



# Opportunity Zones

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September 21, 2018

# OZ Basics

Opportunity Zones is a new federal incentive that offers capital gains deferrals, reductions and abatements for investments made in designated Opportunity Zones.

## **Opportunity Zones**

Opportunity Zones are low-income, high-poverty Census tracts designated by state governments targeted for economic development.

## **Opportunity Fund**

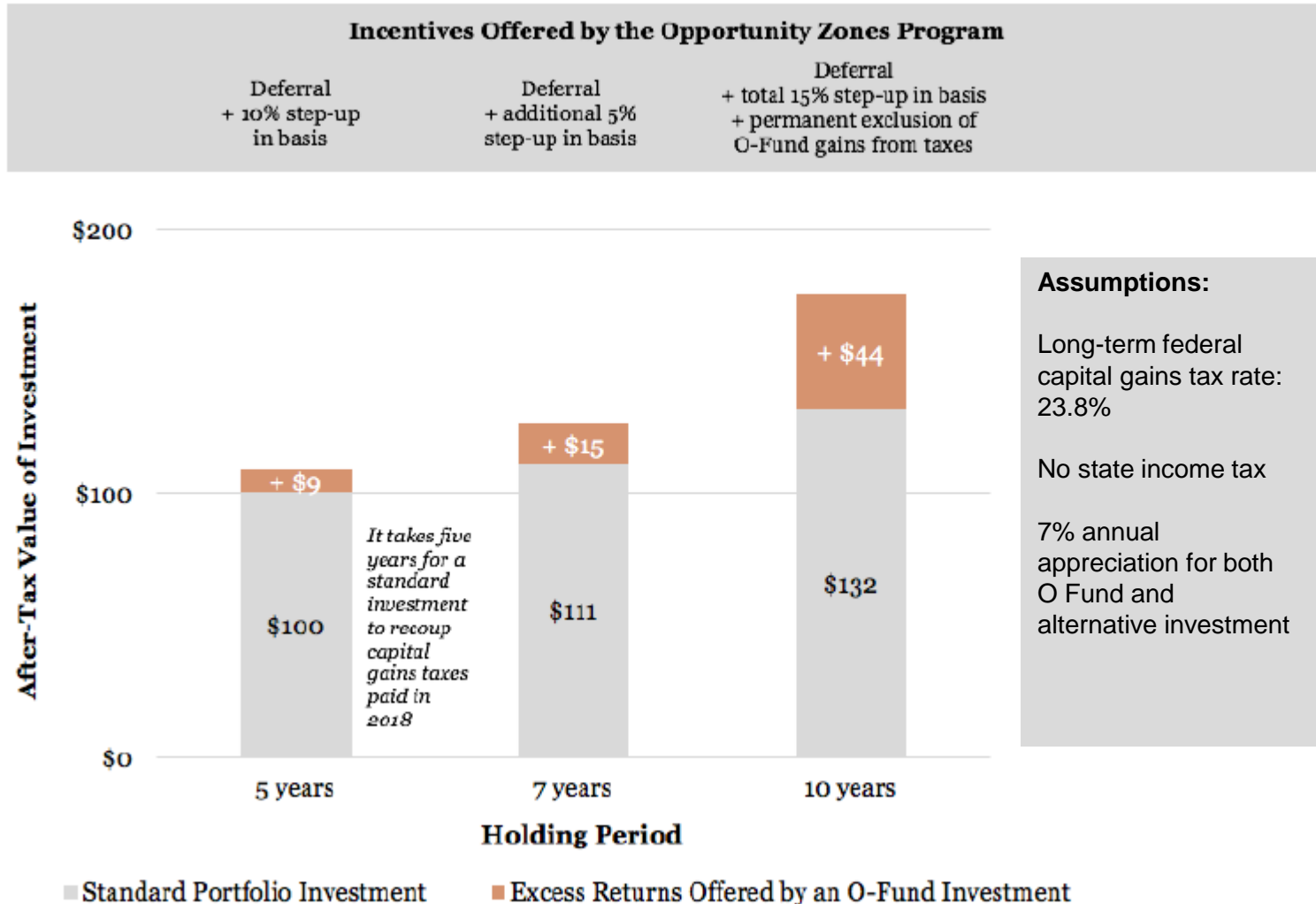
The implementation mechanism: an Opportunity Fund is the investment vehicle. Must invest 90% of assets in Qualified Opportunity Zone stock. Self-certified and will be checked semi-annually.

