PUBLIC SAFETY
Overall Crime: 17-Year Trend
Homicide and Shootings Comparison 2017 to 2018

Violent Crime

- 31% Reduction in Non-Fatal Shootings
- 40% Reduction in Homicides
OFFICE OF VIOLENCE PREVENTION

PEACE KEEPERS
Violence Reduction & Community Safety
Gun Violence Reduction Strategy

CEASEFIRE PARTNERSHIP STRATEGY

GOALS:

- Reduce non-fatal shootings and homicides citywide
- Decrease recidivism and improve outcomes for those at highest risk of violence
- Strengthen police-community relations and trust
Jonny
15 years old

Youth Experiencing Trauma

- Father imprisoned
- Best friend was shot
- Witnessed domestic violence in home
- Uncle used drugs in the home
America’s Incarceration Addiction

Juvenile Incarceration Rate
Per 100,000 Youth Population
In a one day count of detention in the US in 2011:

- **Latino youth** were more than **2 times as likely** as **White** youth to be detained.
- **Native American youth** were nearly **3 times as likely** as **White** youth to be detained.

**Black youth** were more than **5 times as likely** as **White** youth to be detained.

---

Jonny
25 years old

- Arrested 8 times
- 2 felony convictions
- Gang Affiliated
- Father of 6 year old son
- Wants a job and better life.

“I have decided to change my life… I have a strong mind and no one can influence me to do wrong… anymore”
Do you believe him?

“I have decided to change my life... I have a strong mind and no one can influence me to do wrong... anymore”
WHERE TO FOCUS YOUR EFFORTS?

City of Stockton Violence Prevention Strategy
City of Stockton Violence Prevention Strategy

WHERE TO FOCUS YOUR EFFORTS?

**Intervention**
Violence reduction the short term, like harm reduction strategies (Ceasefire)

**Prevention**
Long-term violence reduction strategies like mentoring at-risk middle school students or life skills workshops for youth

**Transformation**
Transforming communities so that they do not induce violence:
- Education reform & investment
- Economic development
- Neighborhood revitalization

**Investment Results**
- Intervention: 2-3 years
- Prevention: 5-10 years
- Transformation: 10-15 years
City of Stockton Violence Prevention Strategy

Are we targeting the right people?

Are we doing the right work?

Are we having the right impact?
Analysis of all homicides between 2014 - 2016

Suspect Profile: Mainly Black and Latino young men
Suspect Age: Average 26 years old

Victim Profile: Mainly Black and Latino young men
Victim Age: Average 33 years old

Significant Justice Involvement:
Both victims and suspects averaged 8 arrest by the time of the homicide. Averaging 5 felony arrest.

75% involve gang members as victims or suspects

20% of homicides resulted from group-related robberies, drug robberies, burglaries and domestic violence
STOCKTON’S POPULATION
320,000 people

CRIMINAL JUSTICE POPULATION
18,000 people

VERY HIGH-RISK POPULATION
320 people

Less Than 1%
of the criminal justice population
OFFICE OF VIOLENCE PREVENTION

PEACE KEEPERS

ARE WE TARGETING THE RIGHT PEOPLE?
Are we working with the Right INDIVIDUALS?

CLIENT PROFILE THROUGH JUNE 30, 2018

- **HIGH RISK CLIENTS**: 89%
- **PREVIOUSLY SHOT AT**: 82%
- **GANG AFFILIATED CLIENTS**: 71%

7% Medium Risk
40% Injured By Gun Violence
DASHBOARDS
Are we working with the Right INDIVIDUALS?

TYPICAL: NEW CLIENT PROFILE:

Average Age: 26-28 years old
Education: High School Drop Out
- Gang affiliated
- Has been shot or shot at
- Justice involved
- Gun activity & safety issues

CLIENT CRITICAL NEEDS:

<table>
<thead>
<tr>
<th>Critical Safety Issue</th>
<th>Unemployed Clients</th>
<th>Unstable Housing</th>
<th>Unable to Eat Daily</th>
</tr>
</thead>
<tbody>
<tr>
<td>63%</td>
<td>52%</td>
<td>33%</td>
<td>32%</td>
</tr>
</tbody>
</table>
Are we having the Right type of IMPACT?

