Opportunity Zone Next-Round Designations: A TOD-Aligned Ranking of Philadelphia's 218 Eligible Tracts

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Summary

Philadelphia has **82 currently-designated Opportunity Zones** from the 2017 (TCJA) round, all of which sunset on December 31, 2028. Under the OBBB, Pennsylvania could nominate up to a quarter of its eligible tracts. In late October 2026 it submitted **218 tracts statewide** to the U.S. Treasury (a 27% reduction from the current 300 statewide designations), including 47 in Philadelphia, with the new designations taking effect January 1, 2027. We make the case here that the city should defend its current share — and use it more deliberately than last time.

We ranked all **218 Philadelphia census tracts eligible for Opportunity Zone redesignation or new designation** under the OBBB eligibility rules, using a composite of three signals weighted equally: transit access, access to regional jobs, and recent permit and business-license activity.

We recommend 82 tracts, matching Philadelphia's existing designation count:

- **54 redesignation candidates** — currently-designated, still-eligible tracts whose composite scores above the median newly-eligible tract
- **28 high-signal newcomers** — the strongest newly-eligible tracts by composite

We also recommend dropping **six currently-designated tracts** that score below the median newly-eligible tract on our composite, and flag **sixteen strategic swap candidates** where TOD-corridor completion, capital project pipelines, or priority public sector initiatives argue for reconsideration.

Top three redesignation candidates (composite score out of 100):

1. **42101037700** @ Temple University Station — 88.6
2. **42101014100** @ Girard Av & 11th St (Route 15 trolley) — 87.9
3. **42101000200** @ Jefferson Station (Regional Rail) — 87.6

Top three high-signal candidates (newly-eligible):

1. **42101013702** @ Girard Av & 28th St (Route 15 trolley) — 88.1 (162 housing permits in 3 years — the most of any newly-eligible tract)
2. **42101007400** @ 49th St & Paschall Av (Subway-Surface trolley) — 87.7 (Southwest Philly trolley corridor)
3. **42101000901** @ Walnut-Locust Station (BSL) — 87.7 (highest regional jobs access of any newly-eligible tract)

Full rankings in `oz_tract_rankings_full.csv`.

How Pennsylvania's final list compares

Pennsylvania has submitted **218 tracts** to the U.S. Treasury, the most it can nominate: a quarter of its 871 eligible tracts. That is 10 more than the 208 on the draft map the state released Oct. 7. The list names **47 Philadelphia tracts**, down from 82 zones today, and **36 of them are on our list of 82**. The tract tables in the next section show each tract's status in a "State list" column.

BPN CATEGORY	TRACTS	ON STATE LIST
Redesignation candidates	54	28
High-signal newcomers	28	8
Strategic swap candidates	16	3
Tracts we recommend dropping	6	1
Other eligible tracts	116	7

- **The lists mostly agree on which zones to drop.** Five of the six tracts we recommend replacing are off the state's list. The state kept Tract 284 (Wyoming).

- **Several of our strongest tracts are missing,** including Tract 377 (Temple University, our No. 1), Tract 137.02 (Girard Ave. and 28th St.), Tract 2 (Jefferson Station) and Tract 88.02 (40th and Locust streets).
- **The final list added eight Philadelphia tracts to the draft and dropped five.** The additions include three of our top picks: Tract 141 (Girard Ave. and 11th St.), Tract 9.01 (Walnut-Locust) and Tract 203 (Erie). The state also added Tracts 176.02, 284, 378, 391 and 9891, and dropped Tracts 20, 242, 285, 286 and 56.

The 11 state picks we did not recommend

Eleven of the state's 47 Philadelphia tracts are not on our list. None ranks in our top 75: the strongest, Tract 199 (Erie), is No. 76 of 220 scored tracts. Their median composite is 39.9, against 73.3 for our 82, and six of the 11 score below the lowest-scoring tract on our list. Three are our own strategic swap candidates, Tracts 245, 381 and 391, which we flagged on policy grounds the composite doesn't capture. One, Tract 284 (Wyoming), is a current zone we recommend dropping.

The biggest gap is in permitting. Across three years, the 11 tracts together issued 186 housing permits; our 82 issued 3,739. The median state-only pick issued 11 housing permits, against 38.5 for the median tract on our list. Three of them, Tracts 9891, 122.03 and 122.01, issued none. Counting commercial permits and new business licenses too, only two of the 11, Tracts 164 and 381, match the median activity on our list (73.5), and Tract 381's activity is mostly business licenses rather than construction. These tracts also trail on access: their median transit score is 0.28 and median jobs score 0.38, against 0.81 and 0.78 for our 82.

BPN RANK	TRACT	NEAREST STATION	COMPOSITE	HOUSING PERMITS	COMMERCIAL PERMITS	NEW BUSINESS LICENSES	3-YR ACTIVITY	BPN CATEGORY
76	199	Erie	62.9	22	11	24	57	Other eligible
86	164	North Broad	59.8	37	41	15	93	Other eligible
95	391	Lindbergh Blvd & 53rd St	56.5	3	8	5	16	Swap candidate
104	245	Wister	54.1	41	7	12	60	Swap candidate

BPN RANK	TRACT	NEAREST STATION	COMPOSITE	HOUSING PERMITS	COMMERCIAL PERMITS	NEW BUSINESS LICENSES	3-YR ACTIVITY	BPN CATEGORY
125	168	Susquehanna-Dauphin	46.0	30	12	9	51	Other eligible
144	381	Tacony	39.9	5	37	78	120	Swap candidate
163	284	Wyoming	32.6	37	2	3	42	Recommend dropping
171	287	Wyoming	31.1	11	6	14	31	Other eligible
182	9891	Holmesburg Junction	27.1	0	18	18	36	Other eligible
191	122.03	Wissahickon	24.3	0	4	10	14	Other eligible
218	122.01	Wissahickon	8.8	0	2	1	3	Other eligible
Median, these 11			39.9	11	8	12	42	
Median, BPN's 82			73.3	38.5	18	13	73.5	

"3-yr activity" is the sum of housing permits, commercial permits and new non-residential business licenses over the last three years, the same measure as in the tables below. BPN rank is out of 220 scored tracts.