## **Qualified Opportunity Zone Property**

Includes newly issued stock, partnership interests, or business property. OF investments are limited to equity investments in businesses, real estate, and business assets that are located in a Qualified Opportunity Zone.

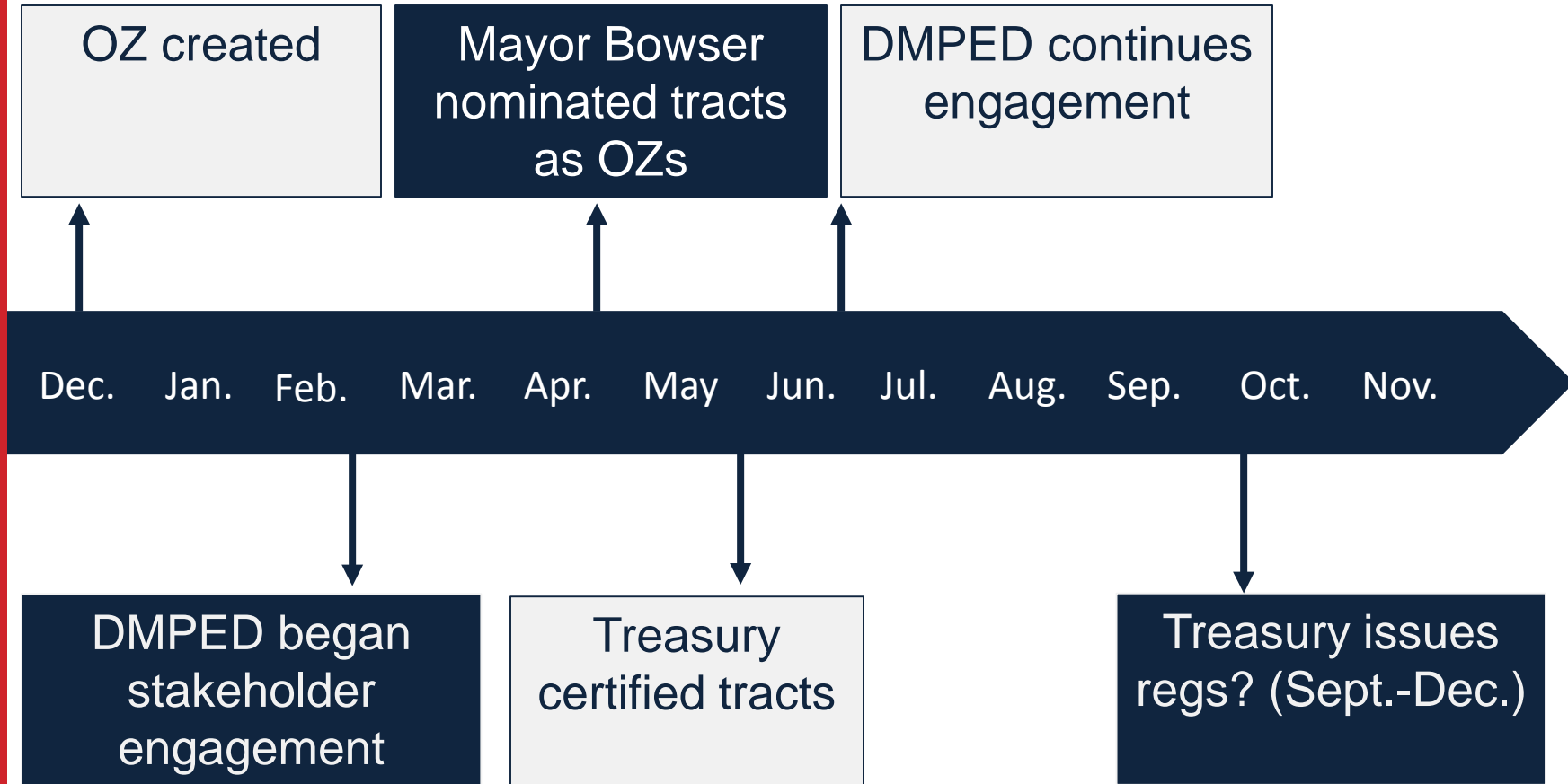
# How Opportunity Funds Work

Figure 1. Investing in an Opportunity Fund vs. a Standard Stock Portfolio  
Scenario: A Capital Gain of \$100 is Reinvested in 2018

