

Alabama Housing Trust Fund can help thousands find a place to call home

By Carol Gundlach, policy analyst | December 2021

Alabama lacks more than 73,000 homes for households with incomes below the federal poverty line (\$26,500 for a family of four). That means many seniors, students, veterans and people with low or fixed incomes in Alabama can't afford a safe place to call home. And the pandemic only made the housing crisis worse. Between Sept. 29 and Oct. 11, more than 28,000 Alabama families told the U.S. Census Bureau that they expected to be evicted from their current home because they couldn't pay the rent.

State support for the Alabama Housing Trust Fund (AHTF) would provide flexibility to meet a variety of housing needs across the state. These include development, rehabilitation, down payment assistance and disaster recovery. Multiple funding paths for the AHTF exist:

- The best way to fund the AHTF would be to increase the state mortgage record fee from 15 cents to 20 cents per \$100 of indebtedness. This one-time filing fee has not changed since it was enacted in 1935.
- Another way to jumpstart the AHTF would be to allocate \$20 million of Alabama's federal recovery money to the trust fund.
- The Legislature also could take advantage of an unprecedented budget surplus and simply appropriate \$20 million in General Fund money to the trust fund.

A strong investment in the Alabama Housing Trust Fund would allow cities, developers and nonprofits like Habitat for Humanity to build or rehabilitate thousands of homes for people with extremely low incomes. It would reduce Alabama's shortfall of more than 73,000 homes for working families, veterans and retirees with low or fixed incomes. And it would create and support thousands of good-paying jobs across Alabama over the next decade.

Bottom line

Every Alabamian should be able to afford a roof over their head and food on their table. Every child deserves a safe place to call home. And veterans who have defended our country deserve to return to a safe and affordable dwelling. State funding for the Housing Trust Fund would help Alabama achieve all three of those goals.