

Opportunity Zones

National Association of Counties

“Economic Development and Community Revitalization”

May 12, 2026



US Department of Housing and Urban Development (HUD) Welcome

OPPORTUNITY ZONES: AGENDA

1. Introduction to Opportunity Zones
2. OZ 2017 Program (OZ 1.0) versus OZ 2025 Program (OZ 2.0)
3. Rural Opportunity Zones Incentives (OZ 1.0 and OZ 2.0)
4. OZ New Census Tract Nomination Process
5. OZ Mapping Tools and Resources
6. OZ Industry Resources
7. Federal Agency OZ Resources
8. Questions and Answers

Introduction to Opportunity Zones

OPPORTUNITY ZONES: OVERVIEW



Private-Public Partnerships: Place-based tax incentive for both private investment and place-based policy for local, state and federal resources for Governor's designated low-income census tracts



QOF Equity Raised: Qualified Opportunity Funds raised over \$100 billion making it the largest economic development program in US history



OZ Coverage: In 2020, in just two short years after enactment, close to 50% of OZ census tracts had seen QOF investments, NMTC took 18 year to reach this coverage

OPPORTUNITY ZONES: HUD

HUD OZ Implementation Plan

HUD Office of Field Policy and Management (FPM)



Coordinate: This includes coordination with executive leadership, across departments, across federal agencies, and with external stakeholders. This also includes the creation of HUD’s Opportunity Zones Implementation Plan.



Lead: This includes how HUD leadership and staff can help to “lead” local efforts to attract private investment working with state and local elected official and staff, private industry partners, and others in the community. HUD can play a role to inform, educate, and provide guidance related to the changes in the OZ tax incentive and to continue to promote the incentive.



Collect Data: This includes how HUD can work with other federal agencies and the private sector to collect data to measure and analyze the effectiveness and outcomes of the OZ tax incentive.

Opportunity Zones

Provide a series of ***federal capital gains tax incentives*** to qualifying investment into designated qualifying low-income communities (census tracts)

Largest community and economic development program in U.S. history

Opportunity Zones Accomplishments

- Over \$100 billion invested in communities
- Investments in commercial and industrial real estate, hospitality, housing, public infrastructure, energy developments along with business start-ups and expansions
- Over 400,000 housing units built because of the OZ incentive
- Federal, state, and local grant and program alignments
- Thousands of QOFs created
- Investments in thousands of projects and businesses

Opportunity Zones Tax Benefits

Tax Deferral

- **Tax Deferral:** Delay payment of taxes on capital gains rolled into a Qualified Opportunity Fund (QOF) that invests in a designated Opportunity Zone
- **Partial Exclusion of Tax Deferral:** A discount (step-up in basis adjustment) for calculating the tax owed on the deferred capital gain

Tax Exclusion

- **Exclusion of Additional Gains:** No tax liability due on additional capital gains for qualifying investments in OZ held for 10 or more years

Opportunity Zones (2017 Law) Highlights



What Are Opportunity Zones?

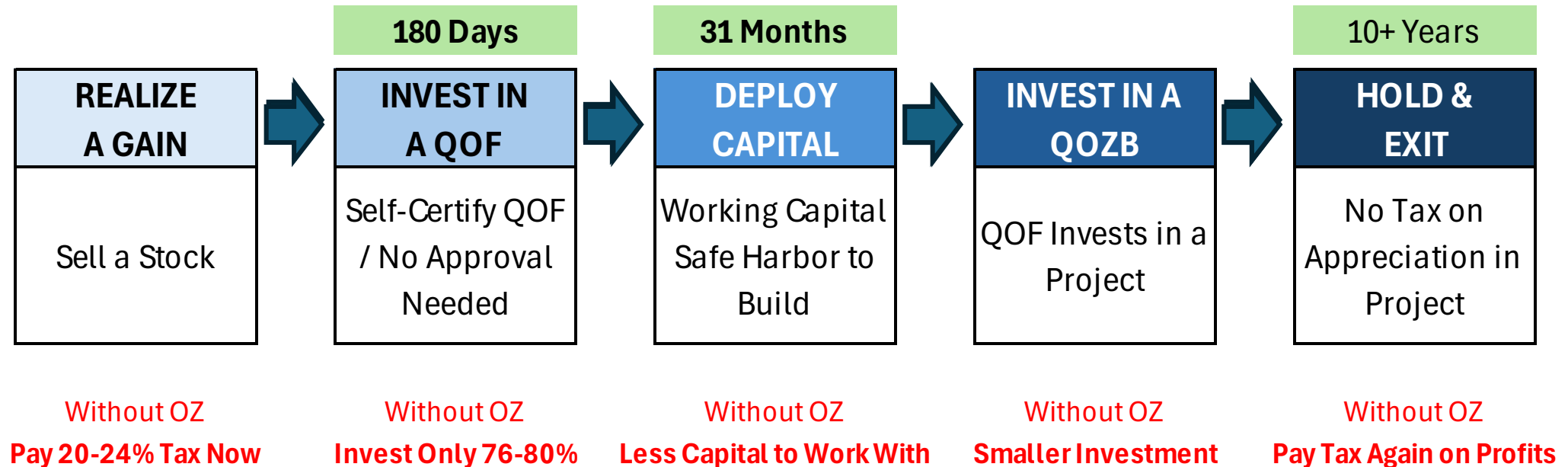
- Created under 2017 federal tax law
- Census tracts designated by governors from eligible list
- 8,764 Census tracts certified and designated by U.S. Treasury
- Designed to encourage long-term private investment
- Made permanent under 2025 federal tax law

How the OZ Investment Process Works

1. Investor realizes capital gain
2. Investor reinvests capital gain within 180 days into a fund (QOF)
3. Fund invests at least 90% of funds in a project or operating business
4. Investor receives tax benefits (on original gain & future gains)

OPPORTUNITY ZONES: INTRODUCTION

Investment Timeframe and Actions Example



OPPORTUNITY ZONES: INTRODUCTION

Non-QOF versus QOF Investment Example

	NON-QOF INVESTMENT
ORIGINAL CAPITAL GAIN	\$1,000,000
TAX RATE	30%
-	
TAX ON ORIGINAL CAPITAL GAIN	(\$300,000)
=	
INVESTABLE AMOUNT	\$700,000
<i>after tax</i>	
X	
COMPOUNDED HYPOTHETICAL ANNUAL RETURN	8%
=	
APPRECIATION	\$811,247
-	
TAX ON APPRECIATION	(\$243,374)
-	
LONG-TERM CAPITAL GAINS TAXES PAID	\$0
<i>on original gain</i>	
=	
FINAL VALUE	\$1,207,873
<i>after 10 years, net of taxes paid</i>	

OPPORTUNITY ZONES: INTRODUCTION

Non-QOF versus QOF Investment Example

	NON-QOF INVESTMENT	QOF INVESTMENT	DIFFERENCES
ORIGINAL CAPITAL GAIN	\$1,000,000	\$1,000,000	
TAX RATE	30%	30%	
- TAX ON ORIGINAL CAPITAL GAIN	(\$300,000)	Deferred	Defer tax on Capital Gains
= INVESTABLE AMOUNT	\$700,000	\$1,000,000	\$300,000 more to invest
<i>after tax</i>			
X COMPOUNDED HYPOTHETICAL ANNUAL RETURN	8%	8%	
= APPRECIATION	\$811,247	\$1,156,925	\$345,678 more in asset value growth
<i>over 10 years</i>			
- TAX ON APPRECIATION	(\$243,374)	\$0	\$243,374 less in taxes paid
<i>after 10 years</i>			
- LONG-TERM CAPITAL GAINS TAXES PAID	\$0	(\$270,000)	\$30,000 less in taxes paid (includes 10% discount, paid later)
<i>on original gain</i>			
= FINAL VALUE	\$1,207,873	\$1,888,925	\$681,052 increase in value
<i>after 10 years, net of taxes paid</i>			

Hypothetical example provided for informational purposes only.

Two Tests

- **Original Use:** ground-up development or a start-up business in a designated OZ census tract
- **Substantial Improvement:** for existing asset like real estate, “significant” or double the “basis” in the building (not land) must be improved over a 30-month period

What Types of Projects Qualify?

- Community and Economic Development
 - Housing
 - Commercial (Office and Retail) Real Estate
 - Hospitals
 - Hospitality
 - Industrial and Manufacturing
 - Farming
 - and many others
- Operating Businesses
- Not “Sin” Businesses

Key Considerations

- Not a grant
- 2026 new OZ designation year
- Requires careful structuring
- Timing is critical (180-day rule)
- Compliance monitoring essential
- Preparing for reporting requirements

OPPORTUNITY ZONES: INDUSTRY DATA (3/31/2026)

Reported Equity Raised as of March 31, 2026



Funds Raised by
QOFs Reporting
Equity Amount
\$43.61 billion

QOFs that Report
the Amount of
Equity Raised
1,747

All QOFs
Tracked
2,190

Source: Novogradac



Novogradac captures **about 25-35% of the market**. Extrapolating the figures out the OZ market is about **\$130-175 Billion Raised**.

OPPORTUNITY ZONES: INDUSTRY DATA (12/31/2025)

Equity Range	# of Fund Managers	Total Equity Raised	% of Total Equity Raised
\$1 Billion or More	7	\$13,467,980,066	31.5%
\$500 million up to \$1 billion	9	\$6,099,633,511	14.3%
\$250 million up to \$500 million	21	\$7,567,293,835	17.7%
\$100 million up to \$250 million	32	\$5,020,070,966	11.7%
\$75 million up to \$100 million	15	\$1,305,677,854	3.1%
\$50 million up to \$75 million	40	\$2,380,328,955	5.6%
\$25 million up to \$50 million	82	\$2,734,503,651	6.4%
\$10 million up to \$25 million	152	\$2,393,010,669	5.6%
Up to \$10 million	679	\$1,792,774,624	4.2%

Source: Novogradac



- Single Asset QOFs represent 75% of funds tracked by Novogradac
- Super QOFs (those with multiple assets and greater than \$100M equity, make up 60% of QOFs tracked by Novogradac

OPPORTUNITY ZONES: INDUSTRY DATA (12/31/2025)

