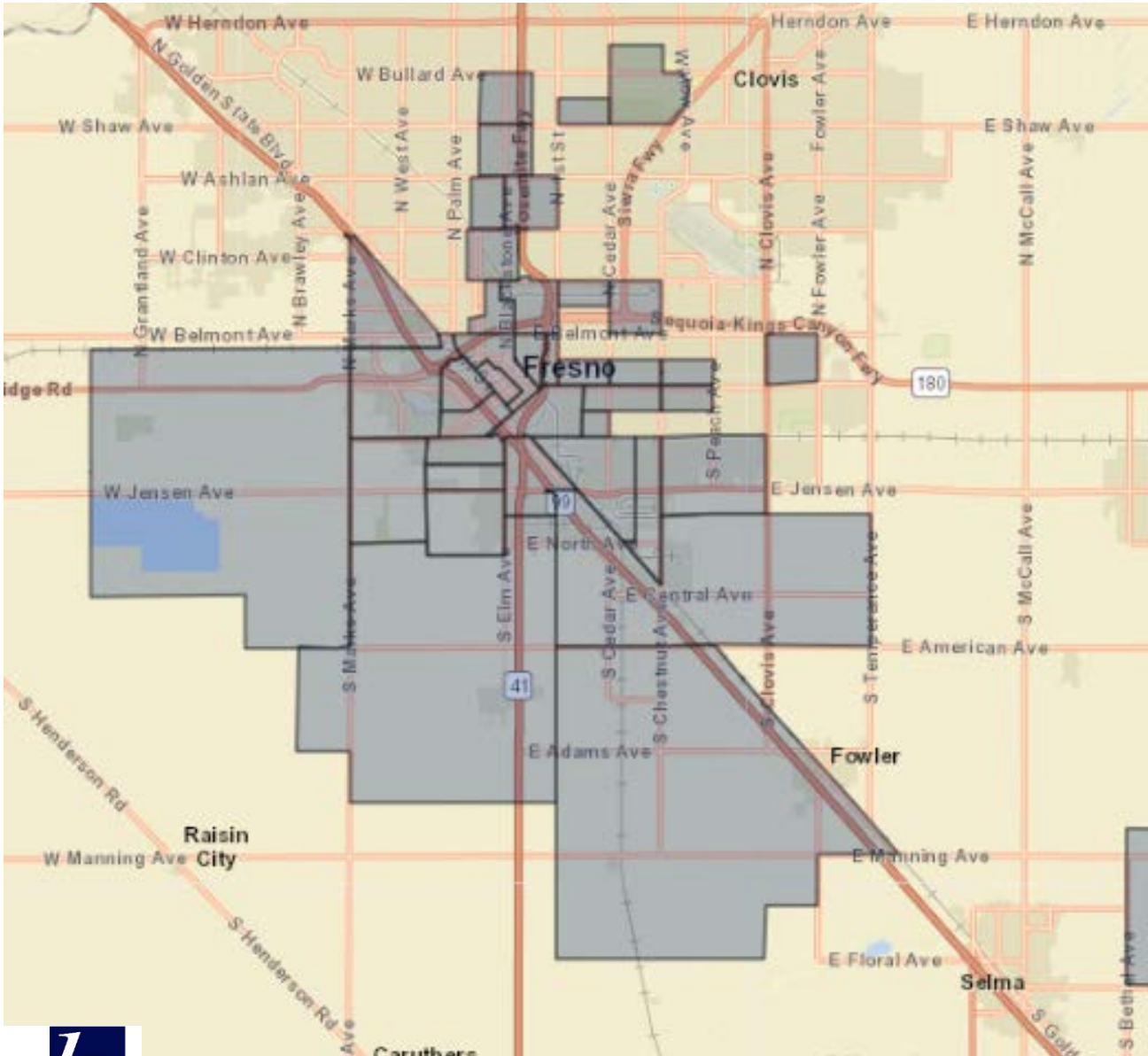


# OPPORTUNITY ZONES

## BROAD APPLICATION FOR COUNTIES

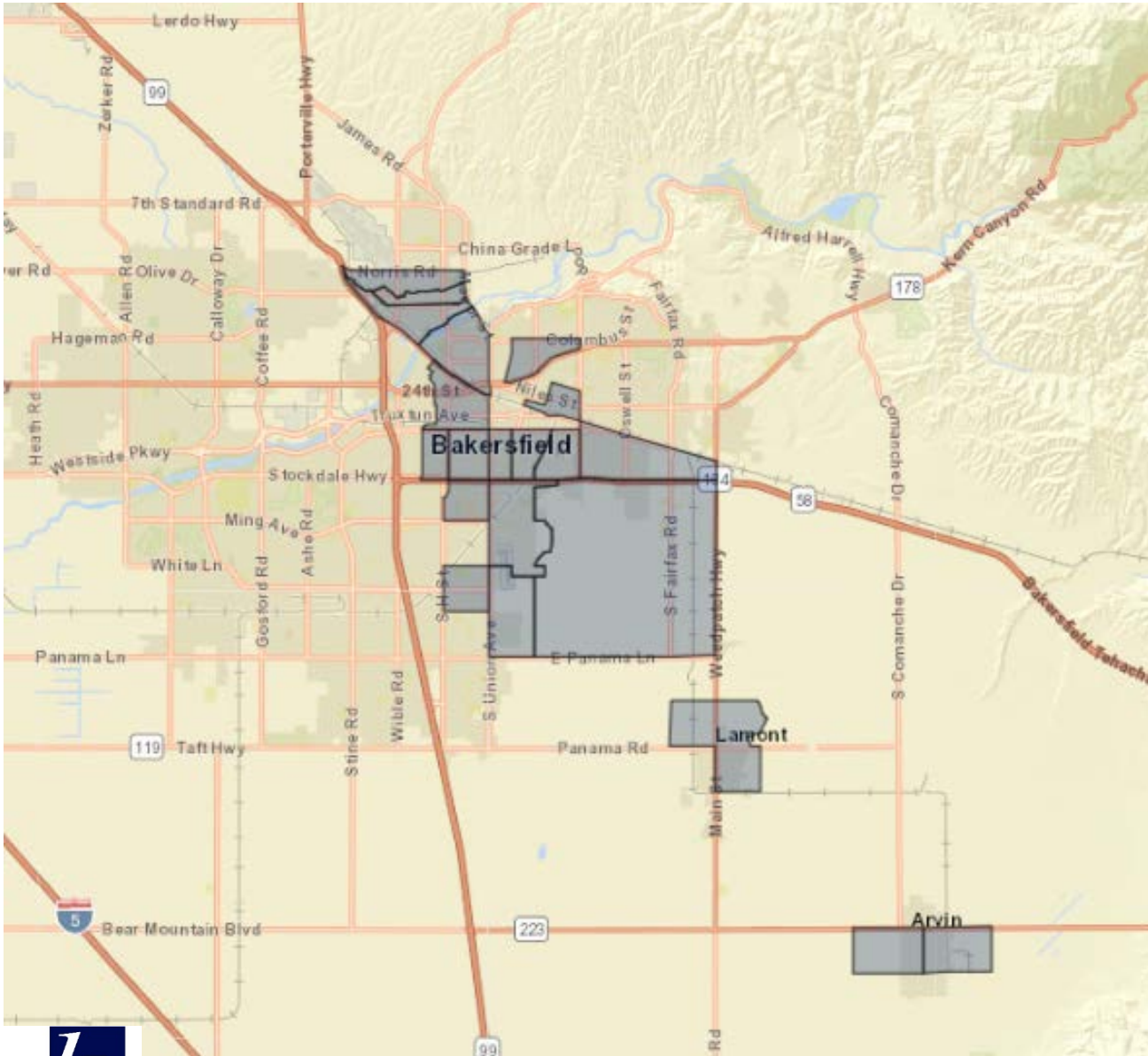
*Housing & real estate development; infrastructure & energy projects; tech & service businesses*





