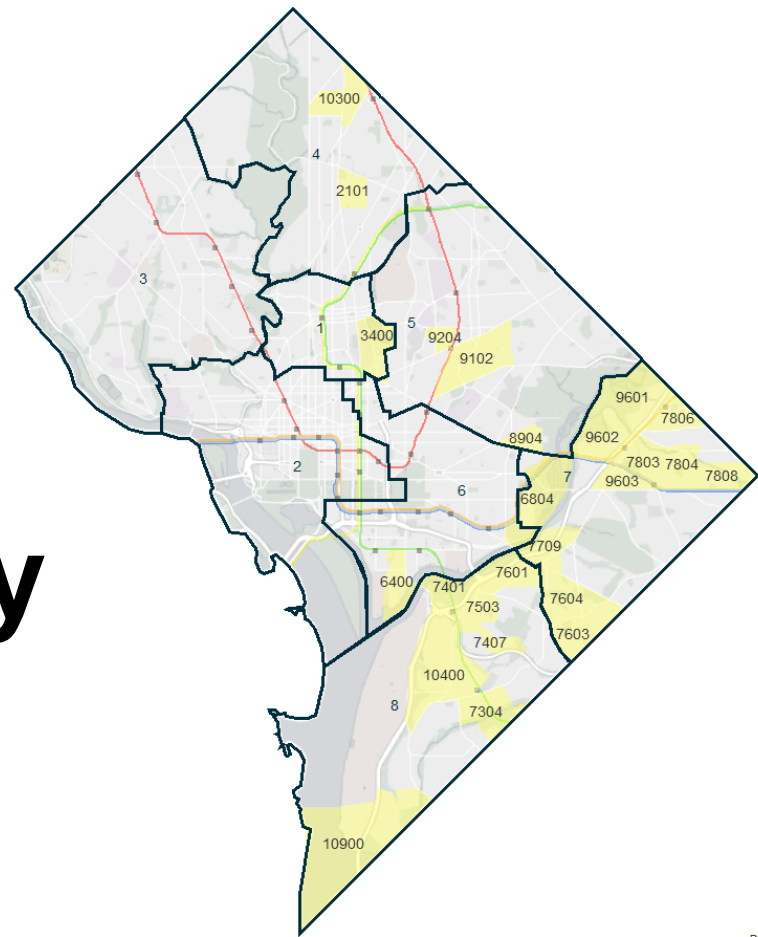




Opportunity Zones

May 30, 2019



OZ Basics + Key Terms

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

What are Opportunity Zones?

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

What is a Qualified Opportunity Fund?