Top 20 States for Planned Investment

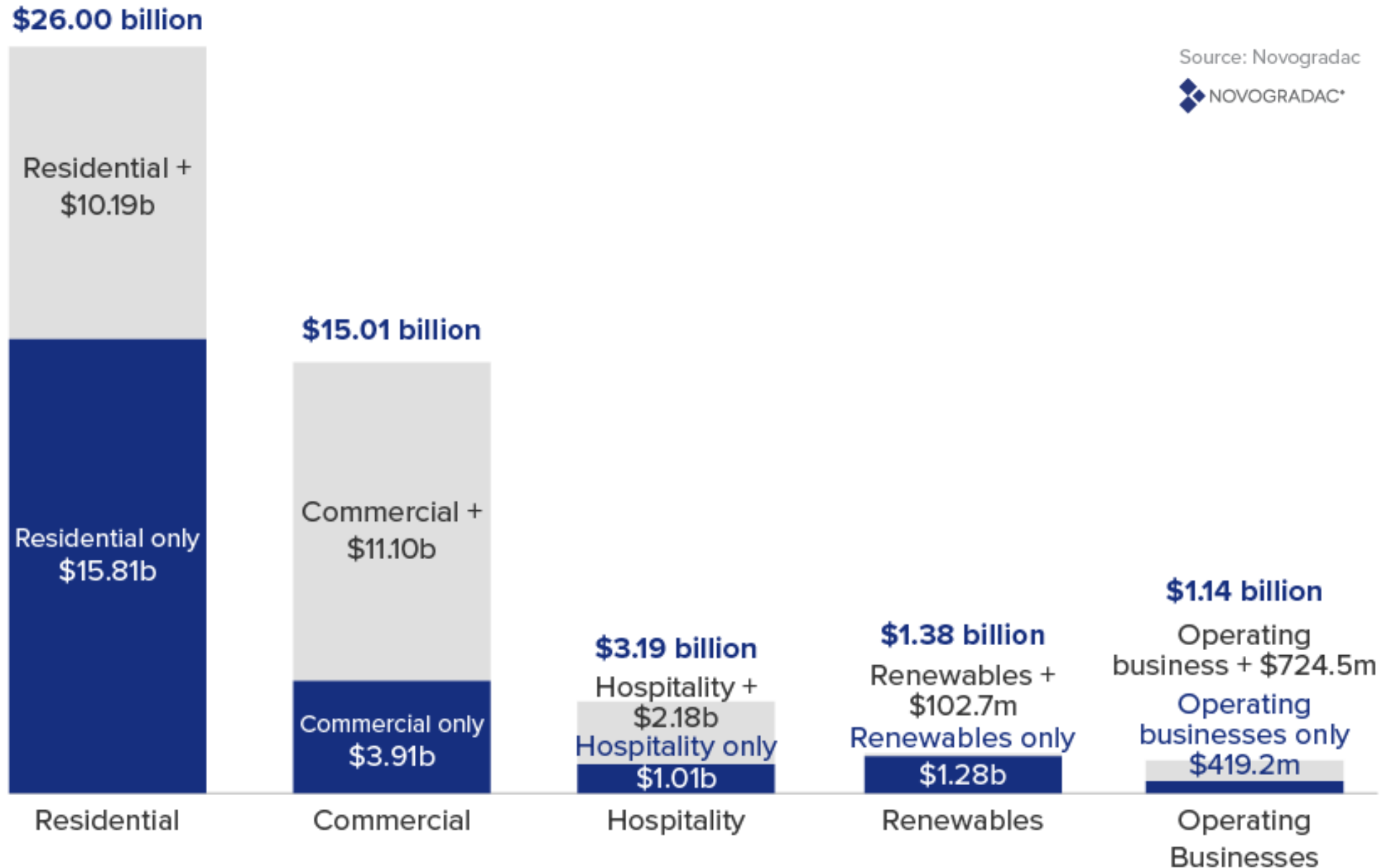
State	Equity Investment Planned per State <i>Rounded to the nearest \$10,000</i>	# of Investments
1. California	\$5,021,230,000	157
2. Arizona	\$2,655,180,000	112
3. New York	\$2,127,780,000	62
4. Ohio	\$2,123,560,000	637
5. Florida	\$1,912,890,000	76
6. Texas	\$1,894,160,000	103
7. Washington, D.C.	\$1,598,270,000	38
8. Colorado	\$1,278,310,000	93
9. Washington	\$1,196,950,000	68
10. Tennessee	\$1,156,420,000	52

State	Equity Investment Planned per State <i>Rounded to the nearest \$10,000</i>	# of Investments
11. North Carolina	\$976,430,000	64
12. Maryland	\$909,700,000	33
13. Georgia	\$902,190,000	42
14. New Jersey	\$715,440,000	44
15. Utah	\$690,770,000	37
16. Nevada	\$643,950,000	29
17. Virginia	\$508,490,000	33
18. Pennsylvania	\$505,650,000	47
19. Oregon	\$457,130,000	24
20. Massachusetts	\$416,710,000	25

Source: Novogradac



OPPORTUNITY ZONES: INDUSTRY DATA (3/31/2026)



OPPORTUNITY ZONES: INDUSTRY DATA (3/31/2026)

Investment Categories	# of Investments	Equity Raised
Residential		
Affordable Housing	140	3,391,558,817
Multifamily	1,165	22,879,386,463
Single Family	69	316,816,977
Mixed-Use	115	2,059,819,160
Workforce Housing	95	1,186,777,760
Student Housing	50	698,543,006
Senior Housing	41	368,305,710
Commercial		
Office	290	5,655,884,666
Industrial	170	2,961,594,810
Mixed-Use	115	2,059,819,160
Retail	420	9,235,600,729

Source: Novogradac

NOVOGRADAC

OZ 2017 Program (OZ 1.0) versus OZ 2025 Program (OZ 2.0)

OZ Tax Incentives – Original (2017) Law Structure

- OZ designated census tracts through end of 2028
- Deferral of original gain until December 31, 2026
- Exclusion of appreciation after 10+ years
- No tax on post-investment gains if requirements met
- No depreciation recapture at exit
- Rural incentives
 - Rural identified OZ tracts
 - Half the requirement for improving a property (50% substantial improvement test)

OZ Tax Incentives – New Law (2025) Structure

- Permanent part of tax code
- New OZ census tracts nominated by governors (September 2026)
 - Governors can nominate up to 25% of eligible tracts (minimum 25)
 - Eligible list criteria more restrictive than Original Law (2017)
 - Governors and communities work together for nominations
- Treasury to certify and designate new OZ census tracts (end of 2026)
 - Fewer OZ census tracts to be designated, more restrictive criteria
 - New OZ census tracts in effect on January 1, 2027, for 10 years
- OZ census tracts designated by Treasury every 10 years

OPPORTUNITY ZONES 2.0: HIGHLIGHTS OF NEW OZ PROGRAM

- **Designations Criteria**
 - Does not permit contiguous LIC census tract to be nominated
 - Governors can nominate up to 25% of eligible census tracts from pool of “Low-Income Community” (LIC) census tracts
 - Minimum of 25 tracts must be nominated or
 - If eligible less than 25 then eligible number
- **OZ 2.0 Eligible Criteria**
 - Must meet either:
 - (i) median family income \leq 70% of area MFI, or
 - (ii) poverty rate \geq 20% and MFI \leq 125% of area median.
 - MFI threshold (statewide or metro area depending on population)

OPPORTUNITY ZONES 2.0: HIGHLIGHTS OF NEW OZ PROGRAM

	OZ 1.0	OZ 2.0
OPPORTUNITY ZONES CENSUS TRACTS DESIGNATIONS		
# of Designated OZ Census Tracts	8,764	6,544 (estimated)
Governor Nomination Criteria	Governors could nominate up to 25% of eligible LIC tracts; up to 5% could be non-LIC contiguous tracts meeting \leq 125% median income criteria	Governors could nominate up to 25% of eligible LIC tracts
"Low Income Community" Definition	IRC §45D(e): <ul style="list-style-type: none"> • Poverty rate \geq 20%, or • Median family income \leq 80% of metro/non-metro median 	Must meet either: <ul style="list-style-type: none"> (i) median family income \leq 70% of area MFI, or (ii) poverty rate \geq 20% and MFI \leq 125% of area median.

OZ Tax Incentives – New Law (2025) Structure

- Treasury to issue new law (2025) regulations
 - Deferral of original gain (rolling 5-years from investment)
 - 10% step-up or discount on original gain
 - Exclusion of appreciation after 10+ years
 - No tax on post-investment gains if requirements met
 - No depreciation recapture at exit

OZ Tax Incentives – New Law (2025) Structure

- Rural OZ Census Tracts
- New! Qualified Rural Opportunity Fund (QROF)
- Rural Incentives
 - 3 times step-up (30%) or discount in original gain
 - Half requirement for improving a property (50% substantial improvement test)

OZ Tax Incentives – Original Law (2017) and New Law (2025)

- Two-year overlap with tax incentive programs (2027 and 2028)
 - Exception is Puerto Rico, Original OZ census tracts expire at end of 2027
- Treasury to address overlap and related regulations for expiring designated OZ
- Treasury to address “unwind” of OZ 2017 program

