



City Manager's Office

July 31, 2026

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager 

Subject: Opportunity Zones 2.0 — Berkeley Tracts Submitted

This memo provides a summary of the City of Berkeley's submittal to the California Governor's Office of Business and Economic Development (GO-BIZ) recommending all seven eligible Berkeley census tracts for nomination and designation as Opportunity Zones 2.0.

Designation as an Opportunity Zone 2.0 (OZ 2.0) census tract means the selected area is certified for a new federal program that provides tax incentives to investors for capital improvements, starting January 1, 2027. The OZ 2.0 program creates a permanent, rolling 10-year designation cycle designed to attract long-term private capital to under-invested areas. The recommendation or designation of a census tract as a Qualified Opportunity Zone does not approve any specific development project, commit City funding, modify applicable zoning or other City regulations, or exempt any project or investment from applicable local, state, or federal requirements. However, the designation of these census tracts as Qualified Opportunity Zones could help attract long-term private investment to support the rehabilitation and productive use of vacant or underutilized properties, increase housing development where permitted, generate investment in operating businesses, infrastructure and energy-related projects, and contribute to job creation, local business growth, and community revitalization.

Opportunity Zone 2.0 Program

Designation as an Opportunity Zone 2.0 (OZ 2.0) census tract, established under the Public Law 119-21 (HR 1), means the area is certified for a federal program that provides tax incentives to investors for capital improvements, starting January 1, 2027. Unlike the temporary 2017 program (Opportunity Zones 1.0), the OZ 2.0 program creates a permanent 10-year designation cycle (refreshed in 2036, 2046) designed to attract long-term private capital to under-invested areas. Federal law authorizes the Governor of each state to nominate up to 25 percent of the state's eligible low-income census tracts during each designation cycle, subject to certification and designation by the United States Department of the Treasury. All seven eligible census tracts in Berkeley have been submitted for nomination in the OZ 2.0 program. Eligible

Opportunity Zone 2.0 tracts in Berkeley can be viewed in detail online at the Policy Map website at the following address:

<https://www.policymap.com/embed/widget/12163/DNAOEK4MOFUIAGJCCEX7MVRX9IRWBIKG>.

Background

In 2017 the first federal Opportunity Zone Program was established by the Tax Cuts and Jobs Act of 2017 to encourage long-term investment in economically distressed communities by providing preferential federal tax treatment for qualifying investments made through Qualified Opportunity Funds. Within the boundaries of the City of Berkeley, there were five Opportunity Zones established. Existing Opportunity Zone tracts in Berkeley (designated in 2017) can be viewed in detail online at the Policy Map website at the following address:

<https://www.policymap.com/embed/widget/12163/DNAOEK4MOFUIAGJCCEX7MVRX9IRWBIKG>.

In 2025, Public Law 119-21, enacted July 4, 2025, amended the Internal Revenue Code to make the Opportunity Zone Program permanent and establish recurring ten-year designation cycles, beginning with a new round of Qualified Opportunity Zones effective January 1, 2027, commonly referred to as “Opportunity Zones 2.0.” This federal law authorizes the Governor of each state to nominate up to 25 percent of the state’s eligible low-income census tracts during each designation cycle, subject to certification and designation by the United States Department of the Treasury. As such, the California Governor’s Office of Business and Economic Development or “Go-Biz”, in coordination with the California Department of Finance, has established a process through which authorized representatives of cities and other local jurisdictions may recommend eligible census tracts for consideration by the Governor. The State of California will consider local recommendations together with factors including poverty, median family income, housing costs, unemployment, geographic equity, and alignment with regional and statewide economic development objectives.

On July 20, 2026, staff completed and submitted the California Governor’s Office of Business and Economic Development Local Authority Recommendation Form(s) (Attachment A) to nominate the seven Census Tracts in Berkeley eligible for OZ 2.0 designation. These tracts encompass areas of West Berkeley, Downtown Berkeley, and to the North and South of the UC Berkeley Campus.

Next Steps

The completed local authority recommendation forms will now be considered for nomination by the Governor of California and certification and designation by the United States Department of the Treasury as Qualified Opportunity Zones under the Opportunity Zones 2.0 program.

Feedback may be provided by the public directly to the State's GO-BIZ Office during the month of August 2026. More information on the OZ 2.0 selection process and the Opportunity Zone program in general can be found here: <https://business.ca.gov/wp-content/uploads/OZ-2.0-FAQ.pdf>.

cc: Eleanor Hollander, Economic Development Manager
Jordan Klein, Planning Director
David White, Deputy City Manager
Jenny Wong, City Auditor
Farimah Brown, City Attorney
Mark Numainville, City Clerk
Matthai Chakko, Assistant to the City Manager

Attachment A – California Governor’s Office of Business and Economic Development Local Authority Recommendation Form Submittal Confirmation

Subject: Confirmation of Receipt of Local Authority Recommendation Form for California's Opportunity Zones
Date: Monday, July 20, 2026 1:01:49 PM
Attachments: [image001.png](#)

WARNING: This is not a City of Berkeley email. Do not click links or attachments unless you trust the sender and know the content is safe.

Greetings,

Thank you for submitting your Local Authority Recommendation Form for California's Opportunity Zones 2.0 Program.

This email confirms that GO-Biz has received your submissions for the following Census Tracts:

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6001423200
6001422901
6001422500
6001422902

Our team will review your recommendations as part of the Opportunity Zones 2.0 census tract nomination process. If we have any questions or need additional information, we will follow up with you directly.

We appreciate your participation in this process and look forward to working with you to identify census tracts that reflect the economic development priorities of your community. Please join the [GO-Biz Opportunity Zones mailing list](#) to receive the latest news and updates on the program.

If you have any questions in the meantime, please submit them [here](#).

Submitted questions will be reviewed and incorporated into future FAQ updates, as appropriate.

Sincerely,

GO-Biz REDI Team

