

1 HB110
2 135439-2
3 By Representative Todd
4 RFD: State Government
5 First Read: 07-FEB-12
6 PFD: 02/02/2012

1 not exceed 60 percent of the median family income of a
2 geographic area, as determined by the U.S. Department of
3 Housing and Urban Development, with adjustments for smaller
4 and larger families.

5 Section 3. (a) It is hereby found and declared that
6 Alabama is in need of more safe, decent, and affordable
7 housing for residents with incomes at or below 60 percent of
8 the median family income.

9 (b) It is further declared that the lack of
10 affordable housing in Alabama adversely affects a community's
11 ability to develop and maintain a viable and stable economy.
12 The establishment of the Alabama Housing Trust Fund is
13 intended to:

14 (1) Provide a flexible source of funding for all
15 Alabama communities to address their affordable housing needs.

16 (2) Help families attain economic stability.

17 (3) Revitalize blighted and distressed neighborhoods
18 by creating safe, decent, and affordable housing.

19 (4) Contribute to economic growth through increased
20 housing production, employment, and tax revenue, thereby
21 benefiting all Alabama residents.

22 (5) Alleviate deficiencies in the supply of safe,
23 decent, and affordable housing for residents with incomes at
24 or below 60 percent of the median family income, many of whom
25 are physically disabled, elderly, victims of domestic
26 violence, veterans, homeless or on the verge of homelessness,

1 living with HIV/AIDS, or living with developmental
2 disabilities.

3 (6) Alleviate deficiencies in the supply of safe,
4 decent, and affordable housing in rural areas of the state.

5 Section 4. The Alabama Affordable Housing Trust Fund
6 is created in the State Treasury for the collection and
7 distribution of designated funds for the purpose of increasing
8 the production of housing units, rehabilitating existing
9 housing units, and maintaining such housing so that it can be
10 made affordable to individuals and families whose incomes are
11 at or below 60 percent of the median family income. The
12 Alabama Housing Trust Fund shall be administered by ADECA
13 which shall appoint an advisory committee as prescribed in
14 Section 8 to advise the Director of ADECA as to program
15 components and operations.

16 Section 5. (a) The Alabama Housing Trust Fund shall
17 be maintained and administered by ADECA. ADECA is authorized
18 and directed to do all the following:

19 (1) Invest and reinvest all money held in the trust
20 fund in investments under ADECA's investment policies, pending
21 its use for the purposes described in Section 6.

22 (2) Keep books and records relating to the
23 investment, interest earnings, and uses of monies deposited
24 into the trust fund.

25 (3) Establish procedures for the withdrawal,
26 allocation, and use of the monies held in the trust fund for
27 the purposes described in Section 6.

1 (4) Publish, on an annual basis, criteria for
2 determining the distribution of funds.

3 (5) Conduct an annual independent audit of the trust
4 fund.

5 (6) Prepare, in collaboration with the advisory
6 committee, an annual performance report, which shall be
7 provided to the Governor, Speaker of the House of
8 Representatives, and the President Pro Tempore of the Senate,
9 outlining the use of the trust fund monies, including, but not
10 limited to, the trust fund's success in meeting its intended
11 purposes.

12 (7) Conduct, or hire an outside entity to conduct a
13 statewide housing needs assessment, once every five years to
14 inform ADECA, its director, and the advisory committee of the
15 affordable housing needs in Alabama. The assessment should
16 include the housing needs for individuals with disabilities,
17 those living with HIV/AIDS, intellectual disability,
18 individuals experiencing homelessness, victims of domestic
19 violence, veterans, and the elderly.

20 (8) Enter into contracts and agreements in
21 connection with the operation of the trust fund, including
22 contracts and agreements with federal agencies, local
23 governmental entities, community developers, and other
24 ~~persons.~~ not-for-profit groups. This provision shall not
25 authorize contracts and agreements with for-profit entities.

1 (9) Engage in ongoing efforts to increase funding
2 sources for the trust fund, including any additional ongoing
3 state-dedicated funding source.

