

Arizona Department of Housing

	FY 2022 ACTUAL	FY 2023 ESTIMATE	FY 2024 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	3.0	3.0	3.0
Personal Services	202,200	233,100	233,100
Employee Related Expenditures	79,000	86,300	86,300
Professional and Outside Services	0	1,700	1,700
Travel - In State	2,600	7,900	7,900
Other Operating Expenditures	33,100	37,900	37,900
Equipment	5,800	500	500
OPERATING SUBTOTAL	322,700	367,400	367,400
SPECIAL LINE ITEMS			
Homeless Services Grant Pilot	0	10,000,000	0
Housing Trust Fund Deposit	0	60,000,000	0
AGENCY TOTAL	322,700	70,367,400	367,400 ^{1/}
FUND SOURCES			
General Fund	0	70,000,000	0
<u>Other Appropriated Funds</u>			
Housing Trust Fund	322,700	367,400	367,400
SUBTOTAL - Other Appropriated Funds	322,700	367,400	367,400
SUBTOTAL - Appropriated Funds	322,700	70,367,400	367,400
Other Non-Appropriated Funds	30,711,200	35,898,200	35,898,200
Federal Funds	150,080,700	228,771,600	154,172,200
TOTAL - ALL SOURCES	181,114,600	335,037,200	190,437,800

AGENCY DESCRIPTION — The department annually administers approximately \$180 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 Industrial Development Authority. The department’s responsibilities include the Office of Manufactured Housing.

FOOTNOTES

^{1/} General Appropriation Act funds are appropriated as a Lump Sum by Agency.

Operating Budget

The Baseline includes \$367,400 and 3 FTE Positions from the Housing Trust Fund in FY 2024 for the operating budget. These amounts are unchanged from FY 2023.

Homeless Services Grant Pilot

The Baseline includes no funding in FY 2024 for a Homeless Services Grant Pilot. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(10,000,000) from the General Fund in FY 2024 for the elimination of one-time funding for a homeless services grant pilot program.

An FY 2023 General Appropriation Act footnote required the appropriation be used to establish a grant program for cities, towns, and counties for programs designed to reduce homelessness. In addition to meeting specified program requirements, participating cities, towns, and counties must provide a dollar-for-dollar local match for each grant dollar received. Cities, towns and counties that have an established program meeting program requirements are given priority by the department.

Housing Trust Fund Deposit

The Baseline includes no funding in FY 2024 for a Housing Trust Fund deposit. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(60,000,000) from the General Fund in FY 2024 for the elimination of a one-time deposit into the Housing Trust Fund.

An FY 2023 General Appropriation Act footnote required that these monies be distributed in the form of grants, not loans, to cities, towns, and counties in Arizona, with set-aside allocations as follows:

- \$20,000,000 of the appropriation must be distributed to projects in counties other than Maricopa and Pima counties.
- \$4,000,000 of the appropriation must be distributed in the Navajo and Hopi tribal nations.

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 Estimate
CDBG-CV CARES Act Fund (HDA2976/A.R.S. § 35-142)		Federal Funds
Source of Revenue: Monies received by the state from the Federal COVID-19 response legislation for the Community Development Block Grant program.		
Purpose of Fund: To provide housing, permanent jobs, public services, or new or improved infrastructure to prevent, prepare for and respond to the COVID-19 pandemic.		
Funds Expended	17,525,500	0
Year-End Fund Balance	3,100	3,100
Consumer Recovery Fund (HDA3090/A.R.S. § 41-4041)		Non-Appropriated
Source of Revenue: Fees charged to dealers and brokers of manufactured homes, mobile homes, or factory-built buildings designed for residential use.		
Purpose of Fund: To provide consumer and license education in connection with the manufactured housing and factory-built building industry and to make payments on damage claims filed by consumers of these types of residential buildings.		
Funds Expended	0	0
Year-End Fund Balance	709,900	758,500
Coronavirus State and Local Fiscal Recovery Fund (HDA2985/A.R.S. § 35-142)		Federal Funds
Source of Revenue: Monies received by the state from the Federal COVID-19 response legislation for the State and Local Fiscal Recovery program.		
Purpose of Fund: Provides funding to respond to the pandemic and its negative economic impacts, provide premium pay to workers performing essential work, restore cuts in public services caused by pandemic-induced revenue losses and avoid additional cuts, and invest in water, sewer, or broadband infrastructure.		
Funds Expended	15,400,600	74,599,400
Year-End Fund Balance	7,349,400	0
Crisis Contingency and Safety Net Fund (HDA3240/A.R.S. § 41-110)		Non-Appropriated
Source of Revenue: Legislative appropriations, public or private gifts, grants and donations.		
Purpose of Fund: Monies in the fund may only be distributed by the Governor for the following forms of economic assistance during a state of emergency: 1) housing assistance; 2) services for homeless persons; 3) economic assistance to small businesses with less than 50 employees, non-profit organizations, and health care providers; and 4) monies for food bank operations. Expenditures are not displayed to avoid double counting the General Fund.		
Funds Expended	0	0
Year-End Fund Balance	0	0
DPS-FBI Fingerprint Fund (HDA2159/A.R.S. § 41-1750)		Non-Appropriated
Source of Revenue: Revenues include fees collected from fingerprint clearance cards.		
Purpose of Fund: Revenues are transferred to the Department of Public Safety (DPS) to process fingerprint clearance cards.		
Funds Expended	6,300	6,300
Year-End Fund Balance	2,500	3,200