CLIENT SERVICES

- EMPLOYMENT PLACEMENTS
- GOVERNMENT DOCUMENTS
- SOCIAL SERVICES

- LEGAL ISSUES
- ADDICATION COUNSELING
- EDUCATIONAL ADVANCEMENT
- JOB READINESS
- HOUSING SUPPORT
- TATTOO REMOVALS
Are we having the right type of **IMPACT**?

**ADDRESSING CLIENT CRITICAL NEEDS**

FOLLOWING SAME CASE LOAD OVER A 6 MONTH PERIOD

- **Critical Safety Issue**
  - Percentage: 63%
  - Figures:

- **Unemployed Clients**
  - Percentage: 52%
  - Figures:

- **Unstable Housing**
  - Percentage: 33%
  - Figures:

- **Unable to Eat Daily**
  - Percentage: 32%
  - Figures:

- **Unable to Eat Daily**
  - Percentage: 9%
  - Figures:
CEASEFIRE CLIENT P.P.

Before Peacekeepers

- Street lifestyle
- Prison/parole/probation
- Unemployed
- Invited to Call-In

With Peacekeepers

- Career training
- Relocation
- Completed parole
- Positive role model
CEASEFIRE CLIENT P.P.

FUTURE

- Full time career
- No arrests
- Providing a new life for his family
- Set new goals to give back to the community
Client Engagement Rate by Referral Type

Ceasefire Communications & Engagements

- SPD COORDINATION: 26.1%
- SPD CALL-OUTS: 41.4%
- CALL-INS: 50.0%
- JOINT CUSTOM NOTIFICATIONS: 60.0%
Overall Crime: 17-Year Trend
Homicide and Shootings Comparison 2017 to 2018

- **31% Reduction** in Non-Fatal Shootings
- **40% Reduction** in Homicides
IMPACT ON COST

WHAT IS THE COST PER SHOOTING & HOMICIDE?

- CRIME SCENE: $8,000
- HOSPITAL: $138,000
- CRIMINAL JUSTICE: $421,000
- PRE-TRIAL INCARCERATION: $350,000
- VICTIM SUPPORT: $36,000
- LOST TAX REVENUE: $120,000

CITY & COUNTY COST: $1,073,000

PEACE KEEPER STATS SINCE JANUARY 2018

- 27 CONFLICT MEDIATIONS: 27m Savings
- 30 SHOOTING RESPONSES: 5m Savings
- 9 SAFETY RELOCATIONS: 9m Savings
FISCAL SUSTAINABILITY
Long-Range Financial Plan Purpose

- **Transparency** - Clear assumptions with a realistic forecast, not conservative
- **Fiscal Discipline** - Precludes wishful thinking about capacity for revenue growth
- **Forward Thinking** - Avoids perils of short-term focus by identifying long-term impacts of policy decisions
- **What-if Scenarios** - Evaluates impact of alternative policies and economic outcomes
- **Early Warning** – Gives a head start on problem solving
- **Decision-making** - Tool to help staff and Council make informed, prudent and timely fiscal decisions
What is the Long-Range Financial Plan?

- 20-year forecast
- Created during bankruptcy
- Forecasts revenue & expenses
- Only General Fund and related funds
  - Supported by General Fund – Library, Recreation, Marina, Entertainment Venues, Golf, etc.
  - Measure W and Measure M sales tax
- Based on a wide range of assumptions
  - New assumptions = new outcome
- Living document – regular updates
- Does not address funding deficiencies in other funds or capital needs
- No increase in service levels except with new funding sources
- Includes bankruptcy settlements
FY 2018-19 Long-Range Financial Plan

General Fund Balance & Reserve (in millions)

- Available Balance
- Funded Reserves
- 17% of Exp
- Reserve Minimum

Year: 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38

Balance Range: $0 to $120 million
General Fund Reserves

- **Working Capital Reserve**
  - 16.7% of expenditures
  - $36.8 million

- **Known Contingency Reserves**
  - Pension, Retention & Recruitment, and other large projects
  - $37.2 million
    - +$18.6 million in pension trust

- **Risk-Based Reserves**
  - For economic or other emergencies
  - $5.0 million
Key Revenue Assumptions

