

Report finds problems with affordable housing in Alabama

By Mike Faulk
Staff Writer
07-24-2008

The state's 500,000 renters spend more on housing costs than homeowners with mortgages, and 41 percent of them do not have the income to find affordable housing, according to a report released Wednesday by the advocacy group Alabama Arise.

The report blames the rising cost of living and low income for the struggle to find affordable housing, and the report's author said the numbers could get worse over the next year.

Ron Gilbert, a senior policy analyst for Alabama Arise and author of the report, said more people will rent as standards for receiving a mortgage get tighter. He said market demand will raise the cost of renting, and low-income households will only suffer more.

The study, "Locked Out: Low Wages and Affordable Housing in Alabama," also found that 48 percent of renters in Calhoun County couldn't afford a two-bedroom apartment at the fair market rent standard set by the U.S. Department of Housing and Urban Development, which is \$526 a month for the county.

The problems of these and others in affording the cost of living 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 through various means and 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]," said Marcie Porter, president of the Low-Income Housing Coalition of Alabama and a member of the task force. "It's very exciting."

Affordable housing, as defined by the Housing and Urban Development Department, should take no more than 30 percent of a household's income for rent and utilities or for mortgage, taxes and insurance. The 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 been more successful economically 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 been faced with a housing crisis for years, and one of the problems is a lack of state intervention in alleviating 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 the "Alabamians of greatest financial need," those 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 approximately 70 percent of that of workers with no disability and have a median income of \$17,780, which wouldn't be enough to afford a two-bedroom apartment anywhere in the state.

He said there isn't much that local governments in the state can do right now to create affordable housing because many are strapped for cash. Gilbert said he would like local governments to be able to establish their own housing trust funds after a statewide one is created.

In Calhoun County, officials are working to get a grant for low-cost housing from the U.S. Department of Housing and Urban Development's HOME Program for a consortium of cities that includes Anniston, Jacksonville, Weaver, Piedmont and Hobson City.

Clarence Williams, Community Development Block Grant administrator for Anniston, said the consortium could get up to \$580,000 a year, and the money could be used to build homes for first-time buyers, renovate existing homes, rent houses or apartments, or acquire land for new construction.