



Opportunity Zones

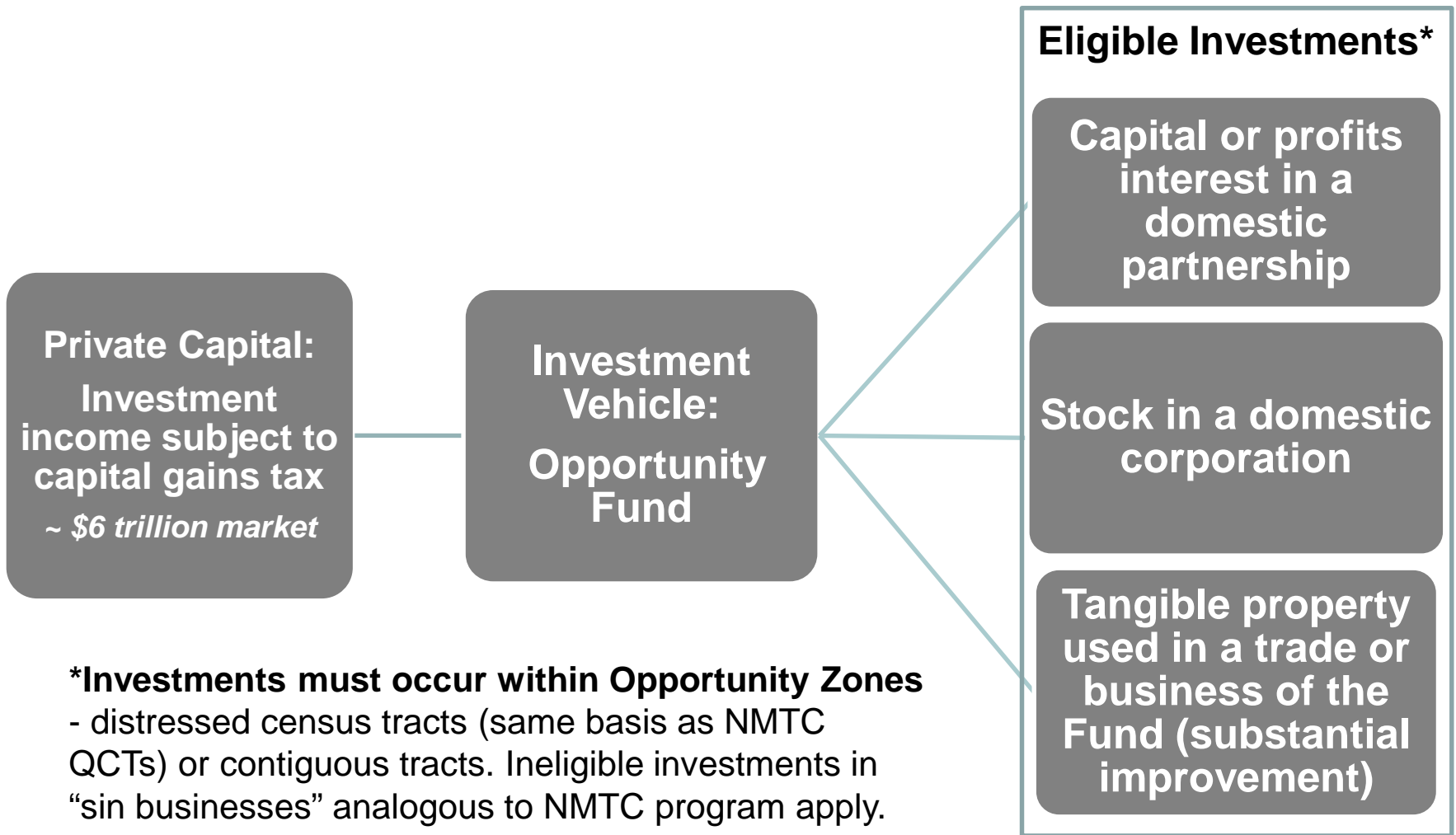
July 12, 2018



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

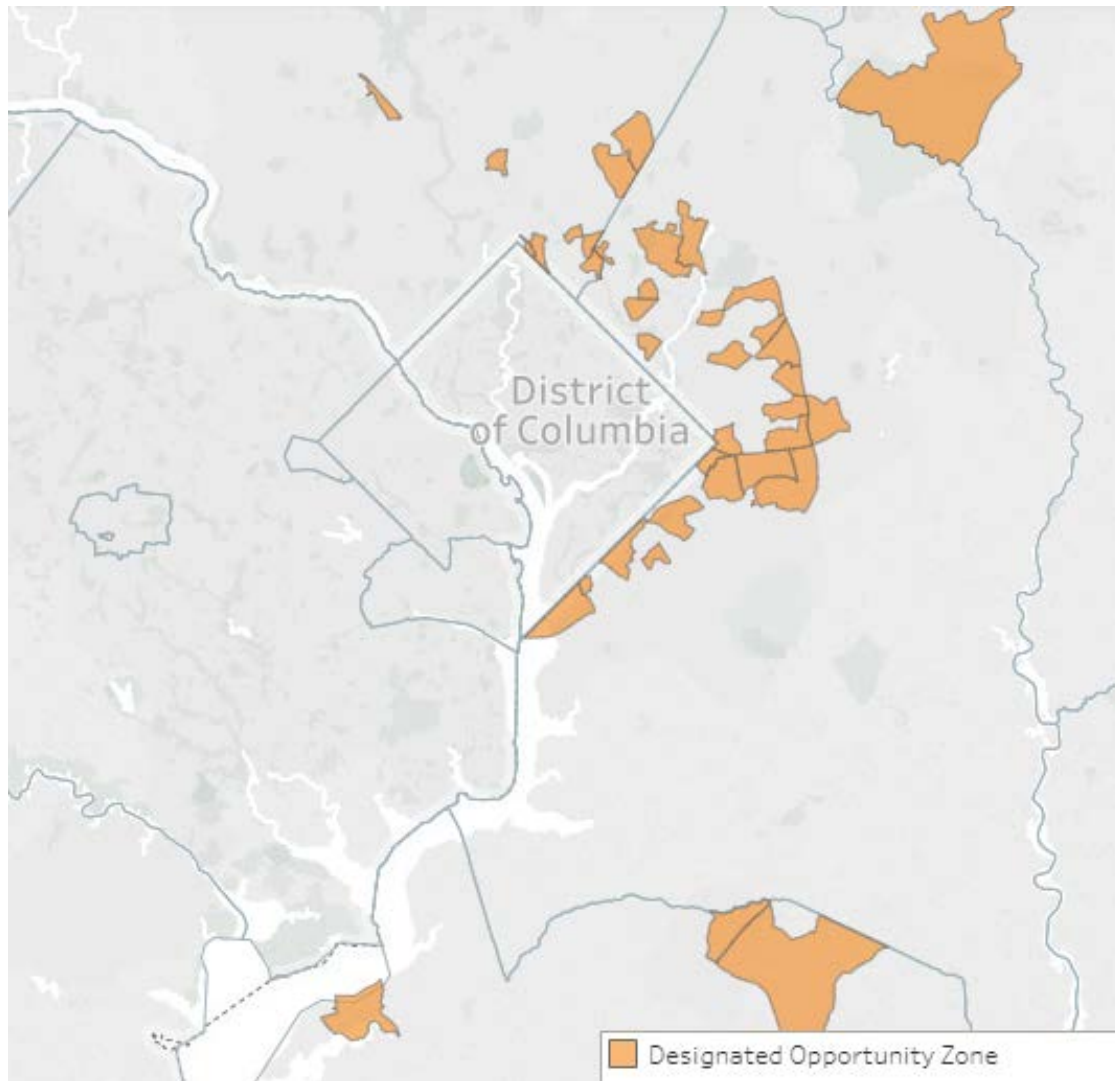


Opportunity Zones – Washington, D.C, Maryland, Virginia

