



How Affordable Housing Contributes to Local Economies and Tax Revenues

*Jobs, Growth, and Income Generated by Low-Income
Housing Tax Credit Projects in Oklahoma*

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RESEARCH REPORT

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How Affordable Housing Contributes to Local Economies and Tax Revenues

Building more housing is essential to addressing supply constraints that contribute to rising housing costs and affordability pressures (Baum-Snow and Duranton 2025; Been, Ellen, and O'Regan 2019). In Oklahoma, home sales prices and rents have risen faster than earnings in recent years, and there are too few housing units affordable and available for people with low incomes in counties statewide (Freemark et al. 2026). In addition to helping to stabilize prices by increasing supply, building housing can stimulate economic activity, creating good-paying jobs (Manzo, Lantsberg, and Duncan 2016), increasing sales for small businesses, and generating tax revenue. Nationally, housing-related activity accounts for over 16 percent of gross domestic product (GDP).¹

To assess how housing development contributes to local economies and generates tax revenue, we modeled the economic impacts of affordable multifamily housing projects in Oklahoma. We reviewed the 45 Oklahoma housing projects completed between 2019 and 2023 that received equity from the Oklahoma Housing Finance Agency (OHFA) through the Low-Income Housing Tax Credit (LIHTC) program, the primary federal program supporting the construction and renovation of affordable housing nationwide.² In project financing, OHFA often complements LIHTC with additional financing supports, which include credits and/or funding from a state tax credit, a state housing trust fund, and its Housing Stability Program. We used IMPLAN (see box 1), a widely used input-output modeling platform, to estimate the short-term impacts associated with construction and the longer-term impacts from project operations over a 10-year period, corresponding to the duration over which LIHTC equity is allocated.

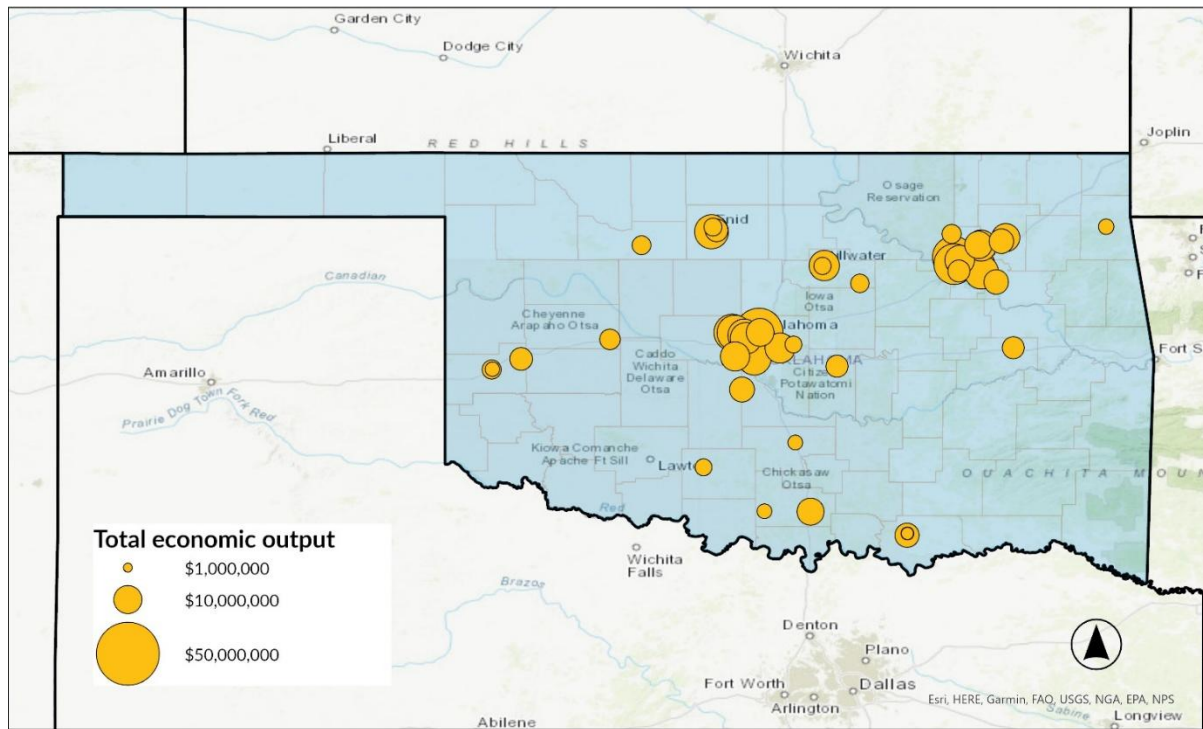
All reported impacts are for the state of Oklahoma. Actual economic impacts are larger if spillover effects extend beyond Oklahoma's borders. We describe in detail our data and methodology in Appendix A.

Collectively, these 45 LIHTC projects contributed 2,667 housing units. In total, they received \$220 million in federal LIHTC equity, \$75 million in state tax credits, and \$16 million in other sources of state-level support, with some projects also utilizing private activity bond financing. We estimate that these projects will have the following impacts:

- Support 4,043 job-years during construction (which typically lasts about two years per project), including direct, indirect, and induced employment, and approximately 57 unique jobs for people involved in property operations over a 10-year period statewide. This contribution is equivalent to the impact of the recently announced Inola plant in the state, which is expected to be the largest primary aluminum production plant built in the US and estimated to create 4,000 jobs during construction.³
- Generate nearly \$276 million in labor income during construction, which is equivalent to the total income of over 2,100 typical Oklahoman households in annual terms,⁴ and an additional \$16 million over 10 years of operations.
- Add more than \$400 million in value to Oklahoma’s economy during construction, which is similar in annual terms to the revenues generated by the University of Oklahoma Sooners,⁵ and an additional \$167 million over 10 years.
- Produce nearly \$814 million in total economic output during construction and more than \$186 million over 10 years of operations. The construction output would be more than double that of the Roosevelt Memorial Bridge modernization project that crosses Lake Texoma in southern Oklahoma, according to our estimates.
- Generate over \$126 million in tax revenues during construction and over 10 years of operations. This means that the projects recover over 43 percent of state and federal investment via tax revenues alone.
- Deliver strong economic returns on public investment, with each dollar of tax credit equity associated with \$3.4 in total economic output, \$1.95 in added value, and \$1 in labor income.

Figure 1 illustrates each projects’ location and estimated total economic output. Our results show that Oklahoma’s affordable housing investments are generating substantial economic benefit for the state. In addition to providing homes for 2,654 households, most of which have low and moderate incomes, LIHTC projects are helping to improve the state’s economy.

FIGURE 1
Location and Estimated Economic Impact of Multifamily Housing Projects
Low-Income Housing Tax Credit projects completed in Oklahoma 2019–23



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Source: Developed by the authors using data from the Oklahoma Housing Finance Agency and estimates from IMPLAN.
Notes: Total economic output includes direct, indirect, and induced impacts for the construction phase and ten years of operations.

To model operational impacts, we used annual net operating expenditures, defined as operating expenses net of property taxes, as the input to IMPLAN. We assumed operating expenses averaging \$6,000 per unit per year, based on recent data,⁶ from which we subtracted observed and estimated property taxes paid in 2024. For consistency, each project was modeled as if construction and operations occurred in 2024. Results reflect the economic impacts of these developments within the 2024 Oklahoma economy. Actual impacts may differ if conditions vary across market cycles, an effect this analysis does not account for. We adjusted all cost inputs for inflation. We modeled construction impacts as one-time, cumulative effects associated with the full construction period and reported them in job-years. Operational impacts represent economic activity generated by the ongoing operation of the properties over a 10-year period, assuming 2024 values remain constant. All figures quoted in this report are in 2024 dollars.

Based on these inputs, the model estimates economic impacts in terms of jobs, labor income, added value, and output, which we define in the following section, as well as government revenues, from personal income, payroll, corporate, and sales taxes. Property taxes are obtained and estimated from actual tax assessor records. The economic impacts reported by IMPLAN reflect activity occurring only within the state, and do not take into consideration other potential uses for the public investment made into these projects through tax credits.

Although the economic impacts analyzed in this report are significant, there are also compounding benefits from affordable housing not included in this analysis. When households spend less of their income on housing costs, they have greater capacity to save, invest, and spend on other goods and services. Reduced housing cost burden can enable households to build wealth through savings and asset accumulation,⁷ support children’s educational attainment,⁸ and increase labor market participation (Dauth, Mense, and Wrede 2024). These downstream effects ripple through local economies but fall outside of the scope of our analysis.

