

Arizona Department of Housing

	FY 2025 ACTUAL	FY 2026 ESTIMATE	FY 2027 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	3.0	3.0	3.0
Personal Services	234,900	228,400	228,400
Employee Related Expenditures	96,900	85,800	85,800
Professional and Outside Services	17,400	1,600	1,600
Travel - In State	3,900	7,600	7,600
Other Operating Expenditures	31,400	36,200	36,200
Equipment	4,300	1,100	1,100
OPERATING SUBTOTAL	388,800	360,700	360,700
SPECIAL LINE ITEMS			
Housing Trust Fund Deposit	15,000,000	0	0
AGENCY TOTAL	15,388,800	360,700	360,700^{1/}
FUND SOURCES			
General Fund	15,000,000	0	0
<u>Other Appropriated Funds</u>			
Housing Trust Fund	388,800	360,700	360,700
SUBTOTAL - Other Appropriated Funds	388,800	360,700	360,700
SUBTOTAL - Appropriated Funds	15,388,800	360,700	360,700
Other Non-Appropriated Funds	25,439,300	18,926,900	18,926,900
Federal Funds	161,703,600	140,029,200	140,029,200
TOTAL - ALL SOURCES	202,531,700	159,316,800	159,316,800

AGENCY DESCRIPTION — The department annually administers approximately \$159 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 Appropriations Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Operating Budget

The Baseline includes \$360,700 and 3 FTE Positions from the Housing Trust Fund in FY 2027 for the operating budget. These amounts are unchanged from FY 2026.

Housing Trust Fund Deposit

The Baseline includes no funding from the General Fund in FY 2027 for a Housing Trust Fund deposit. This amount is unchanged from FY 2026.

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

The fund had an FY 2025 ending balance of \$17,708,400 including encumbrances.

SUMMARY OF FUNDS	FY 2025 Actual	FY 2026 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	1,543,500	0
Year-End Fund Balance	(450,100)	(450,100)
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	748,700	777,700
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	30,692,700	12,670,800
Year-End Fund Balance	373,400	373,400
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	5,000	5,000
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	4,200	4,400
Year-End Fund Balance	4,500	3,300
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	117,696,400	118,963,200
Year-End Fund Balance	981,700	(6,906,400)

SUMMARY OF FUNDS	FY 2025 Actual	FY 2026 Estimate
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	713,600	713,600
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	3,185,100	2,200
Year-End Fund Balance	2,200	0
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	7,805,300	8,009,600
Year-End Fund Balance	7,610,400	5,324,300
Homeless Shelter and Services Fund (HDA3888/Laws 2023, Ch. 141)		Appropriated
Source of Revenue: Legislative appropriations		
Purpose of Fund: 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. This fund is repealed from and after June 30, 2027. Expenditures are not displayed to avoid double counting of the General Fund.		
Funds Expended	0	0
Year-End Fund Balance	24,493,100	42,500
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	376,200	37,400
Year-End Fund Balance	37,000	(400)
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	402,900	346,000
Year-End Fund Balance	62,300	99,300
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), gifts, grants, matching monies, direct payments, fees, or cost reimbursements from public or private entities in connection with housing programs, including loan repayments.		
Purpose of Fund: To pay the costs of administering the programs from which the deposits are received and for other department programs.		
Funds Expended	12,609,000	14,574,200
Year-End Fund Balance	58,444,600	70,174,700

SUMMARY OF FUNDS	FY 2025 Actual	FY 2026 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.		
Funds Expended	1,500	0
Year-End Fund Balance	5,700	5,700
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. § 35-751 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. Laws 2023, Chapter 133 included a one-time, non-lapsing deposit of \$150,000,000.		
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	388,800	360,700
Year-End Fund Balance	17,708,400	10,142,900
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. § 35-751 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. Laws 2023, Chapter 133 included a one-time, non-lapsing deposit of \$150,000,000.		
Purpose of Fund: The non-appropriated portion of the fund is used for the operation, construction, or renovation of housing facilities for emergency shelter services, transitional housing, individuals who have been designated as Seriously Mentally Ill, and low-income households. The Legislature may transfer monies from the fund to the Housing Development Fund for use on housing projects around state prisons. Expenditures are not displayed to avoid double counting of the General Fund. Please see the Appropriated portion of the fund for additional information.		
Funds Expended	0	0
Year-End Fund Balance	17,708,400	10,142,900
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	12,488,600	3,999,900
Year-End Fund Balance	0	100
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	700,100	700,100

SUMMARY OF FUNDS	FY 2025 Actual	FY 2026 Estimate
Military Transitional Housing Fund (HDA3808/A.R.S. § 41-3955.02)		Non-Appropriated
Source of Revenue: Legislative appropriations and federal monies.		
Purpose of Fund: To provide transitional housing opportunities for military members separating from the military and veterans in newly constructed housing facilities. The department may not use more than 10% of fund monies to administer the fund. General Fund expenditures are not displayed to avoid double counting.		
Funds Expended	0	0
Year-End Fund Balance	1,900,000	0
Mobile Home Relocation Fund (HDA2237/A.R.S. § 33-1476.02)		Non-Appropriated
Source of Revenue: Assessments collected from mobile homeowners 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. The fund received a \$5,000,000 appropriation in FY 2024. General Fund expenditures are not displayed to avoid double counting.		
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.		
Funds Expended	337,500	348,400
Year-End Fund Balance	12,521,700	12,495,700