- Actual FY 2017-18 and Budgeted FY 2018-19
- General revenue growth of 2%

- Property Taxes
  - Based on consultant estimates in near term and then long-term growth estimates
  - New construction growth estimated

- Sales Taxes
  - Based on consultant estimates in near term and then long-term growth estimates
Key Revenue Assumptions

• Recessions have occurred on average:
  • every 5.7 years since 1933
  • every 6.6 years since 1961

• Last recession “officially” ended in 2009, adverse effects lingered for several years

• New forecast assumes next recession starts in 2020 and every 5 years thereafter (2025, 2030, 2035)
• Recessions modeled as a 5% revenue decrease that returns over multiple years
Major Factors Influencing Expenditures

- Staffing & Service Levels
- Minimum Wage Law
- Change in Wage Scale
- Pension Costs
- Movement Within Wage Scale
- Inflation Rate
- O&M from New CIP
- Capital Projects (variable)
- Debt Service Schedules (fixed)

Personnel Costs

- Health Costs
- Turnover Rates
- Vacancy Savings

Other Costs

- Negotiated Pay and Benefits
- Inflation Rate
- Debt Service Schedules (fixed)
Key Expenditure Assumptions

• **Staffing levels**: No change from current FTE
• **Wage Adjustments**: Current MOUs through FY 2018-19, assumes 2% growth annually thereafter
• **Health**: Employer contribution growth at 2%
• **Pensions**: Based on six-year CalPERS forecast with continued transition of employees from Classic to PEPRA benefit levels; discount rate remains at 7%
• **Vacancy Savings**: 5% reduces to 3% over 5 years
• **Non-COLA wage growth**: from step increases, turnover, and market adjustments – 0.15% annually
Pension Cost Life Cycle

1. Planned rate increases through 2023 due to phase-in of CalPERS rate structure changes
2. PEPRA savings as new employees receive lower benefits
3. Amortization of unfunded liability (most evident in 2030s and 2040s)
4. Normal costs are all that remain after unfunded liability is paid off
5. Discount rate recently reduced to 7%, total impact phased in over 7 years; forecast assumes discount rate stays at 7%
Key Expenditure Assumptions

- **Contracts**: 2% increase annually
- **Utilities**: 2% growth annually
- **Maintenance & Repairs**: 2% growth annually
- **Other Services & Supplies**: 2% annual growth
- **Capital Improvement**: General Fund dollars – flat at $1.1 million
- **Program Support**: Based on forecasts of related funds
- **Debt Service**: per restructured agreements
- **Strong Communities Tax**: expires FY 2032-33
- **GF Contingency**: $2 million spent annually
Financial Objectives

• Sticking to our financial plan
• Maintaining reserves
• CalPERS cost increases
• Balancing service demands with available resources
• Maintaining City’s ability to recruit and retain employees
Challenges Ahead

• Needs are greater than available funds
• Labor negotiations
• Cost of doing business increasing
• CalPERS rate increases
• General liability claims increasing
• Deferred maintenance
• Infrastructure needs
• Prioritizing resources – staff time and money
• ERP implementation
Looking Forward to FY 2019-20

• No change in service level does not mean no change in how dollars are spent
• Efficiencies – still need to do more with less
• Are we making the most of each dollar?
• Always consider financial impact of a decision
• Consider full cost of service in fee development
Find out more...

Questions?

<table>
<thead>
<tr>
<th>Budget</th>
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</thead>
<tbody>
<tr>
<td>Current Year</td>
</tr>
<tr>
<td>Prior Years</td>
</tr>
<tr>
<td>Fee Schedule</td>
</tr>
<tr>
<td>Long Range Financial Plan</td>
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</tbody>
</table>

**Long Range Financial Plan**

The City maintains a comprehensive and detailed long-term forecast for the City’s General Fund, referred to as the Long Range Financial Plan (LRFP). The LRFP provides a 20-year forecast used for planning and budgeting purposes.

**Background**

The LRFP is an important tool that reflects the City’s commitment to fiscal health and sustainability. This financial model is used to evaluate the immediate impact of budgetary decisions and costs of decisions for multiple years. During the budgeting process, the LRFP was reviewed by the Mayor and city council at the conclusion of the Plan of Adjustment. The Plan of Adjustment is the City’s plan to work with the court for emerging from bankruptcy. The LRFP withstands challenges by the City’s creditors and was approved by the bankruptcy court.

