

# Opportunity Zones

*A New Economic Development Tool*

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Department of Business, Economic Development & Tourism



*Disclaimer: This presentation is for general guidance on a new tool to promote equitable development in economically disadvantaged communities. This presentation under no circumstances is intended to be used as or considered legal, financial or investment advice.*

# PROGRAM PURPOSE

The Opportunity Zone Program is an economic development tool that uses federal tax incentives to direct investment capital to underserved low income areas, that is, targeted communities called opportunity zones. This program was established as part of the Federal Tax Cuts and Jobs Act of 2017.



# DBEDT'S ROLE IN THE OPPORTUNITY ZONE PROGRAM:

- 1) Designate the Opportunity Zones for Hawaii (in collaboration with the counties)
- 2) Provide Information on the OZ Program to Stakeholders (HI OZ Website)
- 3) Promote Hawaii's Opportunity Zones (GIS Mapping Tools, Factsheets, etc.)
- 4) Facilitate Interaction Among Stakeholders (Hawaii OZ Network)
- 5) Promote Community-Based Projects to OZ Fund Investors (HCRC)



# CREATING THE OPPORTUNITY ZONES

Hawaii was authorized to designate 25 census tracts as opportunity zones.

Hawaii has 99 census tracts that meet the low-income eligibility requirement from which the state can designate not more than 25 percent as qualified opportunity zones according to the program.

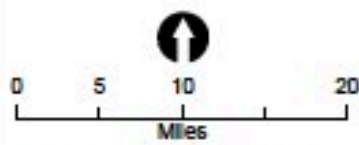
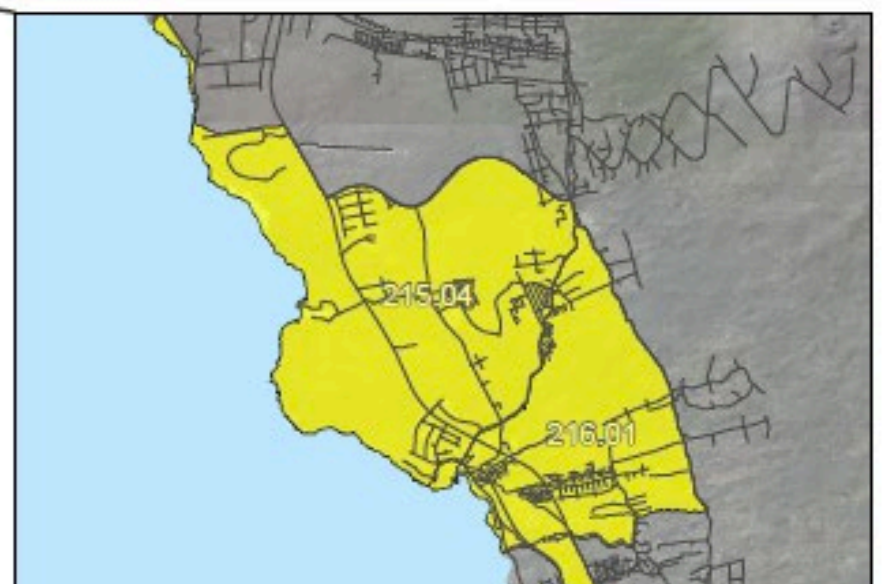
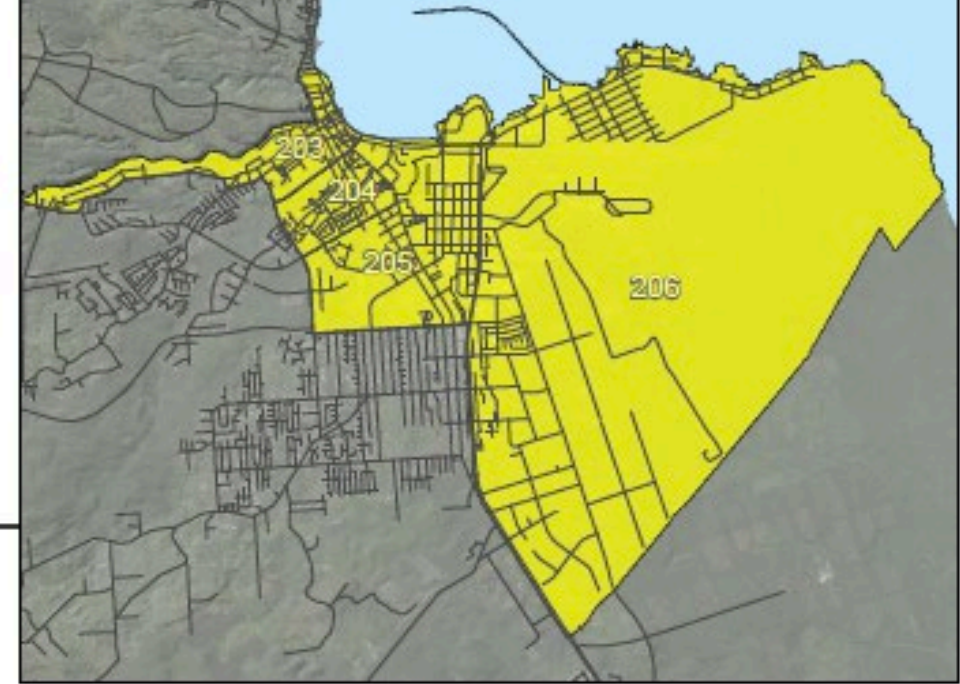
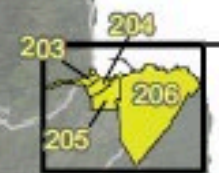
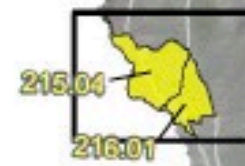
Census tracts that are contiguous with low-income communities may also be designated as qualified opportunity zones if they are below 125% of the medium family income of the qualifying census tract. Only 5% of the census tracts nominated can be from contiguous tracts. Two (2) of the 25 zones nominated are qualified contiguous census tracts (Maui and Hawaii Island got these).

