

1 HB726  
2 109252-1  
3 By Representatives Hall, Todd, Newton (D), Scott, Dunn,  
4 Robinson (O) and Coleman  
5 RFD: Government Appropriations  
6 First Read: 24-MAR-09

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8 SYNOPSIS: This bill would provide for the Alabama  
9 Affordable Housing Act, the Alabama Affordable  
10 Housing Trust Fund, and the Alabama Affordable  
11 Housing Trust Fund Committee to increase home  
12 ownership and rental opportunities to those  
13 individuals and families with low to moderate  
14 incomes.

15 This bill would establish funding and  
16 policies for the committee to work towards  
17 alleviating the housing crisis in Alabama for  
18 certain individuals and families.

19  
20 A BILL  
21 TO BE ENTITLED  
22 AN ACT  
23

24 To establish the Alabama Affordable Housing Act, the  
25 Alabama Affordable Housing Trust Fund, and the Alabama  
26 Affordable Housing Trust Fund Committee for the purpose of  
27 making available housing opportunities to individuals and

1 families with low incomes; to provide for funding; to provide  
2 for committee members; and to provide for duties for the  
3 committee.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. This act shall be known as and may be  
6 cited as the Alabama Affordable Housing Act.

7 Section 2. It is hereby found and declared that  
8 Alabama is in need of more housing that is affordable to its  
9 residents with low incomes and the development of new units  
10 throughout the state that are affordable to these individuals  
11 and families is critical to addressing the gaps that exist  
12 between demand and availability.

13 Section 3. The Alabama Affordable Housing Act is  
14 enacted for the following purposes:

15 (1) To increase the production of housing units  
16 affordable to individuals and families with low incomes.

17 (2) To maintain and renovate existing affordable  
18 housing units to insure their continued availability to  
19 individuals and families with low incomes.

20 (3) To increase and preserve the supply of rental  
21 housing affordable to individuals and families with low  
22 incomes.

23 (4) To increase home ownership to those with low  
24 incomes.

25 Section 4. When used in this act, the following  
26 words shall have the following meanings:

1           (1) ALABAMA AFFORDABLE HOUSING TRUST FUND. The trust  
2 fund created pursuant to Section 5.

3           (2) AUTHORITY. The Alabama Housing Finance Authority  
4 as defined by Section 24-1A-2, Code of Alabama 1975.

5           (3) BOARD. The Alabama Housing Finance Advisory  
6 Board of Directors as defined by Section 24-1A-2, Code of  
7 Alabama 1975.

8           (4) COMMITTEE. The Alabama Affordable Housing Trust  
9 Fund Committee.

10           (5) LOW AND MODERATE INCOME FAMILIES. Persons and  
11 families of one or more persons, irrespective of race, creed,  
12 national origin, sex, and/or sexual orientation determined by  
13 the committee to require such assistance as is made available  
14 by this act on account of insufficient personal or family  
15 income in accordance with federal standards set by the U.S.  
16 Department of Housing and Urban Development determining  
17 housing eligibility based on income of such persons and  
18 families.

19           Section 5. The Alabama Affordable Housing Trust Fund  
20 is created in the State Treasury for the collection and  
21 distribution of dedicated funding for the purpose of  
22 increasing the production of housing units affordable to low  
23 income individuals and families, maintaining and renovating  
24 such housing including existing units serving the target  
25 population. The trust fund shall be administered by the  
26 authority who shall appoint a committee as prescribed in  
27 Section 6 of this act to advise the board and authority as to

1 program components and operations. Proceeds may be used to  
2 fund bonds.

3 Section 6. (a) There is created the Alabama  
4 Affordable Housing Trust Fund Committee which shall administer  
5 and enforce this act. The committee shall be appointed by the  
6 Alabama Housing Finance Board to oversee and manage the trust  
7 fund. The trust fund shall target individuals and families who  
8 are living at or below 60 percent of the area median income,  
9 with at least the majority of the fund, and to a larger  
10 percentage when possible, shall target those individuals and  
11 families living at or below 30 percent of the area median  
12 income.

