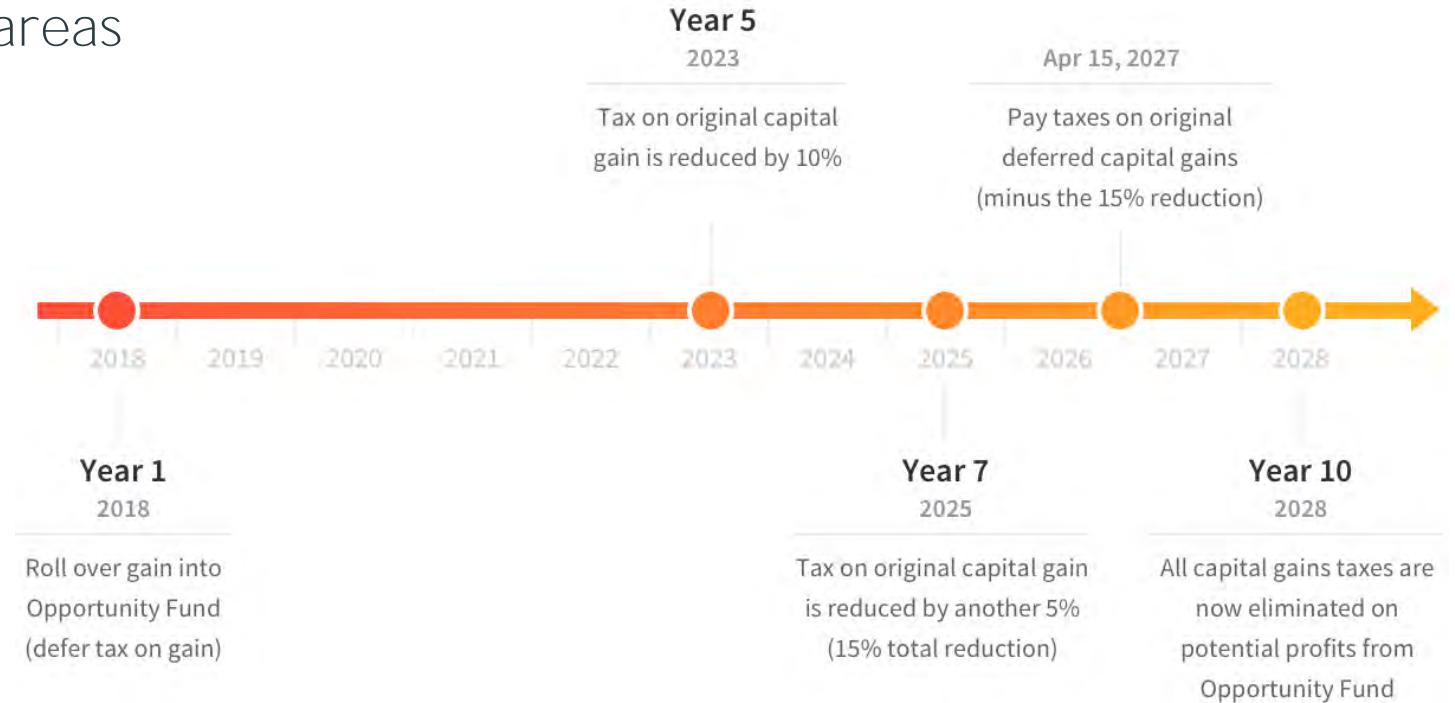




Opportunity Zone Network
Kickoff

Opportunity Zones 101

Drive investment to targeted areas



Source: FundRise





Gary Heidel | Chief Housing Investment Officer

2017 Tax Cut and Jobs Act







- ▶ Economic development tool/incentive, not a program
- ▶ 1st new national community investment incentive in over 15 years
- ▶ Promote economic recovery by driving long-term investment capital to rural and low-income urban communities
- ▶ Uses tax incentives to encourage private investment in impact funds that connect investors with community investing opportunities
- ▶ **Governor's asked to identify eligible census tracts**

