

Arizona Department of Housing

JLBC: John Malloy
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Subcommittee: Education

DESCRIPTION	FY 2002 ACTUAL	FY 2003 ESTIMATE	FY 2004		FY 2005	
			OSPB	JLBC	OSPB	JLBC
PROGRAM BUDGET						
Department of Housing	423,400	438,800	424,000	424,400	424,000	424,400
AGENCY TOTAL	423,400	438,800	424,000	424,400	424,000	424,400

OPERATING BUDGET

Full Time Equivalent Positions	6.0	6.0	6.0	6.0	6.0	6.0
Personal Services	241,100	286,900	286,900	286,900	286,900	286,900
Employee Related Expenditures	49,300	62,200	36,200	36,200	36,200	36,200
Professional and Outside Services	15,300	13,900	13,900	13,900	13,900	13,900
Travel - In State	14,600	5,900	5,900	5,900	5,900	5,900
Travel - Out of State	7,200	3,800	3,800	3,800	3,800	3,800
Other Operating Expenditures	76,400	55,400	66,600	67,000	66,600	67,000
Equipment	19,500	10,700	10,700	10,700	10,700	10,700
AGENCY TOTAL	423,400	438,800	424,000	424,400	424,000	424,400

FUND SOURCES

Other Appropriated Funds

Housing Trust Fund	423,400	438,800	424,000	424,400	424,000	424,400
SUBTOTAL - Other Appropriated Funds	423,400	438,800	424,000	424,400	424,000	424,400
SUBTOTAL - Appropriated Funds	423,400	438,800	424,000	424,400	424,000	424,400
Other Non-Appropriated Funds	14,162,300	19,338,800	NA	19,890,900	NA	19,890,900
Federal Funds	38,923,500	51,436,300	NA	53,952,900	NA	53,952,900
TOTAL - ALL SOURCES	53,509,200	71,213,900	NA	74,268,200	NA	74,268,200

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC		FY 2003 to FY 2005 JLBC		Biennial
	\$ Change	% Change	\$ Change	% Change	\$ Change
Other Appropriated Funds	(14,400)	(3.3%)	(14,400)	(3.3%)	(28,800)

AGENCY DESCRIPTION — Through a variety of housing and community improvement programs, the department administers approximately \$70 million in federal and state housing and community development funds annually. The provision of affordable housing opportunities will be conducted in conjunction with the Arizona Housing Finance Authority.

PERFORMANCE MEASURES	FY 2002 Appropriation	FY 2002 Actual	FY 2003 Appropriation	FY 2004 Recommend.
• % of agency staff turnover	10	20	10	20
• Households assisted into homeownership (NEW)		413		453
• Affordable rental units assisted (NEW)		1,715		1,758
• Customer satisfaction rating (Scale 1-7) (NEW)		5.5		6.1
• Administration as a % of total cost	10	5.5	10	5.5

RECOMMENDED CHANGES FROM FY 2003

JLBC RECOMMENDED FORMAT — Lump Sum by Agency

Standard Changes	OF	FY 2004 \$(14,400)	FY 2005 \$(14,400)
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SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Community Workshops (HDA2149/A.R.S. § 41-1503)		Non-Appropriated
Source of Revenue: Workshop registration fees, publication fees, and environmental certification fees. On July 1, 2002, Housing transferred the balance in this fund to the IGA & ISA Fund.		
Purpose of Fund: To pay expenses incurred for workshops, the production of and distribution of publications and the monitoring of recycling industry development.		
Funds Expended	172,100	0
Year-End Fund Balance	109,600	0
Federal Funds (HDA2000/A.R.S. § 35-142)		Non-Appropriated
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	38,923,500	51,436,300
Year-End Fund Balance	435,400	286,900
Housing Development (HDA2313/A.R.S. § 41-1518)		Appropriated
Source of Revenue: Monies transferred through legislation from the Housing Trust Fund. The Legislature transferred \$500,000 from the Housing Trust Fund in FY 1999 and FY 2001. Final projects to be funded with the balance are expected to be selected in FY 2003.		
Purpose of Fund: To provide incentives for the development of affordable housing around state prisons for state prison employees.		
Funds Expended	764,200	500,000
Year-End Fund Balance	515,900	15,900
Housing Development Bond (HDA2196/A.R.S. § 35-726)		Appropriated
Source of Revenue: Fees earned in connection with housing bonds.		
Purpose of Fund: This fund is now inactive. At the beginning of FY 2003, the balance of these funds was transferred to the newly established Housing Program Fund.		
Funds Expended	0	0
Year-End Fund Balance	275,400	0
Housing Finance Review (HDA2234/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Fees received from developers who participate in the Federal Low-Income Housing Credit program.		
Purpose of Fund: This fund is now inactive. At the beginning of FY 2003, the balance of these funds was transferred to the newly established Housing Program Fund.		
Funds Expended	603,800	0
Year-End Fund Balance	818,200	0
Housing Program Fund (HDA9600/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, and fees from the Section 8 project-based contract administration program.		
Purpose of Fund: To pay the costs of administering the programs from which the deposits are received and for other department programs. Additionally, at the Director's election, to transfer to any fund established by the Arizona Housing Finance Authority in connection with any bonds or certificates issued by the Arizona Housing Finance Authority.		
Funds Expended	0	2,410,100
Year-End Fund Balance	0	1,336,300

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
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Housing Trust (HDA2235/A.R.S. § 41-1512)

Partially Appropriated

Source of Revenue: Receives 55% of the proceeds from the sales of unclaimed property and interest income.

Purpose of Fund: For expenses related to the provision of affordable housing opportunities to low and moderate income families. The appropriated portion pays for administration expenses, and may not exceed 10% of the Housing Trust monies. 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. *(See Housing Development Fund detail for additional information).*

The Arizona Department of Housing was created by Laws 2001, Chapter 22. Prior to this Act, the Department of Housing was a function of the Department of Commerce. The Housing Trust Fund, formerly a part of the Department of Commerce, was shifted to the newly established Governor's Office of Housing on January 1, 2002.

Appropriated Funds Expended	423,400	438,800
Non-Appropriated Funds Expended	11,850,500	13,733,500
Year-End Fund Balance	24,305,600	23,773,500

IGA & ISA Fund (HDA2500/A.R.S. § 41-3952)

Non-Appropriated

Source of Revenue: Interagency Service Agreements including \$2.5 million from the Housing Trust Fund through an interagency agreement to support the programs of the Arizona Housing Finance Authority. The fund will also receive monies through fees earned by the finance authority. On July 1, 2002, Housing transferred the balance of the Community Workshop Fund into the IGA & ISA Fund.

Purpose of Fund: The fund supports the activities of the Housing Finance Authority which issues bonds to finance single and multi-family housing programs. Funds associated with the Community Workshop Fund will expire at the end of FY 2003.

Funds Expended	1,535,900 ^{1/}	3,195,200 ^{1/}
Year-End Fund Balance	4,137,100 ^{2/}	1,136,700 ^{2/}

^{1/} Includes \$51,000 expended for functions associated with the Arizona Housing Finance Authority in FY 2002 and \$1,450,000 in FY 2003.

^{2/} Balance attributed to Arizona Housing Finance Authority in FY 2002 was \$2,500,000 and \$1,136,700 in FY 2003.

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