



Federal Perspective on Opportunity Zones

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“HUD’s mission is to create **strong, sustainable, inclusive communities and quality affordable homes for all**. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination, and transform the way HUD does business.”



“Fifty-two million Americans live in economically distressed communities. Despite the growing national economy, these communities are plagued by high poverty levels, failing schools, and a scarcity of jobs...[the] Tax Cuts and Jobs Act...established a historic new Federal tax incentive that promotes long-term equity investments in [these] low-income communities designated as ‘qualified opportunity zones’...”

– *Executive Order Establishing the White House Opportunity and Revitalization Council (Sec. 1, 12/12/18)*



White House Opportunity & Revitalization Council

HUD's Role

Chairman, Secretary Ben Carson



Coordinate Federal
Programs and
Investments from Other
Departments & Agencies



Lead Local Efforts to
Attract Private Investment



Collect Data to Assess
Effectiveness of
Investments

WHORC Work Streams

Economic Development

Lead Agency:

Commerce

Supporting Agencies:

SBA
HUD
USDA
Treasury
DOT
HHS
CEQ
EPA

Action Items:

Leverage federal grants and loans in a more integrated way to develop dilapidated properties and provide basic infrastructure and financial tools to attract private investment.

Entrepreneurship

Lead Agency:

SBA

Supporting Agencies:

DOC
DOE
USDA
Interior

Action Items:

Leverage governmental lending and grants to stimulate access to private capital and promote programs that assist entrepreneurs.

Education & Workforce Development

Lead Agencies:

DoEd
Labor

Supporting Agencies:

HHS
USDA
Commerce
DOE

Action Items:

Improve the efficacy of K-12 and community college career and technical education and workforce development programs to better prepare workers for distressed communities for jobs.

Safe Neighborhoods

Lead Agency:

DOJ

Supporting Agencies:

HHS
EPA
Interior

Action Items:

Combat drug addiction and the opioid crisis, reduce crime/enhance public safety and address environmental contamination obstacles to development.

WHORC Work Streams

Measurement & Analysis

Lead Agency:

CEA

Supporting Agencies:

Treasury

HUD

Commerce

Action Items:

Develop robust reporting and analytics.

WHORC Implementation Plan

- Conduct nationwide listening tour
- Identify opportunities to target, streamline and coordinate Federal programs
- Develop training manual for field staff
- Collate best practices by work stream at state, local, and tribal levels
- Compile and publish comprehensive list of Federal programs available
- Develop 'opportunityzones.gov' website

WHORC Implementation Plan

- Develop and publish list of policy recommendations to improve Federal revitalization programs
- Convene monthly staff meetings at staff level to ensure coordination, communication and accountability
- Regular reporting by Federal departments and agencies on implementation actions and progress made

Opportunity Zone Federal Program Alignment

Agency	Grants/Programs
USDA	6
Commerce	2
Education	17
Health & Human Services	9
Housing & Urban Development	17
Interior	1
Justice	54
Labor	13
Transportation	8
Treasury	4
General Services Administration	2
SBA	7
EPA	6
Regional Commissions	3

To date, **160+** programs identified where targeting, preference, or additional support could be granted to Opportunity Zones.

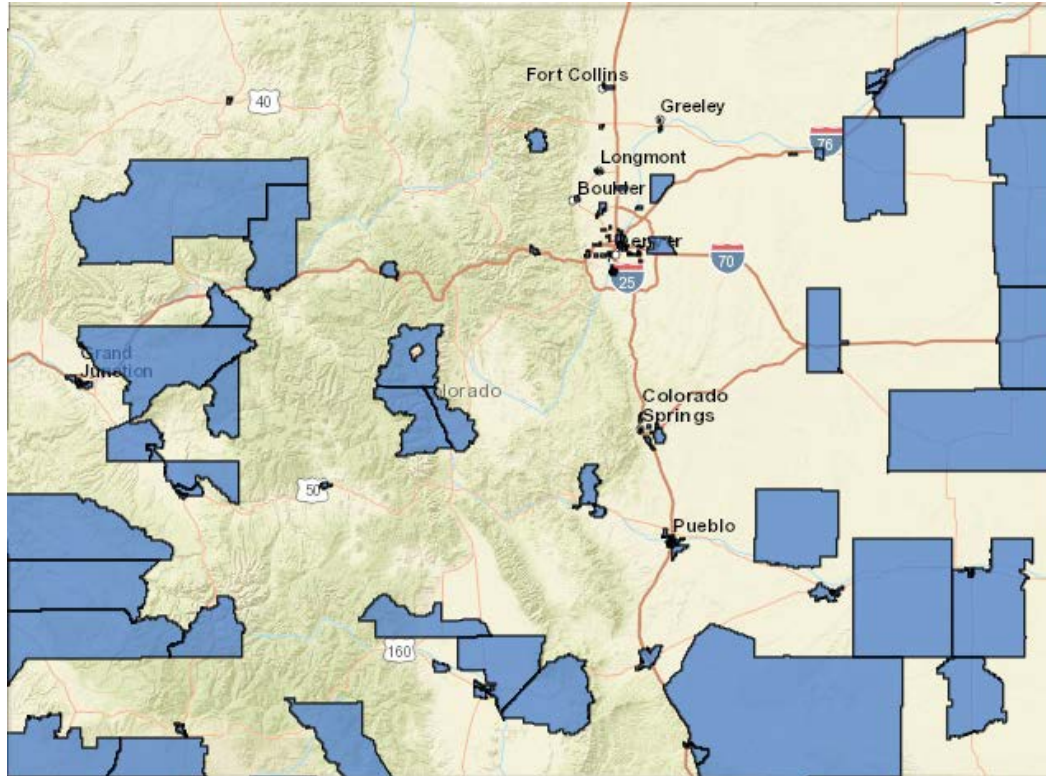
As of August 8, 2019, **140+** grants or programs have been aligned to focus on Opportunity Zones

