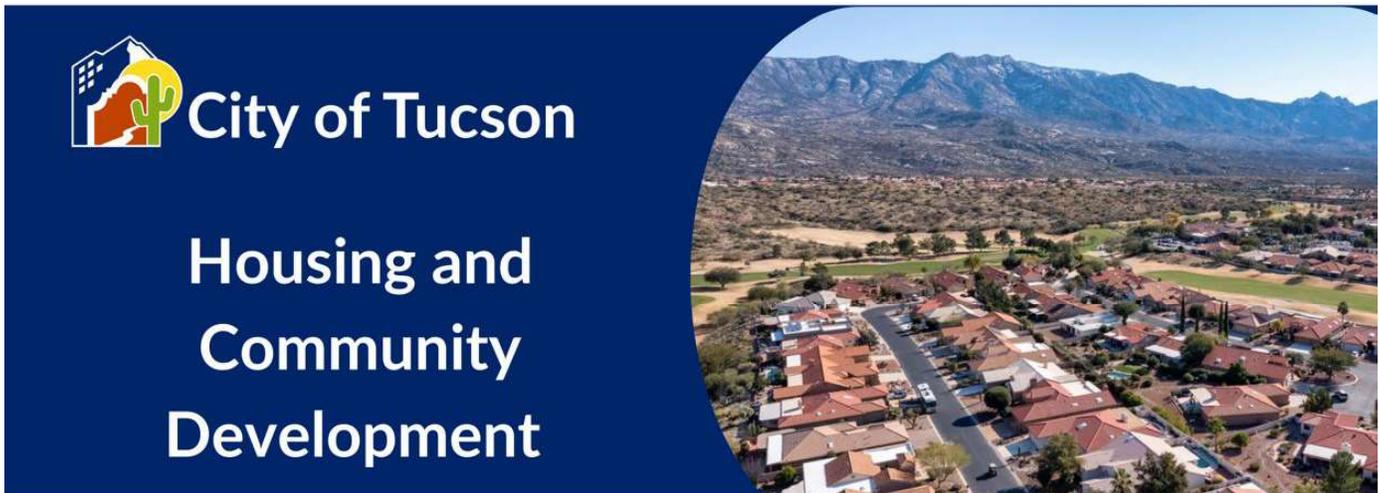


Housing & Community Development Department Overview



Mission Statement

The department is dedicated to supporting Tucson residents through housing, community development, and strategic investments. Its mission is simple but powerful: to make Tucson a "Home for Everyone."

The following divisions and functions are included in this department:

The **Administration Division** provides behind-the-scenes support for the department, including budgeting, staffing, and technology. Key responsibilities include helping to secure and manage grants that fund vital services.

The **Section 8 / Contracts Division** oversees housing assistance contracts and tracks the funding and outcomes. Key responsibilities include reporting program impacts to City leadership and the public.

The **Planning and Community Development Division** assists low-income homeowners with essential home repairs to ensure safe and stable living conditions.

The **Public Housing Program Division** manages over 1,500 housing units for elderly, disabled, and low-income families. Key responsibilities include properties like Tucson House, Craycroft Towers, Lander Garden, and MLK Apartments, along with family housing across 500+ sites.

The **Non-Federal Public Housing Division** offers rental assistance to help low-income individuals and families access safe and affordable housing.

