



# Opportunity Zones and Housing Webinar

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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

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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.

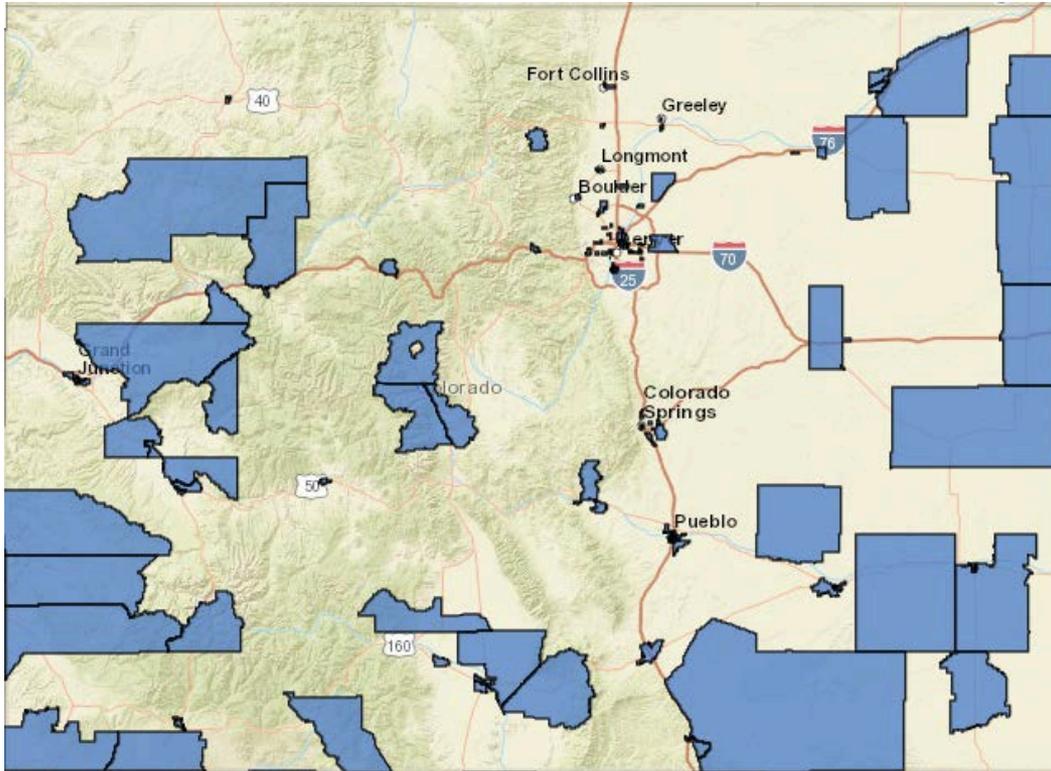
As of February 28, 2020, **180+** grants or programs have been aligned to focus on Opportunity Zones

# HUD Region VIII Updates

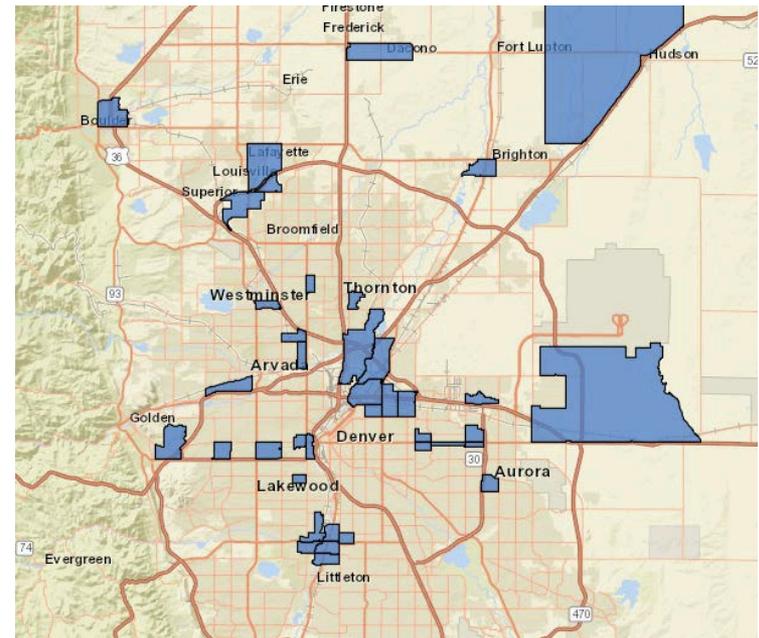
- Developed OZ webinar
- Engaged with stakeholders across region
- Convened federal and philanthropic roundtables
- WHORC listening session in Denver, Colorado Springs
- Support state and local outreach and education efforts
- Developing field manual for staff



# 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](mailto:OpportunityZone@cdfi.treas.gov)
- ❖ To verify whether a location lies within a QOZ census tract: [geocoding.geo.census.gov](http://geocoding.geo.census.gov)
- ❖ IRS Opportunity Zone FAQ's: [irs.gov/newsroom/opportunity-zones-frequently-asked-questions](https://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](https://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](https://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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