Glossary of Terms

The below list includes definitions of key economic impact terms used in this report. These concepts are standard in input–output modeling and help explain how housing construction and operations affect local economies.

- **Job-year** represents one full-time equivalent job supported for one year. For example, if the construction of an affordable housing development supports 10 construction jobs for one year, or 20 jobs for six months, both outcomes equal 10 job-years.
- **Labor income** includes wages, salaries, and benefits paid to workers, as well as income earned by self-employed individuals. For example, earnings paid to construction workers during development, or to property managers and maintenance staff during ongoing operations.
- **Added value** measures the net contribution of an activity to the economy and is comparable to GDP. It includes labor income, business profits, and taxes on production and imports. In this context, the added value from building an apartment complex reflects the project’s contribution to Oklahoma’s GDP.
- **Output** represents the total value of goods and services produced as a result of an economic activity, included added value. It captures the full dollar value of all economic activity, including

all intermediate inputs (materials, supplies, services purchased from other businesses). For example, output from an affordable housing project includes the full dollar value of construction spending on materials and labor, as well as ongoing operational spending on utilities, maintenance, and professional services.

- **Direct impacts** reflect the immediate economic activity generated by a project. For example, the construction jobs, wages paid to construction workers, and spending by property management during operations.
- **Indirect impacts** capture economic activity generated through supply chains as businesses purchase goods and services from other businesses. For example, jobs and income at firms that supply building materials, professional services, or maintenance inputs to affordable housing projects.
- **Induced impacts** result from household spending by workers whose incomes are supported by direct and indirect activity. For example, construction workers and property staff spend their earnings at local grocery stores, restaurants, and service providers, supporting additional jobs and income in the local economy.

BOX 1

Overview of IMPLAN and Input-Output Modeling

This analysis uses IMPLAN (IMPact analysis for PLANning), a widely used input-output modeling platform that estimates the economic effects of specific spending activities within a defined geographic region. IMPLAN is built on a social accounting matrix that captures the interdependencies among industries, institutions, and households within an economy. When a dollar is spent in a particular sector, IMPLAN traces how that spending flows through the regional economy: first to the firms directly involved, then to their suppliers and service providers (indirect effects), and finally through the spending of workers' earnings at local businesses (induced effects).

IMPLAN's regional data are derived from a combination of sources, including the US Bureau of Economic Analysis input-output accounts, the US Bureau of Labor Statistics employment and wage data, the US Census Bureau's County Business Patterns and economic surveys, and state-level tax data. These sources are combined into industry-specific multipliers that reflect the production structure of each sector and the degree to which spending circulates within a given region before leaking out through purchases of goods and services from outside the region, savings, and imports.

One important structural feature of IMPLAN is that regional multipliers vary depending on the size and diversity of the local economy. Larger and more economically diversified regions, such as

metropolitan areas, have more local suppliers and a broader base of service industries, meaning a larger share of spending stays within the region and generates stronger indirect and induced effects.

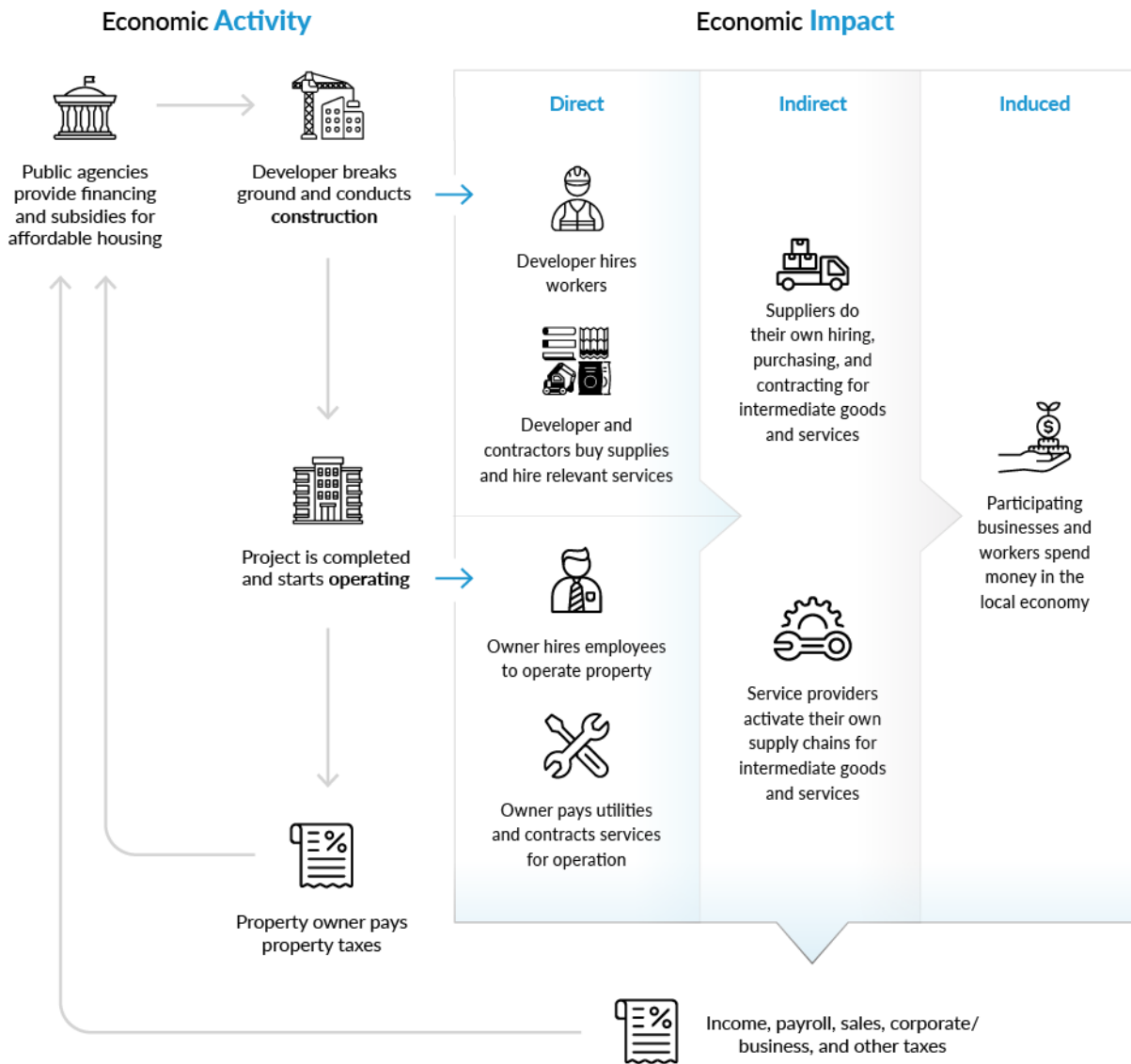
Source: IMPLAN.

Summary of Economic Impacts

Building and operating affordable housing in Oklahoma generates substantial economic benefits. Based on our estimates, the 45 projects would generate approximately 4,043 job-years during the construction phase, when aggregating direct, indirect, and induced impacts. Construction-related jobs include positions such as construction laborers, electricians, plumbers, project managers, architects, and engineers. In addition, ongoing operation of these properties would support an estimated 57 jobs held throughout a 10-year period.⁹ These operational jobs include property managers, maintenance workers, leasing agents, administrative staff, and on-site support personnel.

Most of the jobs would be created directly through the construction and day-to-day operation of the properties. In turn, indirect and induced construction jobs encompass activity in industries that supply goods and services to construction firms, such as building materials manufacturing, equipment suppliers, and professional services, as well as jobs supported by household spending from construction workers' earnings. In the operational phase, indirect and induced jobs similarly include positions in property services, utilities, insurance, local retail, and service sectors supported by ongoing payroll and spending. Figure 2 illustrates how these activities collectively generate economic impact and tax revenues.

FIGURE 2
Cycle of Economic Activity and Revenue Generation for Multifamily Affordable Housing Projects



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Source: Framework developed by the authors.

The labor income generated by these jobs—including wages, salaries, benefits, and self-employment income—would total nearly \$276 million during the construction phase (panel A in table 1) and approximately \$16 million over the operational phase (panel B in table 1), when direct, indirect, and induced impacts are combined. The added value to the state economy, that is, the contribution to Oklahoma’s gross state product through labor income, business profits, and taxes, would exceed \$400

million during construction and approach \$170 million during 10 years of ongoing operations. Total economic output, which captures the full value of goods and services produced, would reach nearly \$814 million during construction and more than \$180 million over 10 years of operations. As shown in table 1, most of these impacts are driven by direct effects associated with construction and property operations rather than by indirect or induced activity.

