

## Alabama renters paying more than homeowners

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Alabamians who rent their homes spend more on housing costs than homeowners do, with four out of 10 renters paying more than 30 percent of their income to get a place to live and keep the lights, heat and water turned on, according to a report by Alabama Arise.

The advocacy group's study blames the housing struggle on low incomes and the rising cost of living and warns the situation could worsen over the next year.

Senior Alabama Arise policy analyst Ron Gilbert wrote "Locked Out: Low Wages and Affordable Housing in Alabama," which also found that 48 percent of Alabama renters couldn't afford the monthly fair market rent of \$595 for a two-bedroom apartment.

Gilbert said higher eligibility standards for mortgages will lead more people to rent and the demand will raise the cost of renting, putting even more strain on low-income households. The state has 500,000 renter-occupied units, the report says.

Those affected could get some relief if the efforts of a housing trust fund task force created this year by the Legislature are successful, Gilbert said. He said that nationally trust funds have been used to make housing affordable. He wants the state to develop one with a broad reach of support.

"This is the first time we've seen momentum in the cause (for a housing trust fund)," Marcie Porter, president of the Low-Income Housing Coalition of Alabama and a member of the task force told the Anniston Star in a Thursday story. "It's very exciting."

The Housing and Urban Development Department defines affordable housing as that which takes no more than 30 percent of a household's income for rent and utilities or for mortgage, taxes and insurance.

The Alabama Arise report said 41 percent of Alabama renters spend more than 30 percent of their incomes on housing costs.

The advocacy group's report found that in 2006, a household needed an annual income of \$33,515 to purchase a median-priced home in the state, but in that year 45.9 percent of households in the state made less than \$35,000.

Although the state has had some economic successes in recent years with the introduction of more industry, Gilbert said there are still not enough well-paying jobs to go around. He said Alabamians have faced a housing crisis for years, and one of the problems is a lack of state intervention to alleviate the pain.

"The question for us is, as a public policy, do we think people in Alabama should have a decent place to live?" he said. "If the answer is yes, then we need to consider the ways there are to help that."

Porter said she would like to see the housing trust used to provide additional subsidies for creating affordable housing for Alabamians making 50 percent or less of the area median income. She said money for the project could come from small increases in mortgage recording fees, retransfer fees, document recording fees or from unclaimed property.

A trust fund would also help people with disabilities and the elderly to afford and do maintenance on their homes, Gilbert said. The report found that Alabamians with disabilities have a median income of \$17,780. That's approximately 70 percent of that of non-disabled workers and not enough to afford a two-bedroom apartment anywhere in the state.

Gilbert said he'd like to see local governments establish their own housing trust funds after a statewide one is created.