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Affordable Housing Spurs Economic Activity, Job Creation and Neighborhood Revitalization in New York State

New York State Association for Affordable Housing and HR&A Advisors Release Economic Impact Study

NEW YORK, NY -- MAY, 30 2012 -- Affordable housing spurs economic activity, creates jobs, and helps to revitalize communities according to a study released today by the [New York State Association for Affordable Housing \(NYSFAH\)](#) and [HR&A Advisors](#). Based on the last seven years of government data from the Department of Housing Preservation and Development (HPD) and New York State Homes and Community Renewal (HCR), the comprehensive study on the economic impact of affordable housing in New York includes developments that were supported by federal, state, and New York City funds.

“The findings of this report regarding the significance of the affordable housing industry to the State of New York should come as no surprise,” said Darryl C. Towns, Commissioner/CEO of New York State Homes and Community Renewal (HCR). “Investment in affordable housing development promotes economic expansion, generates meaningful and long-lasting employment, creates opportunities for minority- and women-owned businesses, and provides safe and decent homes to families throughout New York State.”

The report, *Economic Impacts of Affordable Housing on New York State’s Economy*, shows clear evidence that the affordable housing industry creates significant economic benefits for the State of New York, contributing substantively as an engine for growth, employment and renewal. Among the top findings, the study revealed that an average 100 unit affordable housing project in New York State generates:

- 175 jobs during construction, and sustains 20 jobs permanently.
- \$9.6 million in compensation during construction, sustaining \$1.3 million in compensation annually thereafter.
- \$26.9 million in economic activity, including \$15.5 million in public and private investment in development and \$14.1 million in economic spinoff activity.
- \$3.6 million annually in ongoing economic activity, including spending on local goods and services.

The report concludes that public investment in affordable housing in New York totals \$1.3 billion annually, leading to an additional \$1.5 billion per year in private investment. The industry

constructs, rehabilitates and preserves 18,490 homes each year, which create 31,800 new jobs and \$1.8 billion in wages during construction, and sustain 5,640 permanent jobs and \$230 million in wages per year thereafter. The study also found that annual affordable housing development creates \$2.6 billion in economic spinoff activity during construction while sustaining \$650 million in annual economic spending on local goods and services, and building maintenance.

“New York’s affordable housing industry has invested in emerging communities statewide for decades, developing underutilized property, improving public spaces, and supporting the commercial and community services neighborhoods need to thrive,” said Don Capoccia, president of NYSFAFH’s board of directors. “This report demonstrates the extraordinary impact and fundamental need for affordable housing in New York State. Our industry clearly plays a key role towards economic recovery.”

In addition to broad statewide economic impacts, the study indicated that affordable housing contributes significantly to the improvement of the surrounding neighborhood. The introduction of affordable housing provides neighborhoods with safe and decent homes as well as employment opportunities that spur local economic activity. A case study of key affordable projects in the Bradhurst neighborhood of Harlem, New York City demonstrated that a \$57 million investment in 315 mixed income housing units between 2003 and 2006 generated \$26 million in spinoff economic spending and the creation of 400 jobs during construction. From 1990 to 2009, the neighborhood’s median household income increased 200 percent, household poverty decreased 20 percent, and home homeownership rates increased to 10 percent.

For more information or to download a copy of the study, please visit: www.nysafah.org.

About NYSFAFH

The New York State Association for Affordable Housing formed in 1998, is a trade association for private sector organizations throughout New York State that are involved in affordable housing. NYSFAFH’s goals are to increase housing programs and subsidies, to be a voice for professionals in the field, and to inform members of new opportunities and developments. Currently they have over 300 members, including developers, general contractors, attorneys, architects, lenders, equity investors, and other housing professionals.

About HR&A Advisors

HR&A Advisors, Inc. (HR&A) is an industry-leading real estate, economic development and energy efficiency consulting firm. It has provided strategic advisory services for some of the most complex mixed-use, neighborhood, downtown, campus, and regional development projects across North America and abroad since 1976. Its consultants understand the importance of linking accretive private investment with public resources to support investors and communities’ responsibilities and aspirations. From Brooklyn to London, Cincinnati to Hong Kong, the firm has guided hundreds of clients in transforming real estate and economic development concepts, and public infrastructure, first into actionable plans then into job-producing, community-strengthening assets. HR&A has offices in New York, Los Angeles, and Washington, DC.

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