



Opportunity Zones

Metropolitan Washington
Council of Governments

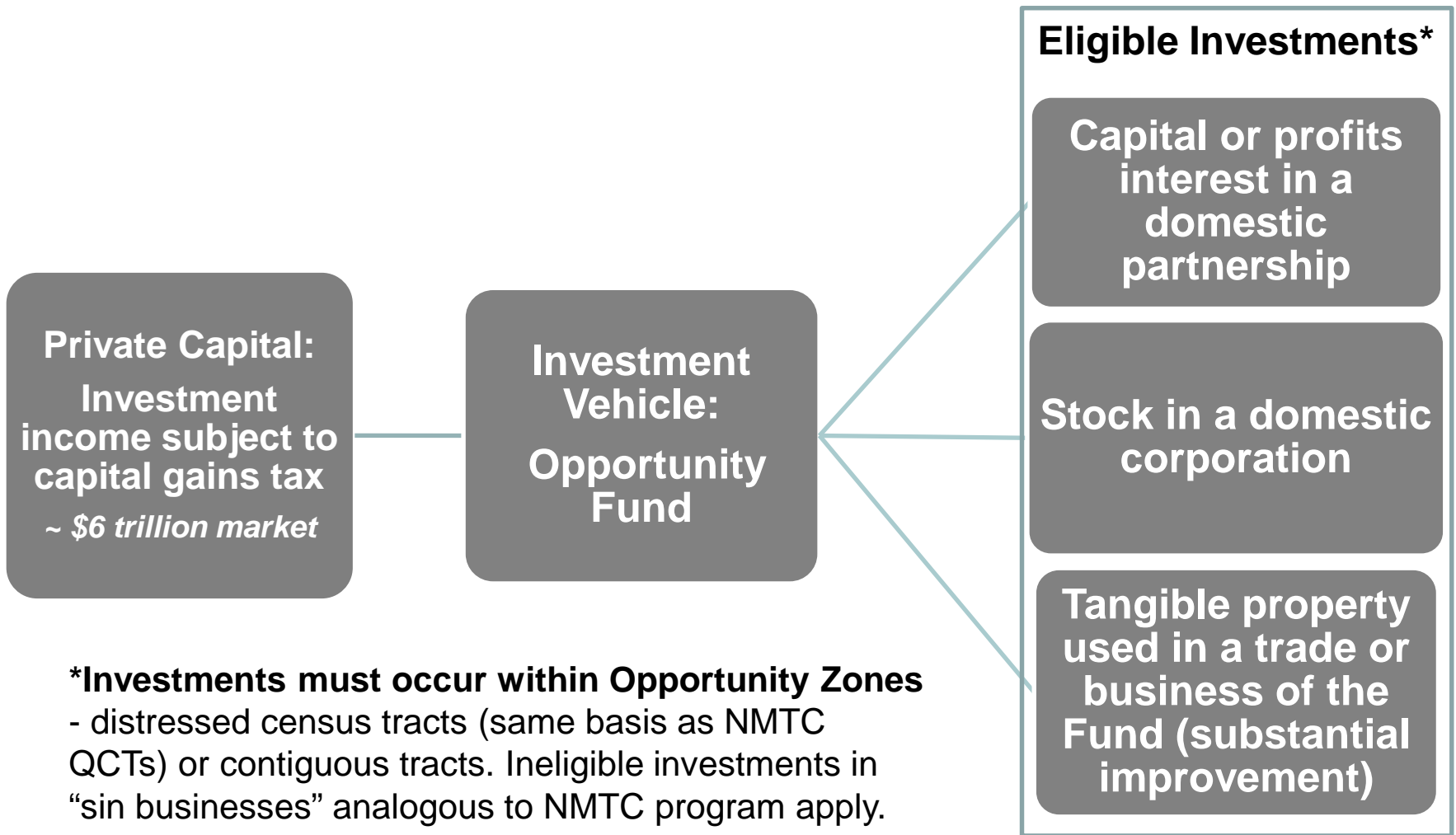
June 13, 2018



Opportunity Zones Background

- **Enacted in tax reform (Tax Cuts and Jobs Act)**
 - Investing in Opportunity Act, bipartisan support (114th, 115th Congress)
 - Senators Scott and Booker, Congressmen Tiberi and Kind
 - Economic Innovation Group
- **Tax benefits** to encourage individuals and corporations to invest in distressed communities – Opportunity Zones
 - IRS will oversee, not a tax program
 - No reporting requirements, state oversight, or investment mandates
- **Opportunity Fund** vehicle could reduce transactional friction and connect investors to overlooked but credit-worthy investment opportunities
- **Equity investments in growth-stage businesses and real estate**
 - Intent was to spur economic growth and job creation

