



Opportunity Zones 2.0 Public Webinar

July 2026



AGENDA

Today's webinar will discuss how the Opportunity Zones incentive can continue to meet the District's economic and community development goals and present preliminary recommendations for OZ 2.0 designated census tracts.

Opportunity Zones 1.0

- What are Opportunity Zones?
- How has this incentive been used in the District?
- District Resources for Opportunity Zones

Opportunity Zones 2.0

- Changes to Opportunity Zones
- Opportunity Zones 2.0 Designation Process
- DMPED Opportunity Zones 2.0 Preliminary Recommendations

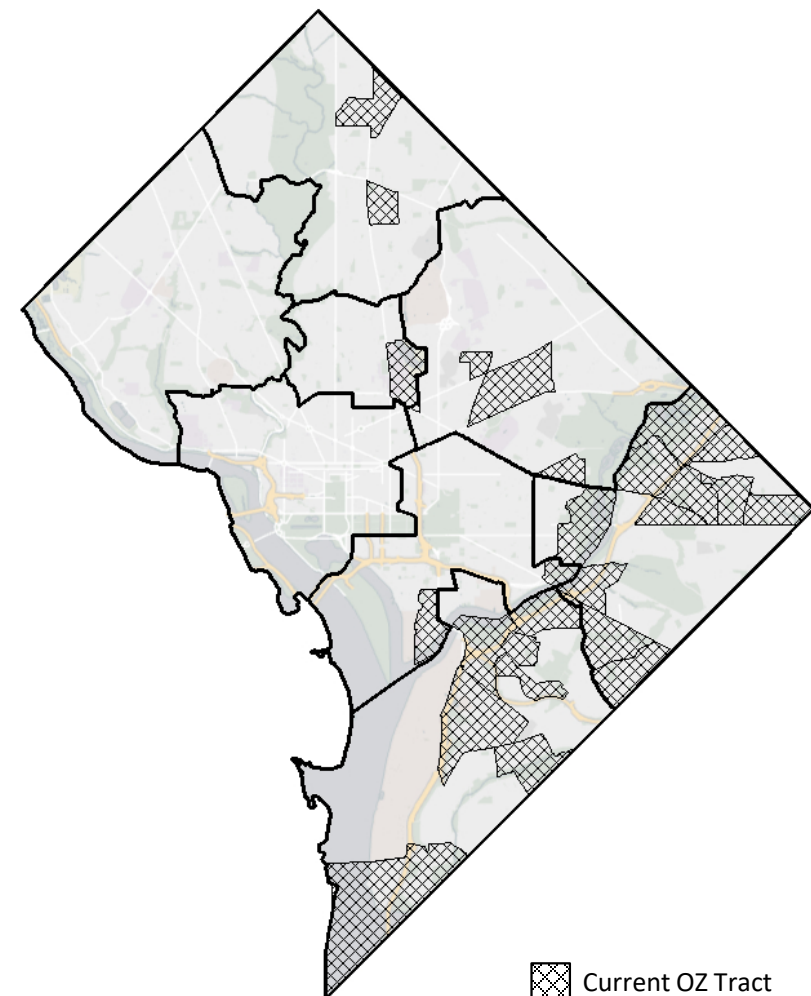
OPPORTUNITY ZONES OVERVIEW

The Tax Cuts and Jobs Act of 2017 created the Opportunity Zones program, a tool designed to invest in underserved communities to drive economic revitalization.

Opportunity Zones Milestones:

- **December 2017:** Tax Cuts and Jobs Act signed into law; Opportunity Zones program created
- **April 2018:** Mayor Bowser nominated 25 Census tracts for Opportunity Zones designation
- **May 2018:** U.S. Department of the Treasury certified Opportunity Zones 1.0 map
- **July 2025:** The One Big Beautiful Bill Act of 2025 established Opportunity Zones as a permanent fixture in the US Internal Revenue Code and created a new iteration of the incentive program beginning in 2027

This September, DC will nominate 25 census tracts for Opportunity Zones 2.0.



Current OZ Tract

DC GIS, Office of Planning

WHAT ARE OPPORTUNITY ZONES?

Opportunity Zones are a federal tax incentive that offers capital gains tax deferrals, reductions and abatements for investments made in Census tracts designated as Qualified Opportunity Zones (QOZs).

Key Terms:

- **Qualified Opportunity Zones (QOZ):** low-income, high-poverty Census tracts designated by the DC Mayor targeted for economic development.
 - The District has 25 QOZs.
- **Qualified Opportunity Fund (QOF):** vehicle where investors make equity investments.
- **Qualified Opportunity Zone Business (QOZB):** trade or business operating within a QOZ.
- **Qualified Opportunity Zone Business Property (QOZBP):** tangible property located in a QOZ.

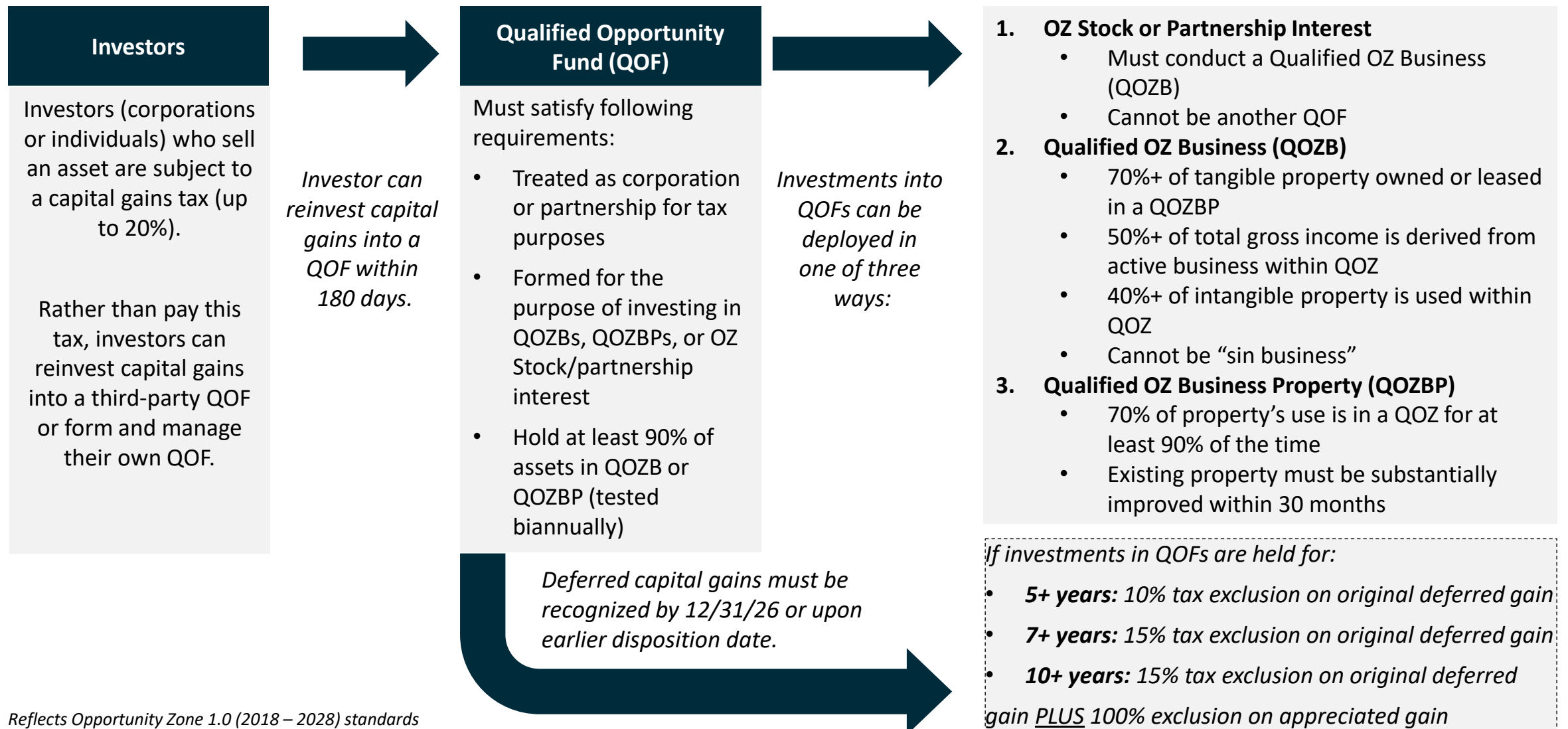
OZ is:

- A federal tax incentive
- Equity capital
- Market-oriented
- Investment capital – returns are expected over time

OZ is NOT:

- A District program
- A grant or loan
- Philanthropic capital
- A centralized program with an application

HOW DOES THE OPPORTUNITY ZONES INCENTIVE WORK?