TABLE 1

Summary of Aggregated Economic Impacts

Low-Income Housing Tax Credit projects completed in Oklahoma 2019–23

Impact	Job-years	Labor income	Added value	Output
Panel A: Construction				
Direct	2,364	\$171,865,000	\$216,087,000	\$477,166,000
Indirect	935	\$62,027,000	\$111,367,000	\$196,210,000
Induced	744	\$41,839,000	\$80,649,000	\$140,365,000
<i>Total</i>	<i>4,043</i>	<i>\$275,732,000</i>	<i>\$408,104,000</i>	<i>\$813,740,000</i>
Panel B: Operation (over 10 years)				
Direct	47	\$10,847,000	\$156,862,000	\$167,374,000
Indirect	5	\$2,707,000	\$5,603,000	\$10,305,000
Induced	5	\$2,453,000	\$4,808,000	\$8,396,000
<i>Total</i>	<i>57</i>	<i>\$16,007,000</i>	<i>\$167,274,000</i>	<i>\$186,075,000</i>

Source: Authors’ calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development’s Low-Income Housing Tax Credit Database.

Notes: Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars. Labor income refers to worker wages and benefits. Added value refers to the net contribution to the economy and includes labor income. Output refers to the dollar value of every product or service produced as a result and includes added value. Values have been rounded to the nearest 1,000, except for jobs.

The 45 projects in our analysis resulted in the creation of 2,667 housing units, an average of 59 units per project, and around \$144,000 of total development costs per unit. Considering all projects collectively, we find that for every 50 units, 75 job-years are created through construction, and 1 job is generated through the operation of these properties. In terms of economic impacts, we estimate that every 50 units generate more than \$5 million in labor income, over \$10 million in added value, and over \$18 million in total economic output when combining construction and operation impacts (table 2).

It should be noted that these figures do not represent the expected economic impact of a standalone 50-unit project. Rather, they reflect the average impact attributable to 50 units out of the 2,667 total units modeled. Modeling a typical project of 50 units in isolation would yield higher economic impact, since there are decreasing marginal costs in construction, meaning that, within each project, each additional unit costs less to build and operate than the previous unit. And more spending in construction and operation yields higher economic impact, per our model.

TABLE 2

Summary of Economic Impacts for Every 50 Units*Low-Income Housing Tax Credit projects completed in Oklahoma, 2019–23*

Impact	Jobs	Labor income	Added value	Output
Panel A: Construction				
Direct	44	\$3,222,000	\$4,051,000	\$8,946,000
Indirect	17	\$1,163,000	\$2,088,000	\$3,678,000
Induced	14	\$784,000	\$1,512,000	\$2,631,000
<i>Total</i>	75	\$5,169,000	\$7,651,000	\$15,255,000
Panel B: Operation (over 10 years)				
Direct	1	\$203,000	\$2,941,000	\$3,138,000
Indirect	>1	\$51,000	\$105,000	\$193,000
Induced	>1	\$46,000	\$90,000	\$157,000
<i>Total</i>	1	\$300,000	\$3,136,000	\$3,488,000

Source: Authors' calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development's Low-Income Housing Tax Credit Database.

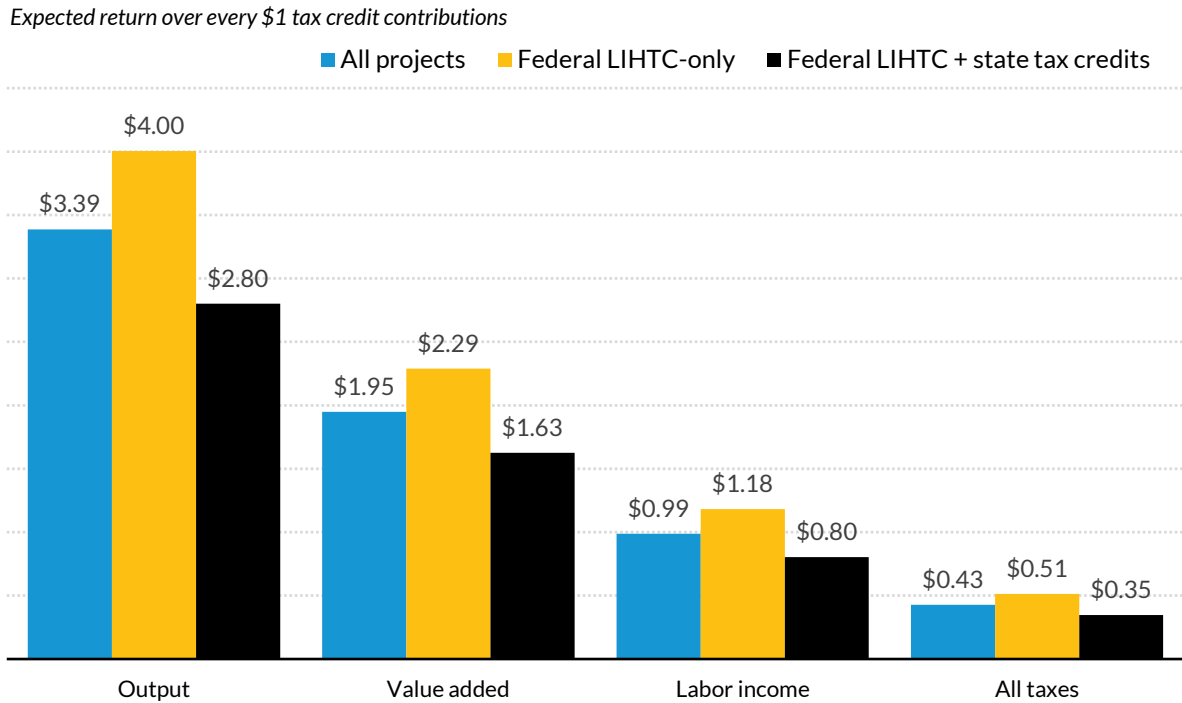
Notes: Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars. Labor income refers to worker wages and benefits. Added value refers to the net contribution to the economy and includes labor income. Output refers to the dollar value of every product or service produced as a result and includes added value. Values have been rounded to the nearest 1,000, except for jobs.

Across the 45 projects in our sample, developers received a total of \$295 million in tax credit equity, sourced from both federal LIHTC and state tax credits. All projects received federal LIHTC equity, and 17 received state tax credits in combination with LIHTC. All but one of these projects was financed using the 9 percent LIHTC, while 12 projects received 4 percent LIHTC on top of the 9 percent. One project relied exclusively on the 4 percent credit, in conjunction with tax-exempt bond financing. Framed in terms of economic impact, we estimate that every dollar of tax credit equity invested in these developments is associated with \$3.4 in total economic output, \$1.9 in added value to the state economy, and \$1 in labor income (figure 3). In employment terms, each \$1 million in tax credit equity supports approximately 14 job-years during the construction phase. For every \$1 of tax credits allocated, we estimate that the projects return around \$0.43 in taxes during construction and over 10 years of operation.

When allocating both state tax credits and federal LIHTC equity for the seventeen projects that received them, OHFA allocated the same amount from both sources. Of the total \$295 million tax credits allocated, approximately \$75 million was in state tax credit contributions. Projects receiving both federal and state tax credits tend to be located in nonmetropolitan areas, which is associated with lower economic impact per dollar spent, due to more spending circulating locally, as we explain later in this report. As a result, these projects generate lower economic impacts per dollar allocated than projects using only federal LIHTC (figure 3). In terms of employment, projects receiving only federal

LIHTC create 16 job-years for every \$1 million in tax credit allocations, and projects receiving both federal and state tax credits generate 11. These results reflect differences in project type and location rather than the effectiveness of the state credit itself.

FIGURE 3
Return on Tax Credit Contributions
Low-Income Housing Tax Credit projects completed in Oklahoma 2019–23, by financing type



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Source: Authors’ calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development’s Low-Income Housing Tax Credit Database.

Notes: LIHTC = Low-Income Housing Tax Credit. Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars. Labor income refers to worker wages and benefits. Added value refers to the net contribution to the economy and includes labor income. Output refers to the dollar value of every product or service produced as a result and includes added value.