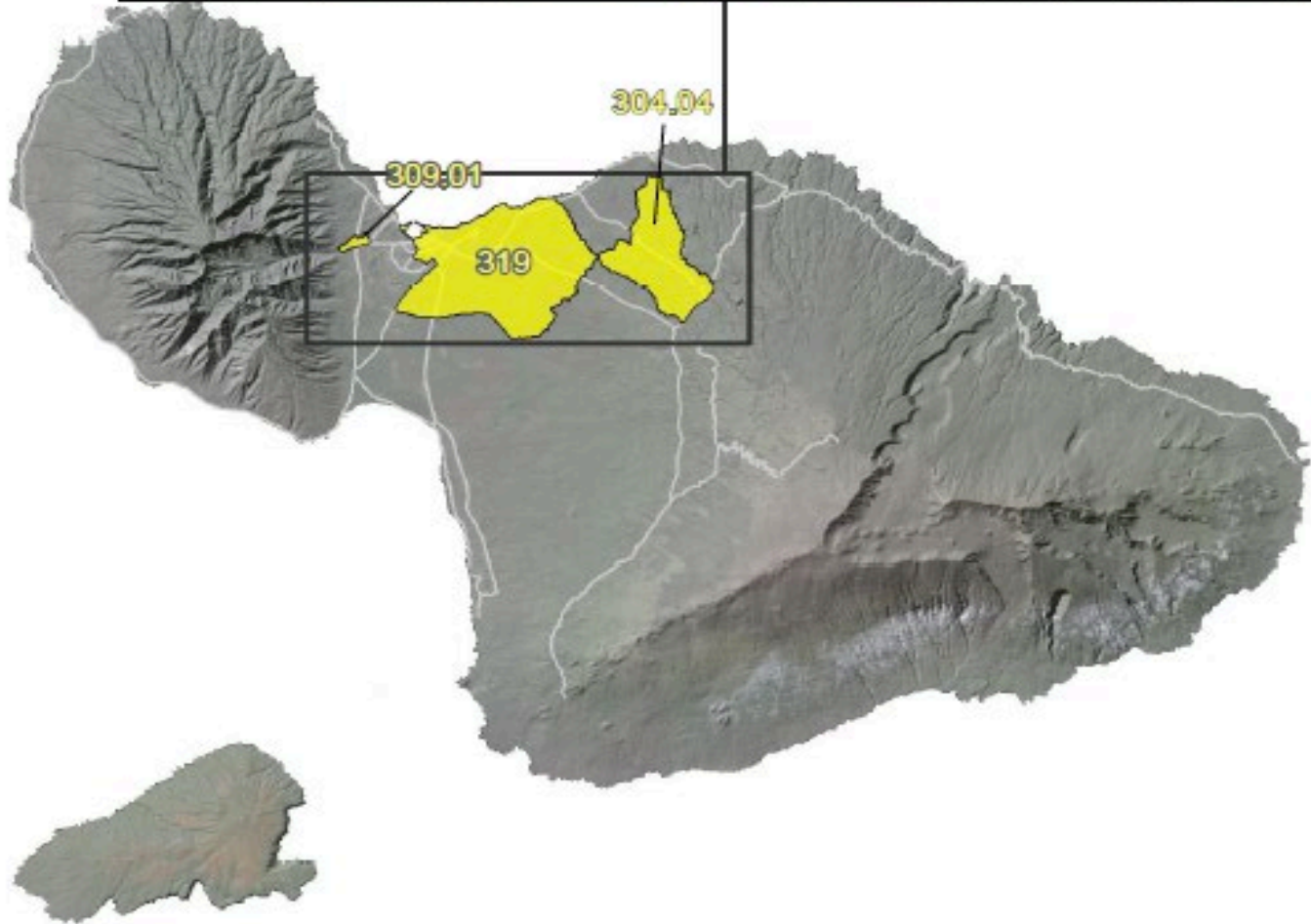
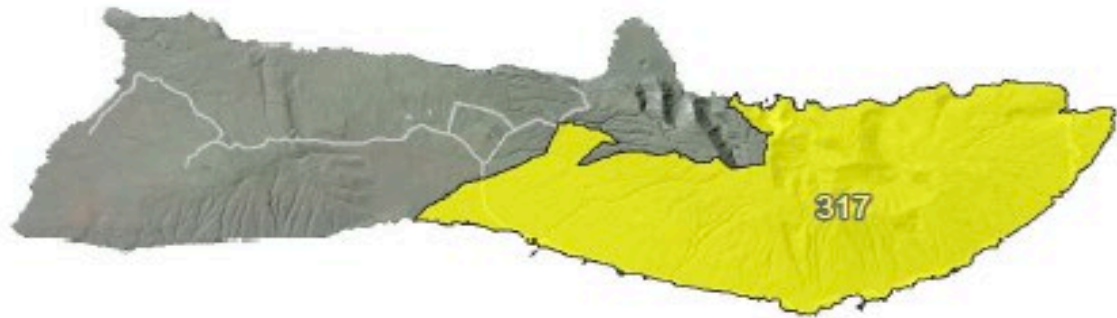
# GUIDANCE GIVEN IN SELECTING THE ZONES

