



Minnesota **H O U S I N G** Partnership

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## MHP Report on Dedicated Revenue Sources Now Available

St. Paul, Minn. (September 12, 2006) - On September 7<sup>th</sup>, Minnesota Housing Partnership (MHP) released "Achieving Homes for All: Alternative Revenue Sources for Affordable Housing," a report that quantifies the funding needed to address the current and projected shortfalls of affordable housing in Minnesota.

Based on the housing needs identified in the 2003 BBC study, "The Next Decade of Housing in Minnesota," MHP created this report to inform the dialogue that needs to occur as the affordable housing situation worsens for hundreds of thousands of Minnesota families. While this report focuses on steps the state of Minnesota might take, the private sector and other levels of government also need to expand their role in light of this daunting challenge.

"Across the country the connection has become clear between family and community health and the availability of stable, affordable housing located close to employment and educational opportunities," said Chip Halbach, Executive Director of MHP. "It is time to act on this need, and "Achieving Homes for All" provides alternatives for Minnesota's next step."

While calculating funding needs, author Baris Gumus-Dawes acknowledges the difficulty of pinning down the many variables used in calculating required funding levels. "Achieving Homes for All" provides an order of magnitude estimate of what it takes to meet the identified affordability need. On an annual basis, Gumus-Dawes concludes that Minnesota must find an additional \$396 million in rent subsidies and \$173 million in development subsidies to address current and projected demand.

In addition to providing this estimate of needed funding, "Achieving Homes for All" assesses the action other states are taking to raise affordable housing resources. Gumus-Dawes compares Minnesota's current affordable housing investment with that made in 19 other states.

The third section of the report provides an overview of approaches to dedicate resources to housing in Minnesota. Local government funds are profiled, as well as past Minnesota legislative efforts to secure funding for housing.

Finally, the report examines seven revenue-raising strategies the state legislature could pursue to generate dedicated funds for affordable housing. For each funding strategy, Gumus-Dawes assesses the amount of funding that would be available for housing and the challenges associated with implementing each strategy.

For more information, or to read the full report, please visit [mhponline.org](http://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 educating people on sound housing policies.

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