Understanding California’s Opportunity Zones

Sarah Brundage
Enterprise Community Partners
October 3, 2018
Selecting Opportunity Zones

• Governor was allowed to designate up to 25% of census tracts that either have poverty rates of at least 20% or median family incomes of no more than 80% of statewide or metropolitan family income

• California has 827 Opportunity Zones
Understanding California’s Opportunity Zones

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How do California’s OZs compare to other communities in California?
Higher poverty, Lower median income
Higher unemployment, Lower # of jobs
Lower educational attainment

Opportunity Zone Explorer by Opportunity360, www.enterprisecommunity.org/opportunity360/opportunity-zone-eligibility-tool
Greater % of Black & Latino households

Choose Variable 2
Black or African American Not Hispanic

Choose Variable 3
Hispanic or Latino

Opportunity Zone Explorer by Opportunity360, www.enterprisecommunity.org/opportunity360/opportunity-zone-eligibility-tool
Higher % of renter & severely cost burdened

Choose Variable 2
Renter Occupied Units

Choose Variable 3
Severely Cost-Burdened

Opportunity Zone Explorer by Opportunity360, www.enterprisecommunity.org/opportunity360/opportunity-zone-eligibility-tool
OZs overlay with DACs

- 57% of California OZs are also “Disadvantaged Communities” (DACs)
  - DACs are defined as the top 25% scoring areas from CalEnviroScreen along with other areas with high amounts of pollution and low populations
  - DACs are specifically targeted for investment of proceeds from CA’s cap-and-trade program
San Joaquin Valley Opportunity Zones
<table>
<thead>
<tr>
<th>County</th>
<th># of Opportunity Zones</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresno</td>
<td>47</td>
</tr>
<tr>
<td>Kern</td>
<td>35</td>
</tr>
<tr>
<td>San Joaquin</td>
<td>20</td>
</tr>
<tr>
<td>Stanislaus</td>
<td>17</td>
</tr>
<tr>
<td>Tulare</td>
<td>17</td>
</tr>
<tr>
<td>Merced</td>
<td>11</td>
</tr>
<tr>
<td>Kings</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Region</strong></td>
<td><strong>152</strong></td>
</tr>
</tbody>
</table>
San Joaquin Valley OZs by Resource Level (based on TCAC Opportunity Maps)

- Highest Resource: 5%
- High Resource: 3%
- Moderate Resource: 7%
- Low Resource: 18%
- High Segregation & Poverty: 68%
Opportunity Zones in Stockton
Snapshot: OZ Census Tract 4.02 in Stockton

Use Opportunity360 tool to learn more about specific OZs (www.enterprisecommunity.org/opportunity360/opportunity-zone-eligibility-tool)

• 50% Low-Income and Severely Cost Burdened
• 8% Crowded or Over-Crowded Units
• 37% People in Poverty
• $20,241 Median Household Income
• 22% Unemployment Rate
• 80% Non-White and/or Hispanic/Latino
Take-aways about understanding OZs

• Overall, these are low-income communities, often with above average percentage of people of color
• Often at high risk of displacement
• In need of investments that address community needs:
  • Affordable housing
  • Accessible jobs
  • Public Health and Educational Investments
• There is a broad range of communities designated as Opportunity Zones; important to engage local community to understand unique community needs, risks, and “opportunities”
What can be done to incentivize equitable investments? Who has a role to play?

• Federal Regulations
• State
• Localities
• Community Groups & Advocates
• Developers
• Eligible Investors (with capital gains)
• Fund Managers
• Social Impact Investors, Foundations, Philanthropies