SENIOR HOUSING JOURNAL · CAPITAL MARKETS

Banks and Opportunity Zones: The Untapped Institutional Opportunity

Banks have a much bigger role to play in Opportunity Zones than financing individual projects. With the program now permanent, the institutions that coordinate lending, investment, wealth management, CRA and treasury around a single strategy stand to gain the most.

Haven Senior Living Partners November 2026 10 minute read

6,576	Jan 1, 2027	10 years	10% / 30%
census tracts newly designated as Qualified Opportunity Zones	effective date of the new designations	length of each designation round, now on a permanent cycle	basis step-up after five years, standard funds / rural funds

Sources: Treasury and IRS (IR-2026-132, November 5, 2026); IRS Notice 2026-40. See references.

Historically, banks have approached community development one activity at a time: an individual loan, an individual investment, an individual compliance exercise. Opportunity Zones offer a way to bring those activities together under a coordinated institutional strategy, one that creates economic value for the bank, its clients, its shareholders and the communities it serves.

The timing matters. The One Big Beautiful Bill Act made the Opportunity Zone incentive permanent and replaced the original program's fixed end date with a ten-year redesignation cycle. On November 5, 2026, Treasury and the IRS announced the first round of new designations: 6,576 census tracts across all 50 states, the territories and the District of Columbia, effective January 1, 2027. Stricter eligibility, including a lower income threshold, cut the map by roughly a quarter from the 8,764 tracts designated in 2018, which concentrates the incentive in the communities with the greatest need.

For capital invested after December 31, 2026, the rules change as well. Eligible gains are deferred on a rolling five-year schedule from the date of investment; a five-year hold earns a 10% basis step-up, rising to 30% for qualified rural opportunity funds; and appreciation on investments held at least ten years can still be excluded from federal capital gains tax. For banks, permanence is the headline. It provides the long-term certainty needed to build a dedicated Opportunity Zone strategy instead of reacting deal by deal.

SECTION 01

Seven ways a bank can participate

The opportunity extends across seven distinct areas of banking. Each one is already familiar to the institution. What is new is the ability to point all seven at the same communities, businesses and investments.

EXHIBIT 1 The integrated Opportunity Zone banking model



Conceptual strategy. Independent underwriting, regulatory controls and fiduciary responsibilities remain intact for each activity. Source: Haven Senior Living Partners.

01 Balance sheet investments

Subject to applicable banking regulations and investment authority, banks can deploy their own capital into Qualified Opportunity Funds (QOFs). A bank with an eligible capital gain can invest that gain in a QOF like any other investor. The potential benefits include:

- Long-term equity appreciation
- Tax-efficient management of eligible capital gains
- Diversification of investment income
- Participation in community revitalization
- Potential Community Reinvestment Act (CRA) consideration
- Strategic relationships with experienced fund sponsors

National banks may also use their public welfare investment authority where the underlying investments meet the applicable requirements.

02 Commercial and real estate lending

Every well-capitalized Opportunity Zone development represents a potential commercial banking relationship, through construction financing, acquisition loans, permanent mortgages, bridge financing, equipment financing and working capital facilities. Because QOFs supply the patient equity that developers and businesses need, they can improve a project's capital structure and reduce leverage from the lender's perspective. Rather than waiting for loan requests, banks can cultivate relationships with Opportunity Zone fund managers to establish a recurring pipeline of lending opportunities.

03 Private banking and wealth management

Opportunity Zones are a significant planning tool for clients with substantial capital gains, subject to investment suitability and applicable tax requirements. Likely candidates include business owners selling their companies, real estate investors, family offices, entrepreneurs, executives liquidating concentrated equity positions and other high-net-worth individuals. A wealth management division can maintain a vetted network of institutional-quality QOFs, so advisors can fold these investments into broader tax, estate and portfolio planning. The bank deepens client relationships and may earn additional advisory revenue, subject to securities laws, fiduciary obligations and conflict-of-interest controls.

04 Community Reinvestment Act strategy

The CRA dimension is particularly compelling. Banks already carry regulatory responsibility to help meet the credit needs of the communities they serve, including low- and moderate-income neighborhoods. Opportunity Zone investments can complement that responsibility by supporting affordable and workforce housing, healthcare infrastructure, affordable senior housing & care, employment creation, rural economic development, small business expansion and the revitalization of distressed communities.