Since its development, the LRFP has become a dynamic tool that is updated based on current revenue and expenditure trends. Though individual variables and assumptions may change over time, the LRFP provides a consistent model to realistically forecast the City’s fiscal performance. The LRFP includes all aspects of the General Fund. It models and forecasts all General Fund revenues (property tax, sales tax, utility user fees, etc.) and expenditures in detail.

The City updates the LRFP part of the regular quarterly budget updates and presents it to the City Council and the public. These updates are part of developing the budget for the upcoming fiscal year.

The chart below is the LRFP included in the FY 2019-2020 adopted budget:

<table>
<thead>
<tr>
<th>General Fund Balance &amp; Reserve (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Balance</td>
</tr>
<tr>
<td>$100</td>
</tr>
</tbody>
</table>

Questions?
WATER POLICY
STOCKTON METROPOLITAN WATER SERVICE AREA

➢ Municipal Utilities Department – North & South Areas

➢ California Water Service Company - Center Area
STOCKTON WATER SUPPLY PORTFOLIO

- Delta Water Supply Project (40%)
  Delta
  Mokelumne River (Woodbridge ID)

- Stockton East Water District (50%)
  Calaveras River (New Hogan)
  Stanislaus River (New Melones)

- Groundwater Pumping
  1970s (100%)
  1990s (40%)
  2019 (10%)

- Groundwater = Drought Reserve
DELTA WATER SUPPLY PROJECT

➢ Water Right Permit
➢ Dedicated 2012
➢ $230M Project Cost
➢ Advanced Treatment
➢ 30 mgd Capacity
➢ Full Build Out = 160 mgd
WASTEWATER PLANT MODIFICATIONS PROJECT

- State Permit Requirements
- Treatment Plant Upgrade
- Eng. Design Nearly Complete
- Final EIR Complete
- Wastewater Rate Study
- City Council Meeting: March 26, 2019
CALIFORNIA WATERFIX

➢ Potential Negative Impacts:

1. Water Quality
2. Supply/Discharge
3. Operations
4. Increased Costs
5. Redirected Impacts
PENDING DELTA ACTIONS

➢ SWRCB Waterfix Hearing Postponed
➢ Waterfix Delta Stewardship Consistency Denied (Co-equal Goals)
➢ Other Legal Challenges - Stockton
➢ Governor’s State of the State - Reconfigured/Renamed Project?
➢ One Tunnel or Two?
➢ Other Solutions
PAST GROUNDWATER BASIN CONDITIONS

➢ Excessive Groundwater Pumping

   Agricultural Use, Municipal & Industrial Uses

➢ Basin Overdraft

➢ Saline Water Intrusion

➢ Well Contamination
Stockton Groundwater Sustainability Area (GSA)

- New JPA (GWA)
- Develop Groundwater Sustainability Plan (GSP)
- Solve Critical Groundwater Basin Overdraft
GS PLAN - 6 SUSTAINABILITY INDICATORS TO BE ADDRESSED

1. Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply

2. Significant and unreasonable degraded water quality

3. Significant and unreasonable reduction of groundwater storage

4. Significant and unreasonable land subsidence

5. Significant and unreasonable seawater intrusion

6. Depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water
Projects and Management Actions Will Be Used to Solve Overdraft

Total Water Use

- **Projected Condition**
  - Overdraft
  - Sustainable Groundwater Yield

- **Sustainable Condition**
  - Projects and Mgmt Actions
  - Sustainable Groundwater
  - Surface Water
SJAFCA – NEW REGIONAL FLOOD CONTROL

- SB5 200-year Flood Protection
- SJAFCA JPA (Stockton, Lathrop & Manteca & County)
- Mossdale Tract APR
- Lower San Joaquin River Feasibility Study
- Smith Canal Project
- Zone 9 Assessment Outreach
MOSSDALE TRACT

- 2018 Adequate Progress Finding
- New Development Impact Fee
- Other Financing
- Complete Levee Improvement Design
- Project Costs Est. $200M
- Construction Complete by 2025
LOWER SAN JOAQUIN FEASIBILITY STUDY

