



# Bolstering Growth in Opportunity Zones: Leveraging Public and Private Resources

Opportunity Zones Webinar Series  
December 2020





A photograph of a row of yellow townhouses with white trim, set against a dark, overcast sky. In the foreground, a black street lamp stands on the left, and a small tree is in the center. A bicycle is parked near the entrance of one of the townhouses. The text "Introduction & Overview" is overlaid in white on the lower left.

# Introduction & Overview

[www.hudexchange.info/oz](http://www.hudexchange.info/oz)





# Establish Policy Tools and Incentives, Develop Partnerships, and Measure Impacts

Opportunity Zones Webinar Series: Session 2  
December 8, 2020

[www.hudexchange.info/oz](http://www.hudexchange.info/oz)





# ROADMAP TO READINESS



## UNDERSTAND

- Housing needs
- Market conditions
- Economic drivers
  - Existing tools
- Existing partners
- Investor priorities



## ALIGN

- Partners
- Priorities
  - Land, property, and infrastructure assets
  - Financial resources



## ESTABLISH

- Local priorities
- Financial incentives
- Regulatory tools



## PARTNER

- With local stakeholders
- Across sectors and levels of government
- With residents and businesses



## MEASURE

- Key indicators
- Project and program outcomes
- Impact over time



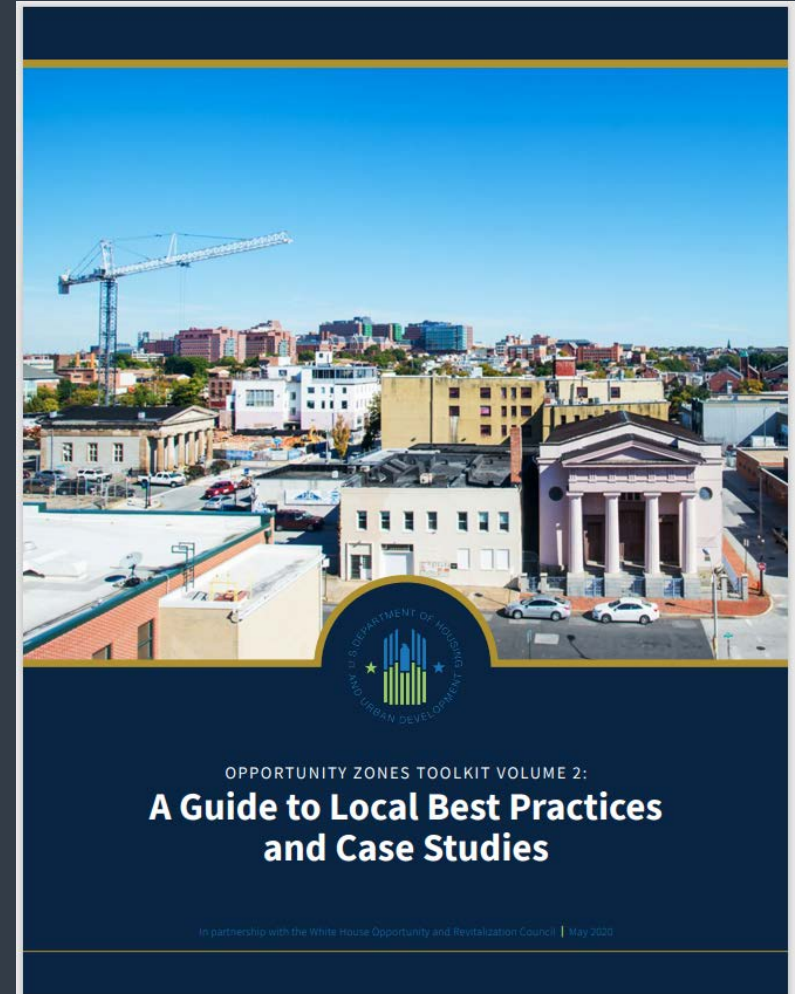
## OPPORTUNITY ZONE ACTION PLAN & ECOSYSTEM

- Define Local Typologies
- Build an Investor Base
- Engage Residents and Communities
- Educate Investment-Eligible Businesses



## OZ MARKETPLACE: INNOVATIONS AT THE LOCAL LEVEL

- Activate Stakeholders
- Shape the Market
- Centralize Information



# ROADMAP TO READINESS



## UNDERSTAND

- Housing needs
- Market conditions
- Economic drivers
  - Existing tools
- Existing partners
- Investor priorities