Opportunity Zones, in brief

A short orientation for readers new to the program. If you're already familiar, skip to "The 82-tract recommendation."

What an Opportunity Zone is

The Opportunity Zone (OZ) program is a federal tax incentive that lets investors defer or eliminate capital gains taxes when they reinvest gains into businesses or real estate located in designated low-income census tracts. The mechanism: an investor sells a stock or property with a capital gain, rolls those proceeds into a **Qualified Opportunity Fund (QOF)** within 180

days, and the QOF deploys that capital into OZ-eligible projects. After a 10-year hold, gains on the QOF investment itself are tax-free.

The program was enacted in 2017 under the Tax Cuts and Jobs Act (TCJA). It produced 8,764 designated zones nationally — Pennsylvania got 300, of which 82 are in Philadelphia.

What changed under OBBB

The 2025 One Big Beautiful Bill Act (OBBB) extends and revises the program:

- **OZs are now permanent.** New designations get redrawn every ten years going forward — the next round takes effect January 1, 2027. The current (2017) zones sunset December 31, 2028.
- **Eligibility tightened.** A tract now qualifies as low-income if its median family income is ≤70% of state median (down from 80%). This shrinks the eligible universe nationwide.
- **State allocation cut by ~27%.** Pennsylvania can nominate up to 218 tracts statewide, down from the current 300. Each state has a 25-tract floor regardless.
- **Rural premium added.** Investments in **Qualified Rural Opportunity Funds (QROFs)** get a 30% basis step-up after 5 years, versus 10% for regular QOFs — a 3× tax advantage for rural OZ investments.
- **Reporting requirements expanded.** QOFs now have to report on jobs, housing units, and other outcomes — making the program more accountable.
- **The contiguous-tract exception is gone.** Under TCJA, governors could nominate up to 5% of designations as non-LIC tracts contiguous to designated low-income tracts. OBBB eliminates that flexibility. Every tract nominated must independently meet the LIC criteria; there is no path to designate a non-LIC tract regardless of its development potential or its proximity to eligible neighbors. In practice, this means high-profile non-residential redevelopment districts, Center City corridors, and any tract whose median family income is too high or whose poverty rate is too low cannot be nominated under OBBB — even if a strong development case exists. The 218 LIC-eligible tracts in this analysis are Philadelphia's entire OBBB-designable universe.

The rural premium is the most consequential change for cities. Federal capital chasing the OZ tax benefit will now skew toward rural projects all else equal. Pennsylvania's urban tracts, including Philadelphia's, have to compete with that pull. Designating Philadelphia tracts where

investment can actually compound — places with transit, jobs access, and visible permit activity — is how the city defends its share of the next decade's QOF deployment.

How tracts get designated

1. **Eligibility is automatic.** Treasury identifies tracts that meet OBBB's income / poverty criteria from Census ACS data. In Philadelphia, that's 218 of our 408 tracts.
2. **Each state's Governor nominates** up to 25% of eligible tracts (218 of Pennsylvania's 871), with input from cities and counties.
3. **The U.S. Treasury certifies** the nominations. Certification is essentially procedural — the Governor's choices stand.
4. **Designations are valid for 10 years**, then redrawn.

For Philadelphia specifically: the Mayor's office will recommend a slate to Governor Shapiro, and the Governor will decide what to nominate within Pennsylvania's overall 218-tract budget.

The 82-tract recommendation

Matching Philadelphia's existing 82-tract designation count:

- **54 redesignation candidates** (top still-eligible by composite)
- **28 high-signal newcomers** (top newly-eligible by composite)

Combined and ranked: `ranking_bpn_82_combined.csv`. Each tract's full composite, three component scores, and underlying permit / business-license / soft-site counts are in the accompanying CSVs and on the interactive map. The ranking methodology is documented in the Methodology section below.

Redesignation candidates (54 tracts)

Currently-designated still-eligible tracts whose composite scores above the median newly-eligible tract — i.e., where the data supports keeping the existing OZ status. Mean composite: **70.2 / 100**. Philadelphia's 2017 designation set produced genuine winners; these are the ones worth keeping.

Six currently-designated still-eligible tracts fall below the median newly-eligible composite — see "Tracts we recommend replacing" and "Strategic swap candidates" below.

RANK	COMPOSITE	GEOID	NEAREST STATION	TRANSIT	JOBS	PERMITS	STATE LIST
1	88.6	42101037700	Temple University	0.91	0.93	0.82	No
2	87.9	42101014100	Girard Av & 11th St	**1.00**	**0.99**	0.65	Yes
3	87.6	42101000200	Jefferson Station	**0.95**	**1.00**	0.67	No
4	86.1	42101014000	Girard Av & 16th St	**1.00**	**0.98**	0.60	Yes
5	84.9	42101009100	Lancaster Av & 38th St	**1.00**	0.91	0.64	Yes
6	84.7	42101020102	Erie	0.75	**0.97**	0.82	Yes
7	83.7	42101020300	Erie	0.81	**0.98**	0.72	Yes
8	83.4	42101017701	Kensington-Allegheny	0.85	0.90	0.75	No
9	83.2	42101008500	52nd St	0.73	0.85	0.92	No
10	82.8	42101011100	Lancaster Av & 50th St	**1.00**	0.61	0.87	Yes

Full 54-tract list: `ranking_redesignation_candidates.csv`.