Summary of Tax Impacts

During construction, tax revenues primarily arise from production and import taxes, including sales taxes on construction materials, equipment, and purchased services, as well as excise and motor fuel taxes embedded in supply-chain transactions. The model we used also captures taxes on labor income generated during construction, such as state and local personal income taxes and employee

contributions associated with wages paid to construction and professional services workers. In the operational phase, tenant-occupied housing generates recurring tax revenues through property taxes (not estimated by the IMPLAN model), sales taxes on utilities and maintenance services, and income-based taxes tied to wages paid to property management, maintenance, and administrative staff. IMPLAN further accounts for indirect and induced tax effects in both phases, reflecting taxes generated as businesses in the supply chain expand and as workers spend their earnings in the local economy on taxable goods and services.

The IMPLAN model used for this analysis does not explicitly estimate property tax revenues associated with new development. For this reason, we supplemented the modeled results with property tax information obtained from local tax assessor records for 2024. We identified assessed values and tax payments for approximately half of the properties in our sample, which are similar in characteristics to the rest. Using this data, we calculated an average effective property tax rate of 1.1 percent of assessed value after excluding outliers. For properties without publicly available assessment information, we estimated market values by applying the average market value per unit observed among properties with available data (approximately \$164,000 per unit) and used this value to estimate annual property tax payments. Based on this approach, we estimate that, in 2024 dollars, these 45 properties generate roughly \$2.5 million in property tax revenues each year, which are levied and collected by local governments.

However, this figure likely represents an upper-bound estimate. Although property tax revenues can generally be expected from affordable housing projects receiving tax credit equity, the taxes raised will be lower than if the same sized projects were market-rate developments. First, assessors generally value affordable housing based on its restricted rents rather than market rents. Second, some local governments provide partial exemptions, abatements, or payment in lieu of tax agreements to support affordable housing, further reducing tax liability. Lastly, properties owned by nonprofit entities may qualify for additional exemptions, while those owned by for-profit partnerships are usually fully taxable, though still assessed based on restricted income. Likely a larger number of affordable properties will be owned by nonprofit organizations than market-rate units, even if it is still a relatively small overall number of developments. The Oklahoma constitution allows for properties of charitable institutions to be exempt from ad valorem taxes.¹⁰ Indeed, at least three out of 23 properties in our sample, for which we were able to find tax records, were exempt from property taxes.

Based on IMPLAN estimates and our own analysis of property tax records, we estimate that the construction of the 45 tax credit-supported housing projects would generate close to \$80 million in tax revenue during the construction phase, with 32 percent of that directly collected by state and local

governments in Oklahoma through municipal, county, and state taxes (table 3). After completion, these properties would generate close to \$47 million in tax revenue over a 10-year period, of which 79 percent would stay in local and state coffers. This difference in tax allocation reflects the labor-intensive nature of construction combined with the prominence of federal income and payroll taxes. Operational impacts are instead driven more by localized spending on goods and services, which shifts a greater share of tax revenues toward state and local governments through sales taxes, plus the role of property taxes, which are levied at the county level and distributed for the most part at the subcounty level.

TABLE 3

Summary of Aggregated Tax Impacts Excluding Property Taxes

Low-Income Housing Tax Credit projects financed in Oklahoma, 2019–23

Impact	Subcounty	County	Property	State	Federal	All taxes
Panel A. Construction						
Direct	\$1,404,000	\$310,000	N/A	\$4,875,000	\$30,939,000	\$37,528,000
Indirect	\$4,458,000	\$900,000	N/A	\$6,315,000	\$13,475,000	\$25,147,000
Induced	\$2,680,000	\$530,000	N/A	\$3,934,000	\$9,415,000	\$16,558,000
<i>Total</i>	<i>\$8,542,000</i>	<i>\$1,739,000</i>	<i>N/A</i>	<i>\$15,124,000</i>	<i>\$53,828,000</i>	<i>\$79,233,000</i>
Panel B. Operation (over 10 years)						
Direct	\$4,171,000	\$1,056,000	\$25,114,000	\$6,030,000	\$8,581,000	\$44,952,000
Indirect	\$82,000	\$18,000	N/A	\$158,000	\$630,000	\$888,000
Induced	\$162,000	\$35,000	N/A	\$240,000	\$558,000	\$995,000
<i>Total</i>	<i>\$4,415,000</i>	<i>\$1,109,000</i>	<i>\$25,114,000</i>	<i>\$6,428,000</i>	<i>\$9,769,000</i>	<i>\$46,835,000</i>

Source: Authors' calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development's Low-Income Housing Tax Credit Database.

Notes: Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars. Values have been rounded to the nearest 1,000.

Based on these results, we estimate that every 50 units of affordable housing generate on average close to \$1.5 million in tax revenues during the construction phase, when direct, indirect, and induced impacts are combined (table 4). As noted above, roughly one-third of these revenues would accrue to Oklahoma's state and local governments, with the remainder flowing to the federal government (federal funds, more or less, return to state and local governments or individuals through expenditures). Once completed and occupied, every 50 housing units generate on average almost \$840,000 in tax revenues over a 10-year period. This is assuming that all units would pay property taxes at a similar tax rate than nonexempt projects in our sample. As noted, most of these ongoing tax revenues would be collected at the state and local levels, reflecting the more localized nature of property operations.

TABLE 4

Summary of Aggregated Fiscal Impacts for Every 50 Units*Low-Income Housing Tax Credit projects financed in Oklahoma, 2019–23*

Impact	Subcounty	County	Property	State	Federal	All taxes
Panel A. Construction						
Direct	\$26,300	\$5,800	N/A	\$91,400	\$580,000	\$703,500
Indirect	\$83,000	\$16,800	N/A	\$118,400	\$252,600	\$470,800
Induced	\$50,000	\$9,900	N/A	\$73,700	\$176,500	\$310,100
<i>Total</i>	<i>\$159,300</i>	<i>\$32,500</i>	<i>N/A</i>	<i>\$283,500</i>	<i>\$1,009,100</i>	<i>\$1,484,400</i>
Panel B. Operation (over 10 years)						
Direct	\$39,000	\$20,000	\$471,000	\$113,000	\$162,500	\$805,500
Indirect	\$700	\$500	N/A	\$3,000	\$12,000	\$16,200
Induced	\$1,500	\$500	N/A	\$4,500	\$10,500	\$17,000
<i>Total</i>	<i>\$41,200</i>	<i>\$21,000</i>	<i>\$471,000</i>	<i>\$120,500</i>	<i>\$185,000</i>	<i>\$838,700</i>

Source: Authors' calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development's Low-Income Housing Tax Credit Database.

Notes: Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars. Values have been rounded to the nearest 100.

Considering all tax revenue combined, including property taxes, for every dollar of tax credit investment in affordable housing projects, we estimate that local, state, and federal governments receive approximately \$0.43 in tax revenues generated by these developments, of which \$0.09 may be obtained from property taxes. These estimates reflect tax revenues generated over the full construction period, combined with revenues generated during the first 10 years of property operations, assuming constant operating costs, tax structures, and economic impacts expressed in 2024 dollars. Most of these tax revenues accrue to the federal government, though a substantial share is collected by state and local governments as well (figure 4).

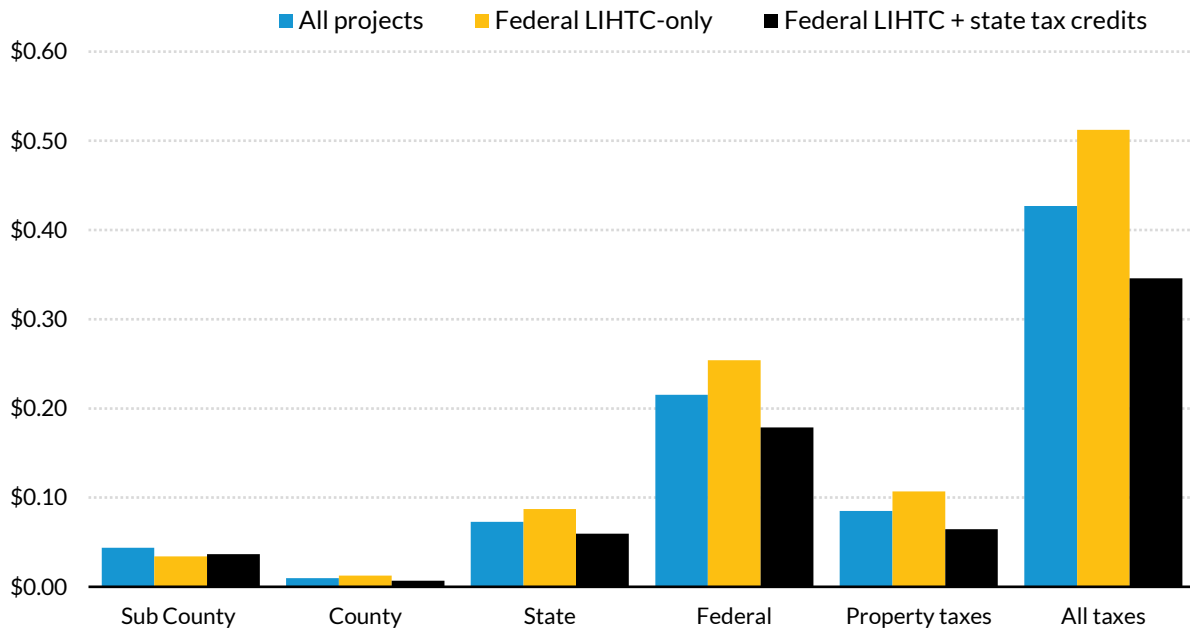
As was the case with economic impact, projects that received only federal LIHTC have stronger returns in terms of tax revenue per dollar of tax credits allocated than projects that received a combination of federal LIHTC and state tax credits. This may also be due to the difference in geographic distribution of these two types of projects; projects using only federal LIHTC are more likely to be in metropolitan places than those with combined federal-state tax credits.