## ALIGN

- Partners
- Priorities
  - Land, property, and infrastructure assets
  - Financial resources



## ESTABLISH

- Local priorities
- Financial incentives
- Regulatory tools



## PARTNER

- With local stakeholders
- Across sectors and levels of government
- With residents and businesses



## MEASURE

- Key indicators
- Project and program outcomes
- Impact over time



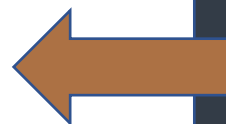
## OPPORTUNITY ZONE ACTION PLAN & ECOSYSTEM

- Define Local Typologies
- Build an Investor Base
- Engage Residents and Communities
- Educate Investment-Eligible Businesses



## OZ MARKETPLACE: INNOVATIONS AT THE LOCAL LEVEL

- Activate Stakeholders
- Shape the Market
- Centralize Information



Last Thursday's  
Webinar  
posting on HUD Exchange soon

# ROADMAP TO READINESS



## UNDERSTAND

- Housing needs
- Market conditions
- Economic drivers
- Existing tools
- Existing partners
- Investor priorities



## ALIGN

- Partners
- Priorities
- Land, property, and infrastructure assets
- Financial resources



## ESTABLISH

- Local priorities
- Financial incentives
- Regulatory tools



## PARTNER

- With local stakeholders
- Across sectors and levels of government
- With residents and businesses



## MEASURE

- Key indicators
- Project and program outcomes
- Impact over time



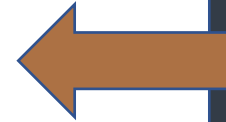
## OPPORTUNITY ZONE ACTION PLAN & ECOSYSTEM

- Define Local Typologies
- Build an Investor Base
- Engage Residents and Communities
- Educate Investment-Eligible Businesses



## OZ MARKETPLACE: INNOVATIONS AT THE LOCAL LEVEL

- Activate Stakeholders
- Shape the Market
- Centralize Information



Today's Webinar

# ROADMAP TO READINESS



## UNDERSTAND

- Housing needs
- Market conditions
- Economic drivers
- Existing tools
- Existing partners
- Investor priorities



## ALIGN

- Partners
- Priorities
- Land, property, and infrastructure assets
- Financial resources



## ESTABLISH

- Local priorities
- Financial incentives
- Regulatory tools



## PARTNER

- With local stakeholders
- Across sectors and levels of government
- With residents and businesses



## MEASURE

- Key indicators
- Project and program outcomes
- Impact over time



## OPPORTUNITY ZONE ACTION PLAN & ECOSYSTEM

- Define Local Typologies
- Build an Investor Base
- Engage Residents and Communities
- Educate Investment-Eligible Businesses



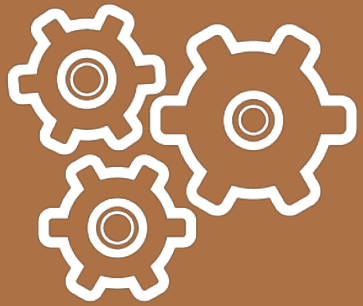
## OZ MARKETPLACE: INNOVATIONS AT THE LOCAL LEVEL

- Activate Stakeholders
- Shape the Market
- Centralize Information

December 15<sup>th</sup>, 2021  
1-3pm EST

**REGISTER NOW!**

[www.hudexchange.info/oz](http://www.hudexchange.info/oz)



# Establish Policy Tools and Incentives

Strategies for Promoting Local Economic Development Within Opportunity Zones



# ROADMAP TO READINESS



## UNDERSTAND

- Housing needs
- Market conditions
- Economic drivers
  - Existing tools
- Existing partners
- Investor priorities



## ALIGN

- Partners
- Priorities
  - Land, property, and infrastructure assets
  - Financial resources



## ESTABLISH

- Local priorities
- Financial incentives
- Regulatory tools



## PARTNER

- With local stakeholders
- Across sectors and levels of government
- With residents and businesses



## MEASURE

- Key indicators
- Project and program outcomes
  - Impact over time



## OPPORTUNITY ZONE ACTION PLAN & ECOSYSTEM

- Define Local Typologies
- Build an Investor Base
- Engage Residents and Communities
- Educate Investment-Eligible Businesses