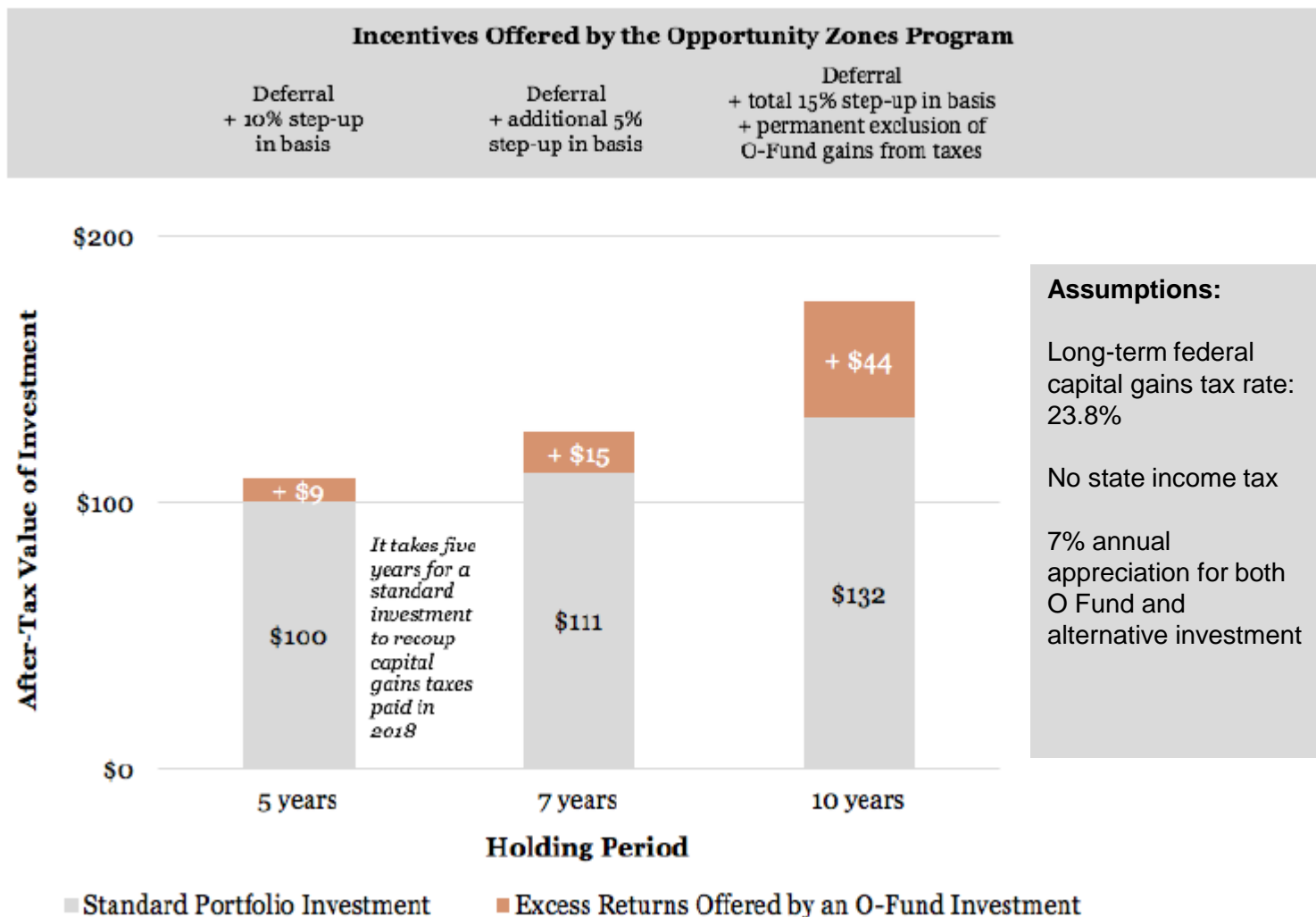
The implementation mechanism: a Qualified Opportunity Fund (QOF) is the investment vehicle. Must make equity investments and maintain 90% of investments in qualifying OZ assets (QOZB, QOZBP). Self-certified; checked semi-annually.

What is a Qualified Opportunity Zone Business (QOZB) and Business Property (QOZBP)?

QOZB includes newly issued stock or partnership interest. 50% of income from active conduct in the OZ; subject to other tests. QOZBP is tangible property in OZ; subject to various tests.

