Opportunity Zones (OZs) are part of a developmental program that promotes the long-term investment in, and development of, low-income urban and rural real estate across the United States. Each OZ is a selected census tract that has “high need as well as high potential” for revitalization.

OZs are soaring in the City of Angels. As part of the 2017 Tax Cuts and Jobs Act, the new government program is designed to stimulate struggling economies across the nation. Investors and developers can reinvest in property in 287 designated census tracts in L.A. County for substantial tax breaks on capital gains.

Here’s some background information to help you better understand the Opportunity Zones concept.

**HOW THE OPPORTUNITY ZONES CAME ABOUT**

On December 12 of last year, President Donald Trump signed an Executive Order establishing the White House Opportunity and Revitalization Council and named U.S. Housing and Urban Development (HUD) Secretary Ben Carson as its chairperson. The Council’s 13 Federal member agencies engage with governments at all levels on ways to more effectively use taxpayer dollars to revitalize low-income communities. The Council is charged with improving revitalization efforts by streamlining, coordinating, and targeting existing Federal programs to Opportunity Zones, economically distressed communities where new investments may be eligible for preferential tax treatment.

Additionally, the Council was asked to consider legislative proposals and undertake regulatory reform to remove barriers to revitalization efforts and present the President with options to encourage capital investment in economically distressed communities.

“One are still early days for the work of the Council and Opportunity Zones, but the groundwork has been laid,” Secretary Carson said when the Council first formed. “The seeds the President has planted are growing and the promise they hold will improve places long forgotten, and the lives of those who call those places home.” President Trump signed the 2017 Tax Cuts and Jobs Act, creating Opportunity Zones to stimulate long-term investments in low-income communities. The program offers capital gains tax relief to those who invest in these distressed areas. This program is anticipated to spur $100 billion in private capital investment in Opportunity Zones. Incentivizing investment in low-income communities fosters economic revitalization, job creation, and promotes sustainable economic growth across the nation, especially in communities HUD serves.

Opportunity Zones are a powerful vehicle for bringing economic growth and job creation to the American communities that need it the most. On average, the median family income in an Opportunity Zone is 37 percent below the state median. To date, 8,761 communities in all 50 States, Washington D.C., and five Territories have been designated as Opportunity Zones. Nearly 35 million Americans live in communities designated as Opportunity Zones.

Currently, there are approximately 380,000 Public Housing units and approximately 340,000 Project-Based Rental Assistance units within Opportunity Zones. Nearly a third of the more than 100,000 rental units preserved through HUD’s Rental Assistance Demonstration (RAD) are located in Opportunity Zones.
Investors Find Strong Prospects in Lancaster’s Opportunity Zones

Six tracts within City qualified for investment incentives

Those looking to reap the benefits of America’s new Opportunity Zone investments will find multiple prospects in Lancaster’s six Opportunity Zones. With approximately 4,000 acres of options to choose from located throughout the City, each area offers unique advantages.

“Each of our Opportunity Zones targets areas which need fresh investment to see their full potential,” noted Lancaster Mayor R. Rex Parris. “By aiming new incentives at key infill areas, we will attract millions of new dollars into the community to revitalize these areas. By encouraging higher density and smarter development, we will create new jobs and spawn greater economic vitality for the entire City.”

One key area ripe for investment is Lancaster’s Medical Main Street Healthcare district. This 350-acre zone surrounding Antelope Valley Hospital is envisioned as a mixed-use district providing integrated housing, shopping, dining, and supportive services to the hospital, its staff, patients, and visitors. With more than 100 acres of prime commercial property available for development adjacent to the Antelope Valley’s only full-service hospital and trauma center, the district is slated to receive approximately 4,000 acres of options to choose from located throughout the City, each area offers unique advantages.

“The healthcare district is currently undergoing environmental planning, with completion projected in February 2020. A second key opportunity lies within an area designated as Parkway Village, spanning 170 acres east of 10th Street West and North of Avenue L. This is conceived as a higher-density, walkable and affordable neighborhood of approximately 3,000 residential units aimed at the thousands of new aerospace workers being drawn to the region by major aircraft contracts. Surveys of incoming workers have revealed a significant pent-up demand for more compact, higher-density condos, apartments and townhomes featuring rich amenities and nearby shopping, dining and entertainment. Parkway Village is the City’s response to those requests for attractive alternatives to the traditional single-family home developers have offered here in the past. Currently in the specific plan and EIR process, the plan will be shovel-ready by fall 2020.