## OZ MARKETPLACE: INNOVATIONS AT THE LOCAL LEVEL

- Activate Stakeholders
- Shape the Market
- Centralize Information

# Establish Policy Tools and Incentives | Speakers



**Janine Cuneo**  
Vice President  
ICF  
Moderator



**Calvin Gladney, LEED AP**  
President and CEO  
Smart Growth America



**Christopher Coes**  
Vice President  
Land Use and Development  
Smart Growth America  
  
Director  
LOCUS: Responsible Real Estate  
Developers and Investors



**Brett Theodos**  
Senior Fellow and Director  
Community Economic Development  
Hub at the Urban Institute



**Danielle Morrissey**  
Director  
Events and Special  
Projects  
One Acadiana



# Develop Partnerships

Strategies for Promoting Local Economic Development Within  
Opportunity Zones



# ROADMAP TO READINESS



## UNDERSTAND

- Housing needs
- Market conditions
- Economic drivers
  - Existing tools
- Existing partners
- Investor priorities



## ALIGN

- Partners
- Priorities
  - Land, property, and infrastructure assets
  - Financial resources



## ESTABLISH

- Local priorities
- Financial incentives
- Regulatory tools



## PARTNER

- With local stakeholders
- Across sectors and levels of government
- With residents and businesses



## MEASURE

- Key indicators
- Project and program outcomes
  - Impact over time



## OPPORTUNITY ZONE ACTION PLAN & ECOSYSTEM

- Define Local Typologies
- Build an Investor Base
- Engage Residents and Communities
- Educate Investment-Eligible Businesses



## OZ MARKETPLACE: INNOVATIONS AT THE LOCAL LEVEL

- Activate Stakeholders
- Shape the Market
- Centralize Information

# Develop Partnerships | Speakers



**Alex Stowe**

Advisor to the Assistant  
Deputy Secretary  
US Department of Housing and Urban  
Development

Moderator



**Jonathan Tower**

Managing Partner  
Arctaris Impact Investors



**Rachel Reilly**

Consultant



**Julie Rigrish**

Regional Director  
and Engagement Specialist  
Purdue Center for Regional  
Development and Purdue  
Engagement



**Tammy Buckner**

Program Director  
We Grow KC OZ Coalition



**Evan Absher**

Senior Program Officer  
Entrepreneurship  
Ewing Marion Kauffman Foundation



# Jonathan Tower

*Managing Partner*

Arctaris Impact Investors

[jonathan@arctaris.com](mailto:jonathan@arctaris.com)



For more information regarding the RFP,  
please contact:

Jane Moncrief [jane@arctaris.com](mailto:jane@arctaris.com)





## \$25M Place-Based Opportunity Zone Initiative

- Impact through the creation and retention of thousands of U.S. jobs
- Revitalization and development of disinvested communities
- Embraces the true spirit of the Opportunity Zone legislation
- 80/20 match of private, public and philanthropy funds
- Investment projects include public works buildings, broadband internet access, renewable energy upgrades, affordable housing, transportation infrastructure, and many others.
- Intention to invest at the program level to create partnerships

