

## Potential LIHTC Investor Losses Offset By Opportunity Zones?

If you have recently done a quick search of “tax reform opportunity zones,” you’ll find some information on the Opportunity Zones provision in the 2017 Tax Cuts and Jobs Act. It appears to be a silver lining after considering the potential negative impact of tax reform on Low Income Housing Tax Credits (LIHTCs) investment. The Opportunity Zones Program is designed to motivate the long-term allocation of new sources of capital to revitalize lower income areas of each state and Washington, D.C.

The governor of each state has until March 22, 2018 (with a couple options for extensions), to identify the Low-Income Communities (LICs) that should be deemed Opportunity Zones. These Opportunity Zones would be eligible to receive private funding through the Opportunity Zones Program. The IRS has a list of these LICs based on 2010-2015 Census data, or you can use [the tool here](#) to see which areas of California or other states are considered LICs.

Once these Opportunity Zones are established, the new law allows an investor to defer paying taxes on gains to a future year if the gains are invested in a fund or partnership that purchases property in an Opportunity Zone.

Another benefit to the taxpayer is that they will not be required to pay capital gains tax if the new investment they made appreciates in value. Also, if the taxpayer holds the asset for at least 10 years without selling, then there will be no capital gains associated with the appreciation of the asset beyond what they paid for it. It is possible that the Opportunity Zones Program may offset some risk of losing investors in LIHTCs as they enjoy lower overall corporate tax rates. The tax team at LvHJ will continue to watch developments in the



Opportunity Zones Program provision and keep you informed on how it could support future affordable housing developments or investments.

### In This Issue...

Potential LIHTC Investor Losses Offset By Opportunity Zones?.....	1
Five Key Urban Design Trends.....	2
It’s Time for Nonprofits to Embrace the Cloud.....	3

## Five Key Urban Design Trends



A recent article in Fast Company outlined several trends for urban design that may change your thinking about community development and where populations will shift in the future thanks to technology. A focus on lifestyle, multi-generational living and less commuting may alter not only housing designs, but also services and charitable work. Here are five of the biggest trends:

### **Autonomous Vehicles**

We've heard a lot about what autonomous vehicles will be able to do, but they will also have a big impact on urban design and potential reclamation of more pedestrian-friendly spaces.

### **Multi-generational Housing**

There are many reasons and benefits to envision a return to several generations living together. Whether it is in the form of unrelated generations sharing multi-unit housing or extended families naturally bringing grandparents or siblings to live with them, the future of housing will be more communal.

### **Anti-Gentrification**

People are speaking out against exclusive neighborhoods and public spaces based on public-private partnerships. Future public-private urbanism

projects must show maximum public benefit, not just benefits for a few who can afford it.

### **The End of Isolated Corporate Campuses**

Considering not only the practical usage of urban spaces, but also the desires of employees to avoid long commutes, corporations are rethinking the traditional "campus" with its acres of open green space. Concepts offer more of a mixed-use neighborhood landscape where people can still work for the big guys without spending hours in gridlock.

### **Weather Resistance**

Based on lessons learned from past hurricane seasons on the coasts, regions including the Bay Area are looking at ways to keep water "at bay" through new design techniques. Efforts are underway to combat sea-level rise and boost structural resistance to things like hurricane-force winds and heavy rain.

How does tech-forward urban planning impact your not-for-profit or affordable housing development plans? Talk to us at LvHJ.

Source: Fast Co. Design

<https://www.fastcodesign.com/90154710/7-trends-that-augur-the-future-of-urban-design>

## It's Time for Nonprofits to Embrace the Cloud

Cloud computing promises lower technology costs and greater efficiency and productivity. Yet many nonprofits have yet to move to the cloud, possibly because their staffs are smaller and their IT expertise is limited. Fortunately, cloud computing is a simple concept that's easy to adopt.

### Remote control

Cloud computing, also known as "software as a service," uses a network of remote third-party servers made available online. Rather than relying on your organization's own computers or server, you remotely share software and storage to process, manage and share information.

For many nonprofits, the greatest advantage of using cloud services is lower costs. The technology generally eliminates pricey contracts and per-user licensing fees. Instead, cloud customers pay a monthly subscription fee or are billed based on actual usage. What's more, service providers update their offerings and provide security patches on an ongoing basis.

Another benefit is the scalability of cloud services. You can scale up when you need more storage or data capacity and scale back when you need less. Also, because cloud services aren't limited to a physical location and can be accessed from anywhere, they make it easy for colleagues, board members and volunteers to collaborate on projects. Finally, cloud services can make it easier to track and report funds over multiple time periods and to analyze budgets, expenses and cash flows. They can also produce specialized data reports.

### Rest assured

Most reputable services boast stronger security, including firewalls, authorization restrictions and data encryption, than your own nonprofit could afford to put in place on its own. And cloud services typically offer continuous data backup and disaster recovery capabilities.

That said, your nonprofit can't possibly have as much control over a cloud system as it would of its own infrastructure. If control is a priority, you need to weigh it against the benefits of cloud computing.



### Vendor options

You'll want to look for a service that:

- Frequently updates features,
- Immediately responds to security threats,
- Protects the privacy of your data, and
- Backs up data in multiple locations.

Cost is another major consideration when selecting a vendor. But your nonprofit may qualify for discounts or even gratis services.

### Get satisfaction

Before leaping into the cloud, be sure to research your options and get recommendations from other nonprofits and from IT experts. Contact us for help finding a cost-effective cloud provider.