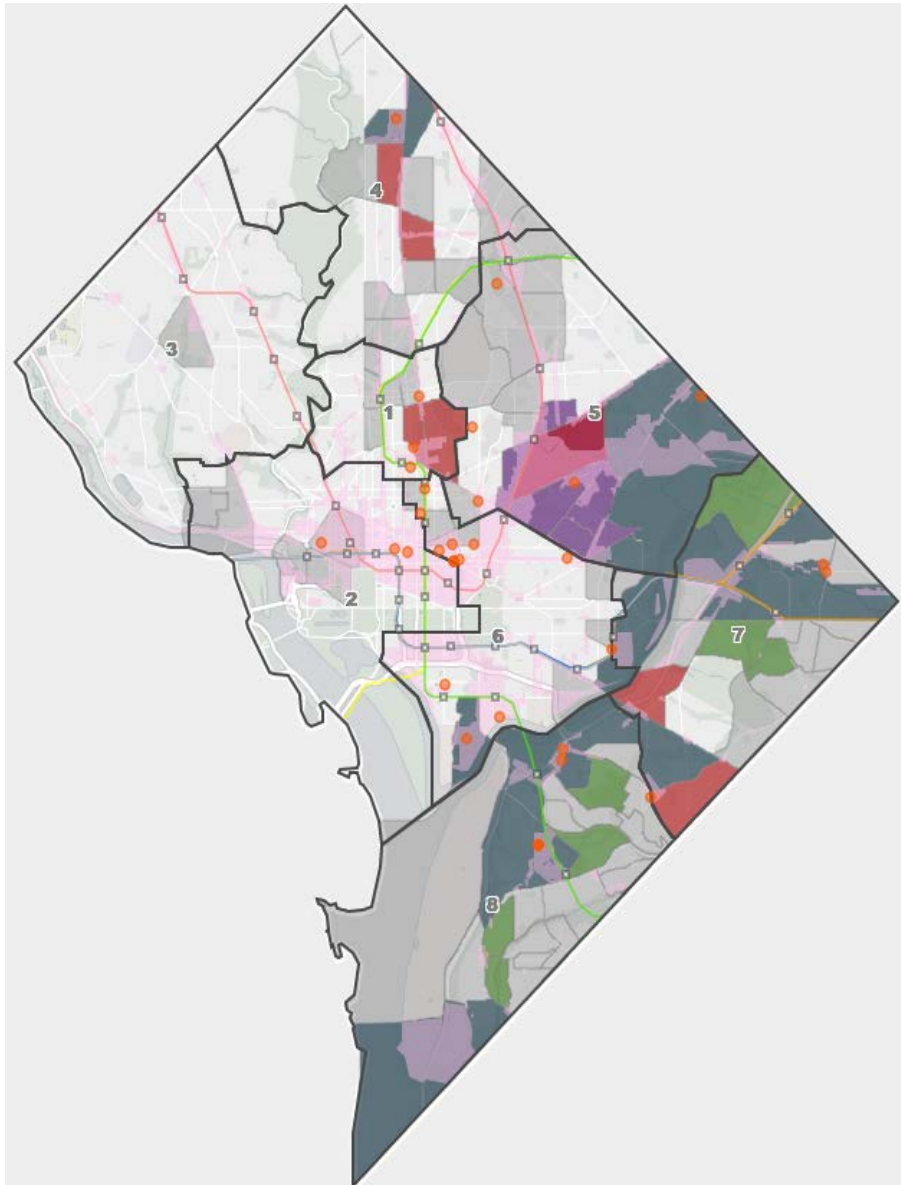
How Opportunity Funds Work

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

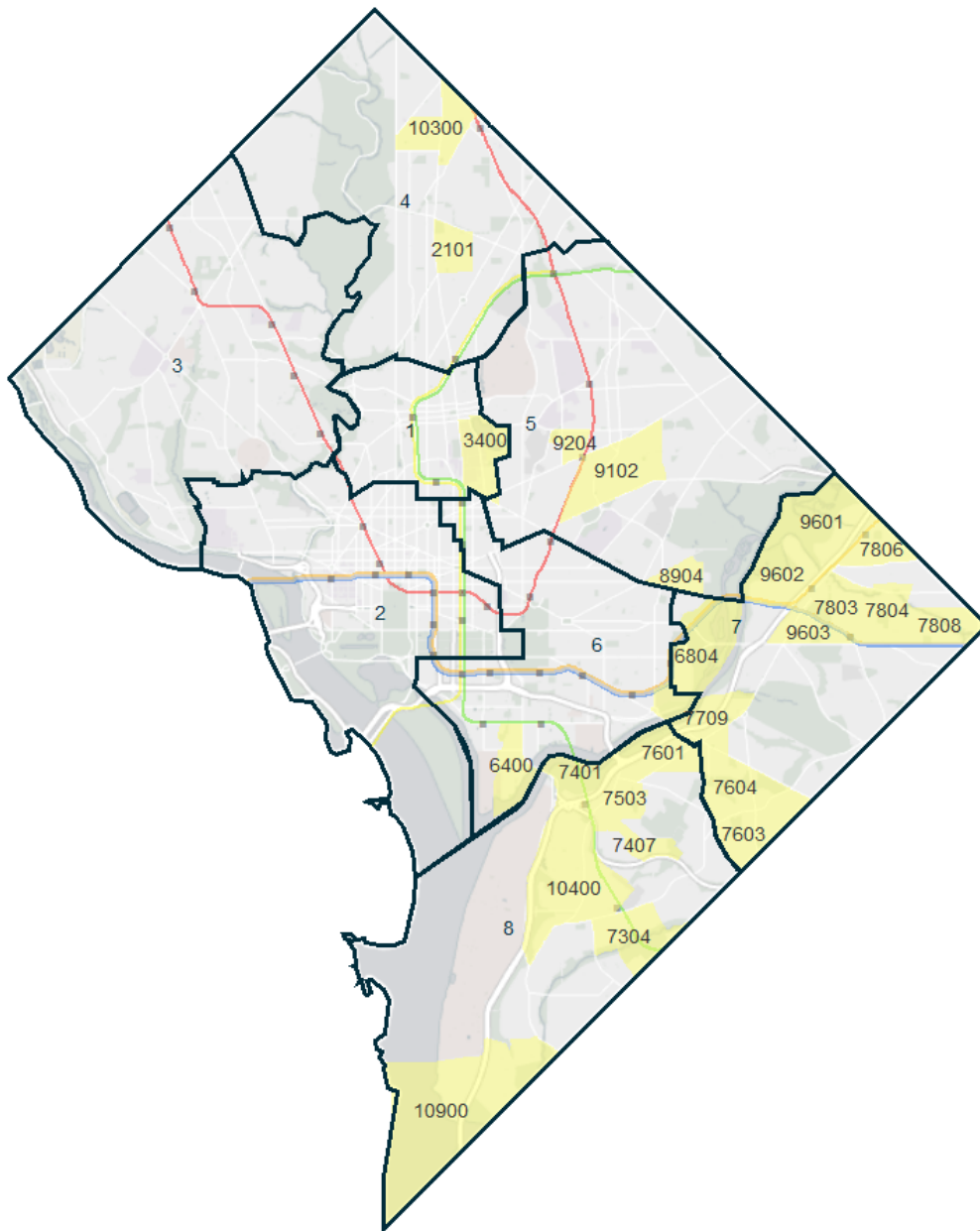
Designation Process



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

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

DC's 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

Oppzones.dc.gov



The screenshot shows the homepage of the Office of the Deputy Mayor for Planning and Economic Development (DMPED). The header includes the DC.gov logo and navigation menus for Home, Newsroom, Real Estate Development, Business Development, Opportunities and Programs, Services, and About. The main content area features a section titled "Opportunity Zones in Washington, DC" with a sub-heading "Mayor Bowser Nominates Opportunity Zones in DC". Below this, there is a paragraph explaining that Opportunity Zones are a new federal program created in the Tax Cuts and Jobs Act of 2017, designed to provide tax incentives for investments in new businesses and commercial projects in low-income communities. It notes that Mayor Bowser nominated 29 census tracts to be Opportunity Zones, which were certified by the U.S. Department of Treasury on May 18, 2018. A small map of DC highlights the designated zones. To the right, there is a section for the "DMPED Real Estate Project Pipeline" with a small map of the District of Columbia.

The screenshot shows a YouTube video player. The video title is "Part 2: How Opportunity Zones Can Work for DC Businesses and Entrepreneurs". The video content shows a panel discussion on a stage. A large screen in the background lists the names of the panelists: Christopher Lee, Wilson Ibatutu, Melissa Bradley, 1848 Veterans, Tony Thomas, Harbor Scaleworks, Capital Corporation, Anthony Aditi, Streetlight Ventures, Fanta Gilliam, Invest DC, Inc. The DMPED logo is visible in the bottom left corner of the video frame.