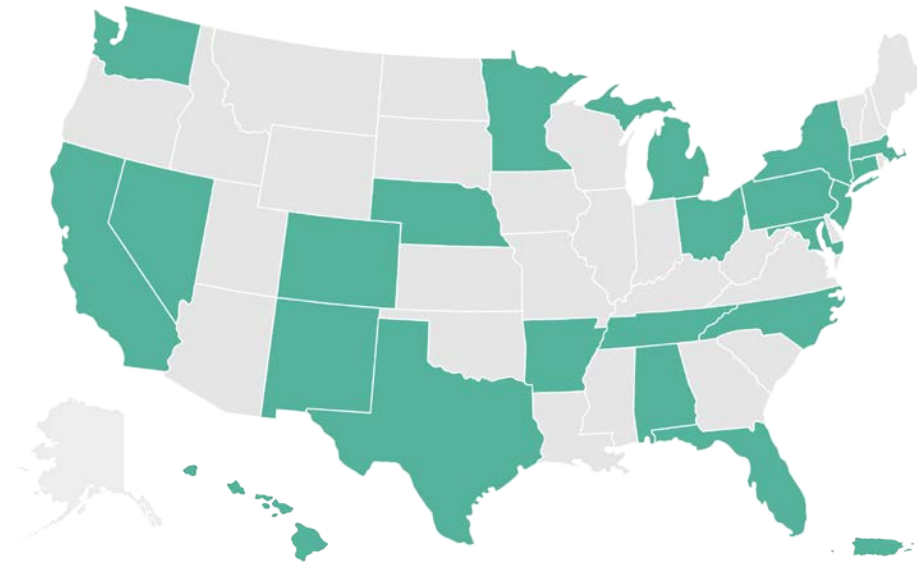


## Competitive RFP Process & Timeline

- Initiative Announced on EIG call – May 22nd
- Survey Distributed to OZ Mayors – June 2nd
- Pre-RFP Webinar Conducted – June 25th
- RFP Guidance Document Distributed – June 30th
- 40+ Proposals Received – September 1st
- Conducting Due Diligence calls – Ongoing
- All commitments to be announced by June 2021



# PARTICIPATING STATES, CITIES & TERRITORIES



Alabama  
Little Rock, Arkansas  
Coachella, California  
Desert Hot Springs, California  
Riverside County, California  
San Bernadino, California  
Grand Junction, Colorado  
Colorado Springs, Springs  
Pueblo, Colorado  
South Sioux City, Nebraska  
Hartford, Connecticut  
Tallahassee, Florida  
Hawaii

New Orleans, Louisiana  
Shreveport, Louisiana  
Baltimore, Maryland  
Brockton, Massachusetts  
Pontiac, Michigan  
Sunrise Banks, Minnesota  
Kansas City, Missouri  
Las Vegas, Nevada  
Trenton, New Jersey  
Albuquerque, New Mexico  
High Five Construction, New Mexico  
Las Cruces, New Mexico  
Broome County, New York

Charleston, North Carolina  
Dayton, Ohio  
Lima, Ohio  
Warrensville Heights, Ohio  
Philadelphia, Pennsylvania  
Pittsburgh, Pennsylvania  
TEC-CDC, Pennsylvania  
York, Pennsylvania  
Puerto Rico  
Memphis, Tennessee  
Houston, Texas  
Bellingham, Washington





# PROGRAM PARTNERSHIPS

## ARCTARIS BALTIMORE

A partnership with the **Abell Foundation** and the **Neighborhood Impact Investment Fund** to create a **\$25M** program focused on revitalizing communities.

## ARCTARIS ERIE

A partnership with **Erie Insurance** and the **Erie Community Foundation** to create a **\$40M** program focused on revitalizing Erie's downtown corridor.

## ARCTARIS CUYAHOGA

A partnership with **Cuyahoga County Council** to build a fund up to **\$50M** to bolster manufacturing efforts in the Northeast Ohio.

## ARCTARIS MAINE

A partnership with the **Finance Authority of Maine** to create a **\$50M** program focused on economic and community development projects.



Rachel Reilly

*Consultant*



Freddie Mac debt – \$10.5 million

Housing Credit equity – \$7.1 million

Historic Tax Credit equity – \$4.4 million

Opportunity Zones equity – \$830,000

State and County debt – \$3.4 million

Deferred Developer Fee – \$670,000

**Total Development Cost: Approximately \$27 million**

---

**Equity Raised in Current Round as of January 31, 2020:**



Proximity projects capital raised through Opportunity Zone investments will ultimately represent a higher percentage of the total round.

*Additional details will be made available once fundraising is closed.*

---





Julie Rigrish

*Regional Director and Engagement Specialist*

Purdue Center for Regional Development  
and Purdue Engagement



# Rural Opportunity Zones Initiative (ROZI)

**Goal:** Provide technical assistance to rural communities with designated OZ's through

- Leadership Team Development
- Community Support Guidance
- Recognizing Local Assets
- Identifying Opportunities for Investment
- Originate an Investment Prospectus

**Partnership:** The program is a collaboration of Higher Education & State:

- The Purdue Center for Regional Development (PCRD)
- The Office of Community & Rural Affairs (OCRA)
- Funded by USDA-Rural Development

