



Opportunity Zones

July 23, 2018



Enterprise Community Partners

Who We Are: National intermediary working to improve people's lives by strengthening communities through public-private partnership, policy leadership and investment.

Deploy \$8 billion annually through the following activities:

- Fund manager for a family of conventional private equity funds to preserve multifamily housing - \$220 million invested
- Community Development Financial Institution - \$1.7 billion invested
- Low-Income Housing Tax Credit syndicator for over 250 funds - \$12.8 billion invested
- New Markets Tax Credits allocate - \$960 million in allocations, aggregated \$902 million of equity
- Mortgage Financier - \$6 billion annually



Enterprise & Opportunity Zones

- Early supporter of the Investing in Opportunity Act
- Aligned with key stakeholders on implementation at national and local levels
 - Congressional testimony to Joint Economic Committee (May 2018)
- National resource - state mapping tool, policy guide, free webinars, etc.
- Local expertise - technical assistance presence, existing relationships, and measurable impact in 27% of Opportunity Zones nationwide
- Opportunity Funds - Leveraging our impact-driven investment platform

Opportunity Zones Implementation (as of 7/2018)

- **Opportunity Zone Nominations:**

- All Zones approved as of 6/15/2018 - 50 states, 5 territories, Washington, D.C.

- **Guidance on Opportunity Funds:**

- [IRS published FAQs](#) (April and June 2018)

- Opportunity Zones overview

- Certifying as an Opportunity Fund

- Clarity for investors

- Submitting comments on Opportunity Zones law

- Additional FAQs anticipated ~ Labor Day

- **Creation of / Investment in Opportunity Funds:**

- Already happening

- **Full Implementation of Law:** Q3 2018 - Q4 2018

- July 7 – Sec. Mnuchin testified that Treasury/IRS regulatory guidance will be coming out “soon”, before year-end.

Opportunity Zones Implementation (as of 7/2018)

- **Guidance and Clarity Needed**
 - Advocacy efforts from different parties on key consensus issues (examples)
 - Clarity on certain definitions and terms
 - Revolving nature of funds and how tax benefit is impacted
 - Length of time allowed for deployment of capital
 - Qualification of residential real estate

- **Reporting Requirements for Opportunity Funds**
 - Statute already mandates reporting to IRS
 - Alignment with IIOA, TCJA Conference Report (Congressional intent)

- **Potential Legislation to Address “Fixes”**
 - Reporting requirements
 - Investment into Community Development Financial Institutions

Keeping Opportunity Zone Investments Local

Local leadership can create an ecosystem that encourages investment. Examples of how cities and states are thinking about this:

Inform the marketplace

- Online Portal - Make data available, inventory local assets
- Site Tours and Education - Convene investors, developers, businesses, philanthropy, community stakeholders, etc.
- Letters of Interest - Investors and Fund Managers

Incent certain types of activity

- Leverage add-on incentives, gap financing, risk mitigation
- Create public funds, could be through partnership with local financial intermediaries to facilitate deal flow, asset manage, etc.
- Pairing investments with other sources of financing (HOME, CDBG, etc.)
- Ease certain development requirements

Additional Resources

CDFI Fund, Treasury - [Opportunity Zones Resource Page](#)

Economic Innovation Group - [Opportunity Zones Landing Page](#)

Council of Development Finance Agencies – [Resource Page](#)

Enterprise Community Partners - [Opportunity Zones Information Page](#)

Letter to Treasury on Opportunity Zones Implementation

Updated Opportunity360 Maps

New Podcast: Opportunity Zones – Promises and Pitfalls

Blog Posts: tax benefits for investors, letter to Treasury, etc.

Additional Information and Reading

Sign-up for Breaking News!

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