# OPPORTUNITY ZONES FRESNO AREA





# OPPORTUNITY ZONES BAKERSFIELD AREA

# OZ ECONOMIC DEVELOPMENT STRATEGY FOR COUNTIES

OZ INVESTMENT CAN BE LAYERED WITH OTHER ECONOMIC DEVELOPMENT TOOLS



Most Opportunity Zones are also eligible for **New Market Tax Credits (NMTC)**



**Enhanced Infrastructure Financing Districts (EIFDs)** lack front end capital. **OZ Projects** can fill that gap & reap the benefits of tax-exempt infrastructure financing

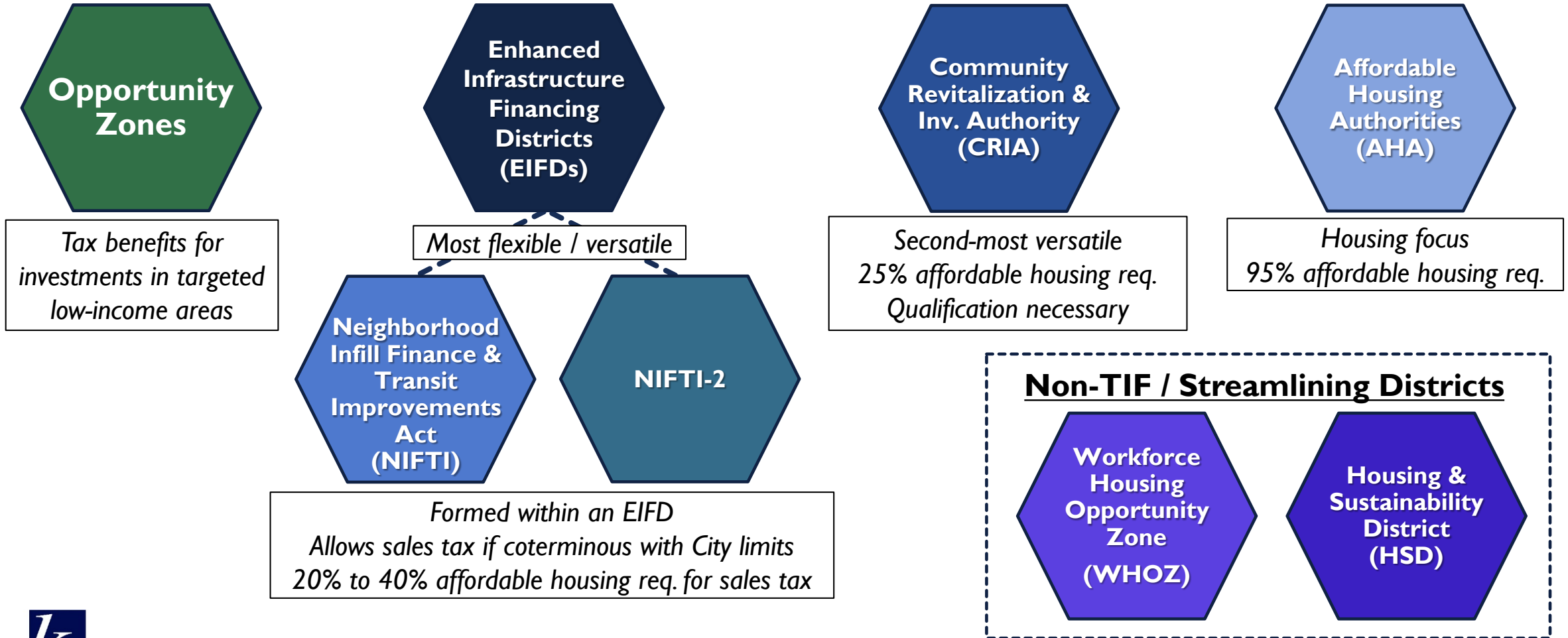


Many Opportunity Zones are **SB535** eligible (disadvantaged census tract areas)



EIFDs improve eligibility for Federal and State **grant and loan monies**

# COUNTY ECONOMIC DEVELOPMENT LAYER OZs & TIF DISTRICTS FOR PUBLIC/PRIVATE PROJECTS



# WHAT'S NEXT FOR OZs IN CALIFORNIA

"Opportunity Zones have the potential to be the largest infusion of private capital into disadvantaged communities in decades."

– Lenny Mendonca

Director of the Office of Business and Economic Development

## Governor & GO-Biz Prioritizes OZs

- **State Income Tax Conformance** with federal law for **Green Tech & Affordable Housing** (*Budget trailer*)
- **Infill Infrastructure Grant Program** provides \$500m for infrastructure gap funding to support housing
- **OppSites** assists Cities & Counties with OZ project cataloging, marketing, and matchmaking

## California Proposed Legislation to Accelerate OZ & District Implementation

- **SB 5**: \$2 billion to EIFD/CRIA/AHA via ERAF to support infill, TOD, affordable housing, and revitalization
- **SB 25**: CEQA streamlining for OZ projects (prevailing wage requirements)
- **EIFD Enhancements**: Eliminate EIFD 55% voter threshold for debt, improving EIFD interaction with OZs (*formerly SB 128; future action from Senator Beall?*)

# COUNTY OZ APPROACH TO FUND ATTRACTION

## STEPS TO ENGAGE OZ INVESTMENT IN YOUR COUNTY

### 1. Education on Opportunity Zones & Benefits – County Supervisors, Staff, and Constituents

- Community support and engagement needed for future success
- Can work in-tandem with local cities that have OZs

### 2. Review/Update Economic Development Plans within each District

- When were they last updated? Are housing and transit priorities considered?
- Do they conform with current priorities/needs?
- Assess current/future infrastructure needs, as aligned with proposed changes.

### 3. Review Existing Specific Plans

- In alignment with econ. dev., housing, mobility, and sustainability goals?
- Existing CEQA documents to tier off - important in streamlining approval processes for Opportunity Zone projects.