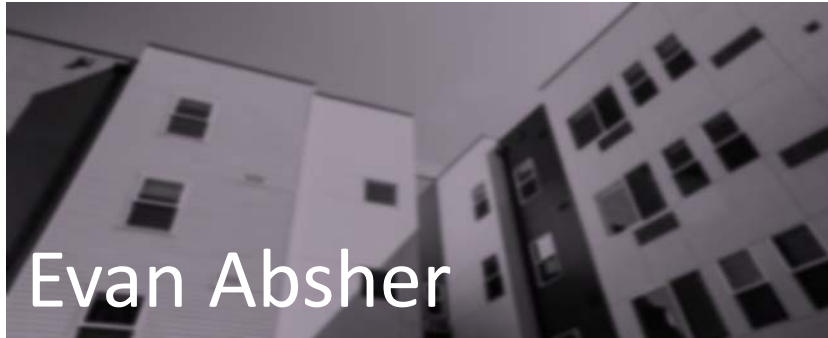




# Tammy Buckner

*Program Director*

We Grow KC OZ Coalition



Evan Absher

*Senior Program Officer, Entrepreneurship*  
Ewing Marion Kauffman Foundation



# KANSAS CITY OPPORTUNITY ZONE

# INVESTMENT PROSPECTUS



*Prepared by New Localism Advisors & Blueprint  
Local  
in collaboration with Kansas City community leaders,  
Spherical Analytics and mySidewalk*



## Vision

Stimulate economic activity and jobs in areas of disinvestment in Kansas City in ways that:

1. Build wealth
2. Increase economic mobility...
3. ...for residents currently living in the zones

## Mission

We work to connect economic development resources with each other to help build a trusting and diverse ecosystem.

We help enable Kansas City East Side neighborhoods by involving them in the process of economic development



# Local Goal

Use the Opportunity Zone potential to improve:

1. The system of community development: new and innovative financial tools for affordable housing and neighborhood economy, capital pools, and structures
2. Local business growth: an entrepreneur-centered approach to economic development
3. Workforce development: Building wealth for residents through quality jobs and equity ownership
4. The alignment of public, private and civic capital: provide one stop shop process for inclusive projects

# Our Process





# Our Process

- The world of finance is highly inaccessible to most people.
- Community leaders and capital allocators rarely are on the same page.
- Our process translates common themes between very different languages that community organizers, investors, and data analysts speak.





# Our Process

1. Brought together the ecosystem of stakeholders into a conversation (*private foundations, & investors, CDFIs, local government, community development organizations more importantly community residents.*)
2. Conducted interviews with dozens of practitioners to begin ***“last-mile”*** ***evaluation*** of combinations of projects, both operating businesses and commercial real estate.
3. Solicited feedback from local working groups to build deals that ***meet both community and investor needs.***
4. Interviewed investors to ***bridge the gap*** between community advocates and capital allocators
5. Resident engagement: community-based organizations engaged residents both on overarching values for investments and specific deals.