High-signal candidates from newly-eligible tracts (28 tracts)

The 28 newly-eligible tracts with the highest composite scores fill out the slate up to 82 picks. Mean composite: **75.1 / 100** — above the redesignation set (70.2). By the numbers, these newcomers are as strong as the tracts we're recommending for redesignation.

RANK	COMPOSITE	GEOID	NEAREST STATION	TRANSIT	JOBS	PERMITS	HOUSING PERMITS	NEW BIZ LICENSES	STATE LIST
1	88.1	42101013702	Girard Av & 28th St	0.93	0.89	0.83	162	15	No
2	87.7	42101007400	49th St & Paschall Av	**1.00**	0.82	0.81	62	16	Yes
3	87.7	42101000901	Walnut-Locust	**1.00**	**1.00**	0.64	3	29	Yes
4	86.0	42101008802	40th St & Locust St	**1.00**	**0.95**	0.63	3	21	No

RANK	COMPOSITE	GEOID	NEAREST STATION	TRANSIT	JOBS	PERMITS	HOUSING PERMITS	NEW BIZ LICENSES	STATE LIST
5	82.2	42101017800	Somerset	0.71	0.83	0.93	72	36	Yes
6	80.9	42101006600	Woodland Av & 60th St	**1.00**	0.67	0.76	30	22	Yes
7	80.1	42101014700	Cecil B. Moore	0.84	**0.95**	0.61	1	25	Yes
8	79.2	42101011000	Girard Av & 41st St	**1.00**	0.77	0.60	33	6	No
9	79.2	42101007101	Chester Av & 56th St	**1.00**	0.80	0.58	40	11	No
10	78.5	42101004001	Snyder	0.82	0.91	0.62	56	12	No
11	76.7	42101006700	Elmwood Av & 61st St	**0.97**	0.67	0.66	57	13	Yes
12	75.9	42101010100	Girard Av & 61st St	**1.00**	0.53	0.74	47	18	No
13	74.7	42101016500	North Broad	0.62	0.85	0.77	126	9	No
14	73.7	42101002802	Tasker-Morris	0.49	0.78	0.94	113	31	No
15	73.5	42101006300	Woodland Av & 68th St	**1.00**	0.52	0.69	38	22	No

Full list: `ranking_bpn_picks.csv`.

Geographic pattern: the high-signal candidates cluster along the corridors where SEPTA's heavy-rail and trolley modes already serve high-demand neighborhoods. **The Broad Street Line** anchors the slate from South Broad's Snyder and Tasker-Morris stations through Center City's Walnut-Locust and north through Cecil B. Moore, Susquehanna-Dauphin, Hunting Park, and Olney. **The Market-Frankford Line** along Kensington Avenue covers Somerset and Kensington-Allegheny, and two more tracts sit on Regional Rail at North Broad and Allegheny. **The Subway-Surface trolleys (Routes T1–T5)** carry the largest share — eleven tracts across University City and West and Southwest Philly, along Baltimore, Chester, Woodland, Elmwood, and Lansdowne

Avenues — and the **Route 15 Girard Av trolley** adds five more, from Brewerytown out to 61st Street (Tracts 137.02, 110, 101, 112, and 103). Every one is a corridor where transit already exists, SEPTA's Trolley Modernization or other accessible-station investment is underway, and permit activity is accelerating.

Tracts we recommend replacing

Six currently-designated tracts rank below the median newly-eligible tract on our composite. The clearest tell is permit activity: the median redesignation candidate saw 75 permits and new business licenses over the last three years; the Cheltenham Station tract came in at 22. After seven years of OZ status, the composite signal points toward replacing these six with high-signal newcomers from the existing slate.

Two more currently-designated tracts (Tract 56 / Penrose Plaza and Tract 381 / Tacony waterfront) also land below the median, but are treated separately as Strategic swap candidates below.

The six tracts we recommend dropping

"3-yr activity" below is the sum of housing permits, commercial permits, and new non-residential business licenses over the last three years. The median redesignation tract is 75.

GEOID	COMPOSITE	NEAREST STATION	DIST. TO STATION	3-YR ACTIVITY	WHY WE RECOMMEND REPLACING	STATE LIST
42101030900	**17.2**	Cheltenham	1.1 mi	**22**	Bottom quintile on all three signals; 15 housing permits + 4 new business licenses in 3 years	No
42101026500	**27.6**	Washington Lane	1.0 mi	**57**	Bottom-quintile transit and jobs scores; activity concentrated in housing alone	No
42101033400	**32.4**	Ryers	1.9 mi	**60**	Weak transit + weak jobs access; only 5 housing permits despite 7 years of OZ designation	No
42101028400	**32.6**	Wyoming	2,751 ft	**42**	Below median on all three signals; thin business-license activity	Yes
42101029100	**37.7**	Olney	4,386 ft	**61**	Bottom-quintile transit, weak jobs access; mid-pack permit activity	No
42101026800	**40.2**		3,324 ft	**47**	Weak door-to-door jobs access once the walk to the station and	No

GEOID	COMPOSITE	NEAREST STATION	DIST. TO STATION	3-YR ACTIVITY	WHY WE RECOMMEND REPLACING	STATE LIST
		Melrose Park (Regional Rail)			the wait are counted; thin permit pipeline	

