



**CONSIDER APPROVAL OF RESOLUTION 2026-96R,
EXPRESSING SUPPORT FOR THE NOMINATION OF
CENSUS TRACTS TO BE DESIGNATED AS
QUALIFIED OPPORTUNITY ZONES TO PROMOTE
ECONOMIC GROWTH, AND ENHANCE
REDEVELOPMENT OPPORTUNITIES; AND
AUTHORIZING THE MAYOR TO SIGN LETTERS OF
SUPPORT; AND DECLARING AN EFFECTIVE DATE.**

June 16, 2026

BACKGROUND



- The federal Tax Cuts and Jobs Act of 2017 authorized states to nominate certain eligible low-income census tracts as Qualified Opportunity Zones (OZ) to encourage long-term investment in economically distressed areas.
- Opportunity Zone 2.0 continues the program's mission of encouraging long-term private investment in low-income communities by offering federal tax incentives to investors, while strengthening accountability and refining eligibility criteria.



BACKGROUND cont'd

- Under the Opportunity Zone 2.0 Program, 25% of eligible tracts may be nominated by governors every ten years, effective January 1, 2027. The Texas Office of the Governor states that eligible census tracts for OZ status may be designated upon receiving recommendations from municipal and regional stakeholders by June 26, 2026.
- The OZ program is a tax incentive designed to attract investors that have experienced capital appreciation that otherwise would have to pay a capital gains tax upon sale of their assets. OZ investors can invest in a range of economic development activities in the designated zone, including workforce/affordable housing units, investment in job creation, and community improvements.

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BACKGROUND cont'd

Current OZ 1.0 Census Tracts:

107.02

107.01

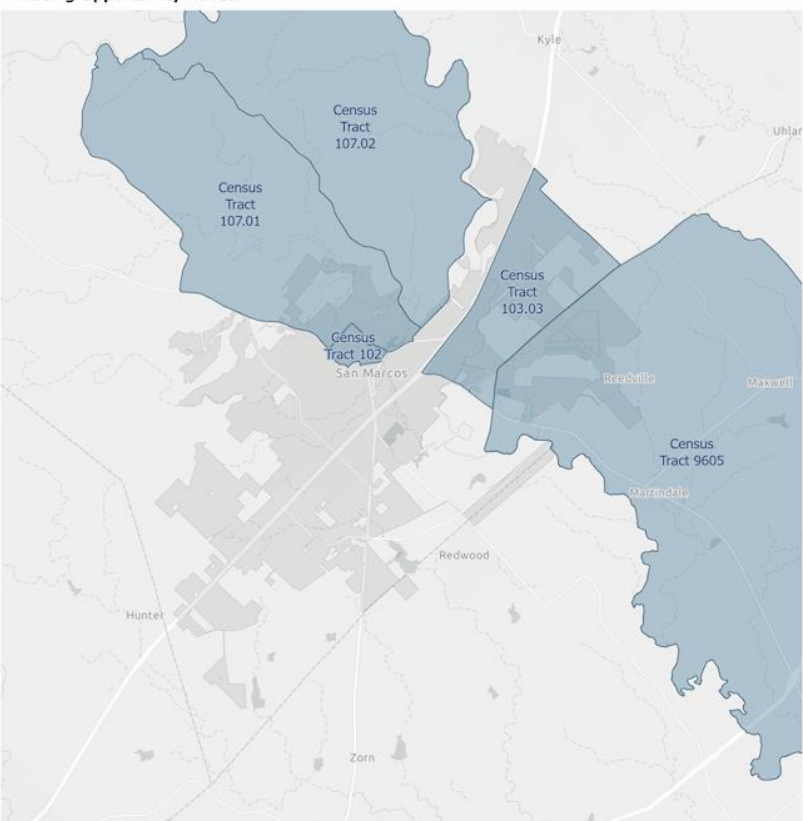
102

103.03

9605

Tract designations under the initial Opportunity Zone program (OZ 1.0) remain eligible through December 31, 2028, creating a two-year overlap with the OZ 2.0 eligible census tracts.

