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Bill would create fund for affordable housing in Alabama

By Markeshia Ricks

Alabama is one of seven states that do not have a fund for affordable housing, but that could change if a bill to create one makes it out of the state Legislature this year.

Representatives Laura Hall, D-Huntsville, and Patricia Todd, D-Birmingham, introduced a bill Tuesday that would divert a small portion of mortgage recording taxes toward a statewide fund for affordable housing.

The fund could be used to increase the production of affordable housing units, maintain and renovate existing affordable housing units, increase and preserve the supply of rental housing and increase homeownership opportunities for low-income families.

Hall said the fund could be used by non- and for-profit organizations, along with municipalities and housing authorities to increase the availability of affordable rental properties for low- and moderate-income families and opportunities for them to become homeowners.

She said that with the state Legislature's focus this year on helping homeowners avoid foreclosure, now is a good time to try to pass legislation to establish a housing trust fund.

If the bill passes, the 11-member committee will oversee the fund and target individuals and families who are living at or below 60 percent and 30 percent of the area median income. Five cents from every \$100 of mortgage recording taxes would go into the trust fund.

Hall said the bill would be in effect as soon as the governor signs it, but the committee would have to be appointed before any money started to flow.

She said she didn't know how much time it would take before the committee could start granting funds.

According to the 2007 National Low Income Housing Coalition Congressional District Profile Study, Alabama has an estimated shortage of 44,673 affordable and available housing units. The U.S. Department of Housing and Urban Development considers affordable housing to mean that individuals spend no more than 30 percent of their income on housing.

Marcie Porter, president of the Low Income Housing Coalition of Alabama, said she's excited about what this bill would mean for alleviating the affordable housing crisis in the state.

"Our state is far behind the curve in meeting the most basic needs of our (low-income) residents ..., " Porter said. "Now is the time for our state to stop depending solely on federal money to provide shelter to our poorest residents and to take on some of the responsibility to care for our own."

Deidra Lemons, associate state director of AARP, said the trust fund would go a long way in providing affordable housing for low- to moderate-income seniors.

"It will provide much needed money ... that will provide good, affordable housing and build truly strong communities," she said.