# COUNTY OZ APPROACH TO FUND ATTRACTION

## STEPS TO ENGAGE OZ INVESTMENT IN YOUR COUNTY

### 4. For each district, identify the best fit for Opportunity Funds:

- Opportunity Zone Business or Opportunity Zone Property or Both
- Includes a review of parcels: size, current zoning

### 5. Identify property & business owners in Opportunity Zones

### 6. Evaluate local project approval processes

- What can be streamlined?
- What current impediments need to be addressed?
- Identify desired community benefits
- Community outreach – Is community ready and on board?

### 7. Prepare Opportunity Zone Prospectus

- Emphasize strategy, stability, and structural advantages of your community to highlight market opportunities for OZ Funds



# OZ FUNDS SEEKING INVESTMENTS OPPORTUNITY AND CHALLENGES IN CALIFORNIA

## OZ Funds are Forming Across the Country

- Over 140 OZ funds (over \$29.4 billion) already formed; of these, 61 funds (~\$19 billion) have either a nationwide or California geographic focus.

## OZ Funds are Actively Seeking Investable Projects

- Investors have diverse preferences—driven by investment certainty, best returns, and project timing.

### California is typically a strong investor market:

- Climate
- Labor Force
- Diversification
- Port Activity
- Quality of Life

### California has some OZ challenges:

- OZ Competition in 49 States
- Slow/Costly Entitlement Process & Local Government Approvals
- CEQA Timing and Litigation Exposure
- State Tax Conformance with OZs

# COUNTIES & CITIES DEVELOP OZ PROSPECTUS TO ATTRACT OZ INVESTORS

WITH OVER 8,000 APPROVED OZS ACROSS THE COUNTRY, COMPETITION FOR OPPORTUNITY FUND INVESTMENT IS HIGH

## Top-level Storytelling

- Highlight growth and vision for community's future

## Regional Momentum

- Discuss econ. & demographic indicators, recent & expected development/growth

## Economic Development Planning & Zoning Updates

- Show comprehensive preparation & commitment to OZ development

## Streamlined Local Processes

- Ease timing concerns and improve community's competitiveness

## Other Funding Sources

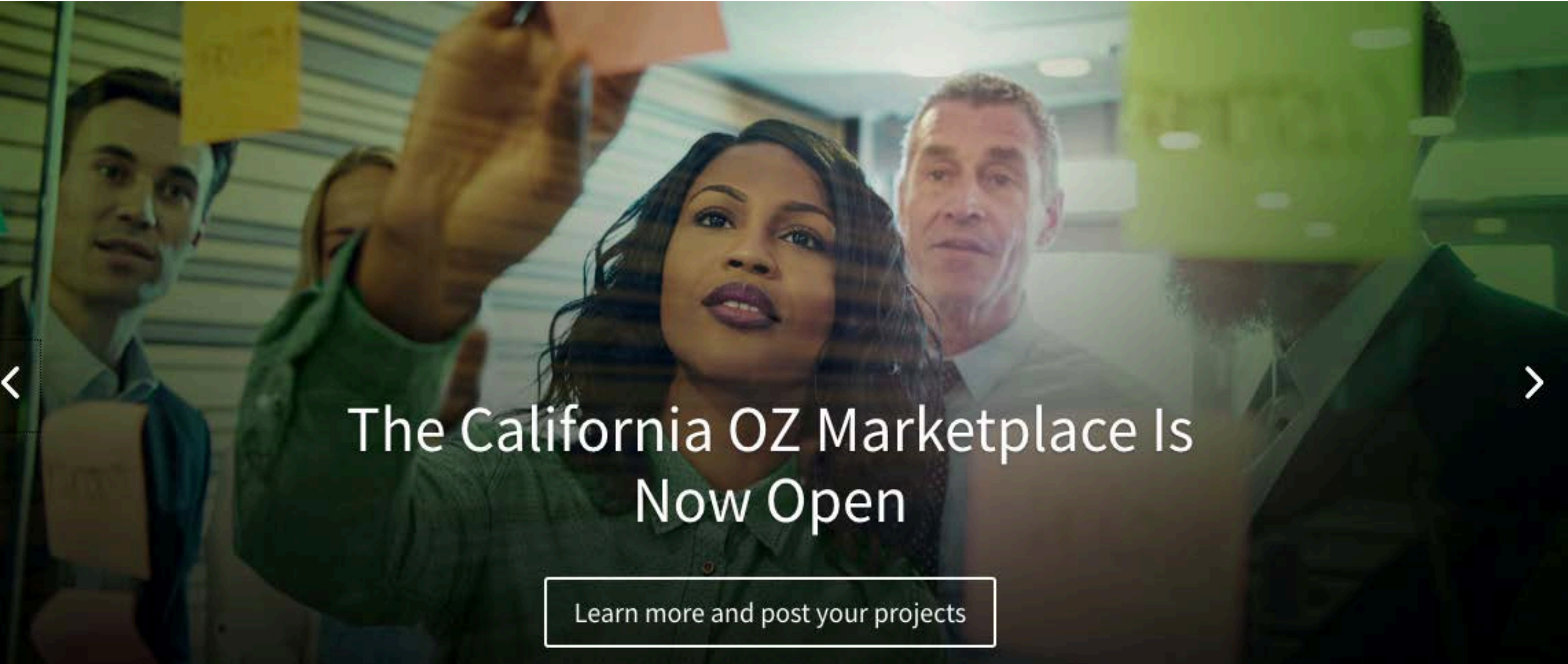
- Pair OZs to enhance economic viability of projects (e.g. EIFD, TIF, NMTC, etc.)

## Target Areas

- Describe key locations of growth in community & work with local cities

## Target Projects/Sites

- Provide descriptions of prime opportunities for OZ investment



# The California OZ Marketplace Is Now Open

[Learn more and post your projects](#)

# WHAT'S NEXT FOR OZ INVESTMENT

**California's Opportunity Zones are competing nationally for OZ Fund attention: Counties & Cities need to work together to overcome challenges & attract investment.**

## Prospectus & Analysis

Identify OZ Vision and Pursue Targets for OZ Development

## Active Marketing

Use OppSites & Other Services to Engage Funds

**Counties & Cities Working to Attract Investment**

## Matchmaking Support

Connect Target Projects with Investors and Funds

## Negotiation/Transaction Support

Assist with OZ Fund Deal Structuring



**Will Oliver, Fresno EDC**

**OUR CENTRAL VALLEY:  
THE OPPORTUNITY IN OZ**

# Central Valley OZ Overview

8 Counties,  
157 Census  
Tracts

18% of CA OZs

Population:  
865,325 in OZs

Among fastest  
growing regions in  
the U.S.  
(Urban Institute)

21% CV OZs  
Defined Rural

18 NMTC

# Fresno County OZs

EDC – County – Cities Collaboration on OZ Selection

## Asset Mapping:

- Addressing declining inventory and underutilized land through Opportunity Analysis
- Detailed mapping of cities and county assets in priority areas through lens of a site selector