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 Estimate
Federal Funds (HDA2000/A.R.S. § 35-142)		Federal Funds
Source of Revenue: Federal Funds for affordable housing programs.		
Purpose of Fund: To be expended as stipulated by federal statutes authorizing the federal grants.		
Funds Expended	89,061,900	88,800,400
Year-End Fund Balance	2,944,800	2,733,900
Federal Grant - American Recovery and Reinvestment Act (ARRA) (HDA2999/A.R.S. § 35-142)		Federal Funds
Source of Revenue: One-time Federal Funds allocated by the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).		
Purpose of Fund: One-time Federal Funds to be used by the department for the weatherization of homes, energy efficiency and usage reduction, and appliance rebates.		
Funds Expended	0	0
Year-End Fund Balance	1,228,900	1,356,500
Home ARPA Fund (HDA8610/A.R.S. § 41-3955)		Federal Funds
Source of Revenue: Monies received by the state from the Federal HOME-American Recover Plan Act (HOME-ARP).		
Purpose of Fund: To assist in providing supportive services, non-congregate shelter, rental housing, nonprofit operating an capacity building assistance, and planning and administration.		
Funds Expended	1,000	1,000
Year-End Fund Balance	500	1,000
Home Investment Partnership Act Fund (HDA1410/A.R.S § 35-142)		Federal Funds
Source of Revenue: Monies received by the state from the U.S. Department of Housing and Urban development (HUD).		
Purpose of Fund: Provide decent affordable housing to lower income households, expand the capacity of nonprofit housing providers, strengthen the ability of state and local governments to provide housing, leverage private sector participation.		
Funds Expended	2,292,500	3,060,700
Year-End Fund Balance	10,482,000	12,344,100
Homeowner's Assistance Fund (HDA2986/A.R.S. § 35-142)		Federal Funds
Source of Revenue: Federal Funds appropriated in the American Rescue Plan Act		
Purpose of Fund: To assist homeowners experiencing financial hardship due to the Coronavirus. Funds may be used for assisted payments for mortgages, utilities, insurance and other specified purposes.		
Funds Expended	25,680,200	62,190,300
Year-End Fund Balance	171,304,100	109,113,800
Housing Choice Voucher Emergency Housing Fund (HDA3202/A.R.S. § 35-142)		Federal Funds
Source of Revenue: Federal Funds for housing assistance		
Purpose of Fund: To provide rental assistance to individuals and families who are experiencing homelessness or are at risk of experiencing homelessness.		
Funds Expended	14,400	15,200
Year-End Fund Balance	218,300	336,900
Housing Program Fund (HDA2200/A.R.S. § 41-3957)		Non-Appropriated
Source of Revenue: Fees received from the following programs: private activity bond (underwriting and hearings), low-income tax credit (application, monitoring and reservation fees), fees charged from conferences and workshops, fees from the Section 8 project-based contract administration program, administrative reimbursements from Federal Hardest Hit Funds, utility grants from Southwest Gas for the state's Weatherization Program, and services fees related to the Office of Manufactured Housing.		
Purpose of Fund: To pay the costs of administering the programs from which the deposits are received and for other department programs.		
Funds Expended	7,824,600	10,608,200
Year-End Fund Balance	26,951,500	30,859,800