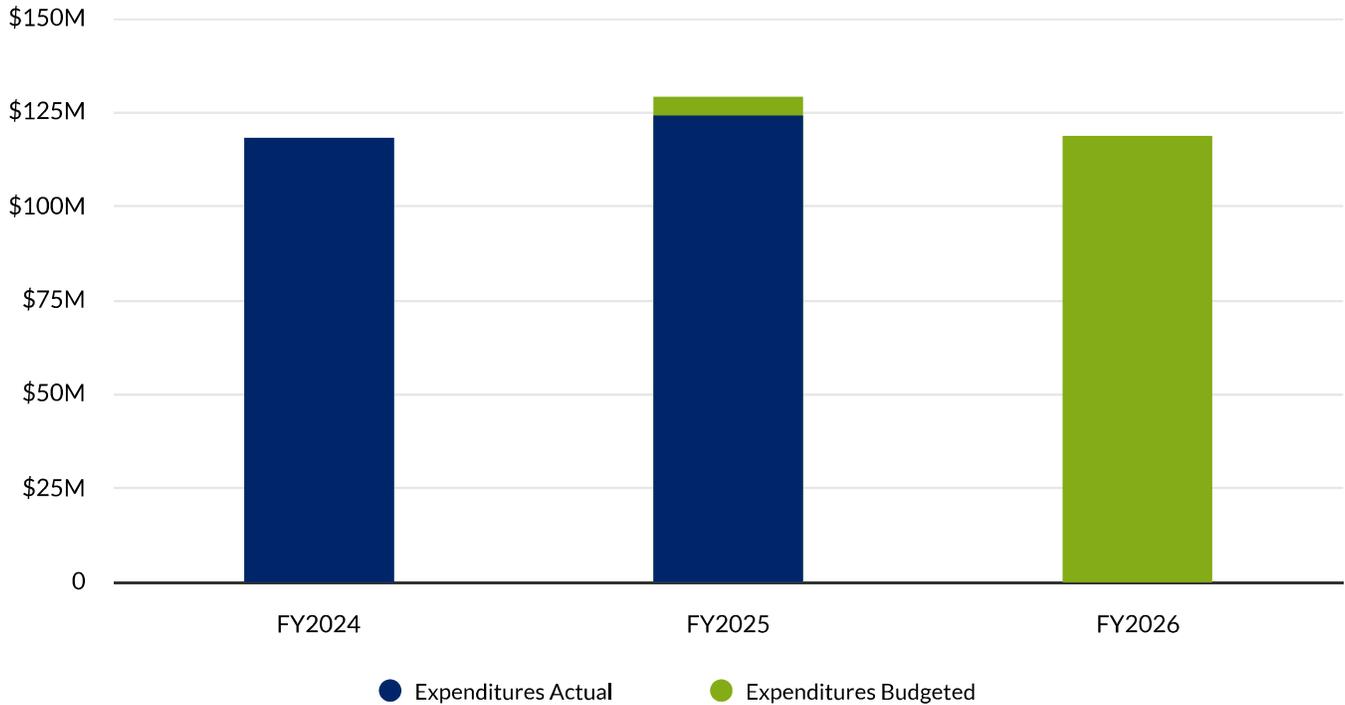
The **Executive Office/Grants Division** supports financial operations and oversight for community development and contracts programs.

Expenditure Summary

\$118,575,977

-\$10,697,002 / 8.27% Lower Than the Prior Year's Budget

Historical Expenditures Across Department



Note: Amounts shown in the graphs are rounded up.

Significant Changes

The Housing and Community Development budget for Fiscal Year 2026 is set at \$118.6 million, representing a decrease of 8.27% from the Fiscal Year 2025 budget of \$129.3 million. This adjustment follows Fiscal Year 2025 actual expenditures of \$124.2 million, which equaled 96.1% of the approved budget and reflected a 5.23% increase over the prior year.

Trends

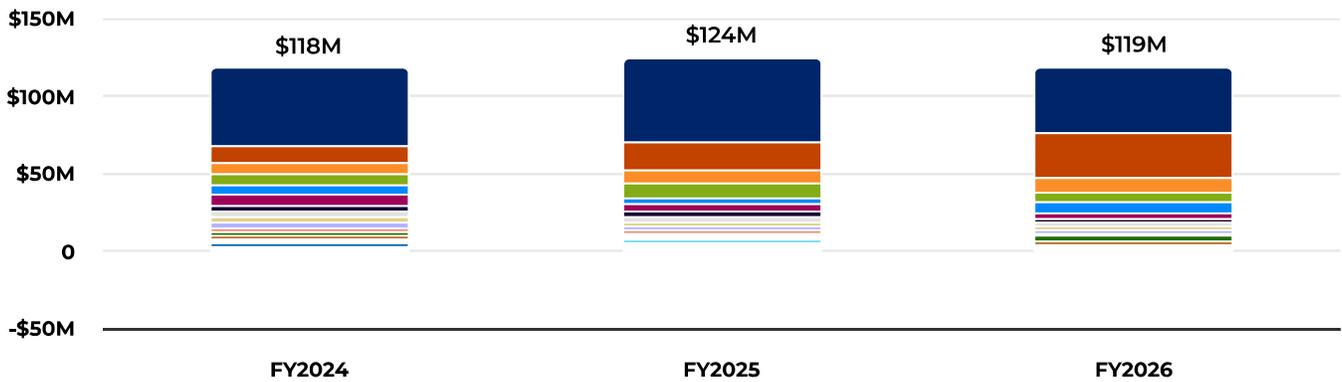
The Fiscal Year 2026 budget signals a downward trend in planned expenditures when compared to both the previous year's budget and actual spending. This decline highlights a shift toward more constrained funding levels, suggesting either the completion of prior initiatives, reduced reliance on one-time resources, or a strategic realignment of program priorities within Housing and Community Development.