HUD Region VIII Updates

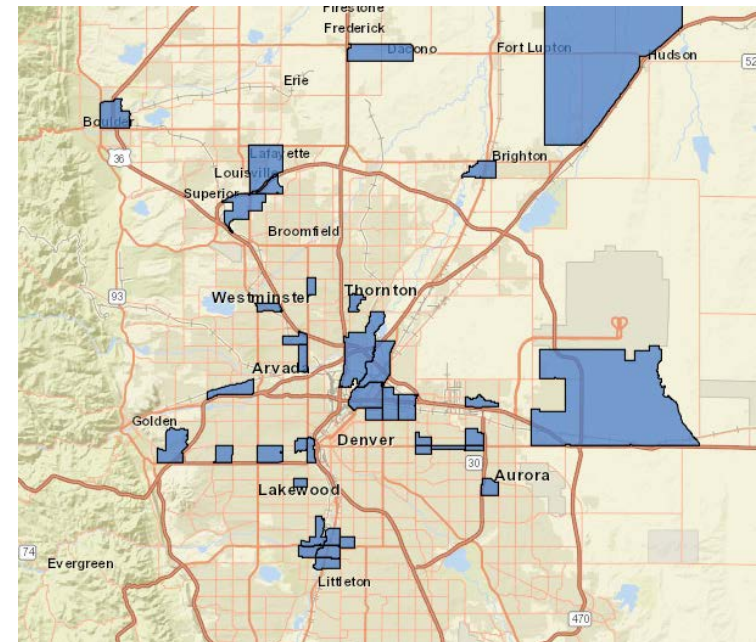
- Developed OZ webinar
- Engaged with stakeholders across region
- Convened federal and philanthropic roundtables
- WHORC listening session in Casper, WY
- Upcoming WHORC sessions in Colorado
- Developing field manual for staff



Colorado Opportunity Zones



Statewide



Greater Denver Area

Colorado QOZs

- 126 designated QOZs (116 low-income, 10 contiguous)
- 44% rural QOZs, compared to 15% of statewide tracts

	CO QOZs	CO Statewide
Median household income	\$41,138	\$66,933
Poverty rate	22.04%	12.78%
Median home value	\$167,488	\$282,281
25+ w/ HS or less	45.74%	31.45%
25+ w/ BA or more	22.08%	37.72%

FHA Multifamily Program Changes

- **Reduced application fees**
 - New construction & substantial rehabilitation
 - Urban renewal and concentrated development
 - Purchase or refinance of existing MF property
- **"Broadly affordable" (90% of units Section 8/affordable under LIHTC)**
 - Fee reduced from \$3/\$1k mortgage amount to \$1/\$1k mortgage amount
 - Average savings of \$47,000 per application
- **"Market rate" & "affordable" (10% are Section 8/affordable under LIHTC)**
 - Fee reduced from \$3/\$1k mortgage amount to \$2/\$1k mortgage amount
 - Average savings of \$24,000 per application
- **Designated team of senior underwriters to streamline applications**

Section 202

Supportive Housing for the Elderly

- Provides Capital Advance funding for development and operation of supportive rental housing for very low-income persons aged 62+
- Capital Advance funds must be used to finance construction, reconstruction, moderate/substantial rehabilitation, or acquisition of a structure with/without rehabilitation
 - Language supporting QOZs added to program's 2018 NOFA; project sponsors encouraged to consider sites in QOZs

Section 220

Mortgage Insurance for Rental Housing

- **Section 220 insures mortgages for the new construction/substantial rehabilitation of mixed-use housing projects in:**
 - Urban renewal areas
 - Code enforcement areas
 - Other areas where local governments have undertaken designated revitalization activities
- **All QOZs** are now automatically eligible areas under Section 220 of the National Housing Act, including in **rural areas**

Resources

- ❖ For all questions related to the QOZ nomination and designation process: OpportunityZone@cdfi.treas.gov
- ❖ To verify whether a location lies within a QOZ census tract: geocoding.geo.census.gov
- ❖ IRS Opportunity Zone FAQ's: irs.gov/newsroom/opportunity-zones-frequently-asked-questions
- ❖ HUD FHA Multifamily Program Changes Press Release: hud.gov/press/press_releases_media_advisories/HUD_No_19_058
- ❖ List of WHORC agency completed actions: hud.gov/sites/dfiles/documents/OppZone_Agency_Completed_Actions_2019_0808.pdf

How can we partner to make a difference in Opportunity Zones?



Thank you



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