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Affordable rental property lacking here, group finds

*By Markeshia Ricks
mricks@gannett.com*

Although Alabama has some of the lowest rental rates in the country, 41 percent of its more than 500,000 renters spend more than the recommended percentage of their income on rental costs, according to a report that will be released today.

The recent crisis in the housing market and the increased cost of basic necessities will make obtaining affordable housing even more difficult because of the states low wage structure, according to the report.

The state's working poor, people with disabilities and the elderly could be hit hardest. There are already almost 6,000 Montgomerians on waiting lists for federal or city-assisted housing.

"When a large amount of your income goes toward housing you can't meet all those other costs," said Ron Gilbert, policy analyst for the Arise Citizens Policy Project. "It reduces the amount for medical bills, taking your child to the doctor, your ability to buy gas. It all plays into the declining economy."

The Arise Citizens Policy Project released *Locked Out: Low Wages and Affordable Housing in Alabama* to draw attention to the state's ongoing affordable housing problems.

The U.S. Department of Housing and Urban Development deems housing affordable if the rent and utilities are no more than 30 percent of a person's income, but many Alabamians spend more than that amount because their wages aren't growing.

The report says a person needs to make at least \$11.44 an hour to afford the average two-bedroom apartment, but approximately 68,000 Alabamians earned \$5.85 or less an hour last year.

HUD uses a formula to come up with what it calls the average fair market rent. Its average fair market rent for a two-bedroom apartment in Alabama ranges from \$481 per month in rural counties to a high of \$690 per month in the Birmingham metro area, according to HUD.

The average fair market rent of a two-bedroom apartment in Montgomery County

is \$660. If people spent no more than 30 percent of their income on housing, they would need to make at least \$12.69 per hour, according to data from the National Low Income Housing Coalition.

Evette Hester, executive director of the Montgomery Housing Authority, said there is a need for more affordable housing in Montgomery. The city has more than 5,500 people waiting to get into the Section 8 rental assistance program, which is a HUD program, and another 400 families who want to live in housing managed by the city.

"We've seen a tremendous number of people calling and inquiring about our programs, particularly Section 8," she said. "We're doing everything that we can to assist as many as we can."

The report recommends that the state evaluate the available housing in the state and move beyond its reliance on the federal government to meet its affordable housing needs. It also recommends that municipal and county governments use their authority under state law to increase the construction of affordable housing.

"We have a great opportunity to do something," Gilbert said. "It gets down to whether we believe as a society that people in our state should have a decent place to live."

During the 2008 regular legislative session the state took its first step toward a potential solution when the state Legislature passed a resolution creating the Interim Alabama Housing Trust Fund Task Force. The 20-member task force will study housing trust funds across the nation, and make a recommendation to the Legislature in February 2009.

Marcie Porter, president of the Low Income Housing Coalition of Alabama, said housing trust funds have been successful in many states including South Carolina and Tennessee, and could be a viable option for Alabama.

"Some states have used such things as a document recording fee, or an unclaimed property fee," she said. "It's essential that it be a dedicated revenue source so that when times are rough it doesn't get reallocated."

Porter said Congress is looking at a national housing trust fund, and getting any of that money would require matching revenues.

Hester said anything the state and federal government does to help her whittle down Montgomery's waiting lists would be appreciated.

"There's always a need for additional resources," she said. "We help as many families as we can with the money we have, but there is always a shortage of resources. There is never enough."