Six high-signal newcomers that fill out the slate

The six lowest-ranked newcomers in our 28-tract high-signal set — the marginal picks paired with the six drops above:

GEOID	COMPOSITE	NEAREST STATION	3-YR ACTIVITY	WHAT IT BRINGS	STATE LIST
42101007000	**68.8**	Woodland Av & 55th St (Subway-Surface trolley)	47	Southwest Philly T1 corridor; 230 soft-site parcels	Yes
42101011300	**67.7**	Lansdowne Av & 56th St (Subway-Surface trolley)	62	West Philly trolley corridor	No
42101006200	**67.3**	Elmwood Av & 67th St (Subway-Surface trolley)	47	Southwest Philly Trolley Mod corridor	No
42101015300	**66.2**	Susquehanna-Dauphin (BSL)	44	North Philly redevelopment momentum	Yes
42101010300	**66.0**	Girard Av & 51st St (Route 15 trolley)	47	Extends the Route 15 Girard Av chain into West Philly	No
42101020400	**65.8**	Hunting Park (BSL)	45	BSL station with strong jobs access	No

Each comes in at composite 66–69, against 17–40 for the tracts they'd replace.

Strategic swap candidates

Our composite ranking is the baseline, but several tracts that don't make the top 28 newcomers still warrant consideration on policy grounds that the composite doesn't capture: **TOD-corridor completion**, **capital project pipelines**, and **priority public sector initiatives**. We flagged sixteen as strategic swap candidates to consider for Philly's slate. (Four tracts first flagged here — 28.02, 40.01, 70, and 103 — now score inside the top 28 newcomers and have moved into the high-signal slate.)

Most are on the IRS official LIC list and can be nominated through the standard Governor process. **Two are not** — Tract 30.02 (Tasker-Morris) and Tract 238 (Tulpehocken) — and would

require a § 5.04 nomination by the Governor. We've published a separate near-miss screen (`outputs/SECTION_504_SCREEN.md`) showing both tracts pass the OBBBA LIC math under ACS margin-of-error bands; they have a clean federal eligibility case alongside the policy case below.

- **Tract 391 — Lower Schuylkill Innovation Campus** (newly-eligible, composite 56.5). PIDC's 40-acre Lower Schuylkill Innovation Campus — a biotech-focused redevelopment opportunity adjacent to University City, structured as two 20-acre sites — sits in this tract. PIDC has been actively marketing it for a development partnership since 2024 with a target of "thousands of family-sustaining jobs." LIC-eligible (51.9% poverty, $33.5k median household income). Our composite under-rates it because the development pipeline is currently pre-permit; OZ designation would also be one of the cleanest tools available to help PIDC close on a partnership.
- **Tract 56 — Penrose Plaza / Eastwick** (currently designated, composite 21.6). Composite-weakest currently-designated tract for permit activity, which would normally place it on the drop list. SEPTA's Route T5 Trolley Modernization terminus sits at the northern edge, and the broader SW Philadelphia Trolley Mod corridor is undergoing a multi-year capital investment to replace surface flag-stops with new accessible high-platform stations. Service quality in the OZ window (2027–2037) will be materially better than current GTFS reflects.
- **Tract 381 — Tacony waterfront / Tacony-Palmyra Bridge** (currently designated, composite 39.9). Algorithmically in the bottom of the still-eligible set, but the case is mostly an artifact of methodology. Our composite weights residential transit access and 45-minute jobs reach at 2/3 of the score, which under-rates Delaware River waterfront industrial corridors that pencil on highway, rail, and water access. Tract 381 has 120 permits and business licenses over 3 years (the highest of any drop-candidate), and the North Delaware River Greenway is now ~65% complete — the K&T Trail connector at the Tacony-Palmyra Bridge opened in 2023, with the 10-acre Borski Jr. Park breaking ground in Bridesburg next door. OZ designation pairs well with industrial real estate (the substantial-improvement test is easier to clear on industrial than residential) and with operating-business equity in manufacturers and logistics tenants.
- **Tracts 25, 30.02, 37.02 — South Broad BSL TOD corridor** (newly-eligible). Three BSL station-area tracts running south from Center City — Ellsworth-Federal (25), Tasker-Morris (30.02), and Snyder (37.02). They fill in around Tracts 28.02 (Tasker-Morris) and 40.01 (Snyder), both now high-signal picks, and Tract 9.01 (Walnut-Locust). Designating all six would give South

Broad a contiguous BSL TOD corridor — exactly the kind of stack that compounds federal capital with existing heavy-rail capacity. Tract 30.02 is the only one of the three not on the IRS list and would need a § 5.04 nomination.