- 2009 USACE Study
- Flood Reduction for City’s Western Front
- 2018 Final EIR/EIS
- 2018 WRDA Federal Authorization
- 2019 Initial Phase I Design Funding ($9M)

Study Area

North and Central Stockton
- Urbanized
- Some areas below sea level
- Primary sources of flooding:
  - Delta Front (up to 10 ft)
  - Tributaries (up to 10 ft)

RD 17
- Protected Area:
  - 60% Urban
  - 40% Undeveloped
- Primary Sources of Flooding:
  - San Joaquin River (up to 20 ft)
PREFERRED PROJECT ALTERNATIVE

- 23 Miles of Levee Improvements with 2 Gate Structures
- Flood Reduction for 162,000 and Over 486 Critical Infrastructure Sites
- 83% Reduction in Expected Annual Damages
- Reduced Annual Chance of Flooding
- Will not Meet ULOP
- Project Cost Est. $1.07B
- Local share Est. $374M
- Mossdale Tract (Phase II)
SMITH CANAL PROJECT

➢ 2005 - FEMA No PAL
➢ 2013 - Design Contract
➢ 2015 - Final EIR
➢ Present Status:
  • 90%+ Design
  • Independent Review complete
  • Litigation Pending
  • Funding Available
  • Project $37M
INTEGRATED REGIONAL WATER RESOURCES MANAGEMENT

➢ Future Statewide Solutions Available:
  ➢ Flood
  ➢ Water
  ➢ Groundwater
  ➢ Stormwater
  ➢ Resources Management

California Water Plan
Update 2009
ECONOMIC DEVELOPMENT
Economic Indicators
### Stockton Statistics

#### Unemployment Rates

<table>
<thead>
<tr>
<th></th>
<th>2018 (Dec)</th>
<th>2015 (Dec)</th>
<th>2010 (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockton</td>
<td>6.9%</td>
<td>9.2%</td>
<td>18.6%</td>
</tr>
<tr>
<td>San Joaquin</td>
<td>5.5%</td>
<td>8.5%</td>
<td>17.4%</td>
</tr>
<tr>
<td>California</td>
<td>4.1%</td>
<td>5.7%</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

#### Median Household Income (US Census)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2010</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockton</td>
<td>$48,396</td>
<td>$47,946</td>
<td>$35,453</td>
</tr>
<tr>
<td>San Joaquin</td>
<td>$57,813</td>
<td>$54,341</td>
<td>$41,216</td>
</tr>
<tr>
<td>California</td>
<td>$71,805</td>
<td>$59,540</td>
<td>$47,983</td>
</tr>
</tbody>
</table>
# Industrial/Commercial Development

## Historical Permit Valuation

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013-14</td>
<td>$153 Million</td>
</tr>
<tr>
<td>FY 2014-15</td>
<td>$212 Million</td>
</tr>
<tr>
<td>FY 2015-16</td>
<td>$306 Million</td>
</tr>
<tr>
<td>FY 2016-17</td>
<td>$334 Million</td>
</tr>
<tr>
<td>FY 2017-18</td>
<td>$497 Million</td>
</tr>
</tbody>
</table>

- More than 4 million s.f. of new industrial building permits were approved in 2018
- Facilitated over 66 ERC meetings in 2018
Housing Trends

<table>
<thead>
<tr>
<th>Median Home Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>Stockton</td>
</tr>
<tr>
<td>San Joaquin</td>
</tr>
</tbody>
</table>

- Stockton’s homeownership rate is aprx 48%, compared to the state average of 55% and national average of 64%.
- The average monthly rent in Stockton was $1,070 for a one-bedroom & $1,301 for a two-bedroom apartment (March 2018). As the demand for housing increases, it’s anticipated that rents will continue to climb.
Economic Development
Economic Development Programs

- Hire Stockton (New)
- Storefront Beautification Micro Grant (New)
- Commercial Facade Improvement Grant
- Small Business Micro Loan
- Downtown Financial Incentive
- Commercial Emergency Grant
- Commercial Lien Forgiveness
- Nonresidential Fee Deferral (PFFs)
- Short-term Fee Deferral (PFFs)
- Temporary Fee Reductions (PFFs)
- Local Bid Preference Ordinance
- SCIP and PACE Financing
Economic Development Program Activity (2018)