Reflects Opportunity Zone 1.0 (2018 – 2028) standards

Sources: Internal Revenue Service, Kegler Brown Hill + Ritter, Tax Policy Center, US Department of Treasury

WHAT CAN OPPORTUNITY ZONES CAPITAL BE USED FOR?

OZ capital can be used to support a variety of real estate and economic development activities in underserved communities.

Opportunity Zones capital can be used for:

- Real estate development
- Rehabilitation of existing properties
- Affordable or market-rate housing
- Infrastructure & community facilities
- Renewable energy projects
- Operating or startup businesses
- Working capital/pre-development costs for planned projects

Sources: Economic Innovation Group, Accelerator for America



Image Sources: Redbrick LMD, BKV Group

DC'S PRIORITIES FOR OPPORTUNITY ZONES

The District's goal for the Opportunity Zones incentive is to maximize the benefits that OZ investments can provide for DC residents.

Increase affordable and workforce housing

Deliver neighborhood-serving amenities

Create jobs and career pathways for residents

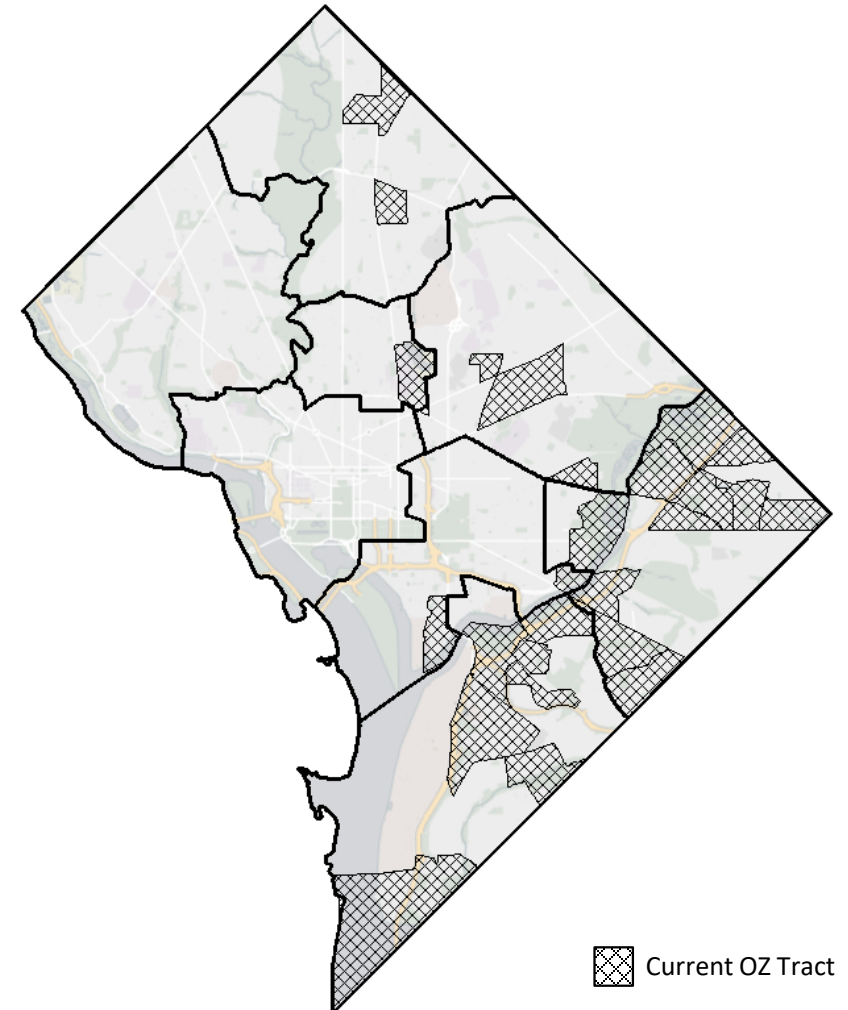
Capitalize DC businesses

OPPORTUNITY ZONES 1.0

In 2018, the District designated 25 census tracts as QOZs.

Census Tract	Ward	Neighborhood(s)
21.01	4	Brightwood Park
34	1	Howard University, LeDroit Park, Pleasant Plains, Park View
64	6	Buzzard Point
68.04	7	Hill East
73.04	8	Congress Heights
74.01	8	Barry Farm, Poplar Point
74.07	8	Fort Stanton
75.03	8	Historic Anacostia
76.01	8	Fairlawn
76.03	7	Naylor Gardens, Fairfax Village
76.04	7	Hillcrest, Randle Highlands
77.09	7	Twining, Dupont Park

Census Tract	Ward	Neighborhood(s)
78.03	7	Central Northeast
78.04	7	Lincoln Heights
78.06	7	Deanwood
78.08	7	Northeast Boundary, Grant Park
89.04	5	Carver, Langston
91.02	5	Brentwood
92.04	5	Edgewood
96.01	7	Kenilworth, Eastland Gardens
96.02	7	Mayfair, Parkside
96.03	7	Benning
103	4	Shepherd Park, Takoma
104	8	Congress Heights
109	8	Bellevue

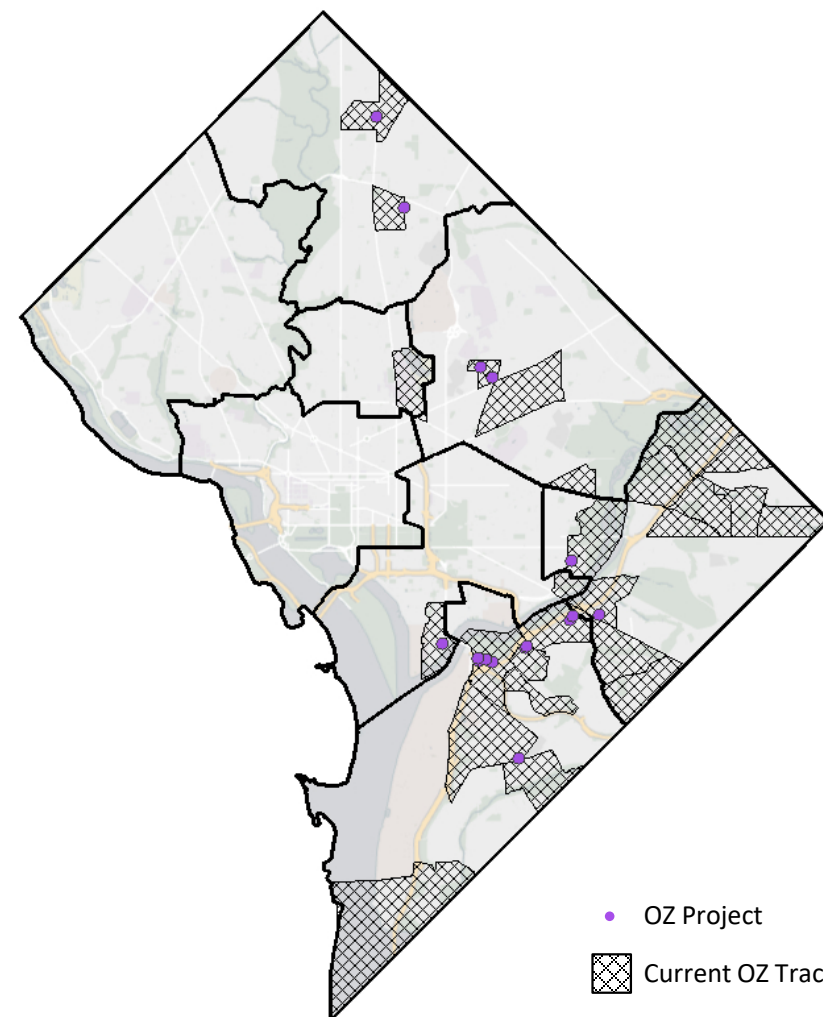


DC GIS, Office of Planning

OPPORTUNITY ZONES 1.0 PERFORMANCE: 2018-2025

Since 2018, the District has attracted over \$1.2 billion in capital to Qualified Census Tracts through the Opportunity Zones program.

