

STATE OF FLORIDA CDFA OPPORTUNITY ZONE
CONFERENCE

LOCAL STRATEGIES FOR OPPORTUNITY ZONES

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- Lecturer, Harvard University, Kennedy School of Government and Graduate School of Design
- Faculty Advisor, Harvard Kennedy School Opportunity Zone Interest Group
- Transferring knowledge through consulting and teaching for over 30 years.

KEY PRESENTATION POINTS

- Clear vision and plan of the Opportunity Zones
- Getting organized – one stop shop for land use and economic development/finance
- Identifying the pipeline of real estate projects and business opportunities
- Identify gaps and facilitate filling them
- The Investment Prospectus

LOCAL ROLE

Local governments will play a significant role in identifying worthy projects, providing additional incentives to make projects feasible, and bringing together projects and potential investors.

WHITE HOUSE COUNCIL ON OPPORTUNITY AND REVITALIZATION COUNCIL

- Plan to encourage public and private investment in economically distressed areas, including opportunity zones
- *“...implement reforms that streamline existing regulations, protect taxpayers by optimizing use of Federal resources, stimulate economic opportunity and mobility, encourage entrepreneurship, expand quality educational opportunities, develop and rehabilitate quality housing stock, promote workforce development, and promote safety and prevent crime in urban and economically distressed communities.”*
- 13 Federal agencies to coordinate interagency efforts to successfully develop strategies for economic growth and revitalization.

Become OZ Investment Ready

VISION AND PLAN FOR OPPORTUNITY ZONE COMMUNITIES

- CRA Plans
- Neighborhood and Community Plans
- Economic Development Plans
- Comprehensive Housing Plans

Review and update.

If the plans don't exist, now is the time to create one for economically distressed communities.

Market wants to see the local vision and priorities

IDENTIFYING THE PIPELINE OF REAL ESTATE PROJECTS AND BUSINESS OPPORTUNITIES

- Build ten-year project list of potential OZ investment projects that will maximize benefit to the community and investor.
- Things to consider - job creation, development risk and returns, creation of affordable housing etc.
- Evaluate underutilized parcels that may benefit from OZ funding.
- Prepare for each project ranking based on established criteria, identify project leads, develop project specific pro formas/profile sheets.

GETTING ORGANIZED – ONE STOP SHOP FOR LAND USE AND ECONOMIC DEVELOPMENT/FINANCE

- Identify key players, convene team and define roles when preparing for investors to invest in OZ area
- Establish lead coordinator, project stakeholders and the roles each member will serve.
- Research investors and build relationships, create investment prospectus and engage with the State and other regional, county, local partners to market the project.
- Organize Investment conferences
- Provide advice and technical assistance to communities, developers and investors.
- Track impact of OZs including assessment of investments held by qualified opportunity funds.

CASE EXAMPLES

- *Case Study:* California created a beta version of an online Project Marketplace
 - Local leaders, real estate and business professionals, service providers, investors, business and property owners can discover real estate and business opportunities and connect with other organizations and resources within OZs.
- *Case Study:* Maryland Opportunity Zone Information Exchange
 - Virtual meet-up for investors, fund managers, developers, local stakeholders and businesses to connect and find locate OZ projects.

IDENTIFY GAPS AND FACILITATE FILLING THEM

- Use OZ Funds as an additive economic development tool to layer upon existing federal/state investments such as Economic Development Corporations, CRAs and TIF, CDFIs, NMTCs, Promise Zones, Empowerment Zones and LIHTC to maximize impact in designated OZs.
- Offer incentives like density bonuses/fee waivers to developers that ensure equitable economic growth

INVESTMENT PROSPECTUS

- Design and market an Investment Prospectus to showcase the distinctive assets of and investable projects in their Opportunity Zones
- Includes community marketing strategy, economic development policy brief, private investment memorandum & analysis of human capital issues in community & relationship between skill building and capital investment dynamics.
- Heavy marketing and promotion of Opportunity Zones through prospectuses at Opportunity Zone conferences, city web site.



LOUISVILLE OPPORTUNITY ZONE PROSPECTUS

INVESTMENT PROSPECTUS - LOUISVILLE
A Platform for Action

Prepared by
NEW LOCALISM ADVISORS
in collaboration with
THE CITY OF LOUISVILLE

A project of
ACCELERATOR FOR AMERICA

November 2018

A new and rapidly growing year-round tourism draw



The Assets

- Louisville is the official start of the Kentucky Bourbon Trail
- 1.4 million visitors a year
- Nine distilled spirits attractions in a growing Bourbon District

The Opportunity

- Invest in the “Napa Valley of Bourbon,” with distilleries, attractions, and adjacent hospitality



REGIONAL ASSETS

LOUISVILLE BY THE RANKINGS

CITY OF PRIDE

Human Rights Campaign
perfect score four years
running



FORBES

#1 City for Manufacturing
(2017)

