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GOVERNOR'S EXECUTIVE BUDGET PROPOSAL INCLUDES FUNDING FOR KEY AFFORDABLE HOUSING INITIATIVES

****Funding for more housing development and continued mortgage assistance****

PHOENIX, AZ – Today, Governor Hobbs released her FY2026 Executive Budget, which funds critical Arizona Department of Housing (ADOH) programs and efforts to make housing more affordable for all Arizonans. The proposal dedicates resources to create more affordable housing statewide and continues assistance to first-time homebuyers.

"Housing affordability continues to be a huge challenge for many Arizonans, and this Executive Budget seeks to address these concerns," said ADOH Director Joan Serviss. "This proposal continues to fund solutions to our state's affordable housing shortage to ensure Arizona is home for everyone."

Affordable housing initiatives funded in the budget proposal include:

- **\$10 million per year through 12/31/2031 in State Housing Tax Credits**
The proposal extends and expands the current state program (\$4 million per year) set to expire this year. State housing tax credits work in conjunction with federal Low-Income Housing Tax Credits to help residential rental properties developers offset the cost of building affordable housing communities and assist them in bringing shovel-ready projects to completion.
- **\$15 million one-time deposit into the State Housing Trust Fund**
This deposit from the General Fund will be utilized to create and scale housing solutions targeted at working-class families including financing affordable housing construction, rehousing and assisting individuals at risk of homelessness, providing transitional housing across Arizona, and more.
- **\$5 million to the ARIZONA IS HOME program**
This deposit from federal American Rescue Plan Act (ARPA) dollars extends the current state program providing enhanced down payment assistance and mortgage interest rate relief to qualifying middle-income first-time homebuyers. To date, more than 500 homebuyers have closed on a home and the new allocation will expand the program to reach upwards of 1,000 households.

"The State Housing Tax Credit extension and expansion will create new jobs and positive economic impact, but most importantly, provide more affordable housing options for working-class Arizona families," said Serviss. "The other crucial proposals will help more Arizonans become homeowners and ensure assistance to those with housing insecurity."

Director Serviss is available to discuss FY 2026 housing initiatives and how the proposed budget will fund a range of solutions to Arizona's affordable housing shortage.

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About the Arizona Department of Housing (ADOH)

Established in 2002, we administer programs to create, preserve, and invest in affordable housing statewide. Rather than building and owning housing, we manage programs that convey mostly federal funding to organizations and governments who apply for funding and meet criteria developed by state and federal law. These community partners, in turn, build and own the housing our state needs.