- \$1.2+ billion in total capital attracted
- 120+ businesses created and supported
- 860+ jobs created and supported
- 3.8 million+ square feet of new development
 - 660,000+ square feet of new commercial space delivered
 - 2,800+ new homes delivered
 - 330+ new affordable homes delivered



DC GIS, Office of Planning

OPPORTUNITY ZONES RESOURCES

The District's OZ Marketplace offers various resources for community members, developers, business owners, and investors to utilize Opportunity Zone incentives.

OZ MARKETPLACE

DC Opportunity Zone Marketplace

The Opportunity Zones (OZ) program provides tax incentives for equity investments in businesses and commercial projects in designated Census Tracts. The District of Columbia's **Opportunity Zone Marketplace** is a platform where project sponsors, fund managers, investors, community members, and professional service providers can connect. The Marketplace includes listings of investment opportunities and OZ Community Corps service providers.

[Click here for background on the Opportunity Zones program.](#)

[Click here for the DC Qualified Opportunity Fund Guidance](#)

- Guidance on DC Qualified Opportunity Funds
- Marketplace for project sponsors and investors to explore investment opportunities

Visit ozmarketplace.dc.gov for more information

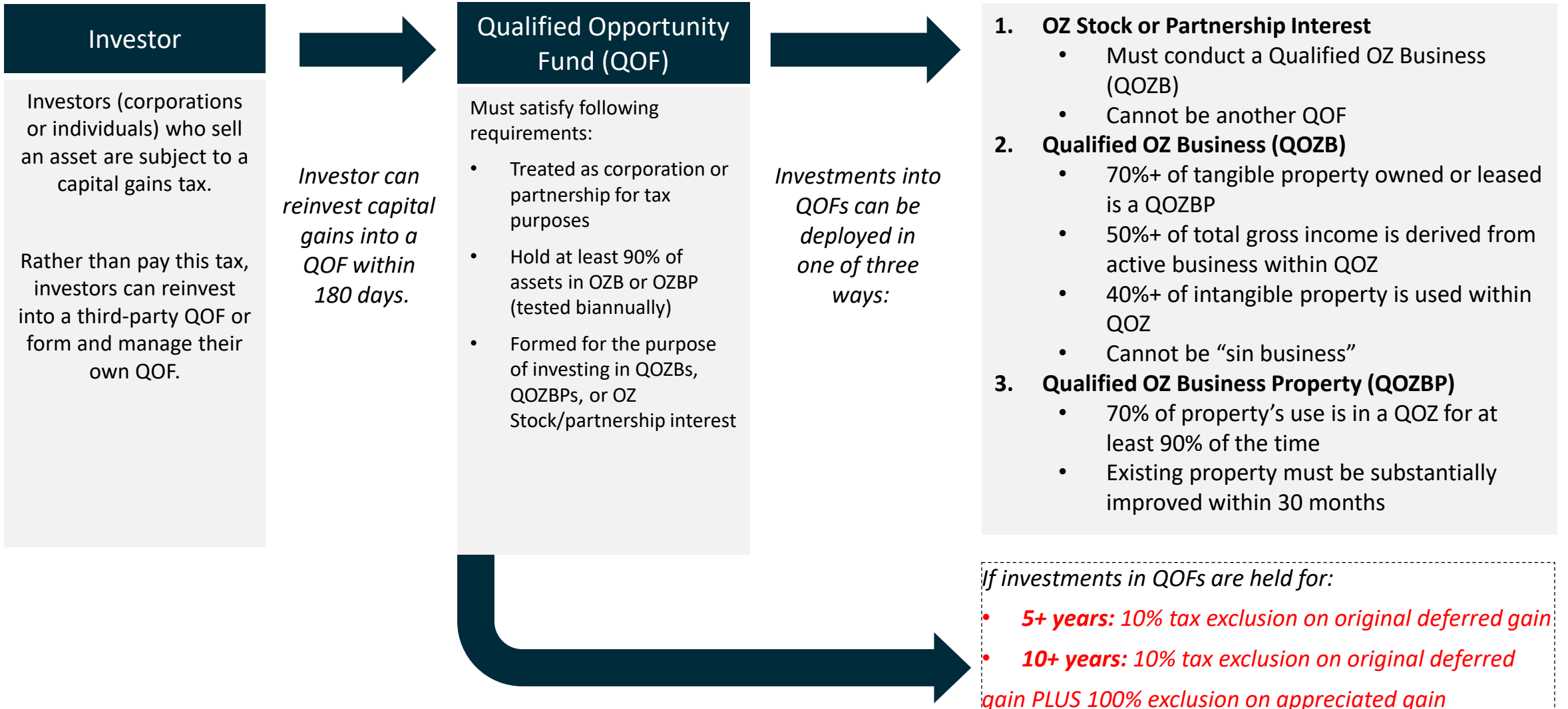
OPPORTUNITY ZONES 2.0

The One Big Beautiful Bill Act of 2025 (OBBBA) established the Opportunity Zones program as a permanent fixture in the US Internal Revenue Code.

Key Changes

- ✓ New map takes effect January 1st 2027 with updates every 10 years.
- ✓ Current 2018 OZ map sunsets December 31st, 2028.
 - 2 year “overlap” period
- ✓ Tightened eligibility requirements for MFI and poverty rates.
- ✓ Prioritizes investment in “rural” zones.
- ✓ Stronger reporting and compliance for funds and projects.