FIGURE 4

Tax Revenues per Tax Credit Contributions

Low-Income Housing Tax Credit projects completed in Oklahoma, 2019–23, by financing type

Expected return over every \$1 tax credit contributions



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Source: Authors' calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development's Low-Income Housing Tax Credit Database.

Notes: LIHTC = Low-Income Housing Tax Credit. Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars.

Differentiated Impacts

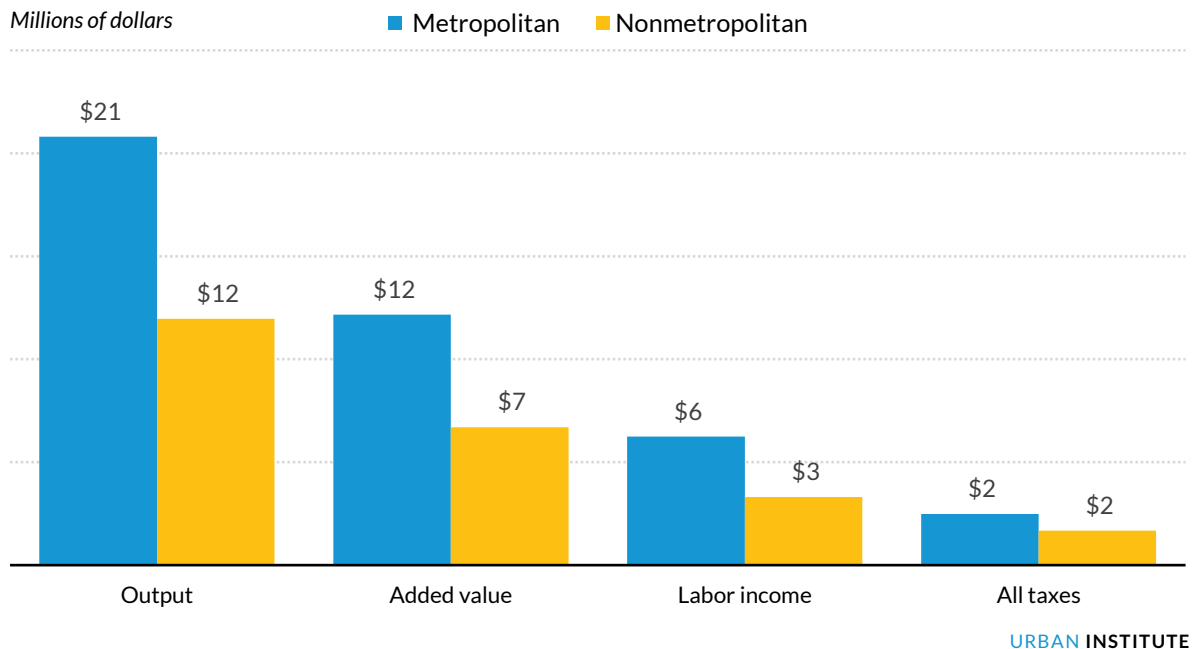
We classified properties in terms of geography, distinguishing between metropolitan and nonmetropolitan contexts and new construction versus acquisition and rehabilitation. We classified properties as metropolitan if they were located in the Oklahoma City or Tulsa metropolitan areas, including their surrounding suburbs; all other locations were classified as nonmetropolitan.

Using this definition, our sample includes 19 metropolitan properties and 26 nonmetropolitan properties. Although nonmetropolitan projects are more numerous, metropolitan projects generate substantially higher economic impacts and tax revenues for every 50 units (figure 5). In terms of

employment, projects in metropolitan areas create 82 job-years during the construction process and 1 permanent job for operation for every 50 units. Nonmetropolitan projects create 81 and 1, respectively.

This differential is partly explained by the composition of projects and regional economic structures. First, a greater share of nonmetropolitan projects involves the rehabilitation of existing properties, which generally requires lower development expenditures (a key input for the model); 38 percent of nonmetropolitan projects were acquisition and rehabilitation projects, compared with only 26 percent of metropolitan projects. Indeed, development costs per unit are higher in metropolitan areas (\$156,000 versus \$129,000), which could also reflect differences in the pricing and cost structures of inputs. Second, metropolitan or urban economies tend to be larger and more diversified, with more local suppliers, specialized service providers, and retail establishments. As a result, the model assumes that a greater share of project spending is captured locally, generating stronger indirect effects through local supply chains and stronger induced effects as workers spend their earnings within the region.

FIGURE 5
Expected Economic and Fiscal Impacts of Affordable Multifamily Housing Projects
For every 50 units of Low-Income Housing Tax Credit projects completed 2019–23



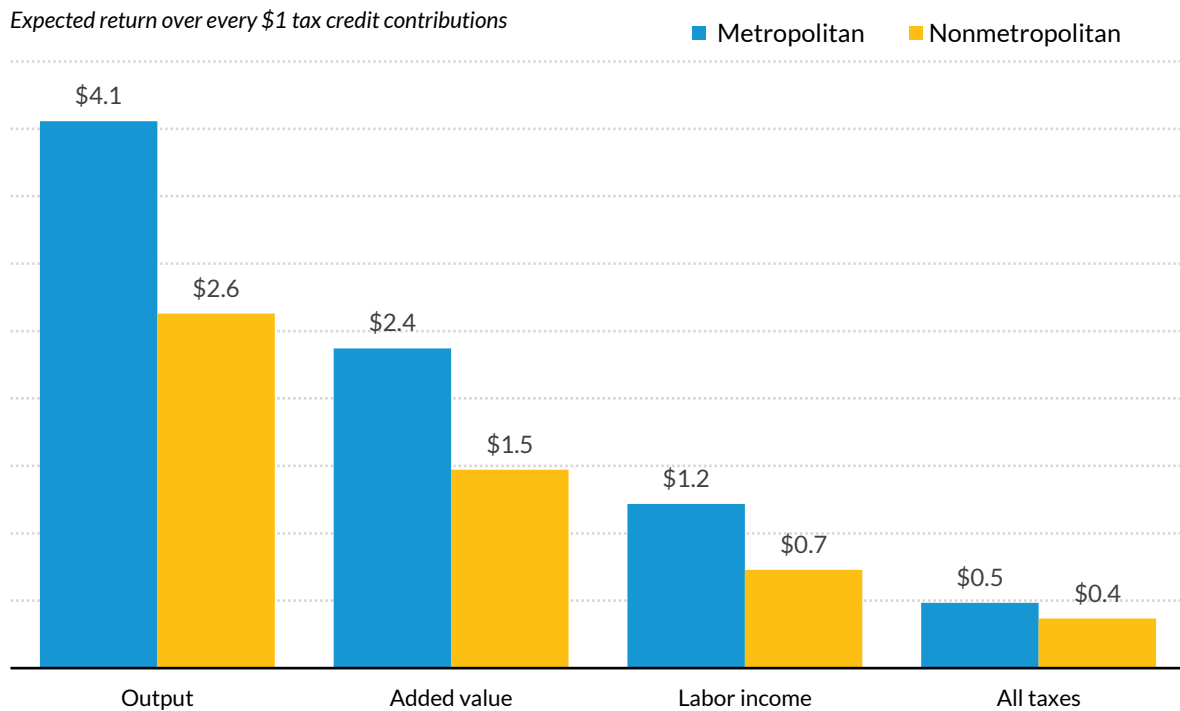
Source: Authors’ calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development’s Low-Income Housing Tax Credit Database.