Existing Opportunity Zones



Existing Opportunity Zones
City Limit

0 1 2 4
Miles

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Date: 6/15/2026

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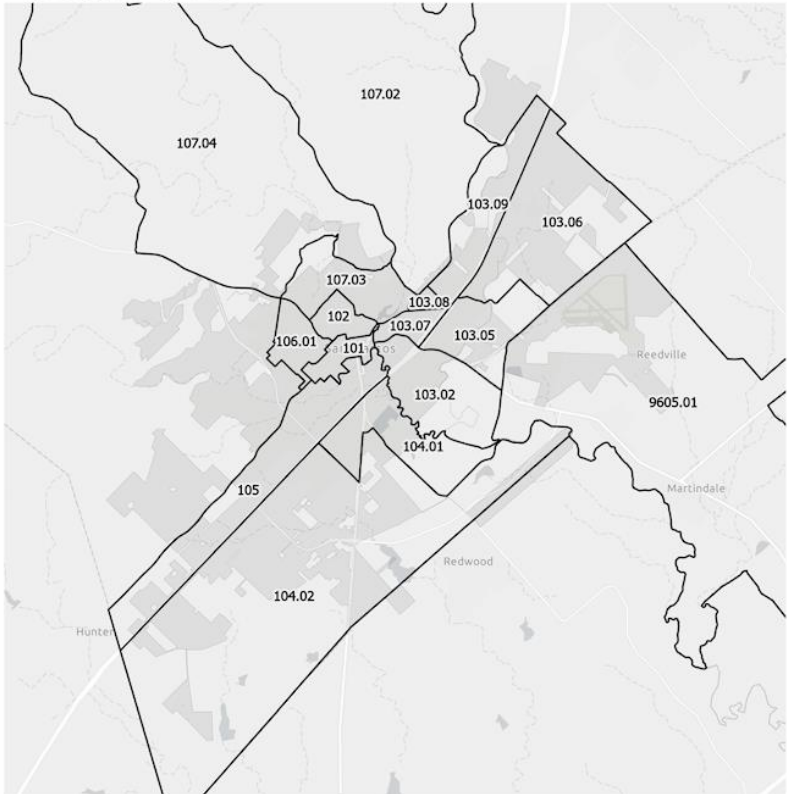


BACKGROUND cont'd

Eligible OZ 2.0 Census Tracts:

- 107.02, 107.03, 107.04
- 103.02, 103.05, 103.06, 103.07
- 103.08, 103.09
- 101, 102
- 106.01
- 105
- 104.01
- 104.02
- 9605.01

Eligible Opportunity Zones



Eligible Opportunity Zones 2.0
City Limit



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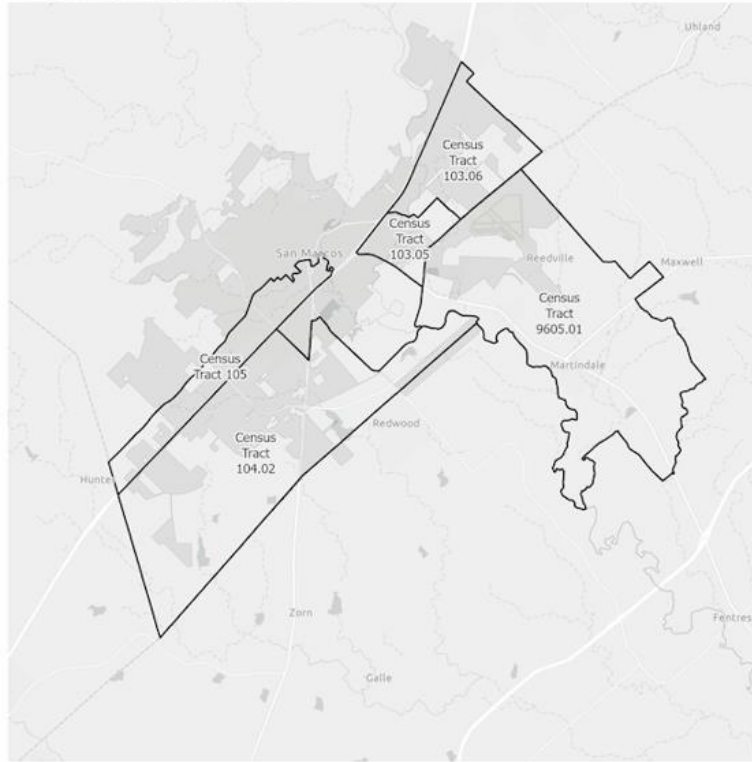
BACKGROUND cont'd

