

# Opportunity Zones and Low Income Housing Tax Credits



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# Opportunity Zones and Low Income Housing Tax Credits

## Commonalities

Holding period:

- Opportunity Zone Exemption 10 Years

  - (fits within the LIHTC holding period)

- Low Income Housing Tax Credit (LIHTC) 15 years

Purpose:

- Opportunity Zones encourage investment in low income census tracts

- LIHTC encourages affordable housing for low income families

# Opportunity Zones and Low Income Housing Tax Credits

## Differences

### Investments:

Opportunity Zone investments will come from investors

LIHTC investments come largely from commercial banks

### Rehabilitation:

Opportunity Zones do not require acquisitions

LIHTC requires acquisition

# Opportunity Zones and Potential LIHTC Investors

## Financial Institution Outlook:

Transfer older LIHTC investments to  
Qualified Opportunity Funds (QOF)

## Potential LIHTC Financial Institution Investors

Large Banking Operations

Large Investment Banks

Insurance Companies