Overview of Structure

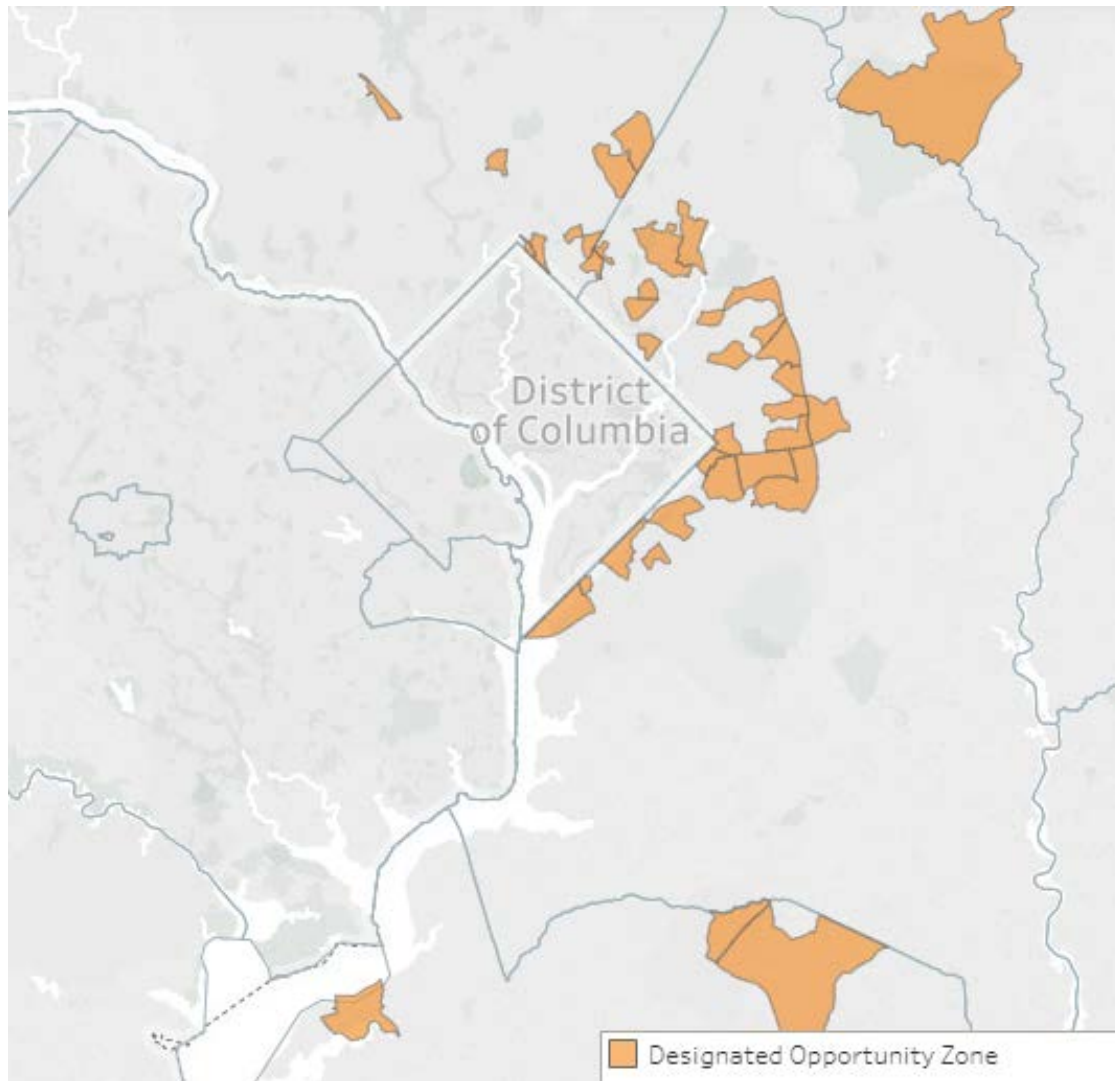


Opportunity Zones – Washington, D.C, Maryland, Virginia

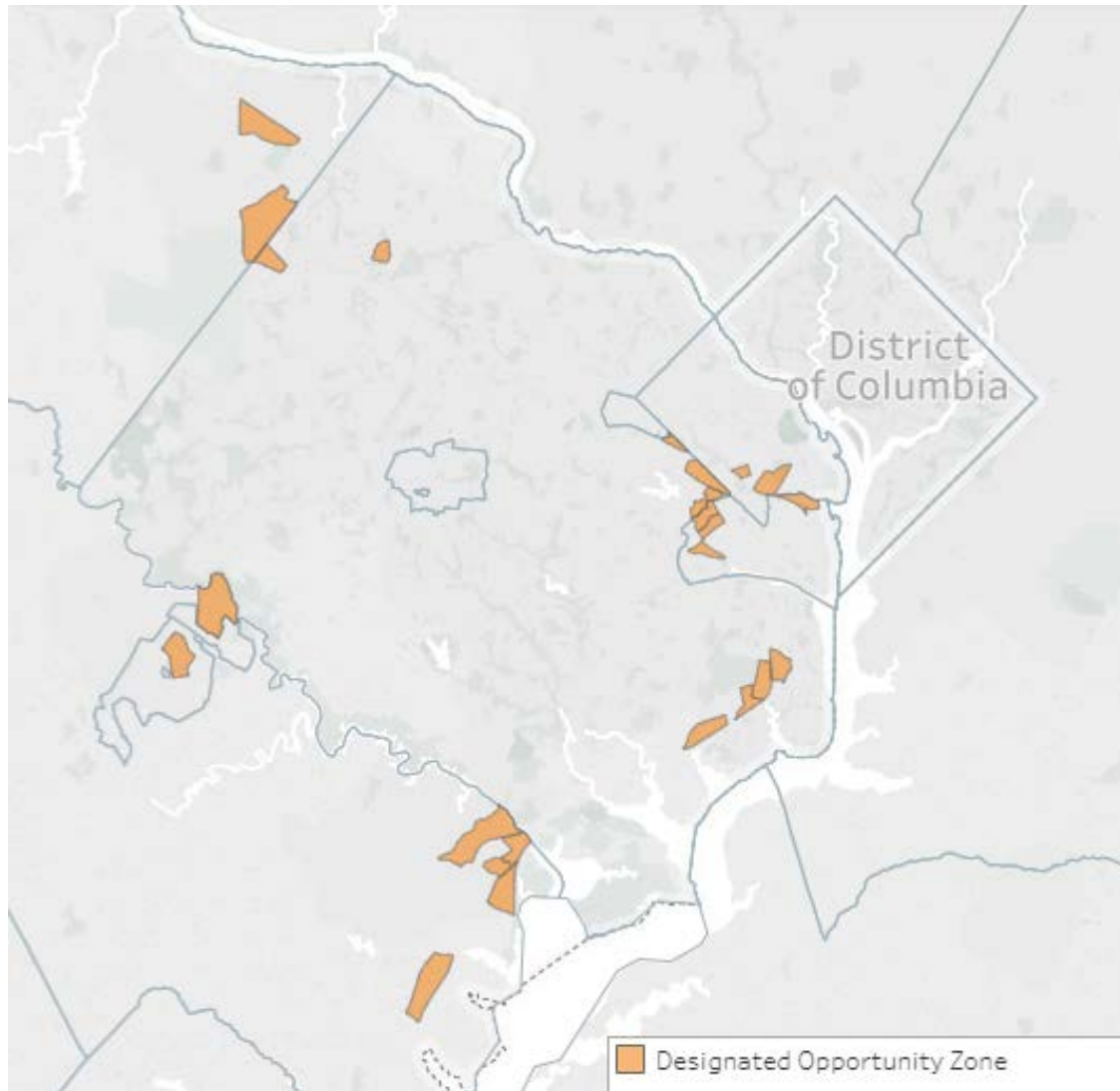
- **385 tracts across Washington, D.C., Maryland, and Virginia designated as Opportunity Zones (May 2018)**
 - Washington, D.C.: 25 census tracts
 - Maryland: 149 census tracts
 - Virginia: 211 census tracts