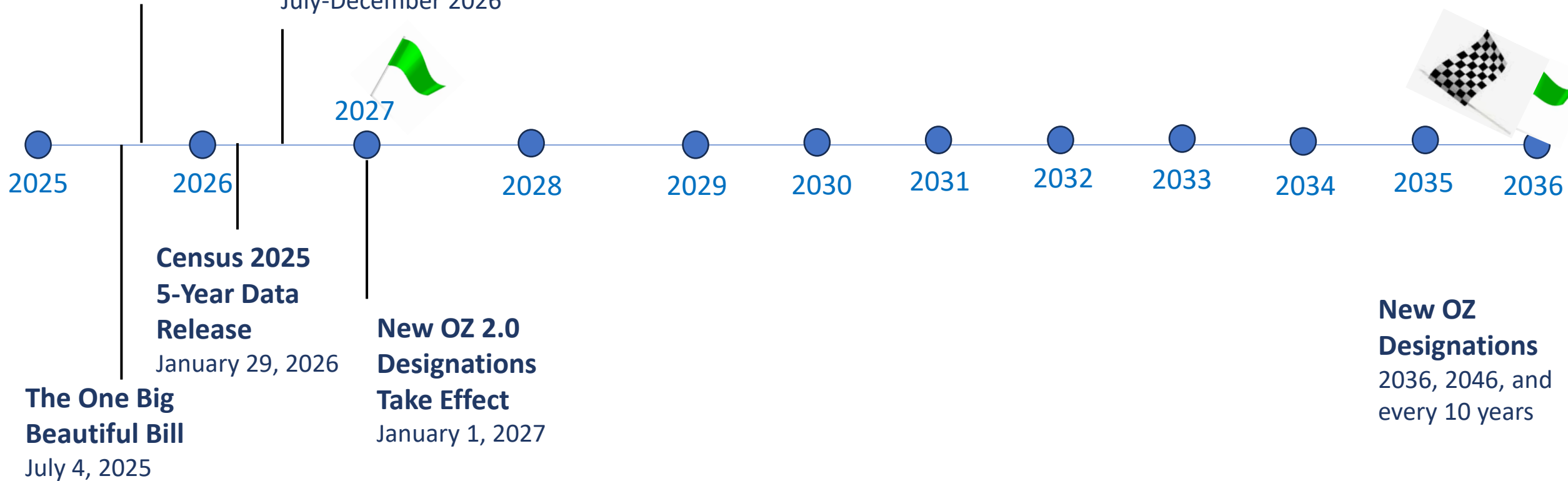
OPPORTUNITY ZONES 2.0 TIMELINE

OZ 1.0 Census Tracts
Expire / 2 Year Overlap
with OZ 2.0 Census
Tracts

OZ 1.0 Rural Areas
September 2025

**OZ 2.0 Census Tract
Designation Period**
July-December 2026

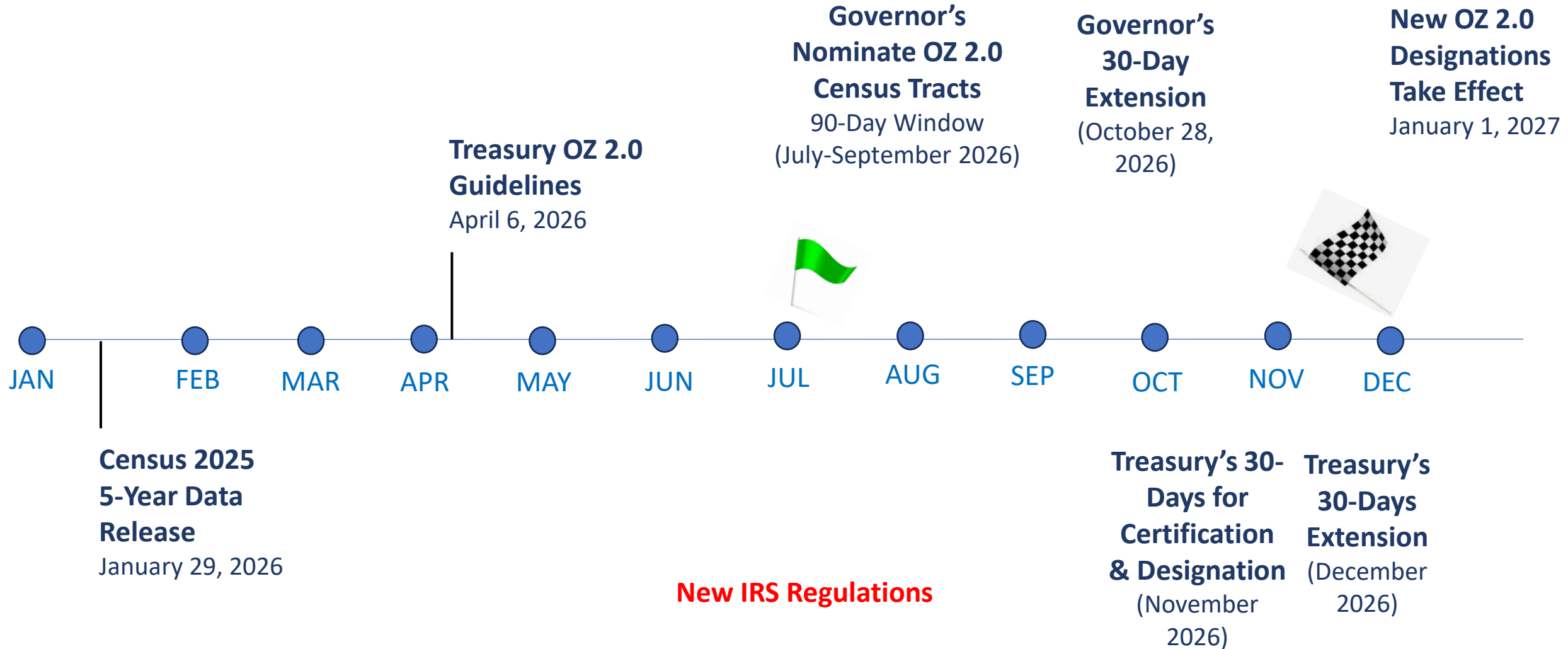
OZ 2.0 End Date
December 31, 2036



New IRS Regulations

**New OZ
Designations**
2036, 2046, and
every 10 years

OPPORTUNITY ZONES 2.0 TIMELINE



OPPORTUNITY ZONES: RESOURCES

HUD OZ Website

<https://www.hud.gov/opportunity-zones>



U.S. Department of Housing and Urban Development

[Opportunity Zones](#) / [Opportunity Zones Updates](#)

Opportunity Zones Updates

Comparison Chart of OZ 1.0 versus OZ 2.0

	OZ 1.0	OZ 2.0
OPPORTUNITY ZONES LEGISLATION		
Enacted	December 22, 2017	July 4, 2025
Duration	Expires December 31, 2026; Temporary	Starts January 1, 2027; Permanent with 10 Year Cycles
OPPORTUNITY ZONES CENSUS TRACTS DESIGNATIONS		
OZ Census Tract Designation	One-Time Census Tract Designation	Designations every 10 Years (2027, 2037, 2047, etc.)
Date OZ Census Tracts Designated	July 9, 2018	First 10 Year Designation: Fall/Winter 2026
Date OZ Census Tracts End	December 31, 2028	First 10 Year Designation: December 31, 2036
# of Designated OZ Census Tracts	8,764	To be Determined in 2026 (Estimated - 6,500)
Governor Nomination Criteria	Governors could nominate up to 25% of eligible LIC tracts; up to 5% could be non-LIC contiguous tracts meeting $\leq 125\%$ median income criteria	Governors could nominate up to 25% of eligible LIC tracts
"Low Income Community" Definition	IRC $\S 45D(e)$: • Poverty rate $\geq 20\%$, or • Median family income $\leq 80\%$ of metro/non-metro median	Tightened: Must meet either: (i) median family income $\leq 70\%$ of area MFI, or (ii) poverty rate $\geq 20\%$ and MFI $\leq 125\%$ of area median.
What ACS Data Set Was / Will be Used?	Based on 2011-2015 American Community Survey (ACS) data / Per IRS Bulletin 2018-9	Uses most recent 5 year period for which data is available (could be 2020-2024 ACS data - not yet released) / IRS to Provide Guidance
Contiguous Census Tracts Eligibility	Up to 5% may be non-LIC contiguous tracts with AMI $\leq 125\%$	Contiguous tract nominations are explicitly prohibited
OPPORTUNITY ZONES TAX BENEFITS		
Original Gain Deferral	Gain Deferred Until 12/31/26 (Fixed Date)	5-Year Rolling Deferral
Original Basis Step-Up	10% (Holding Period: At 5 Years); Only if invested by 12/31/21 plus an additional 5% (15%) (Holding Period: At 7 Years);	10% (Holding Period: At 5 Years); 30% for QROF Investments in Rural Areas (Holding Period: At 5 Years)

OZ HUD Frequently Asked Questions

The following frequently asked questions and answers (FAQs) were prepared in response to inquiries about existing Opportunity Zones (OZ 1.0) and the new, permanent Opportunity Zones (OZ 2.0) tax incentive program. These HUD-prepared FAQs are intended to provide an understanding and awareness about Opportunity Zones, the role of U.S. Department of the Treasury and the U.S. Department of Housing and Urban Development (HUD), and the role of state and local government.

These FAQs do not constitute legal authority and may not be relied upon as such. They do not amend, modify, or add to the Income Tax Regulations or any other legal authority as published by the U.S. Department of the Treasury or the Internal Revenue Service (IRS).

Opportunity Zones Overview +

Designated Opportunity Zones Census Tracts +

Opportunity Zones Tax Benefits +

Opportunity Zones 1.0 versus 2.0 +

Rural Areas and Qualified Rural Opportunity Funds (QROF) +

Opportunity Zones and Reporting +

Federal Agency Resources for Opportunity Zones +

HUD Opportunity Zones Activities +

White House Opportunity and Revitalization Council +

State and Local Governments Opportunity Zones Activities +

Opportunity Zones and Housing Supply +

Definitions +

OPPORTUNITY ZONES: CURRENT AND NEW PROGRAM

Created under 2017 federal tax law

- Currently 8,764 census tracts designated
- Existing map expires end of 2028 (2027 for Puerto Rico)
- Tax deferral benefit expires December 31, 2026
- Investments in housing, community and economic development and operating businesses (start-up and expansion)

Made permanent under 2025 federal tax law

- New census tracts nominated by governors in 2026
- More restrictive criteria for eligible list of census tracts for nomination
- Treasury will designate new, ten-year, census tracts as Opportunity Zones
- Rolling 5-year tax deferral benefit from time of investment
- Rolling 10-year tax exclusion on appreciation benefit from time of investment
- New reporting requirements (e.g. jobs created, housing units built, etc.)
- Rural area investment benefits enhanced
 - 30% discount to deferred capital gains versus 10% for urban areas
 - 50% substantial improvement test versus 100% for urban areas

Rural Opportunity Zones Incentives

OPPORTUNITY ZONES 2.0: HIGHLIGHTS OF NEW OZ PROGRAM (CONT.)

- **Rural OZ Incentives**

- Creates Qualified Rural Opportunity Fund (QROF)
 - Hold at least 90% of its assets in qualified opportunity zone property which
 - Is a QOZ Business (QOZB) property all of use of which was in an OZ comprised entirely of a “rural area”; or
 - Is a QOZ Stock (QOZS) or QOZ Partnership Interest (QOZPI) all of which all of the tangible property owned or leased is QOZB property and substantially all the use of which is in an OZ comprised entirely of a “rural area”
- Additional incentives for QROF investments in rural areas:
 - 30% basis set-up
 - 50% substantial improvement test (**Effective as of July 4, 2025**)

Rural Area

Any area other than –

- 1) A city or town that has a population of greater than 50,000 inhabitants, and
- 2) Any urbanized area contiguous and adjacent to a city or town (described in 1)

OPPORTUNITY ZONES 1.0 VERSUS 2.0 HIGHLIGHTS

	OZ 1.0	OZ 2.0
OPPORTUNITY ZONES "RURAL AREA" BENEFITS		
Rural Investments	Effective with signing of The OBBB (July 4, 2025): 50% Substantial Improvement Threshold (Instead of 100%) for Qualified Rural Opportunity Funds (QROF)	30% Step-Up in Basis after 5 Years + 50% Substantial Improvement Threshold (instead of 100%) for Qualified Rural Opportunity Funds (QROFs)
"Rural Area" Definition	Through 7/4/25: Not Applicable As of 7/4/25: See OZ 2.0 Definition	Any area other than – 1) A city or town that has a population of greater than 50,000 inhabitants, and 2) Any urbanized area contiguous and adjacent to a city or town (described in 1)
Rural OZ Census Tracts	On September 30, 2025, US Department of Treasury issued Notice 2025-50 “Substantial Improvement of Property in Rural Areas” that included the identification of 3,309 of the 8, 764 OZ 1.0 Census Tracts as "Rural Areas" OZ	OZ 2.0 designations will include which are OZ Rural Areas

OPPORTUNITY ZONES: OZ 1.0 AND RURAL AREAS

US Department of the Treasury Released Notice 2025-50 “Substantial Improvement of Property in Rural Areas” September 30, 2025

Part III - Administrative, Procedural, and Miscellaneous

Substantial Improvement of Property in Rural Areas

Notice 2025-50

SECTION 1. PURPOSE

This notice provides guidance to taxpayers applying the substantial improvement provision of § 1400Z-2(d)(2)(D)(ii) of the Internal Revenue Code (Code),¹ as amended by § 70421(c)(4)(C) of Public Law 119-21, 139 Stat. 72, 227 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act (OBBBA), for certain improvements to property located in a qualified opportunity zone (QOZ) listed in Notice 2018-48, 2018-28 I.R.B. 9, or Notice 2019-42, 2019-29 I.R.B. 352, that is comprised entirely of a “rural area.” This notice does not provide any guidance regarding the forthcoming round of opportunity zone nominations, certifications, and designations authorized by the OBBBA, which the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) will address in the future.

SECTION 2. BACKGROUND

.01 Qualified Opportunity Zones under the TCJA

¹ Unless otherwise specified, all “section” or “§” references are to sections of the Code.