U.S. Stats

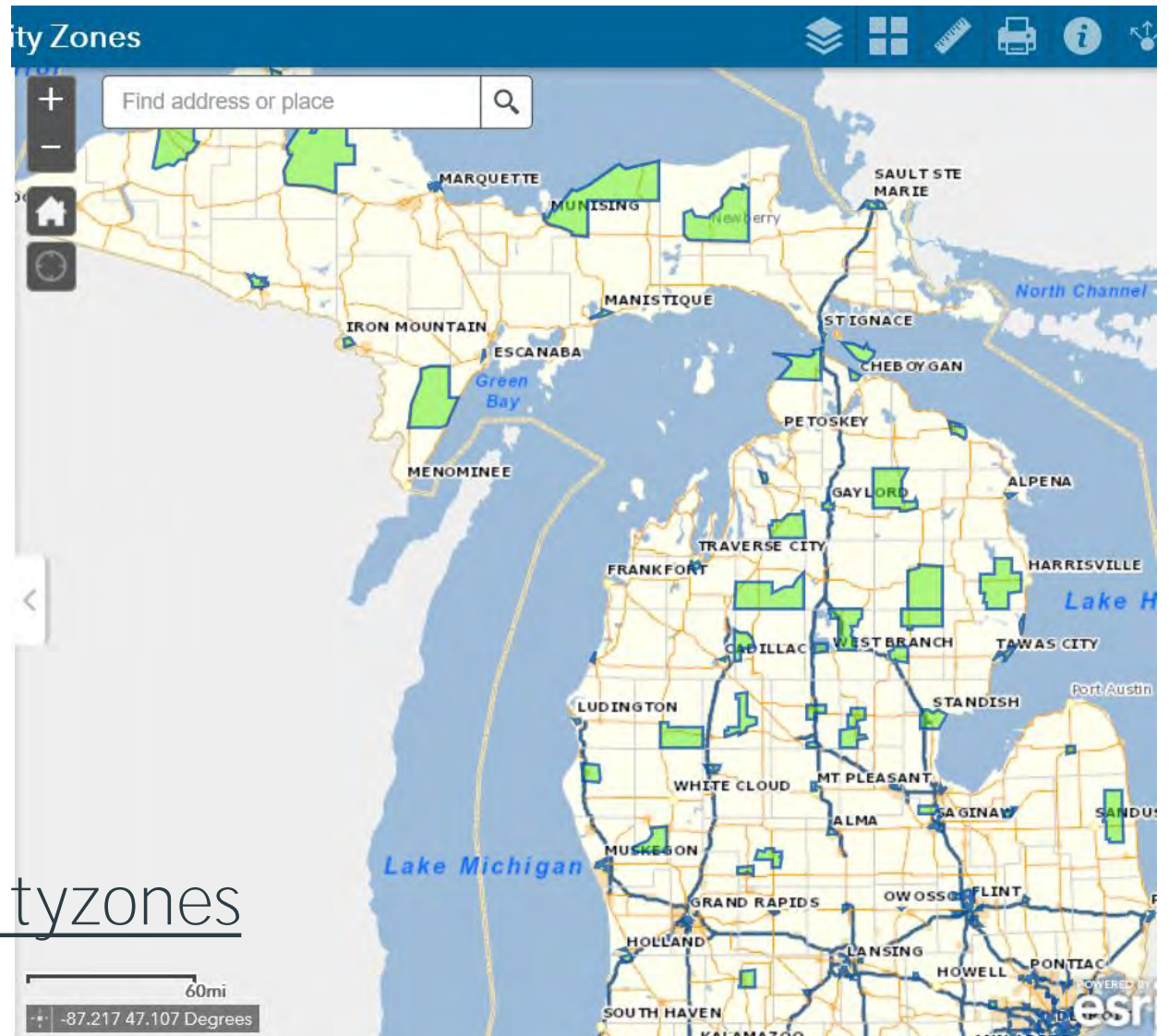
- ▶ \$6.1 Trillion in unrealized capital gains
- ▶ 8,761 qualified census tracts across all states, territories, D.C.
- ▶ 35M people - 24M jobs - 1.6M businesses
- ▶ Average poverty rate - 31% (well above the 20% eligibility threshold)
- ▶ Average median family income - 59% of its area median (compared to the 80% eligibility threshold)
- ▶ OZs split between 38.2% urban - 39.6% rural - 22.2% suburban

