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State Housing Investment Creates Jobs and Generates Revenues New Study Finds

St. Paul, Minn. (February 18, 2009) – A new study released today finds that state funding for housing infrastructure, both new construction and rehabilitation, is a powerful tool to create jobs, economic activity and public revenues while addressing the housing crisis across the state. Based on the analysis in this report, the Minnesota Housing Partnership finds that for every \$1 million of state investment in the Challenge Fund, Minnesota creates a total of 47 construction jobs and leverages another \$1.4 million in economic activity resulting in significant tax revenues. Moreover, the state creates and/or rehabilitates 40 affordable homes for Minnesota families.

“The state’s Challenge Fund has a great return on investment ” said Chip Halbach, executive director of Minnesota Housing Partnership. MHP’s analysis also finds that for every \$1 million of Challenge Fund invested, the state recoups 72 per cent of its investment in five years and generates \$8.8 million in wages plus \$16 million in spending throughout the state.

The Challenge Fund is the primary investment tool for production of affordable housing in Minnesota, and effectively leverages federal and private capital. With the tight linkages between housing construction and the wood products industry, the state is especially poised for significant benefit from jobs and revenues from state investment in the Challenge Fund.

With the residential construction industry facing unprecedented job losses, the report, entitled “Housing as a Lever for Economic Recovery” and prepared for the Greater Minnesota Housing Fund and Minnesota Housing Partnership, concludes that the state’s investment in housing infrastructure can serve as an important economic recovery tool. To view the full report, please visit www.mhponline.org.

The Minnesota Housing Partnership is a statewide nonprofit organization that advances the preservation and creation of housing affordable to low- and moderate-income people as a means of strengthening communities and families. MHP provides local governments and nonprofit housing organizations access to loans, grants, and technical expertise to plan and construct housing, in addition to advocating and educating people on sound housing policies. MHP’s work in Greater Minnesota is primarily supported by The McKnight Foundation.

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