APPENDIX

State	County	Census Tract Number	Tract Type
Alabama	Autauga	01001020700	Low-Income Community
Alabama	Baldwin	01003011501	Non-LIC Contiguous
Alabama	Baldwin	01003011502	Low-Income Community
Alabama	Baldwin	01003010200	Low-Income Community
Alabama	Baldwin	01003010400	Non-LIC Contiguous
Alabama	Baldwin	01003010600	Low-Income Community
Alabama	Baldwin	01003010500	Low-Income Community
Alabama	Barbour	01005950100	Low-Income Community
Alabama	Bibb	01007010002	Low-Income Community
Alabama	Blount	01009050500	Low-Income Community
Alabama	Bullock	01011952200	Low-Income Community
Alabama	Butler	01013952800	Low-Income Community
Alabama	Calhoun	01015002101	Low-Income Community
Alabama	Calhoun	01015000700	Low-Income Community
Alabama	Calhoun	01015000800	Low-Income Community
Alabama	Chambers	01017954300	Low-Income Community
Alabama	Cherokee	01019955900	Low-Income Community
Alabama	Chilton	01021060102	Low-Income Community
Alabama	Choctaw	01023956800	Low-Income Community
Alabama	Clarke	01025957902	Low-Income Community
Alabama	Clay	01027959000	Low-Income Community
Alabama	Cleburne	01029959600	Low-Income Community
Alabama	Coffee	01031010900	Low-Income Community
Alabama	Colbert	01033020200	Low-Income Community
Alabama	Conecuh	01035960400	Low-Income Community
Alabama	Coosa	01037961000	Low-Income Community
Alabama	Covington	01039962700	Low-Income Community
Alabama	Covington	01039962000	Low-Income Community
Alabama	Crenshaw	01041963700	Low-Income Community
Alabama	Cullman	01043965000	Low-Income Community
Alabama	Cullman	01043964800	Low-Income Community
Alabama	Dale	01045020700	Low-Income Community
Alabama	Dallas	01047956500	Low-Income Community
Alabama	DeKalb	01049960900	Low-Income Community
Alabama	Elmore	01051031000	Low-Income Community
Alabama	Elmore	01051031300	Low-Income Community
Alabama	Escambia	01053970400	Low-Income Community
Alabama	Etowah	01055001200	Low-Income Community
Alabama	Fayette	01057020300	Low-Income Community
Alabama	Franklin	01059973700	Low-Income Community

- **Regulations: 7 Pages**
 - Purpose
 - Background
 - Scope
 - Meaning of “Rural Areas” for 2018 QOZS
 - Application
 - Drafting Information
- **Appendix: 76 Pages**
 - List of OZ 1.0 Census Tracts defined as “Rural Areas”

OZ Census Tract Nomination Process

OPPORTUNITY ZONES: CENSUS UPDATES


PRE-RELEASE WEBINAR
**2020-2024 American
Community Survey
5-Year Estimates**

THURSDAY
JANUARY 22 @ 1PM ET



United States®
Census
Bureau

OPPORTUNITY ZONES 2.0: TREASURY GUIDANCE / ELIGIBILITY

 **IRS** Help | News | English ▼ | Tax Pros | Sign In ▼

File Pay Refunds Credits & Deductions Forms Report Fraud

[Home](#) / [News](#) / [News releases](#) / Treasury, IRS provide guidance to States for nominating census tracts as qualified opportunity zones under the One, Big, Beautiful Bill

Treasury, IRS provide guidance to States for nominating census tracts as qualified opportunity zones under the One, Big, Beautiful Bill

Topics in the news

News releases

News releases for frequently asked questions

Multimedia center

Tax relief in disaster situations

One Big Beautiful Bill Act

Note: This release was revised on April 8, 2026, to incorporate a statement from Treasury Secretary Scott Bessent.

IR-2026-45, April 6, 2026

WASHINGTON — The Department of the Treasury and the Internal Revenue Service today issued guidance to the Chief Executive Officers of any State, the District of Columbia, and U.S. territories regarding the procedure for nominating population census tracts to be designated as qualified opportunity zones (QOZs) under the One, Big, Beautiful Bill.

“Under President Trump’s leadership, the Working Families Tax Cuts permanently renewed and strengthened Opportunity Zones, giving investors, entrepreneurs, and local leaders the long-term certainty they need to commit capital to communities that have been overlooked for too long,” said Treasury Secretary Scott Bessent. “This guidance is an important next step to continue driving private capital into productive investment, job creation, and opportunity to local communities across America.”

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.601: Rules and regulations.
(Also Part 1, §§ 1400Z-1, 1400Z-2.)

Rev. Proc. 2026-14

SECTION 1. PURPOSE

This revenue procedure provides guidance to the Chief Executive Officer (CEO) of any State, of any territory of the United States, and of the District of Columbia regarding the procedure for nominating population census tracts to be designated as qualified opportunity zones (QOZs) effective on January 1, 2027, for purposes of §§ 1400Z-1 and 1400Z-2 of the Internal Revenue Code (Code)¹, as amended by § 70421 of Public Law 119-21, 139 Stat. 72, 223 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act (OBBBA).

OZ 2.0 Revenue Procedure 2026-14 and “Off-List” Census Tracts

Section 5.04 states, “The Secretary will consider a State CEO’s nomination of population census tract not listed in the Appendix or Information Resource to the extent that the nomination is accompanied by a detailed analysis, including current data collected at the census tract level, demonstrating the nominated population census tract satisfied the requirements under §1400Z-1(c)(1).”

OZ 2.0 Revenue Procedure 2026-14 Press Release

“To help with the nomination process, online tools and resources will be rolled out to State CEOs in the coming months to ensure efficiency and accuracy of their nominations.”

OPPORTUNITY ZONES 2.0: TREASURY GUIDANCE / ELIGIBILITY

		25,332	6,544	6,333	8,334	32.9%	8,764	(2,220)	-25.3%
State	HUD Region	# of Eligible OZ 2.0 Census Tracts	OZ 2.0 Total	25% or Minimum (Round Up)	# of Eligible OZ 2.0 Census Tracts (Rural)	OZ 2.0 (% Rural of Total)	OZ 1.0 Census Tracts	Change in # of Census Tracts (1.0 versus 2.0)	% Change (1.0 versus 2.0)
AL	4	563	141	140.8	302	53.6%	158	(17)	-11%
AK	10	32	25	8.0	21	65.6%	25	0	0%
AS	9	16	16	4.0	16	100.0%	16	0	0%
AZ	9	500	125	125.0	137	27.4%	168	(43)	-26%
AR	6	310	78	77.5	216	69.7%	85	(7)	-8%
CA	9	2,469	618	617.3	345	14.0%	879	(261)	-30%
CO	8	360	90	90.0	101	28.1%	126	(36)	-29%
CT	1	243	61	60.8	30	12.3%	72	(11)	-15%
DE	3	61	25	15.3	22	36.1%	25	0	0%
DC	3	66	25	16.5	0	0.0%	25	0	0%
FL	4	1,360	340	340.0	284	20.9%	427	(87)	-20%
GA	4	942	236	235.5	421	44.7%	260	(24)	-9%
GU	4	20	20	5.0	20	100.0%	25	(5)	-20%
HI	9	88	25	22.0	35	39.8%	25	0	0%
ID	8	80	25	20.0	32	40.0%	28	(3)	-11%
IL	5	950	238	237.5	211	22.2%	327	(89)	-27%
IN	5	501	126	125.3	120	24.0%	156	(30)	-19%
IA	7	175	44	43.8	58	33.1%	62	(18)	-29%
KS	7	210	53	52.5	76	36.2%	74	(21)	-28%
KY	4	545	137	136.3	381	69.9%	144	(7)	-5%
LA	6	620	155	155.0	309	49.8%	150	5	3%
ME	1	78	25	19.5	74	94.9%	32	(7)	-22%
MD	3	451	113	112.8	77	17.1%	149	(36)	-24%
MA	1	410	103	102.5	58	14.1%	138	(35)	-25%
MI	5	856	214	214.0	251	29.3%	288	(74)	-26%
MN	5	289	73	72.3	107	37.0%	128	(55)	-43%
MS	4	404	101	101.0	320	79.2%	100	1	1%

OPPORTUNITY ZONES 2.0: TREASURY GUIDANCE / ELIGIBILITY

State	HUD Region	# of Eligible OZ 2.0 Census Tracts	OZ 2.0 Total	25% or Minimum (Round Up)	# of Eligible OZ 2.0 Census Tracts (Rural)	OZ 2.0 (%) Rural of Total	OZ 1.0 Census Tracts	Change in # of Census Tracts (1.0 versus 2.0)	% Change (1.0 versus 2.0)
MO	7	523	131	130.8	220	42.1%	161	(30)	-19%
MT	8	58	25	14.5	37	63.8%	25	0	0%
NE	7	112	28	28.0	28	25.0%	44	(16)	-36%
NV	9	195	49	48.8	25	12.8%	61	(12)	-20%
NH	1	53	25	13.3	36	67.9%	27	(2)	-7%
NJ	2	516	129	129.0	37	7.2%	169	(40)	-24%
NM	6	257	65	64.3	163	63.4%	63	2	3%
NY	2	1,702	426	425.5	303	17.8%	514	(88)	-17%
NC	4	807	202	201.8	431	53.4%	252	(50)	-20%
ND	8	37	25	9.3	18	48.6%	25	0	0%
MP	9	19	19	4.8	19	100.0%	20	(1)	-5%
OH	5	1,032	258	258.0	278	26.9%	320	(62)	-19%
OK	6	413	104	103.3	188	45.5%	117	(13)	-11%
OR	10	229	58	57.3	106	46.3%	86	(28)	-33%
PA	3	866	217	216.5	274	31.6%	300	(83)	-28%
PR	4	712	178	178.0	243	34.1%	863	(685)	-79%
RI	1	55	25	13.8	1	1.8%	25	0	0%
SC	4	445	112	111.3	326	73.3%	135	(23)	-17%
SD	8	52	25	13.0	35	67.3%	25	0	0%
TN	4	507	127	126.8	222	43.8%	176	(49)	-28%
TX	6	2,420	605	605.0	524	21.7%	628	(23)	-4%
UT	8	147	37	36.8	30	20.4%	46	(9)	-20%
VT	1	24	24	6.0	24	100.0%	25	(1)	-4%
VI	4	18	18	4.5	18	100.0%	14	4	29%
VA	3	607	152	151.8	287	47.3%	212	(60)	-28%
WA	10	394	99	98.5	147	37.3%	139	(40)	-29%
WV	3	207	52	51.8	207	100.0%	55	(3)	-5%
WI	5	306	77	76.5	67	21.9%	120	(43)	-36%
WY	8	20	20	5.0	16	80.0%	25	(5)	-20%

OPPORTUNITY ZONES 2.0: TREASURY GUIDANCE / ELIGIBILITY

Eligible Census Tracts: Top 20 Counties

State	County	OZ2.0 Eligible Tracts
California	Los Angeles County, California	835
Texas	Harris County, Texas	499
Illinois	Cook County, Illinois	477
New York	Kings County, New York	401
Michigan	Wayne County, Michigan	333
Texas	Dallas County, Texas	279
New York	Bronx County, New York	269
Florida	Miami-Dade County, Florida	245
New York	Queens County, New York	240
Arizona	Maricopa County, Arizona	238
Pennsylvania	Philadelphia County, Pennsylvania	218
Ohio	Cuyahoga County, Ohio	185
California	San Diego County, California	171
Texas	Tarrant County, Texas	153
Wisconsin	Milwaukee County, Wisconsin	153
Texas	Bexar County, Texas	146
Nevada	Clark County, Nevada	141
Maryland	Baltimore city, Maryland	138
California	San Bernardino County, California	133
Texas	Hidalgo County, Texas	133

- **3,222 counties**
- **2,473 counties have eligible census tracts**
- **Top 20 have 5,387 of 25,332 eligible census tracts or 21.3% of the total**

OPPORTUNITY ZONES: STATE UPDATES

OZ 2.0 State Activities Underway (Updated 5/11/26, Order of Awareness)

Released OZ 2.0 Guidance

1. Colorado – [Website](#), Webinars, & Nomination Guidance
2. Texas – [Website](#) & Nomination Guidance
3. Washington – [Website](#), Webinars, & Nomination Guidance
4. Delaware - [Website](#), Nomination Guidance, & [Nomination Form](#)
5. Illinois – [Website](#), Nomination Guidance, & Nomination Form
6. Nebraska – [Website](#), Webinar, Nomination Guidance, & Nomination Form
7. Kansas - [Website 1](#), [Website 2](#), [Website 3](#), Webinars, & Nomination Guidance
8. North Carolina - [Website](#), & Nomination Guidance
9. Florida - [Website](#), Events, & Nomination Form
10. Mississippi - [Website](#), & Nomination Guidance
11. Oregon – [Website](#), Webinars, [Companion Guide](#). & Nomination Guidance
12. Maine – [Website](#) & Nomination Guidance
13. Kentucky – [Website](#), Webinar, & Nomination Guidance
14. Oklahoma – [Website](#) & Nomination Guidance
15. Missouri – [Website](#), Webinars, & Nomination Guidance
16. Arizona - [Website](#). Webinar, & Nomination Guidance
17. Alaska - [Webinar](#), & Nomination Guidance
18. Idaho – [Website](#), Webinars & Nomination Portal
19. Louisiana - [Website](#), & Nomination Portal
20. Pennsylvania – [Website](#) & Nomination Guidance
21. South Carolina - [Website](#), Webinars, & Nomination Guidance
22. Minnesota - [Website](#), & Nomination Portal
23. West Virginia - [Website](#), & Nomination Portal
24. New Mexico - [Website](#), & Nomination Guidance