The screenshot shows a YouTube video player. The video title is "Part 1: How Opportunity Zones Can Work for DC Businesses and Entrepreneurs". The video content shows a panel discussion on a stage. A large screen in the background lists the names of the panelists: Andre McCain, Hollis Moore, Rebama Wright, Doug Yelton, Harold Pettigrew, Wood. The DMPED logo is visible in the bottom left corner of the video frame.

The screenshot shows the map interface of the Oppzones.dc.gov website. The search bar at the top contains the address "2501 25th Street Southeast, Wa". Below the search bar, a list of "Eligible Incentives for this Location" is displayed, including: 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, and Neighborhood Prosperity Fund. The map itself shows the surrounding area with various street names and colored overlays representing different zones and incentives.

Incentives Lookup: incentives.dc.gov

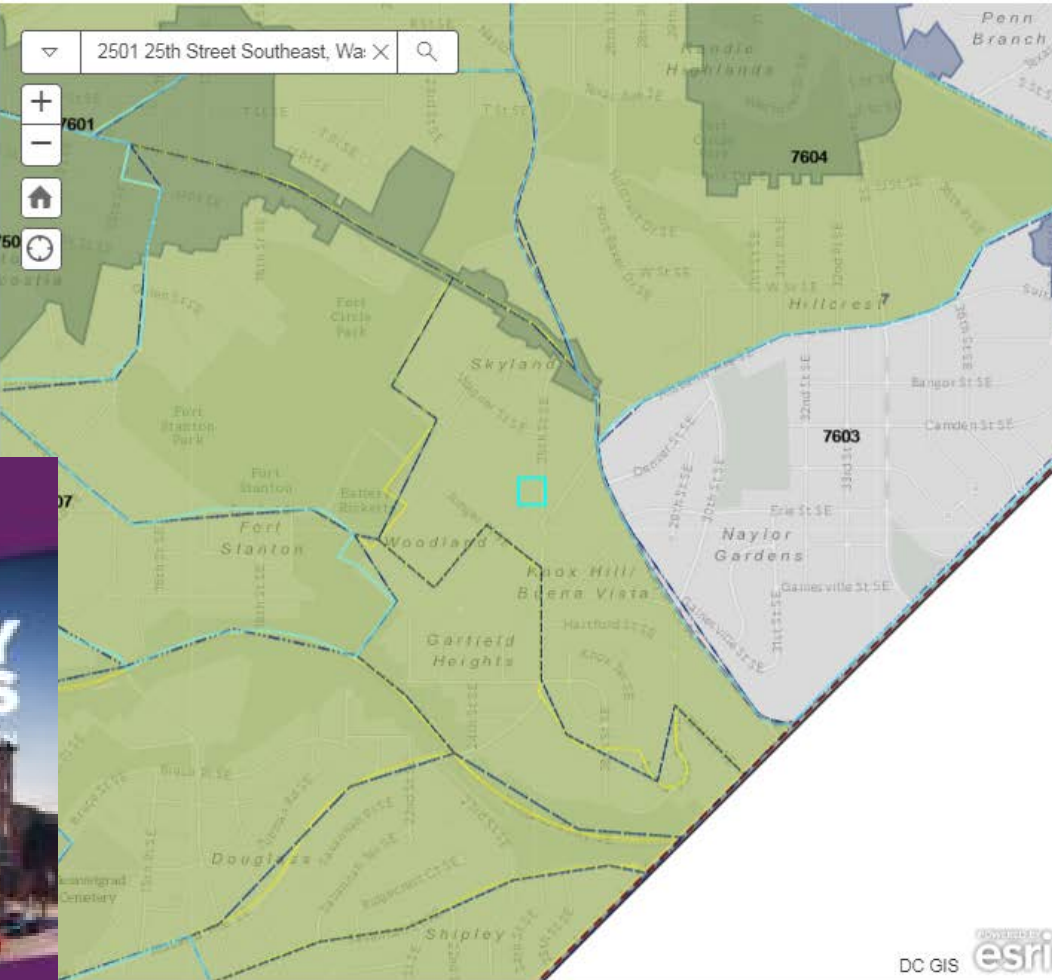




Enter address or click directly on map to locate DC Business Incentives

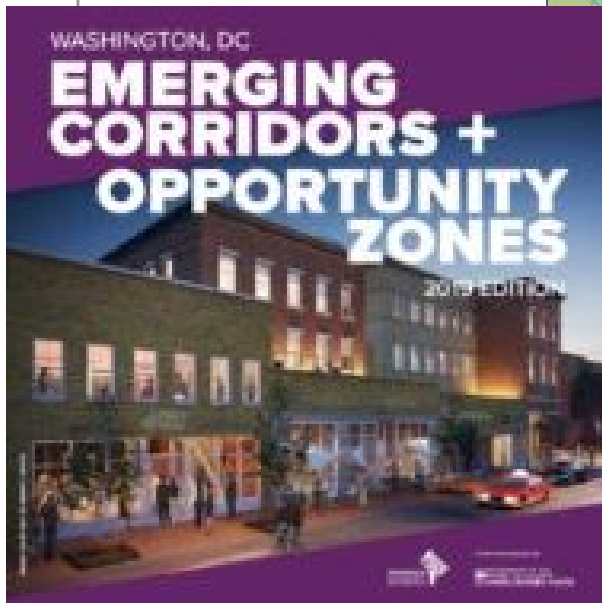
Eligible Incentives for this Location

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



DC GIS 



New Initiatives

OZ Marketplace

Project sponsors, fund managers, investors and community members can submit and find investment opportunities

OZ Community Corps

Network of lawyers and other experts who will provide pro bono consultations to community organizations and small businesses in DC's Opportunity Zones

Maximizing Community Benefit

\$24 million for affordable housing, workforce development, and small business support in DC's Opportunity Zones