# Fresno County OZs

## Investment Recruitment

- Identifying fund managers and investors whose objectives fit community needs

## Community Education/Buy-In

- Engage greater business, housing, real estate and development community on OZs
- Serve as liaison for projects and marketing communities

## Digital Prospectus

# Prospectus Development Examples

Local  
Community &  
Economic Story

Data Dive in  
OZ's

Complimenting  
Capital  
Investments

Economic  
Inclusivity

Project Pipeline

# Local Community & Economic Story

## What's currently driving economic growth?

- Capture community's momentum by identifying key clusters, companies and institutions generating growth

## Overview of City or County Landscape

- Local leadership and stakeholders responsible for OZs
- Business friendly culture
- Incentives and resources available
- Recent General Plans & Master Plans

# Data Dive in OZs



Granular evaluation of prospects of each OZ



Notable projects and investment patterns



Key demographics and data points: population trends, income growth, educational attainment, vacancy rates, CAP rates and asking rents

# Data Dive in OZs

Availability of  
land/buildings

Anchor  
assets/institutions  
such as large  
employers,  
universities and  
hospitals

Why were zones  
included to begin  
with?

# Complimenting Capital & Initiatives

## *“Capital follows capital”*

- Identify existing and planned infrastructure that creates value: transportation, water/sewer upgrades, housing projects, and public investments such as Bonds and Cap & Trade projects

## *Identify added-value*


- By-right uses, expedited planning, up-to-date environmental documents/clearances

# Economic Inclusivity

Promote inclusive growth by highlighting efforts underway to reduce poverty, such as boosting educational attainment and workforce development

County plays strategic role in development of human capital

# Developing Project Pipeline



Prioritize greatest project potential within context of land availability (site control), zoning and community needs

Engage stakeholders internally and externally for investment worthy projects to build project pipeline



# Positioning Communities for Investment

Asset Mapping

Clearly spell out zoning and by-right uses supported in each OZ in user friendly language

“Idea to Occupancy within 31 Months”

Leverage publicly-owned property for lease options for qualified OZ projects

Convey available listings to project databases

# Positioning Communities for Investment

Targeting  
Opportunity Funds

Inventory of  
experienced local  
developers/builders  
for J.V. opportunities

Use data to explore  
“gaps” in the market

Regional/County/City  
collaboration

Tap mapping &  
metrics resources  
that already exist

# OZ Resources

## Prospectus Examples:

- Accelerator for America: <http://www.acceleratorforamerica.com/tools>

## Directory of OZ Funds:

- NCSHA Opportunity Fund Directory: [www.ncsha.org](http://www.ncsha.org)
- The Opportunity Zones Database: [OpportunityDb.com](http://OpportunityDb.com)

## Mapping and Metric Tools:

- Enterprise Opportunity Zone Explorer: <https://www.enterprisecommunity.org/opportunity360/opportunity-zone-eligibility-tool>
- InvestReal: <https://www.investreal.com>
- Develop Advisors OZ Index: <https://www.developadvisors.com/opportunity-zones-index/>
- ZoomProspector: <https://www.zoomprospector.com/>

## Project Database:

- OppSites: [www.OppSites.com](http://www.OppSites.com)
- InvestReal (data): <https://www.investreal.com/#/explore>

