Arizona Department of Housing

A.R.S. § 41-1505

Director: Michael Trailor | JLBC Analyst: Eric Billings

	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 APPROVED
OPERATING BUDGET			
Full Time Equivalent Positions	12.0	12.0	11.0
Personal Services	606,300	666,400	666,400
Employee Related Expenditures	219,000	229,000	233,800
Professional and Outside Services	11,600	12,100	12,100
Travel - In State	16,600	15,800	15,800
Travel - Out of State	1,500	4,300	4,300
Other Operating Expenditures	24,300	16,000	16,000
Equipment	7,200	1,200	1,200
OPERATING SUBTOTAL	**886,500**	**944,800**	**949,600**
SPECIAL LINE ITEMS			
Lump Sum Reduction	0	(33,500)	0
AGENCY TOTAL	**886,500**	**911,300**	**949,600** 1/
FUND SOURCES			
Other Appropriated Funds			
Housing Trust Fund	886,500	911,300	949,600
SUBTOTAL - Other Appropriated Funds	886,500	911,300	949,600
SUBTOTAL - Appropriated Funds	**886,500**	**911,300**	**949,600**
Other Non-Appropriated Funds	37,046,400	41,618,600	50,707,300
Federal Funds	65,556,700	69,663,300	70,241,100
TOTAL - ALL SOURCES	103,489,600	112,193,200	121,898,000

AGENCY DESCRIPTION — Through a variety of housing and community improvement programs, the department annually administers approximately $101 million in federal and non-appropriated state housing and community development funds. The appropriated budget reflects a portion of the agency's administration expenses. The department provides affordable housing opportunities in conjunction with the Arizona Housing Finance Authority.

PERFORMANCE MEASURES	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2010 Approved
• Households assisted into homeownership	1,485	971	1,225	1,000
• Affordable rental units assisted	1,722	2,997	3,266	2,000
• Customer satisfaction rating (Scale 1-7)	5.1	4.9	5.2	6.1

Operating Budget

The budget includes $949,600 and 12 FTE Positions from the Housing Trust Fund for the operating budget in FY 2010. These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of $4,800 from the Housing Trust Fund in FY 2010 for state employee health insurance statewide adjustments. *(Please see the General Provisions section.)*

Lump Sum Reduction

The budget includes an agencywide lump sum reduction of $(33,500) for the midyear FY 2009 revisions.

1/ General Appropriation Act funds are appropriated as a Lump Sum by Agency. As appropriated by Laws 2009, 1st Regular Session, Chapter 11.

	FY 2009	FY 2010
Personnel Expense Reduction		
Housing Trust Fund	$(33,500)	$0

FTE Position Reduction

The budget includes a decrease of (1) FTE Position for a lump sum FTE Position reduction. *(Please see the General Provisions section.)*

Fund Transfers

The budget includes the following midyear FY 2009 revisions and FY 2010 transfers to the General Fund from the funds listed below:

	FY 2009	FY 2010
Housing Program - EBT*[1/]	$(406,300)	$(1,818,400)
Housing Program - FRAT*	(227,500)	(459,100)
Housing Program - Salary *	(115,300)	(274,600)
Housing Trust - EBT*	(17,562,000)	(2,000,000)
Housing Trust - FRAT*	(3,229,500)	0
Housing Trust - Salary	(33,500)	0
IGA/ISA - EBT*[1/]	(2,500,000)	0

* These transfers are from non-appropriated funds.

Additional Legislation

The FY 2010 budget presumed the passage of legislation to permanently cap Unclaimed Property revenues going to the Housing Trust Fund at $10,500,000 beginning in FY 2010 (SB 1025, 3rd Special Session). Prior to this legislation, Unclaimed Property revenue deposits to the Housing Trust Fund were uncapped. In FY 2009, the Housing Trust Fund received $28,554,061 from unclaimed property revenues. The Governor vetoed this bill.

The Housing Trust Fund commitments have increased from $21,082,400 in FY 2006 to $32,309,800 in FY 2009. The increase is largely due to an increase in unclaimed property revenues from $26,011,186 in FY 2006 to $28,554,061 in FY 2009. *Table 1* below details the fund's commitments by category from FY 2006 – FY 2009.

Table 1

Housing Trust Fund Commitments FY 2006 – FY 2009[2/]

	FY 2006	FY 2007	FY 2008	FY 2009
Rental Unit Assistance				
New Construction	$1,400,000	$3,214,200	$4,845,800	$7,114,300
Acquisition/Rehabilitation	873,200	1,747,000	1,114,000	1,550,000
Rental Assistance	0	126,000	2,160,000	3,140,000
Homeownership Assistance				
New Development	638,500	215,000	250,000	453,900
Rehabilitation of Owner-Occupied Units	3,176,000	3,949,000	2,641,500	2,425,500
First-Time Home Purchase Assistance	4,098,800	4,440,700	5,153,200	4,229,400
Foreclosure Counseling	0	0	181,700	77,500
Homeless/Emergency Assistance				
Homeless Prevention	2,930,000	2,759,100	4,233,700	3,725,300
Development of Shelters/Transitional Units	1,557,000	3,982,300	2,902,200	750,000
Emergency Operating	702,300	650,000	677,000	1,312,600
Other	5,009,300	4,563,100	5,130,300	6,620,000
Administration	697,300	728,100	897,300	911,300
Total	**$21,082,400**	**$26,374,500**	**$30,186,700**	**$32,309,800**

1/ Laws 2009, 1st Special Session, Chapter 1, Section 29 allows agencies to shift the amounts between their fund transfers upon JLBC review. This revised transfer amount was favorably reviewed by JLBC at its April 28, 2009 meeting.
2/ The amounts included represent commitments of the fund and do not equal annual expenditures since commitments are often spent down over a period of 2 years.