OPPORTUNITY ZONES 2.0

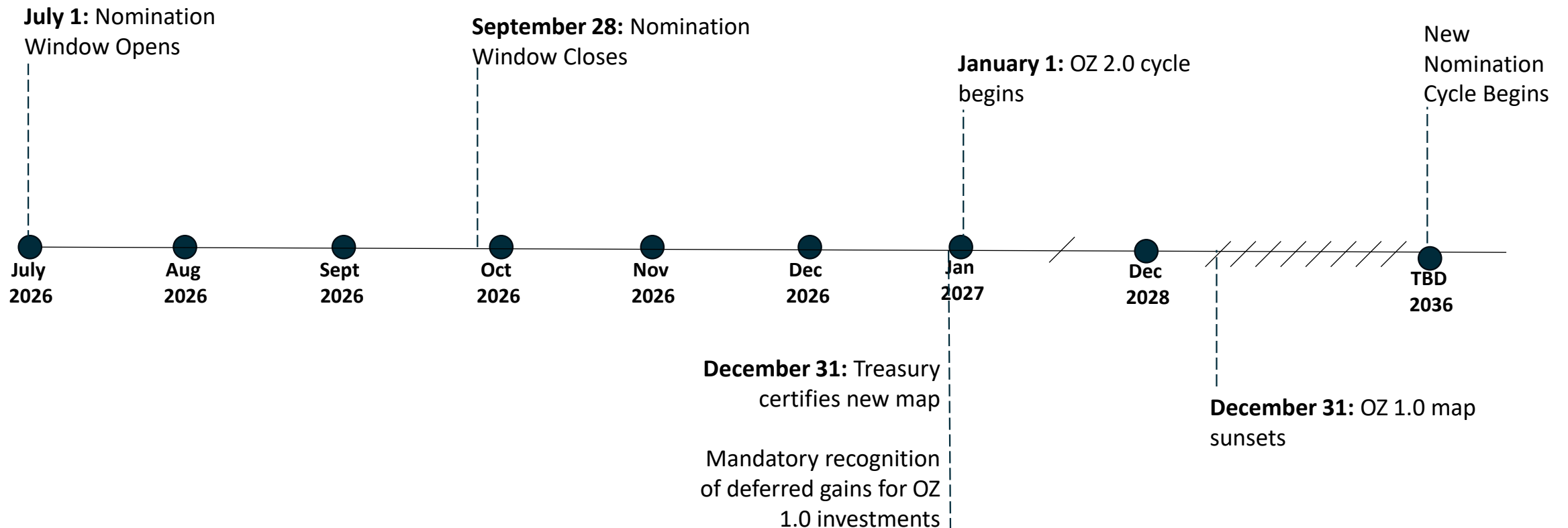


Reflects Opportunity Zone 2.0 (2027 – 2037) standards

Sources: Internal Revenue Service, Kegler Brown Hill + Ritter, Tax Policy Center, US Department of Treasury

OPPORTUNITY ZONES 2.0 TIMELINE

Beginning July 1, the DC Mayor has a 90-day window to nominate 25 census tracts for OZ 2.0 designation.



DUE DILLIGENCE PROCESS

DMPED identified and evaluated eligible census tracts for nomination consideration for OZ 2.0 in advance of the September 28th nomination deadline.

Eligibility Determination (Completed)

Identify eligible census tracts for OZ designation based on new Treasury and IRS guidelines.

Investment Evaluation (Completed)

Evaluate current OZ investment performance, real estate development activity, and economic development opportunities to leverage OZ investment.

Stakeholder Feedback (In Progress)

Align developers, investors, and community needs to OZ designation.

OZ 2.0 ELIGIBLE CENSUS TRACTS

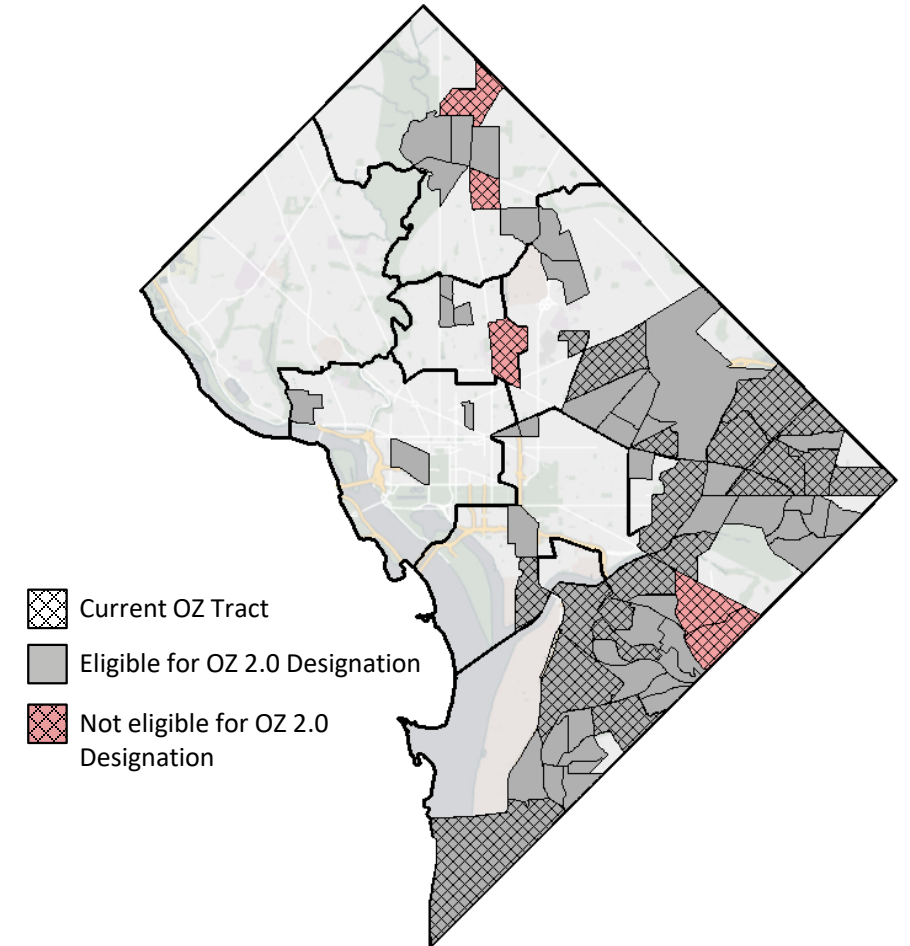
Under updated Treasury and IRS guidelines, the District has 66 eligible census tracts to consider for OZ 2.0 nomination. From this list, the District can nominate 25 census tracts.

New Eligibility Requirements

Income and Poverty Restrictions:

- Median family income (MFI) does not exceed **70% of the MSA's MFI** (previously 80% of the MSA's MFI); or
- MFI does not exceed **125% of the MSA's MFI** and **poverty rate is at least 20%.**

OBBBA also **repeals the rule for contiguous census tract designation**, which previously allowed for census tracts contiguous to eligible tracts to be designated.



DC GIS, Office of Planning

OZ 2.0 INVESTMENT EVALUATION

DMPED also evaluated the investment potential of each eligible census tract based on existing OZ investments, economic development opportunities, and real estate development activity.

Opportunity Zone Investments

- *Capital attracted*
- *Jobs created*
- *Local businesses supported*
- *DC residents trained*
- *Community amenities added*

Economic Development Opportunities

- *Unemployment rate*
- *“Persistent poverty”*
- *Commercial density*
- *District-owned properties*
- *Federal buildings up for disposition*
- *Vacant or blighted properties*
- *Economic development incentive districts**

Real Estate Development Activity

- *Commercial development since 2018*
- *Residential development since 2018*
- *Affordable housing development since 2018*
- *Pipeline commercial developments*
- *Pipeline residential developments*
- *Planned Unit Developments (PUDs)*
- *District development projects*

**Includes TIF/PILOT districts, Business Improvement districts, DC Main Streets Corridors, Great Streets Corridors, HUB Zones, Neighborhood Prosperity Fund boundaries, Supermarket Tax Credit Incentives boundaries*