Notes: Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars. Labor income refers to worker

wages and benefits. Added value refers to the net contribution to the economy and includes labor income. Output refers to the dollar value of every product or service produced as a result and includes added value.

Collectively, metropolitan projects in the sample received approximately \$156 million in tax credit contributions (both federal LIHTC and state tax credits combined), compared with \$139 million for nonmetropolitan projects. The economic return per dollar of tax credit investment is consistently higher for metropolitan projects (figure 6). For every \$1 million tax credit equity contributed, metropolitan projects create 16 job-years during construction (versus 11 for nonmetropolitan projects), and every dollar in tax credit equity generates \$4 in economic output (versus \$2.6 for nonmetropolitan projects), \$2.4 in added value (versus \$1.5), and \$1.2 in labor income (versus \$0.7). Almost half of the tax credit contributed to metropolitan projects return to government coffers in the form of tax revenue over a span of 10 years. Nonmetropolitan projects recover 37 cents on the dollar.

FIGURE 6
Return on Tax Credit Contributions by Project Type
Low-Income Housing Tax Credit projects completed in Oklahoma, 2019–23



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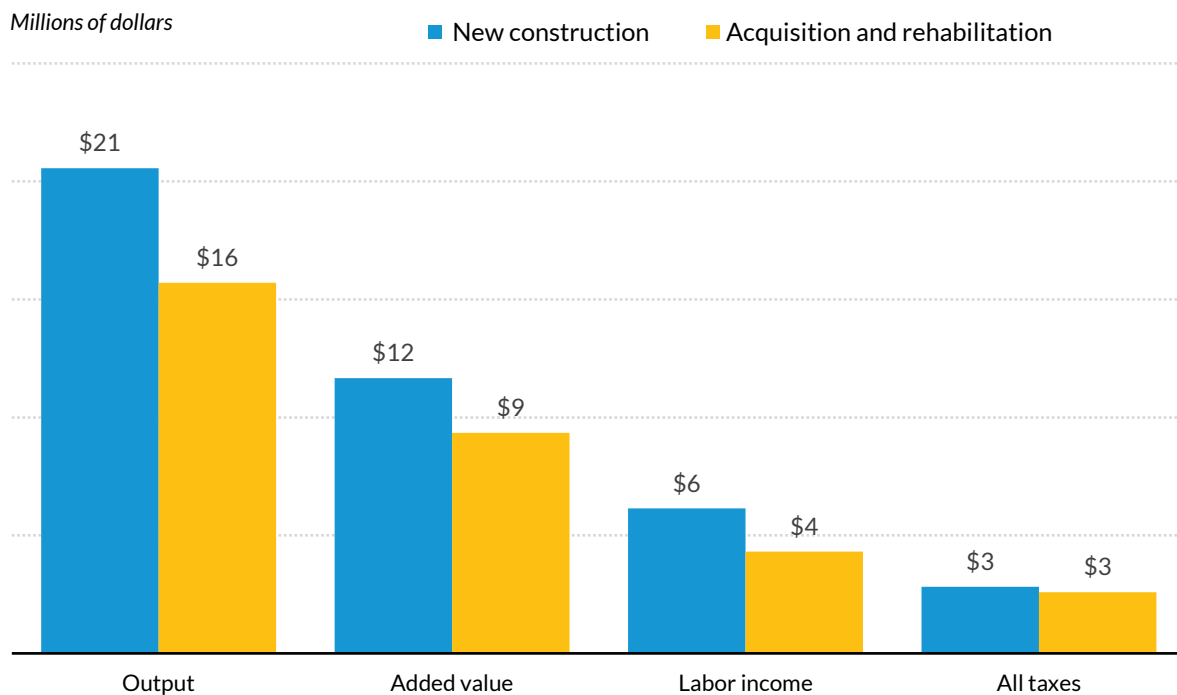
Source: Authors' calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development's Low-Income Housing Tax Credit Database.

Notes: Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars. Labor income refers to worker

wages and benefits. Added value refers to the net contribution to the economy and includes labor income. Output refers to the dollar value of every product or service produced as a result and includes added value.

Of the projects analyzed, 30 are new construction and 15 are acquisition and rehabilitation. New construction is inherently more capital intensive and therefore typically requires greater tax credit equity. Consistent with this expectation, development costs per unit are higher for new construction projects than for rehabilitation projects (\$151,000 versus \$141,000). This, in turn, leads to new construction projects generating higher economic and fiscal impacts than rehabilitation projects, both in aggregate and on a per unit basis (figure 7). For every 50 units developed, new construction projects support 86 job-years during the construction phase, compared with 60 job-years for rehabilitation projects. Both types of projects generate one permanent job per 50 units during property operation.

FIGURE 7
Expected Economic and Fiscal Impacts of Affordable Multifamily Housing Projects
For every 50 units of Low-Income Housing Tax Credit projects completed 2019–23



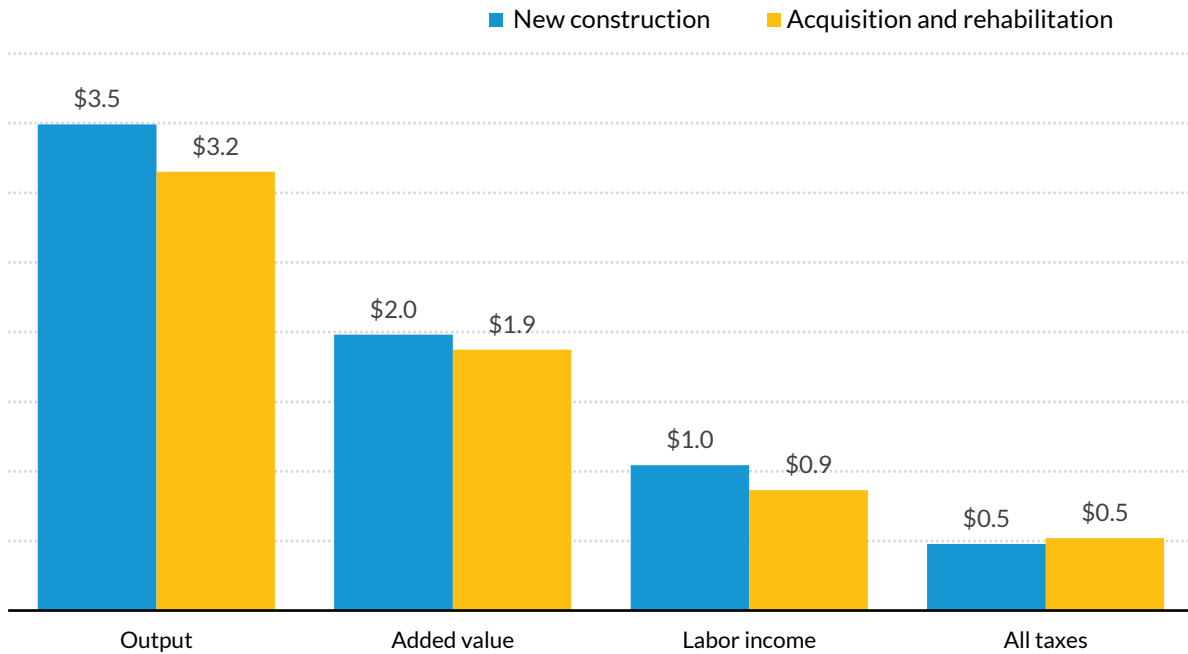
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Source: Authors’ calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development’s Low-Income Housing Tax Credit Database.

Notes: Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars. Labor income refers to worker wages and benefits. Added value refers to the net contribution to the economy and includes labor income. Output refers to the dollar value of every product or service produced as a result and includes added value.

Because rehabilitation projects have lower development costs and therefore receive smaller tax credit allocations than new construction projects, the economic and fiscal impacts generated per dollar of tax credit investment are comparable across the two project types (figure 8).

FIGURE 8
Return on Tax Credit Contributions by Project Type
Low-Income Housing Tax Credit projects completed in Oklahoma, 2019–23
Expected return over every \$1 of tax credit contributions



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Source: Authors’ calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development’s Low-Income Housing Tax Credit Database.

Notes: Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars. Labor income refers to worker wages and benefits. Added value refers to the net contribution to the economy and includes labor income. Output refers to the dollar value of every product or service produced as a result and includes added value.