The Treasury Department, the National Governor's Association and several non-profits involved with opportunity zones offered the states guidance in selecting their zones:


- ✓ Eligible census tracts that have a lot of “investable assets” .... also assets that could meet the substantial improvement criteria noted in the statute;
- ✓ Overlap with other economic and community development programs. DBEDT and the counties considered overlap with:
  - New Market Tax Credits (NMTC)
  - Enterprise Zones
  - State Land Use Designations and Zoning
  - Transit Oriented Development (TOD)
  - County Economic and Community Development Plans

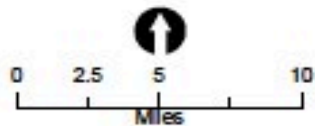
Opportunity Zones

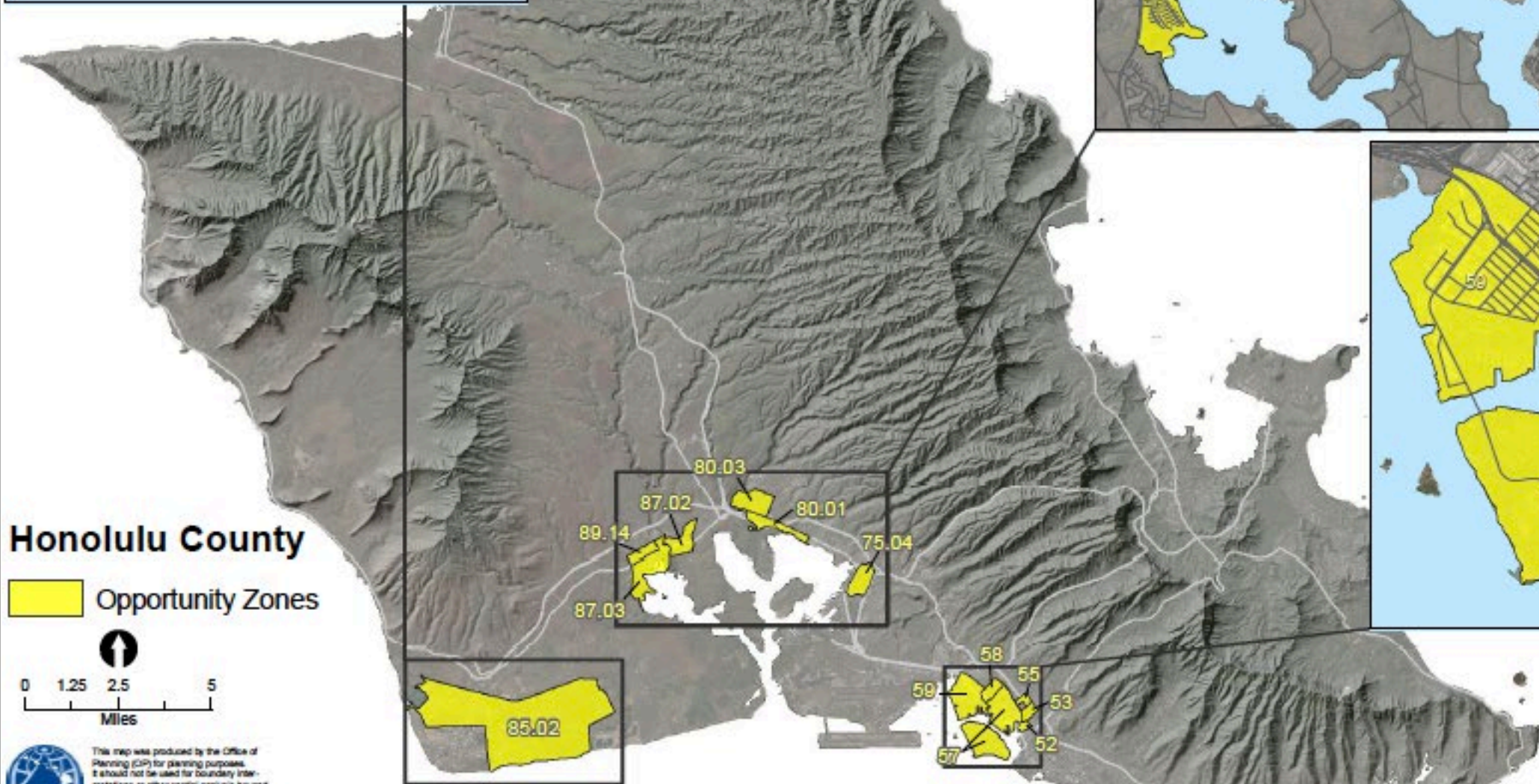
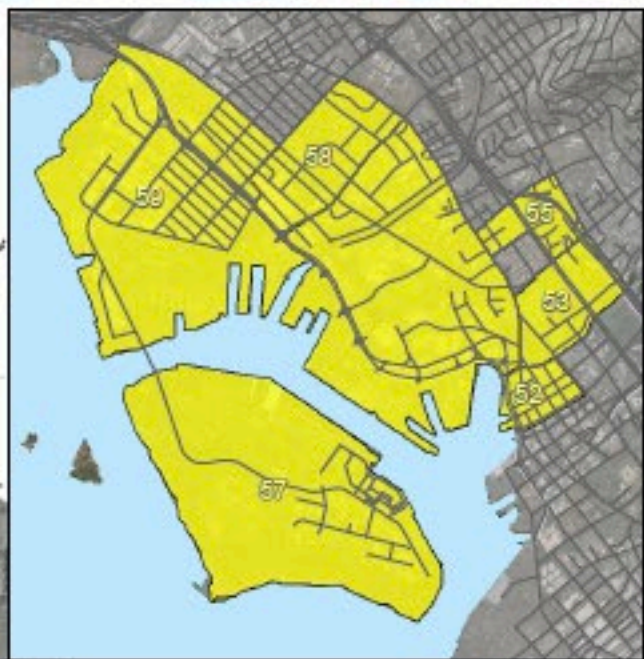
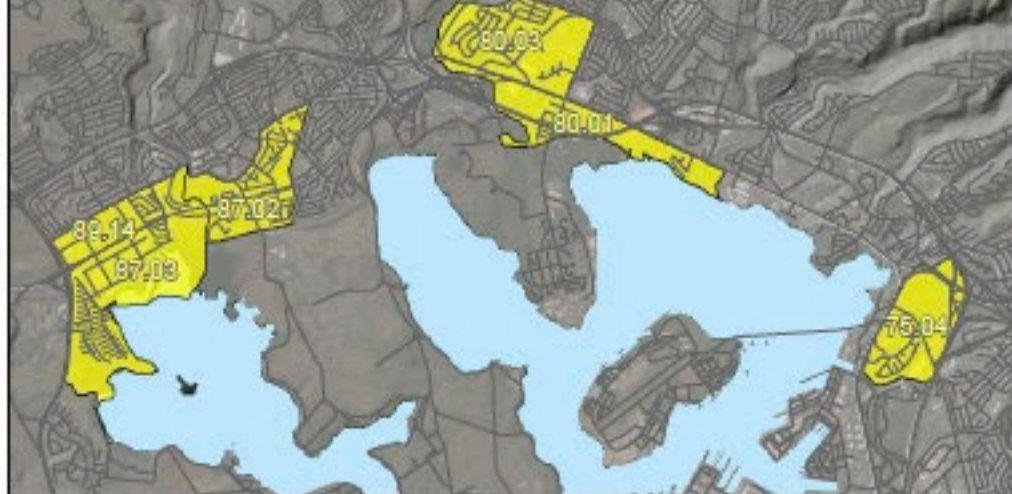





