

Trump Executive Order Establishes White House Opportunity and Revitalization Council to Support Investment in Opportunity Zones

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On December 12, 2018, President Trump issued an Executive Order forming the White House Opportunity and Revitalization Council. The purpose of the Opportunity Council is to coordinate efforts between various federal agencies and departments in order to promote and encourage public and private investments in urban and economically distressed communities, including Qualified Opportunity Zones (QOZs) created under the Opportunity Zone Program pursuant to the Tax Cuts and Jobs Act of 2017.

The Executive Order constitutes a strong signal of White House support for the Opportunity Zone Program, while recognizing that significant federal reforms may be necessary on an administrative level in order to maximize participation and investment opportunities under the program.

The Opportunity Council will initially consist of a panel from 13 Federal member agencies. The Secretary of Housing and Urban Development (HUD), Ben Carson (or his designee), will serve as Chair of the Opportunity Council. The Assistant to the President for Domestic Policy, Andrew Bremberg (or his designee) will serve as Vice-Chair. HUD is to appoint an Executive Director for the Opportunity Council and provide funding and administrative support. Additional heads of federal agencies, offices, or independent regulatory agencies may be subsequently appointed to serve in various roles on the Opportunity Council.

Under the Executive Order, the Opportunity Council will seek to integrate and coordinate various federal department and agency efforts across the Executive Branch by:

1. Assessing potential agency actions to prioritize and focus federal investments and programs on urban and economically distressed communities, including QOZs;
2. Reviewing potential agency actions to minimize regulatory and administrative costs and burdens that discourage public and private investment in urban and economically distressed communities, including QOZs;
3. Obtaining state, local and tribal officials and the private sector feedback on how to best stimulate economic development of urban and economically distressed communities, including QOZs;
4. Coordinating federal interagency efforts to ensure that various private and public stakeholders can develop successful growth and revitalization strategies;

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5. Making policy recommendations to: (i) reduce and streamline regulatory and administrative burdens; (ii) help community-based applicants identify and apply for relevant federal resources; and (iii) improve recipients' ability to receive and manage multiple types of public and private investments; and
6. Evaluating: (i) federal agency prioritization and support for urban and economically distressed communities, including QOZs, in their grants, financing and other assistance; (ii) federal cooperation with states, local governments and tribes that are innovatively and strategically facilitating growth and inclusion in urban and economically distressed communities, including QOZs; (iii) the development of an integrated web tool to provide the full range of applicable federal financing programs and incentives available to projects in urban and economically distressed communities, including QOZs; (iv) potential locations for federal buildings in urban and economically distressed communities, including QOZs; (v) federal agency coordination to provide technical assistance, planning, financial tools and implementation strategies for applicants; and (vi) data, metrics and methodologies that can be used to determine the effectiveness of investments in urban and economically distressed communities, including QOZs.

The Executive Order provides the following deadlines for the Opportunity Council to act:

March 12, 2019 - Submit a detailed work plan to President Trump detailing how and when it will accomplish the goals set forth in the Executive Order.

July 10, 2019 – Provide a list of recommended changes to federal statutes, regulations, policies and programs to encourage public and private investment in urban and economically distressed communities, including QOZs.

December 12, 2019 – Provide best practices for integration into public and private investments in urban and economically distressed communities, including QOZs, in order to increase economic growth, encourage new business formation and revitalize communities.

The Executive Order strongly indicates that the White House is prepared to take significant administrative action in order to reduce administrative red tape and maximize participation under the Opportunity Zone Program. While we await the promulgation of further regulations and revenue rulings from the Department of Treasury in early 2019, it is now evident that significant reforms will likely be forthcoming from other federal agencies as the federal government seeks to finalize the Opportunity Zone Program.

Please contact the author of this Alert, **Matthew J. Schiller**, for additional information regarding potential opportunity zone opportunities in New Jersey.