“We’re committed to providing business with great new opportunities for smart growth,” said Parris. “By creating new Opportunity Zones with a clear theme and purpose, we’re adding real value to our community and creating greater synergy among developers, businesses and the public. All who build, work and live here benefit from such intelligent design and development.”

Several other areas of the City qualify for favorable Opportunity Zone tax treatments. These include the City’s downtown area, known as The BLVD. This award-winning arts and entertainment district features upscale and relaxed dining, destination shopping, lodging and urban living spaces surrounded by civic attractions including Lancaster’s Museum of Art and History (MOAH) and the Lancaster Performing Arts Center (LPAC), which attracts Hollywood headliners along with regional and national touring companies.

By creating new Opportunity Zones with a clear theme and purpose, we’re adding real value to our community and creating greater synergy among developers, businesses and the public.

The nearby Transit-Oriented Development District surrounding the City’s Metrolink station also offers unique mixed-use development opportunities aimed at commuters and those seeking easier mobility through public transit. Within this Zone, affordable high-density housing, community services and select retail and dining appear to be the most promising uses.

Finally, the Sierra district, east of downtown between Avenue I and Avenue K, offers a variety of primarily commercial and industrial opportunities for developers seeking B2B opportunities.

Qualified investments on projects within these zones may be able to defer, reduce or eliminate the payment of capital gains taxes earned from business improvement and construction activity made via an Opportunity Fund serving the Zone.

“The first Opportunity Zone deal in the City of Lancaster is poised to begin construction in the coming months, and we are eager to collaborate with the private sector to create more mutually beneficial investment opportunities,” said Parris.

While not directly involved in the City’s Opportunity Zone projects, the Lancaster Business Park offers unique City-owned development opportunities as well as quick permitting and approvals thanks to its existing specific plan. The region’s premier business park, the area plays host to several dozen employers and thousands of employees.

Developers and investors are encouraged to explore the many enticing prospects offered by the City of Lancaster. For more information and to obtain Lancaster’s Opportunity Zone Prospectus, please contact the City’s Innovation & Economic Development Division at (661)372-6128 or visit cityoflancasterca.org.
OPPORTUNITY ZONES
SEPTEMBER 2, 2019
CUSTOM CONTENT – SAN FERNANDO VALLEY BUSINESS JOURNAL

Medical Main Street
New Hospital

Parkway Village

Downtown Lancaster
Development Zone
Sierra

Transit-Oriented Development Zone

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, © OpenStreetMap contributors, and the GIS User Community

The BLVD Residence Inn
The BLVD Duplex Housing

Medical Main Street
New Hospital

Parkway Village
Oxnard is the desirable place to call home for your business. It is the unique blend of vibrant metropolitan living, dining, and entertainment within minutes of the serenity of the sand, shore, and harbor all centered around a rich and historically diverse downtown.
Who Is Oxnard?
The City of Oxnard is located on the shores of the Pacific Ocean in Ventura County in Southern California. The largest city in the county, and 19th largest in the state, Oxnard is a full-service city with a population of just over 210,000, combining the best attributes of a beautiful coastal setting and small-town charm with its position as a hub of manufacturing, agriculture, financial services, defense, international trade, and tourism.

Conveniently located between the Central Coast and Southern California, Oxnard features one of the best climates in the state of California, and is home to a population that outpaces every other city in our region.

What Are Ozs?
Created as part of the Tax Cuts and Jobs Act, Opportunity Zones are a federal economic development tool aiming to improve the outcomes of distressed communities around the country.

The Opportunity Zones program offers three tax incentives for investing in low-income communities through a qualified Opportunity Fund:

1. Capital Gains Tax Deferral
A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026.

2. Step up in Basis
A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.

3. Capital Gains Tax Elimination
A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.

Visit Us
You are invited to visit our city and explore our business opportunities.