## Maui County

 Opportunity Zones





## Honolulu County

 Opportunity Zones




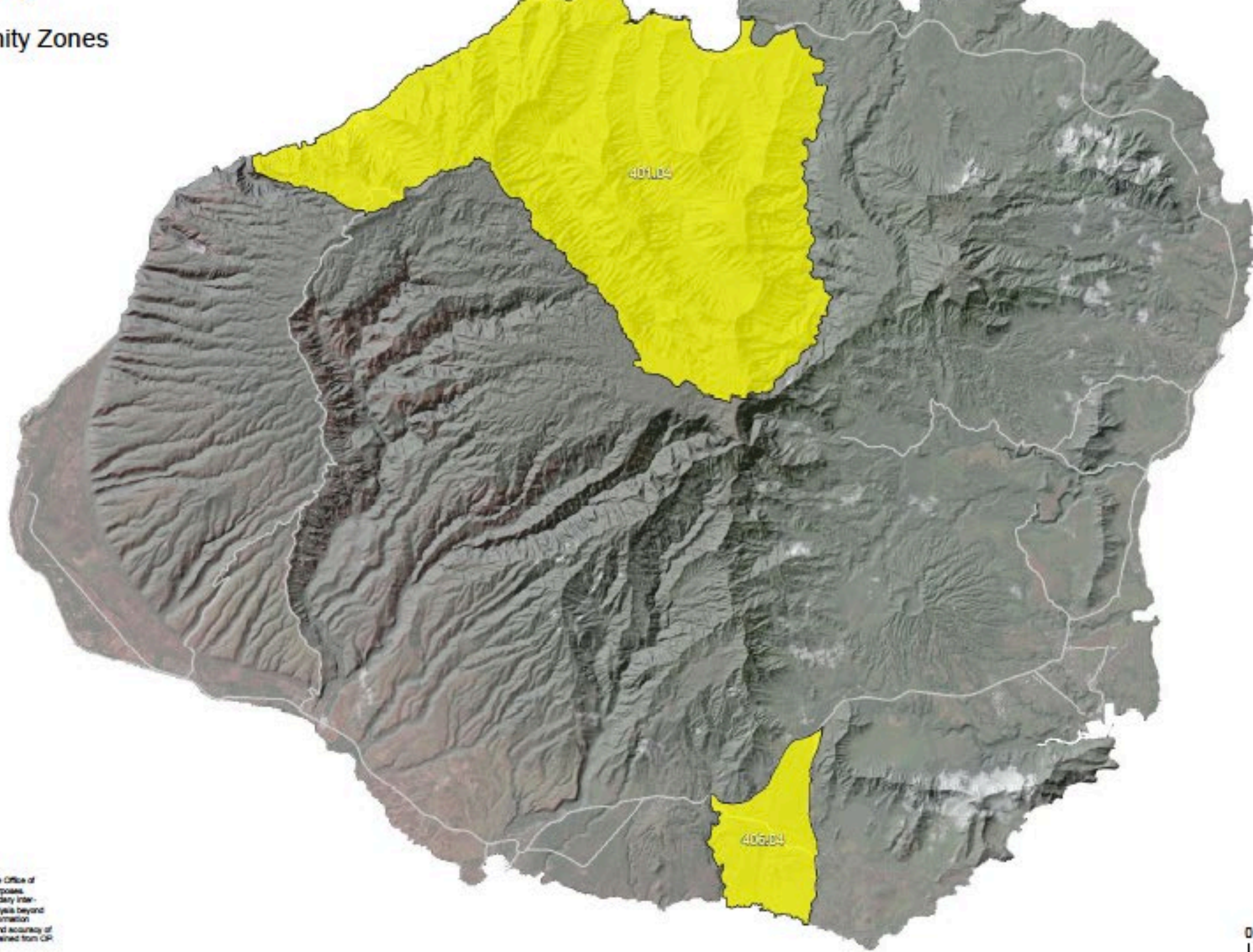
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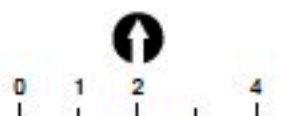
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 Opportunity Zones





