

Affordable Housing NOW!

Housing Creates Jobs, Helps the Economy

The development of affordable housing stimulates the economy. Affordable housing creates jobs, leverages federal and private funds, and funnels money into local communities.

In December 2002, the San Francisco Chronicle reported that the \$260 billion that California's housing industry generates annually has helped the California economy to stay afloat during the recession.ⁱ Dr. David Lereah, Senior Vice President and Chief Economist of the National Association of REALTORS® recently pointed out that the housing sector is 14% of the United States gross domestic product.

As we struggle for ways to jumpstart Oregon's economy, investing in affordable housing makes perfect sense.

Building affordable housing creates local jobs.



5,500 New Jobs, \$200 Million in local wages: Since 1990, Oregon's community development network has produced over 7,500 units of multifamily housing. This production created nearly 5,500 in local jobs such as construction, finance, professional services, and sale of good and products. These jobs generated \$200 million in local wagesⁱⁱ.



Every dollar in construction wages generates an additional \$1.43 in wages for workers in other sectors of the economy. In Portland, ECO Northwest estimated for the Housing Authority of Portland that every one construction job generated by the New Columbia HOPE VI project would generate an additional 1.38 jobs elsewhere in the Portland economy. They further calculated that every \$1,000,000 in construction spending in Portland created 15 jobs, \$456,000 in wages, \$87,500 in income to businesses, and \$164,800 in other income such as profits and corporate dividends.ⁱⁱⁱ

Oregon dollars leverage private and federal funding to build affordable housing.



One Dollar from Oregon Brings in Over Four Dollars from Feds, Private Sector: Every dollar the State of Oregon invests in affordable housing leverages \$4.33 in federal and private sector money. Since 1990 Oregon has contributed over \$94 million to Community Development Corporations (CDCs) through the Housing Trust fund, the Community Investment Fund, and the Oregon Affordable Housing Tax Credit Program. Funds leveraged by the \$94 million state dollars include \$292 million in federal funds, plus \$116 million in private funds.

Money saved in rent continues to bolster the local economy in a ripple effect.



Rent Subsidies Put \$24 Million into Local Economies: Residents of affordable housing save an estimated \$24 million each year in rent or mortgage payments^{iv}. Tenants spend these savings on a goods and services in various sectors of the economy such as food, transportation, household and personal goods, medical care, and education. This \$24 million supports 833 Oregon jobs in diverse industries which in turn results in \$633,758 in local taxes. This is in addition to the jobs and tax revenue generated by the initial investment in affordable housing development.

How can I get more information?

For more information, go to www.cdnportland.org or contact **Michael Anderson at (503) 335-9884** or mike@cdnportland.org

ⁱ "Housing Industry in California Generates \$260 Billion a Year, Helps Keep State Afloat," The San Francisco Chronicle, December 19, 2002

ⁱⁱ The Association of Oregon Community Development Organizations (AOCDO) used methodology developed by the National Association of Home Builders in, "The Local Impact of Home Building in Average City, USA" and data from the U. S. Bureau of Labor Statistics. AOCDO localized the information to reflect Oregon's wage and tax structure.

ⁱⁱⁱ "The economic and Fiscal Impacts Associated With the Proposed Redevelopment of the Columbia Villa", ECO Northwest

^{iv} AOCDO based the estimated amount of savings on the difference between market rent and 30% of the renter's gross income, which averages \$267 per household. It based projected expenditures on the U.S. Department of Labor Statistics Consumer Expenditure Survey.