For more information contact:
Rosie Ornelas
rosie.ornelas@oxnard.org
Economic Development Manager, City of Oxnard

Economic Development
oxnard.org/econdev
605-385-7407
economic@oxnard.org
New Partnership Launched to Promote Investments in Opportunity Zones

The Mastercard Center for Inclusive Growth and Accelerator for America (AFA), a non-profit consortium of mayors, labor and business leaders, and urban and economic development experts, recently announced a unique partnership to combine their expertise to drive inclusive investment in distressed communities across the United States. The announcement was made at the first Forbes Opportunity Zones Summit in Newark, NJ.

The partnership includes an $850,000 philanthropic grant from the Mastercard Impact Fund to help the Accelerator realize its goal of helping 50 city leaders and their communities maximize the potential of the federal Opportunity Zone incentive. Additionally, the Mastercard Center for Inclusive Growth will provide in-kind support in the form of data science expertise, economic development tools, and research to help city leaders make evidence-based decisions.

Together, the partnership will provide with Accelerator for America, to ensure city leaders can better prove the investment value of their neighborhoods and build cases to attract investments that will fulfill the long-term needs of the local community. For Opportunity Zones to have the greatest chance of impacting those who need it most, we do need art but we also need a lot more science.

“This partnership with the Mastercard Center for Inclusive Growth is a powerful show of confidence in the Accelerator’s mission to drive national change through local solutions — from the bottom, up,” said Shamina Singh, Founder and President, Mastercard Center for Inclusive Growth. “That’s why we are working of data-driven insights around the current economic activity in their Opportunity Zones; assistance in building an Investment Prospectus through the Accelerator’s toolkit; consulting on how to structure and mobilize inclusive investments; analysis of datum need for investment potential; and ways to measure progress over time.

“We are likely to get better outcomes if we start with better inputs,” said Shamina Singh, Founder and President, Mastercard Center for Inclusive Growth. “This partnership with the Mastercard Center for Inclusive Growth is a powerful show of confidence in the Accelerator’s mission to drive national change through local solutions — from the bottom, up.”

This partnership with the Mastercard Center for Inclusive Growth is a powerful show of confidence in the Accelerator’s mission to drive national change through local solutions — from the bottom, up.

U.S. Economic Development Prioritizes Applications for Projects Located in Opportunity Zones

Earlier this summer, the U.S. Assistant Secretary of Commerce for Economic Development, Dr. John C. Fleming, announced that the U.S. Economic Development Administration (EDA) is adding Opportunity Zones as an “Investment Priority.” This new Investment Priority will significantly increase the number of catalytic Opportunity Zone-related projects that EDA can fund to spur greater public investment in these areas.

“Opportunity Zones were created under President Trump’s 2017 Tax Cuts and Jobs Act to stimulate economic development and job creation by incentivizing long-term investments in low-income and underserved neighborhoods across the country,” said U.S. Assistant Secretary of Commerce for Economic Development Dr. John C. Fleming. “By making Opportunity Zones an EDA investment priority, we are better able to align our work to advance this important Trump Administration priority.”

EDA’s investment priorities guide the agency’s investment portfolio to ensure its investments make the strongest impact on sustainable regional economic growth and diversification. Through its competitive grant process, EDA evaluates all project applications to determine the extent to which they:

• Align with EDA’s investment priorities,
• Effectively address the creation of jobs and/or retention of high-quality jobs,
• Document that the applicant can or will leverage other resources, both public and private,
• Demonstrate the applicant’s capacity to commence the proposed project promptly, to use funds quickly and effectively,
• Provide a clear scope of work that includes a description of specific, measurable project outputs.

EDA has previously taken steps in 2018 to begin building Opportunity Zone Public Works and Economic Adjustment Assistance Programs to make eligible entities within qualified Opportunity Zones generally eligible for EDA funds.

With this recent announcement, the Opportunity Zone Investment Priority immediately applies to most existing EDA funding notices. To date, EDA has invested close to $30 million in 40 projects in designated Opportunity Zones to help communities and regions across the country build the capacity for economic development.

The mission of the U.S. Economic Development Administration (EDA) is to lead the federal economic development agenda by promoting competitiveness and preparing the nation’s regions for growth and success in the worldwide economy. An agency within the U.S. Department of Commerce, EDA makes investments in economically distressed communities in order to create jobs for U.S. workers, promote American innovation, and accelerate long-term sustainable economic growth. Learn more at eda.gov.