# Our Zones





# System Change



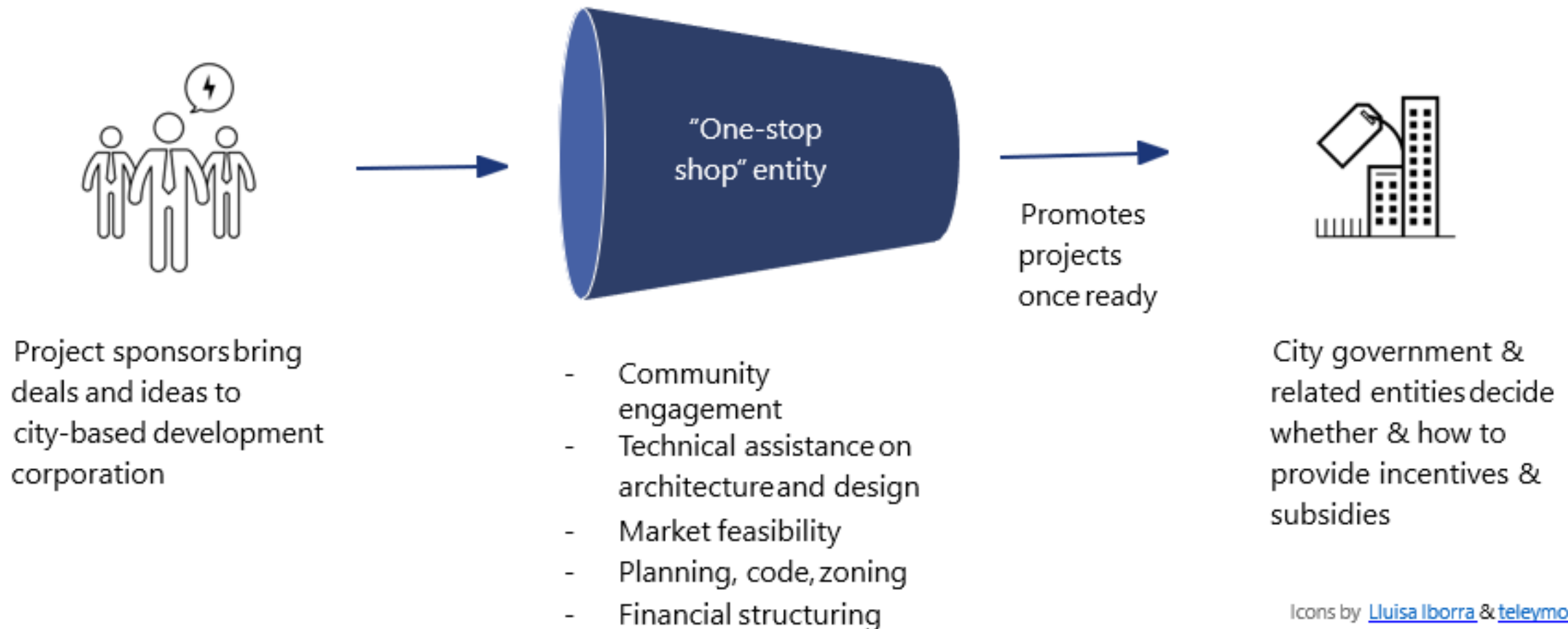
# System Change for Communities

## **Initial lessons learned from Kansas City's efforts:**

1. One-stop shop: Cities can provide a portal for entrepreneurs to gain technical support and investors to source deals
2. Demystifying finance. Creating shared definitions of “investor ready” and “community enhancing” projects
3. Capital stack: alignment of public and philanthropic incentives with community processed deals
4. Land ownership. Government-owned property is an asset that can drive equity
5. New institutions. Communities need new financial mechanisms and structures - for example, creating a new CDFI with capacity to manage equity vs debt



# Takeaway concept: One Stop Shop



UNDERSTAND

ALIGN

ESTABLISH



PARTNER

MEASURE



**WE GROW KC**



# We Grow KC OZ Coalition

- We Grow KC recognized and named as one of Forbes Top OZ Catalyst" for leading community-focused OZ work and for its creation of a positive model for other communities
- The Affordable Living KC Opportunity Fund allows investors to invest in the volume production of net zero ready new construction for-sale housing for buyers earning between 30 - 120% AMI in urban neighborhoods that have been designated oz.
- Alt Cap created Equity 2 as a qualified opportunity fund to provide patient capital for new and growing businesses and community-enhancing projects.
- Neighborhood Equity a for-profit entity with community engagement at its core.





# Measure Impacts

Strategies for Promoting Local Economic Development Within  
Opportunity Zones

# ROADMAP TO READINESS



## UNDERSTAND

- Housing needs
- Market conditions
- Economic drivers
  - Existing tools
- Existing partners
- Investor priorities



## ALIGN

- Partners
- Priorities
  - Land, property, and infrastructure assets
  - Financial resources



## ESTABLISH

- Local priorities
- Financial incentives
- Regulatory tools



## PARTNER

- With local stakeholders
- Across sectors and levels of government
- With residents and businesses



## MEASURE

- Key indicators
- Project and program outcomes
  - Impact over time



## OPPORTUNITY ZONE ACTION PLAN & ECOSYSTEM

- Define Local Typologies
- Build an Investor Base
- Engage Residents and Communities
- Educate Investment-Eligible Businesses



## OZ MARKETPLACE: INNOVATIONS AT THE LOCAL LEVEL

- Activate Stakeholders
- Shape the Market
- Centralize Information

# Measure Impacts | Speakers



**Erich Yost**  
Senior Management Analyst  
US Department of Housing and Urban  
Development

Moderator



**Kevin Corinth**  
Chief Economist  
Council of Economic Advisors



**Stephanie Copeland**  
Partner  
Four Points Funding



**Ben Seigel**  
Baltimore Opportunity  
Zones Coordinator  
Baltimore Development Corporation



# Kevin Corinth

*Chief Economist*

Council of Economic Advisors



# Stephanie Copeland

*Partner*

Four Points Funding



**Four Points Funding**

Connected. Colorado. Capital.