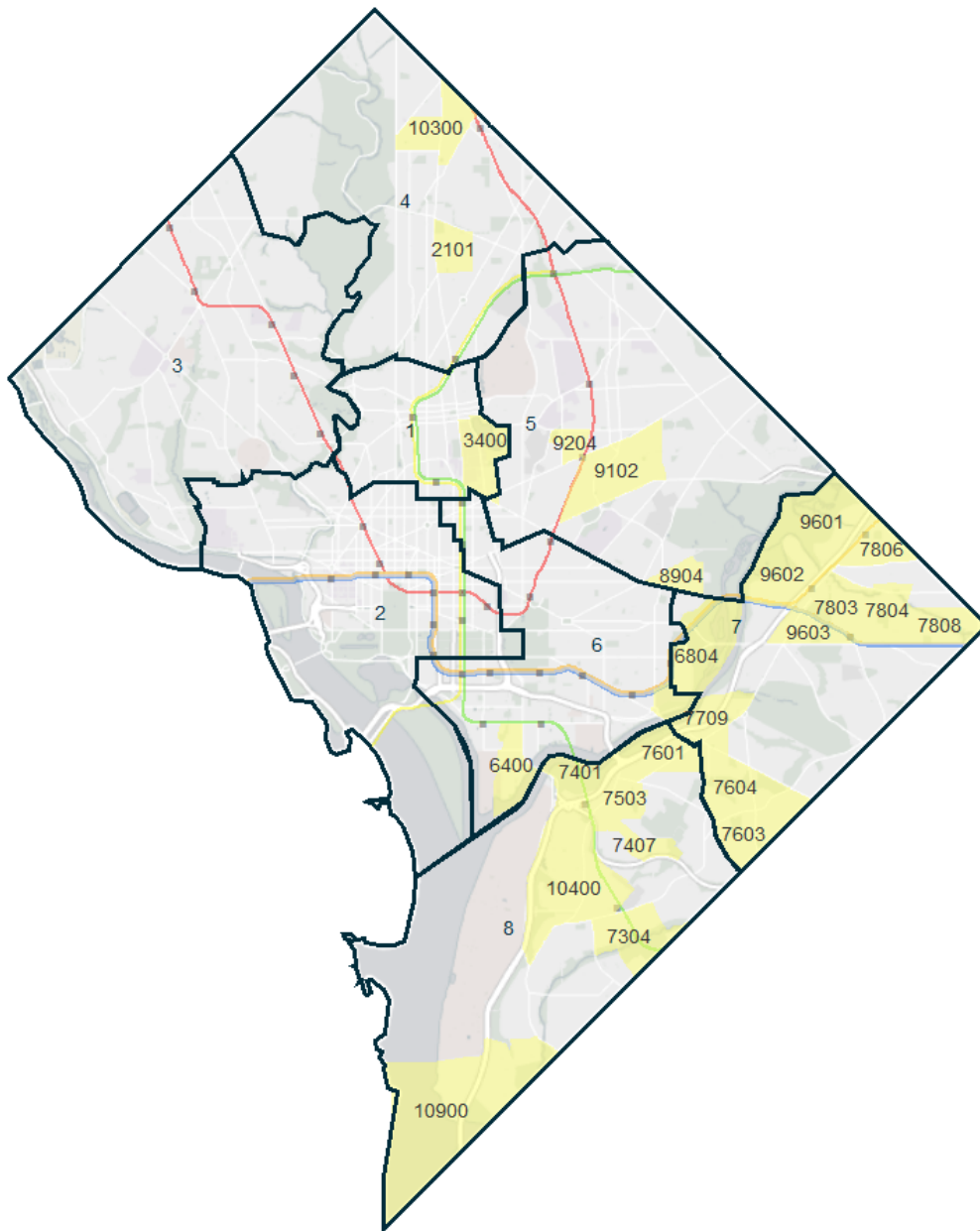


Source: Economic Innovation Group

# Opportunity Zones Timeline



# Designated Opportunity Zones

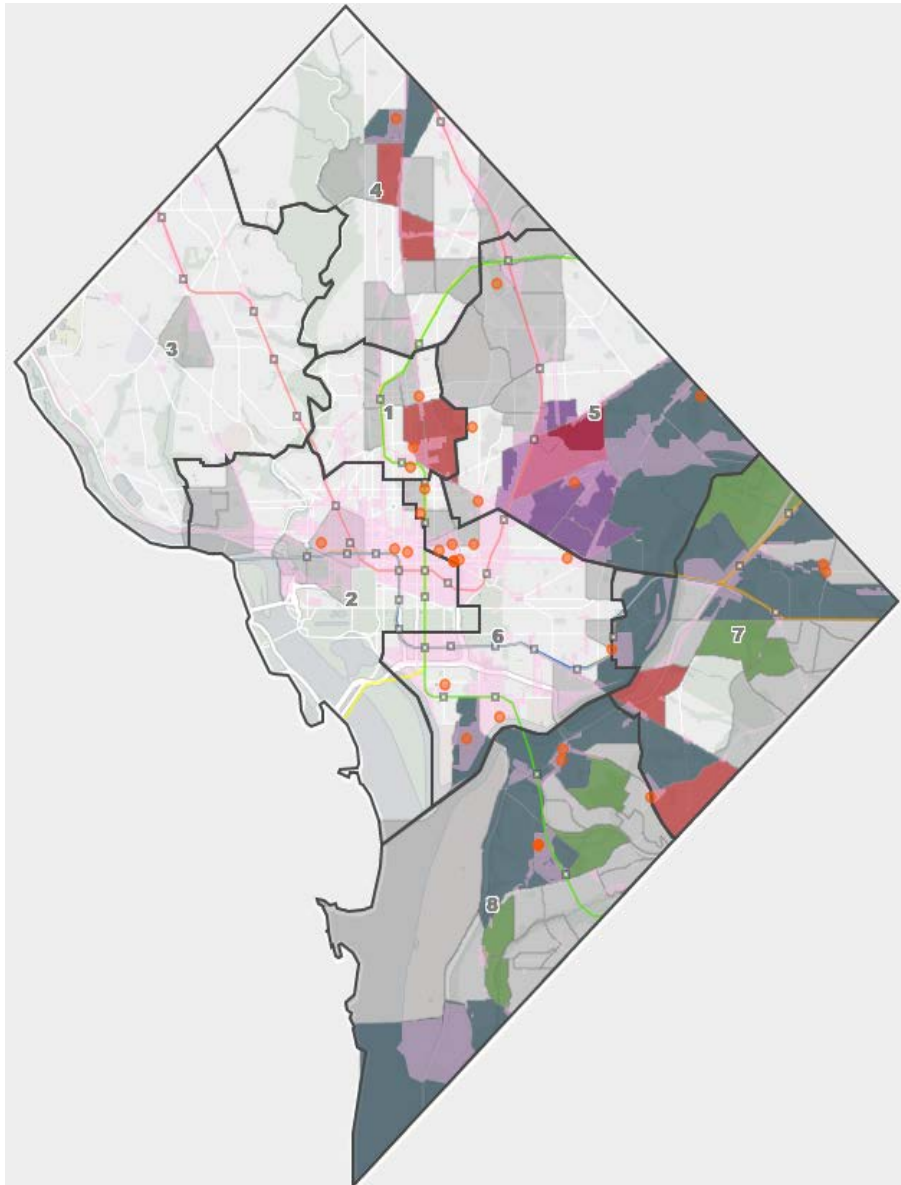


Census Tract	Ward	Neighborhood
2101	4	Brightwood Park
3400	1	Howard University, LeDroit Park, Pleasant Plains, Park View
6400	6	Buzzard Point
6804	7	Hill East
7304	8	Congress Heights
7401	8	Barry Farm, Poplar Point
7407	8	Fort Stanton
7503	8	Historic Anacostia
7601	8	Fairlawn
7603	7	Naylor Gardens, Fairfax Village
7604	7	Hillcrest, Randle Highlands
7709	7	Twining, Dupont Park
7803	7	Central Northeast
7804	7	Lincoln Heights
7806	7	Deanwood
7808	7	Northeast Boundary, Grant Park
8904	5	Carver Langston
9102	5	Brentwood
9204	5	Edgewood
9601	7	Kenilworth, Eastland Gardens
9602	7	Mayfair, Parkside
9603	7	Benning
10300	4	Shepherd Park, Takoma
10400	8	Congress Heights
10900	8	Bellevue

# Designated Opportunity Zones vs. Eligible/Not Selected Tracts

Metric	Selected	Not Selected	Difference
Unemployment Rate	22.2%	17.4%	4.8%
Poverty Rate	32.2%	26.0%	6.2%
Commercial Density	20.2%	15.0%	5.2%