Expenditures by Fund

This chart shows how the department distributed funding among different housing and community development programs over the last three fiscal years.

- Fiscal Year 2023: Total expenditures were \$118 million, with the majority funded through the Section 8 Housing Fund and General Fund, Federal and Local Fundings.
- Fiscal Year 2024: Spending increased to \$124 million, reflecting expanded support for housing programs.
- Fiscal Year 2025: Expenditures are projected to decrease slightly to \$119 million, while maintaining a strong commitment to affordable housing and grant-funded community development initiatives.

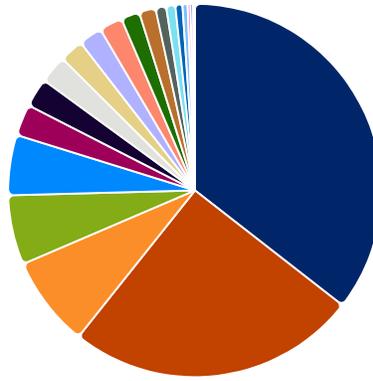
Historical Expenditures by Fund



- | | | |
|-------------------------------------|--------------------------------------|---|
| ● Section 8 Housing Fund | ● General Fund | ● Miscellaneous Housing Grants |
| ● Pima County Housing Fund | ● Community Development Block Grants | ● H.O.M.E. Affordable Housing Fund |
| ● Hcd Housing Tucson House Amp | ● Hcd Non-Pha Asset Management | ● Miscellaneous Non Federal Grant Funds |
| ● Hcd Housing Zone 6 Amp | ● Hcd Housing Zone 5 Amp | ● Hcd Housing Zone 3 Amp |
| ● Housing Enterprise Funds 1 | ● Hcd Housing Zone 4 Amp | ● Hcd Housing Posadas Sentinel 140 Amp |
| ● Miscellaneous Federal Grant Funds | ● American Rescue Plan | ● Hcd Housing Mlk 68 Amp |
| ● Hcd Housing Lander Amp | ● Hcd Housing South Park 28 Amp | ● Hcd Housing Silverbell 28 Amp |
| ● El Pueblo Housing Development | ● Mass Transit Grant Fund | ● HOUSING ENTERPRISE FUNDS 2 |

Note: Amounts shown in the graphs are rounded up.

FY26 Expenditures by Fund



Section 8 Housing Fund	\$42,144,912	35.54%
General Fund	\$29,834,660	25.16%
Miscellaneous Housing Grants	\$9,295,894	7.84%
Community Development Block Grants	\$7,149,464	6.03%
Pima County Housing Fund	\$6,214,186	5.24%
H.O.M.E. Affordable Housing Fund	\$3,225,667	2.72%
Hcd Housing Tucson House Amp	\$2,969,250	2.50%
Hcd Housing Zone 3 Amp	\$2,856,708	2.41%
Hcd Non-Pha Asset Management	\$2,469,860	2.08%
Housing Enterprise Funds 1	\$2,414,182	2.04%
Miscellaneous Non Federal Grant Funds	\$2,363,130	1.99%
Hcd Housing Zone 5 Amp	\$1,895,550	1.60%
Hcd Housing Zone 6 Amp	\$1,718,070	1.45%
Hcd Housing Zone 4 Amp	\$1,089,625	0.92%
Hcd Housing Posadas Sentinel 140 Amp	\$940,500	0.79%
Hcd Housing Milk 68 Amp	\$718,121	0.61%
Miscellaneous Federal Grant Funds	\$536,000	0.45%
Hcd Housing Lander Amp	\$305,200	0.26%
Hcd Housing South Park 28 Amp	\$234,700	0.20%
Hcd Housing Silverbell 28 Amp	\$200,300	0.17%
HOUSING ENTERPRISE FUNDS 2	\$0	0.00%