- **Tracts 179 + 188.02 — Kensington Ave / MFL corridor** (newly-eligible). Tract 179 is adjacent to Tract 178 (Somerset, our #5 high-signal pick) with 111 housing permits and 53.7 acres of soft sites in 3 years. Tract 188.02 picks up the MFL corridor north toward Tioga. Together they complete the Kensington Ave corridor along the MFL between Allegheny and Somerset — the elevated stretch where Frankford-bound trains run above Kensington Avenue.
- **Tracts 280 + 281 — Logan Triangle / North Broad BSL** (newly-eligible). Both tracts overlap Logan Triangle, where the Parker administration has proposed a **modular housing factory**. Whether or not that specific project advances, these tracts fill the gap in the North Broad BSL corridor between our high-signal picks at Hunting Park (Tract 204) and Olney (Tract 278). Including them gives the city the option to support the Mayor's housing initiative if it moves forward, and the corridor-completion case stands either way.
- **Tracts 238, 242, 245, 252 — Germantown Regional Rail corridor** (newly-eligible). Four contiguous Germantown station areas along the Chestnut Hill West Regional Rail line: Tulpehocken (238), Queen Lane (242), Wister (245), and Washington Lane (252). Together, they've seen 176 housing permits and 60 commercial permits over 3 years, with 707 soft-site parcels (62 acres) identified. Active public-sector pipeline already in motion: the Germantown Town Hall restoration at 5928–30 Germantown Av cleared the Planning Commission, with PAID conveying the historic property to a partnership with West Powelton Development to anchor a charter school, commercial kitchen, and restaurant incubator. Designating these four as a chain gives Germantown a contiguous OZ footprint along its Regional Rail spine. Tract 238 is the only one of the four not on the IRS list and would need a § 5.04 nomination.
- **Tracts 131, 148 — Route 15 Girard Av trolley corridor** (newly-eligible). Two additional Route 15 station-area tracts that didn't make the top 28 newcomers but pair with the five Route 15 tracts already in the high-signal slate (137.02, 101, 103, 110, 112) to give Girard Avenue a contiguous OZ chain from Northern Liberties (Tract 131 at Girard Av & 7th St) through Brewerytown / Sharswood (Tract 148 at Girard Av & 19th St) out to West Philly. Both have strong jobs access (0.96 and 0.89; Tract 131's is the highest of any swap candidate) but thin recent permit activity.

On the state's final list: three of the sixteen swap candidates, Tracts 381 (Tacony waterfront), 391 (Lower Schuylkill Innovation Campus) and 245 (Wister). Tracts 56 (Penrose Plaza) and 242 (Queen Lane) were on the state's Oct. 7 draft but not its final list.

Where the recommendations land on the displacement-risk map

One common concern about any OZ slate is whether it accelerates displacement of existing residents. We tested our 82 recommendations against The Reinvestment Fund's 2023 Market Value Analysis (MVA), which the City of Philadelphia publishes by block group. It includes two measures: a market-strength tier from A (strongest housing markets) to I (most distressed), and a displacement-risk category based on The Reinvestment Fund's Displacement Risk Ratio (DRR). We weight each block group by its number of households.

Absolute market strength (MVA)

If our methodology were funneling capital to Philadelphia's hottest neighborhoods, we would expect the recommended tracts' households to be concentrated in tiers A and B. The opposite happens:

- **4% of households in our 82 recommended tracts** live in the strongest-market tiers (A or B), compared with 20% of households citywide.
- **59% live in the most-distressed tiers (G, H, I)**, compared with 21% citywide — places where investment is badly needed and new development is far more likely to add housing supply than to bid against existing residents.

In absolute housing-market terms, we are not selecting Philadelphia's gentrifying frontier.

Displacement risk (DRR)

Market strength isn't the whole story. The DRR measures home prices relative to the incomes of a neighborhood's longtime residents, compared with the citywide ratio, so it can flag pressure in a market that is still weak in absolute terms. The Reinvestment Fund classifies a block group as **High** risk when its DRR rose by more than one point between 2018–19 and 2021–22, **Lagging** when it fell by more than one point (prices falling behind, usually a sign of disinvestment), and **Stable** otherwise.

Here's how our recommendations stack up:

GROUP	HOUSEHOLDS	IN HIGH-RISK BLOCK GROUPS	IN LAGGING BLOCK GROUPS	IN STRONGEST MARKETS (A–B)	IN WEAKEST MARKETS (G–I)
Philadelphia (all block groups)	565,971	8%	7%	20%	21%
All 218 eligible tracts	322,790	10%	3%	4%	37%
Our 82 recommendations	107,888	17%	3%	4%	59%
↳ 54 redesignation candidates	67,751	20%	4%	1%	56%
↳ 28 high-signal newcomers	40,137	13%	2%	9%	63%
6 tracts we recommend dropping	9,521	25%	0%	0%	12%
47 tracts on the state's final list	53,882	15%	2%	3%	68%

Four findings stand out:

- **The recommended tracts carry more displacement risk than the city as a whole.** 17% of their households live in High-risk block groups, compared with 8% citywide. That is the expected cost of pointing investment at tracts where the market is already moving, and it is why we pair the slate with the protections below.
- **The risk is concentrated in the tracts already designated since 2017.** 20% of households in the 54 redesignation candidates live in High-risk block groups, against 13% in the 28 high-signal newcomers. Some of that pressure is plausibly attributable to the 2017 designations themselves — capital flowed in over seven years, and longtime residents are now competing with higher-income arrivals.
- **The six tracts we recommend dropping show the most risk of all** (25% of households in High-risk block groups), a reminder that seven years of OZ status hasn't brought them the new supply that would ease that pressure.

- **The state's final list looks much like our slate on these measures.** 15% of households in the 47 Philadelphia tracts Pennsylvania nominated live in High-risk block groups, and 68% live in the weakest-market tiers.

How we read the displacement signal

One way of thinking about the displacement issue might read rising DRR as a reason to slow investment in tracts where capital is already moving. We read it differently. Philadelphia is in a sustained housing shortage; Mayor Parker has set a goal of 30,000 new homes; Governor Shapiro has named regional housing supply as a state priority. The single most reliable lever against the price-to-income pressure the DRR measures is more housing supply.

Withholding OZ designation from tracts where investment is already underway slows the supply response to that pressure, not the pressure itself. The capital chasing OZ tax benefits arrives either way — better that it land in tracts with the absorption capacity to turn it into housing than in adjacent neighborhoods that don't. Recent empirical work on new market-rate housing in U.S. cities, including lower-income neighborhoods, consistently finds nearby rents fall relative to comparable areas without new construction (Asquith, Mast & Reed 2021; Pennington 2021; Mast 2023).