- **Immediate Region**
 - Washington, D.C.: 25 census tracts
 - Maryland: 30 - 40 census tracts
 - Virginia: ~25 census tracts

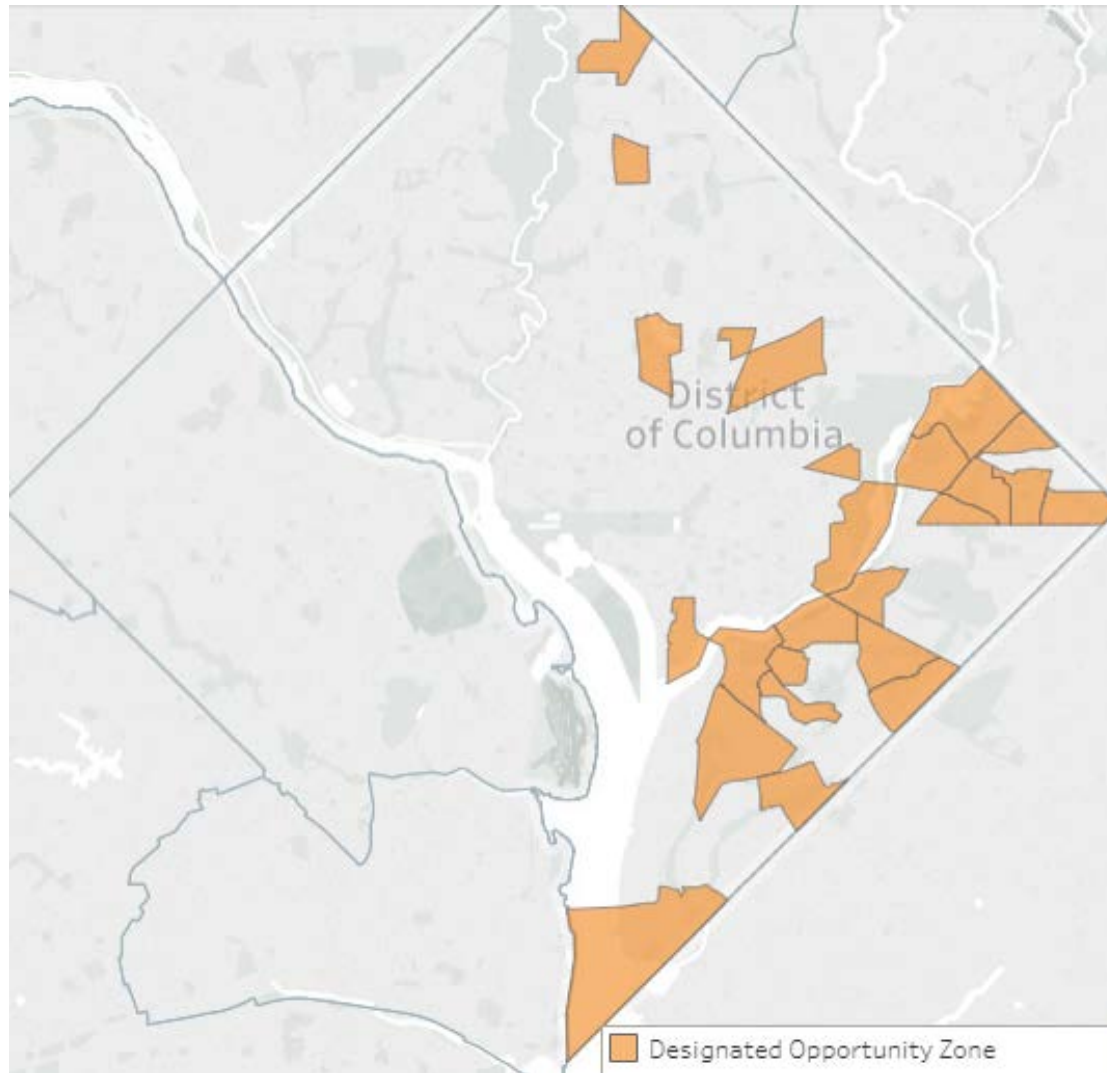
Opportunity Zones – Maryland



Opportunity Zones – Virginia



Opportunity Zones – Washington, D.C.