Qualified Opportunity Zone Fund III

November 2020





# How do we do this?

**Disruptor** of traditional capital flows to small markets

- We take a systems approach to investing in order to create scale for small, often overlooked but high-value markets

**Uniquely qualified** to execute our strategy

- Through exposure and close relationships throughout Colorado's small markets

**Leader** in real estate investing across Western Colorado

- Invested over \$50M in housing since 2013

**Partner** in each community at the private and public levels

- Take a place-based approach (versus pure asset class) in order to ensure our investments exist within a broader vision for the community

**Supporter** of the rural business ecosystem through our angel syndicate, West Slope Angels



# Why is reporting important?

**Habits exist with** traditional capital flows

- Capital seeks efficiency/evidence of prior performance. These areas need new habits to be formed in order to attract capital

**New Norms** can scale if shared

- Through illuminating examples of profit through positive impact, momentum can build

**Data** can provide meaningful iteration to continue to improve policy

- No policy is perfect and iteration is key in continuing to drive the support and positive momentum of public/private collaboration.

**True Collaboration** between private investor and public stakeholders is required

- Reporting can help public officials support investment that provide strong public benefit



## GENERAL DISCLAIMER

This presentation is not an offer to sell securities of any investment fund or a solicitation of offers to buy any such securities. Securities of Rural COZ Fund III LLC (the "Fund" or "RuralCOZ") managed by Four Points Funding, LLC (the "General Partner") are offered to selected investors only by means of a complete offering memorandum and related subscription materials which contain significant additional information about the terms of an investment in the Fund (such documents, the "Offering Documents").

Any decision to invest must be based solely upon the information set forth in the Offering Documents, regardless of any information investors may have been otherwise furnished, including this presentation. An investment in any strategy, including the strategy described herein, involves a high degree of risk. There is no guarantee that the investment objective will be achieved. Past performance of these strategies is not necessarily indicative of future results. There is the possibility of loss and all investment involves risk including the loss of principal. Securities of the Fund are not registered with any regulatory authority, are offered pursuant to exemptions from such registration, and are subject to significant restrictions.

The information in this presentation was prepared by the General Partner and is believed by the General Partner to be reliable and has been obtained from public sources believed to be reliable. General Partner makes no representation as to the accuracy or completeness of such information. Opinions, claims, estimates and projections in this presentation constitute the current judgment of General Partner and are subject to change without notice. Any projections, forecasts, claims and estimates contained in this presentation are necessarily speculative in nature and are based upon certain assumptions. It can be expected that some or all of such assumptions will not materialize or will vary significantly from actual results. Accordingly, any projections are only estimates and actual results will differ and may vary substantially from the projections or estimates shown. This presentation is not intended as a recommendation to purchase or sell any security. The General Partner has no obligation to update, modify or amend this presentation or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, project on, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

This presentation is strictly confidential and may not be reproduced or redistributed in whole or in part nor may its contents be disclosed to any other person without the express consent of the General Partner.

### Endnote 1

The prior activities of the principals of the General Partner are presented for informational purposes only. It is possible that the Fund's portfolio will not be comparable to, or achieve profits and losses similar to, the prior investments made by the principals. The General Partner makes no implications, warranties, promises, suggestions or guarantees whatsoever, in whole or in part, that by participating in any investment of or with the General Partner you will experience similar investment results and earn any money whatsoever. Additional information regarding the prior activities of the principals is available upon request.

### Endnote 2

The description herein of the approach of the General Partner and the targeted characteristics of its strategies and investments is based on current expectations and should not be considered definitive or a guarantee that the approaches, strategies, and investment portfolio will, in fact, possess these characteristics. These descriptions are based on information available as of the date of preparation of this document, and the description may change over time. Past performance of these strategies is not necessarily indicative of future results. There is the possibility of loss and all investment involves risk including the loss of principal.

### Endnote 3

The summary provided herein of the Fund's terms and conditions does not purport to be complete. The Fund's Memorandum and related Offering Materials should be read in their entirety prior to an investment in the Fund.