OZ Marketplace



Submit DC OZ Projects



DC GOVERNMENT

info@dc.gov
Washington, DC, US

Instructions:

If you are seeking an equity investment from a Qualified Opportunity Fund, submit the following information for your investment opportunity (i.e. real estate project or operating business). Projects that meet the following criteria will be added to the DC OZ marketplace (in development):

- Project must be located in a DC Opportunity Zone (view the interactive map of eligible Census Tracts or enter your address on the map at oppzones.dc.gov)
- Submission is complete
- Project owner commits to sharing semi-annual updates

Please contact Katie.Baskett@dc.gov if you have any questions or difficulties completing the form.

**Submit projects at
oppzones.dc.gov**

Project Sponsor Information

1. Full Name

First Name *

Last Name *

OZ Community Corps

Network of lawyers and other experts who will provide pro bono consultations to community organizations, small businesses and residents of DC's Opportunity Zones



Maximizing Benefits for Existing Residents

Housing

Homeownership

- HPAP, EAHP
- DC Open Doors
- Mortgage Credit Certificate
- Homebuyer Clubs
- First-Time Buyer Recordation Tax Redux

Affordable Housing Supply

- Housing Production Trust Fund
- Inclusionary Zoning
- 36,000 new units by 2025
- Workforce Housing Fund

Property Tax Relief

- Schedule H income limit increase
- Senior Citizen & Disabled Property Owner Tax Exemption
- Deferral for Low-Income Property Owners

Tenant Protections

- Tenant Opportunity to Purchase Act
- Rent stabilization
- Office of the Tenant Advocate

