

## Tools to Support Current Residents and Small Businesses in Opportunity Zones

In Washington, DC, Mayor Muriel Bowser's top priority for implementing Opportunity Zones is maximizing benefits for current residents. We are taking proactive steps to achieve this by leveraging programs that can support DC residents and existing businesses, as well as addressing how rising property values might affect them. Below is an overview of resources the District is deploying to enable current residents and businesses in Opportunity Zones to stay and thrive for generations to come.

### **Protecting Renters**

DC has some of the strongest renter protections in the nation, an office that helps renters fight for their rights, and a tool that gives tenants the first opportunity to purchase their building if the owner decides to sell.

### **Enabling Homeownership and Helping Homeowners**

DC has many resources to help residents achieve stability and build wealth through homeownership, as well as maintain affordability as properties values rise.

### **Producing and Preserving Affordable Housing**

One factor that is threatening housing affordability in DC is the limited supply – we need more of it! Under Mayor Bowser's leadership, the District has made record investments in affordable housing production and preservation, created new tools to create affordable housing, and set aggressive new goals for production – 36,000 new units (12,000 affordable to low-income residents) by 2025.

### **Supporting Career Opportunities and Financial Security**

The District has robust programming in place to help residents develop skills, access career opportunities and achieve financial security, and we offer an incentive for OZ projects to create on-the-job training opportunities for DC residents.

### **Helping Small Businesses Stay and Thrive**

Various tools exist to support businesses facing rising property values, including grant programs, financial products for purchasing commercial property, and a new property tax relief credit for small retailers.

### **Engaging Communities**

Community input is critical to delivering new developments and amenities that address residents' needs. In addition, community outreach is essential to ensuring residents are aware of the numerous resources available to help them. We are building new capacity and tools for both in DC's Opportunity Zones.

Find details about all of these resources below and at [www.OZmarketplace.dc.gov](http://www.OZmarketplace.dc.gov).

---

## Protecting Renters

DC has some of the strongest renter protections in the nation, an office that helps renters fight for their rights, and a tool that gives tenants first opportunity to purchase their building if owner decides to sell.

- [DC Tenants' Bill of Rights](#) outlines and protects the right of renters in the District.
- [DC Office of the Tenant Advocate](#) provides technical advice and legal services to tenants regarding disputes with landlords, educates tenants about their rights, and advocates for the interests of renters.
- [Tenant Opportunity to Purchase Act \(TOPA\)](#) gives the tenant(s) the first opportunity to purchase their accommodation before it is put on the market and DC's Department of Housing and Community Development provides financial assistance.
- [Homeowner and Rental Property Tax Credit \(Schedule H\)](#) is a property tax credit that is available to both homeowners and renters whose property taxes (or "rent constituting property taxes" in the case of renters) exceed a certain percentage of their household income. Mayor Bowser's Fiscal Year 2020 budget proposal included \$5.2 million to expand the Schedule H tax credit. The \$5.2 million investment would increase the maximum credit to \$1,200 and raise the income ceiling for those eligible (to \$65,000 for residents under 70 and \$80,000 for residents over 70), expanding eligibility to approximately 3,000 new people.
- [Rent control](#): The Rental Housing Act of 1985 established a citywide rent control law in DC that limits rent increases, both for existing tenants and at tenant transitions. Generally, this law applies to buildings constructed before 1975 and affects about 80,000 housing units in the city.

## Enabling Homeownership and Helping Homeowners

DC has many resources to help residents achieve stability and build wealth through homeownership, as well as maintain affordability as properties values rise.