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 Estimate
Housing Stability Counseling Fund (HDA9919/A.R.S § 35-142)		Federal Funds
Source of Revenue: Monies received by the state from the Federal American Rescue Plan.		
Purpose of Fund: To support housing counseling for households facing housing instability, such as eviction, default, foreclosure loss of income or homelessness.		
Funds Expended	104,600	104,600
Year-End Fund Balance	55,300	110,600
Housing Trust Fund (HDA2235/A.R.S. § 41-3955)		Appropriated
Source of Revenue: The Housing Trust Fund receives its \$2,500,000 annual unclaimed property deposit after the first \$2,000,000 in unclaimed property revenues are distributed to the Department of Health Services Seriously Mentally Ill Housing Trust Fund. The fund also receives monies from loan repayments and interest from the State Treasurer. A.R.S. § 33-751 redirects fees from the Arizona Industrial Development Authority's single-family mortgage program from the department's ISA and IGA Fund to the Housing Trust Fund.		
Purpose of Fund: The appropriated portion pays for administration expenses and may not exceed 10% of the Housing Trust monies. Please see the Non-Appropriated portion of the fund for additional information.		
Funds Expended	322,700	367,400
Year-End Fund Balance	39,116,800	30,486,500
Housing Trust Fund (HDA2235/A.R.S. § 41-3955)		Non-Appropriated
Source of Revenue: The Housing Trust Fund receives its \$2,500,000 annual unclaimed property deposit after the first \$2,000,000 in unclaimed property revenues are distributed to the Department of Health Services Seriously Mentally Ill Housing Trust Fund. The fund also receives monies from loan repayments and interest from the State Treasurer. A.R.S. § 33-751 redirects fees from the Arizona Industrial Development Authority's single-family mortgage program from the department's ISA and IGA Fund to the Housing Trust Fund.		
Purpose of Fund: The non-appropriated portion of the fund is used for the operation, construction, or renovation of housing facilities for low-income households. The Legislature may transfer monies from the fund to the Housing Development Fund for use on housing projects around state prisons. Please see the Appropriated portion of the fund for additional information.		
Funds Expended	17,562,600	20,566,200
Year-End Fund Balance	0	0
IGA and ISA Fund (HDA2500/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Reimbursements to the department from the Arizona Department of Economic Security for the administration of the Federal Low-Income Housing Energy Assistance Program (LIHEAP).		
Purpose of Fund: To enable the department to administer a portion of the LIHEAP which provides direct weatherization and energy improvements to homes owned by low-income homeowners.		
Funds Expended	5,280,800	4,677,000
Year-End Fund Balance	0	0
Manufactured Housing Cash Bond Fund (HDA3722/A.R.S. § 41-4029)		Non-Appropriated
Source of Revenue: Cash deposits made by housing manufacturers and installers prior to the granting of an original license. Applicants must make a cash deposit for each branch location of their operation.		
Purpose of Fund: To compensate consumers in cases where a licensee fails to perform sales or installation agreements or repairs under warranty; and to make payment to the department if the licensee fails to pay any fees or costs owed.		
Funds Expended	0	0
Year-End Fund Balance	667,700	667,700
Military Transitional Housing Fund (HDA9999/A.R.S. § 41-3955.02)		Federal Funds
Source of Revenue: Federal monies.		
Purpose of Fund: To provide transitional housing opportunities for military members separating from the military in newly constructed housing facilities. The department may not use more than 10% of fund monies to administer the fund.		
Funds Expended	0	0
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2022 Actual	FY 2023 Estimate
Mobile Home Relocation Fund (HDA2237/A.R.S. § 33-1476.02)		Non-Appropriated
<p>Source of Revenue: Assessments collected from mobile home owners who do not own the land upon which the mobile home is located and interest earnings. Once the fund balance reaches \$8,000,000, assessments will no longer be collected and the only revenue will be from interest. Assessment would resume when the fund balance at the end of a fiscal year is less than \$6,000,000.</p> <p>Purpose of Fund: To pay for relocations due to rental increases and to pay premiums and other costs of purchasing insurance coverage for tenant relocation costs due to a change in property use pursuant to A.R.S. § 33-1476.01. If such insurance is not available, or if the insurance costs exceed the amount available from the fund, the fund is used to make direct payments for tenant relocation costs.</p>		
Funds Expended	36,900	40,500
Year-End Fund Balance	7,666,400	7,666,000