Economic Opportunities

**Workforce
Development**

Human Services

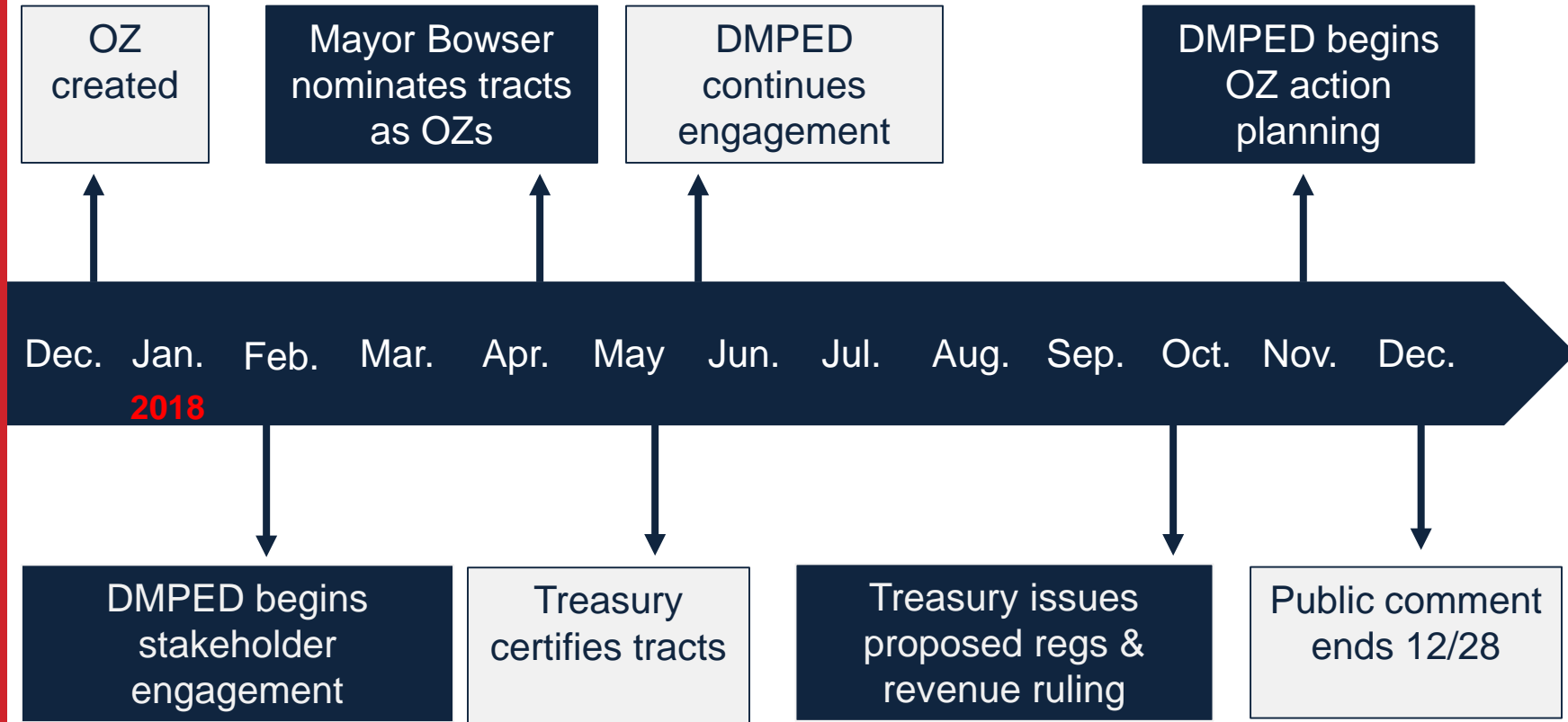
**Jobs &
Entrepreneurship**

Federal Resources

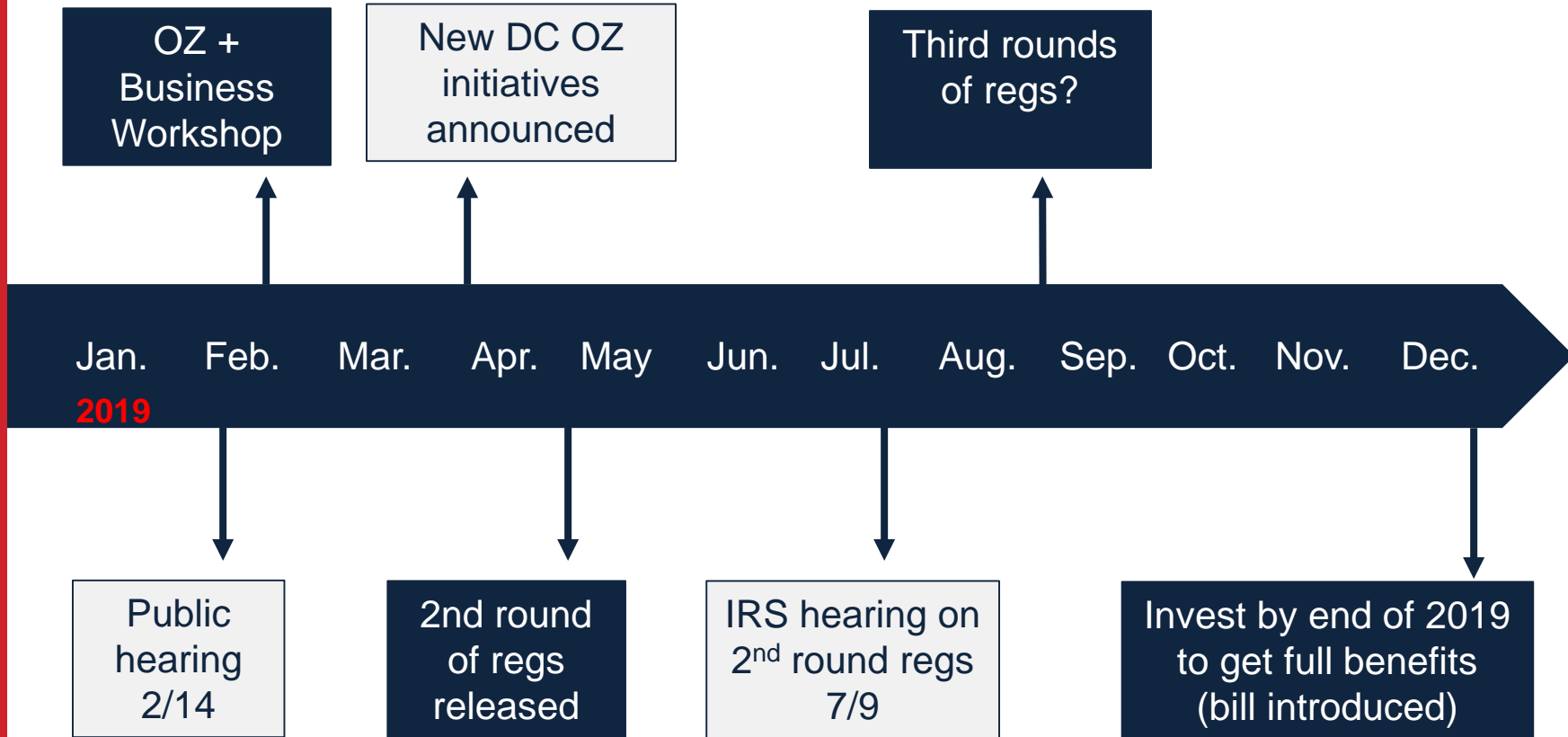
White House Opportunity & Revitalization Council

- Implementation plan
- Preference points for applications from Opportunity Zones for various federal grants
 - Economic development
 - Entrepreneurship
 - Safe Neighborhoods
 - Education and workforce development

Opportunity Zones Timeline: 2018



Opportunity Zones Timeline: 2019



Stay Connected

Oppzones.dc.gov

For resources and information

Sign up to receive email updates at

Oppzones.dc.gov

Questions? Contact

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Deputy Director

Office of Public-Private Partnerships

sharon.carney@dc.gov