OPPORTUNITY ZONES: STATE UPDATES

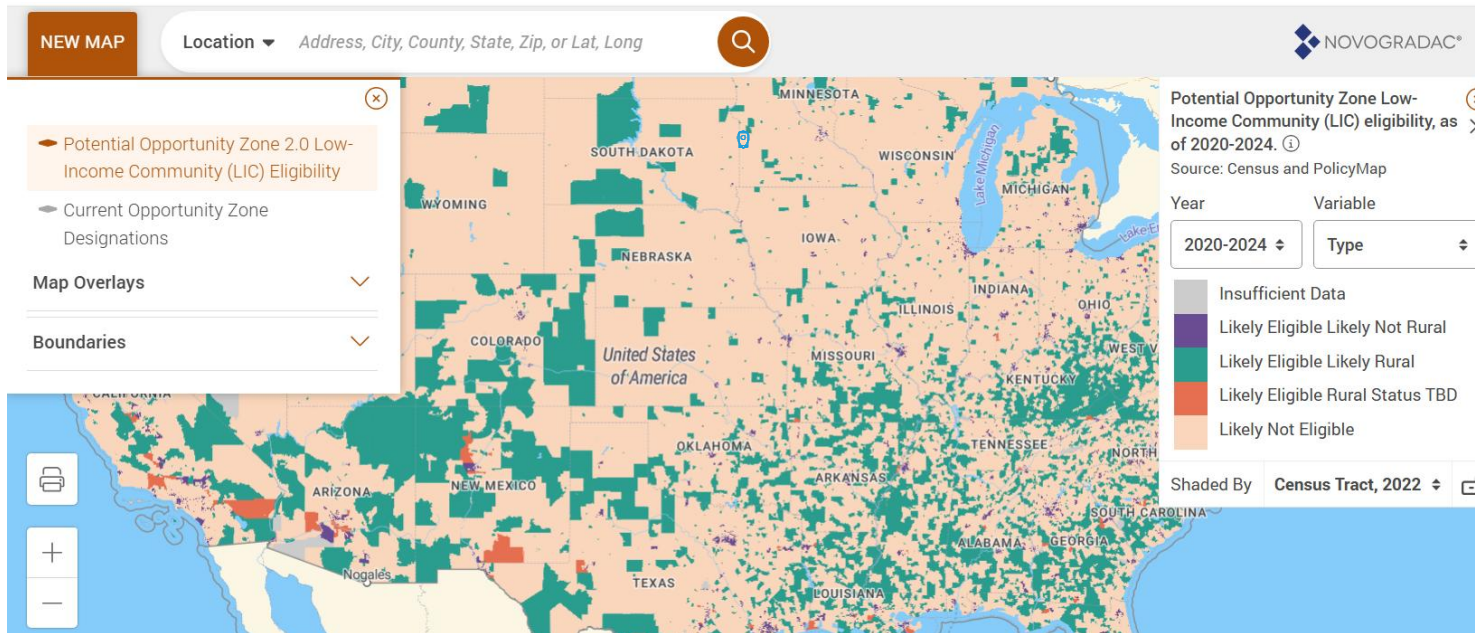
OZ 2.0 State Activities Underway (Updated 5/11/26, in order of awareness)

Updated their Website with OZ 2.0 Information

1. Tennessee – Webinar & Regional Events
2. California – [Website](#) and Webinar (Postponed)
3. Ohio - [Website](#)
4. Vermont - [Website](#)
5. Wyoming - [Website](#)
6. Utah - [Website](#)
7. Virginia - [Website](#)
8. Indiana - [Website](#)

OZ Mapping Tools and Resources

OPPORTUNITY ZONES 2.0: ELIGIBILITY MAP



Novogradac created an interactive map of all eligible census tracts based on these criteria and the most current American Community Survey 5-Year Estimates for 2020-2024.

This tool displays:

- Currently designated OZ census tracts (designated in 2018)
- Eligible OZ 2.0 census tracts
- Whether eligible OZ 2.0 census tracts are rural areas

OPPORTUNITY ZONES 2.0: ELIGIBILITY MAP

OZ 2.0 Eligible Tracts (2020-2024 ACS Data)



Default slide



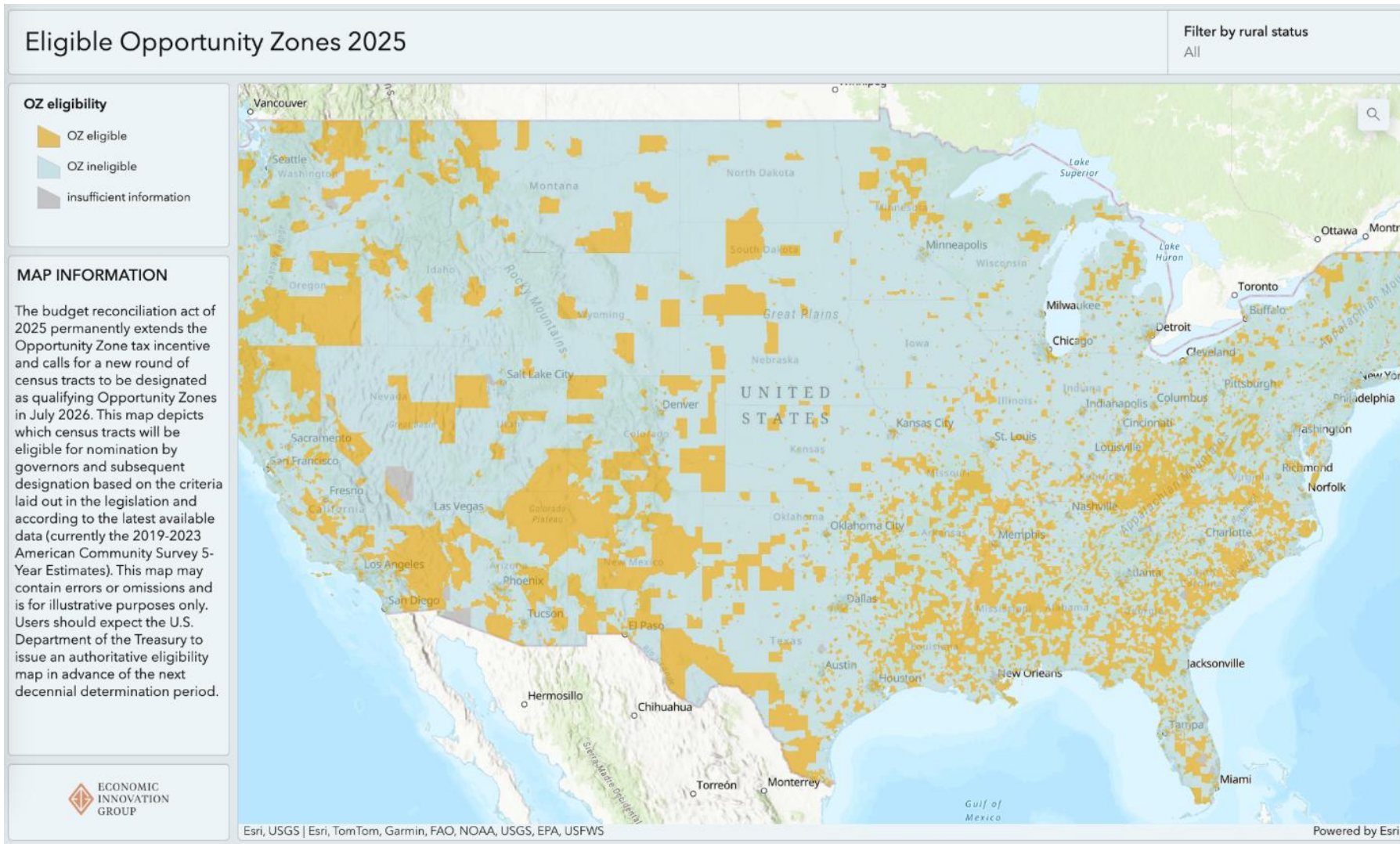
OpportunityZones.com created an interactive map of all eligible census tracts based on these criteria and the most current American Community Survey 5-Year Estimates for 2020-2024.

- OZ 2.0 Eligibility Data (Google Sheets): [Open in Google Sheets](#)
- OZ 2.0 Eligibility Data (Excel): [Download the Excel version \(.xlsx\)](#)

Margin of Errors noted.

<https://opportunityzones.com/tools/oz-2-eligibility-map/>

OPPORTUNITY ZONES 2.0: ELIGIBILITY MAP



EIG created an interactive map of all eligible census tracts based on these criteria and the most current American Community Survey 5-Year Estimates for 2020-2024.

Some states will see large reduction in designations.

Some states will not see any change in the number due to the 25 minimum.

OZ Industry Resources

OPPORTUNITY ZONES: REFERENCE MATERIALS

OZ 2.0 Industry Updates

- **OZ 2.0 Designation Guides or Tools**

- Economic Innovation Group: “[Opportunity Zones 2.0: A Guide for Governors and Mayors](#)”
- America First Policy Institute: “[From Policy to Practice: Opportunity Zones 2.0 Reforms and a State Blueprint for Impact | Issue Brief |](#)”
- Urban Institute: “[Opportunity Zones 2.0 Selection Tool](#)”

- **OZ 2.0 Designation Articles**

- FBT Gibbons: “[Strategic Selection of Opportunity Zones 2.0: A Governor’s Guide to Best Practices](#)”, November 19, 2025
- TIP Strategies: “[Laying the Groundwork for Opportunity Zones 2.0](#)”, December 29, 2025
- Novogradac / EIG, “[OZ 2.0 Nominations Start in 2026: A Guide for What Governors and Mayors Should Do Now](#)”
- Urban Institute: “[Shaping the Opportunity Zone Map to Drive Housing Production That Best Meets Community Need](#)” February 4, 2026 (Urban Institute, Housing Matters)

OPPORTUNITY ZONES 2.0: RURAL OZ GUIDES

Opportunity Zones Rural Guides

- [“Activating Rural Investments in the Next Round of Opportunity Zones”](#), Partners for Rural Transformation / Housing Assistance Council (HAC) / Hope
- [“Rural Opportunity Zone and Recovery Playbook”](#), Sorenson Impact / David Eccles School of Business, University of Utah / Utah Association of Counties (Report Funded by the Economic Development Administration)
- [“Delivering Opportunity: A diagnostic and strategy playbook to maximize Indiana’s Opportunity Zones”](#), Economic Innovation Group

