

Arizona Department of Housing

	FY 2023 ACTUAL	FY 2024 ESTIMATE	FY 2025 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	3.0	3.0	3.0
Personal Services	237,900	309,300	309,300
Employee Related Expenditures	0	61,800	69,100
Other Operating Expenditures	0	0	10,400
OPERATING SUBTOTAL	237,900	371,100	388,800
SPECIAL LINE ITEMS			
Homeless Services Grant Pilot	10,000,000 ^{1/}	0	0
Homeless Shelter and Services	20,000,000	0	0
Homeless Shelter and Services Fund Deposit	0	40,000,000 ^{2/}	0
Housing Trust Fund Deposit	60,000,000	150,000,000	15,000,000
Military Transitional Housing Fund Deposit	0	1,900,000	0
Mobile Home Relocation Fund Deposit	0	5,000,000	0
AGENCY TOTAL	90,237,900	197,271,100	15,388,800 ^{3/}
FUND SOURCES			
General Fund	90,000,000	196,900,000	15,000,000
<u>Other Appropriated Funds</u>			
Housing Trust Fund	237,900	371,100	388,800
SUBTOTAL - Other Appropriated Funds	237,900	371,100	388,800
SUBTOTAL - Appropriated Funds	90,237,900	197,271,100	15,388,800
Other Non-Appropriated Funds	15,020,400	16,722,300	16,722,300
Federal Funds	251,707,600	177,767,500	177,767,500
TOTAL - ALL SOURCES	356,965,900	391,760,900	209,878,600

AGENCY DESCRIPTION — The department annually administers approximately \$190 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/} The amount appropriated for the homeless services grant pilot line item in fiscal year 2022-2023 pursuant to Laws 2022, chapter 313, section 49 is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations. (General Appropriation Act footnote)
- ^{2/} Laws 2024, Chapter 209, Section 120 clarifies that monies appropriated to the Homeless Shelter and Services Fund in FY 2024 are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations through FY 2025. (General Appropriation Act footnote)
- ^{3/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Operating Budget

The budget includes \$388,800 and 3 FTE Positions from the Housing Trust Fund in FY 2025 for the operating budget. Adjustments are as follows:

Statewide Adjustments

The budget includes an increase of \$17,700 from the Housing Trust Fund in FY 2025 for statewide adjustments. (Please see the Agency Detail and Allocations section.)

Homeless Shelter and Services Fund Deposit

The budget includes no funding in FY 2025 for a Homeless Shelter and Services Fund deposit. Adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of \$(40,000,000) from the General Fund in FY 2025 for the elimination of a one-time deposit into the Homeless Shelter and Services Fund.

Background - The FY 2024 Human Services Budget Reconciliation Bill (BRB) established the Homeless Shelter and Services Fund. Monies from the fund shall be used to award grants to counties, cities, towns, Indian tribes and nonprofit organizations for programs that provide shelter and services to unsheltered persons who are experiencing homelessness.

The FY 2024 General Appropriations Act included an FY 2023 supplemental appropriation of \$20,000,000 for Homeless Shelter and Services. That amount was not deposited in the Homeless Shelter and Services Fund, as it did not yet exist.

Laws 2024, Chapter 209, Section 120 clarifies that monies appropriated to the Homeless Shelter and Services Fund in FY 2024 are non-lapsing through FY 2025. The monies were previously available to spend through FY 2027.

Housing Trust Fund Deposit

The budget includes \$15,000,000 from the General Fund in FY 2025 for a Housing Trust Fund deposit. Adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of \$(150,000,000) from the General Fund in FY 2025 for the elimination of a one-time deposit into the Housing Trust Fund.

A FY 2024 General Appropriation Act footnote allowed the department to use a portion of the deposited monies to invest in a long-term lease that creates a campus for transitional housing, workforce affordable housing, crisis response, detox and recover, workforce development programs, and wrap-around services; the footnote also specifies eligibility characteristics for the campus's lead provider.

New One-Time Funding

The budget includes an increase of \$15,000,000 from the General Fund in FY 2025 for a one-time deposit into the Housing Trust Fund.

Background - The Housing Trust Fund develops projects and programs providing housing opportunities for low- and moderate-income households and housing affordability programs.

Military Transitional Housing Fund Deposit

The budget includes no funding in FY 2025 for a Military Transitional Housing Fund deposit. Adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of \$(1,900,000) from the General Fund in FY 2025 for the elimination of a one-time deposit into the Military Transitional Housing Fund.

Background - The Military Transitional Housing Fund provides transitional housing opportunities for military members separating from the military in newly constructed houses.

Mobile Home Relocation Fund Deposit

The budget includes no funding in FY 2025 for a Mobile Home Relocation Fund deposit. Adjustments are as follows:

Remove One-Time Funding

The budget includes a decrease of \$(5,000,000) from the General Fund in FY 2025 for the elimination of a one-time deposit into the Mobile Home Relocation Fund.

Background - The Mobile Home Relocation Fund pays for relocations of mobile homeowners due to rental increases and pays premiums and other costs of purchasing insurance coverage for tenant relocation costs due to a change in property.

Other Issues

Statutory Changes

The Human Services BRB makes the following changes:

- As session law, directs unexpended or unencumbered monies in the Homeless Shelter and Services Fund (established by Laws 2023, Chapter 141, Section 3) after the repeal date to be deposited into the General Fund.-Changes the repeal date to June 30, 2025. In the FY 2024 budget, this fund was established in a session law that was effective through the end of FY 2027.