

1 HB110  
2 135439-5  
3 By Representative Todd  
4 RFD: State Government  
5 First Read: 07-FEB-12  
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ENROLLED, An Act,

To establish the Alabama Affordable Housing Act, the Alabama Housing Trust Fund, and the Alabama Housing Trust Fund Advisory Committee to increase availability of housing opportunities for individuals and families with incomes at or below 60 percent of the median family income; and to provide for advisory committee members and their duties.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

Section 2. When used in this act, the following words shall have the following meanings:

(1) ADVISORY COMMITTEE. The Alabama Housing Trust Fund Advisory Committee.

(2) ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS (ADECA). As established by Section 41-23-1 of the Code of Alabama 1975.

(3) ALABAMA HOUSING TRUST FUND. The trust fund created pursuant to Section 4.

(4) SIXTY PERCENT OF MEDIAN FAMILY INCOME. A person or persons living together whose annual income or incomes do not exceed 60 percent of the median family income of a geographic area, as determined by the U.S. Department of

1 Housing and Urban Development, with adjustments for smaller  
2 and larger families.

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

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

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

14 (2) Help families attain economic stability.

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

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

20 (5) Alleviate deficiencies in the supply of safe,  
21 decent, and affordable housing for residents with incomes at  
22 or below 60 percent of the median family income, many of whom  
23 are physically disabled, elderly, victims of domestic  
24 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.

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

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

6           (5) Conduct an annual independent audit of the trust  
7 fund.

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

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

23           (8) Enter into contracts and agreements in  
24 connection with the operation of the trust fund, including  
25 contracts and agreements with federal agencies, local

1 governmental entities, community developers, and other  
2 ~~persons. not-for-profit groups. This provision shall not~~  
3 authorize contracts and agreements with for-profit entities.

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

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

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

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

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

23 (2) To maintain and rehabilitate existing affordable  
24 housing units to insure their continued availability to

1 individuals and families with incomes at or below 60 percent  
2 of the median family income.

3 (3) To serve individuals and families living at or  
4 below 60 percent of the median family income. No less than 50  
5 percent of the resources placed into the fund each year shall  
6 be used to serve individuals and families with household  
7 incomes at or below 30 percent of the median family income as  
8 determined by the U.S. Department of Housing and Urban  
9 Development.

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

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

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

22 (1) Beneficiaries of the activity must be  
23 individuals or families whose annual income or incomes do not  
24 exceed 60 percent of the median family income of a geographic  
25 area, as determined by the U.S. Department of Housing and

1 Urban Development, with adjustments for smaller and larger  
2 families.

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

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

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

13 (b) Activities to be funded by the Alabama Housing  
14 Trust Fund shall be selected through a competitive process  
15 under rules to be determined by ADECA with input from the  
16 advisory committee.

17 (c) (1) ADECA shall ensure that activities funded  
18 through the trust fund shall address the housing needs of each  
19 of the following populations, consistent with the input of the  
20 advisory committee and the statewide housing needs assessment:

- 21 a. Disabled.
- 22 b. Elderly.
- 23 c. Victims of domestic violence.
- 24 d. Veterans.
- 25 e. Homeless or on the verge of becoming homeless.



1 f. Living with an intellectual disability.

2 g. Living with HIV/AIDS.

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

6 a. The experience of the entity making the proposal,  
7 determined through consideration of the proposer's past  
8 history in completing activities of a similar scale and  
9 nature.

10 b. The timeliness with which units will be developed  
11 or the activity implemented.

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

15 a. An evaluation of the property management history  
16 of the developer and management agent provided that rental  
17 housing is proposed.

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

21 c. The number of affordable units being made  
22 available to individuals and families whose annual incomes do  
23 not exceed 30 percent of the median family income of a  
24 geographic area, as determined by the U.S. Department of

1 Housing and Urban Development, with adjustments for smaller  
2 and larger families.

3 d. The degree to which trust fund monies are used to  
4 leverage additional funding.

5 e. The extent to which the activity will leverage or  
6 augment local community affordable housing goals or locally  
7 adopted affordable housing plans such as revitalization areas  
8 or other geographic areas targeted for investment.

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

11 g. The extent to which the activity serves  
12 individuals and families with special needs, including persons  
13 who are disabled, elderly, victims of domestic violence,  
14 veterans, homeless or on the verge of becoming homeless,  
15 living with HIV/AIDS, and those living with intellectual  
16 disabilities.

17 h. The extent to which the activity adheres to  
18 energy efficiency, green and health design, and other  
19 environmental and sustainability standards.