Philadelphia already has the right toolkit for existing residents

None of this means OZ designations are a free policy good. New investment in low-income tracts produces price effects that fall on long-term residents most acutely, especially homeowners on fixed incomes and renters without leases. That's a real political and ethical concern even if new supply is the right macro answer.

Philadelphia already has a robust set of programs in place for protecting existing residents from rising costs. Crucially, **every one of them is both pro-affordability and pro-supply** — none acts as a tax on new construction:

- **Homestead Exemption** — already at the state-authorized maximum, one of the most generous owner-occupant property-tax breaks in the country.
- **Longtime Owner Occupants Program (LOOP)** — caps assessment increases for long-term homeowners in rapidly appreciating neighborhoods.
- **Low-Income Senior Real Estate Tax Freeze** — protects long-term homeowners on fixed incomes from rising tax bills.

- **10-Year Property Tax Abatement** — directly subsidizes new housing supply by reducing the tax burden on new construction and rehab.
- **Mixed-Income Housing Density Bonus** (voluntary) — has produced **300+ on-site affordable units** (delivered or under construction) by trading density for affordability without imposing a fixed mandate.
- **Philadelphia Land Bank programs** — Turn the Key (affordable for-sale homes) and Mixed-Income Housing (rental and ownership) convert publicly held vacant parcels into housing at mixed-income terms.

The right pairing for OZ designation is to direct OZ-eligible capital toward tracts where these existing tools are most active, and to expand the programs that are working. Outcome reporting — household tenure, eviction rates, owner turnover in designated tracts — should be a standard term of any OZ designation going forward.

Two notes on inclusionary zoning. We don't recommend layering new mandatory inclusionary requirements onto OZ-designated tracts — those mandates function as a tax on new construction and slow the supply response. We do recommend City Council examine the deterrent effect of Philadelphia's existing Mixed-Income Neighborhoods (MIN) overlays, several of which overlap with OZ-eligible tracts. Two layers of well-meaning policy pulling in opposite directions on housing supply is worth a hard look. See BPN's MIN analysis.

Caveats on the displacement data

Three limits worth naming: - **Block groups, allocated to tracts.** The MVA and DRR are published by block group; we assign each block group to the tract that contains it and weight by households. Block groups without enough sales for an MVA tier are left out, as are 68 block groups (25,185 households) that have a tier but no displacement-risk category. Every share uses that base. - **A 2018–22 window.** The DRR categories describe change between 2018–19 and 2021–22, before the next round of designations, so they show where pressure was building rather than where it is today. - **An earlier version of this section** used a tract-level analog of the DRR computed from OPA sales and 2006–10 ACS incomes. Tract-level sale samples proved too small and too mixed (condo and parking-unit sales, student-heavy tracts) to support it, so the November 2026 update uses The Reinvestment Fund's published categories instead.

What happens next

Where the designation process stands (updated Nov. 5, 2026):

1. **July 1, 2026** — The 90-day nomination window opens, with a possible 30-day extension to October 28.
2. **October 7, 2026** — The state releases a draft map: 208 tracts statewide, with 10 slots held open.
3. **Late October 2026** — Pennsylvania submits its final 218 nominations to the U.S. Treasury, 47 of them in Philadelphia.
4. **By December 27, 2026** — Treasury certifies the new designations (the latest deadline; it has not yet certified Pennsylvania's list).
5. **January 1, 2027** — New OZs take effect. The current (2017) OZ map remains in force through December 31, 2028, creating a two-year overlap.

Three things to keep in mind:

- **Pennsylvania's overall cap dropped from 300 to 218 designations.** A proportional cut would have reduced Philadelphia's allocation from 82 to roughly 60; the state's final list gives it 47. Philadelphia hosts a disproportionate share of the state's eligible tracts and the densest transit and development momentum, which is the case for preserving its 82-tract share.
- **OBBB skews capital toward rural areas.** The 30% basis step-up for Qualified Rural Opportunity Funds is three times the non-rural rate, so urban tracts have to compete harder for QOF deployment under the new structure.
- **The Governor had full discretion within Pennsylvania's 218-tract budget.** The list is now with Treasury, which certifies but does not choose tracts.

The composite ranking is published in full, so if the allocation is cut, any cut line can be drawn from the bottom transparently.

What we're asking for

- **A slate that pairs transit access with development momentum.** The 82-tract recommendation is one defensible version, with full data and methodology disclosed.
- **A willingness to drop the six weakest 2017 tracts** rather than redesignate by default.

- **Preservation of Philadelphia's 82-tract share** rather than a proportional cut. Philadelphia is where Pennsylvania's transit-served, development-ready, jobs-rich tracts are concentrated.
- **OZ paired with expanded TOC coverage.** Where stations overlap both, that's where the incentives compound.
- **OZ paired with Philadelphia's existing affordability toolkit** — Homestead, LOOP, senior freeze, 10-year abatement, the voluntary Mixed-Income Housing Density Bonus, and the Land Bank programs are all pro-supply and pro-affordability. No new mandatory inclusionary requirements on OZ tracts. Outcome reporting on designated tracts should be a standard term going forward.

The composite, the underlying signals, and the full ranking are downloadable below. Use them, challenge the weights, and press for a slate that reflects where Philadelphia is actually building.

Methodology

Why these criteria

The Opportunity Zone program exists to concentrate private investment where it can spark lasting economic activity. In Philadelphia, the sharpest signal for that is proximity to high-quality transit in places where development is already underway.