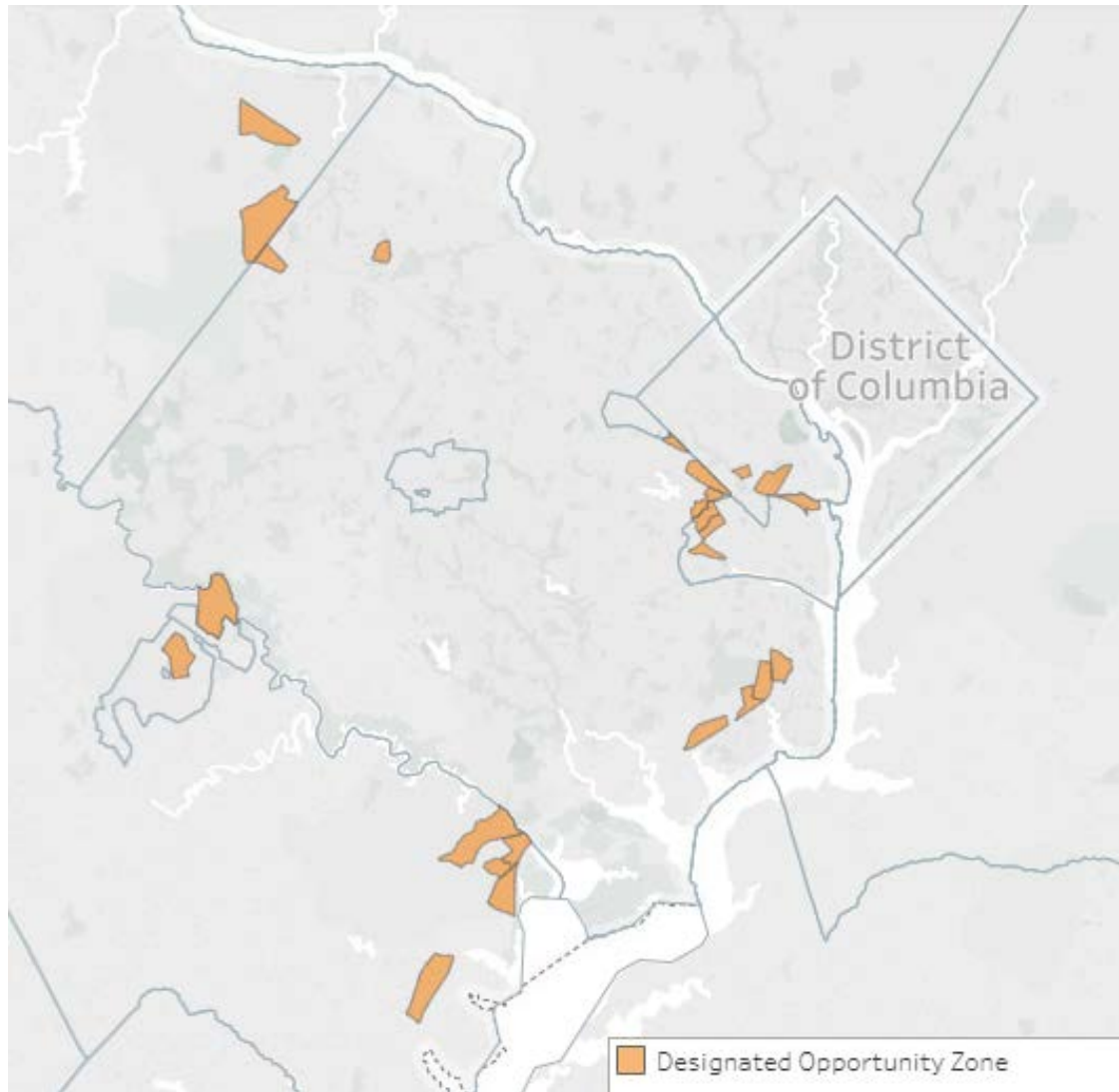
- **96 Opportunity Zones within Metropolitan Washington Council of Governments footprint (May 2018)**
 - District of Columbia: 25 census tracts
 - Suburban Maryland: 47 census tracts
 - Northern Virginia: 24 census tracts

- **Statistics of these Opportunity Zones**
 - Poverty Rate: 20%
 - Median Family Income: \$63,000
 - Total Population: 435,854

