



Broward County

Opportunity Zones

Community Convening

June 21, 2018



[@christophercoes](#) [@LOCUSDevelopers](#)

LOCUS



Smart Growth America
Improving lives by improving communities

LOCUS: Responsible Real Estate Developers and Investors is the only real estate coalition working to create more walkable, urban places through better public policy at the federal, state, and metropolitan levels. LOCUS members educate policymakers on how to align public policy to meet the market demand for walkable urban development.

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What are Opportunity Zones?



- ❑ A bipartisan **economic development program** added to the tax code by last December's *Tax Cuts and Jobs Act*.
- ❑ Encourages long-term **private capital investment** in America's low-income urban and rural communities.

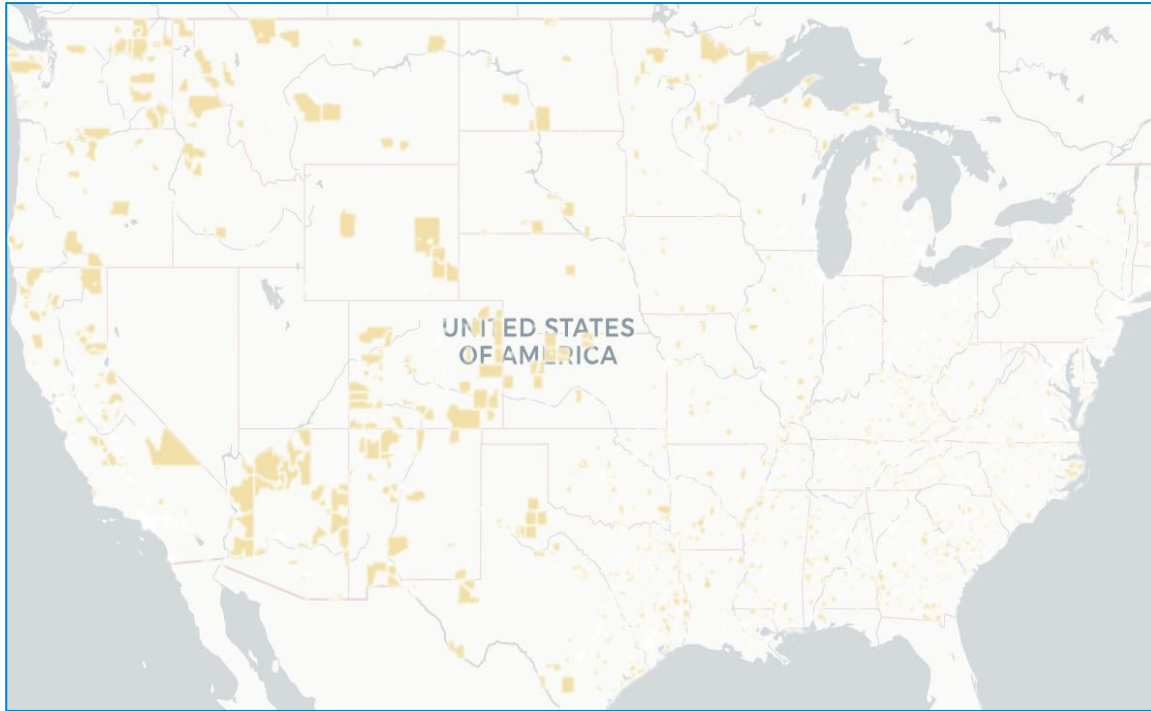
How are Opportunity Zones designated?

	A	B	C	D	E
1	Designated Qualified Opportunity Zones				
2	This document was updated June 14, 2018 , to reflect the final Qualified Opportunity Zone designations for all States.				
3	<i>Please note that the below list of designated tracts is not the official list. The official list will be published in the Internal Revenue</i>				
4	<i>Bulletin at a later date.</i>				
	Click arrow to filter state				
5	State <input type="text"/>	County <input type="text"/>	Census Tract Number <input type="text"/>	Tract Type <input type="text"/>	ACS Data Source <input type="text"/>
1607	Florida	Broward	12011010304	Low-Income Community	2011-2015
1608	Florida	Broward	12011020412	Low-Income Community	2011-2015
1609	Florida	Broward	12011030402	Low-Income Community	2011-2015
1610	Florida	Broward	12011030600	Low-Income Community	2011-2015
1611	Florida	Broward	12011040801	Low-Income Community	2011-2015
1612	Florida	Broward	12011040901	Low-Income Community	2011-2015
1613	Florida	Broward	12011041000	Low-Income Community	2011-2015
1614	Florida	Broward	12011041100	Low-Income Community	2011-2015
1615	Florida	Broward	12011041200	Low-Income Community	2011-2015

❑ 25% of the total number of low-income census tracts in every U.S. territory and state

❑ Nominated by each state's governor
❑ Certified by the U.S. Treasury

America has 8,761 Opportunity Zones...

