

Opportunity Zone Investments

Description

The Opportunity Zone tax benefit, created through the Tax Cuts and Jobs Act of 2017, holds tremendous opportunity for local communities such as Arlington. Opportunity Zones are the first community development tax incentive program created since the Clinton Administration. Investors are eligible to receive a temporary tax deferral and other tax benefits by investing unrealized capital gains into Qualified Opportunity Funds (QOF) for a minimum of five years. In return, developers may access this capital for affordable housing and other eligible uses.

The Virginia Department of Housing and Community Development (DHCD) website provides an Opportunity Zone locator. DHCD also helps connect potential investors with eligible projects located within Opportunity Zones. The County may work as a facilitator between investors and potential projects, although investments are made directly by investors to projects (i.e., the County is not a pass-through agency).

Potential Applicability in Arlington

Private investment in Opportunity Funds is anticipated to be significant and Arlington has two Opportunity Zone areas that are eligible to receive Opportunity Fund investments for projects that include affordable housing. Developers may identify potential investors using DHCD's website.

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