

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

FEBRUARY 20, 2018

Opportunity Zones in the Unincorporated County of Los Angeles

The Opportunity Zones program is a new community development program established by the United States Congress in the Tax Cut and Jobs Act of 2017 to encourage long-term investments in low-income and rural communities. The Opportunity Zones program is the first federal effort of its kind to aid those communities in more than a decade. The program provides a tax incentive for investors to re-invest unrealized capital gains into newly created Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the Governor of each state, and approved by the United States Department of the Treasury (Treasury Department). The new program creates a mechanism that enables private investors with capital gains tax liabilities to receive competitive tax breaks for investing in Treasury Department-approved Opportunity Funds for at least ten years.

Governors of each state have until March 21, 2018 to select up to 25% of their respective state's eligible low-income census tracts to become Opportunity Zones or

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MOTION

SOLIS _____

RIDLEY-THOMAS _____

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request a single 30 day extension. Eligible census tracts are defined as tracts where the poverty rate is at least 20 percent, or a rural area where the median family income does not exceed 80 percent of statewide median family income; or in the case of a tract located within a metropolitan area, the median income should not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.

The Opportunity Zones program is a unique opportunity for Los Angeles County to drive new investment and create new jobs in low-income urban and rural communities that have not benefited from the economic resurgence that has taken place since the end of the Great Recession.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Chief Executive Officer, or her designee, in consultation with the Acting Executive Director of the Community Development Commission, to work with the Governor's Office of Business and Economic Development to provide input into the process for designating unincorporated census tracts within the County of Los Angeles (County) by the Governor for Opportunity Zone designation.
2. Direct the Chief Executive Officer, or her designee, to seek input from each Supervisorial District Office on the low-income urban and rural census tracts that should be submitted by the Office of the Governor to the United States Department of the Treasury (Treasury Department) for consideration and approval.

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3. Report back in writing to the Board of Supervisors within 90 days on the Opportunity Zones submitted by the Governor's Office of Business and Economic Development to the Treasury Department and on the next steps and recommendations for implementing the program in the County.

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