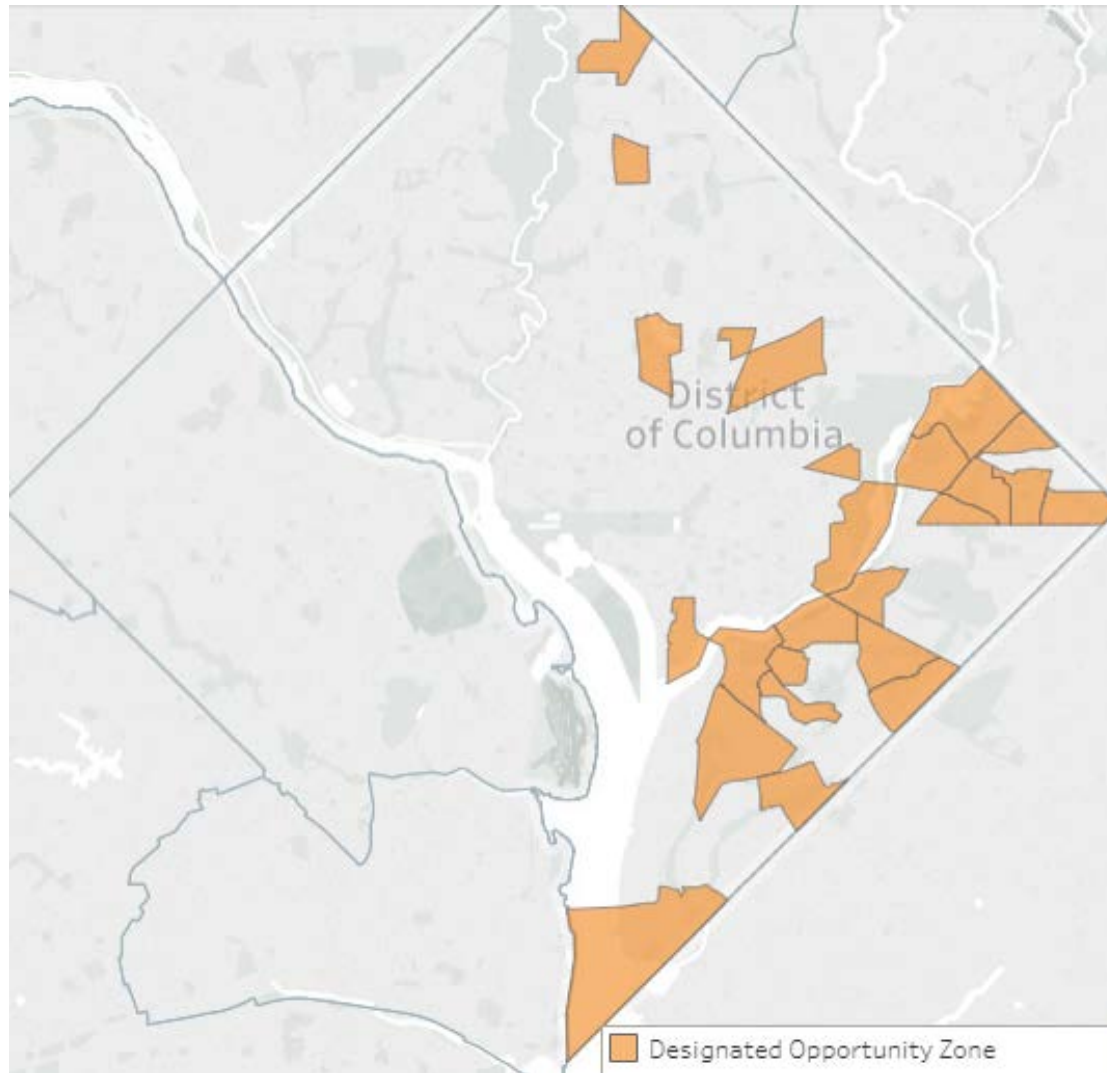
Opportunity Zones – Maryland



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 small area planning
 - Proactive approach to protecting and creating affordable homes and commercial space
 - Example: 27% of residents in Opportunity Zones pay more than half of their income on housing. States and mayors can begin planning to direct resources that ensure subsidized affordable housing stock is preserved.
- **Attract Investment**
 - Online Portal - Make data available, inventory local assets
 - Site Tours and Education - Convene investors, developers, businesses, philanthropy, community stakeholders, etc.
 - Letters of Interest - Investors and Fund Managers
 - 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
 - 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 103 Eligible Contiguous Tracts 19

Select State: County:

Rural or Urban: Opportunity Zone Designation:

Intersects Tribal Tract(s): Safe Harbor Status:

Federal Place-Based Program Filters

Includes NMTC Investments(s): Includes Empowerment Zones(s):

Intersects Promise Zones(s): Qualified Census Tract:

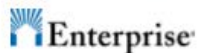
Includes Section 538 project(s): Intersects Choice Neighborhoods(...):

Includes CDBG Project(s): Includes Sect. 514 or 515 project(s):

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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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