# CSAC Regional Workshop on Economic Development: Creating Investable Communities

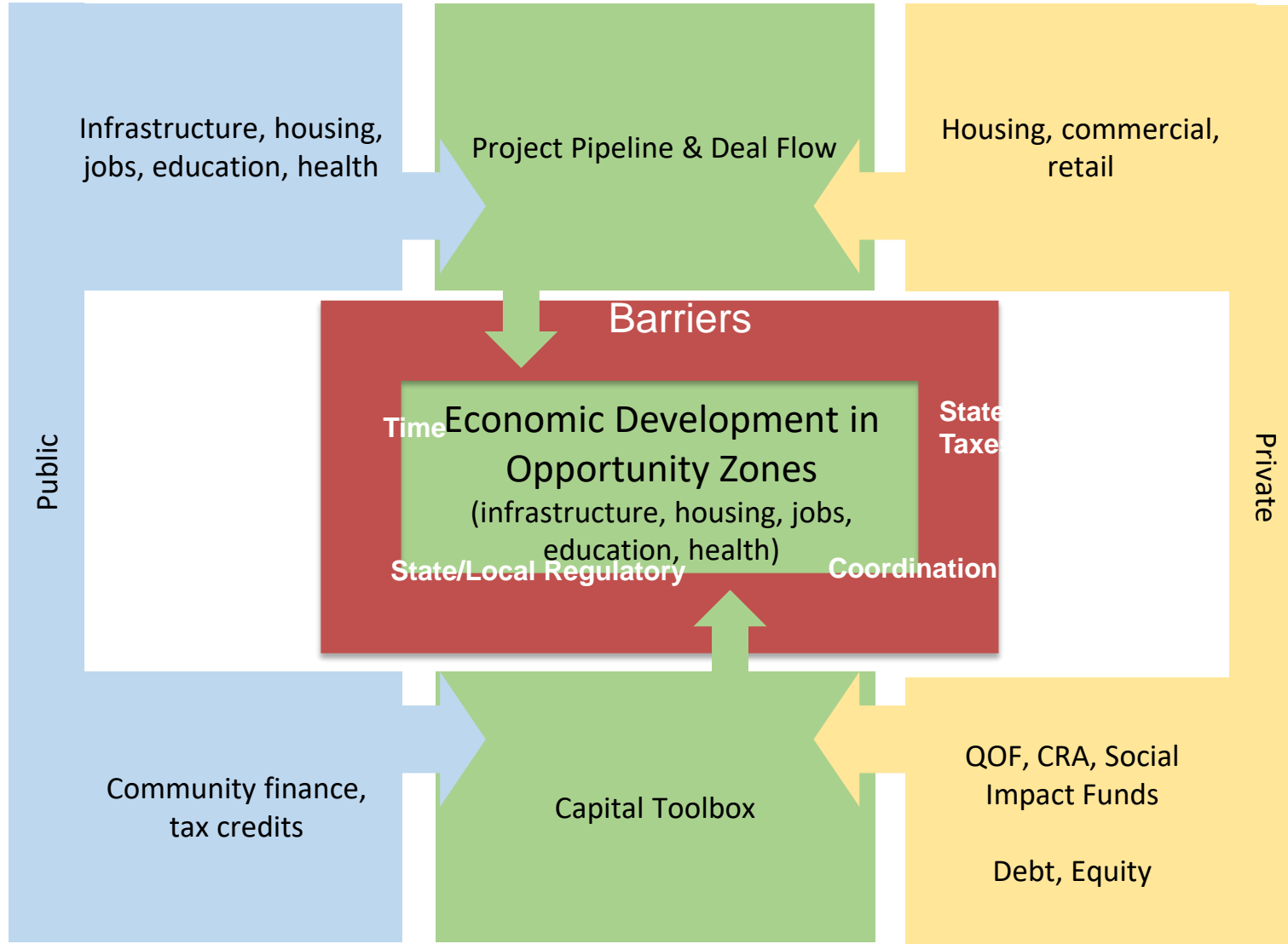
CSAC Conference: Opportunity Zone Panel

Thursday, June 27, 2019

Matt Horton



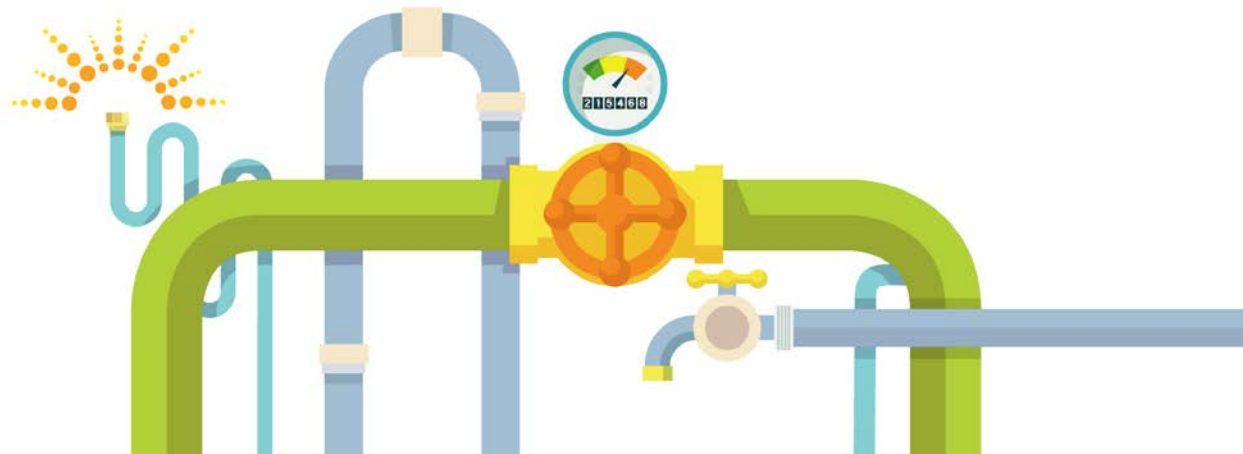
# Opportunity Zones as an Economic Development Tool





# Statewide Needs

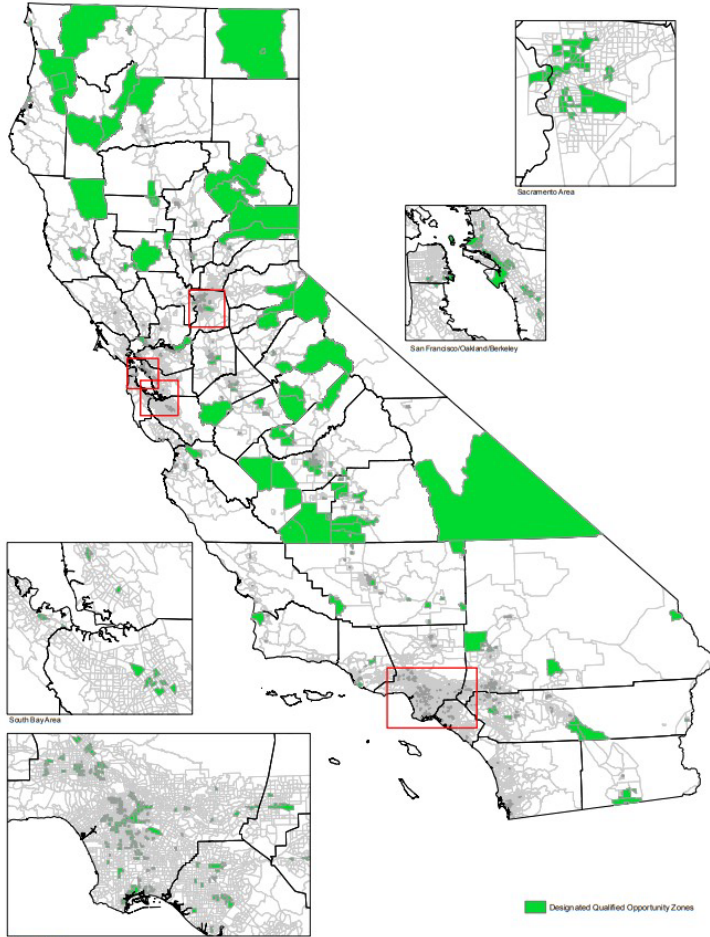
- **Housing** – 3.5 million units by 2025
- **Infrastructure** – \$900 billion needed in improvements and development
- **Water** – millions needed to address system improvements and delivery





# California's Early O-Zone Actions

- Designated 879 Qualified Opportunity Zone Tracts
- Launched State Web Portal to Highlight and Market California OZs (*OpZones.Ca.Gov*)
  - Beta release of California's Marketplace for Investing in Communities
- Encouraging locals to get ready by building a pipeline of investable projects (*Local Get Ready Guide*)
- Partnering with cities, NGOs, intermediaries, investors, foundations (*Community Roundtables, California Opportunity Zone Partnership*)
- Engaging investors groups and OZ Funds, encouraging co-investment alongside local community sustainability
- Coordinate a Multi-State Approach for Commenting on US Treasury rules, state conformity, and policy framework



\*Non-synchronized capital gains tax



# MI State Approach Framework







# The Opportunity Zone Players

## Government

- Easing local regulatory barriers
- Develop incentives to attract and build OZ projects
- Ensure project pipeline is fully fledged out
- Key Players: US Department of Treasury, HUD, State Governors, State Governments, Local Governments, NPOs

## Banks

- Providing complimentary debt financing in Opportunity Zones
- Key Players: JP Morgan Chase, Wells Fargo, Citi, Bank of America, Morgan Stanley, Credit Suisse, Goldman Sachs

## Private Capital/ Industry

- Investing equity capital through received capital gains
- Developers investing in low income areas, with the benefit of a tax incentive
- Startup culture of “Innovation Ecosystem” (e.g., Agricultural Technology, Advanced Manufacturing, Green/Clean Technology)
- Key Players: High Net Worth investors, Family Offices, Developers, Corporates, Industry

## Non-Profits/ Philanthropy

- Enable community engagement to stabilize and sustain struggling neighborhoods
- Address community specific needs by supporting efforts at the local level
- Partner with public and private entities
- Seed initiatives that encourage and leverage private capital investment
- Key Players: Milken Institute, Economic Innovation Group, Cal FWD, LISC, Enterprise Community Partners, Kresge Foundation, Rockefeller Foundation, Governance Project, Accelerator for America, EJF Philanthropies, Parker Foundation



# Role of Philanthropy

- 1. Convene Stakeholders** – coordinating efforts within government and across key institutions and sectors
- 2. Map Assets** – supporting design and marketing of OZ Investment Prospectuses to enable effective communication of city/county/state competitive advantages, trigger local partnerships, and identify sound projects prepared for receive capital
- 3. Build Markets** – supporting collection of market data, the conduct of market research, and the provision of patient capital
- 4. Empower Local Residents** – helping residents in/near OZs express preferences, obtain skills, start businesses (improving quality of life)
- 5. Build Institutions** – enhancing capacity of existing public/private/civic organizations, and creating or supporting new institutions/intermediaries that can help cities design, finance, and deliver transformative investments and initiatives
- 6. Encouraging Innovation** – using mechanisms (e.g., challenge grants) to source pathbreaking ideas around urban stakeholders or push key players to coalesce around coordinated neighborhood investment strategies
- 7. Sharing information** – speeding the process by which innovative strategies, practices, and instruments are captured, codified, and communicated.