- Homeownership
  - [Housing Purchase Assistance Program \(HPAP\)](#) gives up to \$84,000 in down payment and closing assistance to low-to-moderate income, first-time homebuyers.
  - [DC Open Doors](#) offers fully forgivable second trust loans on a buyer's minimum down payment requirement in addition to below-market interest rates for first trust mortgages.
  - [Mortgage Credit Certificate](#) program makes homeownership more affordable by enabling borrowers to claim a federal tax credit of 20% of the mortgage interest paid during each calendar year.
  - See [Roots to Roofs](#) for more resources for homeownership, maintenance and housing stability.
- Property Tax Relief
  - [Lower Income, Long-Term Homeowners Tax Credit](#) is aimed at easing the effect of rising assessments and taxes on low-income residents who have lived in their homes seven consecutive years or more.
  - [Lower Income Home Ownership Tax Abatement](#) provides a tax abatement for up to five year and exemption from recordation and transfer taxes on a home purchase or sale.
  - [Low Income Property Tax Deferral](#) allows homeowners with Adjusted Gross Income of \$50,000 or less to defer payment of increases in property taxes, and low-income seniors can defer their entire annual tax bill.
  - [Senior Citizen / Disabled Property Tax Relief](#): Property owner who are 65 years of age or older or disabled may file an application for disabled or senior citizen property tax relief. This benefit reduces a qualified property owner's property tax by 50%.
  - [Homestead Deduction](#): Property owners who reside in the property as their primary residence (i.e. resident owners) can receive a reduction on their property's assessed value, thereby reducing their tax liability.

- See the **Homeowner and Rental Property Tax Credit (Schedule H)** described above.
- See the [Office of Tax and Revenue's webpage](#) for more information about tax relief.

## Producing and Preserving Affordable Housing

One factor that is threatening housing affordability in DC is the limited supply – we need more of it! Under Mayor Bowser's leadership, the District has made record investments in affordable housing production and preservation, created new tools to create affordable housing, and set aggressive new goals for production – 36,000 new units (12,000 affordable to low-income residents) by 2025.

- **Housing Production Trust Fund:** DC has invested record amounts for the past five years (\$516 million cumulatively) in the Housing Production Trust Fund, which subsidizes affordable housing production and preservation in DC. In its [Summer 2019 Consolidated Request for Proposals \(RFP\) for Affordable Housing Projects](#), the District will award a preference point for affordable housing preservation and production projects located in DC's Qualified Opportunity Zones.
- **Housing Preservation Fund:** In 2017, the District capitalized the Housing Preservation Fund, a public-private financing tool for affordable housing preservation. DHCD's [Fiscal Year 2020 Housing Preservation Fund Manager RFP](#) will request applicants demonstrate how they envision utilizing OZs in the preservation of affordable housing in DC.
- **Inclusionary Zoning:** DC has had a citywide inclusionary zoning policy in effect since 2009. This requires most new residential developments to set aside 8-10 percent of residential floor area for affordable rental or for sale units (60% area median income). Any new Opportunity Zones-financed development would be subject to this IZ policy. In May 2019, Mayor Bowser signed a Mayor's Order directing agencies to address housing affordability in the District, including by enhancing the inclusionary zoning. Evaluation is underway.

## Supporting Career Opportunities and Financial Security

Residents' ability to stay in their homes depends in part on their ability to pay rent or a mortgage. The District has robust programming in place to help residents develop skills, access career opportunities and achieve financial security, and we offer an incentive for OZ projects to create on-the-job training opportunities for DC residents.

- **On the Job Training:** The Department of Employment Services (DOES) has reserved workforce development funds to support projects in DC's Qualified Opportunity Zones that create career pathways for DC residents. Projects and businesses located in OZs that work with DOES to create On the Job Training Opportunities can be reimbursed for up to 75% of wages for 6 months per trainee. Contact [sybongile.cook@dc.gov](mailto:sybongile.cook@dc.gov) for more information.
- **Financially Fit DC** offers financial education resources to help DC residents achieve financial freedom.
- **Matching Savings Program:** In August 2019, Mayor Bowser relaunched DC Opportunity Accounts, a 4:1 matched savings program that will help qualified District residents with household incomes below \$62,000 save up to \$7,500. Those funds can be used to help pay for a variety of expenses, including education, first-time home purchases, small business development, and retirement.
- Visit the websites of DC's [Department of Employment Services](#), [Department of Insurance, Securities and Banking](#), and [Department of Human Services](#) for information about the many resources available to support financial security and workforce development for DC residents.

## Helping Small Businesses Stay and Thrive

Various tools exist to support businesses facing rising property values, including grant programs, financial products for purchasing commercial property, and a new property tax relief credit for small retailers.