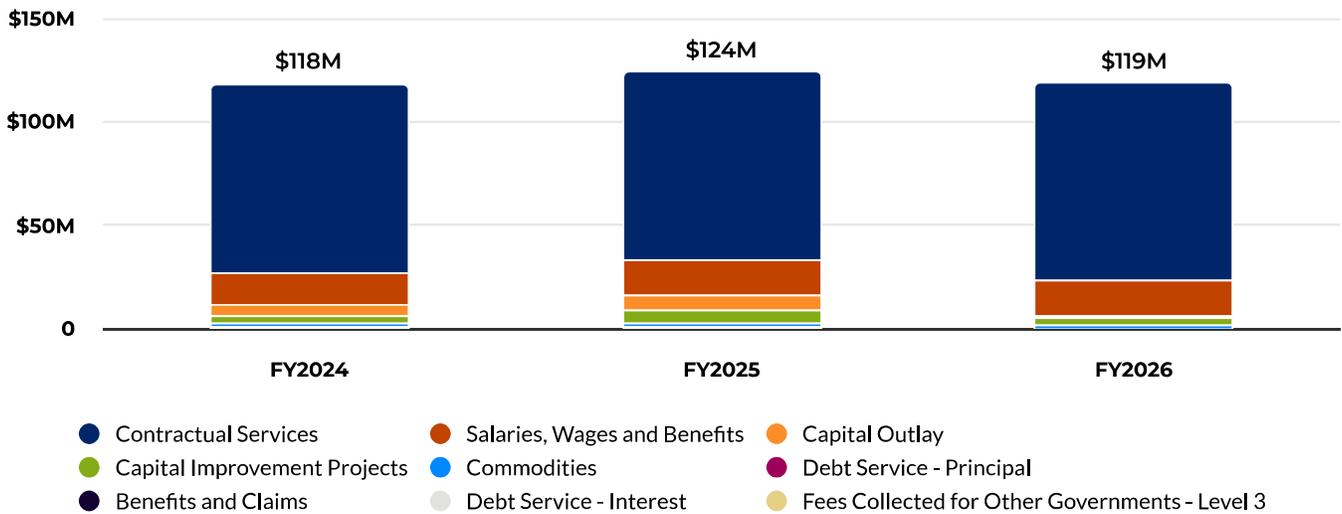
Notes: Charts may not total 100% due to rounding.

Expenditures by Type

This chart shows how the department’s spending has been allocated by category over the past three fiscal years:

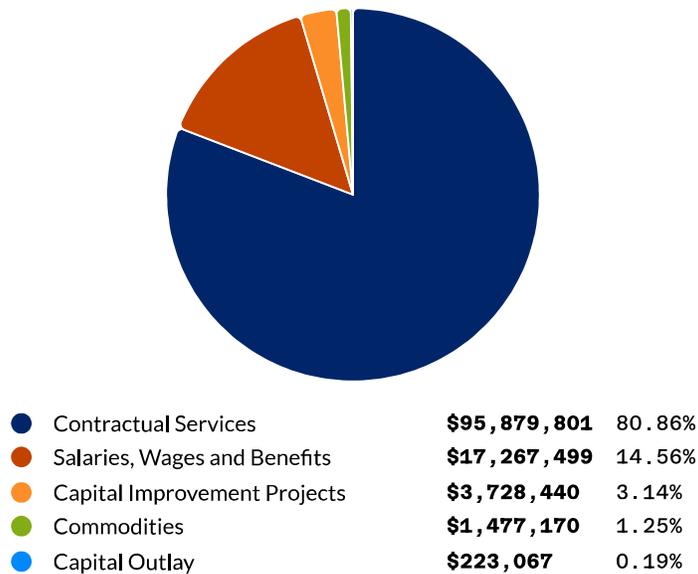
- Fiscal Year 2023: Expenditures totaled \$118 million, with the majority directed toward Contractual Services and Salaries, Wages, and Benefits. Only minimal funds were allocated to Capital Improvements and Debt Service (Interest).
- Fiscal Year 2024: Spending increased to \$124 million, driven by rising costs in Contractual Services and personnel expenses, supporting the continued delivery of housing programs.
- Fiscal Year 2025: Expenditures are projected to decrease slightly to \$119 million, with modest reductions in Contractual Services, Salaries, Wages and Benefits, Capital Improvement Projects and Commodities.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Type