20 i. The extent to which housing will be located near  
21 transit lines, shopping, community services, and other  
22 amenities.

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

1           Section 8. (a) There is created the Alabama Housing  
2 Trust Fund Advisory Committee for the purpose of advising the  
3 Director of ADECA and staff of the department with respect to  
4 the Alabama Housing Trust Fund.

5           (1) The membership of the advisory committee shall  
6 be inclusive and reflect the racial, gender, geographic,  
7 urban/rural and economic diversity of the state. The advisory  
8 committee shall annually report to the Legislature by the  
9 second legislative day of each regular session the extent to  
10 which the advisory committee has complied with the diversity  
11 provisions provided for in this act.

12           (2) Each member of the advisory committee should  
13 have a demonstrated interest in the housing needs of  
14 individuals and families with extremely low incomes to incomes  
15 at 60 percent of median family income and the revitalization  
16 of distressed neighborhoods.

17           (3) The advisory committee shall consist of ~~15~~ 16  
18 members and shall include one representative member from each  
19 of the following organizations:

20           a. The Alabama House of Representatives appointed by  
21 the Speaker of the House.

22           b. The Alabama Senate appointed by the Senate  
23 President Pro Tempore.

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

25           d. The Alabama Association of Habitat Affiliates.

1 e. The Low Income Housing Coalition of Alabama.

2 f. The Community Action Association of Alabama.

3 g. The Alabama Alliance to End Homelessness.

4 h. The Alabama Department of Mental Health.

5 i. The Alabama Association of Realtors.

6 j. The Governor's Statewide Interagency Council on  
7 Homelessness.

8 k. The Home Builders Association of Alabama.

9 l. A member appointed by the Independent Living  
10 Resources of Greater Birmingham, Montgomery Center for  
11 Independent Living, and Independent Living Center of Mobile.

12 m. The Alabama Council for Affordable and Rural  
13 Housing.

14 n. The Alabama Bankers Association.

15 o. An individual whose income does not exceed 60  
16 percent of the state median family income appointed by the  
17 Governor.

18 p. The Alabama Manufactured Housing Association.

19 (4) To avoid a conflict of interest, or the  
20 appearance of a conflict of interest, no sitting committee  
21 organization may apply for trust fund dollars during its time  
22 on the committee. If an affiliate organization applies for  
23 funding, the related committee organization will recuse itself  
24 from any discussion or voting on the application.

1           (5) The term of office of each member of the  
2 advisory committee shall be three years. In order to stagger  
3 the terms of the members, the initial members of the committee  
4 shall draw lots as follows:

5           a. Six shall be appointed each for a term of one  
6 year.

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

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

9           No member shall serve more than two consecutive  
10 three-year terms, without interruption in service of at least  
11 three years.

12           (6) Each term on the advisory committee shall expire  
13 on September 30 of the year in which the term expires. When  
14 this occurs, the director or the elected official responsible  
15 for appointing the position shall appoint a new member or  
16 reappoint the current member. If a vacancy occurs within 90  
17 days of the vacancy, the director shall appoint a replacement  
18 to fill the vacancy for the remainder of the unexpired term.

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

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

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

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

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

11           a. Development of a process for making awards from  
12 the trust fund.

13           b. Development of policies and rules for operating  
14 the trust fund including priorities for making awards and  
15 criteria for evaluating applications, and delineation of all  
16 compliance and reporting responsibility of fund recipients.

17           (2) Review and advise ADECA staff on the collection  
18 and presentation of data on the use and impact of the trust  
19 fund and the preparation of an annual performance report to be  
20 submitted to the Legislature, Governor, and the public.

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

23           (4) Ensure that the dedicated resources alleviate  
24 the housing crisis for Alabamians by assisting individuals and  
25 families with incomes at or below 60 percent of the median

1 family income and targeting hard-to-serve, special needs  
2 populations that include individuals who are:

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

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

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

22 (7) The advisory committee shall meet within 30 days  
23 after a majority of its first members is appointed, and  
24 thereafter shall hold regular meetings. Minutes of each  
25 meeting of the advisory committee, recording the members

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

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

6 (1) Not-for-profit organizations.

7 (2) Municipalities.

8 (3) Counties.

9 (4) Public housing authorities.

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

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

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



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Speaker of the House of Representatives

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President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 21-FEB-12, as amended.

Greg Pappas  
Clerk

Senate	<hr/>	08-MAY-12	Amended and Passed
House	<hr/>	08-MAY-12	Concurred in Senate Amendment