“Aging Care Capital”
with Largest Cluster of
Aging Care Businesses
(2018)

2017 & 2018 SMARTASSET

Top 10 City for Lowest Start-
up Costs

Top city for new college
grads & women in
technology

Top 15 cities where
Millennials are moving

2018 LENDING TREE

Highest proportion of
Millennials among cities with the
youngest
entrepreneurs

4TH OUT OF 15 PEER CITIES

2016 Labor Force
Participation of young
workers (25-44 year-
olds)

LOUISVILLE CONTEXT

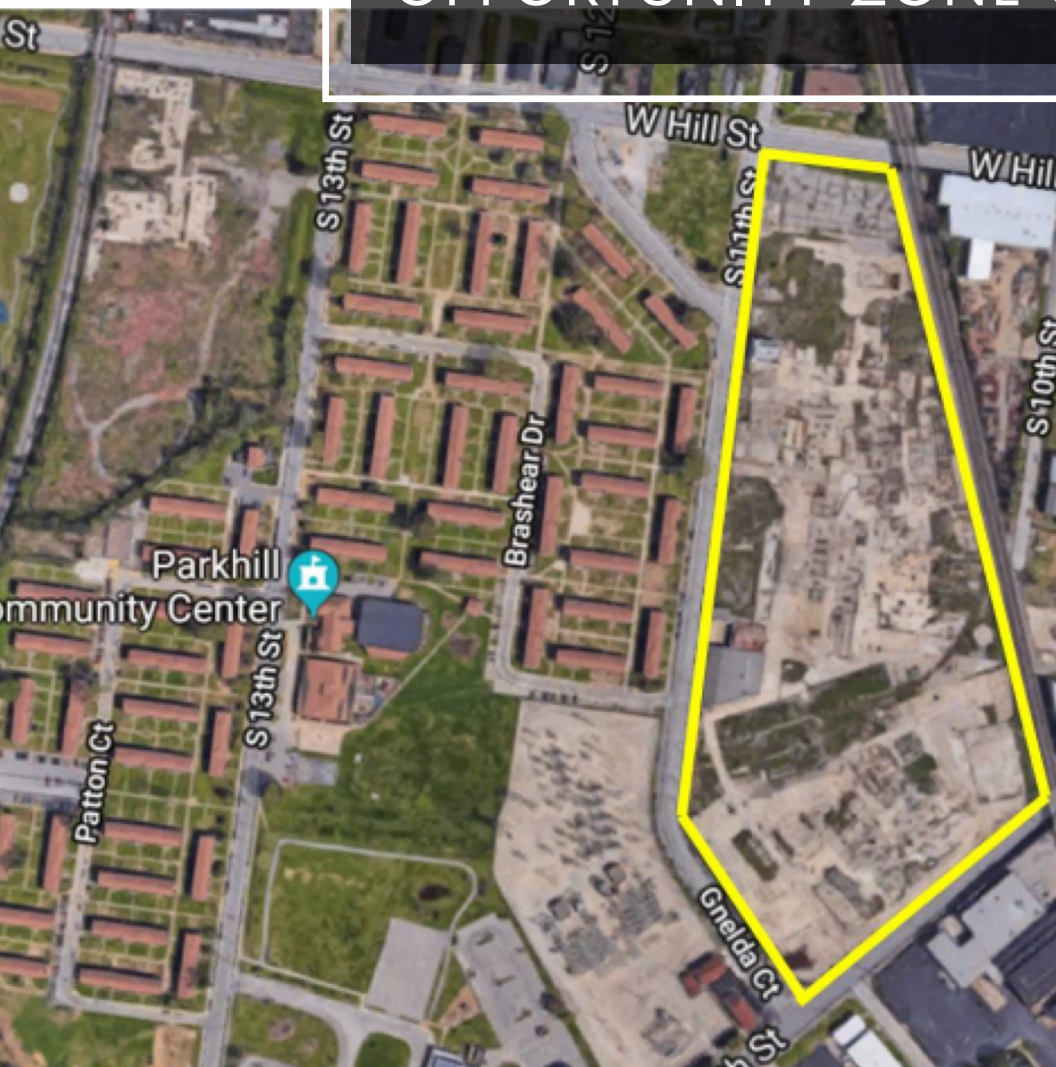
THE NUMBERS

OPPORTUNITY ZONE SOCIO-ECONOMIC OVERVIEW

Opportunity Zones include areas with high socio-economic need

	BLACK	HISPA NIC	FOREI GN BORN	POVERTY	MEDIAN HOUSEHOLD INCOME	% ED BA+	% SOME COLLEGE	% NO HS DEGREE	% UNDER 18	% OVER 65	UNEMPLOY- MENT (MARCH 2018)
Metro	14%	4%	5%	14%	\$52,437	28%	31%	11%	23%	14%	3.4%
City	21%	5%	7%	17%	\$50,099	32%	30%	11%	23%	15%	3.6%
Opportunity Zones	54%	2%	7%	43%	\$21,713	15%	32%	21%	22%	15%	N/A
State (KY)	8%	3%	4%	19%	\$44,811	23%	29%	15%	23%	15%	3.9%
US	13%	17%	13 %	15%	\$55,322	30%	29%	15%	23%	15%	4.1%