Comparative Analysis

To provide context for the results presented above, we estimated the economic and tax revenue effects of other infrastructure projects in Oklahoma receiving or expected to receive public funding. This comparative analysis helps illustrate how economic impacts can vary across project types based on their underlying industry characteristics and spending patterns. We selected the following projects based on

their availability of information regarding costs and reflecting a diversity of infrastructure types. The projects examined include:

- **Roosevelt Memorial Bridge.** Complete replacement and modernization of the US-70 Roosevelt Memorial Bridge spanning Lake Texoma. The project involves design, right-of-way, utility relocation, and construction as economic activities. The project is planned and has incurred preliminary costs related to engineering and environmental studies. Construction is anticipated to start in 2026. Funding would come from a combination of Federal discretionary grants (including a \$124 million Multimodal Project Discretionary Grant request), other federal funds (~\$62 million), and state-generated Oklahoma Department of Transportation funds (~\$62 million) to cover the full cost of approximately \$250 million.¹¹
- **Heartland Flyer Corridor.** This project includes targeted rail infrastructure improvements, such as siding relocations in Davis, Oklahoma, and Valley View, Texas, and subgrade/ballast work, intended to improve on-time performance for Amtrak's Heartland Flyer and enhance freight reliability. This translates into work by people in the design, engineering, rail and heavy civil construction sectors, and related supplier and material industries. The project is proposed/planned and undergoing federal-state partnership funding application (Federal-State Partnership for Intercity Passenger Rail Program), with total costs of about \$74 million. Roughly 78 percent of costs are proposed to be covered through a federal grant, with the remaining 22 percent coming from the Oklahoma and Texas Departments of Transportation and BNSF Railway private contributions.¹²
- **Midwest City Police and Fire Training Center.** This facility consists of a purpose-built joint training center in Midwest City, Oklahoma, designed to support local police and fire department training with classroom space and specialized burn/training structures. The project principally activates nonresidential construction, building trades, architectural/engineer services, and local supply industries typical of community facility construction. The facility is completed and operational. Funding was secured through a 2018 voter-approved General Obligation Bond (approximately \$5.5 million).

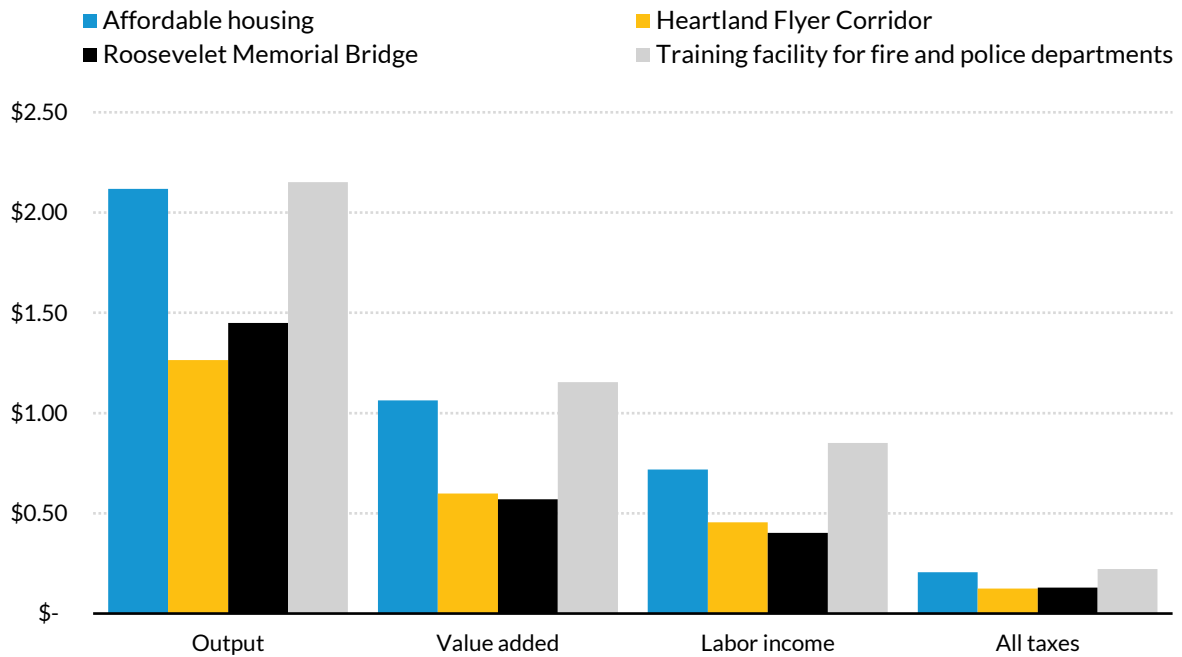
Based on the industries activated during the construction phase of each project, we estimated the associated economic and tax revenue impacts. We compared the results to the aggregated impacts of the 45 affordable housing projects in our sample. To facilitate comparison, we standardized these results by each project's total development or construction costs. All estimates reflect construction-phase effects only. These projects may generate additional long-term economic benefits once

operational, for example through productivity gains for businesses that benefit from upgraded infrastructure, but such effects are not captured in the construction impact estimates presented here.

As shown in figure 9, our results suggest that the tax credit-supported affordable housing projects and the training facility in Midtown are likely to have higher local economic and tax impacts than the two transportation infrastructure projects. For every dollar in total project expenses, the housing projects and the training facility each generate over ~\$2 (versus ~\$1.3) in economic output, over \$1 in added value (versus ~\$0.5), ~\$0.8 in labor income (versus ~\$0.4), and ~\$0.2 in tax revenue (versus ~\$0.1). In terms of employment, every \$1 million project expense is associated with 11 and 12 job-years for the affordable housing projects and the training facility, respectively, while the Heartland Flyer Corridor and the Roosevelt Memorial Bridge would generate 8 and 9 job-years, respectively.

FIGURE 9
Expected Economic and Fiscal Impacts of Projects with Public Investment

Expected return for every \$1 in project costs



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Source: Authors' calculations using IMPLAN with data from the Oklahoma Housing Finance Agency, and the US Department of Housing and Urban Development's Low-Income Housing Tax Credit Database.

Notes: Economic impact and generated tax revenue is estimated for the full construction period and 10 years of property operation assuming constant operating costs, tax rates, and economic impact at 2024 dollars. Labor income is a subset of added value, and added value is a subset of output.

The differences in economic impacts per dollar reflect the varying production structures of each sector. Building construction (such as housing and the training facility) relies heavily on local labor and in-state suppliers, resulting in larger multiplier effects. In contrast, transportation infrastructure projects such as rail and bridge improvements tend to be more capital intensive and rely more heavily on specialized materials and equipment sourced outside the region, leading to comparatively smaller multipliers. These differences reflect structural characteristics of the industries rather than differences in project importance or long-term economic value. Furthermore, all these projects serve different public functions, and they should not be assessed solely on their expected economic multipliers.

Conclusion

This analysis shows that public investments in affordable housing generate meaningful economic and fiscal benefits for states like Oklahoma, in addition to expanding access to stable and affordable homes. Across the 45 projects completed between 2019 and 2023, construction activity supported thousands of job-years, generated substantial labor income, and contributed hundreds of millions of dollars in added value and economic output. These impacts extend beyond the construction sector, rippling through supply chains and local economies and producing significant tax revenues at the federal, state, and local levels. Ongoing property operations further sustain employment, economic activity, and recurring tax revenues over time.

These findings carry several important implications for policymakers. First, our analysis reveals that metropolitan projects generate higher economic impacts per unit and per dollar of tax credit than nonmetropolitan projects. However, this difference is driven by structural features of urban economies, such as a greater density of local suppliers, more diversified labor markets, and higher development costs, rather than by any difference in the intrinsic value or effectiveness of the projects themselves. Policymakers should not interpret this finding as a rationale for redirecting investment away from rural areas. Rather, this finding highlights the importance of supporting the development of local supply chains, so the spending on construction and operation of affordable housing circulates through local economies, even rural ones. State and local policymakers can take steps to strengthen the in-state construction ecosystem, such as through targeted workforce development programs to expand the pipeline of skilled workers in construction trades, incentives for the development or expansion of Oklahoma-based building materials suppliers and manufacturers, and procurement strategies that encourage the use of local contractors and subcontractors in publicly supported projects.

