

In **Detroit, MI**, an **Opportunity Zone (OZ)** is a **state- and federally designated area** created to encourage **long-term private investment in economically distressed neighborhoods** by offering **tax incentives** to investors.

Here's a clear breakdown 📌

What is an Opportunity Zone?

Opportunity Zones were created under the **2017 federal Tax Cuts and Jobs Act**. Governors (including Michigan's) nominated eligible census tracts, and the U.S. Treasury approved them. Detroit has **many Opportunity Zones**, especially in neighborhoods with:

- Lower median incomes
 - Historic disinvestment
 - High redevelopment potential
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Why Opportunity Zones Matter in Detroit

🏗️ For Developers & Investors

If an investor puts capital gains into a project located in a Detroit Opportunity Zone, they may receive:

1. **Capital gains tax deferral**
 - Taxes on the original gain are deferred (generally until 2026 or when the investment is sold).
2. **Capital gains tax reduction (partial, time-based)**
 - Holding the investment for several years can reduce the taxable amount of the original gain (subject to current IRS rules).
3. **Capital gains tax elimination on new gains**
 - If the investment is held **10+ years**, any *new* gains from the Opportunity Zone investment can be **tax-free**.

This makes OZs very attractive for **real estate development**, including:

- Multifamily housing
 - Mixed-use buildings
 - Commercial and community facilities
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🏠 For the City & Residents

The goal is to:

- Increase **housing supply**
- Spur **neighborhood revitalization**
- Create **jobs**
- Attract capital to areas that historically lacked investment

In Detroit, Opportunity Zones are often paired with:

- **Low-Income Housing Tax Credits (LIHTC)**
- **HOME funds**
- **ARPA funds**
- Local gap financing

This combination is common in **affordable and mixed-income housing developments**.

Important Clarifications

- Being in an Opportunity Zone **does not automatically mean a project is affordable housing.**
 - It simply means the location qualifies for **tax-advantaged investment.**
 - Community impact depends on **how the project is structured and financed.**
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In Plain English

An Opportunity Zone in Detroit is a neighborhood where the government encourages private investment by offering major tax breaks—often used to help make real estate and community development projects financially feasible.

Yes — **census tracts 5112 and 5119** in Detroit are *officially designated Qualified Opportunity Zones* under the federal Opportunity Zone program:

- ✓ **Census Tract 5112** is a designated Opportunity Zone. [OpportunityZones.com](https://www.opportunityzones.com)
- ✓ **Census Tract 5119** is a designated Opportunity Zone

Based on where Tracts **5112** and **5119** are located (Detroit, Wayne County) [OpportunityZones.com+1](https://www.opportunityzones.com) and the boundaries you described earlier (south of I-94, west of Woodward, east toward Russell), the **major corridors you'll likely see nearby** include:

- **Woodward Ave**
- **Cass Ave**
- **John R St**
- **Brush St**
- **Beaubien Blvd**
- **St Antoine St**
- **Russell St**
- **I-94 service drive areas / on-off ramps**

This is just a few of the street in the census tract