

## HousingJobs Campaign

**Objective: to create an additional 10,000 units of housing to meet demand for affordable housing, to create jobs, to increase local property tax bases, and to stabilize communities, especially those hit hard by foreclosure.** The strategies below create jobs and investment opportunities, as well as housing for seniors, people with disabilities, and working families.

- 1) **Direct \$100 million in state bonding to jumpstart the economy and create jobs.** Include:
  - Support general obligation (G.O.) and non-profit (501c3) bonding for public housing restoration, community land trusts, foreclosure remediation, and supportive housing.
  - Augment production with Challenge bonds for housing activities eligible under the Challenge grant program. Habitat for Humanity homes and federal housing tax credit rental projects are examples.
- 2) **Dedicate existing deed and mortgage revenues to expand housing production capacity.**
  - With a weak housing market, deed and mortgage tax revenues are currently at low levels.
  - As the market recovers, allocate the growth in deed and mortgage revenues for additional needed housing units.
- 3) **Leverage additional private sector dollars for housing to meet demand for units through tax strategies.**
  - Create state housing tax credits for affordable housing and historic preservation.
  - A state tax credit supplements the federal low income housing tax credit program, a primary funding mechanism behind production of affordable rental housing nationwide.
  - A state housing tax credit authorizes the Minnesota Housing Finance Agency to provide tax credits, which affordable housing developers can leverage to raise investor capital.

**Building and rehabbing 10,000 homes creates 10,300 jobs in the year of construction, plus an additional 4,300 jobs through indirect spending.<sup>1</sup> Housing provides a strong return on investment to the state.**

<sup>1</sup>Assumes a state investment of \$25,000 per unit plus leverage of \$155,000 in other public and private investments for \$180,000 units. Based on recent funding patterns for state-Challenge Program-funded units and MHP adaptation of 2009 analyses by Donjek, Inc. and the Minnesota Housing Finance Agency.

Updated 10/5/10

- Almost 10,000 residential construction jobs were lost in Minnesota from August 2005 to August 2009.
- Minnesota needs more than 30,000 units of housing affordable to seniors, people with disabilities, and working families.
- Minnesota has experienced over 80,000 foreclosures since 2006. Additional mortgage resets and recasts predict continued foreclosures through at least 2012.
- The housing crisis has left foreclosed homes and vacant properties in its wake. Federal recovery resources for neighborhoods remain inadequate.