4 (b) ADECA shall seek the input of the Alabama
5 Housing Trust Fund Advisory Committee, outlined in Section 8,
6 but the Director of ADECA will have final decision-making
7 authority on all matters relating to the trust fund and the
8 programs administered under Section 4.

9 (c) ADECA shall be periodically paid a reasonable
10 fee from amounts deposited to the trust fund to reimburse
11 ADECA for its services in administering the trust fund. On an
12 annual basis, ADECA shall not be paid in excess of 10 percent
13 of the total annual deposits to the trust fund.

14 Section 6. (a) The Alabama Affordable Housing Act is
15 established for the following purposes:

16 (1) To increase the production of housing units and
17 home ownership and to preserve the supply of rental housing
18 that is affordable to individuals and families with incomes at
19 or below 60 percent of the median family income.

20 (2) To maintain and rehabilitate existing affordable
21 housing units to insure their continued availability to
22 individuals and families with incomes at or below 60 percent
23 of the median family income.

24 (3) To serve individuals and families living at or
25 below 60 percent of the median family income. No less than 50
26 percent of the resources placed into the fund each year shall
27 be used to serve individuals and families with household

1 incomes at or below 30 percent of the median family income as
2 determined by the U.S. Department of Housing and Urban
3 Development.

4 (4) To annually distribute, when possible, a
5 majority of the proceeds from the trust fund to eligible
6 nonprofit developers.

7 (5) To annually distribute no less than 40 percent
8 of funds for activities that provide housing and housing
9 assistance to individuals and families in rural areas and
10 small cities that are classified as the Balance of State under
11 the U.S. Department of Housing and Urban Development's Home
12 Investment Partnership Program.

13 Section 7. (a) In order for a proposal to be an
14 activity eligible for support, the following minimum
15 requirements must be met:

16 (1) Beneficiaries of the activity must be
17 individuals or families whose annual income or incomes do not
18 exceed 60 percent of the median family income of a geographic
19 area, as determined by the U.S. Department of Housing and
20 Urban Development, with adjustments for smaller and larger
21 families.

22 (2) Housing to be funded must meet minimum housing
23 quality standards (HQS) set forth by the U.S. Department of
24 Housing and Urban Development.

25 (3) Housing to be funded must comply with the design
26 standards of the Americans with Disabilities Act (ADA).

1 (4) Housing to be funded must meet the same
2 requirements for duration of affordability as set forth in the
3 rules of ADECA for its HOME Investment Partnership Program,
4 with priority given to housing that is to be affordable in
5 perpetuity.

6 (b) Activities to be funded by the Alabama Housing
7 Trust Fund shall be selected through a competitive process
8 under rules to be determined by ADECA with input from the
9 advisory committee.

10 (c) (1) ADECA shall ensure that activities funded
11 through the trust fund shall address the housing needs of each
12 of the following populations, consistent with the input of the
13 advisory committee and the statewide housing needs assessment:

- 14 a. Disabled.
- 15 b. Elderly.
- 16 c. Victims of domestic violence.
- 17 d. Veterans.
- 18 e. Homeless or on the verge of becoming homeless.
- 19 f. Living with an intellectual disability.
- 20 g. Living with HIV/AIDS.

21 (d) (1) The rules of ADECA shall also set forth
22 evaluation criteria, which shall include without limitation
23 the following for all applications:

- 24 a. The experience of the entity making the proposal,
25 determined through consideration of the proposer's past
26 history in completing activities of a similar scale and
27 nature.

1 b. The timeliness with which units will be developed
2 or the activity implemented.

3 (2) For housing-specific applications, the rules of
4 ADECA shall set forth evaluation criteria, which shall
5 include, without limitation, the following:

6 a. An evaluation of the property management history
7 of the developer and management agent provided that rental
8 housing is proposed.

9 b. The number of years a development shall maintain
10 units at affordable rental or sales prices and the strength of
11 enforcement mechanisms to ensure long-term affordability.