Ben Seigel

*Baltimore Opportunity Zones Coordinator*  
Baltimore Development Corporation



**Baltimore**  
Development Corporation



# BALTIMORE OPPORTUNITY ZONES



University



Business



Transportation



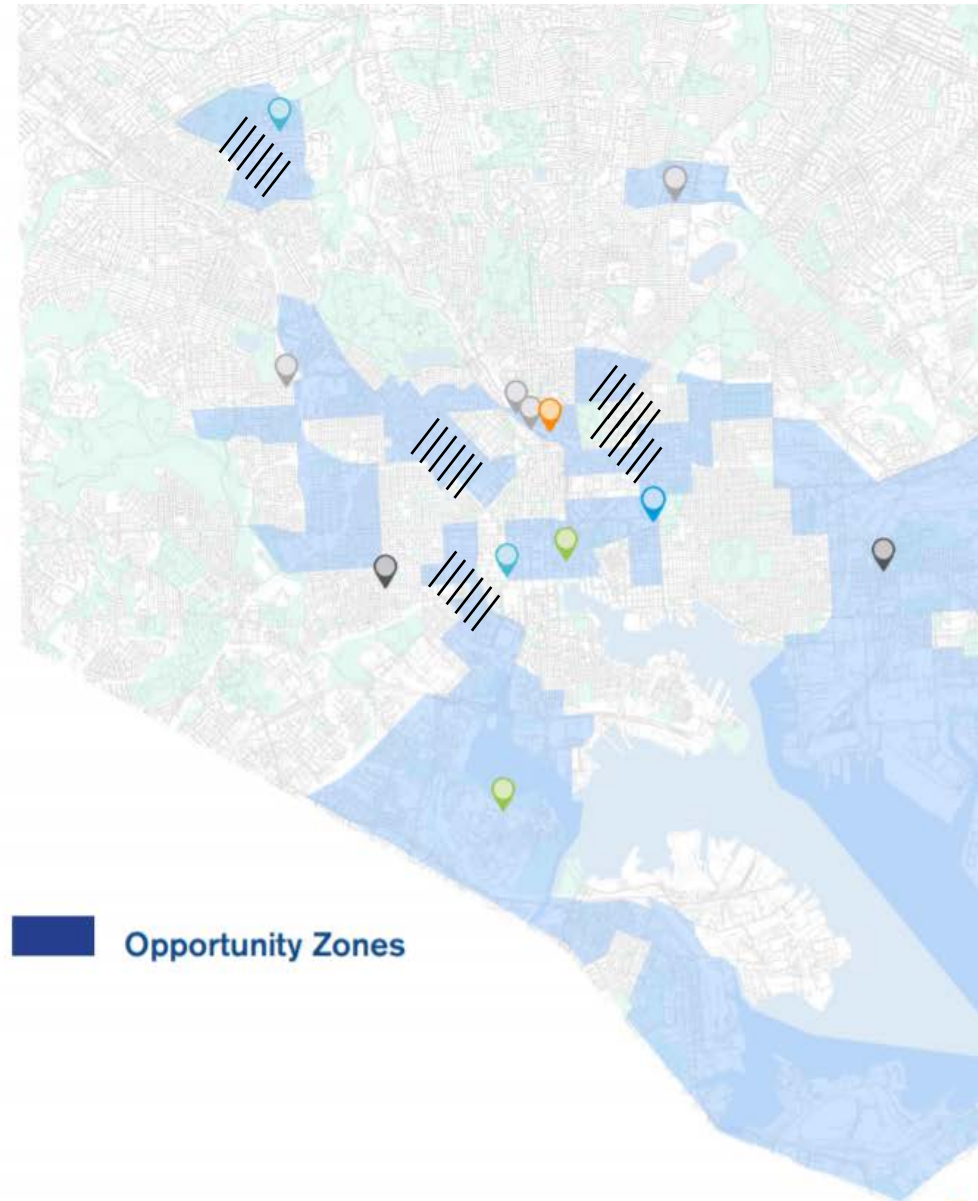
Hospital



University / Hospital



Impact Investment Area



Opportunity Zones





# Impact Measurement Framework

## Level I: Activity Tracking

- Project pipeline
- Investor pipeline

## Level II: Prioritization

- Location
- Project Sponsor
- Community/City Support
- Investment-ready

## Level III: Impact

- Community Involvement
- Investment Impact on Project Completion
  - Contribution to inclusive economy



# Other Considerations

- Individual Investors' Impact Frameworks
- What Counts as an OZ Project?
- Applying Impact Framework Beyond OZs



# Develop Your OZ Action Plan to Build or Strengthen Your Local OZ Ecosystem

Opportunity Zones Webinar Series: Session 3  
December 15, 2020

[www.hudexchange.info/oz](http://www.hudexchange.info/oz)

