New Hampshire's Criteria for Nominating Opportunity Zones

Opportunity Zones were established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zones program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the chief executives of every U.S. state and territory.

When enacted in late 2017, governors were required to submit their Opportunity Zone designations within 90 days. There was no guidance or restrictions on process other than the maximum number of zones being limited to 25 percent of all federally designated low income census tracts (LICTs).

The Department of Business and Economic Affairs was tasked with taking New Hampshire's 106 federally-defined low income census tracts (LICTs) and working quickly to develop a list of 27 recommended tracts to be nominated by the governor as Opportunity Zones. All tracts were considered without any formal community request. BEA utilized the experience and knowledge of the members of the Council of Partner Agencies (New Hampshire Community Development Finance Authority; New Hampshire Business Finance Authority; New Hampshire Housing Finance Authority, and the Community College System of New Hampshire) seeking input on existing or planned development into which Opportunity Funds might be persuaded to invest. In addition, BEA briefed and sought input from the New Hampshire Alliance of Regional Development Corporations and other economic development organizations from around the state. Because of the short deadline, outreach was limited, with the following taken into consideration:

- Could the eligible projects in the eligible tract compete for investment funds?
    - This demonstrates "investability" within the zone and distinguishes one LICT over another, helping attract the maximum amount of resource to the state as a whole.
- Are there existing investments made with state and/or federal funding sources for Opportunity Zone eligible projects in the eligible tract?
    - This would demonstrate leverage of other public funding, maximizing benefit to taxpayers
- Could the potential Opportunity Zone be managed and/or marketed locally and be integrated into local development priorities?
    - This would demonstrate an ability to utilize the zone effectively

We considered geography (all areas of the state have eligible LICTs) and paid particular attention in communities that had more than one LICT to ensure the preferred tract was chosen.