OPPORTUNITY ZONES 2.0: RURAL OZ GUIDES

Activating Rural Investments in the Next Round of Opportunity Zones

Recommendations for States

March 2026

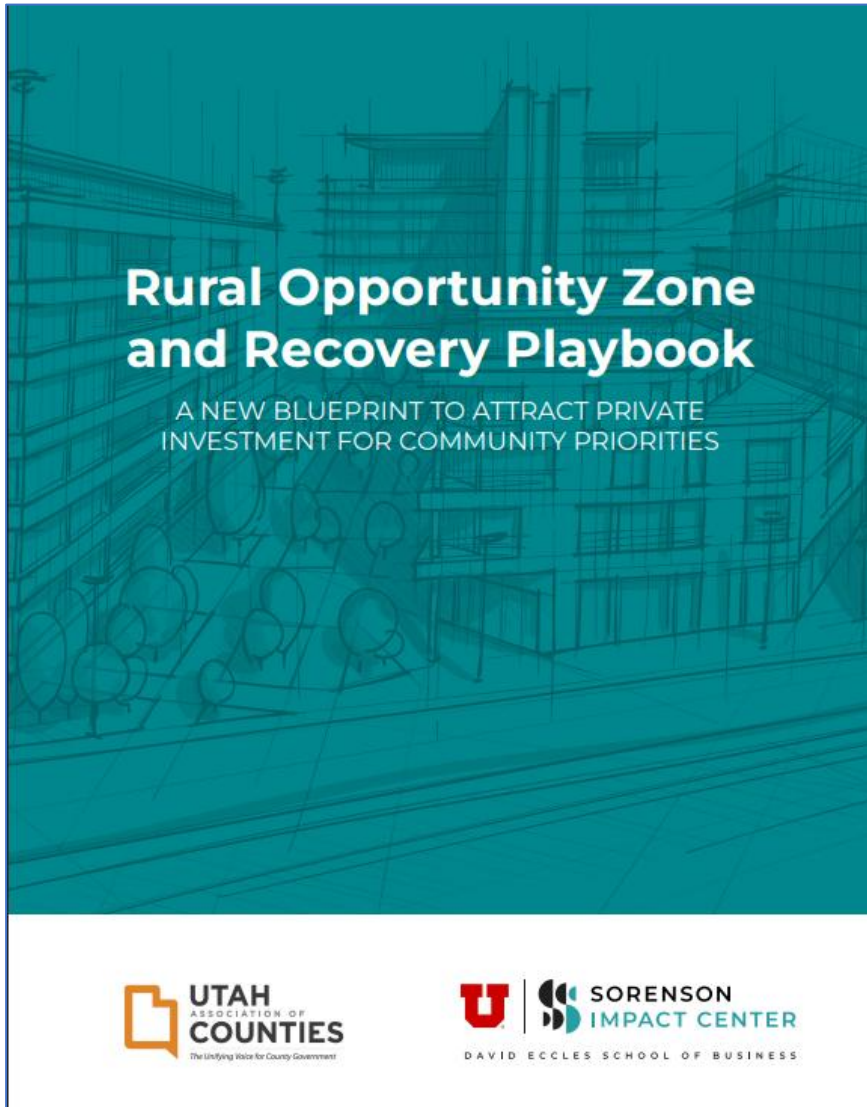
Recommendations from the HAC guide:

- Engage rural communities, Native communities, and practitioners to guide your state's rural OZ designation decisions
- Create rural maps that capitalize on your state's unique rural needs and community development goals
- Take an active role in driving OZ investment into rural OZs by creating priority in other state funding programs and consider creating "last mile" technical assistance
- Create an assessment tool that accounts for the above activities



OPPORTUNITY ZONES 2.0: RURAL OZ GUIDES

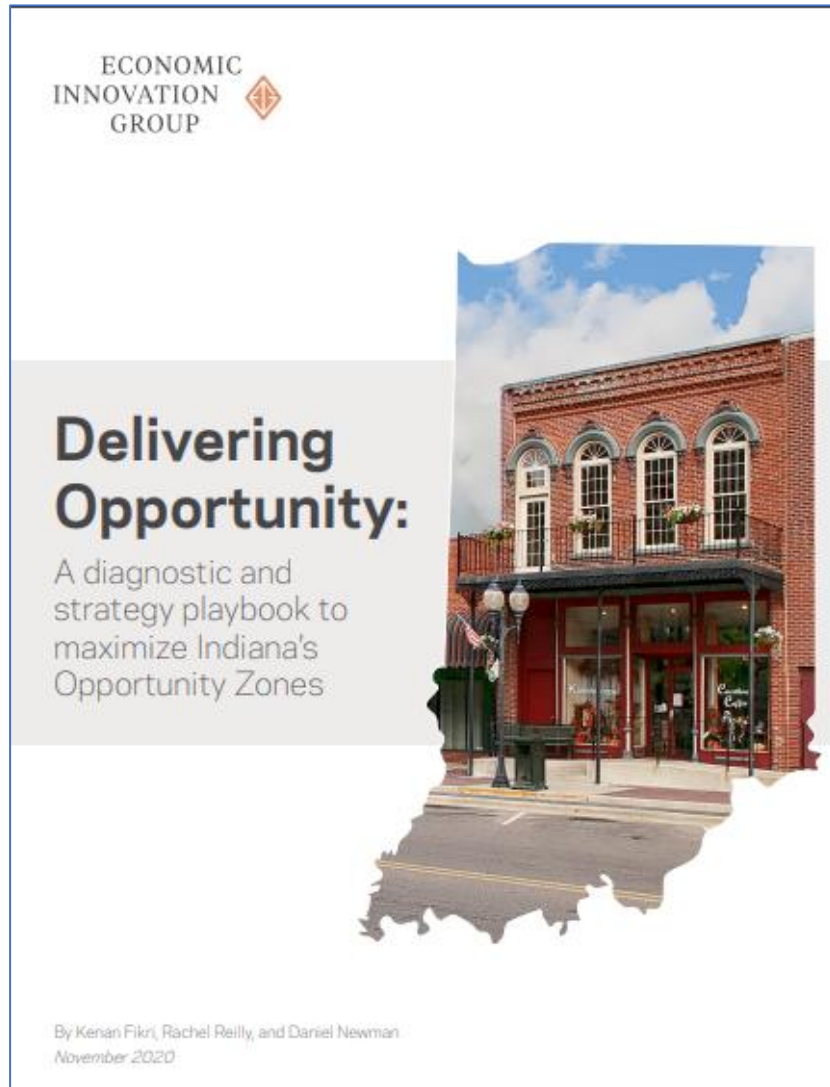
Recommendations from the Rural OZ and Recovery Playbook



- STEP 1 Plan for impact: Driving Community Value
- STEP 2 Build your team: Leadership and Stakeholders
- STEP 3 Laying the foundation: Understanding investors and capital stacks
- STEP 4 Using your Toolbox: Local, State, and Federal Incentives
- STEP 5 Framing your project: Creating a community vision and project menu
- STEP 6 Connect with Investors: Marketing and relationship building

OPPORTUNITY ZONES 2.0: RURAL OZ GUIDES

Recommendations from the Indian Playbook



- Map Opportunity Zones
- Assess needs and opportunities: How OZ can help achieve its economic and community development goals
- Baseline current OZ engagement
- Develop strategies for delivering investment and impact

Federal Agency OZ Resources

OPPORTUNITY ZONES: RESOURCES

HUD OZ Website

<https://www.hud.gov/opportunity-zones>

An official website of the United States Government | Here's how you know

News About Contact

Helping Americans HUD Partners Data & Research

Search

U.S. Department of Housing and Urban Development

Opportunity Zones

Explore Your Community's Opportunity Zones 1.0 and Rural Area Census Tracts

Find address or place

Website Feedback

IRS OZ Website

<https://www.irs.gov/credits-deductions/businesses/opportunity-zones>

IRS

Help News English Tax Pros Sign in

File Pay Refunds Credits & Deductions Forms & Instructions

Search

Home / Credits & Deductions / Business credits and deductions / Opportunity zones

Opportunity zones

English | [Español](#)

Family, dependents and students

Opportunity Zones are an economic development tool that allows people to invest in distressed areas in the United States.

Clean energy and vehicle credits and deductions

Their purpose is to spur economic growth and job creation in low-income communities while providing tax benefits to investors.

Individuals credits and deductions

Opportunity Zones were created under the Tax Cuts and Jobs Act of 2017 ([Public Law No. 115-97](#)). Thousands of low-income communities in all 50 states, the District of Columbia and five U.S. territories are designated as Qualified Opportunity Zones.

Business credits and deductions

Taxpayers can invest in these zones through Qualified Opportunity Funds.

Employee Retention Credit

Forms for business credits

Invest in a Qualified Opportunity Fund

You can support economic development in Qualified Opportunity Zones and temporarily defer tax on eligible gains when you [invest in a Qualified Opportunity Fund](#).



OPPORTUNITY ZONES: HUD PROGRAM ALIGNMENTS

OZ are Built for Private-Public Partnerships

- OZ tax incentive is a place-based tax incentive for both private investment and place-based policy for local, state and federal resources to support the community capital stack for real estate and businesses needs
- Public funding may precede QOF equity, partner with QOF equity, or follow QOF equity

HUD Competitive Notice of Funding Availability (NOFA) and OZ Preference Points

- Many HUD grants now contain OZ preference points for proposed grant activities in Opportunity Zones
- Other federal agencies are also beginning to re-align grants and program for Opportunity Zones

FHA Housing Funds Can Support OZ Housing Developments and Sub-Rehabilitations

- Federal Housing Administration (FHA) insured loans can support new multifamily housing development and sub-rehabilitations in designated Opportunity Zones
- Many housing developments include both FHA-insured loans and QOF equity in the capital stack
- Rental Assistance Demonstration (RAD) conversions that include FHA-insured loans or other debt also may include QOF equity in the capital stack

HUD PIH Funds Grants Can Incorporate OZ Planning and Attracting QOF Capital

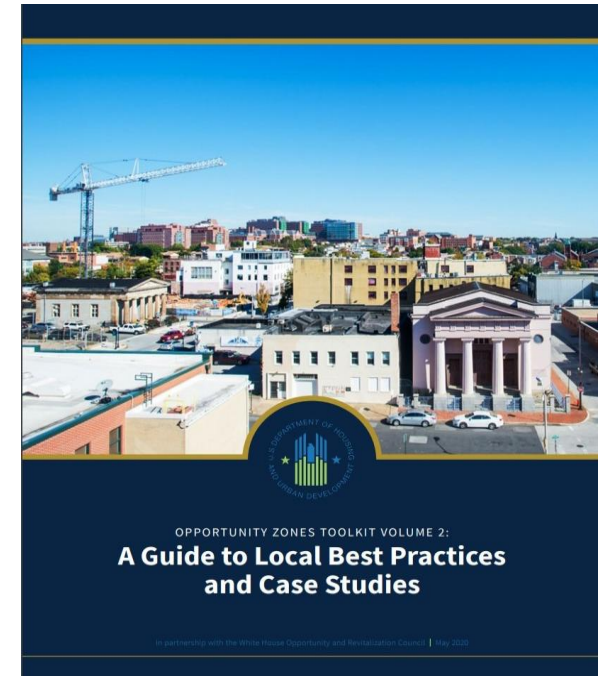
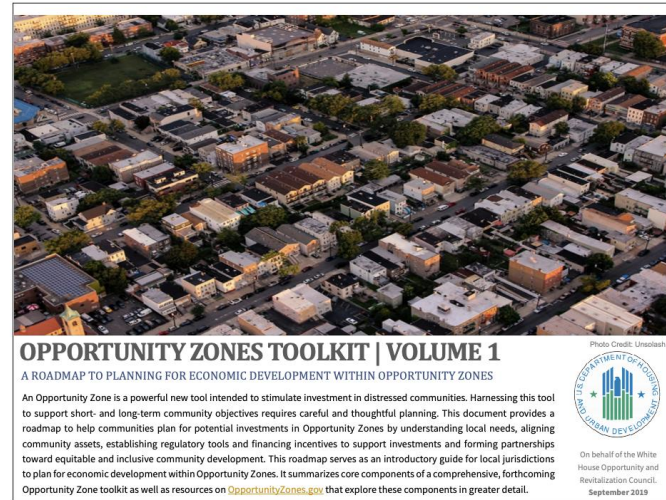
- PIH Choice Neighborhoods Implementation grants have incorporated Opportunity Zones plans and needs into their neighborhood transformation plans