12 c. The number of affordable units being made
13 available to individuals and families whose annual incomes do
14 not exceed 30 percent of the median family income of a
15 geographic area, as determined by the U.S. Department of
16 Housing and Urban Development, with adjustments for smaller
17 and larger families.

18 d. The degree to which trust fund monies are used to
19 leverage additional funding.

20 e. The extent to which the activity will leverage or
21 augment local community affordable housing goals or locally
22 adopted affordable housing plans such as revitalization areas
23 or other geographic areas targeted for investment.

24 f. The extent to which housing produced will be part
25 of a mixed income development or neighborhood.

26 g. The extent to which the activity serves
27 individuals and families with special needs, including persons

1 who are disabled, elderly, victims of domestic violence,
2 veterans, homeless or on the verge of becoming homeless,
3 living with HIV/AIDS, and those living with intellectual
4 disabilities.

5 h. The extent to which the activity adheres to
6 energy efficiency, green and health design, and other
7 environmental and sustainability standards.

8 i. The extent to which housing will be located near
9 transit lines, shopping, community services, and other
10 amenities.

11 (e) No related entities, principals, or individuals
12 shall be allocated trust fund funds in excess of 15 percent of
13 the state's annual allocation.

14 Section 8. (a) There is created the Alabama Housing
15 Trust Fund Advisory Committee for the purpose of advising the
16 Director of ADECA and staff of the department with respect to
17 the Alabama Housing Trust Fund.

18 (1) The membership of the advisory committee shall
19 be inclusive and reflect the racial, gender, geographic,
20 urban/rural and economic diversity of the state. The advisory
21 committee shall annually report to the Legislature by the
22 second legislative day of each regular session the extent to
23 which the advisory committee has complied with the diversity
24 provisions provided for in this act.

25 (2) Each member of the advisory committee should
26 have a demonstrated interest in the housing needs of
27 individuals and families with extremely low incomes to incomes

1 at 60 percent of median family income and the revitalization
2 of distressed neighborhoods.

3 (3) The advisory committee shall consist of 15
4 members and shall include one representative member from each
5 of the following organizations:

6 a. The Alabama House of Representatives appointed by
7 the Speaker of the House.

8 b. The Alabama Senate appointed by the Senate
9 President Pro Tempore.

10 c. The Lieutenant Governor or his or her designee.

11 d. The Alabama Association of Habitat Affiliates.

12 e. The Low Income Housing Coalition of Alabama.

13 f. The Community Action Association of Alabama.

14 g. The Alabama Alliance to End Homelessness.

15 h. The Alabama Department of Mental Health.

16 i. The Alabama Association of Realtors.

17 j. The Governor's Statewide Interagency Council on
18 Homelessness.

19 k. The Home Builders Association of Alabama.

20 l. A member appointed by the Independent Living
21 Resources of Greater Birmingham, Montgomery Center for
22 Independent Living, and Independent Living Center of Mobile.

23 m. The Alabama Council for Affordable and Rural
24 Housing.

25 n. The Alabama Bankers Association.

1 o. An individual whose income does not exceed 60
2 percent of the state median family income appointed by the
3 Governor.

4 (4) To avoid a conflict of interest, or the
5 appearance of a conflict of interest, no sitting committee
6 organization may apply for trust fund dollars during its time
7 on the committee. If an affiliate organization applies for
8 funding, the related committee organization will recuse itself
9 from any discussion or voting on the application.

10 (5) The term of office of each member of the
11 advisory committee shall be three years. In order to stagger
12 the terms of the members, the initial members of the committee
13 shall draw lots as follows:

14 a. Six shall be appointed each for a term of one
15 year.

16 b. Five each for a term of two years.

17 c. Four each for a term of three years.

18 No member shall serve more than two consecutive
19 three-year terms, without interruption in service of at least
20 three years.