> **Designation is not qualification.** An Opportunity Zone location does not by itself earn CRA consideration; the underlying activity must independently satisfy the applicable CRA requirements. The CRA framework is also in motion: the agencies continue to examine banks under the 1995-based regulations while the 2023 rule remains enjoined, and the OCC and FDIC proposed further revisions in August 2026. Banks should confirm treatment under the rules in force at the time of examination.

The larger shift is one of posture. Banks can move from a predominantly compliance-oriented CRA approach toward a proactive community investment strategy that pairs responsible financial returns with measurable community outcomes.

05 Fund sponsorship and management

Banks with the appropriate experience, regulatory authority and risk management capability can sponsor or manage their own QOFs, serving as general partner or managing member, or enter

strategic relationships with established third-party fund managers. The OCC has identified fund management as one avenue for bank participation. Depending on structure, this can add investment management revenue, broaden institutional investor relationships and give the bank earlier visibility into its community development pipeline.

06 Treasury management and ancillary services

An Opportunity Zone project creates banking needs well beyond its initial financing. The fund, the development entities, the operating businesses, contractors and employees may all require treasury management, operating deposits, cash management, payment processing, escrow, payroll and commercial banking services. A single development can generate multiple banking relationships over its entire operating life.

07 Community economic intelligence

Perhaps the least developed opportunity is the knowledge banks already hold. Banks see local business activity, capital requirements, demographic trends, credit demand, development pipelines and community needs. Combined with Opportunity Zone mapping, fund relationships and community development data, that knowledge can help a bank identify underserved markets where private capital can be deployed responsibly and productively. The bank becomes an active facilitator of regional economic development, not only a provider of capital.

SECTION 02

The structural problem is institutional fragmentation

All seven activities can involve the same communities, businesses and investments, yet inside most banks they are managed by separate departments, on separate systems, against separate objectives.

EXHIBIT 2 One project, seven departments, seven objectives

DEPARTMENT	PRIMARY OBJECTIVE	WHERE IT MEETS AN OPPORTUNITY ZONE PROJECT
Corporate investments	Risk-adjusted investment returns	QOF equity and public welfare investments
Commercial lending	Loan origination and interest income	Construction, bridge and permanent debt
Wealth management	Client assets and financial planning	Client capital gains seeking a qualified fund
CRA department	Community development and regulatory performance	Qualifying community development activity
Treasury management	Deposits and service revenue	Fund, developer and operator accounts

DEPARTMENT	PRIMARY OBJECTIVE	WHERE IT MEETS AN OPPORTUNITY ZONE PROJECT
Risk management	Institutional exposure and regulatory compliance	Investment authority and concentration limits
Executive leadership	Enterprise profitability and strategic growth	Whether the pieces add up to a strategy

Illustrative; structures vary by institution. Source: Haven Senior Living Partners.

Each department may pursue legitimate objectives without fully seeing the economic opportunity being evaluated down the hall. The problem is rarely a shortage of capital, expertise or market demand. It is the absence of a coordinated institutional strategy that connects them.

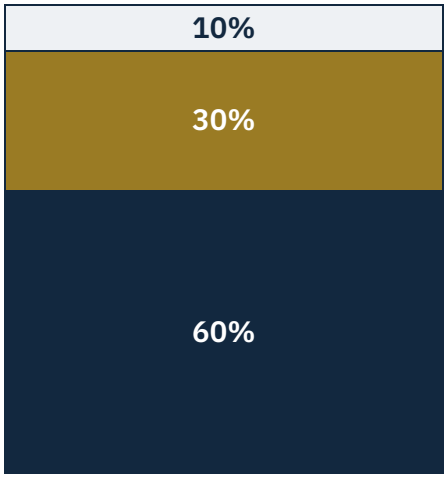
SECTION 03

The senior housing & care opportunity

The integrated model is particularly compelling when applied to senior housing & care. An aging population, aging healthcare infrastructure, affordability pressure and the need for additional care capacity together create a long-duration opportunity for institutional capital. A well-located senior housing & care development or redevelopment within a Qualified Opportunity Zone can bring multiple banking divisions into the same transaction.

Consider an illustrative $30 million senior housing & care development.

EXHIBIT 3 Illustrative project capitalization: $30,000,000



Other sponsor equity $3,000,000 · 10%

Qualified Opportunity Fund equity
$9,000,000 · 30%
Patient capital from investors with eligible gains

Senior bank financing
$18,000,000 · 60%
Construction loan, later permanent financing

Total capitalization **$30,000,000 · 100%**

Hypothetical capital structure for illustration only. It is not an actual offering, project or financing commitment. Source: Haven Senior Living Partners.