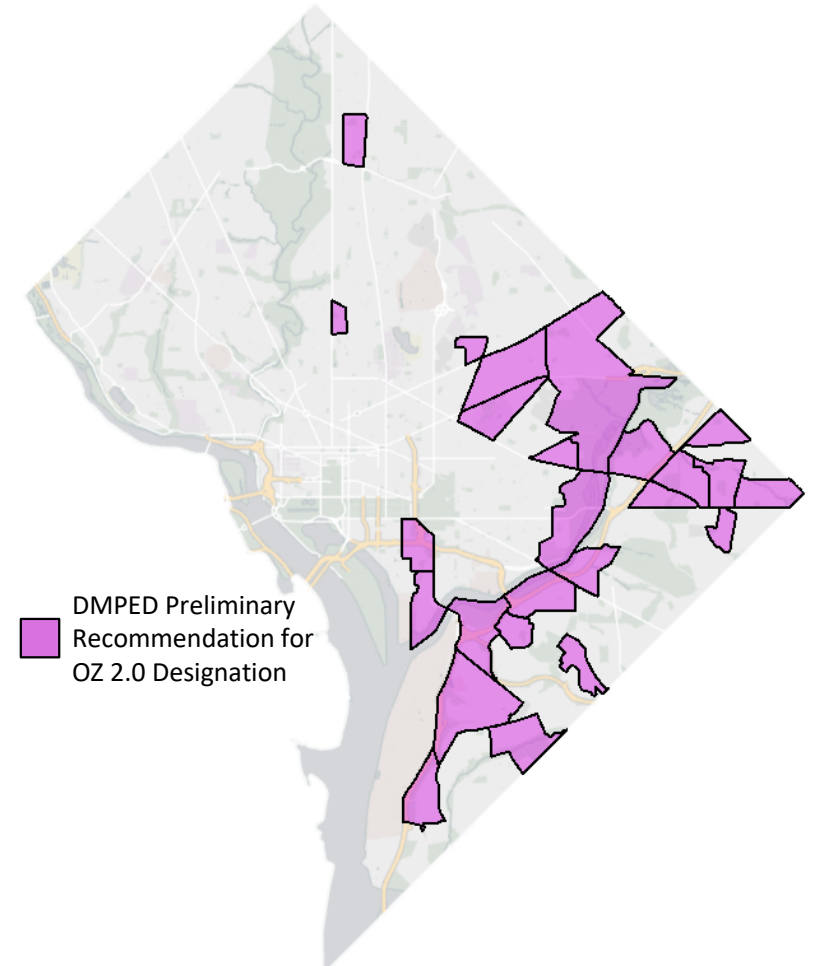
OZ 2.0 PRELIMINARY RECOMMENDATIONS

DMPED's investment evaluation identified 25 census tracts for OZ 2.0 nomination consideration.

Census Tract	Ward	Neighborhood(s)
18.04*	4	Brightwood
28.02*	1	Columbia Heights
64	6	Buzzard Point
68.04	7	Hill East
73.04	8	Congress Heights
74.01	8	Barry Farm, Poplar Point
75.02*	8	Skyland, Knox Hill, Buena Vista
75.03	8	Historic Anacostia
76.01	8	Fairlawn
77.09	7	Twining, Dupont Park
78.03	7	Central Northeast
78.04	7	Lincoln Heights
78.06	7	Deanwood

**New addition*

Census Tract	Ward	Neighborhood(s)
78.08	7	Northeast Boundary, Grant Park
88.03*	5	Ivy City, Union Market
89.04	5	Carver, Langston
91.02	5	Brentwood
92.04	5	Edgewood
96.02	7	Mayfair, Parkside
96.03	7	Benning
98.07*	8	Bellevue
99.04*	7	Marshall Heights
104	8	Congress Heights, St. Elizabeths
105*	6	Greenleaf, Federal Center SW
111*	5	Langdon, Gateway

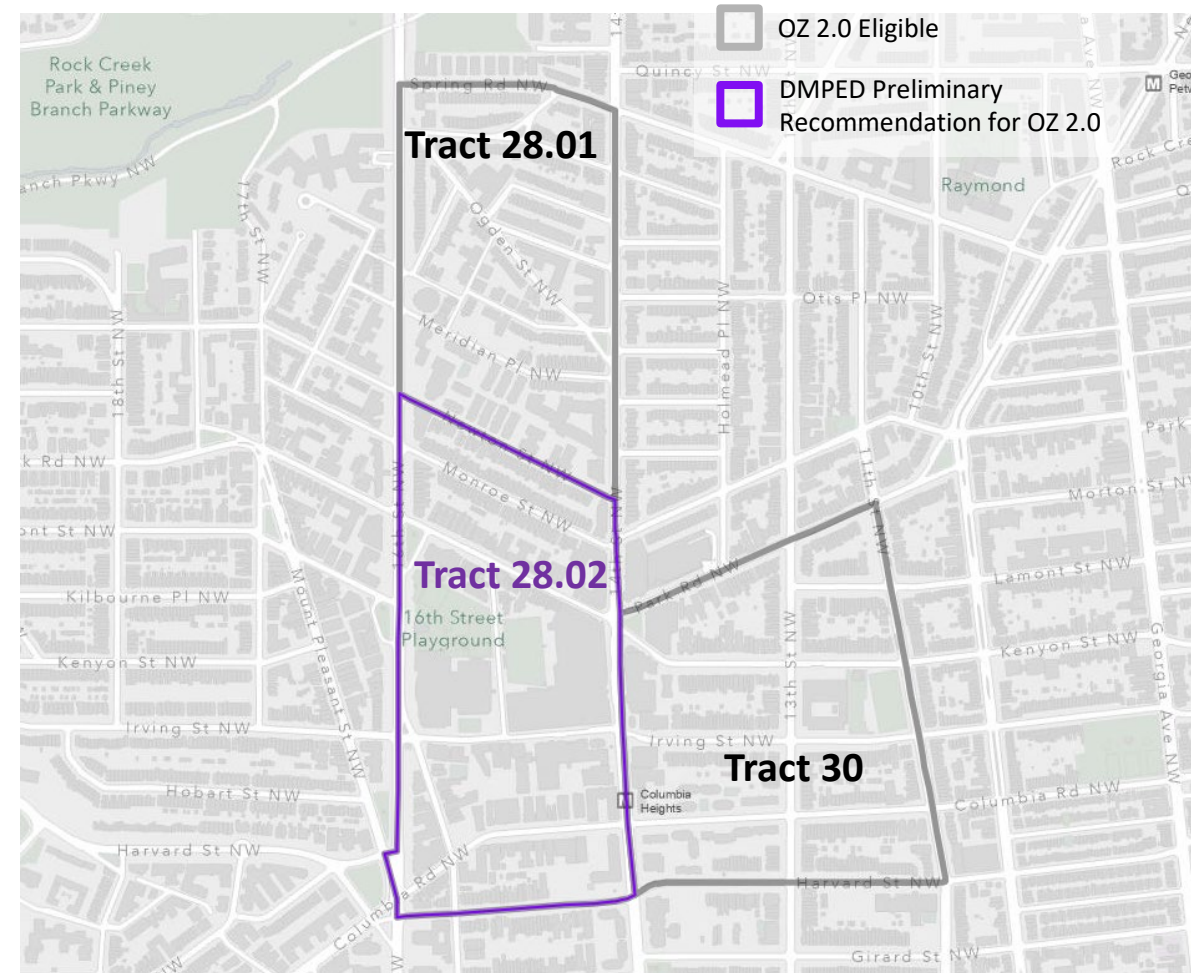


OZ 2.0 PRELIMINARY RECOMMENDATIONS – WARD 1

OZ 2.0 opportunities for Ward 1 include repurposing underutilized commercial spaces to attract and retain neighborhood-serving retailers and providing gap financing pathways for mixed-use developments.

Ward 1 OZ 2.0 Opportunities:

- Repurpose underutilized commercial spaces surrounding DC USA to attract and retain neighborhood-serving retailers and community amenities
- Provide gap financing pathways for mixed-income housing projects and adaptive reuse developments
- Invest in small business and workforce development opportunities