21 (6) Each term on the advisory committee shall expire
22 on September 30 of the year in which the term expires. When
23 this occurs, the director or the elected official responsible
24 for appointing the position shall appoint a new member or
25 reappoint the current member. If a vacancy occurs within 90
26 days of the vacancy, the director shall appoint a replacement
27 to fill the vacancy for the remainder of the unexpired term.

1 (7) The director may remove a member of the advisory
2 committee only for neglect of duty, an unexcused failure to
3 attend more than one of the regularly scheduled meetings held
4 in a calendar year during the term in office of the member,
5 malfeasance, violation of this act, or conviction of a felony.

6 (8) Members of the advisory committee shall receive
7 reimbursement for expenses incurred in the performance of
8 duties as approved by the ADECA Director.

9 (9) If necessary, ADECA may employ staff to assist
10 the advisory committee in the performance of its functions.

11 Section 9. (a) The committee's responsibilities
12 shall include the following:

13 (1) Review and advise ADECA staff on all policies
14 and procedures for operation of the Alabama Housing Trust Fund
15 including, but not limited to:

16 a. Development of a process for making awards from
17 the trust fund.

18 b. Development of policies and rules for operating
19 the trust fund including priorities for making awards and
20 criteria for evaluating applications, and delineation of all
21 compliance and reporting responsibility of fund recipients.

22 (2) Review and advise ADECA staff on the collection
23 and presentation of data on the use and impact of the trust
24 fund and the preparation of an annual performance report to be
25 submitted to the Legislature, Governor, and the public.

26 (3) Pursue additional sources of revenue in addition
27 to that prescribed by this act.

1 (4) Ensure that the dedicated resources alleviate
2 the housing crisis for Alabamians by assisting individuals and
3 families with incomes at or below 60 percent of the median
4 family income and targeting hard-to-serve, special needs
5 populations that include individuals who are:

- 6 a. Disabled.
- 7 b. Elderly.
- 8 c. Victims of domestic violence.
- 9 d. Veterans.
- 10 e. Homeless or on the verge of becoming homeless.
- 11 f. Living with an intellectual disability.
- 12 g. Living with HIV/AIDS.
- 13 h. Mentally ill.

14 (5) Prepare, in collaboration with ADECA staff, an
15 annual review of the rules, compliance responsibilities,
16 set-asides, funding priorities, policies, funding
17 recommendations and decisions, including any recommended
18 changes to the operation of the trust fund. This review shall
19 be presented to the Director of ADECA for final approval.

20 (6) The advisory committee shall elect from its
21 membership a chair, vice chair, and secretary. The advisory
22 committee shall adopt rules to govern its proceedings. A
23 majority of the appointed membership of the committee shall
24 constitute a quorum for all meetings.

25 (7) The advisory committee shall meet within 30 days
26 after a majority of its first members is appointed, and
27 thereafter shall hold regular meetings. Minutes of each

1 meeting of the advisory committee, recording the members
2 present and the business taken, shall be signed and kept by
3 the secretary or an assistant secretary appointed by the
4 advisory committee.

5 Section 10. The following organizations shall be
6 eligible to apply to ADECA for funding:

7 (1) Not-for-profit organizations.

8 (2) Municipalities.

9 (3) Counties.

10 (4) Public housing authorities.

11 (5) For-profit organizations. Profit organizations
12 that use Alabama Housing Trust Fund monies to provide housing
13 for extremely low income individuals and families must partner
14 with not-for-profit organizations that can, if necessary,
15 provide resident services to ensure housing stability.

16 Section 11. All home ownership projects funded by
17 the Alabama Housing Trust Fund must follow the same ownership
18 requirements of the current Alabama Habitat for Humanity home
19 ownership program.

20 Section 12. This act shall become effective
21 immediately following its passage and approval by the
22 Governor, or its otherwise becoming law.

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House of Representatives

Read for the first time and re-ferred to the House of Representatives committee on State Government 07-FEB-12

Read for the second time and placed on the calendar..... 08-FEB-12

Read for the third time and passed as amended..... 21-FEB-12

Yeas 82, Nays 0, Abstains 1

Greg Pappas
Clerk