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FHA TO PROMOTE GREATER RESIDENTIAL AND COMMERCIAL DEVELOPMENT IN OPPORTUNITY ZONES

WASHINGTON - To stimulate greater multifamily residential and commercial development in Opportunity Zones, U.S. Housing and Urban Development (HUD) Secretary Ben Carson today announced the Federal Housing Administration (FHA) will insure mortgages on mixed-use development under the agency's Section 220 Program in thousands of lower income communities across the country.

In a speech before an Opportunity Zone Expo in Brooklyn, New York, Secretary Carson said FHA can be a key partner for developers looking to invest in Opportunity Zones.

"By expanding this program's reach, we hope to significantly boost private investment in Opportunity Zones and generate growth in development in neighborhoods that need it most," said Secretary Carson. "With expanded mixed-used development in Opportunity Zones comes economic revitalization and job growth which is just what the doctor ordered for residents living in these communities."

Lamar Seats, HUD's Deputy Assistant Secretary for Multifamily Housing, said, "We believe that the inclusion of all Opportunity Zones under the Section 220 program will promote more economic activity, both commercial and residential, in low-income, economically distressed areas that have not experienced a great deal of growth in recent years. Our hope is this will encourage increased lending in regions where affordable housing is most needed."

FHA's Section 220 Program insures lenders against loss on mortgage default. Historically, Section 220 has provided good quality rental housing in downtown urban areas that have been targeted for overall revitalization. Today's announcement expands eligibility of mortgages insured under this program to all 8,764 Opportunity Zones, including those located in rural areas.

Background

President Trump signed the 2017 Tax Cuts and Jobs Act, creating Opportunity Zones to stimulate long-term investments in low-income communities. Opportunity Zones offer capital gains tax relief to those who invest in these distressed areas. This initiative is anticipated to spur \$100 billion in private capital investment in Opportunity Zones. Incentivizing investment in low-income communities fosters economic revitalization, job creation, and promotes sustainable economic growth across the nation, especially in communities HUD serves. Read more about Opportunity Zones.

Opportunity Zones are a powerful vehicle for bringing economic growth and job creation to the American communities that need it the most. On average, the median family income in an Opportunity Zone is 37 percent below its respective state median. Overall, more than 8,700 communities in all 50 States, Washington D.C., and five U.S. territories have been designated as Opportunity Zones. Nearly 35 million Americans live in communities designated as Opportunity Zones.


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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.

More information about HUD and its programs is available on the Internet


at www.hud.gov and <https://espanol.hud.gov>.

You can also connect with HUD on social media and follow Secretary Carson on Twitter and Facebook or sign up for news alerts on HUD's Email List.



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