**Pipeline Housing Projects: Ready, Set, Stimulate!**

Housing construction, both new construction and rehabilitation, creates jobs and stimulates the economy. Projects that create affordable housing for families throughout the state are stalled and await an influx of public funds to break ground.

**Pipeline Project Statistics.** While not comprehensive, the pipeline list includes projects that could break ground within six months, assuming funding is available to them.1

- Over 100 separate projects touch nearly 7,900 homes and apartments.
- 650 new units are in the pipeline, and 6,900 are slated for rehab work. An additional 300 units combine new construction and rehab.
- 85% to 90% of the units in the pipeline benefit renter households, a growing demographic in light of recent foreclosures.
- 44% of the units in the pipeline are outside the 7-county metro.
- Pipeline projects are located in 28 counties across the state.

An additional 85 projects with 4,800 units could be ready to go in seven to 24 months.

**Economic Impact.** Housing construction, both new construction and rehabilitation, creates jobs and stimulates the economy, according to recent analyses by Donjek, Inc. and the Minnesota Housing Finance Agency.2 For the projects that could break ground within six months, the development costs total $440 million. In the year of construction alone, this affordable housing development can generate3:

- 6,200 housing development jobs
- Over $260 million in wages
- $29 million in state revenues from income, sales, mortgage, and deed taxes
- $3.5 million in local tax revenues
- $847 million in total spending
- New construction or rehabilitation of almost 7,900 homes

**Fix Housing to Fix the Economy, please:**

1. **Invest in the Challenge Fund.** MHFA’s proposed budget reduces the Challenge Fund by $23.5 million compared to the 2008-09 budget, a 69% reduction. These dollars must be restored for many of the pipeline projects to break ground.

2. **Support Nonprofit Housing Bonds** (H.F. 1354). Nonprofit housing bonds will enable local governments and nonprofits to maximize federal and Challenge Fund resources to address affordable housing at the local level.

3. **Support Bonds for Public Housing** (H.F. 0922/S.F. 0725). Public housing has a documented backlog of hundreds of millions of dollars in unaddressed capital needs, far in excess of the $60 million for Minnesota in the federal stimulus package. With bonding, housing authorities can reduce operating expenses through reducing energy and maintenance costs.

For more information and to view a list of pipeline projects by county, please visit www.mhponline.org.

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1 The Metropolitan Consortium of Community Developers (MCCD), Minnesota NAHRO and MHP surveyed developers of affordable housing statewide to compile a list of projects in the pipeline. About 40 organizations responded with information about projects they believe would be ready to break ground if funding were available.


3 Includes approximately $148 million in new construction and $292 million in rehab activities. Based on development spending alone, irrespective of funding sources or leveraging.