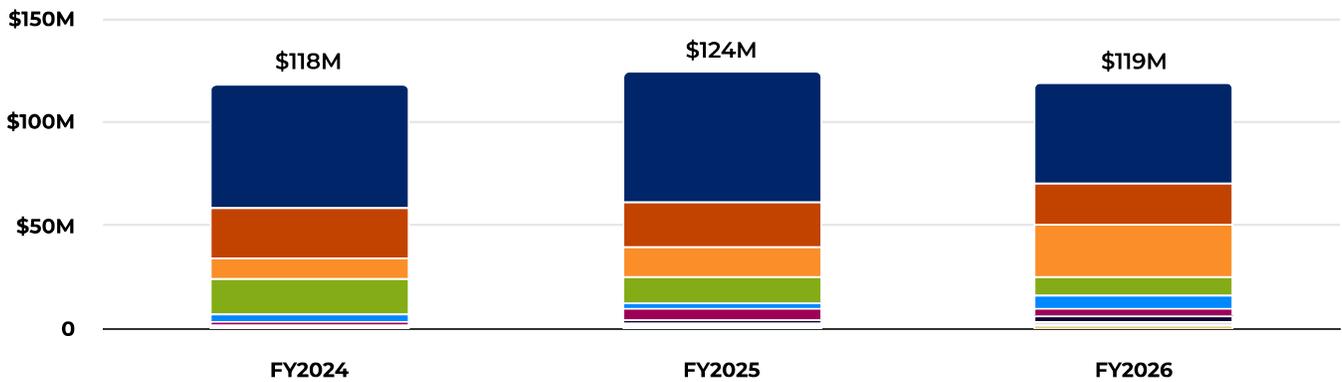
Note: Charts may not total 100% due to rounding.

Expenditures by Cost Center

This chart highlights how the Housing and Community Development Department allocated expenditures across key program areas over the past three fiscal years:

- Fiscal Year 2024: Total expenditures were \$118 million, with major allocations to:
 - Section 8
 - Planning and Community Development
 - Public Housing
- Fiscal Year 2025: Spending increased to \$124 million, reflecting expanded investments in:
 - Section 8
 - HCD Administration
 - Housing and Community Development
- Fiscal Year 2026: Spending is projected to decrease to \$119 million, with continued funding support for:
 - Section 8
 - HCD Administration
 - Housing and Community Development

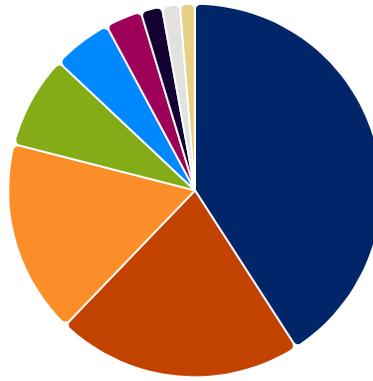
Historical Expenditures by Cost Center



- | | | |
|------------------------------|--------------------------------------|---|
| • Section 8 | • Planning and Community Development | • HCD - Administration |
| • Public Housing | • Non-Federal Public Housing | • Housing First |
| • HCD One time funding | • Housing and Community Development | • Housing and Community Development - Capital |
| • Affordable Housing Finance | • Human Services | • Compliance |
| • Residential Rehab | • HCD Planning Division | |

Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Cost Center



● Section 8	\$48,490,447	40.89%
● HCD - Administration	\$25,254,082	21.30%
● Planning and Community Development	\$19,912,202	16.79%
● Public Housing	\$9,550,354	8.05%
● Non-Federal Public Housing	\$6,048,605	5.10%
● Housing First	\$3,755,188	3.17%
● HCD One time funding	\$2,190,240	1.85%
● Housing and Community Development	\$1,836,660	1.55%
● Housing and Community Development - Capital	\$1,538,200	1.30%

Note: Charts may not total 100% due to rounding.

