

Arise Policy Choices 2012

Opening the Door: The Alabama Housing Trust Fund

BACKGROUND:

Alabama has a large shortfall of affordable housing for low-income families, seniors, veterans and people with disabilities. The state lacked more than 90,000 affordable and available homes for people with extremely low incomes, even before last year's deadly tornadoes added to that figure, according to the National Low Income Housing Coalition.

HB 110 proposes a way to help Alabama address those unmet needs:

- The bill would create the Alabama Affordable Housing Trust Fund. HB 110 contains no funding source but would set up a statewide fund that could receive federal or state money in future years.
- The trust fund would support work to build and maintain houses and apartments for Alabamians with incomes at or below 60 percent of their area's median family income. Applicants for home ownership would have to complete certain "sweat equity" work and meet other requirements of Alabama Habitat for Humanity's current home ownership program.
- ADECA would manage the fund, and an advisory committee with members appointed by lawmakers, business groups and low-income housing advocates would advise the agency in its efforts. ADECA could contract with community developers and federal, local and nonprofit agencies to advance the trust fund's goals.

HB 110 would add Alabama to the list of more than 40 other states that have housing trust funds to support affordable housing for their residents.

BOTTOM LINE:

An Alabama Housing Trust Fund could help thousands of low-income families, seniors, veterans and others by using federal or state money to promote statewide efforts to build or renovate affordable housing, provide emergency rental aid, and support other affordable housing services.