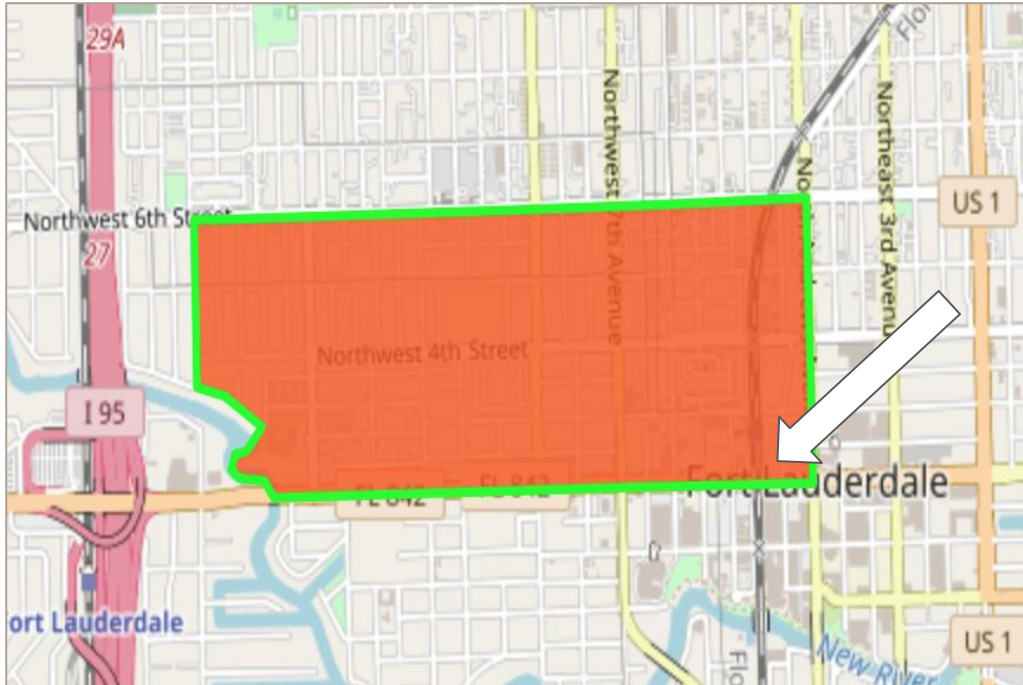


... They are home to **30 million Americans**, 60% of which are demographic minorities,

... Have a **30% percent poverty rate**,

... And only **8.5%** of them have **at least one transit station**.

Broward County has 29 Opportunity Zones...



... One census tract contains transit and is home to the **Fort Lauderdale Brightline Station** (Census tract 416)

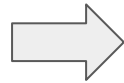
... Two are transit-adjacent tracts (Census tracts 417 and 805)

... Three contain Brownfield Sites (Census tracts 304, 306, and 417)

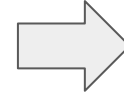
Once a census tract becomes an Opportunity Zone, all investments made there become eligible for preferential tax treatment...

3 scalable tax incentives for investors...

- Temporary tax deferral
- Step-up in basis
- Permanent exclusion from taxable income of capital gains