OPPORTUNITY ZONES: HUD RESOURCES

www.HUDExchange.gov

Resources

- [Opportunity Zones HUD.gov Website](#)
- [Opportunity Zones Toolkit Volume 1: Roadmap to Planning](#)
- [Opportunity Zones Toolkit Volume 2: Local Best Practices & Case Studies](#)
- [Leveraging Section 108 with Opportunity Zone and Historic Tax Credit Financing Webinar](#)
- [Opportunity Zones and the HOME Program Webinar](#)
- [Using HOME within Opportunity Zones Guidebook](#)



About this Guidebook

OPPORTUNITY ZONES: HUD NOFO'S & PREFERENCE POINTS

HUD Grants with OZ Benefits (Preference Points, Priority Consideration or Rating Factor)

	Agency	FY25 Benefit	Released	Expected # of Awards	Estimated Total Program Funding (Grants.gov)	Award Ceiling (Grants.gov)	Recent Deadline	Open	Funding Opportunity Number
U.S. Department of Housing and Urban Development (HUD)									
Addressing the Housing Affordability Crisis Research Grant Program	HUD / PDR	OZR	6/24/2025	10	\$10,000,000	\$2,000,000	7/25/2025		FR-6900-N-29R
Application Instructions for the Indian Community Development Block Grant (ICDBG) Imminent Threat (IT) Program	HUD / PIH	N/A	4/18/2025	6	\$5,000,000	\$1,500,000	9/30/2026	X	FR-6900-N-74
Capital Improvements for At-Risk/Receivership/Substandard/Troubled PHAs	HUD / PIH	N/A	2/25/2026	5	\$11,500,000	\$250,000	4/28/2026		FR-6900-N-81
Choice Neighborhoods Implementation Grants for Fiscal Year 2025	HUD / PIH	OZPP	12/9/2025	4	\$75,000,000	\$26,000,000	3/9/2026		FR-6900-N-34
Community Development Block Grant Program for Indian Tribes and Alaska Native Villages	HUD / PIH	OZPP	9/9/2025	50	\$70,000,000	\$2,000,000	12/10/2025		FR-6900-N-23
Comprehensive Housing Counseling (CHC) and the Housing Counseling Training (HCT) NOFO (FY2025)	HUD / Housing	OZR	3/26/2026	175	\$56,100,000	\$3,000,000	5/26/2026	X	FR-6900-N-33
Fair Housing Initiatives Program Education and Outreach Initiative	HUD / FHEO	OZPP	7/29/2025	58	\$8,450,000	\$1,300,000	8/21/2025		FR-6900-N-21-A
Fair Housing Initiatives Program - Fair Housing Organizations Initiative (FHOI)	HUD / FHEO	OZPP	7/29/2025	8	\$3,700,000	\$1,880,000	8/21/2025		FR-6900-N-21-B
Fair Housing Initiatives Program - Private Enforcement Initiative (PEI)	HUD / FHEO	OZPP	7/29/2025	24	\$10,116,793	\$425,000	8/21/2025		FR-6900-N-21-C
Fair Housing Initiatives Program - Education and Outreach Initiative - Test Coordinator Training	HUD / FHEO	OZPP	7/29/2025	1	\$500,000	\$500,000	8/21/2025		FR-6900-N-71-A
FY 2024 and FY 2025 Continuum of Care Competition and Renewal or Replacement of Youth Homeless Demonstration Program	HUD / CPD	N/A	7/31/2024	8500	\$3,617,000,000	\$25,000,000	2/9/2026		FR-6800-N-25
FY 2025 Continuum of Care Competition and Youth Homeless Demonstration Program Grants NOFO	HUD / CPD	OZPP	11/13/2025	7000	\$3,918,000,000	\$25,000,000	2/25/2026		FR-6901-N-25
FY 2025 Rural Capacity Building for Community Development and Affordable Housing Grants (RCB)	HUD / CPD	OZR	5/6/2026	5	\$6,000,000	\$3,500,000	7/6/2026	X	CPD-2600-DC-0008
Housing Policy Research Grant Notice of Funding Opportunity	HUD / PDR	OZR	4/30/2026	10	\$8,000,000	\$1,500,000	6/1/2026	X	PDR-2600-DC-029M
Housing-Related Hazards and Lead-Based Paint Capital Fund Program	HUD / LHCHH	N/A-PZ	3/6/2026	40	\$65,000,000	\$7,500,000	5/4/2026		FR-6900-N-68
Indian Housing Block Grant Competitive Program (IHBG-COMP) for FY2025	HUD / PIH	OZPP	9/4/2025	35	\$150,000,000	\$7,500,000	1/15/2026		FR-6900-N-48
Jobs Plus NOFO for Fiscal Year 2025	HUD / PIH	OZPP	8/12/2025	15	\$21,600,000	\$3,700,000	12/29/2025		FR-6900-N-14
Lead Hazard Reduction Grant Program	HUD / LHCHH	OZPP	6/30/2025	50	\$364,500,000	\$7,000,000	8/14/2025		FR-6900-N-13
Lead Hazard Reduction Capacity Building Grant Program	HUD / LHCHH	OZPP	1/8/2026	5	\$4,445,850	\$2,500,000	2/26/2026		FR-6900-N-31
Project Rental Assistance Program of Section 811 Supportive Housing for Persons with Disabilities FY 2026	HUD / Housing	N/A	5/11/2026	16	\$158,000,000	\$9,875,000	7/13/2026	X	HSG-2600-DC-0053
Resident Opportunity and Self-Sufficiency Service Coordinator (ROSS-SC) Program – Fiscal Year 2025	HUD / PIH	N/A	9/26/2025	114	\$40,000,000	\$816,750	1/20/2026		FR-6900-N-05
ROSS Rapid Response Program	HUD / PIH	N/A	1/26/2026	20		\$112,500	1/26/2027	X	PIH-ROSS-26-001



- **22 HUD Competitive Grants Released (As of May 11, 2026)**
 - 12 have/had Opportunity Zones Preference Points
 - 3 had Opportunity Zones inclusion in criteria
- **Energy, HHS, and Transportation (2 with OZPC) now have some competitive grants with OZ language**

OPPORTUNITY ZONES: HUD NOFO'S & PREFERENCE POINTS

HUD Research Grant for Opportunity Zones

Housing Policy Research Grant Notice of Funding Opportunity

Closes June 1, 2026



Research Category 3: Opportunity Zones

- Quantifying the Impact of Opportunity Zones

The funding opportunity has a two-phase application process. All interested applicants are invited to submit a preliminary application addressing one of the nine research topics listed above.

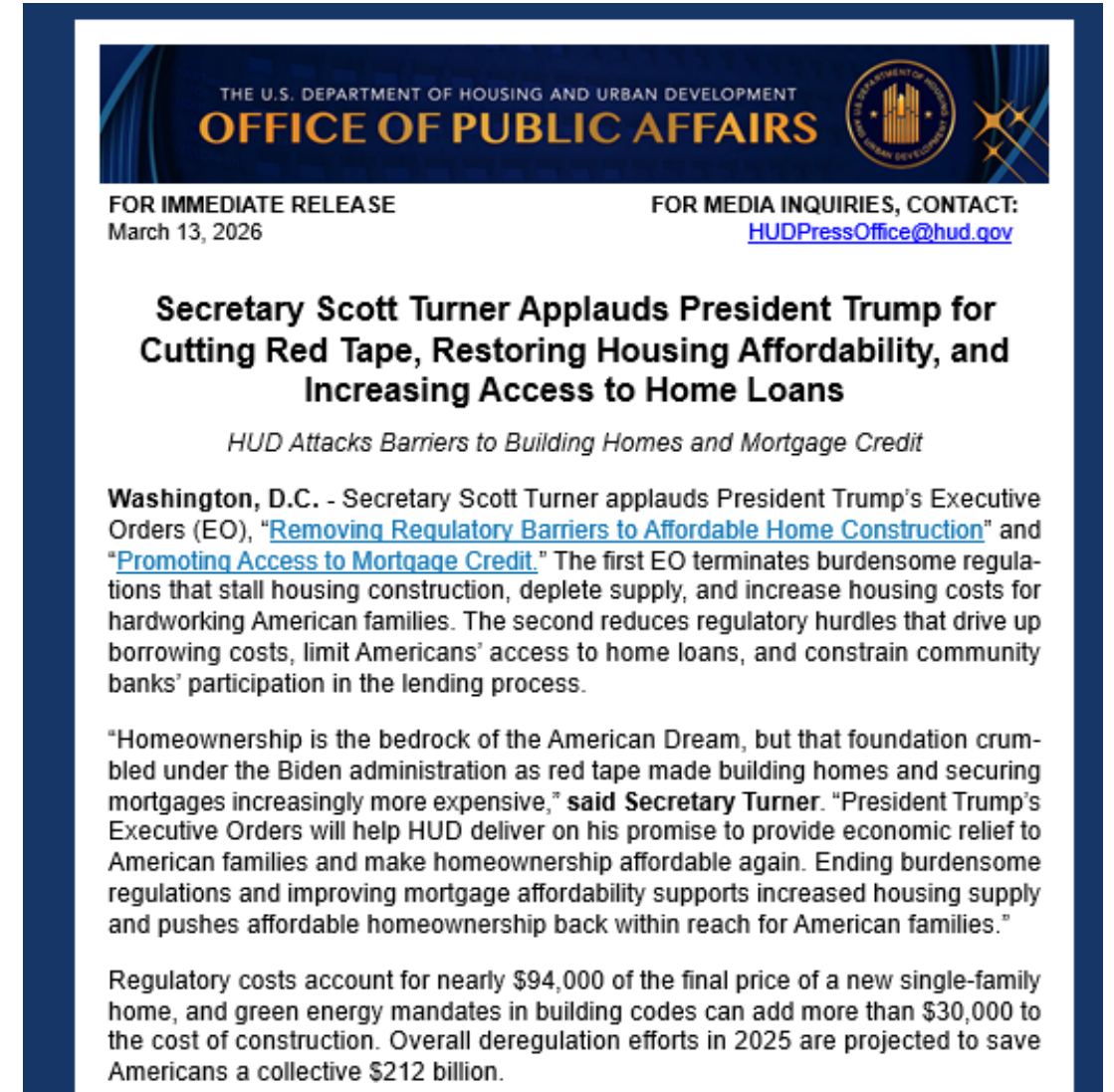
This announcement is the preliminary application window and will close 30 days after publication. HUD will review the preliminary applications and invite a subset of applicants to advance to the second phase of the competition by submitting a complete application.

OPPORTUNITY ZONES: WHITE HOUSE EXECUTIVE ORDER



The screenshot shows the top navigation bar of the White House website with links for MENU, EWS, GALLERY, LIVESTREAM, INVESTMENTS, SAVE AMERICA, WH WIRE, and CONTACT. The main header features the White House logo and the text 'PRESIDENTIAL ACTIONS'. The title of the executive order is 'REMOVING REGULATORY BARRIERS TO AFFORDABLE HOME CONSTRUCTION', dated March 13, 2026. The text of the order begins with 'By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:'. Section 1, Purpose, states that the American dream of homeownership depends on a dynamic housing market and that unnecessary regulatory barriers, slow permitting processes, and onerous mandates have delayed construction and driven up the costs of new housing.

“[Removing Regulatory Barriers to Affordable Home Construction](#)” and “[Promoting Access to Mortgage Credit](#).”