Michigan Stats

- ▶ 288 OZs (US 8,761)
- ▶ 65 rural census tracts, or 23% (US 39.6%)
- ▶ Average poverty rate - 32.1% (US 31%)
- ▶ Average median family income - 60.3% (US 59%)
- ▶ Average unemployment rate - 16.6% (US 14.4%)
- ▶ Across MI - 40% of households struggle to afford the basic necessities of housing, childcare, food, healthcare, and transportation (ALICE, United Way)

Tasks	Results
 Find an Opportunity Zone Census Tract	
 Find a County	
 Find a Prosperity Region	
 Find a State House District	
 Find a State Senate District	
 Find a U.S. Congressional District	

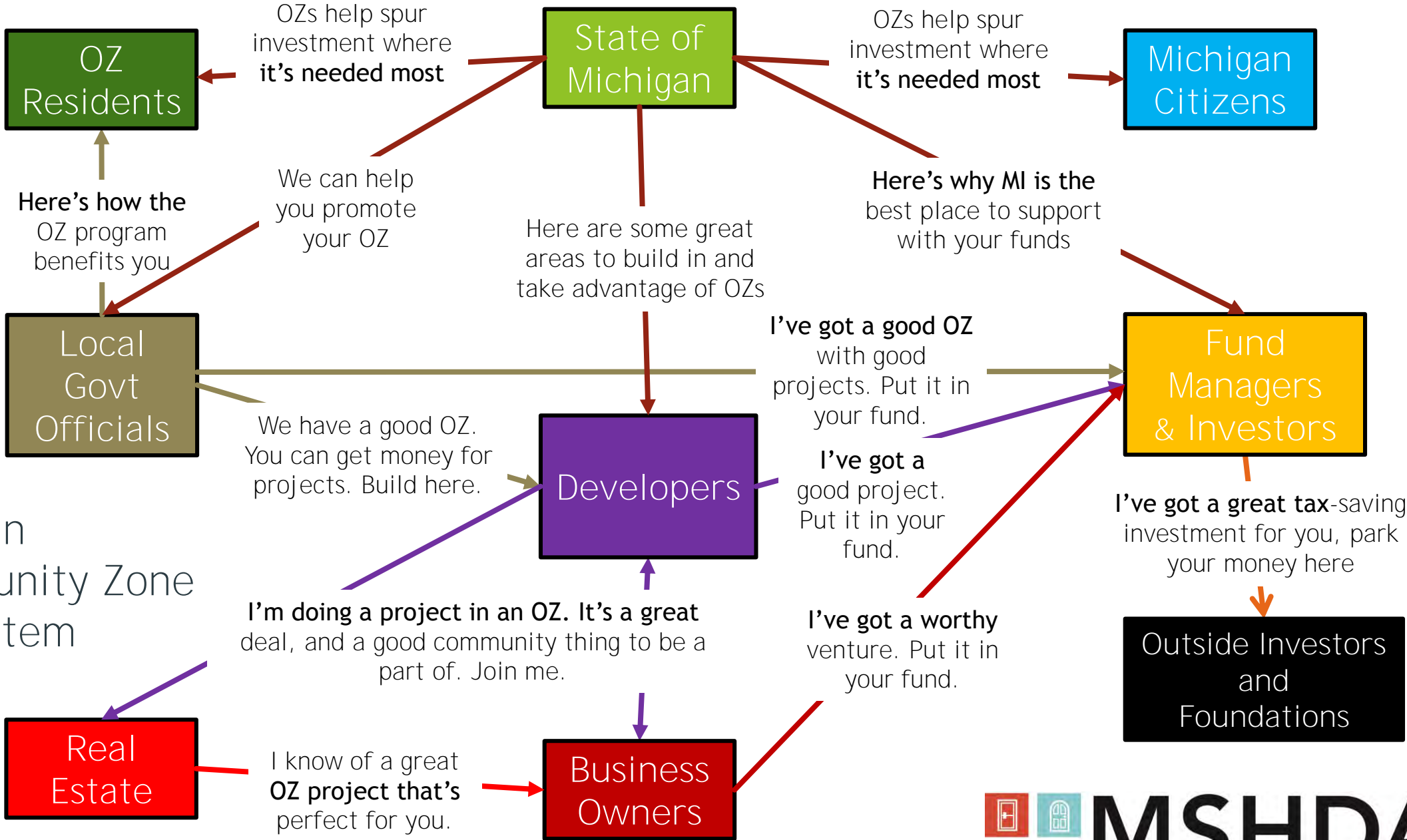
<https://michigan.gov/opportunityzones>



State's Role

- ▶ Official role was for Governor's to identify eligible census tracts, no other role
- ▶ HOWEVER, here is what we are doing...
- ▶ Opportunity Zone Eco-System
 - ▶ Regional Prosperity Initiative
 - ▶ 9 State Agency Collaboration (META)
 - ▶ SOM Regional Prosperity Field Teams
 - ▶ Sense of Place Council (MML, MAP, SBAM, MAR, etc.)

Michigan Opportunity Zone Eco-System



State's Role - Continued

- ▶ Michigan Opportunity Zone Webpage
 - ▶ Michigan Opportunity Zone Referral form
 - ▶ Interactive Map
 - ▶ Sign-up for updates
 - ▶ Resources
 - ▶ Webinars
- ▶ Incentivize Best Projects

State's Role - Continued

- ▶ **Governor Gretchen Whitmer's Executive Directive 2019-08**, January 2, 2019
- ▶ Encouraging Expanded Business Opportunities for Geographically-Disadvantaged Business Enterprises in Michigan
- ▶ **Requires the “Michigan Department of Technology, Management, and Budget** to provide for the purchase of, the contracting for, and the providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing and all other items as needed by state agencies, including contracts for the construction, alteration, repair, or demolition of a **facility...”**
- ▶ Policies and procedures must be adopted by March 31, 2019

Thank You!

- ▶ For more information, contact:

Gary Heidel, Chief Housing Investment Officer

Ph: 517-241-7455

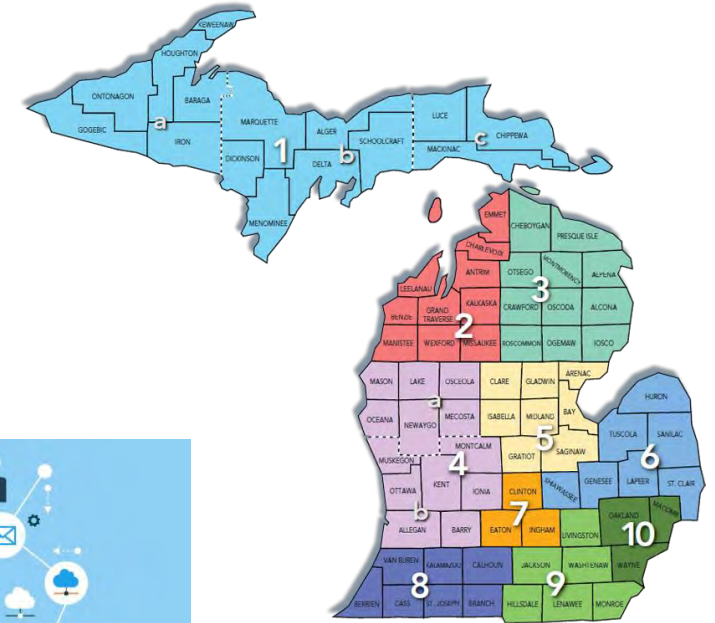
Email: heidelg@michigan.gov

Website: www.michigan.gov/mshda or <https://michigan.gov/opportunityzones>

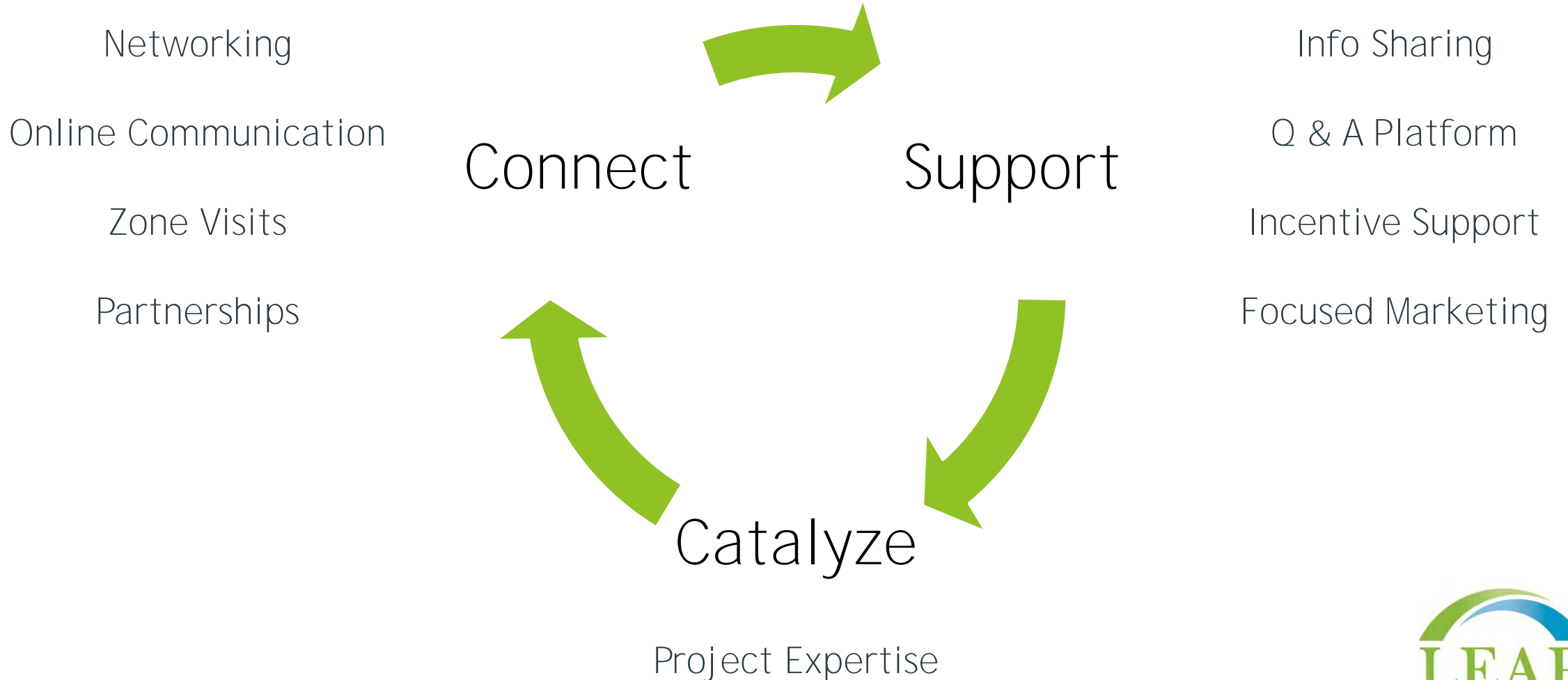
Opportunity Zone Network Overview

Purpose:

To maximize community & regional growth

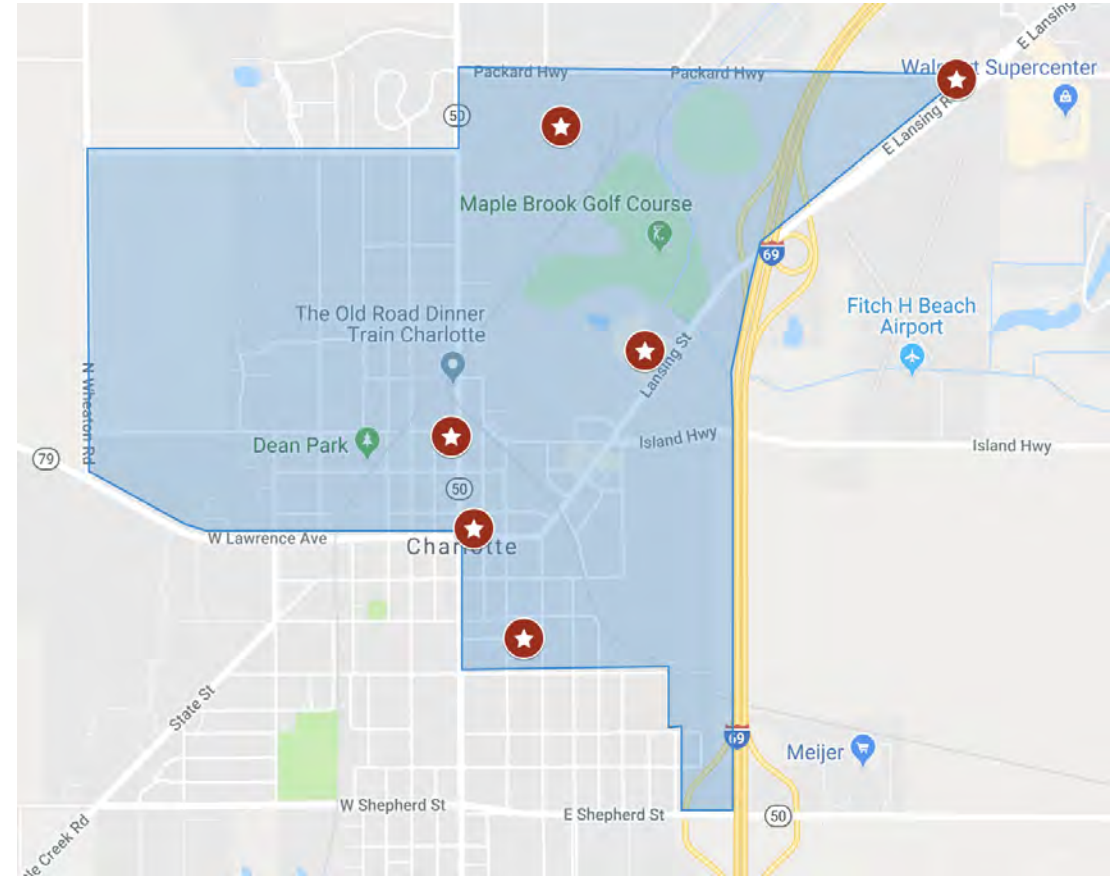


Opportunity Zone Network Overview



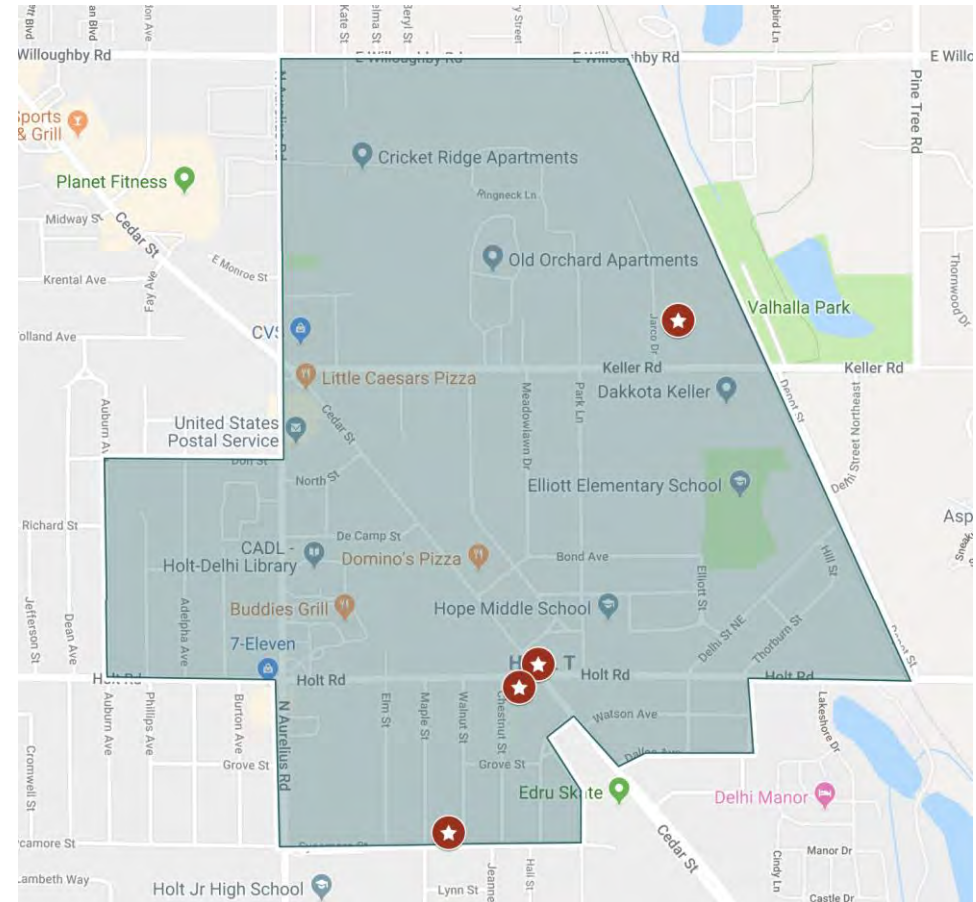
Charlotte, MI

Census Tract	→	26045020901
Total population	→	3,260
Median household income	→	44,062
Households in poverty	→	26%
Total jobs	→	2,907
Total businesses	→	259



