Economic Development and Opportunity Zones

September 21, 2019
Office of the Deputy Mayor for Planning and Economic Development (DMPED)

Assists the Mayor in executing economic development efforts that help strengthen neighborhoods, expand and diversify the District’s economy, and create pathways to the middle class.

**Priorities**

- Increase affordable housing
- Create jobs
- Increase tax revenue

**How We Do It**

- Develop large-scale real estate projects
- Invest in affordable housing production and preservation
- Support employers and businesses in DC
Great Streets Grant Program

FY2020 Request For Applications

Release Date: September 20, 2019

Submission Deadline: October 24, 2019

Ward 8 Corridor: Martin Luther King Jr. Avenue/South Capitol Street SE/SW

www.greatstreets.dc.gov
Opportunity Zones
Opportunity Zones is a **federal tax incentive** that encourages equity investments in economically distressed Census tracts that have been designated as Opportunity Zones.

So Opportunity Zones are also a **geography**.

DC has 25 Census tracts designated. The official term for the geography is “Qualified Opportunity Zones.”

To receive the tax benefits, investments must be made in qualifying property and businesses located in Opportunity Zones.
Important to Understand About OZ

OZ is...

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

OZ is not...

• A District program
• A grant or loan
• A centralized program with an application
• Philanthropic capital
• Mature
Designated Opportunity Zones

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

**Goal:** Maximize the benefits that OZ investment can provide to DC residents

**How?**

- **Align OZ Investments with Community Priorities**
- **Help Communities Access Resources**
- **Monitor Policy Development**
- **Build Partnerships to Enhance our Efforts**
OZmarketplace.dc.gov
OZ Community Corps

Network of lawyers and other experts who will provide pro bono one-on-one consultations to community organizations, small businesses and residents of DC’s Opportunity Zones
Investment Opportunity Platform

Marketplace Listings

- Esjah
  Affordable Housing: 1110 49th Street NE
- Peaceable Kingdom Market LLC
  Peaceable Kingdom
- District Flora
  District Flora
- Invest Sou Sou
  Sou Sou Investment Solutions
- Local Grown Salads
  Indoor, vertical farm
- Banneker Ventures
  The Clara on Martin Luther King, Jr. Avenue

Listing Details

Affordable Housing: 1110 49th Street NE
1110 49th Street NE

Project Sponsor Information

Sarah Gaddis
Owner and Executive President
Esjah
202-286-7539
drrollins2@verizon.net

Project Type: Multifamily Housing

10,000 square feet affordable green housing

Total Equity Sought is $750,000
Located in Census Tract 7806
Business Property Qualified OZ Property

Timeline & Milestones

Start to build by September

How does this project support DC priorities?

Community Amenities: Project dedicates retail square footage to community-serving retail, such as household goods, coffee shops, or restaurants.

Supports DC Businesses: Project will sign certified business partners.

Note: popups are intentionally disabled. Click here to view this map in a new window.
## Rockefeller Foundation Partnership

<table>
<thead>
<tr>
<th>Technical assistance to support local projects seeking Opportunity Zone financing</th>
<th>Grant program that will support community-driven projects in Opportunity Zones</th>
<th>Two community engagement specialists to support outreach</th>
</tr>
</thead>
</table>

Technical assistance partners: LISC and BCT Partners
# Resources for Residents in Opportunity Zones

## Housing

### Homeownership
- Housing Purchase Assistance Program
- DC Open Doors
- Mortgage Credit Certificate
- First-Time/Low Income Buyer Recordation Tax Reduction
- Homebuyer Clubs

### Property Tax Relief
- Homeowner and Rental Property Tax Credit (Schedule H)
- Homestead Deduction & Senior Citizen/Disabled Property Tax Relief

## Tenant Protections

- Tenant Opportunity to Purchase Act
- Office of the Tenant Advocate
- Tenants’ Bill of Rights / eviction protections
- Homeowner and Rental Property Tax Credit (Schedule H)

## Affordable Units

- Inclusionary Zoning workshops
- Rent stabilization
- Roots to Roofs

## Economic Opportunities

- On the Job training & apprenticeships supported by DOES
- Pro bono consultations from OZ Community Corps

## Engagement

- OZmarketplace.dc.gov
- ANC Finder
- Office of Planning
- Zoning Commission
## Resources for Businesses & Nonprofits in OZs

### Businesses

<table>
<thead>
<tr>
<th>Property Ownership &amp; Capital Improvements</th>
<th>Tax Relief / Operating Expense Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>• SBA 504 Loans</td>
<td>• Small Retailer Property Tax Relief Credit</td>
</tr>
<tr>
<td>• Pro bono consultations from OZ Community Corps</td>
<td>• QHTC: reduced capital gains rate &amp; more</td>
</tr>
<tr>
<td>• Great Streets grant program</td>
<td>• PACE financing</td>
</tr>
<tr>
<td>• DC BizCap Collateral Support</td>
<td></td>
</tr>
</tbody>
</table>

See Incentives.dc.gov for more resources

### Access to Capital

- OZmarketplace.dc.gov
- Justice Accelerator
- Legacy Business Grants pilot program
- DSLBD Microgrants
- District Capitalized Microloans

### Nonprofits

- Federal grants with OZ preference points
- Cultural Facilities and Building Grants (CAH)
- Great Streets grant program
- Pro bono consultations from OZ Community Corps
- Office of Partnerships and Grant Services weekly grant opportunity alert
Contact Information

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www.dmped.dc.gov
@DMPEDDC
Appendix
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
OZ Investment Priorities

1. Deliver neighborhood-serving amenities
2. Capitalize DC businesses
3. Create jobs and career pathways for residents
4. Increase affordable and workforce housing
Opportunity Zones Timeline: 2018

- Dec. 2018: Mayor Bowser nominates tracts as OZs
- Jan. 2018: DMPED begins stakeholder engagement
- Feb. 2018: Treasury certifies tracts
- Mar. 2018: DMPED continues engagement
- Apr. 2018: Treasury issues proposed regs & revenue ruling
- May 2018: DMPED begins OZ action planning
- Jun. 2018: Public comment ends 12/28
Opportunity Zones Timeline: 2019

- **Jan. 2019**: Public hearing 2/14
- **Feb. 2019**: 2nd round of regs released
- **Mar. 2019**: OZ + Business Workshop
- **Apr. 2019**: New DC OZ initiatives announced
- **May 2019**: 2nd round of regs released
- **Jun. 2019**: IRS hearing on 2nd round regs
- **Jul. 2019**: Continued stakeholder engagement
- **Aug. 2019**: Launched Rockefeller/ LISC partnership
- **Sep. 2019**: Third round of regs?
- **Oct. 2019**: New DC OZ initiatives announced
- **Nov. 2019**: Investment deadline for maximum tax benefit
- **Dec. 2019**:Rockefeller/ LISC partnership