The tax revenue patterns identified in this analysis also have direct implications for local and state government planning. During the construction phase, tax revenues flow primarily to the federal government. During the operational phase, however, the balance shifts substantially: approximately 79 percent of tax revenues remain at the state and local levels, driven by property taxes, sales taxes, and income taxes tied to property operations. Local governments should anticipate a delayed but sustained stream of tax revenues once projects are occupied, and they can incorporate these projections into long-term budget planning and housing strategies. At the state level, these findings reinforce the importance of sustaining investment in affordable housing as a reliable contributor to the tax base, complementing other economic development tools.

Affordable housing development not only helps address persistent housing supply shortages and affordability challenges but also serves as a durable source of economic activity and public revenue both during construction and during the period of operation. As Oklahoma considers strategies to expand housing supply and support community development, affordable housing investments are a lever that can advance both housing stability and economic growth.

Appendix A. Data and Methods

This appendix describes the data sources, modeling framework, and analytical decisions underlying the economic impact estimates presented in this report.

Data Sources

We obtained project-level data from two primary sources. The Oklahoma Housing Finance Agency (OHFA) provided administrative records for the 45 multifamily housing projects completed between 2019 and 2023 that received Low-Income Housing Tax Credit (LIHTC) equity. For each project, OHFA supplied information on location, unit counts, total development costs, eligible basis, annual federal and state LIHTC allocations (which are disbursed over a 10-year period), project type (new construction or acquisition-and-rehabilitation), and financing sources, including state tax credits and other OHFA programs. We supplemented these data with project-level records from the US Department of Housing and Urban Development's LIHTC Database, which provided additional characteristics including year of completion and geographic identifiers.

We obtained property tax data from local county tax assessor records for 2024. We identified assessed values and tax payments for approximately half of the properties in our sample, which are broadly similar in characteristics to the remainder. For properties without publicly available assessment information, we estimated market values by applying the average market value per unit observed among properties with available data (approximately \$164,000 per unit) and used this figure to estimate annual property tax payments. We calculated an average effective property tax rate of 1.1 percent of assessed value, after excluding outliers, and applied it to estimate tax payments for properties without records.

For operational impact modeling, we used an assumed average operating expense of \$6,000 per unit per year, based on recent national data on LIHTC property operating costs from Novogradac. From this figure, we subtracted observed and estimated property taxes paid in 2024 to derive net operating expenditures, defined as operating expenses net of property taxes, which served as the primary input to the IMPLAN model for the operational phase. We handled property taxes separately and added them back to the final tax revenue estimates to avoid double-counting.

For the comparative analysis with other public infrastructure projects in Oklahoma, we relied on publicly available information regarding project costs and scope, including documentation from the

Oklahoma Department of Transportation, federal grant applications, and public announcements. We used cost estimates for these projects as spending inputs to IMPLAN under the relevant industry sectors.

Construction Phase Modeling

For the construction phase, the primary spending input to IMPLAN was each project's eligible basis. The eligible basis is defined by federal LIHTC program rules as the depreciable costs of constructing or rehabilitating the property, including hard construction costs and certain soft costs such as architectural and engineering fees and developer fees. Crucially, it excludes land costs and acquisition costs, which represent transfers of existing assets rather than new economic activity, and which therefore would not generate additional employment, income, or output through a supply chain.

We modeled each project under the "construction of new multifamily residential structures" activity in IMPLAN, consistent with the nature of the activity. For acquisition-and-rehabilitation projects, we used the same industry, as rehabilitation spending activates similar trades and supply chains as new construction, though typically at lower total expenditure levels. We modeled construction impacts as one-time, cumulative effects representing the full construction period. For consistency and comparability across projects completed in different years (2019 through 2023), we modeled all projects as if construction and operations occurred in 2024, using the 2024 IMPLAN data for Oklahoma. We adjusted all cost inputs for inflation using relevant construction cost indices to express them in 2024 dollars before being entered into the model.

Operational Phase Modeling

For the operational phase, the primary input to IMPLAN was each project's annual net operating expenditures, defined as total operating expenses net of property taxes. We assumed average total operating expenses of \$6,000 per unit per year, reflecting recent national data on LIHTC property operating costs. From this, we subtracted each property's estimated 2024 property tax payment (as described above) to arrive at net operating expenditures, which were entered into IMPLAN under the tenant-occupied housing activity.

We modeled operational impacts over a 10-year period, consistent with the duration over which LIHTC equity is allocated. We assumed annual impacts to remain constant over this period, based on

2024 operating costs and 2024 IMPLAN multipliers. All operational impact figures are expressed as cumulative totals over 10 years unless otherwise noted. Employment impacts during operations are expressed as the number of jobs sustained throughout this period rather than as job-years, given the ongoing nature of operational activity. Although operational employment would likely continue beyond the 10-year window modeled, we calculated labor income, taxes, and other impacts only over this span.

Limitations

Several limitations should be kept in mind when interpreting the results of this analysis. First, input-output models, including IMPLAN, assume fixed production coefficients and proportional relationships between inputs and outputs. They do not account for price effects, capacity constraints, or behavioral responses to economic changes. As a result, they may overstate impacts in tight labor or materials markets where resources are already fully employed, and they assume that all spending generates its modeled multiplier effect regardless of broader economic conditions. Similarly, modeling all projects under 2024 conditions ensures comparability but does not reflect the actual economic conditions at the time each project was built. Projects completed in 2019 or 2020, for example, would have operated within a different cost structure and labor market. Finally, this analysis does not take into account public investment counterfactuals, or if these multifamily housing projects were to be built anyway, regardless of tax credit allocation.

Notes

- ¹ This is when residential investment and consumption spending on housing services are combined. See Lida Weinstock, "Introduction to U.S. Economy: Housing Market," April 1, 2025, <https://www.congress.gov/crs-product/IF11327>.
- ² Yonah Freemark and Corianne Payton Scally, "LIHTC Provides Much-Needed Affordable Housing, but Not Enough to Address Today's Market Demands," July 11, 2023, *Urban Wire*, Urban Institute, <https://www.urban.org/urban-wire/lihtc-provides-much-needed-affordable-housing-not-enough-address-todays-market-demands>.
- ³ Oklahoma Commerce, "Century Aluminum Joins EGA Project to Build First U.S. Smelter in Almost 50 Years," January 27, 2026, <https://www.okcommerce.gov/century-aluminum-joins-ega-project-to-build-first-u-s-smelter-in-almost-50-years/>.
- ⁴ We assume that construction takes place over a two-year period and use a median household income in Oklahoma of \$65,310 using data from the Federal Reserve Bank of St. Louis.
- ⁵ Ryan Aber, "How OU Athletic Revenue, Expenses Topped \$200 Million for First Time in 2024 Fiscal Year," *The Oklahoman*, February 17, 2025, <https://www.oklahoman.com/story/sports/college/sooners/2025/02/17/ou-athletic-revenue-expenses-top-200-million-first-time-2024-fiscal-year-oklahoma-sooners-sec/78969919007/>.
- ⁶ Novogradac, "Jan. 14, 2025: Takeaways from Novogradac LIHTC Operating Income and Expenses Report," accessed February 2, 2026, <https://www.novoco.com/podcast/jan-14-2025-takeaways-from-novogradac-lihtc-operating-income-and-expenses-report>.
- ⁷ Virginia Housing and Virginia Department of Housing and Community Development, "Why Affordability Matters," in HB854 Statewide Housing Study: Current Efforts, Future Needs, New Strategies. January 14, 2022, <https://dmz1.dhcd.virginia.gov/HB854/part-1-affordability.html>.
- ⁸ Housing Solutions Lab, "Housing and Education," July 25, 2024, <https://www.localhousingsolutions.org/bridge/housing-and-education/>.
- ⁹ Operation-related jobs may continue past the 10-year period, but for the purpose of labor income, taxes, and other impacts, we model them only over this time span.
- ¹⁰ Cleveland County, Oklahoma, "Tax Exempt Entities," accessed February 19, 2026, <https://clevelandcountyyok.com/360/Tax-Exempt-Entities>.
- ¹¹ Oklahoma Department of Transportation, "Roosevelt Memorial Bridge Investment Project," last modified January 3, 2025, <https://oklahoma.gov/odot/progress-and-performance/federal-grant-awards/mpdg-grants/mpdg-2025-2026/roosevelt-memorial-bridge-investment-project.html>.
- ¹² Oklahoma Department of Transportation and Texas Department of Transportation. "Heartland Flyer Corridor: Safety, Efficiency and Resiliency," December 2024, <https://oklahoma.gov/odot/progress-and-performance/federal-grant-awards/fsp.html>.

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