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Resource – <https://invest.hawaii.gov/oz>

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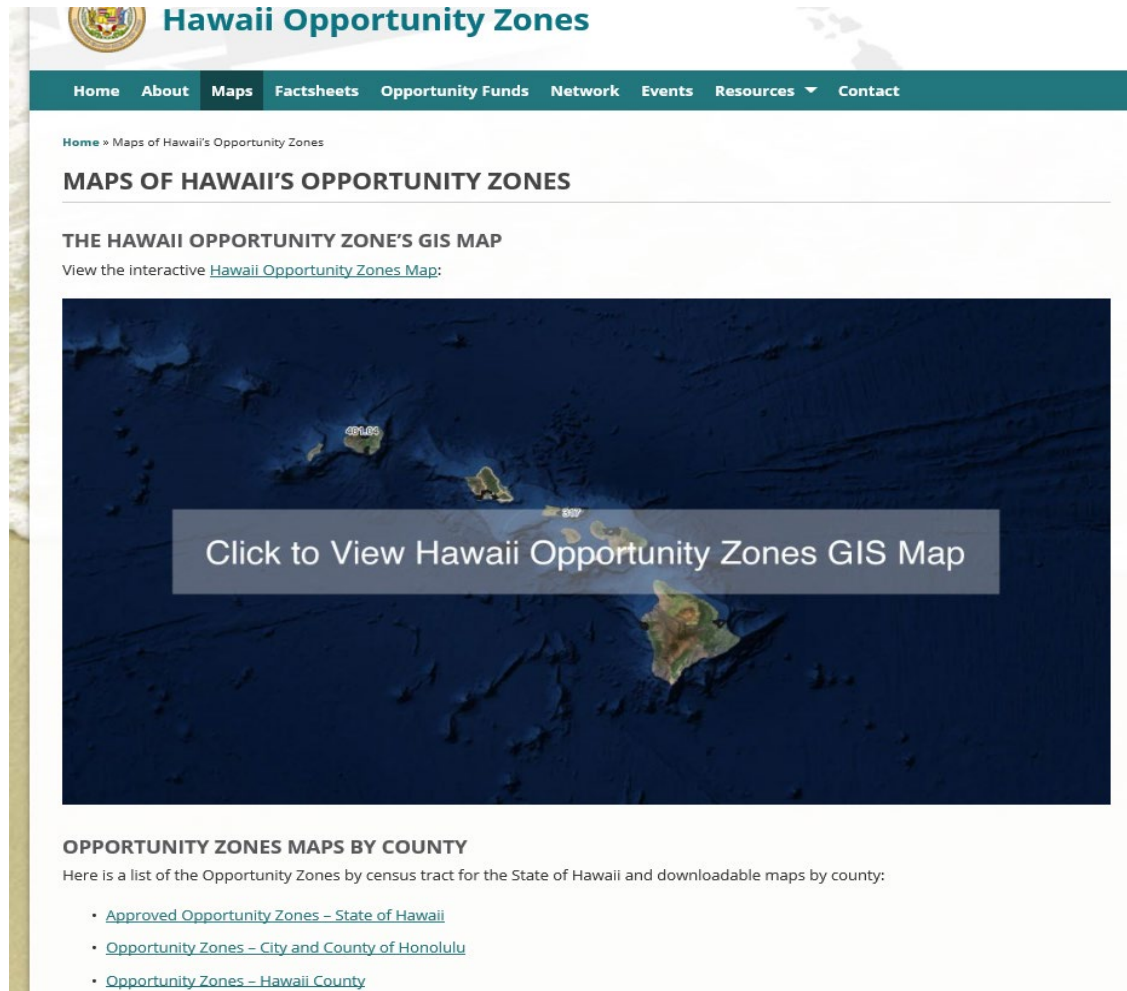
**OPPORTUNITY ZONES PROGRAM**

The recently passed Federal Tax Cuts and Jobs Act of 2017 authorized a community economic development program called the Opportunity Zones Program. This initiative provides incentives for investors to re-invest realized capital gains into Opportunity Funds in exchange for temporary tax deferral and other benefits. The Opportunity Funds are then used to provide investment capital in certain low-income communities, i.e., Opportunity Zones.

**Benefits to Investors**

- A temporary tax deferral for capital gains reinvested in an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the Opportunity Zone investment is sold or December 31, 2026.