PARK HILL INDUSTRIAL CORRIDOR/ CALIFORNIA NEIGHBORHOOD CATALYSTIC INVESTMENT RHODIA INDUSTRIAL PARK OPPORTUNITY ZONE OPPORTUNITIES



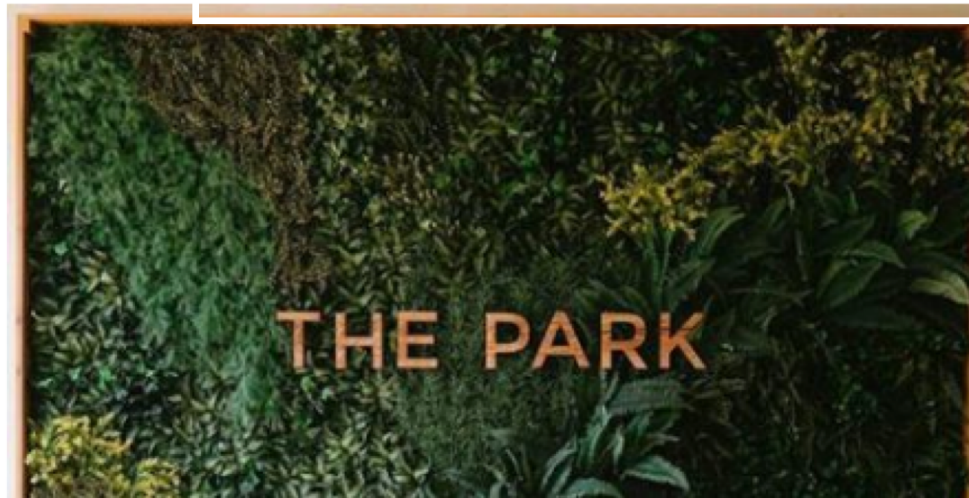
The Assets

- City-owned 16.8 acre former Rhodia site is rail-served and zoned industrial.
- Located 1/2 mile from University of Louisville's Belknap Campus, 2 miles from downtown, and 7 miles from UPS WorldPort.
- Immediately adjacent to large LG&E substation.
- Embedded in a 1,400-acre industrial corridor.

The Opportunity

- Build an industrial park and research campus, with offices, manufacturing, and university-linked research capacities.

NEIGHBORHOOD RENAISSANCE AND ARTISANAL MANUFACTURING CATALYTIC INVESTMENT: SMALL BUSINESS OPPORTUNITIES



The Assets

- Rapidly growing small business hub near downtown and thriving NuLu and Highline neighborhoods.
- Existing capital sources, coworking, and retail spaces.
- Historic residential and commercial architecture and the Olmsted-firm-designed Shelby Park.
- \$100 million HOPE VI redevelopment, including energy-efficient mixed income housing and revitalized streetscape on Hancock Street.

The Opportunity

- Invest in start-ups and business expansion in one of the city's most creative and innovative small business hubs.
- Redevelop existing building stock into office, retail, and housing uses.

CREATE MISSION-DRIVEN FUNDS

- Engage a broader coalition beyond traditional public sector and economic development actors is critical to achieving inclusive outcomes
- Joint venture with Kresge & Rockefeller Foundation to partner with mission-aligned fund managers who intend to make investments in OZs, deliver returns to investors and evaluate impact of investments over time.

CASE STUDY

- Calvert Impact Capital will support the Opportunity Zones Incubator, a technical assistance program for social impact entities that are interested in or exploring taking a Qualified Opportunity Fund to market.
- Five organizations will start an Opportunity Zone Fund through this incubation program including
 - Craft3 – Regional NPO targeting Washington and Oregon businesses and non-profits
 - New Orleans Startup Fund – Venture fund with seed capital and technical assistance
 - Gulf Coast Housing Partnership – New Orleans – Housing and Community Development Intermediary
 - Renaissance HBCU Opportunity Fund - invest in value-added and opportunistic real estate on or near the campuses of Historically Black Colleges and Universities.
 - Fifth Ward Community Redevelopment Corporation – Houston community development corporation

Source: Kresge Foundation. 2018. New Incubation Program Opens to Help Social Impact Orgs Ready for Opportunity Zone Funds. <https://kresge.org/news/new-incubation-program-opens-help-social-impact-orgs-ready-opportunity-zone-funds>

CONTACT INFORMATION

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