

KATIE HOBBS  
Governor



JOAN SERVISS  
Director

STATE OF ARIZONA  
DEPARTMENT OF HOUSING

1110 W. Washington, Suite 280, Phoenix, AZ 85007  
(602) 771-1000 • www.azhousing.gov

September 1, 2023

*Sent Via Email and U.S. Mail*

Richard Stavneak, Director  
Joint Legislative Budget Committee  
1716 West Adams  
Phoenix, AZ 85007

**RE: Reporting requirement pursuant to Senate Bill 1720, Section 49, Lines 9-12; State Housing Trust Fund; expenditure plan for monies deposited in FY24 state approved budget**

Dear Mr. Stavneak:

Pursuant to Senate Bill 1720, Section 49, Lines 9-12, the Arizona Department of Housing (ADOH) is to submit an expenditure plan for the monies deposited into the State Housing Trust Fund to the Joint Legislative Budget Committee (JLBC) by September 1, 2023. Since the FY24 state budget passage in May of 2023, the Department has embarked on an extensive outreach effort to formulate the expenditure plan for these funds. The enclosed expenditure plan, to date, includes the following approach: stakeholder outreach, stakeholder proposal process, needs assessment, funding categories and Notices of Funding Availability (NOFA). We are pleased to provide this expenditure plan report for activities embarked upon to reporting deadline.

**State Housing Trust Fund**

The Housing Trust Fund provides flexible funding for affordable housing projects throughout Arizona, including matching funds for several federal housing programs. While new annual allocations from the State's Unclaimed Property Fund are capped at \$2.5 million, other resources are also deposited into the account such as fees earned through the Arizona Industrial Development Authority's single-family mortgage program, loan repayments, interest, and other monies that revert to the fund. Passage of the FY2024 state budget included a deposit of \$150 million into the State Housing Trust Fund.

Should you have any questions regarding this report, please feel free to call me at (602) 771-1007.

Sincerely,

A handwritten signature in black ink, appearing to read "Joan Serviss".

Joan Serviss, Director

Enclosure



# Housing Trust Funds Expenditure Plan

## 2024

Arizona Department of Housing

---



Arizona  
Department  
of Housing

# OVERVIEW

Pursuant to Senate Bill 1720, Section 49, Lines 9-12, the Arizona Department of Housing (ADOH) is to submit an expenditure plan for the monies deposited into the State Housing Trust Fund. Since the FY24 state budget passage in May of 2023, the Department has embarked on an extensive outreach effort to formulate the expenditure plan for these funds. The expenditure plan, to date, includes the following approach: stakeholder outreach, stakeholder proposal process, needs assessment, funding categories and Notices of Funding Availability (NOFA).

## Stakeholder Outreach

ADOH began stakeholder outreach in July 2023. Since that time ADOH has held eight (8) stakeholder feedback sessions with over four hundred (400) attendees. Stakeholder feedback sessions will continue through September 2023 for a total of ten (10) sessions.

## Open Proposal Process

Beginning in June 2023, ADOH created a portal on its website, soliciting project proposals and written narrative on how to address our state's affordable housing and homelessness problems from interested stakeholders. Stakeholders were encouraged to submit proposals detailing the projects and programs interested in applying for Housing Trust Funds. Proposals were accepted by ADOH through August 31, 2023.

## Needs Assessment

Once the stakeholder feedback and proposal process are complete, ADOH will analyze the feedback and compile community needs data to inform the next steps in the allocation process.

## Funding Categories

Based on stakeholder feedback and Arizona's needs assessment the Housing Trust Funds will be broken down into funding categories.

## Notices of Funding Availability

Notices of Funding Availability (NOFA) for each funding category will be drafted and released to the community by December 2023. Interested parties will be asked to participate in a formal solicitation and application process. Applications will be evaluated and awarded in conformance with the requirements of the subject NOFA.

## TIMELINE