# Maps of Hawaii's OZs



The screenshot shows the website for Hawaii Opportunity Zones. At the top left is the state seal of Hawaii. To its right is the title "Hawaii Opportunity Zones" in a teal font. Below this is a teal navigation bar with white text for "Home", "About", "Maps", "Factsheets", "Opportunity Funds", "Network", "Events", "Resources", and "Contact". The "Maps" link is highlighted. Below the navigation bar is a breadcrumb trail: "Home » Maps of Hawaii's Opportunity Zones". The main heading is "MAPS OF HAWAII'S OPPORTUNITY ZONES". Underneath is a sub-heading "THE HAWAII OPPORTUNITY ZONE'S GIS MAP" followed by the text "View the interactive [Hawaii Opportunity Zones Map](#)". The central feature is a dark satellite-style map of the Hawaiian Islands with a semi-transparent grey box overlaid in the center containing the text "Click to View Hawaii Opportunity Zones GIS Map". Below the map is the section "OPPORTUNITY ZONES MAPS BY COUNTY" with the text "Here is a list of the Opportunity Zones by census tract for the State of Hawaii and downloadable maps by county:". This is followed by a bulleted list of three links: "Approved Opportunity Zones – State of Hawaii", "Opportunity Zones – City and County of Honolulu", and "Opportunity Zones – Hawaii County".

**Hawaii Opportunity Zones**

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Home » Maps of Hawaii's Opportunity Zones

## MAPS OF HAWAII'S OPPORTUNITY ZONES

### THE HAWAII OPPORTUNITY ZONE'S GIS MAP

View the interactive [Hawaii Opportunity Zones Map](#):

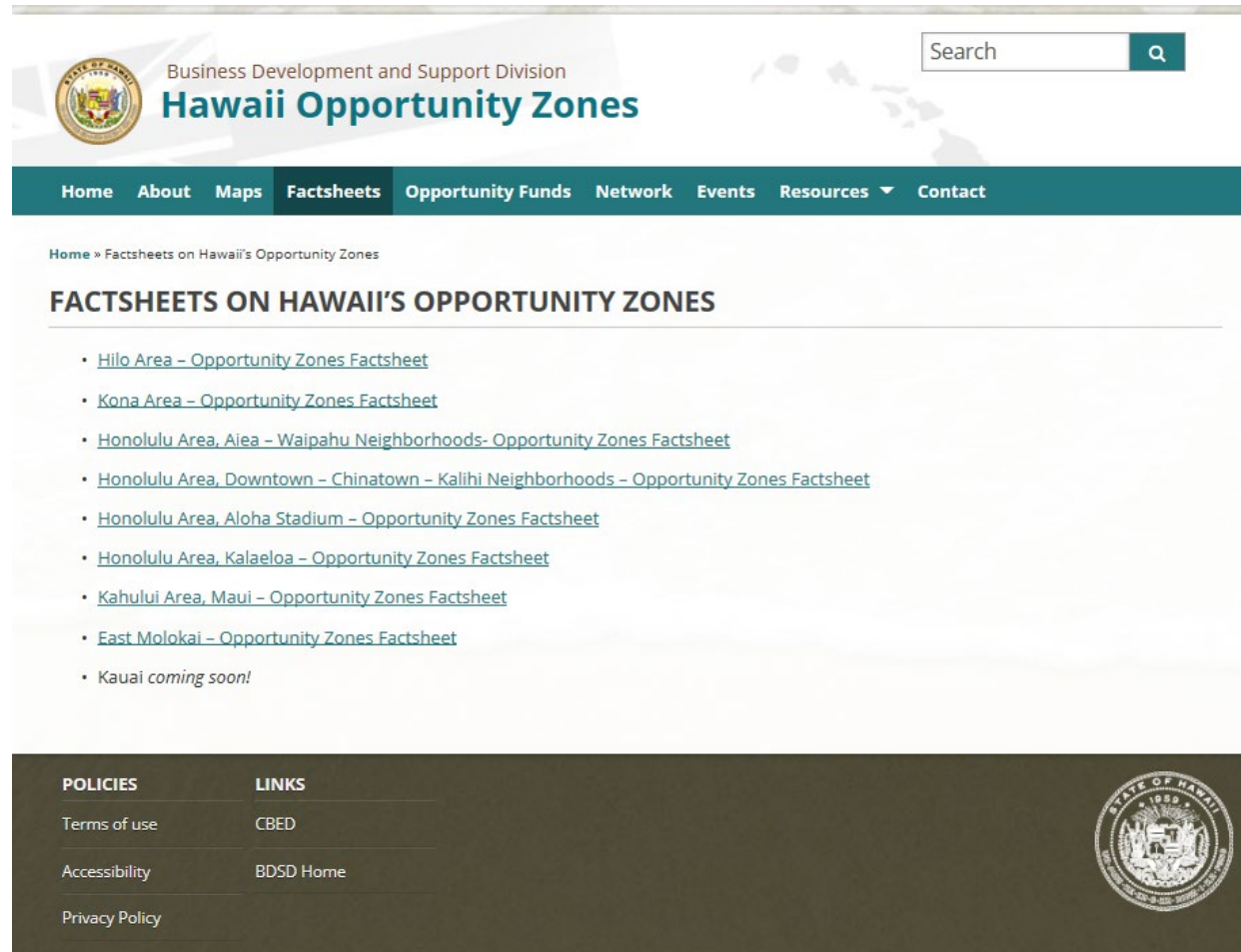
Click to View Hawaii Opportunity Zones GIS Map

