



Opportunity Zones

I. Context: Opportunity Zones and the White House Opportunity and Revitalization Council

The 2017 Tax Cuts and Jobs Act ([Pub. L. 115-97](#)) created new tax incentives for investments made in Opportunity Zones to spur economic development and job creation by encouraging long-term investment in low-income communities nationwide. Opportunity Zones are designated census tracts that provide incentives for long-term private sector investment in economically distressed communities. State executives nominated census tracts of communities most in need of private investment to the U.S. Department of the Treasury, which then certified the tracts as Opportunity Zones. The Opportunity Zone designation encourages investment in these certified census tracts by granting investors extensive Federal tax advantages for using their capital gains to finance new projects and enterprises (or substantially improve existing projects and enterprises) located within Opportunity Zones.

II. Overview of Opportunity Zones

There are more than 8,700 Census tracts designated by a Governor or other chief administrative official as Opportunity Zones across all 50 States, the District of Columbia, and five U.S. territories. The following are relevant data and characteristics of the Opportunity Zones and those who reside within Opportunity Zones:

- Nearly 35 million Americans live in communities designated as Opportunity Zones.
- On average, the median family income in an Opportunity Zone is 37 percent below the State median.
- More than one-in-five of all Opportunity Zones have a poverty rate over 40 percent, compared to just over one-in-eight “low-income communities” (LICs) and one-in-20 Census tracts nationwide.
- 71 percent of Opportunity Zones meet the U.S. Treasury Department's definition of “severely distressed.”^[1]
- Life expectancy is on average three years shorter for Opportunity Zone residents than it is nationally.
- Approximately 22 percent of Opportunity Zone adult residents have not attained a high school diploma, compared to 13 percent nationally.

III. HUD-Supported Programs and Initiatives Within Opportunity Zones

Below is a snapshot of HUD's programs and initiatives within Opportunity Zones.^[2] These statistics are being provided in order to facilitate the public's thought process—as well as generate ideas and answers to the questions asked later in this request for information—regarding HUD's existing program presence within Opportunity Zones. Most numbers are rounded to the nearest thousand. Where percentages of the total are given, those percentages exclude data for which location is unreliable or misleading.

General

- 2,394,000 persons living in HUD-assisted housing within Opportunity Zones, representing about 27 percent of residents of HUD-assisted housing.
- 14 proposed EnVision Center sites inside or within 1 mile of an Opportunity Zone.

Office of Public and Indian Housing (PIH)

- 371,000 public housing units within Opportunity Zones, representing about 38 percent of the total.
- 738,000 persons living in public housing within Opportunity Zones, representing about 39 percent of the total.
- 2,254 public housing developments within Opportunity Zones, or about 33 percent of the national total.
- 465,000 housing choice voucher (HCV) units within Opportunity Zones, 22 percent of the total.
- 992,000 persons with HCVs, or 21 percent of the national total, living within Opportunity Zones.
- 62,000 project-based voucher (PBV) units within Opportunity Zones, which is 32 percent of the total.
- 116,000 persons living in PBV units within Opportunity Zones, representing 32 percent of the total.
- 65 Choice Neighborhood Grants—with a total of approximately \$571,643,000 in grant funding—from 2010-2016 within Opportunity Zones.^[3] These are 68 percent of all Choice Neighborhood Grants and 86 percent of national Choice Neighborhood Grant spending. 46 of these grants were Planning Grants, and the other 19 were Implementation Grants.

Office of Housing

- 337,000 project-based rental assistance (PBRA) units within Opportunity Zones, or 27 percent of the national total.
- 548,000 persons living in PBRA units within Opportunity Zones, or 27 percent of the total.
- 2,400 Multi-Family (MF) housing properties with Federal Housing Administration (FHA) mortgage insurance within Opportunity Zones, representing 21 percent of multifamily housing properties with FHA mortgage insurance.
- \$14,755,260,000 in unpaid principal balance for MF properties with FHA mortgage insurance within Opportunity Zones, for 17 percent of the national total.
- 617,000 FHA-insured Single-Family properties within Opportunity Zones, or 8 percent of the total.
- \$75,353,474,000 in unpaid principal balance for Single-Family properties with FHA mortgage insurance within Opportunity Zones, or 6 percent of all Single-Family unpaid principal balance.
- 536 healthcare facilities with FHA mortgage insurance in Opportunity Zones, representing 12 percent of all such facilities.



- \$4,017,448,000 in unpaid principal balance for healthcare facilities with FHA insurance in Opportunity Zones, representing 12 percent of the total unpaid principal balance on FHA-insured mortgages on healthcare facilities.
- Almost one-third of Rental Assistance Demonstration (RAD) Component 1 conversions fall within Opportunity Zones.

Office of Community Planning and Development (CPD)

- Over 1,200 cities, urban counties, States, Puerto Rico, and U.S. Territories received over \$3,000,000,000 in Community Development Block Grant (CDBG) funding each year between fiscal years 2014 and 2019. Since all communities can potentially receive CDBG funding, either directly from HUD or through their respective State government, funds could be used to assist activities and projects in Opportunity Zones nationwide.
- There are 600 outstanding Section 108 guaranteed loans with an outstanding loan balance of \$1,250,000,000 for community and economic development projects nationwide. Under the Section 108 Loan Guarantee Program, CDBG grantees nationwide have approximately \$14 billion in available borrowing capacity that could potentially be deployed in Opportunity Zones.
- Approximately \$84,000,000,000 in Community Development Block Grant—Disaster Recovery (CDBG-DR) funds has been awarded since 2001 to help cities, counties, and States recover from Presidentially-declared disasters. Nearly half of this amount has been awarded in response to disasters occurring between 2015 and 2017. Since CDBG-DR assistance may fund a broad range of recovery activities, these funds could be used in eligible disaster-impacted Opportunity Zones.
- 256,000 HOME Investment Partnerships Program (HOME) housing projects completed—with a total of approximately \$2,853,095,000 in grant funds expended—from 1996-2018 within Opportunity Zones.

Office of Field Policy and Management (FPM)

- There are 186 Opportunity Zones within HUD's 14 Urban Promise Zones.
- An approximate numerical breakdown of Opportunity Zones throughout HUD's 10 regions:
 - Region I: 34
 - Region II: 683
 - Region III: 741
 - Region IV: 2,529
 - Region V: 1,339
 - Region VI: 1,043
 - Region VII: 341
 - Region VIII: 272
 - Region IX: 1,194
 - Region X: 278