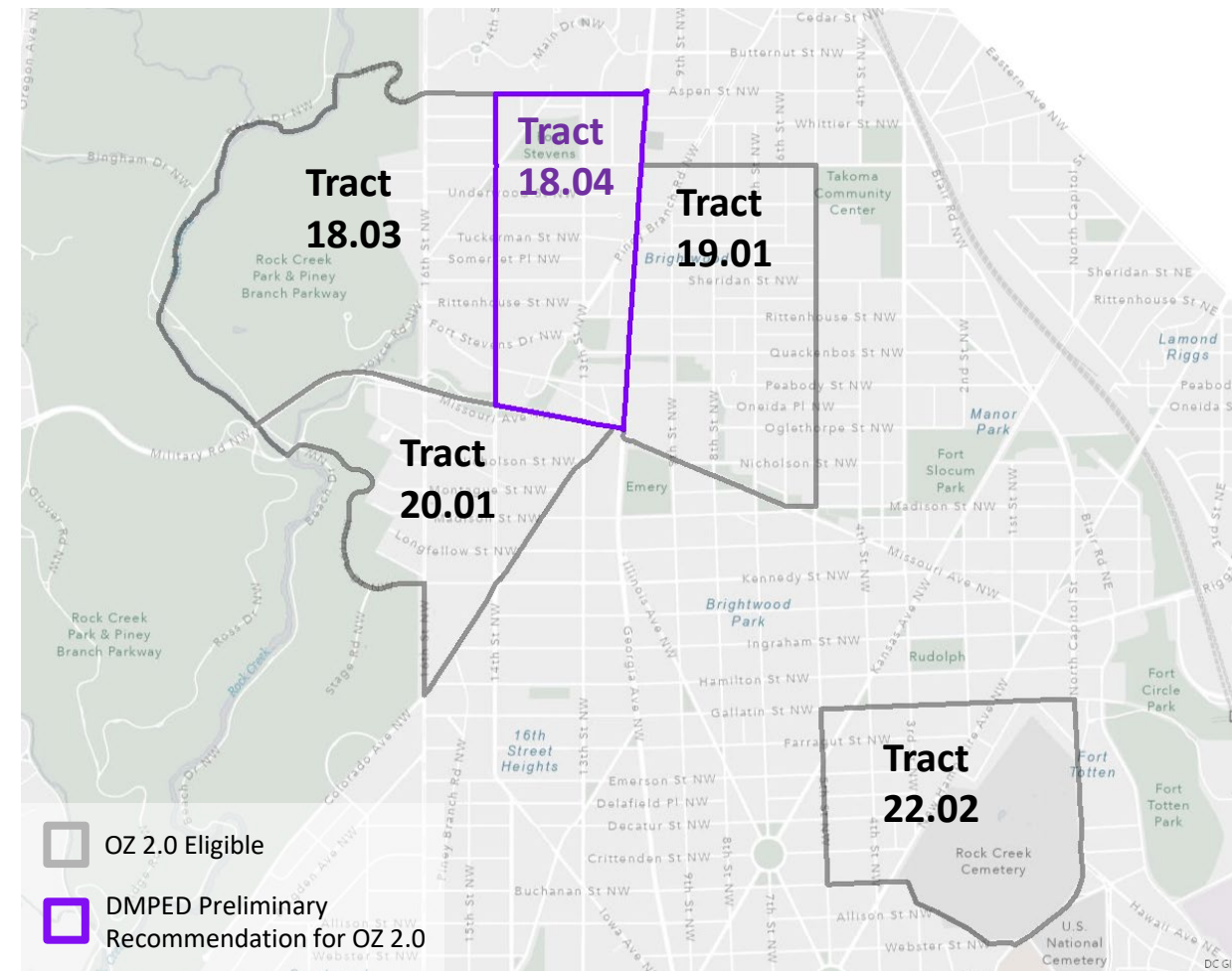


OZ 2.0 PRELIMINARY RECOMMENDATIONS – WARD 4

OZ 2.0 opportunities for Ward 4 include repurposing underutilized commercial spaces to attract and retain neighborhood-serving retailers and providing gap financing pathways for mixed-use developments.

Ward 4 OZ 2.0 Opportunities:

- Repurpose underutilized commercial lots along Georgia and Missouri Avenues to attract and retain neighborhood-serving retailers and community amenities
- Provide gap financing pathways for infill mixed-use developments along Georgia and Missouri Avenues
- Invest in small business and workforce development opportunities

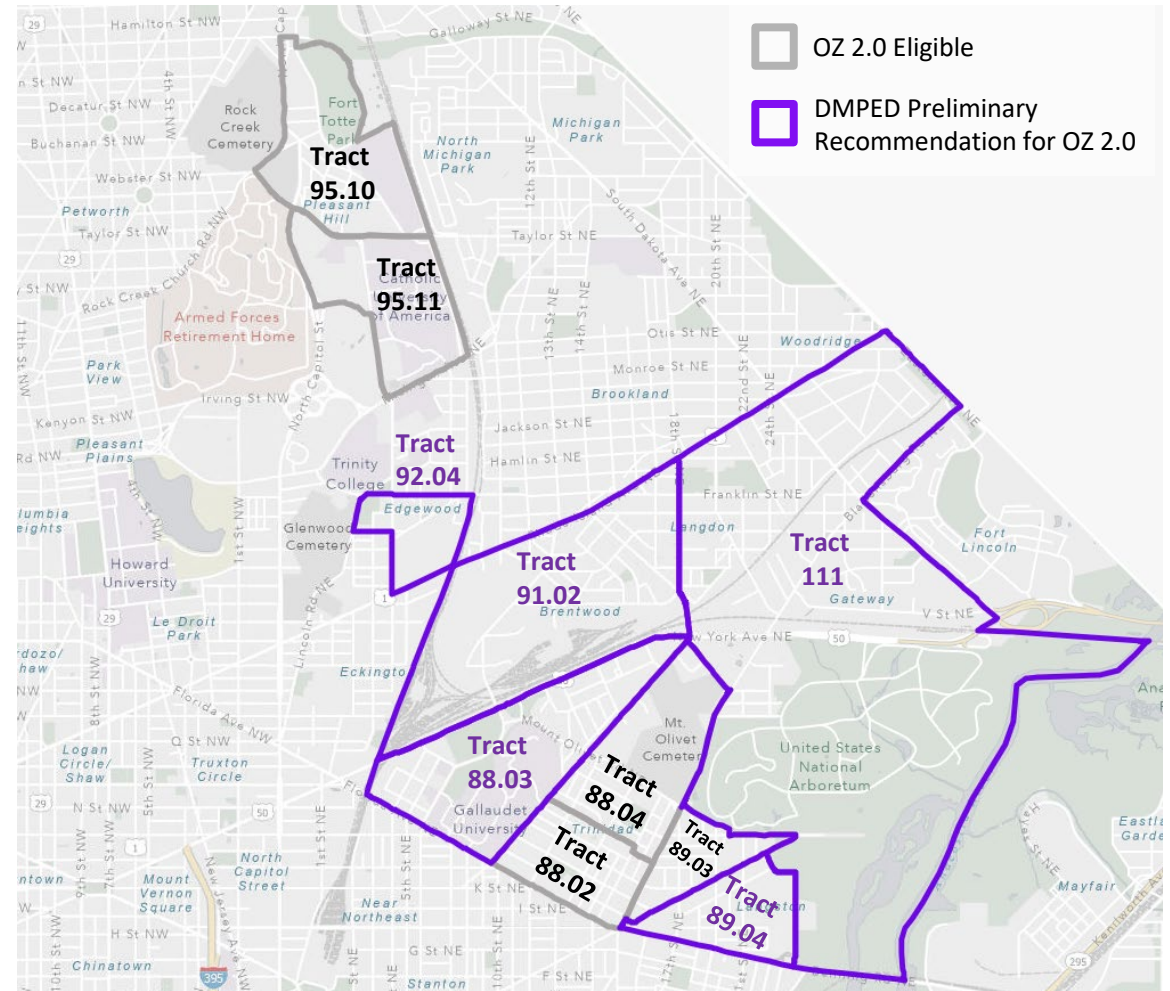


OZ 2.0 PRELIMINARY RECOMMENDATIONS – WARD 5

OZ 2.0 opportunities for Ward 5 include repositioning chronically vacant and legacy industrial sites along Rhode Island and New York Avenues.

