

Overview of Opportunity Zones

Background

- The Federal Tax and Jobs Act of 2017 provided new revitalization and economic development tools, including Opportunity Funds and related Opportunity Zones.
- These two tools will allow investors to receive tax benefits on unrealized capital gains by investing those gains in qualified census tracts.
- The federal government has identified census tracts throughout the nation that qualify for nomination as Opportunity Zones.
- Each Governor can then nominate 25 percent of qualified census tracts in their state as Opportunity Zones (in Virginia that could include up to 210 of 840 eligible tracts statewide).
- Nominated tracts will be subject to additional review by the U.S. Department of the Treasury.
- Nominations are due to the U.S. Department of the Treasury by March 22, 2018.

Potential Opportunity Zones in Fairfax County

- There are 35 census tracts in Fairfax County eligible to be designated as Opportunity Zones.
- The Commonwealth has asked the County to nominate up to 25 percent of those tracts for state consideration (up to 8.75 of 35 eligible tracts).
- Submissions should include a priority ranking of the tracts to be considered, along with information about the importance of those areas to the locality's long-term economic development strategy.
- Localities are encouraged to highlight specific market conditions or revitalization efforts (rezonings, transit oriented development, mixed income/use development, capital improvements, significant public/private site acquisition/transfers) for particular tracts.
- The County Executive must submit proposed Opportunity Zone designations to the Governor's office by March 2, 2018.

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Staff Recommendations for Assessment of Eligible Census Tracts

Potential criteria for designation of qualified Opportunity Zones:

- Located within a Revitalization District or Revitalization Area;
- Access to major roadway and transit/transportation infrastructure;
- Significant economic development or public-private partnership/joint-venture opportunity;
- Alignment with Comprehensive Plan policies, on-going plan amendments, and entitlement activities;
- Presence of commercial land uses, including mixed-use development;
- Preserves or expands affordable housing opportunities;
- Impacts on tracts identified as areas of lower opportunity in the Equitable Growth Profile;
- Distribution within Fairfax County.

Additional information is available at the Virginia Development of Housing and Community Development web site:

<http://www.dhcd.virginia.gov/index.php/component/content/article/346.html>