



COUNTY OF HUMBOLDT

For the meeting of: 7/14/2026

File #: 26-693

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Resolution Supporting Application to the State for Consideration of Opportunity Zone Designation

RECOMMENDATION(S):

That the Board of Supervisors:

1. Direct staff to submit applications to the State of California for Opportunity Zone 2.0 designation on eligible unincorporated tracts;
2. Approve the Resolution supporting the creation of new Opportunity Zones within Humboldt County; and
3. Authorize the County Administrative Officer, Economic Development Director, or their designee, to prepare, execute and submit the required recommendation forms, including the Local Authority Recommendation Form, as well as any supporting materials and certifications necessary, on behalf of the county.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: A Diverse, Equitable & Robust Economy

Strategic Plan Category: 2001 - Promote strong economic resiliency and growth

DISCUSSION:

The Opportunity Zone designation program is a federal economic development program created by the Tax Cuts and Jobs Act of 2017 to encourage private investment in economically distressed communities. The idea is to attract long-term capital into areas that have historically experienced challenges such as lower incomes, higher unemployment, limited private investment, or barriers to economic growth. Each state nominates specific low-income census tracts to become Qualified Opportunity Zones.

Opportunity Zones provide a mechanism for directing private investment into designated low-income communities, including investments in businesses, real estate and development projects. Investors may reinvest eligible capital gains through Qualified Opportunity Funds and receive certain federal tax benefits based on the timing and duration of the investment. The county currently contains seven Opportunity Zones established under the original program in 2017. The existing municipal and unincorporated Opportunity Zone census tracts that will expire are as follows:

- 06023010102
- 06023940000
- 06023010501
- 06023001300

- 06023000500
- 06023000100
- 06023000300

In response to the establishment of permanent Opportunity Zones through H.R.1, the State is seeking recommendations from local jurisdictions for eligible census tracts under "Opportunity Zone 2.0". The current Opportunity Zone designations will expire at the end of 2026. The new designations will take effect Jan. 1, 2027, remain in place for 10 years and be followed by a recurring redesignation process every 10 years.

Eligibility requirements for the new round are more restrictive than those used during the original designation process, generally resulting in fewer eligible census tracts. The State is currently accepting recommendations only for tracts included on the official federal eligibility list. In addition, the Governor may nominate no more than 25 percent of California's eligible tracts for federal designation. As such, staff recommend that the county submit the following five eligible tracts to the State for consideration:

- 06023010102
 - Contains the unincorporated community of Willow Creek
 - Direct proximity to SR-299
 - Significant opportunity for redevelopment of old mill sites
 - Abundant outdoor recreation opportunities
 - Meets Federal Area Median Income threshold
 - Federal Rural Designation
- 06023010200
 - Contains the City of Trinidad and the unincorporated community of Orick
 - Direct proximity to US-101
 - Redevelopment Opportunities within Orick and other small communities in the tract
 - Waste Water Treatment development underway in Orick which provides capacity for new business
 - Meets Federal Area Median Income threshold
 - Federal Rural Designation
- 06023010503
 - Contains the unincorporated community of McKinleyville
 - Direct proximity to US-101 and Redwood Coast Humboldt County Airport (ACV)
 - McKinleyville Town Center and Life Plan Humboldt developments in progress
 - Meets Federal Poverty Level threshold
 - Federal Rural Designation
- 06023000800
 - Contains Myrtletown and Indianola
 - Redevelopment opportunities at Bracut and Brainard sites
 - Potential Housing Development at Indianola
 - Industrial General Zoning may support Offshore Wind Development needs
 - Meets Federal Area Median Income and Poverty Level thresholds
- 06023011600
 - Contain the unincorporated community of Garberville
 - Direct proximity to US-101
 - Clean Streets Project in place updating significant portions of Garberville
 - New Hospital being developed by Southern Humboldt Healthcare District
 - Meets Federal Area Median Income and Poverty Level thresholds
- Federal Rural Designation

Each of these tracts appear on the official qualified opportunity zones eligible tract list compiled by the U.S. Treasury. Additionally, each of these tracts are located in unincorporated areas of Humboldt County and contain development opportunities that could benefit from participation in the Opportunity Zone 2.0 program to attract private investment during the next 10-year designation period. Further, staff have also coordinated with municipalities containing eligible tracts to share information, reduce duplication and support a coordinated countywide approach to the State's selection process.

Staff is seeking Board authorization to recommend the identified Humboldt County census tracts for Opportunity Zone designation. Opportunity Zone designation may help attract new or expanded private investment into the region. This type of incentive is particularly relevant in Humboldt County, where aging infrastructure, site constraints and high development costs can make new investment difficult. By supporting new Opportunity Zone designations, the county can demonstrate its readiness for private investment and advance local and State economic development priorities.

SOURCE OF FUNDING:

1120275

FINANCIAL IMPACT:

Approval of this Resolution has no direct financial impact. A small amount of staff time will be needed for application submittal.

STAFFING IMPACT:

Beyond the submission of an application to the state, approval of this Resolution creates no lasting staff impacts.

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose to reject this proposal. However, this is not recommended as Opportunity Zone designation provides an incentive mechanism for private investment into the region.

ATTACHMENTS:

- Resolution Supporting Creation of Humboldt County Opportunity Zones

PREVIOUS ACTION/REFERRAL:

Meeting of: N/A

File No.: N/A