



The Alabama Housing Trust Fund

There's nothing else like it.

What is the Alabama Housing Trust Fund?

The Alabama Housing Trust Fund (AHTF) creates a new opportunity for the State of Alabama to support affordable housing. Once a dedicated revenue source is established, the AHTF will serve as a **flexible source of funding** enabling a wide range of activities, including construction, rehabilitation and/or preservation of affordable housing, independent adaptive homes for people with disabilities, and permanent supportive homes for people with severe challenges. The activities can be as flexible as needed. Housing trust funds are recognized across the country as an innovative development approach that takes advantage of unique opportunities and addresses critical and/or urgent situations. Right now, there's nothing else like it: there is no other flexible funding source dedicated to housing like this in Alabama.

Alabama relies solely on federal funding for the development of its affordable housing.

Public funding is critical in developing affordable housing because it provides access to the financial capital developers need to enable them to keep development costs low enough so that future owners and renters can afford homeownership and rental opportunities. Right now in Alabama, the only public funding that is available originates with the federal government. If not for the federal HOME Investment Partnership Program and the IRS' Low Income Housing Tax Credit (LIHTC) Program, Alabama would have no public money to invest in its own housing. Why is this a problem? Here are the two major reasons: 1) the limited Federal funding already isn't enough money to address the housing needs of Alabama residents, and 2) many of Alabama's housing needs aren't easily addressed with these funds. Most of the HOME funds are required by the state to be used only for new construction of multi-family rental housing and must be coupled with the LIHTC program. What does this mean? Here are some examples:

- A young family who wants to buy a home in rural Alabama can't be helped by existing resources in our state.
- An elderly couple on a fixed income may have to move from their home of more than 20 years if financial assistance is not available for needed repairs.
- A veteran and his family trying to rebuild their storm-damaged home and keep their children in school won't be able to find the help they need under the existing programs in Alabama.

Why should Alabama dedicate revenue to the Alabama Housing Trust Fund?

Because we need it! The National Low Income Housing Coalition estimates that Alabama lacks over **90,000** available and affordable homes for extremely low income Alabamians, including people living with disabilities and those surviving on minimum wage. **This is an astounding number** and one that doesn't even account for the additional devastation wrought by the storms of April 2011 when more than 15,000 homes were damaged or destroyed. If Alabama had a fully capitalized and operational housing trust fund, there would have been funding available to address the recovery efforts across the state.

In addition to meeting urgent housing needs as they arise, housing trust fund dollars also help to address longstanding community needs. These dollars create and maintain quality, affordable homes that allow people to improve their lives, while reducing or eliminating their need for social services. When someone has a safe, affordable home, they are less likely to need services and are more likely to retain employment or attend school, therefore providing a better opportunity to succeed in life. Simply put, quality affordable housing creates strong and healthy communities. In addition to these social benefits, communities will also see economic benefits such as job creation and increased economic activity in the local economies where trust fund dollars are being used. However, we will not see the benefits of the Alabama Housing Trust Fund until we secure dedicated revenue.

Everyone deserves the opportunity to succeed in life; in Alabama, this begins with a place to call home.

For more information about the need to secure revenue for the AHTF, please contact LIHCA at (205) 939-0411.