### OPPORTUNITY ZONES MAPS BY COUNTY

Here is a list of the Opportunity Zones by census tract for the State of Hawaii and downloadable maps by county:

- [Approved Opportunity Zones – State of Hawaii](#)
- [Opportunity Zones – City and County of Honolulu](#)
- [Opportunity Zones – Hawaii County](#)

# Fact Sheets of Hawaii's OZs



The screenshot shows the homepage of the Hawaii Opportunity Zones website. At the top left is the State of Hawaii seal, followed by the text "Business Development and Support Division" and "Hawaii Opportunity Zones". A search bar is located at the top right. Below the header is a navigation menu with links for Home, About, Maps, Factsheets, Opportunity Funds, Network, Events, Resources, and Contact. The main content area features a breadcrumb trail "Home » Factsheets on Hawaii's Opportunity Zones" and a section titled "FACTSHEETS ON HAWAII'S OPPORTUNITY ZONES". This section contains a list of links to various fact sheets, including Hilo Area, Kona Area, Honolulu Area (Aiea, Downtown-Chinatown, Aloha Stadium, and Kalaheo), Kahului Area, East Molokai, and Kauai. A footer section contains links for Policies (Terms of use, Accessibility, Privacy Policy) and Links (CBED, BDS Home), along with the State of Hawaii seal.

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**Hawaii Opportunity Zones**

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Home About Maps **Factsheets** Opportunity Funds Network Events Resources Contact

Home » Factsheets on Hawaii's Opportunity Zones

## FACTSHEETS ON HAWAII'S OPPORTUNITY ZONES


- [Hilo Area - Opportunity Zones Factsheet](#)
- [Kona Area - Opportunity Zones Factsheet](#)
- [Honolulu Area, Aiea - Waipahu Neighborhoods- Opportunity Zones Factsheet](#)
- [Honolulu Area, Downtown - Chinatown - Kalihi Neighborhoods - Opportunity Zones Factsheet](#)
- [Honolulu Area, Aloha Stadium - Opportunity Zones Factsheet](#)
- [Honolulu Area, Kalaheo - Opportunity Zones Factsheet](#)
- [Kahului Area, Maui - Opportunity Zones Factsheet](#)
- [East Molokai - Opportunity Zones Factsheet](#)
- *Kauai coming soon!*

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# Fact Sheets

## HAWAII'S OPPORTUNITY ZONES Hilo Area



An overview of the potential opportunities for  
industrial, commercial, and residential investment

# Creating Hawaii Opportunity Zone Network

 Business Development and Support Division  
**Hawaii Opportunity Zones**

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Home About Maps Factsheets Opportunity Funds **Network** Events Resources ▼ Contact

Home » Hawaii Opportunity Zones Network

## HAWAII OPPORTUNITY ZONES NETWORK

The Hawaii Opportunity Zones Network is a place to find and share information about Opportunity Zones, Opportunity Funds and related projects in Hawaii. Coming shortly you'll be able to find a professional expert in law, tax, accounting, real estate or business consulting to advise you on this new tax tool for economic development. Also investors and Opportunity Funds can let us know of their interest in investing in Hawaii's Opportunity Zones and receive information on potential opportunities. Lastly, soon you'll be able to find projects seeking funding.

- Service Providers, please [submit your profile](#) to be listed on our referral page.
- Investors/OZ Funds, please submit your [OZ Investor/Fund profile](#) to let us know of your interest in Hawaii's Opportunity Zones.
- For those with projects, please send us details on your project and sign up for our [OZ Investment Ready Workshops](#).

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