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STATE OF ALABAMA
OFFICE OF THE ATTORNEY GENERAL

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TROY KING
ATTORNEY GENERAL

ALABAMA STATE HOUSE
11 SOUTH UNION STREET
MONTGOMERY, AL 36130
(334) 242-7300
WWW.AGO.STATE.AL.US

Honorable Harold Davis
Mayor, Town of Gordo
Post Office Box 348
Gordo, Alabama 35466

Municipalities – Contracts – Housing
Projects – Public Purpose – Alabama
Housing Finance Authority – Pickens
County

Under section 11-96A-3 of the Code of Alabama, the Town of Gordo may enter into a contract with Gordo Public Housing, Ltd., to provide affordable dwelling accommodations for persons of moderate and low income in the town limits. The town can manage and maintain fifty housing units for five years in exchange for the units being conveyed to the city at the end of that period.

Dear Mayor Davis:

This opinion of the Attorney General is issued in response to your request on behalf of the Town of Gordo.

QUESTION

May the Town of Gordo enter into a contract to manage and maintain fifty housing units for persons of moderate and low income in the town limits?

FACTS AND ANALYSIS

This Office understands that the housing units in question are both single- and multifamily dwellings for the use of persons of moderate and low income. This Office further understands that the units are owned by Gordo Public Housing, Ltd., a limited partnership. Until recently, the units were managed and maintained by the Gordo Housing Authority. These units are currently being operated by a private company on an interim basis. The Town of Gordo proposes to manage and maintain the units for five years for their current use in exchange for the property being conveyed to it at the end of that time. Your request states that the town then intends to operate the units for the use of senior and handicapped citizens of moderate and low income.

Sections 11-96A-1 through 11-96A-6 of the Code of Alabama establish the methods for municipalities to provide shelters, halfway houses, emergency housing for the homeless, and single- and multifamily dwelling accommodations for low- and moderate-income persons. The legislative purpose of the act states as follows:

It is hereby declared that a lack of sanitary, safe and affordable dwelling accommodations for persons of moderate and low income and shelters, halfway houses and emergency housing for persons who would otherwise be homeless exists in various municipalities and rural areas of the state. Consequently, persons of low and moderate income are forced to reside in and use unsafe and unsanitary dwellings and certain other persons are unable to afford any dwelling accommodations at all. These conditions which cause an increase in and spread of disease and crime constitute a menace to the health, safety, morals and welfare of the citizens of the state. It is a matter of public interest to provide safe and sanitary housing for the low and moderate income citizens and shelter for homeless persons, to alleviate such conditions and to encourage economic development, to increase employment in housing construction and related businesses and to create and foster conditions suitable for the welfare and prosperity of all of the people of the state by making available a more adequate supply of funds and increase the availability of safe and sanitary shelters, halfway

houses and emergency housing for the homeless and single and multi-family dwelling accommodations for citizens of low and moderate income within such municipalities and rural areas. *The necessity for the provision of such* homeless shelters, halfway houses and emergency housing and such *single and multi-family dwelling accommodations for low and moderate income persons* and the taking of related actions provided for in this chapter is hereby declared as a matter of legislative determination to be in the public interest.

ALA. CODE § 11-96A-1 (1994) (emphasis added).

Section 11-96A-3 specifically states as follows:

The council or other governing body of any municipality, or governing body of a county in furtherance of the legislative purpose stated above, is empowered to take the following actions and to the extent necessary or desirable in its judgment to expend its moneys to accomplish such purpose:

(1) *To* acquire sites for, *purchase*, construct, *own*, develop, *operate*, survey, subdivide, establish, *maintain*, refurbish, remodel or improve *single or multi-family dwellings*;

....

(11) *To make, enter into and execute such contracts*, agreements, leases and other instruments and to take such other actions as may be necessary or desirable to accomplish any purpose granted by this chapter.

ALA. CODE § 11-96A-3 (1994) (emphasis added). Section 11-96A-3(1) specifically authorizes municipalities to operate and maintain affordable single- and multifamily dwellings for persons of moderate and low income. It also specifically authorizes municipalities to purchase and

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own such dwellings. Section 11-96A-3(11) grants municipalities the power to contract to provide these dwellings.

CONCLUSION

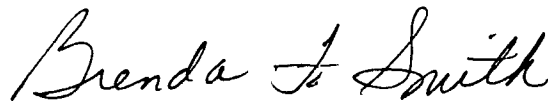
Under section 11-96A-3 of the Code of Alabama, the Town of Gordo may enter into a contract with Gordo Public Housing, Ltd., to provide affordable dwelling accommodations for persons of moderate and low income in the town limits. The town can manage and maintain fifty housing units for five years in exchange for the units being conveyed to the city at the end of that period.

I hope this opinion answers your question. If this Office can be of further assistance, please contact Ward Beeson of my staff.

Sincerely,

TROY KING
Attorney General

By:



BRENDA F. SMITH
Chief, Opinions Division

TK/GWB

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