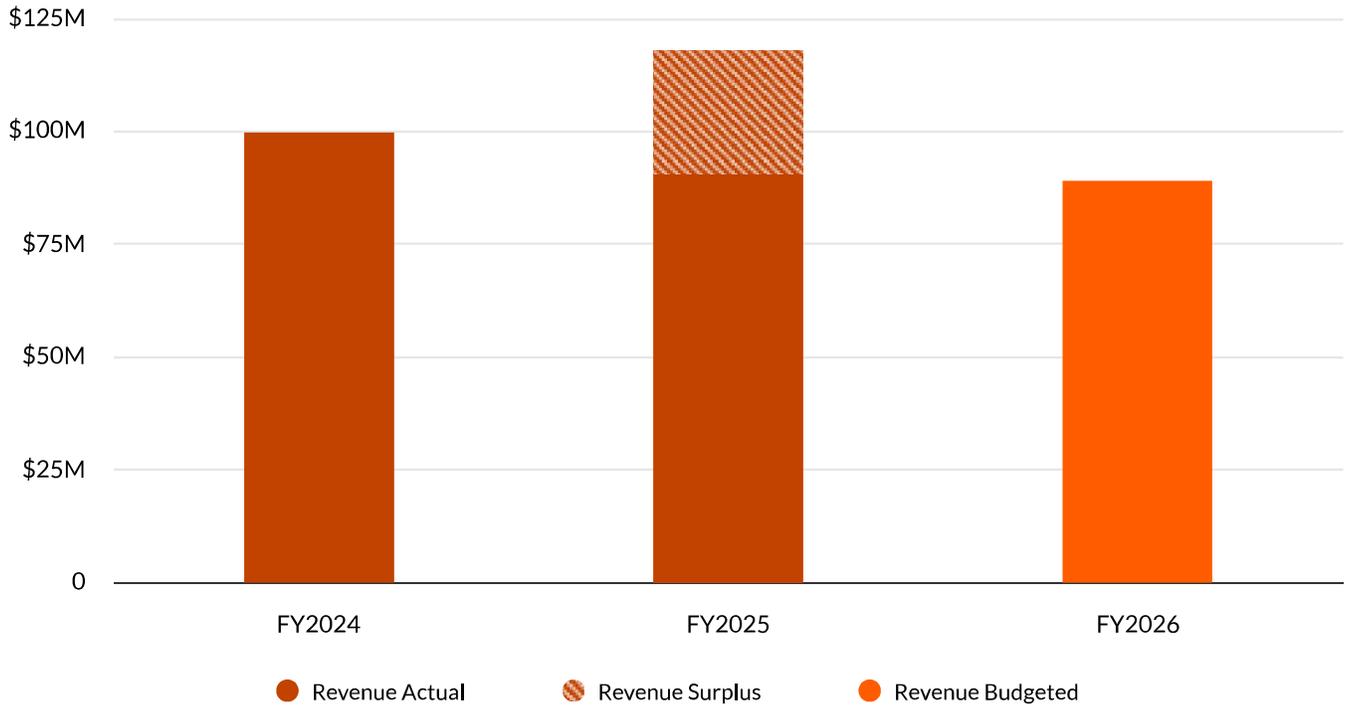
Revenue Summary

\$89,025,444

Includes Transfers In and Out

-\$1,635,424 / 1.80% Lower Than the Prior Year's Budget

Historical Revenues Across Department



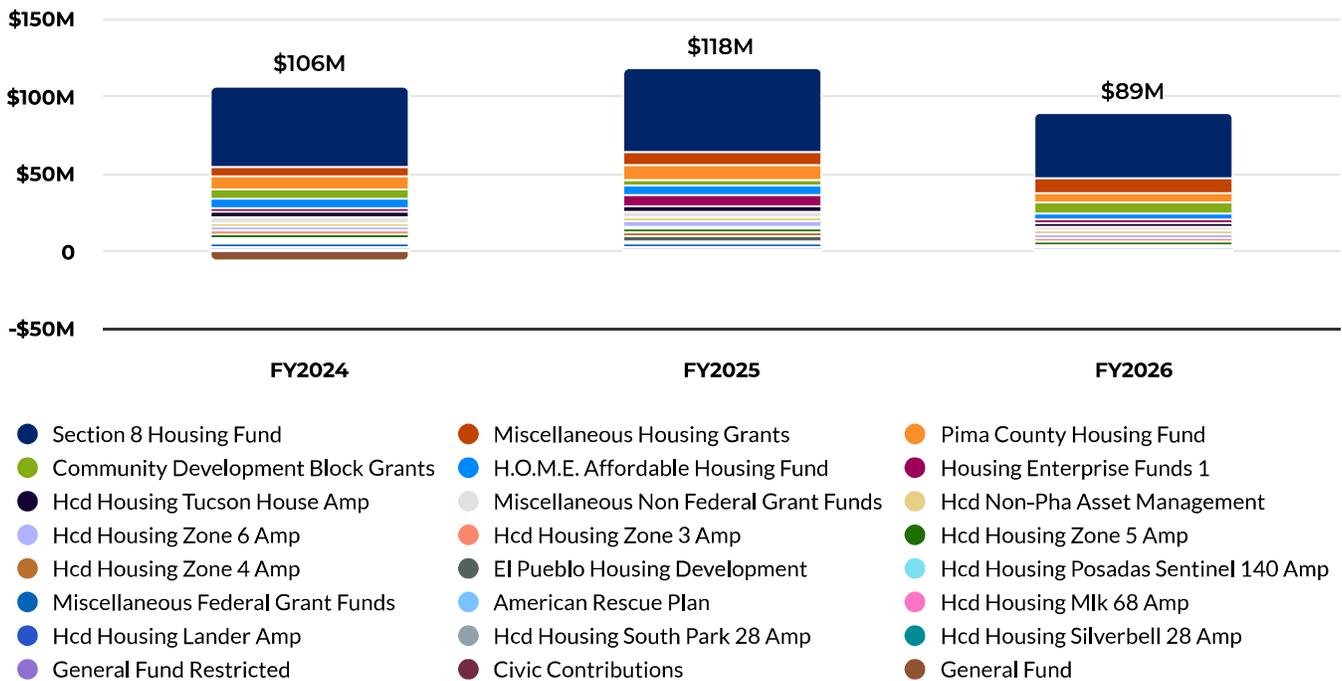
Note: Amounts shown in the graphs are rounded up.