- **Tax relief:** The Small Retailer Property Tax Relief Credit is a refundable franchise tax credit available to retailers with gross annual receipts of up to \$2.5 million. The credit is based on property taxes or rent paid by the business.
- **Commercial property purchase:** Owning property rather than renting can help businesses secure a stable, long-term home in their communities and build wealth as property values rise. The federal Small Business Administration's 504 loan program provides approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization, including building purchase. DC's Department of Insurance, Securities and Banking also offers a [Collateral Support program](#) that can aid businesses seeking to purchase or renovate commercial real estate.
- **Property Maintenance and Upgrades:** Various programs can help businesses maintain and upgrade property, as well as reduce operating expenses. The [DC PACE](#) program provides 100% financing for building upgrades that reduce utility bills and operating expenses. The [Great Streets](#) grant program, available to businesses in 13 commercial corridors across the city, provides up to \$50,000 for capital improvements. The [Cultural Facilities and Building Grant program](#) provides 501(c)3 nonprofits funding for planning, design, renovation, upgrades and acquisition for facilities that support the management, production, or presentation of performances, exhibitions or professional training in the arts or humanities.
- **Business strategy:** DC businesses can tap into numerous free consulting and advisory services to develop strategies for responding to new market conditions. Visit the [DC Small Business Resource Center](#) to find government and non-government services.
- Visit [incentives.dc.gov](http://incentives.dc.gov) for other resources available to DC businesses.

## Engaging Communities

Community input is critical to delivering new developments and amenities that address residents' needs. In addition, community outreach is essential to ensuring residents are aware of the numerous resources available to help them. We are building new capacity and tools for both in DC's Opportunity Zones.

- **Advisory Neighborhood Commissions:** Neighborhood voices are built into DC's development processes citywide – including in Opportunity Zones. By law, the recommendations of Advisory Neighborhood Commissioners are given “great weight” in various types of development and zoning decisions, and ANCs receive advance notice of projects relevant to their communities. [Find your ANC and meeting schedule.](#)
- **Designation:** Community engagement around Opportunity Zones in DC began in February 2018 when we sought input from DC residents through a survey and Advisory Neighborhood Commissioner outreach on which Census tracts to designate as Qualified Opportunity Zones. [Read more about our process.](#)
- **OZ Education:** Following designation, the District broadened the ways it In July 2019, Mayor Bowser launched [OZmarketplace.dc.gov](http://OZmarketplace.dc.gov), a site where project sponsors, investors, community members and others can learn about Opportunity Zones, post and browse investment opportunities, and connect with professional service providers. Through the forthcoming [OZ Community Corps](#), lawyers, accountants, financial advisors and other professional service providers will provide pro bono consultations on a voluntary basis to residents and organizations based in DC OZs. Community members can also [sign up to receive email updates](#) about OZ in DC.
- **Targeted OZ-outreach:** To share information about the Opportunity Zones incentive, raise awareness about the many resources described above, and stay abreast of community priorities and concerns, the District's OZ team reaches out to and meets with community based-

organizations, small business groups and other stakeholders who wish to learn more about OZ. Occasionally they convene educational events, such as the OZ + Operating Business Workshop

in February 2019. [Sign up to receive OZ updates](#) to receive notice about future events and contact [sharon.carney@dc.gov](mailto:sharon.carney@dc.gov) with any questions or to request a meeting.

- **Citywide engagement informing OZ:** Input collected through recent community engagement initiatives, such as the [DC2me campaign](#) and the survey about affordable housing distribution has provided important information about community priorities in Opportunity Zones. In addition, our analysis of small area plans and comprehensive plan elements helped to shape the District's priorities for OZ investment that we share with investors (i.e. neighborhood-serving retail and amenities, jobs and career opportunities for residents, capital for businesses led by underrepresented entrepreneurs, and affordable housing).
- **Affordable housing "front door":** In her May 2019 [Mayor's Order on housing affordability](#), Mayor Bowser directed The Lab @ DC to use user-centered design approach to create a unified "front door" for housing programs that can guide residents to the right opportunities for them and their families. This new tool will make it easier for DC residents, including those in OZs, to find resources that can help them stay and thrive in their neighborhood for generations to come.