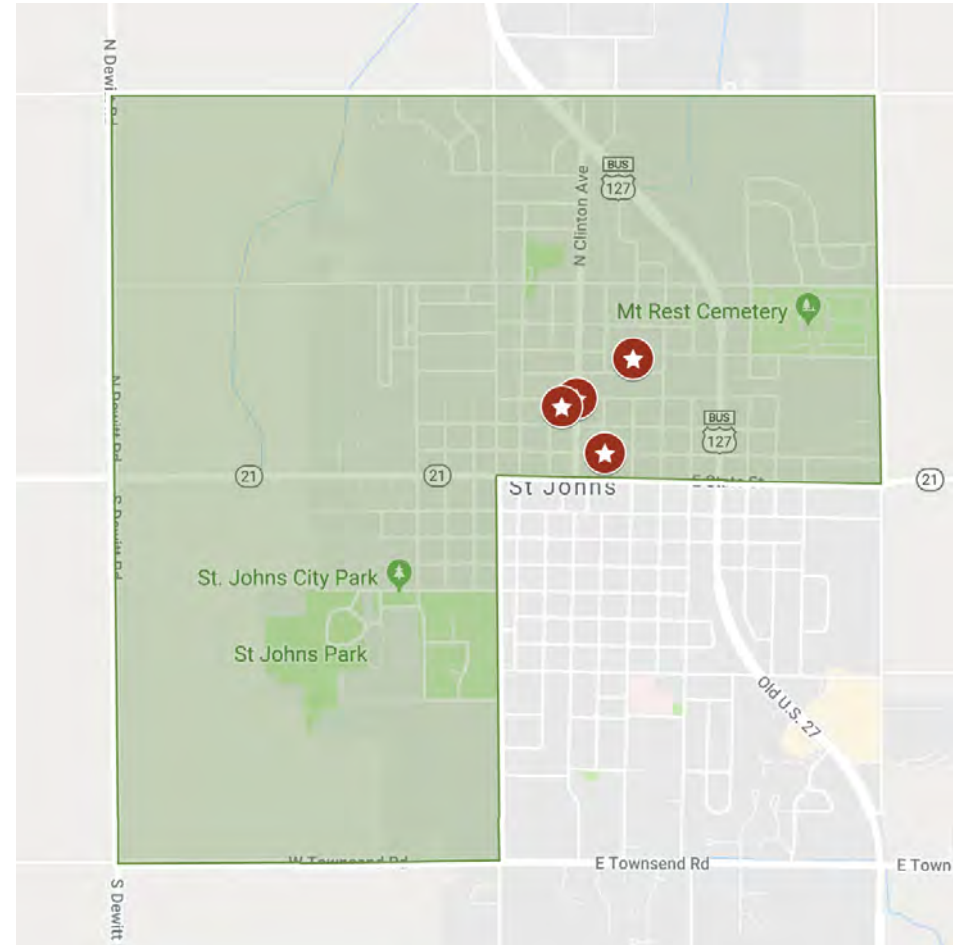
Delhi Township, MI

Census Tract	→	26065005402
Total population	→	3,707
Median household income	→	44,340
Households in poverty	→	11%
Total jobs	→	1,857
Total businesses	→	168



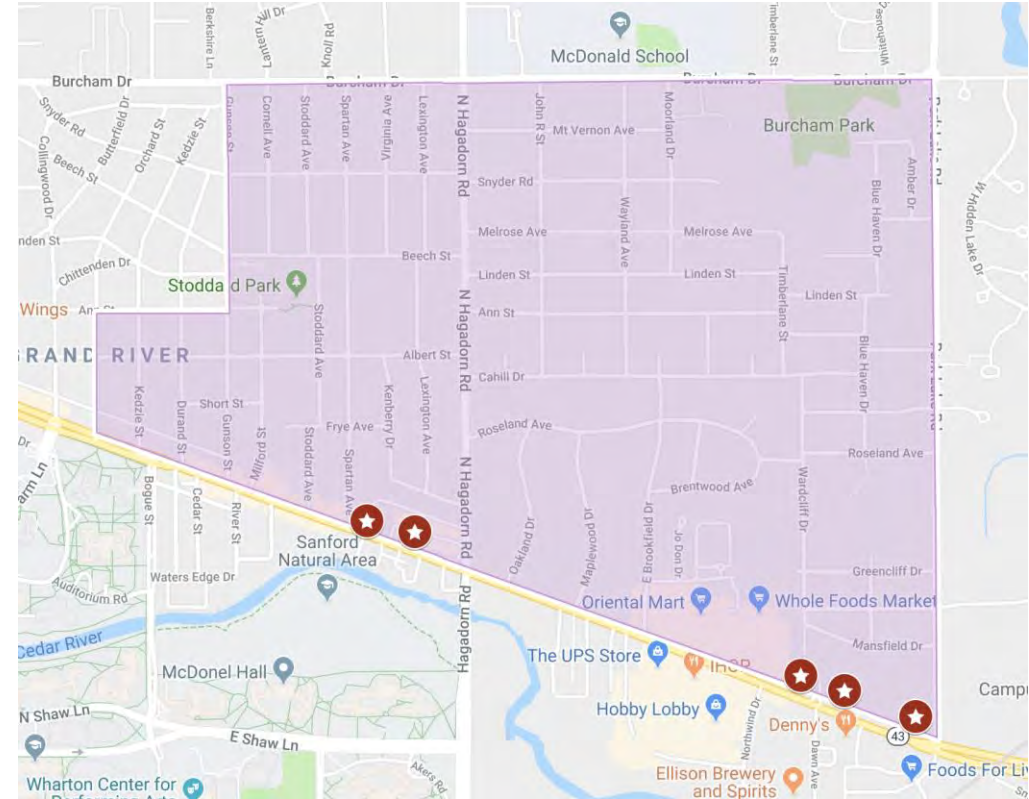
St. Johns, MI

Census Tract	→	26037010801
Total population	→	4,187
Median household income	→	47,971
Households in poverty	→	19%
Total jobs	→	2,407
Total businesses	→	204



East Lansing / Meridian Township, MI

Census Tract	→	26065004301
Total population	→	4,702
Median household income	→	40,011
Households in poverty	→	41%
Total jobs	→	1,198
Total businesses	→	116





Vicki Mincey
Senior VP of Capital Management



Renee Kent
VP Community Development Banking



J.V. Anderton
*Attorney (tax, business, real estate,
etc.)*



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*Partner, Housing & Community
Development*

Opportunity Zone Network Panel