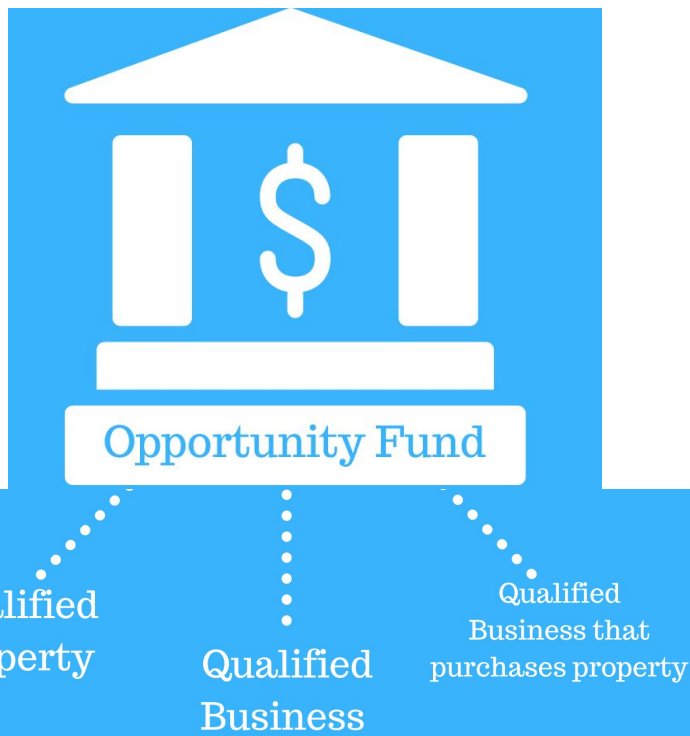


...who reinvest their unrealized capital gains into designated Opportunity Funds...



... that invest those dollars within their designated Opportunity Zones for community development, activities.

Opportunity Funds are the private investment vehicles through which the Opportunity Zones program operates.



1) Organized as corporations or partnerships that invest or hold at least 90% of their assets in a qualified Opportunity Zone business or property.

2) Investors are any **individuals, organizations, corporations, cities, or agencies** with unrealized capital gains. Funds can contain commingled investor assets.

3) Funnel **unrealized capital gains** into distressed communities through eligible projects, from commercial and industrial real estate to housing, infrastructure, and existing or start-up businesses.

4) Require **fund managers** that are responsible for making investment decisions on behalf of the fund and deploying its assets appropriately.

What can Opportunity Funds accomplish?

Create attainable, workforce housing

1. A city creates an Opportunity Fund
2. Identifies top corporations in the area interested in developing attainable housing
3. Corporation transfers capital into the city fund
4. Fund buys property in close proximity to corporate site and partners with real estate developers to build attainable housing



Prevent local business displacement

1. Enable redevelopment projects to offer favorable lease agreements for small, local businesses
2. Targets investments to existing small business ready to expand
3. Support businesses that support local entrepreneurship and startup



Build TOD projects

1. Create a state or local TOD Fund from commingled stakeholder assets
2. Engage various constituencies, including:
 - Transit agencies
 - Private developers
 - Cities
 - Philanthropies
3. Commit constituencies to 10-year build-out of transit and other TOD projects



What can you do now?

Align equitable development strategies around new Opportunity Zones and utilize all available stakeholders.



Cities can inspire investor confidence by operating Opportunity Funds and lowering their risk profiles.

1. Designate staff to serve as a one-stop-coordinating office to serve as a point of contact for interested investors and businesses (open data, investment strategy, reporting)
2. Establish state/city-based Opportunity Funds by pooling existing community development dollars to attract diverse equity partners, including public employees, local pension funds, and crowdsourced funders.
3. Provide incentives to encourage the formation of equitable Opportunity Fund.
4. Institute “do no harm” policies that protect vulnerable populations and existing businesses.
5. Create strategic investment and public benefits strategies for Opportunity Zones, including:
 - Developing a comprehensive investable project pipeline that creates long-term housing and transportation affordability while accelerating job creation.
 - Instituting an inclusive community engagement process for determining projects and initiatives.
 - Establishing performance-based metrics, such as equitable development scores, to ensure that Opportunity Funded projects are positively improving lives and transforming place.

Philanthropic organizations have the financial and knowledge resources to shape place-based investment strategy, organizing, and development efforts.

1. Pool program-related investments (PRIs) and return them to Opportunity Funds in the form of grants. These grants can be used by vulnerable populations to own wealth creation.
2. Provide staff capacity and expertise for locally-controlled Opportunity Funds by serving as fund managers or board members. (Target rural, small and disadvantaged communities)
3. Lead capacity building efforts by funding and supporting financial literacy and wealth- building opportunities in local communities. For example, organizations may purchase shares in Opportunity Funds on behalf of vulnerable residents and businesses.

Advocates can direct their capacity towards creating a responsible business and policy environment for Opportunity Fund operation and investments.

1. Encourage cities to adopt “do no harm” policies.
2. Build local investor ecosystems by recruiting and training local residents and business to become investors in their own communities.
3. Compile a local project pipeline of mission-driven projects for investment.
4. Align with like-minded organizations to sponsor or invest in an Opportunity Fund.