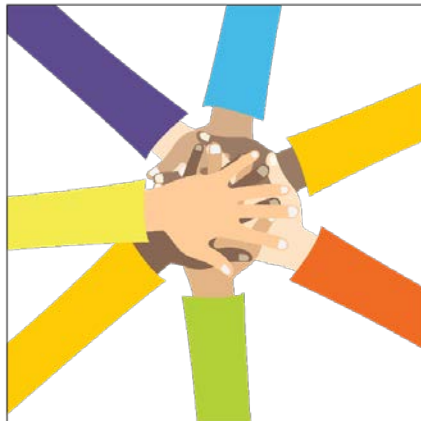


# Central Valley Philanthropies

## San Joaquin Valley Sub-region

(of Central Valley – Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare)

- Central Valley Community Foundation
- Central Valley Latino Giving Circle
- Mary Stuart Rogers Foundation
- Julio R. Gallo Foundation
- Ernest Gallo Foundation
- Leon S. Peters Foundation
- United Samaritans Foundation
- Sence Foundation



## Sacramento Metro Sub-region

(of Central Valley – El Dorado, Placer, Sacramento, Yolo)

- Sierra Health Foundation
- Sacramento Regional Community Foundation
- Thornton Glide Jr. & Katrina Glide Foundation
- Gencorp Foundation Incorporated
- Patricia D. & William B. Smullin Foundation
- Joyce & Jim Teel Family Foundation

## Northern Valley Sub-region

(of Central Valley – Butte, Colusa, Glenn, Shasta, Sutter, Tehama, Yuba)

- McConnell Foundation
- Lynn Foundation
- Foor Foundation
- Shasta Regional Community Foundation
- Mary M. Aaron Memorial Trust School Fund
- Moon Foundation
- Butte Creek Foundation



# California Universities in the Top 30 for Technology Transfer



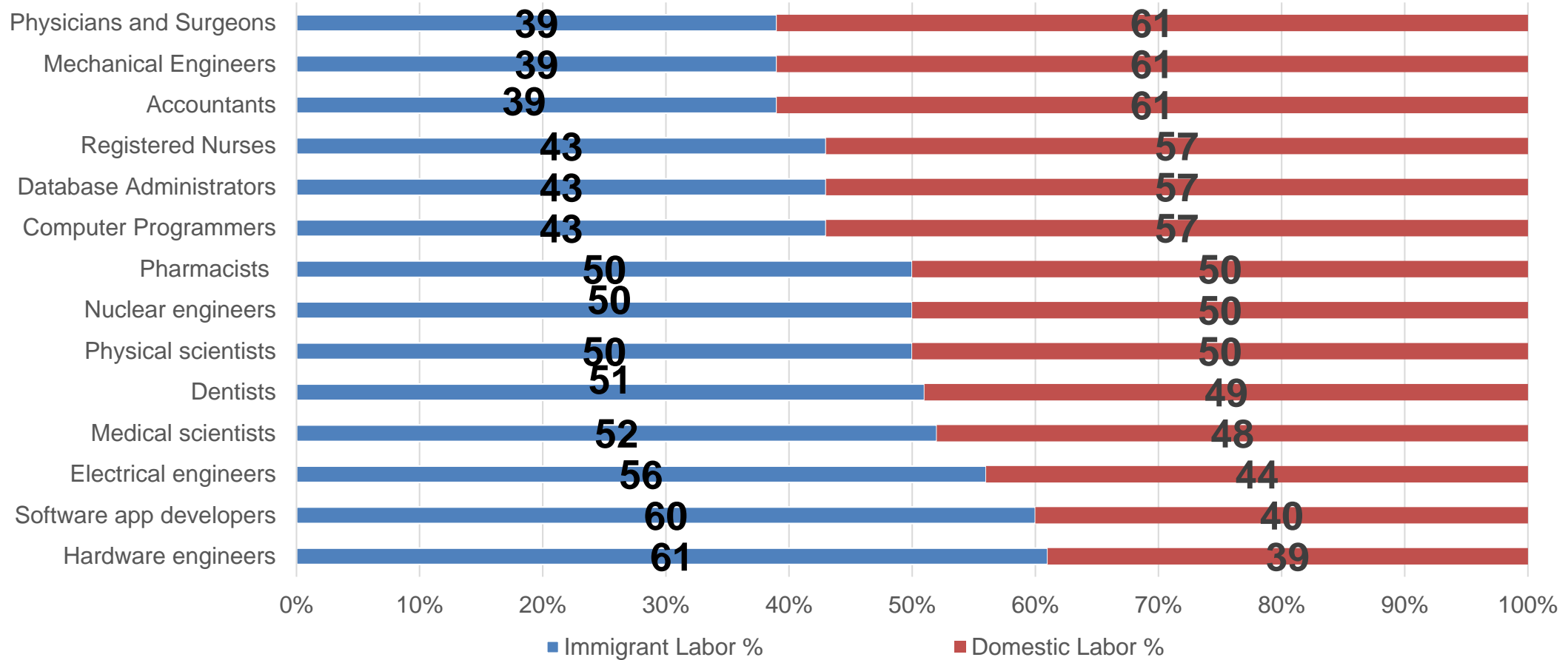
Institution	Rank
Stanford University	5
California Institute of Technology	9
University of California, Los Angeles	15
University of California, San Diego	20
University of Southern California	29

California institutions excel at both ends of the tech transfer process (2017)