Within that single development, a bank could participate at seven distinct points.

EXHIBIT 4 Seven points of bank participation in one project

BANKING ACTIVITY	OPPORTUNITY
Commercial lending	$18 million senior lending relationship
Institutional investment	Permitted participation in the QOF equity
Wealth management	Eligible client participation in the fund
CRA	Potential consideration if community development requirements are satisfied
Treasury management	Fund and community operating accounts
Business banking	Relationships with operators, contractors and vendors
Permanent financing	Long-term refinancing relationship at stabilization

Based on the hypothetical capitalization in Exhibit 3. Each activity remains subject to the bank's independent credit, investment and compliance approval. Source: Haven Senior Living Partners.

The community stands to gain additional senior care capacity, employment, investment in local infrastructure and potentially better access to affordable care. CRA eligibility, however, would have to be established through the populations actually served, affordability commitments, employment characteristics and other qualifying community benefits. The project's location alone is not enough.

SECTION 04

A different conversation with banks

For Haven Senior Living Partners, this thesis points to a larger role than that of a sponsor seeking project financing: a strategic partner to banking institutions, specializing in deploying institutional and private capital into senior housing & care within Qualified Opportunity Zones. Over time, that means a standing network of regional and national banking relationships, rather than approaching banks one transaction at a time.

It changes the question we bring to bank executives.

THE USUAL QUESTION	THE BETTER QUESTION
"Would your bank be interested in financing our next senior housing & care development?"	"Would your institution be interested in developing a coordinated Opportunity Zone investment, lending, wealth management and community development strategy focused on the growing needs of America's aging population?"

That is a fundamentally different institutional relationship, and it needs a different set of people in the room. A conversation limited to a commercial loan officer can only produce a loan.

EXHIBIT 5 Who belongs at the table

EXECUTIVE	STRATEGIC RELEVANCE
Chief Executive Officer	Enterprise-wide strategy
Chief Investment Officer	Institutional capital allocation
Chief Lending Officer	Commercial loan pipeline
Head of Wealth Management	Private client investment opportunities
Chief CRA Officer	Qualified community development activities
Head of Community Development	Regional economic impact
Chief Risk Officer	Investment authority, concentration and risk controls
Chief Financial Officer	Capital efficiency and enterprise economics

The objective is an executive-level discussion spanning multiple banking divisions. Source: Haven Senior Living Partners.

PROPOSED INITIATIVE

HSLP Strategic Banking Partnership Program

Connecting banking capital, private wealth and community development with the future of senior housing & care.

The value proposition to a banking institution would span:

- Origination of senior housing & care investment opportunities
- Qualified Opportunity Fund structuring and management
- Commercial lending opportunities
- Specialized senior housing & care underwriting expertise
- Wealth management investment opportunities
- Documentation of qualifying community development benefits
- Long-term asset performance and impact reporting

The guiding principle is stewardship: deploying capital responsibly, generating sustainable risk-adjusted returns and creating measurable benefits for the communities and older adults being served.

SECTION 05

The Opportunity Zone 2.0 thesis

Permanence lets banks and institutional fund sponsors think beyond individual transactions and build durable capital deployment strategies. The institutions that coordinate these activities well can generate multiple revenue streams, deepen client relationships, strengthen community development performance and build lasting regional investment networks.

The greatest opportunity may not be convincing banks to invest in Opportunity Zones. It may be helping banks recognize how many parts of their existing business can take part in a single, coordinated Opportunity Zone strategy.

> Opportunity Zones should not be viewed simply as a tax incentive, a lending category or a CRA initiative. They are an opportunity to build an integrated institutional capital deployment strategy.

REFERENCES

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The $30 million project, its capital structure and the participation points described are hypothetical and do not represent an actual offering, project or financing commitment. The HSLP Strategic Banking Partnership Program is a proposed strategy; nothing in this article asserts that any banking partnership, fund, or regulatory approval is in place.

Opportunity Zone tax benefits depend on satisfying statutory and regulatory requirements and on each investor's circumstances. CRA consideration is determined by a bank's regulators under the rules in effect and is never automatic. Bank participation in any activity described here is subject to applicable law, investment authority, safety-and-soundness review and the institution's own underwriting and fiduciary obligations. Real estate investments are illiquid and involve risk, including loss of principal. Readers should consult their own tax, legal and financial advisors.

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