# Designation Process



## Legend ⤴

- DMPED Real Estate Projects
- Zoning Regulations of 2016 - Commercial
- 18 Core Census Tracts
- OPTION 1 - East of the River
- OPTION 2 - Retail Corridors
- OPTION 3 - Creative Industries & Manufacturing
- All Eligible Opportunity Zone Census Tracts

# Stay Engaged

**DC Opportunity Zone  
Information**

**[Oppzones.dc.gov](http://Oppzones.dc.gov)**



# Desired Outcomes of OZ Investment

1

Deliver new amenities, such as retail and fresh food grocers

2

Capitalize DC businesses

3

Increase affordable and workforce housing

4

Create jobs for residents and pathways to the middle class

# Incentives Lookup: incentives.dc.gov

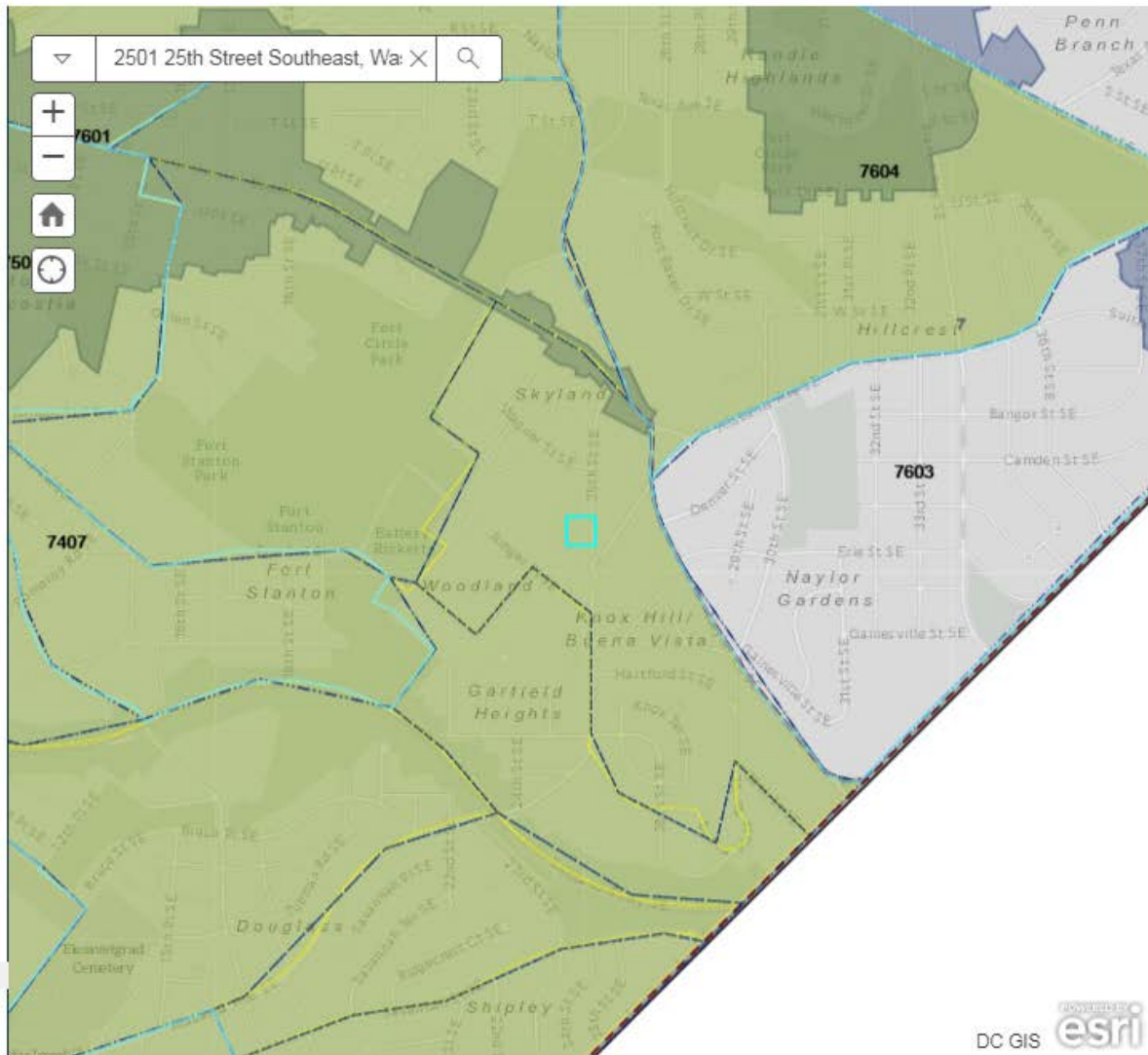


Enter address or click directly on map to locate DC Business Incentives

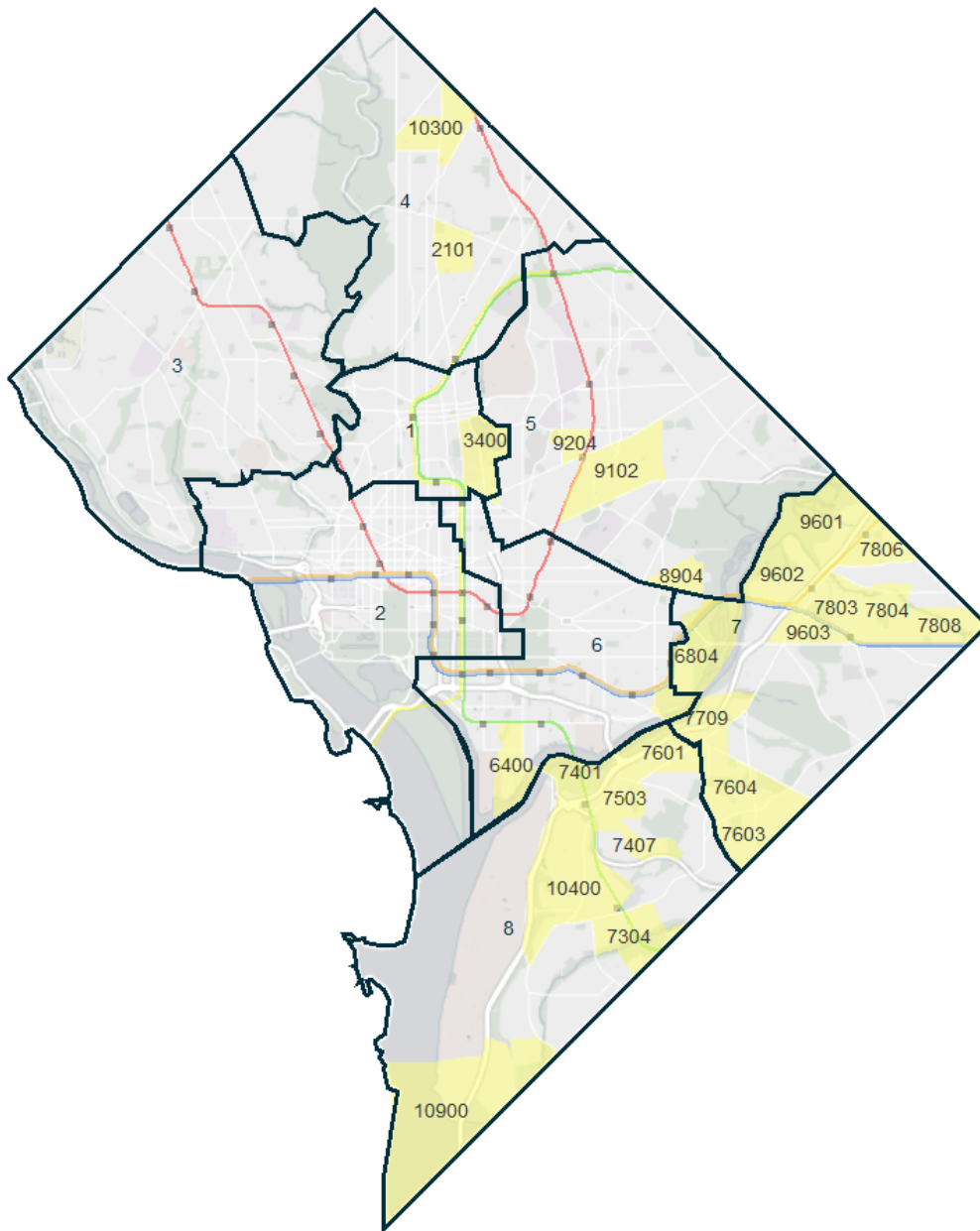
## Eligible Incentives for this Location

### Ward 8

- High Technology Development Zone
- Supermarket Tax Credit Zone
- Historically Underutilized Business Zone
- East of the River (EOR) Arts and Humanities
- Wards 7 & 8 Storefront Facade Improvement
- Neighborhood Prosperity Fund



# Designated Opportunity Zones



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