



# Alabama

## Low Income Housing Preservation in 2010

### Low Income Housing Tax Credits (9% Tax Credits)

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In the 2010 QAP, AHFA has defines rehabilitation projects as being 50% or more occupied at the time of application to be considered existing multifamily residential rental housing. Rehabilitation costs must be at least \$20,000 in hard-construction costs per unit.

A rehabilitation project that is less than 50% occupied at the time of the application is not considered existing housing, and is treated as new construction when considering funding for targeting the elderly and families. The targeted population is not considered for rehabilitation projects that are at least 50% occupied.

Rehabilitation properties are exempt from the the minimum size requirements listed under the building characteristics. To encourage diverse site locations, only one new construction project (or rehabilitation project with less than 50% occupany) for families and one new construction project for the elderly will be approved within each county.

#### **Allocations (2003-2009)**

*Properties Preserved:* 49

*Apartments Preserved:* 4,228

*Additional Info:* In 2007 alone, Alabama allocated 9% tax credits to help preserve more than 2,000 affordable apartments. The state's allocation towards preservation has decreased since then, with 0 properties preserved with 9% tax credits in 2009.

### Private Activity Bonds with 4% Tax Credits

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#### **Allocations (2003-2009)**

*Properties Preserved:* 18

*Apartments Preserved:* 2,583

*Additional Info:* Alabama has historically used 4% tax credits to preserve affordable apartments, with over 200 units preserved in 2008 and 2009 alone.

### Housing Trust Funds

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On April 14, 2010, the Alabama House voted 91-0 for legislation to establish an Affordable Housing Trust Fund in the state. The bill now moves to the Senate.

HB 512, sponsored by Rep. Patricia Todd, D-Birmingham, would create a trust fund to promote construction and renovation of low-income housing, provide emergency rental aid and support other affordable housing services. Todd said the bill would not require any state funds at this time but could allow Alabama to draw down federal housing money. More than 30 other states already have housing trust funds.

**PLEASE NOTE:** *Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).*

## **Green Multifamily Preservation Initiatives**

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### ***Green Incentives in State Tax Credit Allocation Plan***

In the 2010 QAP, up to 16 points can be earned for Energy Conservation and Healthy Living Environment improvements such as: 4 points for exceeding the Council of American Building Official Model Energy Code; 4 points for buildings that are built or rehabilitated to exceed 15-year, maintenance-free exterior standard; 4 points for including Energy STAR kitchen appliances in all units; 4 points for attic insulation to R-38; 4 points for an ARI rated furnace or heat pump; 3 points for an ARI rated Seer 12 cooling equipment; 4 points for ceiling fans in all living rooms and bedrooms; 4 points for the kitchen range hood ventilation to be vented to the exterior and equipped with a damper; 4 points for R-19 insulation in all exterior walls; and 4 points for projects that use solar power generation for all common items such as security lighting, parking lighting, and features in common areas.

Rehabilitation projects can also earn up to 15 points for specific planned improvements, some of which include replacing items that improve energy efficiency. These include: 3 points for replacing an existing roof with a 30-year roof as evidenced by manufacturer's warranty; 3 points for replacing entry doors with insulated exterior doors and replacing all windows with storm windows or thermal break insulated windows; 3 points for replacing all kitchen appliances; 3 points for replacing all HVAC equipment; 2 points for replacing all plumbing fixtures; and 1 point for replacing all water heaters.

### ***Other Green Incentives Relevant to Preservation***

Alabama encourages housing providers to weatherize multifamily projects. The Department of Economic & Community Affairs coordinates Alabama's Weatherization Assistance Program. For complete information on AL's weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

***For additional information on green initiatives, visit [www.aceee.org](http://www.aceee.org) for more on policies related to energy efficiency or [www.dsireusa.org](http://www.dsireusa.org) for programs that may be available to developers to incentivize renewable energy or energy efficiency.***

## **Sustainable Communities & Transit-Oriented Development Incentives**

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The 2010 QAP awards a maximum of 20 points for Location, including 5 points for being located within 2 miles of a grocery store, hospital or doctor's office, pharmacy/drug store, convenience store, or bank/credit union. Points may be deducted for projects located near "incompatible uses."