- **DVRPC** (the regional MPO) finds that **67.3% of Philadelphia's job growth between 2005 and 2015 occurred within three-quarters of a mile of a rail station** (JLL analysis, cited in SEPTA Transit-Oriented Development Policy Research, July 2020).
- **Mayor Parker has proposed a Transit-Oriented Communities (TOC) ordinance** that would expand Philadelphia's existing TOD overlay to a quarter-mile radius. As written, the TOC overlay would apply only to Market-Frankford Line stations that already have TOD designations. (BPN's full analysis of the proposal lives at philly-toc.netlify.app.)
- Our own platform, BPN Property Intelligence, tracks **1,880 active development projects, 37,861 permits issued in the last 3 years, and 5,162 new non-residential business licenses.** This data provides a baseline for evaluating which neighborhoods are attracting more or less investment.

Designating next-round OZs along transit corridors with visible permit activity stacks the incentives where development is already moving, instead of scattering them across unrelated pockets. The strongest version of this strategy **pairs TOC and OZ designations at the same stations**: wherever a station earns an OZ designation in this analysis, it's also a station that would benefit from expanded TOC coverage. Layering the two pairs federal tax incentives with pro-growth zoning to catalyze more investment than either condition would achieve alone. Several of our highest-signal candidates sit along the **Broad Street Line** (Cecil B. Moore, Susquehanna-Dauphin, Hunting Park, Olney) and the **Market-Frankford Line above Kensington Ave** (Somerset, Kensington-Allegheny) — corridors the TOC ordinance currently leaves out but that, by our measures, show the same transit and development fundamentals that justified TOC designation for the MFL stations covered today.

Why the permit signal matters: avoiding speculation without supply

A common worry about Opportunity Zones is that designating tracts already attracting investment will accelerate displacement of existing residents. We take this concern seriously, and our methodology is built to address it directly. (The displacement-risk audit of the slate appears above; this section explains why permit momentum is a defense against displacement, not a driver of it.)

The Opportunity Zone incentive is most useful where developers can actually underwrite projects. That requires a market with at least some momentum — which is why we use recent permit and business-license activity as one of our three signals. **Designating only inert eligible tracts would be an imprudent use of Philadelphia's likely-shrinking allotment.** And passing over the eligible tracts already attracting development on the assumption they're "strong enough" to develop without OZ help risks the worst possible outcome: **OZ capital flowing into tracts beyond the gentrifying fringe that don't have the underlying market depth to absorb it** — generating speculative pressure on existing residents without producing the housing supply or commercial activity that would justify the incentive in the first place.

The right answer is to designate the tracts where investment will actually compound — places with transit, with jobs access, and with measurable signs that the market can absorb new construction. That is what our composite is built to identify, and it does so without concentrating designations in the strongest, most gentrifying markets.

The composite

Each tract in our scoring universe — the 218 IRS-eligible tracts plus 2 § 5.04 near-miss candidates we score alongside them for context — is scored based on three signals. Each signal is ranked against the other 219 tracts in the scoring universe and expressed as a percentile. The three percentiles are averaged into a 0–100 composite score.

Signal 1 — Transit access (one-third weight)

Average of two things:

- **Quarter-mile walkshed share** — how much of the tract's land area sits within a quarter-mile walk of any SEPTA fixed-rail station (Regional Rail, Market-Frankford, Broad Street Line, Norristown High Speed Line, Subway-Surface trolleys T1–T5, Route 15 Girard, Routes 101/102). This mirrors the `tod_rail` flag we use on our platform.
- **Proximity** — how close the tract's center is to the nearest station, so we can still tell apart tracts just outside the quarter-mile walkshed from tracts deep in non-transit territory.

Tracts within 0.5 mile of any **Trolley Modernization corridor** station (Routes T1–T5 and Route 15) receive a small additive bonus (+0.08 to the transit-access percentile, capped at 1.0). SEPTA's Trolley Mod program is replacing legacy surface flag-stops along these alignments with new accessible high-platform stations; the bonus reflects forward-looking service-quality investment that current GTFS doesn't capture.

Signal 2 — Regional jobs access (one-third weight)

The **number of jobs reachable by transit within 45 minutes, door to door**, from the tract. We route trips with r5py (Conveyal R5) over the OpenStreetMap walk network and SEPTA's August 2026 schedule, departing every minute between 7 and 9 a.m. on a weekday and taking the median travel time. Jobs are the Census Bureau's LEHD LODES 2023 workplace counts for Philadelphia, Bucks, Chester, Delaware, and Montgomery counties. Each block group in the tract is scored from its center, and the tract gets the average. Our implementation reproduces TransitCenter's published jobs-access scores for Philadelphia block groups (correlation 0.99).

Updated November 2026. The April 2026 version of this ranking measured jobs access as the 30-minute jobs count at each tract's nearest station in DVRPC's Building on Our Strengths dataset. That dataset includes no Center City or University City station, so tracts there were scored from stations up to a mile away, and station-to-station counts overstated access for tracts far from a Regional Rail platform. We replaced it with the door-to-door measure above. Seven of the 82 recommended tracts changed: Tracts 28.02, 40.01, 62, 70, 73, and 103 join the

high-signal newcomers in place of Tracts 102, 172.01, 198, 240, 275, and 276, and Tract 176.02 replaces Tract 268 among the redesignation candidates. Four of the new high-signal tracts (28.02, 40.01, 70, and 103) were strategic swap candidates in April, so that list falls from 20 to 16. The transit and permit signals are unchanged.