- The City Council desires to formally nominate and express its support for the designation of the identified census tract area(s) for OZ 2.0:
- Census Tracts 103.05, 103.06, 104.02, 105, 9605.01
- As Qualified Opportunity Zones to promote economic growth, enhance redevelopment opportunities, and serve the public interest.
- Census tract eligibility is based upon data from the 2024 American Community Survey (ACS) five-year estimates for poverty and median family income (MFI), as released by the U.S. Department of the Treasury.

Census Tracts 103.05, 103.06, 104.02, 105, 9605.01



Exhibit A - Nominated Census Tracts



Nominated Census Tracts for Opportunity Zones
 City Limit

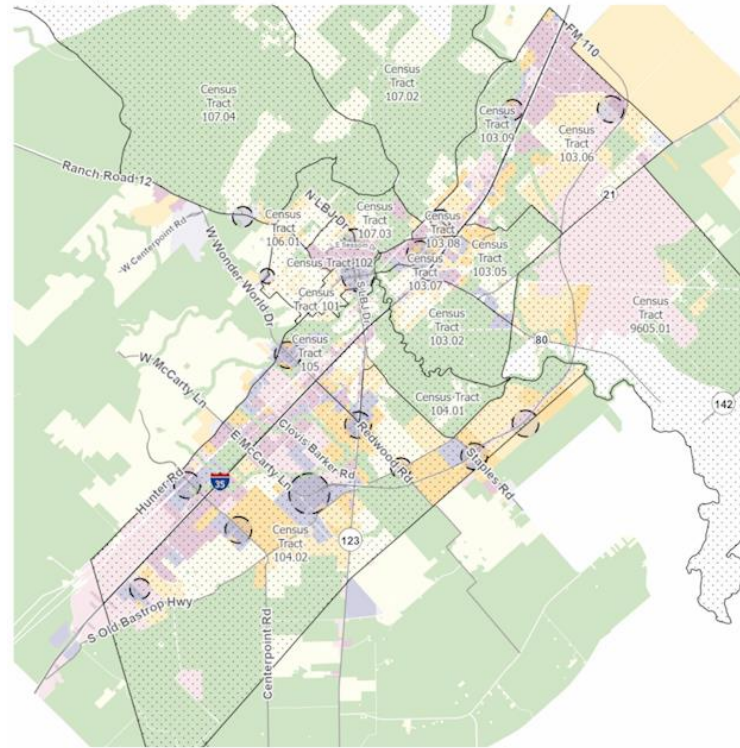


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Date: 5/26/2026

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Eligible Opportunity Zones 2.0 - Preferred Scenario



Eligible Opportunity Zones 2.0
 Preferred Scenario Centers
 Neighborhood High
 Neighborhood Medium
 Neighborhood Low
 Neighborhood Transition
 Mixed Use Medium
 Mixed Use Low
 Commercial/Employment Medium
 Commercial/Employment Low
 Conservation/Cluster