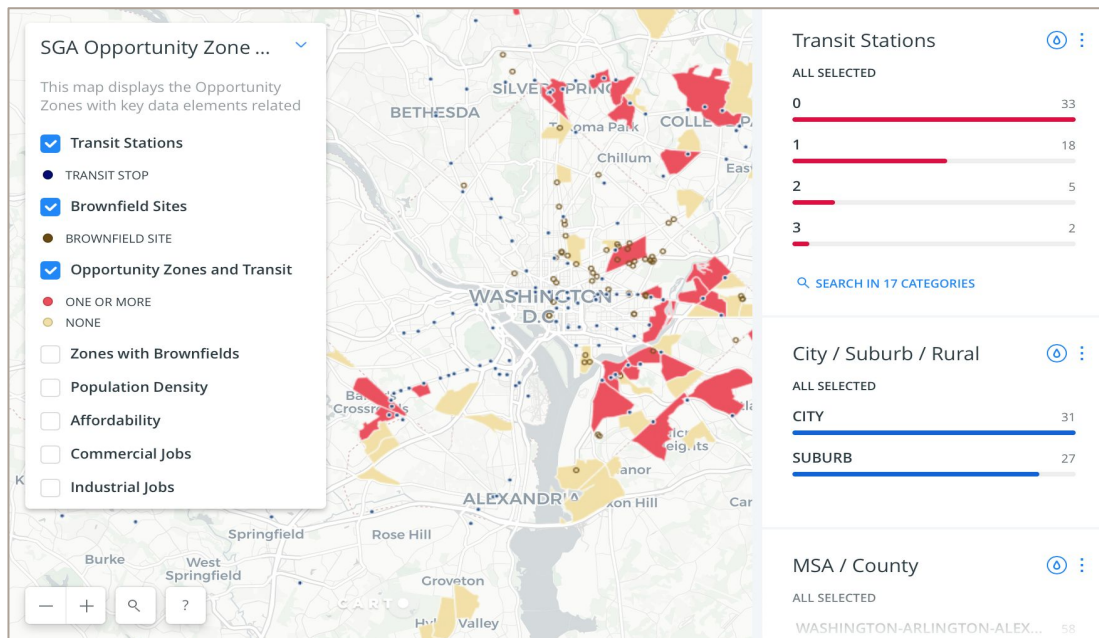
The **private sector** can normalize equitable project development in new Opportunity Zones.

1. **Adopt Equitable Development Investment Frameworks and Strategies. (People, Planet and Profit)**
2. **Conduct crowdsourced placemaking to ensure community buy-in**
3. **Diversify the fund management community and incorporate local representation into fund leadership.**
4. **Prioritize investments for projects near transit and those that create walkable, vibrant neighborhoods.**
5. **Proactively Provide Annual Assessment of Investments.**

Official Opportunity Fund guidance is expected from the U.S. Treasury by the end of this year... What can Broward County do now?

- 1) Convene an Opportunity Zones task force to align state and local development resources and identify top investments
- 2) Create the state/county's first affordable Opportunity Fund
- 3) Build a cross-sectional stakeholder coalition in support of transit and equitable development
- 4) Develop a **real** attainable housing strategy now, before it's too late
- 5) [Join LOCUS](#)

LOCUS Opportunity Zone Navigator: An interactive mapping tool for individuals and organizations interested in **real estate, policy, and business, economic, and community development** activities in America's newly designated **Opportunity Zones**



Search America's 8,761 new Opportunity Zones for...

- ... Transit stations
- ... Brownfield sites
- ... Population density
- ... Poverty rate
- ... H + T
- ... Job type
- ... And more

Understand...

... The economic, environmental, demographic, housing, and infrastructure characteristics of each Opportunity Zone

... The type of development needed to **revitalize distressed communities and stimulate economic growth** there

<https://smartgrowthamerica.org/program/locus/opportunity-zones/>

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Thank you!

Questions? Contact Christopher Coes at ccoes@locusdevelopers.org



[@christophercoes](https://twitter.com/christophercoes) [@LOCUSDevelopers](https://twitter.com/LOCUSDevelopers)

Don't forget to check out the [LOCUS Opportunity Zone Navigator](https://www.locusdevelopers.org) at www.locusdevelopers.org