- 3 Storefront Beautification Micro Grant Applications Received
- 8 Commercial Facade Improvement Applications Received
- 6 Small Business Micro Loan Applications Received
- 4 Downtown Financial Incentive Applications Received
- 1 Commercial Emergency Grant Application Received
- 4 Commercial Lien Forgiveness Applications Received
- 7 Residential Lien Forgiveness Applications Received

- Developed a social media plan and launched the Economic Development Twitter and Instagram accounts. Began using the City’s LinkedIn page to share business and development-focused stories.
Downtown Development

• **Bearpaw Equities** – Tretheway, Mansion House, 500 E Main
  - 70 market-rate housing units
  - Commercial tenants, including The Freckled Moon gift shop

• **Open Window Project** – Phase I
  - 225 market-rate housing units
  - 90,000 sf of commercial/retail space

• **Charter Schools expanding** – Stockton Collegiate & Team Charter

• **Commercial Activity**
  - Services: D’lilah’s Cakery, Uniqo Salon, Golden Rose Barber
  - Coffee: Empresso, Trail, Terra, Starbucks
  - Restaurants: Downtowner Cafe, Dobo, Cast Iron, Deliberation Room, Sunshine Hawaiian BBQ, Mimosas Gourmet, Channel Brewing
  - Former Greyhound Station to house new retail (Dutch Bros/7-11)
  - Huddle, Café Coop, Hatch, Most Modest & J. Rusten Furniture Studio
Industrial Development

A total of more than 4 million s.f. of new industrial development and approximately 2,500 jobs in 2018, including:

- CT Realty
- Amazon
- Buzz Oates
- JL Precision
- Yosemite Foods
- Whirlpool
- Sioneer
- Pacific Paper Tube
- Lamar Tool & Die Casting
Quality of Life

- Welcomed the Stockton Kings G League team to the Stockton arena for the 2018-19 season.
Retail/Commercial Development

- WelbeHealth Senior Care – University Park
- Granite Expo – West Lane
- Sportsman Warehouse – Trinity Parkway
- Ashley Home Store – Trinity Parkway
- Family Dollar – Airport Way
- Ross Stores – Hammer Lane
Food & Ag Action Plan

• Plan completed July 2017 - created a roadmap for addressing topics such as:
  • Fostering a supportive agricultural enterprise ecosystem
  • Promoting food and beverage manufacturing
  • Agricultural workforce development
  • Addressing food insecurity
  • Leveraging region’s agricultural bounty & entrepreneurial spirit
Food & Ag Action Plan

• Currently underway:
  • Co-hosted first Feast at the Fox farm-to-table event with Visit Stockton in May 2018; next event planned for May 10, 2019
  • Developed “Stocked Full of Produce” program that provides up to $10k in grant funding for retrofits to neighborhood stores located in food deserts to offer fresh produce
  • In the process of developing an Urban Ag Ordinance
Current Real Property Projects

• Acquisition of Waterfront Towers for future City Hall (January 2018). Space planning underway.

• Option Agreements
  • Ten Space – various downtown properties
  • STAND – Airport Way and 8th Street
  • 1501 S Airport LLC – Airport Way and 2nd Street

• RFI’s underway:
  • Historic City Hall
  • Downtown Waterfront Properties – South Shore

• Assisting with utility easements for the Veteran’s Medical Facility and Smith Canal Flood Gate.

• Received $600,000 Brownfields grant from EPA for property assessments in downtown.
Stockton Opportunity Zone

Opportunity Zones Tax Incentives

The Opportunity Zones program offers three tax incentives in low-income communities through a qualified Opportunity Fund:

- **Temporary Deferral**
  Investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged, or December 31, 2026.

- **Reduction**
  If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain. If held for more than 7 years, the 10% becomes 15%.

- **Permanent Exclusion**
  A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years.

Source: IRS, Economic Innovation Group
Stockton Opportunity Zone

Opportunity Zone Regions

Stockton has 19 Opportunity Zones that are located in five different regions throughout the city.

Each region has its own characteristics, anchor institutions, and competitive advantages.

Nationally Recognized Prospectus
Micah Runner, Director
Economic Development Department
City of Stockton

www.stockonca.gov
209-937-8539