Signal 3 — Permit and business momentum (one-third weight)

Average of three things, each measured over the last 3 years:

- **Housing permits** — L&I "Residential Building" permits
- **Commercial permits** — L&I "Building" permits
- **Business licenses** — newly-issued non-residential licenses (restaurants, retail, services), excluding rental and vacant-property licenses

Sources: the `permits` and `business_licenses` tables on phl.carto.com, joined to 2020 census tract boundaries via OPA parcel coordinates.

Composite formula

```
composite = (transit_score + jobs_score + permits_score) / 3 × 100
```

Each tract's composite is a 0–100 score. All component ranks and raw inputs are preserved in the accompanying CSV, so anyone can pull down the data and re-weight the three signals however they want.

Soft-site context (shown, not scored)

Alongside each tract's composite, we report a **soft-site count** — the number of vacant, surface-parking, auto-oriented, or no-building-footprint parcels in the tract (from the city's OPA dataset). This is a separate signal of where new construction can physically go. A high-scoring tract with few soft sites is already built out; a high-scoring tract with many soft sites has room to absorb new investment.

Limitations & caveats

- **Eligible-tract universe.** This analysis uses the IRS Rev. Proc. 2026-14 official LIC list (218 Philadelphia tracts) as the eligible universe. A separate near-miss screen (`outputs/`

`SECTION_504_SCREEN.md`) identifies tracts not on that list that could plausibly be nominated under § 5.04 — including two of our strategic-swap candidates.

- **Tract boundary mismatch (minor).** The 2017 TCJA-designated OZ set (82 tracts) was drawn on 2010 geography, and 4 of those 82 tracts don't have clean equivalents in the 2020 shapefile because boundaries were redrawn. We treat 78 of the 82 as "matched"; the other 4 are flagged in the source JSON but excluded from the redesignation ranking.
- **Jobs access uses a 45-minute limit, not 30.** Door to door, with walking and waiting counted, a 30-minute limit falls right at Center City for much of West and North Philadelphia, so small timing differences swing a tract's score. At 45 minutes the ranking is stable.
- **Block groups are averaged equally.** Each tract's jobs-access figure is the plain average of its block groups, not weighted by population. New Jersey jobs and PATCO service are not in the network.
- **Business licenses are a proxy for new commercial formation.** We exclude residential rentals (which dominate by volume), but the set still includes food vendors, sidewalk events, and other small-scale activity. Readers may want to weigh those lighter than restaurant or retail licenses.
- **Permit window is the last 3 years (April 2023 → April 2026).** Tracts that saw heavy investment before 2023 don't get credit here. Recency-weighted scores in the CSV provide a finer-grained time signal if a different window is preferred.
- **Soft sites are shown, not scored.** A later version could add soft-site density as a fourth signal — tracts with strong transit, strong permit activity, and lots of redevelopable parcels are the cleanest investment targets. We kept this version to three signals so the weights stay easy to read and adjust.
- **No demand-side data.** We measure supply signals (permits, licenses), not outcomes like rent growth or occupancy. Incorporating BPN Property Intelligence's real estate submarket dashboards into the analysis would yield stronger rankings, but that integration was out of scope for the initial release.

Data sources & reproducibility

DATASET	SOURCE	RETRIEVED
OZ eligible-tract list (218 Philly tracts)	IRS Rev. Proc. 2026-14 Appendix	2026-04-30
Tract polygon geometries (2020 census tracts)	OBBB MSA shapefile via BPN pipeline	Pre-existing
82 designated Philly tracts (2017 TCJA)	PA DCED Final Federal Opportunity Zone Spreadsheet	2026-04-22
Full SEPTA station inventory	SEPTA GTFS public feed — `google_rail.zip` + `google_bus.zip` (joined via `route_stops.txt` to filter to rail/ MFL/BSL/NHSL/trolleys)	2026-04-30
Transit jobs access (45 min, door to door)	r5py / Conveyal R5 on SEPTA GTFS (Aug. 2026) + OpenStreetMap; LEHD LODES 2023 workplace jobs	2026-11-03
SEPTA TOD policy framework	DVRPC, SEPTA TOD Policy Research (July 2020)	Published report
L&I permits (last 3 yr)	phl.carto.com `permits` table	2026-04-22
L&I business licenses (last 3 yr)	phl.carto.com `business_licenses` + OPA coordinates join	2026-04-22
Soft-site proxy parcels	phl.carto.com `opa_properties_public`	2026-04-22
2020 census tract polygons	Inside OZ shapefile	Pre-existing
The Reinvestment Fund — Market Value Analysis (2023)	OpenDataPhilly	2026-04-24
Displacement Risk Ratio categories, 2018–19 to 2021–22 (block group)	The Reinvestment Fund, via the City of Philadelphia `mva_2023` layer	2026-11-04
ACS 5-year median family income, 2019-2023 (table B19113)	U.S. Census Bureau API	2026-04-28
Transit-Oriented Communities (TOC) ordinance (BPN analysis)	Mayor Parker, pending City Council action	2026
OBBB nomination guidance + state allocation cap	IRS / Treasury (Pub. April 2026)	2026-04-24

The full methodology is scripted in Python, and the interactive map on this site lets you adjust the three weights and see the rankings shift in real time.

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About Build Philly Now

Build Philly Now (BPN) is an economic development think tank in Philadelphia dedicated to building more of the things a growing city needs to thrive: housing, infrastructure, and energy. This research is produced with **BPN Property Intelligence** — our software platform covering parcel-level data, permits, zoning, transit, and development activity across Philadelphia. Explore the data at map.buildphillynow.org.

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