Revenues by Funding Source

This chart illustrates the Housing and Community Development Department’s revenue from various funding sources over the past three fiscal years:

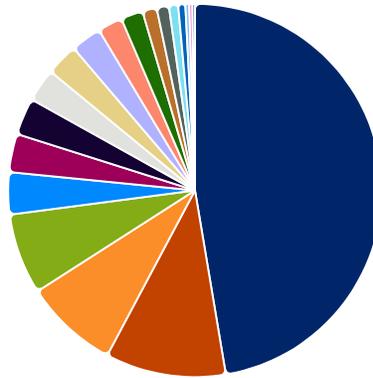
- Fiscal Year 2024: Total revenue was approximately \$106 million, primarily supported by the Section 8 Housing Fund, Miscellaneous Funding, Grants
- Fiscal Year 2025: Revenues increased at \$118 million, with a slight increase in Section 8 Housing, Grants to continue supporting the department’s programs and services.
- Fiscal Year 2026: Revenues are projected to decrease by \$89 million, largely due to the decrease of funding sources—such as Section 8, Miscellaneous and Grants ensuring continued support for the department’s mission and priorities.

Historical Revenues by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Revenues by Fund



Section 8 Housing Fund	\$42,144,910	47.34%
Miscellaneous Housing Grants	\$9,295,894	10.44%
Community Development Block Grants	\$7,257,950	8.15%
Pima County Housing Fund	\$6,214,190	6.98%
H.O.M.E. Affordable Housing Fund	\$3,245,100	3.65%
Hcd Housing Tucson House Amp	\$2,969,250	3.34%
Hcd Housing Zone 3 Amp	\$2,856,710	3.21%
Housing Enterprise Funds 1	\$2,570,390	2.89%
Hcd Non-Pha Asset Management	\$2,469,860	2.77%
Miscellaneous Non Federal Grant Funds	\$2,363,130	2.65%
Hcd Housing Zone 5 Amp	\$1,895,550	2.13%
Hcd Housing Zone 6 Amp	\$1,718,070	1.93%
Hcd Housing Zone 4 Amp	\$1,089,620	1.22%
Hcd Housing Posadas Sentinel 140 Amp	\$940,500	1.06%
Hcd Housing Mlk 68 Amp	\$718,120	0.81%
Miscellaneous Federal Grant Funds	\$536,000	0.60%
Hcd Housing Lander Amp	\$305,200	0.34%
Hcd Housing South Park 28 Amp	\$234,700	0.26%
Hcd Housing Silverbell 28 Amp	\$200,300	0.22%

Notes: Charts may not total 100% due to rounding.

Revenues by Type

This chart breaks down the sources of revenue that fund the Housing and Community Development Department's programs over the past three fiscal years:

In Fiscal Year 2026, total revenue for Housing and Community Development is projected at \$89.0 million, reflecting a 24.47% decrease from the Fiscal Year 2025 total of \$117.9 million. The decline is driven by broad reductions across nearly all revenue categories, particularly in federal and service-based sources.

Major Revenue Sources

- Federal Grants and Contributions – Capital remains the dominant revenue stream at \$80.4 million (90.27% of total revenue). However, this category decreased by \$23.2 million (-22.37%) compared to the prior year, underscoring reduced availability of federal funding.
- Charges for Services is the second-largest category, contributing \$8.5 million (9.49%), but declined by \$2.4 million (-22.47%), further reducing service-related revenues.

Declining Secondary Revenues

- Use of Money and Property decreased by 61.75% to \$135,000, now representing only 0.15% of total revenue.
- Investment Income fell sharply by 88.31% to \$33,150, comprising 0.04% of the total.
- Other Non-Operating Income declined by 10.74% to \$23,820, or 0.03% of revenue.
- Miscellaneous Revenue dropped significantly by 97.03% to \$17,000, accounting for just 0.02% of the total.

