

Director: Sheila D. Harris

JLBC Analyst: Chris Cranny

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	6.0	9.0	9.0
Personal Services	271,300	455,800	436,700
Employee Related Expenditures	71,500	122,700	138,700
Professional and Outside Services	26,200	31,100	45,900
Travel - In State	10,600	7,000	11,700
Travel - Out of State	1,900	4,600	1,200
Other Operating Expenditures	67,000	60,000	73,200
Equipment	25,800	16,100	20,700
AGENCY TOTAL	474,300	697,300	728,100^{1/}

FUND SOURCES

Other Appropriated Funds

Housing Trust Fund	474,300	697,300	728,100
SUBTOTAL - Other Appropriated Funds	474,300	697,300	728,100
SUBTOTAL - Appropriated Funds	474,300	697,300	728,100
Other Non-Appropriated Funds	24,557,400	29,504,000	38,147,300
Federal Funds	61,764,000	63,617,800	65,384,100
TOTAL - ALL SOURCES	86,795,700	93,819,100	104,259,500

AGENCY DESCRIPTION — Through a variety of housing and community improvement programs, the department administers approximately \$103 million in federal and non-appropriated state housing and community development funds annually. 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.

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2007 Approved
PERFORMANCE MEASURES				
• Households assisted into homeownership	180	199	1,183	295
Comments: The agency reports that the increase in household assistance is due to lower interest rates and an increase in assistance through the Homes for Arizonans Program, which includes below market rate loans available through the program’s Mortgage Revenue Bond program in addition to the Homes for Arizonans Program’s down payment closing cost assistance.				
• Affordable rental units assisted	2,153	4,240	3,358	4,311
Comments: The agency reports that increasing home ownership dampened rental developers’ interest in making new rental units available in a market saturated by high vacancy rates. The decline in rental units is also tied to less tax exempt bond financing deals being proposed by developers through local industrial development authorities, which would have received 4 percent tax credit financing through the agency.				
• Customer satisfaction rating (Scale 1-7)	6.2	5.97	5.91	6.1

This agency’s budget was originally appropriated in Laws 2005, Chapter 286. For details on this agency’s original FY 2007 budget, please see the *FY 2006 Appropriations Report*. Laws 2006, Chapter 344 made adjustments to the agency’s FY 2007 budget as discussed below.

Operating Budget

The budget provides \$728,100 from the Housing Trust Fund for the operating budget in FY 2007. The amount includes an increase of \$63,400 from the Housing Trust Fund for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

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