13 (b) The committee shall consist of 11 members  
14 appointed by the board and shall include one representative  
15 member from each of the following:

- 16 (1) The Alabama House of Representatives.
- 17 (2) The Alabama Senate.
- 18 (3) The Lieutenant Governor or his or her designee.
- 19 (4) The Low Income Housing Coalition of Alabama.
- 20 (5) The Alabama Alliance to End Homelessness.
- 21 (6) The Alabama Realtor's Association.
- 22 (7) The Alabama Homebuilder's Association.
- 23 (8) The Alabama Council for Affordable and Rural  
24 Housing.
- 25 (9) The Alabama Banker's Association.
- 26 (10) The Alabama Housing Finance Authority Board.

1           (11) An individual living at or below 60 percent of  
2 the median family income.

3           (c) The term of office of each member of the  
4 committee shall be three years. Notwithstanding the foregoing,  
5 of the first members appointed, four shall be appointed for a  
6 term of one year, four for terms of two years, and three for  
7 terms of three years. No member shall serve more than two  
8 consecutive three-year terms, without interruption in service  
9 of at least three years.

10           (d) Each term on the committee shall expire on  
11 September 30 of the year in which the term expires, the board  
12 shall appoint a new member or reappoint the current member. If  
13 a vacancy occurs, within 90 days of the vacancy the board  
14 shall appoint a replacement to fill the vacancy for the  
15 remainder of the unexpired term.

16           (e) The board may remove a member of the committee  
17 only for neglect of duty, an unexcused failure to attend more  
18 than one of the regularly scheduled meetings held in a  
19 calendar year during the term in office of the member,  
20 malfeasance, violation of this act, or conviction of a felony.

21           (f) Members of the committee shall receive  
22 reimbursement for expenses incurred in the performance of  
23 duties.

24           (g) The committee may employ the necessary personnel  
25 for performance of its functions and fix their compensation.

26           Section 7. (a) The committee shall elect from its  
27 membership a chair, a vice chair, a secretary, and a

1 treasurer. The committee shall adopt rules to govern its  
2 proceedings. A majority of the appointed membership of the  
3 committee shall constitute a quorum for all meetings.

4 (b) The authority may authorize necessary  
5 expenditures to implement this act. However, the expenditures  
6 shall not exceed 10 percent of the funds collected during any  
7 fiscal year for administrative purposes.

8 (c) The committee shall meet within 30 days after a  
9 quorum of its first members is appointed, and thereafter shall  
10 hold regular meetings. Minutes of each meeting of the  
11 committee, recording the members present and the business  
12 taken, shall be signed and kept by the secretary or an  
13 assistant secretary appointed by the committee.

14 (d) The committee's responsibilities include the  
15 following:

16 (1) Establish policies for the operation of the  
17 trust.

18 (2) Pursue additional sources of revenue in addition  
19 to that prescribed by this act.

20 (3) Ensure that the dedicated resources alleviate  
21 the housing crisis for Alabamians by assisting individuals and  
22 families with low incomes and targeting hard to serve, special  
23 needs population that includes individuals who are:

24 a. Living with mental illness.

25 b. Mentally retarded.

26 c. Homeless or on the verge of becoming homeless.

27 d. Disabled.

1 e. Elderly.

2 Section 8. A mortgage record tax rate of .05 for  
3 each \$100 shall be the revenue source for the fund.

4 Section 9. (a) The following organizations shall be  
5 eligible to apply to the committee for funding:

6 (1) Not-for-profit organizations.

7 (2) Municipalities.

8 (3) Public housing authorities.

9 (4) Profit organizations that are in partnership  
10 with not-for-profit organizations.

11 (b) The committee may, but is not limited to, use  
12 the funds to further the purposes of this act for:

13 (1) Promoting, creating, and maintaining  
14 homeownership and rental housing options.

15 (2) Grants, loans, and revolving loan funds.

16 (3) Predevelopment costs.

17 (4) Needs assessments.

18 (5) Technical assistance.

19 (6) Acquisition, construction, rehabilitation, and  
20 repair.

21 (7) Support services so as not to exceed 20 percent  
22 of the funds in any one calendar year.

23 (8) Assistance with operating reserves.

24 (9) Down payment assistance.

25 (10) Permanent supportive housing models.

26 (11) Rental and home ownership.

27 (12) Retention of housing units.

1                   Section 10. This act shall become effective  
2 immediately following its passage and approval by the  
3 Governor, or its otherwise becoming law.