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Brighter Future for U.S. Multifamily Development.

The Opportunity Zone (OZ) program, a national model to spur private investment of housing in underserved areas, has been extended by Congress beyond 2026, marking a significant opportunity for real estate professionals. This innovative initiative not only helps rebuild communities but is a win-win for residents, property developers, and investors. The program's success in transforming economically distressed areas has proven its value, making it crucial for industry leaders to continue supporting it.

Opportunity Zones originated through the Tax Cuts and Jobs Act of 2017, a market-driven mechanism to channel private capital into America's economically disadvantaged communities. The program designates particular census tracts where private investors can defer, reduce, and potentially eliminate capital gains taxes by deploying their investment capital to qualified housing projects. For investments held beyond the 10-year mark, appreciation becomes entirely tax-exempt, and depreciation is not recaptured at sale, creating a powerful incentive for "patient capital."

This tax framework departs from traditional community development approaches and allows urban revitalization without direct government subsidies. In less than a decade, OZs have reversed the downward trajectories in many targeted communities by allowing private stakeholders to do the heavy financial lifting.

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Urban Land

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