- **Caltech was No. 1** for patents
- **UCLA was No. 1** for startups



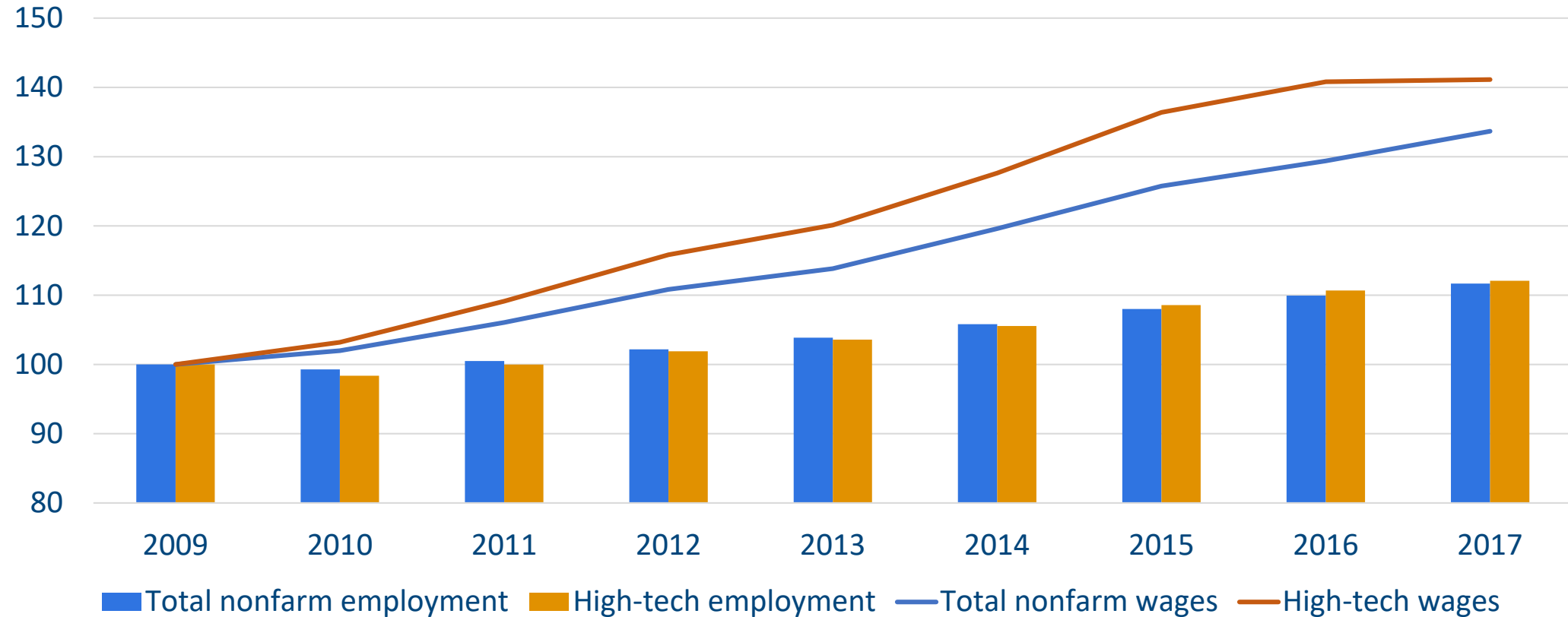
# High Skilled Jobs in California— Percentage Performed by Immigrants





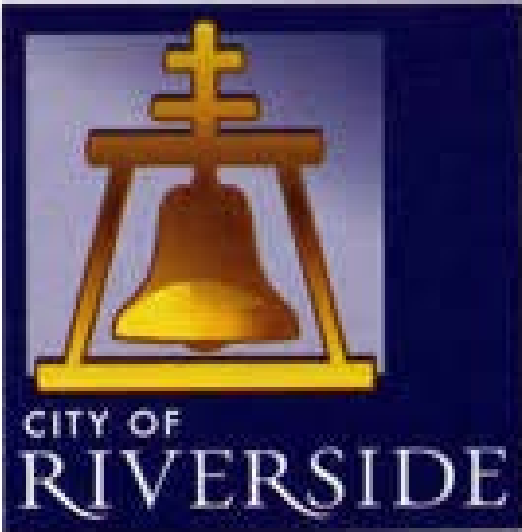
# High-tech Industries Coming Out of the Recession – Creating High Quality Jobs

Indexed, 2009=100





# Case Study: City of Riverside, CA



## **Investment Prospectus – OZ assessment and programs are aligned to the City’s unique ecosystem**

- Existing industry: commerce/logistics
- Assets: UC Riverside, CARB...
- Potential to support growing industries: advanced manufacturing, advanced agriculture, A&D, biomedical devices

## **Establishing a “Downtown Innovation District”**

- Strategically chosen area between downtown and university for the City’s OZs
- E.g., establishing incubator and accelerator facilities, converting packing houses

## **Tackling Local Implementation Barriers**

- “Streamline Riverside” Program (2016) – increased administrative authority, commitment to building timelines, speed entitlement processes, adjusting right-size fees to increase project certainty



# Case Study: City of Stockton, CA



*Downtown Stockton Catalytic Investment: Waterfront Property*

The Assets: City-owned 9.12-acre vacant parcel.

The Opportunity: City is seeking development partner(s) for mixed-use development encompassing retail, office, and/or market-rate residential. City is offering development incentives in addition to the land.

- **Downtown Revitalization**

- Numerous historic rehabilitations, housing developments, professional offices, shared artist spaces, and many new businesses

- **Growing Start-Up Investment**

- Over \$222,000 in City-sponsored entrepreneurship grants since 2015

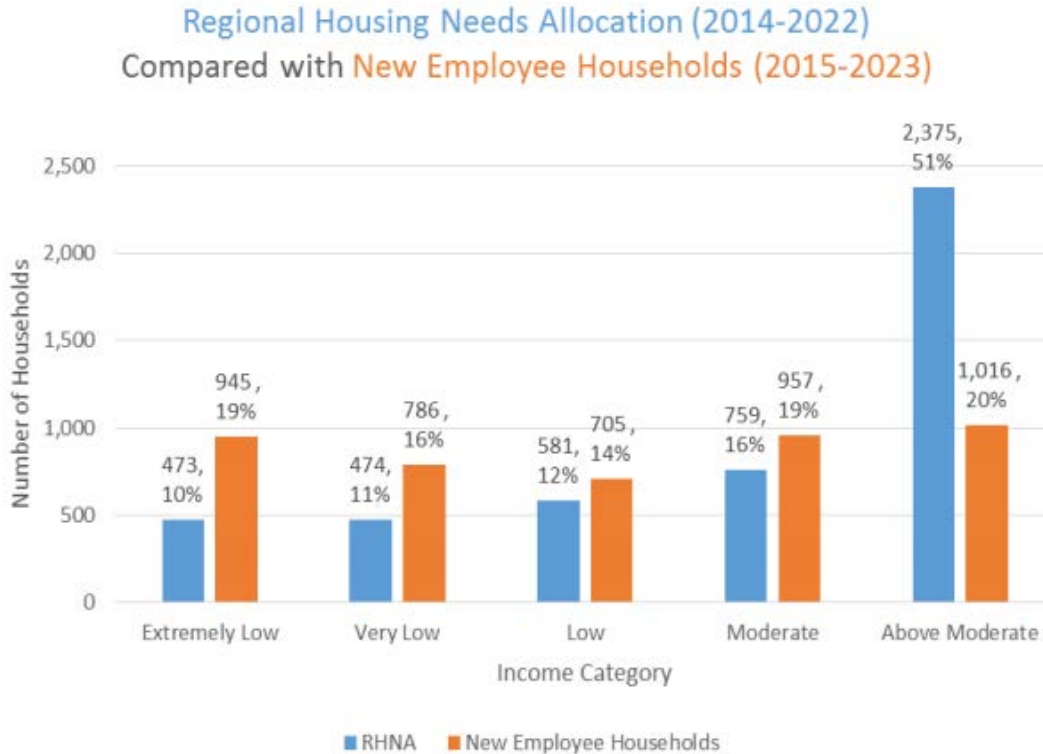
- **Aligning Incentives**

- Greater Downtown Area Public Facility Fee Reduction Program
- Non-Residential Fee Deferral Program
- Short-Term Non-Residential Public Facilities Fee and Mitigation Fee Deferral Program
- Office and Industrial Sales Tax Incentive Program
- Economic Review Committee (ERC) – *expedited permitting and plan review process*