What's Next for States, Cities and Communities

- **Key moment for public sector leaders and local stakeholders to get involved. Ensure that investments will:**
 - Foster equitable and inclusive economic development
 - Expand access to opportunity for existing residents, local businesses
- **Harness existing tools and create new tools and strategies to:**
 - Protect residents and business owners from displacement
 - Attract investment aligned with local priorities and community needs
 - Ensure transparency and monitoring of investments

Inclusive Growth: Prevent Displacement, Attract Investment

- **Balancing need to prevent displacement and attract investment**
- **Prevent Displacement**
 - Engage existing residents and businesses in planning
 - Proactive approach to protecting and creating affordable homes and commercial space
 - 27% of residents in Opportunity Zones pay more than half of their income on housing. How can states and mayors begin planning and direct resources to ensure the subsidized affordable housing stock is preserved.
- **Attract Investment**
 - Online Portal: Make data available, inventory local assets
 - Letters of Interest: Investors and Fund Managers
 - Convene stakeholders: Local philanthropy and corporations
 - Incent certain types of activity: Leverage add-on incentives, gap financing, risk mitigation
 - Create public funds; partner with local financial intermediaries to facilitate deal flow.

Transparency and Monitoring

- **Uncertain what reporting requirements will be mandated at federal level**, and whether that data will be made available to public
- **Advocacy efforts** to implement the framework suggested by Congress for tracking and evaluating investment activity and its impact in local communities
 - Joint Economic Committee hearing - [The Promise of Opportunity Zones](#)
- **States and local jurisdictions should collect transaction-level data** so that the public and Congress can evaluate the program's effectiveness
 - Did communities benefit? How?
 - Were there unintended consequences?
 - Potential abuses?
 - Can tie disclosure requirements to state-level resources. Has this property or business received Opportunity Fund investments?

Opportunity360 Mapping Tool

Opportunity Zone Eligibility Tool

Maximum Tract Designations, Based on CDFI Fund Determination:

D.C. 25

Filtered Eligible Tracts:

Low-Income Communities	Eligible Contiguous Tracts
103	19

Select State *
D.C. ▼

Rural or Urban
(All) ▼

Intersects Tribal Tract(s)
No ▼

County
District of Columbia ▼

Opportunity Zone Designation
(All) ▼

Safe Harbor Status
(All) ▼

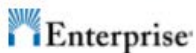
Federal Place-Based Program Filters

Includes NMTC Investments(s) (All) ▼	Includes Empowerment Zones(s) (All) ▼
Intersects Promise Zones(s) (All) ▼	Qualified Census Tract (All) ▼
Includes Section 538 project(s) (All) ▼	Intersects Choice Neighborhoods(...) (All) ▼
Includes CDBG Project(s) (All) ▼	Includes Sect. 514 or 515 project(s) (All) ▼

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Enterprise Community Partners - Opportunity360 Filters



Overlays

- QCT vs Contiguous
- Rural/urban
- Tribal/non-tribal
- Safe Harbor status
- NMTC investments
- Empowerment Zones
- Promise Zones
- Section 538 projects
- Choice Neighborhoods
- CDBG investments
- Section 514/515 projects

Opportunity360 Toggles

- Housing Stability
- Economic, Health
- Mobility, Education

Additional Resources

CDFI Fund, Treasury - [Opportunity Zones Resource Page](#)

Economic Innovation Group - [Opportunity Zones Landing Page](#)

Council of Development Finance Agencies – [Resource Page](#)

Enterprise Community Partners - [Opportunity Zones Information Page](#)

Letter to Treasury on Opportunity Zones Implementation

Updated Opportunity360 Maps

New Podcast: Opportunity Zones – Promises and Pitfalls

Blog Posts: tax benefits for investors, letter to Treasury, etc.

Additional Information and Reading

Sign-up for Breaking News!

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