



STATE OF CONNECTICUT  
**GOVERNOR DANIEL P. MALLOY**

02/26/2018

Gov. Malloy Announces Municipalities Can Begin Applying for Consideration as Opportunity Zones

## **Interested Towns and Cities Must Return Applications to the State by March 16**

(HARTFORD, CT) – Governor Dannel P. Malloy today announced that the State of Connecticut has begun an application process for towns and cities that are interested in participating in the federal government’s recently established Opportunity Zone program.

A new community development program, Opportunity Zones are a creation of the Tax Cuts and Jobs Act of 2017 to induce long-term investments in low-income communities. It provides a federal tax incentive for investors to re-invest unrealized capital gains into Opportunity Zones through Opportunity Funds. Under the terms of the program, the governor of each state must submit a plan to the federal government designating up to 25 percent of the qualified census tracts in their state as Opportunity Zones, which is then subject to approval of the Secretary of the Treasury.

“We are encouraging interested towns and cities throughout the state to utilize this application process as an opportunity to create growth in low income areas,” **said Governor Malloy.**

“We believe this new tool will help engage a new set of investors in some of the communities in the state that need capital infusions the most,” **said Catherine Smith, Commissioner of the Department of Economic and Community Development (DECD)**, the state agency that is overseeing the application process. “Once the Governor’s submission is approved, we look forward to engaging with private investors to find creative and constructive development opportunities.”

**\*\*For more information on Connecticut’s Opportunity Zone application process, [click here](#). To download the submission form, [click here](#)\*\***

Qualified census tracts are those that have a poverty rate of at least 20 percent of a median income that does not exceed 80 percent of the area median income. The Opportunity Fund model encourages investors to pool their resources in Opportunity

Zones, increasing the scale of investments going to underserved areas. These funds may seed new businesses, expand existing firms, or undertake real estate development.

Qualifying investments may include a broad range of commercial and residential investments, such as transit-oriented development, affordable housing and mixed use development, and energy efficiency and renewable energy projects on public and private assets. In exchange for their investments, Opportunity Fund investors are able to decrease their federal tax burden through the preferential treatment of capital gains.

The Office of the Governor is contacting each municipality in the state with information on how to apply for consideration. Towns and cities must return a completed application to DECD no later than March 16, 2018.