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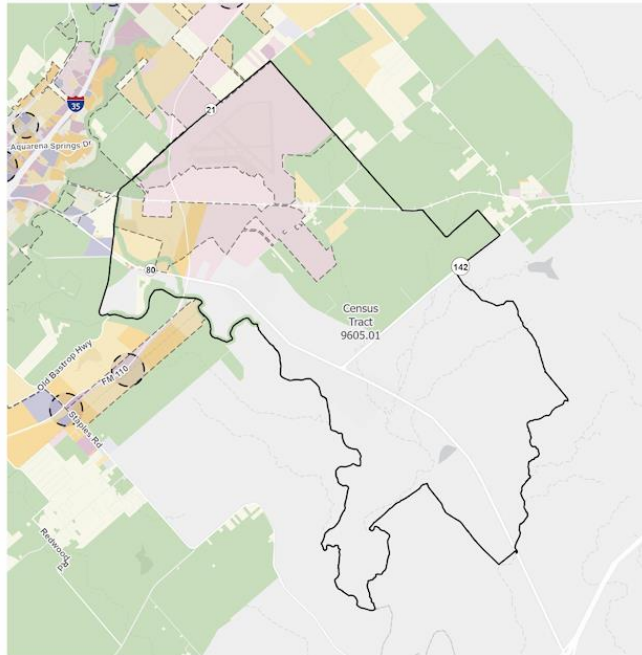
Date: 5/22/2026

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Census Tract 9605.01

Caldwell County Nominated Census Tracts - Preferred Scenario



- Nominated Census Tracts in Caldwell County
- City Limit
- Preferred Scenario Centers
- Neighborhood High
- Neighborhood Medium
- Neighborhood Low
- Neighborhood Transition
- Mixed Use Medium
- Mixed Use Low
- Commercial/Employment Medium
- Commercial/Employment Low
- Conservation/Cluster

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Caldwell County Nominated Census Tracts - Aerial



- Nominated Census Tracts in Caldwell County
- City Limit

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BACKGROUND cont'd

Census Tract 103.05

Census Tract 103.06

Census Tract 104.02

Census Tract 103.05

Zoom to Pan

State: Texas

County: Hays County

MSA (if applicable): Austin-Round Rock-San Marcos, TX Metro Area

OZ Eligibility Status: OZ Eligible

Rural Status: Non-rural

Population: 5593

Poverty Rate: 40.2%

Median Family Income: \$43819

Median Family Income Ratio: 0.3461

Census Tract 103.06

Zoom to Pan

State: Texas

County: Hays County

MSA (if applicable): Austin-Round Rock-San Marcos, TX Metro Area

OZ Eligibility Status: OZ Eligible

Rural Status: Non-rural

Population: 4685

Poverty Rate: 20.55%

Median Family Income: \$61220

Median Family Income Ratio: 0.4836

Census Tract 104.02

Zoom to Pan

State: Texas

County: Hays County

MSA (if applicable): Austin-Round Rock-San Marcos, TX Metro Area

OZ Eligibility Status: OZ Eligible

Rural Status: Non-rural

Population: 9259

Poverty Rate: 13.7%

Median Family Income: \$63038

Median Family Income Ratio: 0.498



BACKGROUND cont'd

Census Tract 105

Census Tract 105
Zoom to Pan
State: Texas
County: Hays County
MSA (if applicable): Austin-Round Rock-San Marcos, TX Metro Area
OZ Eligibility Status: OZ Eligible
Rural Status: Non-rural

Population: 4975
Poverty Rate: 21.37%
Median Family Income: \$55809
Median Family Income Ratio: 0.4409

Census Tract 9605.01

Census Tract 9605.01
Zoom to Pan
State: Texas
County: Caldwell County
MSA (if applicable): Austin-Round Rock-San Marcos, TX Metro Area
OZ Eligibility Status: OZ Eligible
Rural Status: Non-rural

Population: 4703
Poverty Rate: 29.87%
Median Family Income: \$63750
Median Family Income Ratio: 0.5036