# Case Study: City of Santa Rosa, CA



- **“Housing for All”**
  - In 2016, the City implemented a Housing Action Plan to facilitate the construction of “Housing for All” to meet the needs of all household income groups
- **Housing Action Plan organized around 3 priorities:**
  - Priority One: Take action on pending entitled development projects with constraints that can be removed by administrative action or discretion
  - Priority Two: Evaluate and where possible unlock projects that are pending (entitled but not moving forward)
  - Priority Three: Ongoing Housing Action Plan Program Action implementation

Source: City of Santa Rosa, Housing Action Plan



# Best Practices: California State Policy

## **SB 375 (Steinberg) – Sustainable Communities Strategy: Environmental Review**

- If projects are consistent with the California Air Resources Board’s (CARB) existing Sustainable Communities Strategy (SCS) guidelines to reduce greenhouse gas emissions:

### **Transit Priority Project Incentives**

- Benefits of a qualifying mixed-use residential project AND
- Option to review under a “Sustainable Communities Environmental Assessment”
- An Initial Study is prepared identifying (potentially) significant impacts
- Where the lead agency determines that cumulative impacts have been addressed and mitigated in SCS/APS, they will not be “considerable”
- Off-site alternatives do not need to be addressed
- Deferential review standard – the burden of proof for legal challenge is on the petitioner/plaintiff

### **Mixed-Use Residential Project Incentives**

- Environmental documents not required to reference, describe, or discuss (1) growth inducing impacts, (2) impacts from car and light-duty truck trips on global warming or regional transportation network, (3) reduced density alternative to project

### **Sustainable Communities Project Incentives**

- Exempt from CEQA

## **SB 1 (Beall) – Road Repair and Accountability Act of 2017**

- Invests \$54 billion over the next decade to fix roads, freeways and bridges in communities across California, and puts more dollars toward transit and safety. Funds will be split equally between state and local investments



# Best Practices: State Funding Models

## Washington

- Brownfields Revolving Loan Fund
  - For every \$1 the state has spent to clean up Brownfields sites, it has generated \$12 in local and state tax revenues, \$14 in payroll value, and \$64 in business revenue.
- Building Communities Fund
  - Awards state grants to nonprofit, community-based organizations to defray up to 25% or more of eligible capital costs to acquire, construct, or rehabilitate nonresidential community and social service centers (no min/max grant award amount).

## Nevada

- Silver State Opportunities Fund (SSOF)
  - Manages \$50 million of capital dedicated to investing in compelling businesses located in, looking to expand, or seeking to relocate to NV. The fund seeks to generate greater returns for the state's Permanent School Fund, increasing economic development and employment
- Catalyst Fund
  - Incentivizes expansion or relocation of businesses that will quickly result in creation of high-quality, primary jobs in NV, offering a tool to RDAs to assist their efforts to close deals with viable companies.

# Questions?

Q & A

# Key Points

Counties have an important role to play in this process

Time is short

Think more about collaboration than competition

Know your value; understand what makes your community different

Focus on projects that advance regional priorities

Leverage state and national resources; model best practices

OZs are not just for real estate; think business & infrastructure, too

Consider both social impact and wealth creation

Layer incentives and financing tools for maximum benefit

# Steps to Get Started

Collaborate with municipal leaders, economic development groups and CBOs to understand and agree upon regional development priorities



Identify “shovel ready” projects; help clear the way



Explore complimentary financing options and other incentives



Refine your regional value proposition and market your projects with a prospectus

# ILG's OZ Resource Page

The screenshot shows the ILG website's Opportunity Zones resource page. At the top left is the ILG logo and the text "INSTITUTE FOR LOCAL GOVERNMENT™ Promoting Good Government at the Local Level". A search bar is located at the top right. Below the header is a navigation menu with "Home", "Subject Areas", "About the Institute", and "Support Our Work". On the left side, there is a "SUBJECT AREAS" menu with various categories, including "Opportunity Zones" which is highlighted. The main content area features a large heading "Opportunity Zones" with a graphic of three overlapping circles. Below this is a sub-heading "Opportunity Zones" and the text "RESOURCES FOR CALIFORNIA'S LOCAL GOVERNMENT AGENCIES". The main text describes Opportunity Zones (OZs) as a new community investment tool designed to encourage long-term investments in low-income urban and rural communities nationwide. It mentions that OZs were established by Congress in the Tax Cuts and Jobs Act of 2017 and provide a tax incentive for investors to re-invest capital gains into dedicated Opportunity Funds. Below this, it states that Opportunity Funds can finance commercial and industrial real estate, housing, infrastructure, and existing or start-up businesses. For a real estate project to qualify for Opportunity Fund financing, the investment must result in the property being "substantially improved." There are three callout boxes on the right side: "Feedback Needed" with a link to "Take our ILG Poll! Let us know your experience with opportunity zones.", "Opportunity Zones: Is your city ready?" with a link to a "Western City Magazine Article (May 2019)", and "879" with a link to "Did you know? There are 879 designated OZs in California, which represents more than 10%".

- [www.ca-ilg.org/oppzones](http://www.ca-ilg.org/oppzones)
- Curated Content
- General Info
- Maps & Census Tract Designation
- Preparation Tips
- Data, Tools, Reports, Presentations, Videos, and more!
- Sign up for our free e-newsletter

# OZ Resources

## Prospectus Examples

- Accelerator for America: <http://www.acceleratorforamerica.com/tools>

## Directory of OZ Funds

- NCSHA Opportunity Fund Directory: [www.ncsha.org](http://www.ncsha.org)
- The Opportunity Zones Database: [OpportunityDb.com](http://OpportunityDb.com)
- Novogradac: <https://www.novoco.com/resource-centers/opportunity-zone-resource-center/opportunity-funds-listing>

## Mapping and Metric Tools

- Enterprise Opportunity Zone Explorer: <https://www.enterprisecommunity.org/opportunity360/opportunity-zone-eligibility-tool>
- InvestReal: <https://www.investreal.com>
- Develop Advisors OZ Index: <https://www.developadvisors.com/opportunity-zones-index/>
- ZoomProspector: <https://www.zoomprospector.com/>

## Project Database

- OppSites: [www.OppSites.com](http://www.OppSites.com)
- InvestReal (data): <https://www.investreal.com/#/explore>



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# Thank You!