Ward 5 OZ 2.0 Opportunities:

- Redevelop vacant and underutilized sites along Rhode Island and New York Avenues to provide mixed-income housing and community amenities
- Provide gap financing pathways to ‘unstuck’ pipeline development projects
- Invest in small business and workforce development opportunities

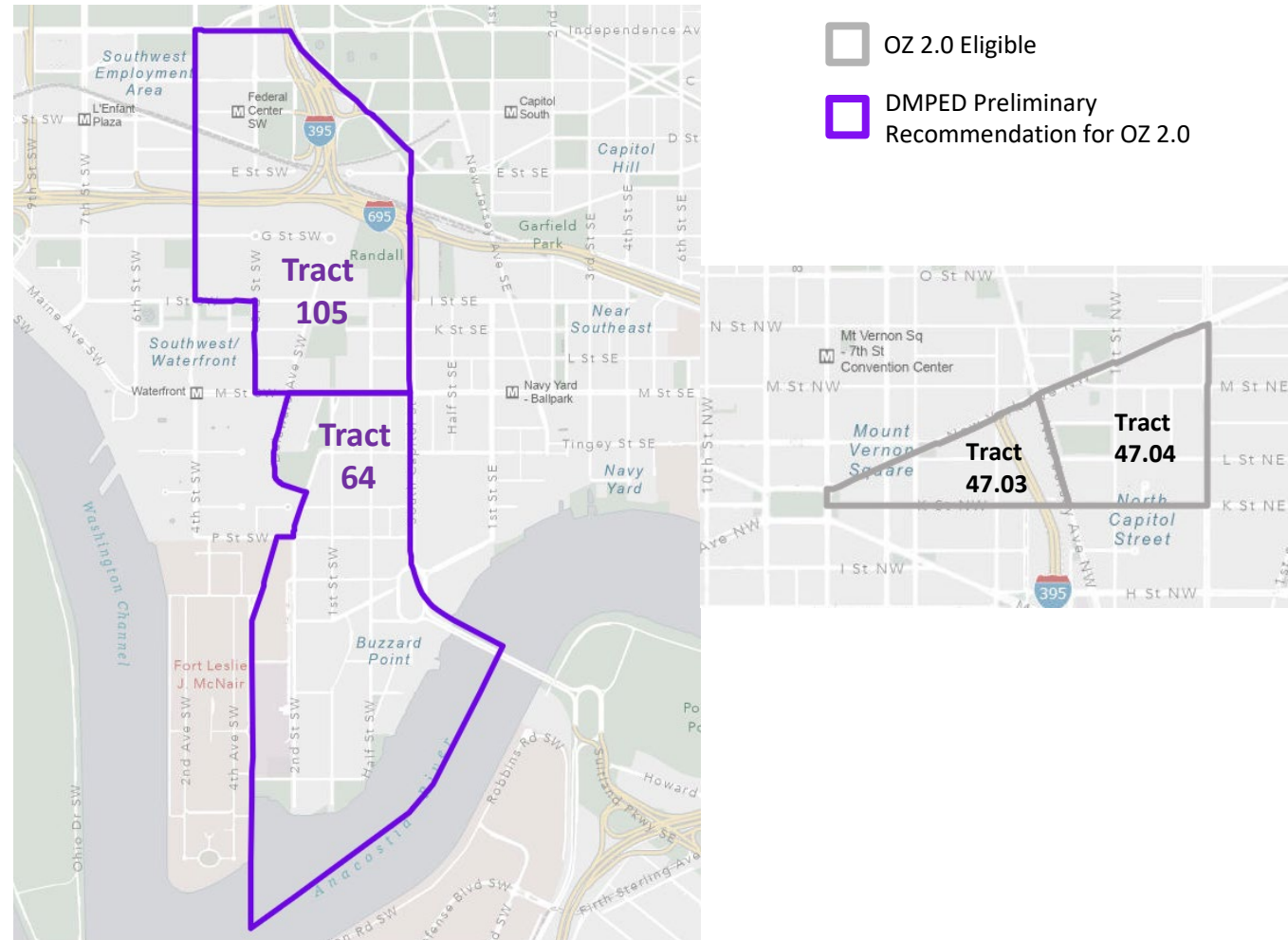


OZ 2.0 PRELIMINARY RECOMMENDATIONS – WARD 6

OZ 2.0 opportunities for Ward 6 include repositioning disposed federal properties in the SW Federal Center and creating pathways to attract and retain neighborhood-serving amenities.

Ward 6 OZ 2.0 Opportunities:

- Provide gap financing pathways for pipeline development projects and disposed federal properties
- Repurpose vacant and underutilized commercial spaces in SW Federal Center to attract and retain employers, neighborhood-serving retailers, and community amenities

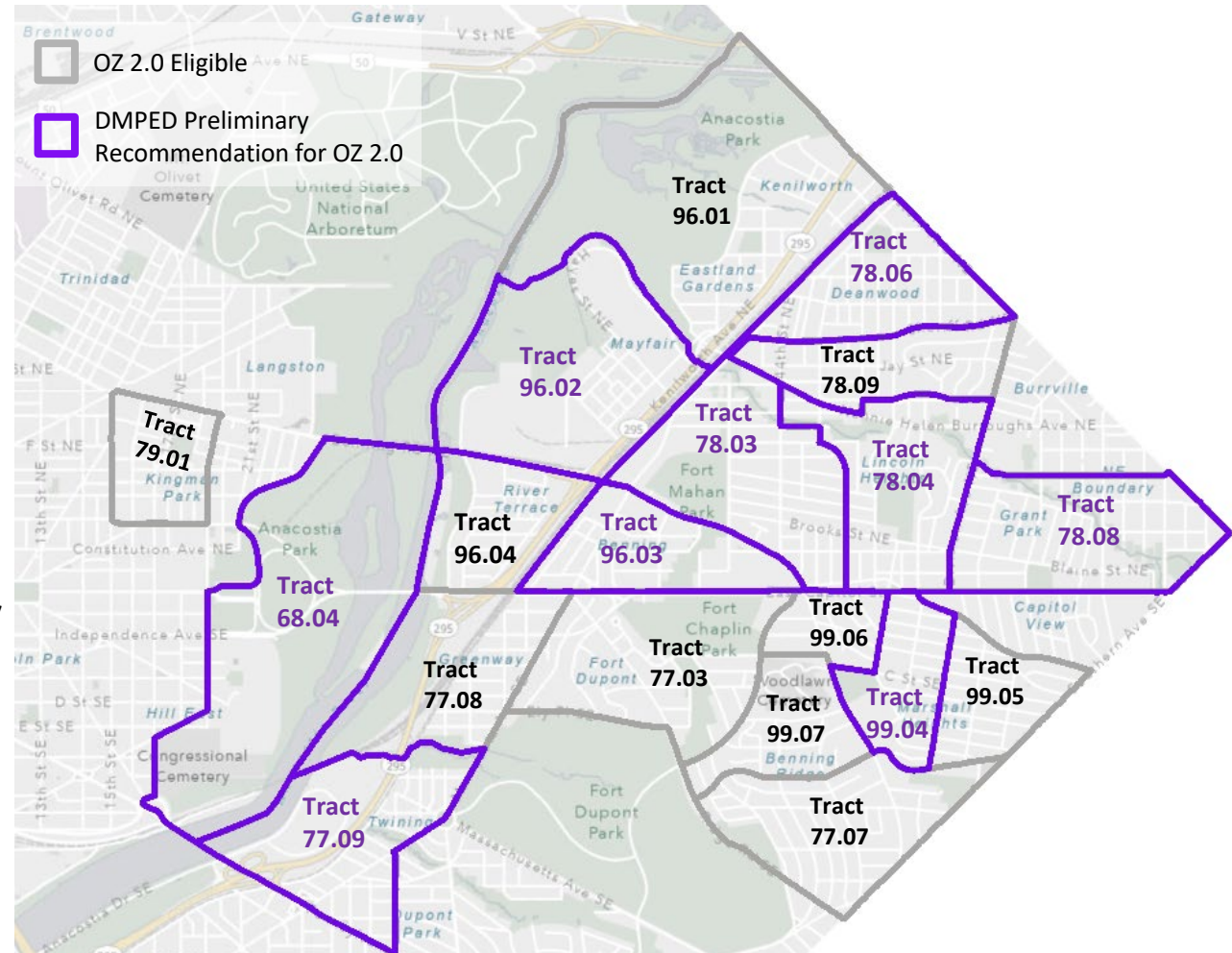


OZ 2.0 PRELIMINARY RECOMMENDATIONS – WARD 7

OZ 2.0 opportunities for Ward 7 include expanding business and workforce development opportunities, increasing community amenities, and providing gap financing pathways for major development projects.