The HUD Office of Public Affairs press release, dated March 13, 2026, features the HUD logo and the text 'OFFICE OF PUBLIC AFFAIRS'. It includes contact information for media inquiries: HUDPressOffice@hud.gov. The title is 'Secretary Scott Turner Applauds President Trump for Cutting Red Tape, Restoring Housing Affordability, and Increasing Access to Home Loans'. The subtitle is 'HUD Attacks Barriers to Building Homes and Mortgage Credit'. The press release text states: 'Washington, D.C. - Secretary Scott Turner applauds President Trump's Executive Orders (EO), "Removing Regulatory Barriers to Affordable Home Construction" and "Promoting Access to Mortgage Credit." The first EO terminates burdensome regulations that stall housing construction, deplete supply, and increase housing costs for hardworking American families. The second reduces regulatory hurdles that drive up borrowing costs, limit Americans' access to home loans, and constrain community banks' participation in the lending process.' A quote from Secretary Turner says: 'Homeownership is the bedrock of the American Dream, but that foundation crumbled under the Biden administration as red tape made building homes and securing mortgages increasingly more expensive,' said Secretary Turner. 'President Trump's Executive Orders will help HUD deliver on his promise to provide economic relief to American families and make homeownership affordable again. Ending burdensome regulations and improving mortgage affordability supports increased housing supply and pushes affordable homeownership back within reach for American families.' Regulatory costs account for nearly \$94,000 of the final price of a new single-family home, and green energy mandates in building codes can add more than \$30,000 to the cost of construction. Overall deregulation efforts in 2025 are projected to save Americans a collective \$212 billion.

OPPORTUNITY ZONES: WHITE HOUSE EXECUTIVE ORDER

Sec. 5. Facilitating New Residential Construction in Opportunity Zones.

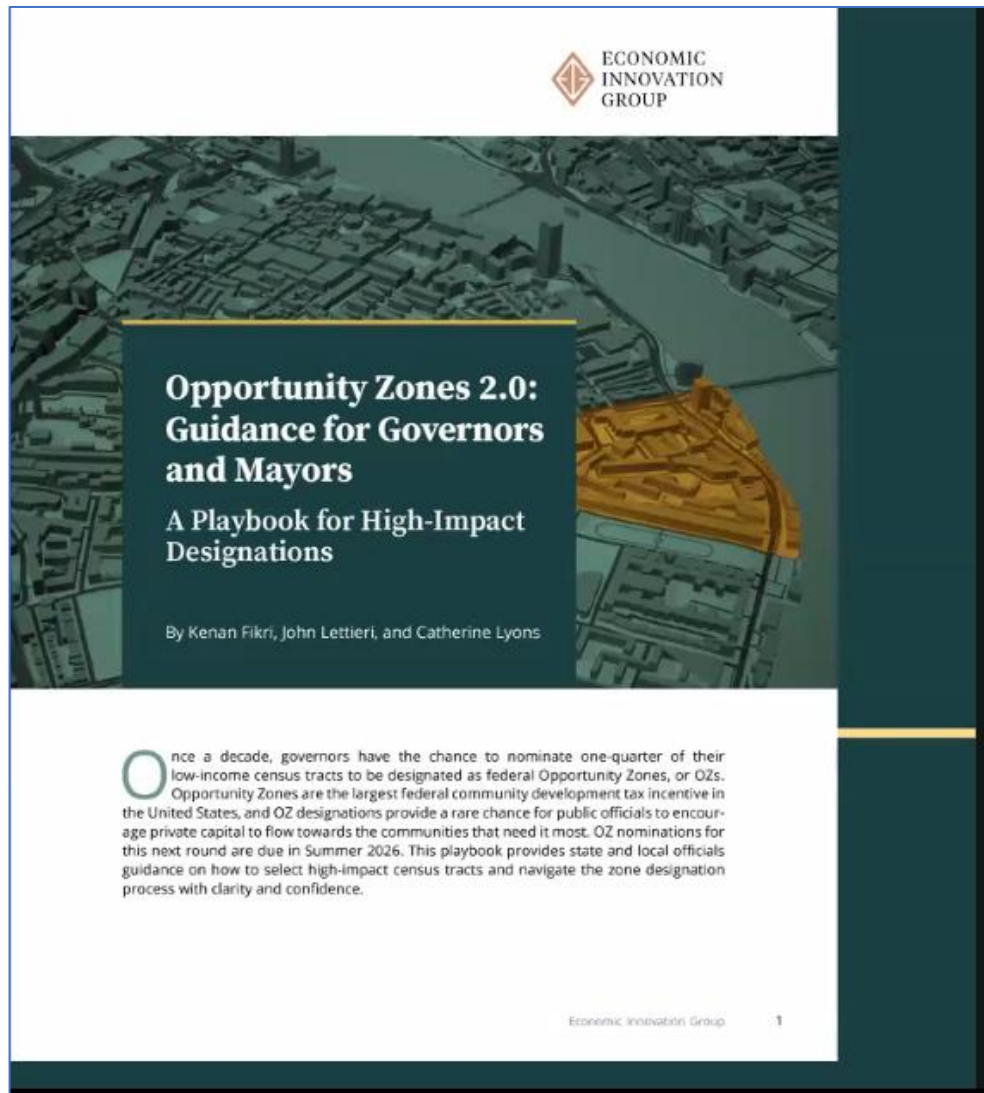
(a) The Secretary of the Treasury and the Secretary of Housing and Urban Development shall jointly evaluate Administration actions to better align programs and incentives with the Opportunity Zone tax incentives to expand investment in single-family home construction, including considering lawful mechanisms to link grants, financing tools, or other incentives with new or increased investment in Qualified Opportunity Funds engaged in the development and sale of single-family homes.

(b) The Secretary of the Treasury and the Secretary of Housing and Urban Development shall also assess opportunities to coordinate the Opportunity Zone incentives described in subsection (a) of this section with the New Markets Tax Credit under 26 U.S.C. 45D to promote single-family home construction in census tracts that qualify both as Qualified Opportunity Zones and as low-income communities for the purposes of the New Markets Tax Credit.



Counties OZ Action Items

OPPORTUNITY ZONES: EIG GUIDE FOR GOVERNORS AND MAYORS



Eight Principals for OZ 2.0

1. Get a **head start** preparing data and speaking with trust advisors now
2. Set a **vision** for how your state or community aims to harness OZ
3. Designate a **local coordinating entity** within state government
4. Engage **local partners** strategically
5. Balance economic **need** and investment potential
6. Combine both **quantitative and qualitative** insights
7. Embrace **purposeful transparency**
8. Align OZ nominations with supportive **policy goals**

OPPORTUNITY ZONES: EIG GUIDE FOR GOVERNORS AND MAYORS

Quarter	Q1 2026			Q2 2026		
Month	JAN	FEB	MAR	APR	MAY	JUN
OZ milestone	2020–2024 ACS data expected to determine census tract eligibility to be released.	Official list of eligible census tracts released by Treasury (expected).				
Recommended activity for state and local officials	<p>Identify eligible tracts and activate zone nomination process in earnest.</p> <p>Set a vision for the state's OZ nominations. Gather zoning, land use, and other necessary data to inform decision-making.</p> <p>Set agenda and expectations for other state agencies and local government partners to align rules, regulations, and initiatives behind desired outcomes in OZs.</p>			<p>Arrive at a shortlist of eligible tracts that align with the state's vision.</p> <p>Conduct public engagement, publish draft recommendations, and solicit public comment before the formal nomination window opens.</p> <p>Interagency work gets underway in earnest.</p>		



OZ 2.0 policy milestone



OZ 2.0 tract designation milestone



OZ 1.0 milestone

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Quarter	Q3 2026			Q4 2026		
Month	JUL	AUG	SEP	OCT	NOV	DEC
OZ milestone	Jul 1: Zone designation window opens: Governors have 90 days to nominate 25% of their eligible census tracts for OZ status.		Sep 29: Deadline for governors to submit zone nominations to U.S. Treasury (expected).	Oct 29: Deadline to submit zone nominations for states that requested a 30-day extension (expected). Oct 29: End of 30-day window U.S. Treasury has to certify on-time zone nominations (expected).	Nov 28: All OZ 2.0 tracts certified by the U.S. Treasury (expected).	Dec 31: Close of 2026 tax year and end of OZ 1.0 deferral period. All deferred tax must be paid in this year's tax filings.
Recommended activity for state and local officials	Core teams finalize proposed nominations, present to governor.			Announce complementary initiatives, policies, or programs to support investment and desired outcomes in OZs.		

Note that the October 29 date above is October 28, 2026, per Treasury's Revenue Procedure 26-14



OZ 2.0 policy milestone



OZ 2.0 tract designation milestone



OZ 1.0 milestone

OPPORTUNITY ZONES: EIG GUIDE FOR GOVERNORS AND MAYORS

Quarter	Q1 2027			Q4 2028
Month	JAN	FEB	MAR	DEC
OZ milestone	<p>Jan 1: New OZ designations take effect.</p> <p>Jan 1: OZs 2.0 incentives (i.e., rolling 5-year deferral, standard 10% step-up) take effect.</p> <p>Jan 1: Remaining enhanced rural incentives take effect (i.e., 30% step-up).</p>			<p>Dec 31: End of eligible investment window into 1.0 OZ tracts.</p>
Recommended activity for state and local officials	<p>Continue raising awareness among investor and community stakeholders.</p> <p>Proactively encourage investment into 1.0 tracts before they sunset.</p> <p>Launch complementary programs and initiatives.</p>			



OZ 2.0 policy milestone



OZ 2.0 tract designation milestone



OZ 1.0 milestone

Opportunity Zones Counties Actions

- Advocate for OZ Census Tracts for OZ 2.0 Nomination and Designation
- Asset Mapping and Project Prioritizations
- Aligning planning Regional and Local Planning Documents
- Leverage Vacant or Underutilized Land in an Opportunity Zone
- Coordinating for Private Capital Attraction
- Leverage existing Qualified Opportunity Fund (QOF)
- Create a focused Qualified Opportunity Fund (QOF)
- Create QOF Case Studies

OPPORTUNITY ZONES: HOUSING

Strategic Actions to Engage and Attract QOF Capital (Continued)

Strategic Action	Action Ideas
Developer Capacity Building	<ul style="list-style-type: none"> • Conduct workshops on OZ fund structures, compliance, and reporting • Provide technical assistance for OZ project packaging and deal structuring
Regulatory & Permitting	<ul style="list-style-type: none"> • Establish a dedicated OZ project review team for expedited approvals • Create clear guidelines tailored to OZ developments
Financial Incentives & Blended Funding	<ul style="list-style-type: none"> • Coordinate use of Housing Production Trust Fund and other subsidies alongside OZ equity • Develop model financing packages illustrating combined sources and investor returns
Impact Reporting & Data Transparency	<ul style="list-style-type: none"> • Define standardized impact metrics (e.g., units affordable at 60-120% AMI, job creation) • Develop annual investor reports with project performance and community benefits
Investor Outreach & Engagement	<ul style="list-style-type: none"> • Host OZ investor forums, project pitch events, and roundtables • Develop marketing materials showcasing OZ assets and pipeline projects
Risk Mitigation	<ul style="list-style-type: none"> • Provide robust data on neighborhood revitalization, crime trends, and economic indicators • Highlight partnerships with reputable developers and community organizations
Exist Strategy Facilitation	<ul style="list-style-type: none"> • Encourage phased development / reinvestment models to align with the 10-year OZ timeline • Support secondary market and liquidity pilot programs
Prioritize Transit-Oriented & Mixed-Use Development	<ul style="list-style-type: none"> • Focus on projects near Metro stations with a blend of affordable housing & commercial space • Coordinate with transit and zoning agencies to support density and mixed use

Source: National Housing Crises Task Force “State and Local Housing Action Plan”



OPPORTUNITY ZONES: CONTACT INFORMATION

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