



FINANCIAL ASSISTANCE LETTER

This Financial Assistance Letter is issued under the authority of the Senior Procurement Executives of DOE and NNSA

Subject: Implementation of Executive Order 13853 of 12/12/18, Establishing the White House Opportunity and Revitalization Council, to Encourage Public and Private Investment in Urban and Economically Distressed Areas, including Qualified Opportunity Zones, by using Public Funds

References:

Executive Order 13853 of 12/12/18, Establishing the White House Opportunity and Revitalization Council

DOE Guide to Financial Assistance - Section 2.4.3 Program Policy Factors

DOE Merit Review Guide for Financial Assistance – See Section 1.4.4 Program Policy Factors and Attachment 3, Sample Evaluation and Selection Plan

Tax Cuts and Jobs Act of 2017, Pub. L.115-97 enacted 12/22/2017

When is this Financial Assistance Letter (FAL) effective?

The Tax Cuts and Jobs Act of 2017, Pub. L.115-97 was enacted on 12/22/2017 to create Qualified Opportunity Zones, the Executive Order 13853 of 12/18/18 established the White House Opportunity and Revitalization Council, and this FAL is effective when issued.

When does this FAL expire?

This FAL remains in effect until superseded or cancelled.

Who is the point of contact?

For DOE, contact John Harris of the Contract and Financial Assistance Policy Division, Office of Policy in the Office of Acquisition Management at (202) 287-1471 or at john.harris@hq.doe.gov

For NNSA, contact NNSA at (505) 845-4337.

Who is the intended audience?

Department of Energy (DOE) and National Nuclear Security Administration (NNSA) Contracting Officers.

What is the purpose?

The purpose of this FAL is to provide information and guidance regarding the Department of Energy's (DOE or Department) Implementation of Executive Order 13853 of 12/12/18, Establishing the White House Opportunity and Revitalization Council, to Encourage Public and Private Investment in Urban and Economically Distressed areas, including Qualified Opportunity Zones, by using Public Funds.

What is the Background Information?

The 2017 Tax Cuts and Jobs Act, Pub. L. 115.97, created Qualified Opportunity Zones (QOZ) to spur economic development and job creation in distressed communities throughout all 50 States, the District of Columbia, and the five U.S. territories by providing tax benefits to investors who invest eligible capital into these communities. QOZs are economically distressed communities where new investments, under certain conditions, may be eligible for preferential tax treatment. There are 8,764 QOZs in the United States, many of which have experienced a lack of investment for decades. QOZs are designated by the Governors of States or territories.

Executive Order 13853 established the White House Opportunity and Revitalization Council to carry out plans to encourage public and private investment in urban and economically distressed areas, including QOZs. The Council is leading joint efforts across executive departments and agencies to engage with State, local, and tribal governments to find ways to better use public funds to revitalize urban and economically distressed communities. The Council is working across four pillars: Entrepreneurship, Workforce and Education, Economic Development, and Safe Neighborhoods. The Director for the Office of Economic Impact and Diversity (ED) is the Secretary's designate on this Council to stimulate the economic development of urban and economically distressed areas, including QOZs.

What types of actions are affected by this FAL?

This FAL applies to all DOE and NNSA Funding Opportunity Announcements and financial assistance actions.

What guidance is included in this FAL?

Contracting Officers (COs) should work with the program office's Technical Project Officers (TPOs) and Selection Officials to determine whether and how they can prioritize support for urban and economically distressed areas, including QOZs, and best achieve their financial assistance program's objectives. Program Policy Factors may be developed for insertion in a Funding Opportunity Announcement. If the program policy factor is inserted in the FOA, the same program policy factor must be used during the financial assistance selection process to provide for consideration of factors that are not indicators of the application's merit.

If Program Policy Factors are developed and used to support prioritization for projects or entities located in urban and economically distressed areas, including QOZs, then the program office must ensure that they are included in both the FOA and an approved Evaluation and Selection Plan. COs must ensure that these factors are clearly stated in the FOA under the applicable section.

For more information on Program Policy Factors, see the DOE Merit Review Guide for Financial Assistance and the DOE Guide to Financial Assistance.

For more information on The White House Opportunity and Revitalization Council go to: <https://opportunityzones.hud.gov/thecouncil>

For a list or map of QOZs go to: <https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>

COs, program office's TPOs, and Selection Officials are encouraged to the maximum extent possible to use the sample Program Policy Factor regarding urban and economically distressed areas including QOZs provided below.

Sample Program Policy Factor

The Selection Official may consider the following program policy factor when determining which financial assistance applications to select for award negotiations:

- Whether the entity is located in an urban and economically distressed area including a Qualified Opportunity Zone (QOZ) or the proposed project will occur in a QOZ or otherwise advance the goals of QOZ. The goals include spurring economic development and job creation in distressed communities throughout the United States.