Ward 7 OZ 2.0 Opportunities:

- Provide gap financing pathways for pipeline large-scale development projects and transit-oriented development sites
- Redevelop vacant and underutilized infill sites to deliver mixed-income housing, neighborhood-serving retailers, and community amenities
- Invest in small business and workforce development opportunities

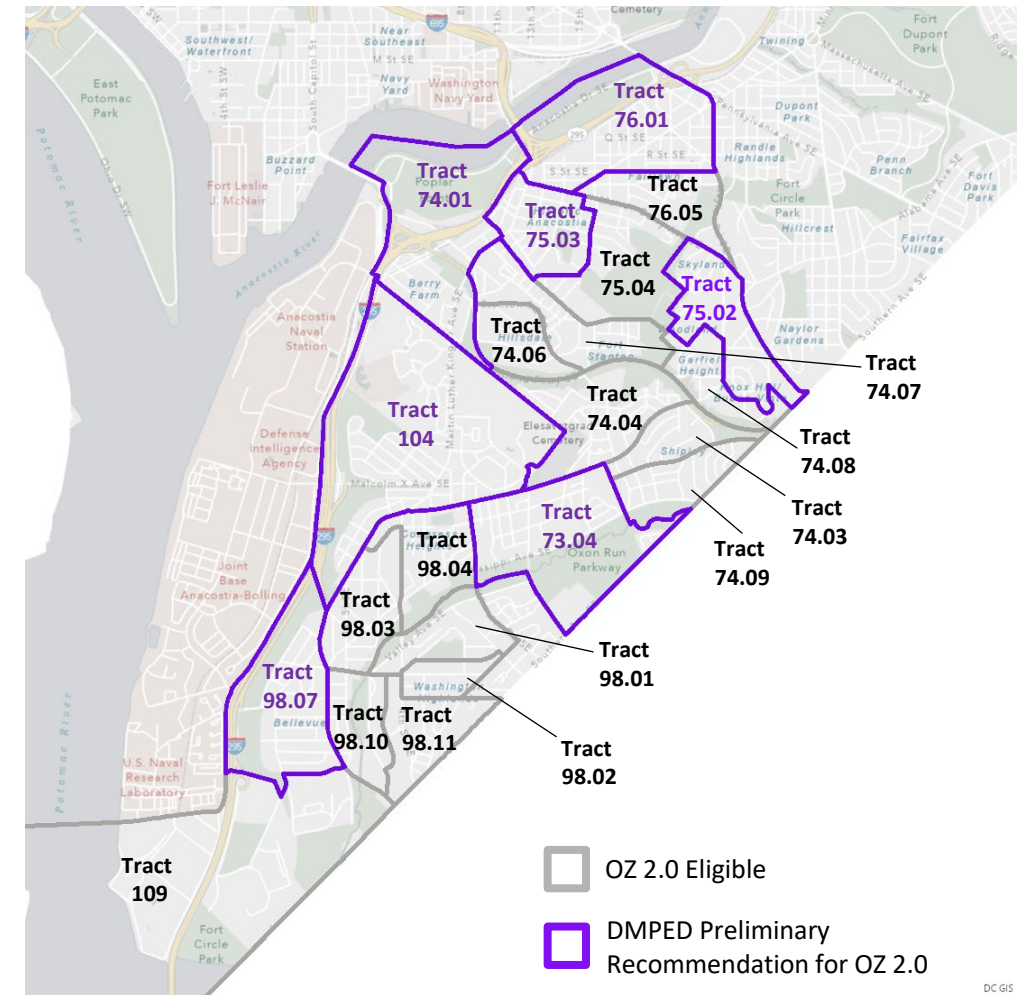


OZ 2.0 PRELIMINARY RECOMMENDATIONS – WARD 8

OZ 2.0 opportunities for Ward 8 include expanding business and workforce development opportunities, increasing community amenities, and providing gap financing pathways for major development projects.

Ward 8 OZ 2.0 Opportunities:

- Provide gap financing pathways for pipeline large-scale development projects
- Redevelop vacant and underutilized sites along Martin Luther King Jr. Boulevard and Alabama Avenue to deliver mixed-income housing, neighborhood-serving retail, and community amenities
- Invest in small business and workforce development opportunities



WE WANT TO HEAR FROM YOU

To share your thoughts on Opportunity Zones 2.0, please visit ozmarketplace.dc.gov or scan the QR code to the right.



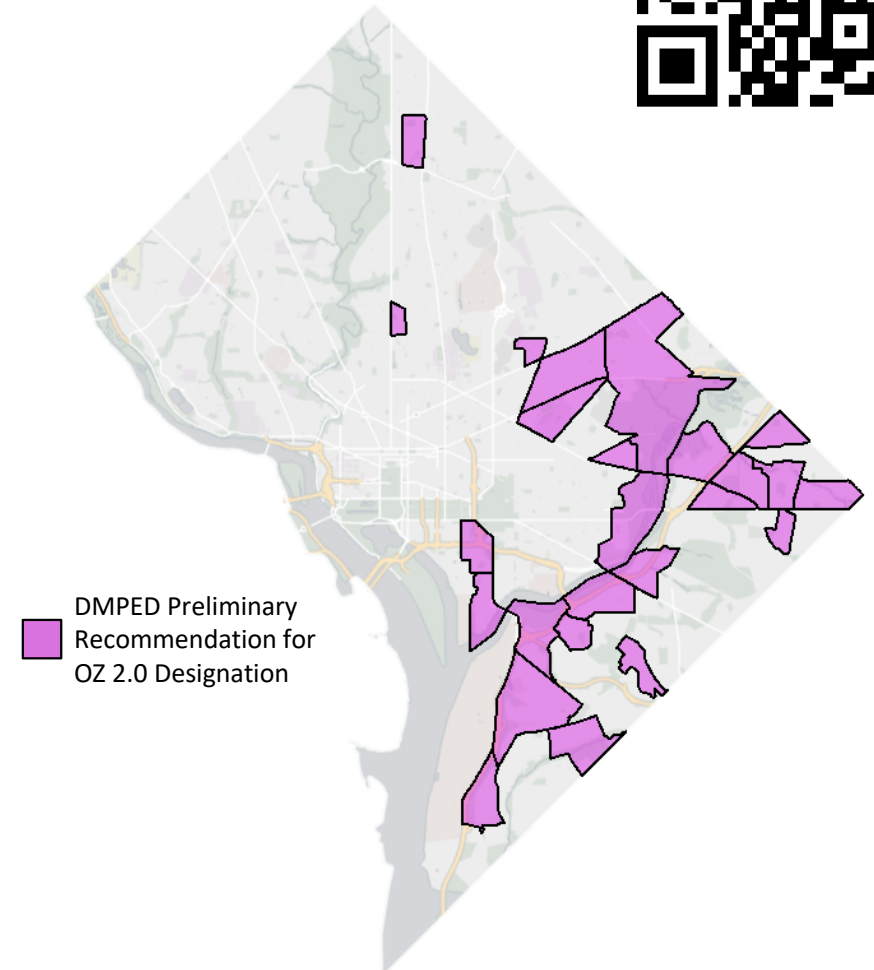
What census tracts or neighborhoods should be considered for Opportunity Zones 2.0 designation?

How would an Opportunity Zones designation for these census tracts address investment hurdles?

What types of investments might they attract?

How would these investments benefit DC residents and local businesses?

What risks might be introduced?



THANK YOU!

For more information on the District's Opportunity Zones 2.0 designation process, please contact:

Pasan Perera
Development Finance Manager, DMPED
DCQOF@dc.gov

Don't forget to visit ozmarketplace.dc.gov or scan the QR code to share your thoughts on Opportunity Zones 2.0!