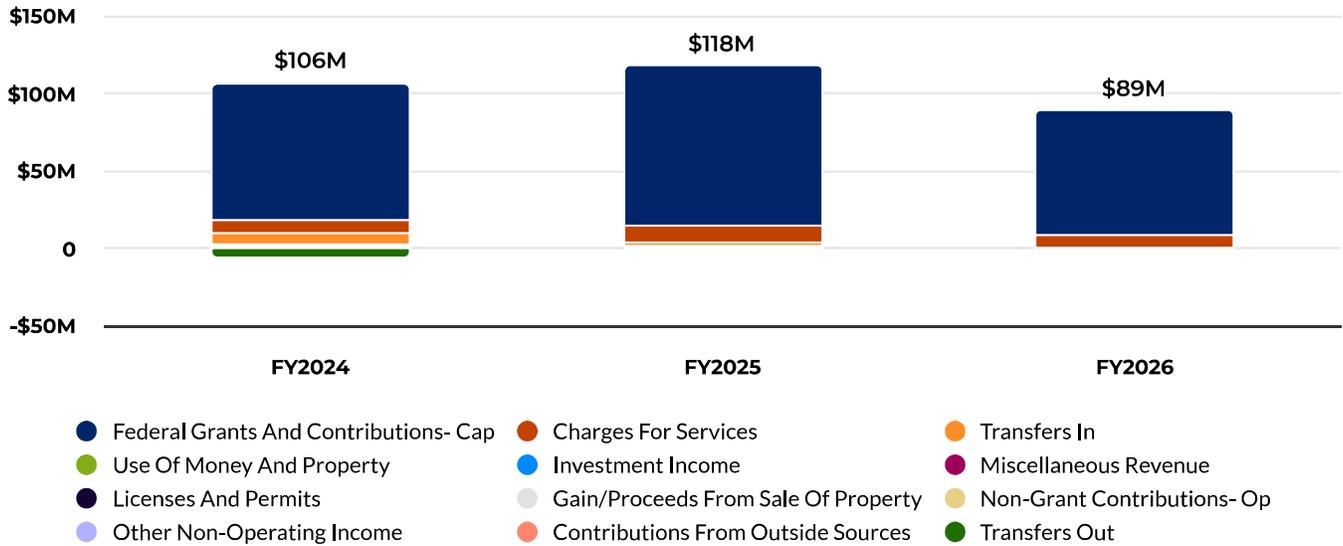
Eliminated Categories

Several revenue sources were reduced to zero in Fiscal Year 2026, including:

- Licenses and Permits (-100%)
- Non-Grant Contributions – Operating (-100%)
- Contributions from Outside Sources (-100%)
- Gain/Proceeds from Sale of Property (-\$202,195, 100%)
- Transfers In (-\$2.0 million, 100%)

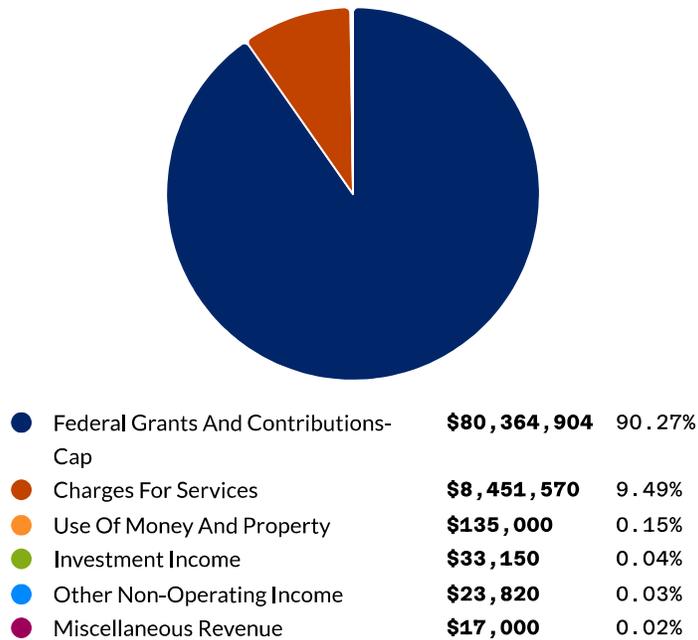
The Fiscal Year 2026 revenue outlook highlights a substantial contraction in funding, with decreases across nearly all sources. While Federal Grants and Contributions – Capital continue to dominate at more than 90% of total revenue, this category also declined notably, reinforcing the department's increasing vulnerability to reductions in federal support. The elimination or sharp reduction of multiple secondary categories further narrows the revenue base, leaving Housing and Community Development with a heavily concentrated and less diversified funding structure heading into FY2026.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Revenues by Type



Notes: Charts may not total 100% due to rounding.

Position Resources

Fiscal Year 2026 Adopted FTE Count

