



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature  
First Regular Session

Senate: COM DPA/SE 5-0-2-0 | 3<sup>rd</sup> Read DP 23-5-2-0

## **SB 1136: rural business development advisory council**

**S/E: housing grants; military; veteran; homeless**

**Sponsor: Senator Borrelli, LD 30**

**Committee on Military Affairs & Public Safety**

### **Summary of the Strike-Everything Amendment to SB 1136**

#### **Overview**

Creates the Housing Grant Program (Grant Program), under the aegis of the Department of Housing (DOH), to construct military transitional housing, veteran housing, affordable housing or homeless housing (Program Housing) with grants awarded to for-profit or non-profit companies and organizations, municipalities or counties or consortiums of municipalities and counties (Housing Entities) using renewable building materials, innovative building materials and renewable energy and innovative energy for utilities (Sustainable Elements).

#### **History**

The DOH annually administers approximately \$180 million in federal and non-appropriated state housing and community development funds. The department provides affordable housing opportunities in conjunction with the Arizona Industrial Development Authority ([JLBC Baseline Budget FY 2024, DOH](#)).

The International Energy Conservation Code is a model building code that sets minimum energy efficiency standards in new construction which was developed by the International Code Council. The state of Arizona has not adopted a version of this code statewide, but many municipalities have adopted local versions of the code ([National Homebuilders Association, IECC](#); [Building Codes Assistance Project, Arizona](#); [Office of Energy Efficiency and Renewable Energy, Arizona](#)).

The United States Green Building Council (USGBC) is a non-profit organization that promotes sustainability in building design, construction and operation. Its building rating system provides a framework for healthy, efficient, carbon and cost-saving green buildings ([United States Green Building Council, LEED](#)).

#### **Provisions**

1. Establishes the Grant Program, under the administration of DOH, for the construction of Program Housing in Arizona. (Sec. 1)
2. Directs Grant Program grants to be awarded to Housing Entities for the construction Program Housing using Sustainable Elements. (Sec. 1)
3. Allows Grant Program monies to also be awarded to Housing Entities for the: a) construction of renewable or innovative building materials; and b) installation of renewable or innovative energy components, machinery or equipment. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
--	--	---	--------------------------------------

4. Permits DOH to establish priorities for funding grant projects, which may include funding indoor encampment structures, tiny homes or similar low-cost structures that can be assembled quickly. (Sec. 1)
5. Requires Grant Program projects to optimize energy performance and comply with the State Energy Conservation Code. (Sec. 1)
6. Allows Grant Program projects to include various specified Sustainable Elements. (Sec. 1)
7. Mandates that DOH issue Grant Program grants that are conditional on a municipality or a county, or a consortium of municipalities and counties, adopting requirements that a Grant Program project comply with the USGBC building rating system or a rating system authorized by the same. (Sec. 1)
8. Requires Grant Program projects to include the installation or replacement of at least one of the following:
  - a) A heating, ventilation and air conditioning system that is designed to reduce energy costs by at least 5%; or
  - b) A plumbing system that is designed to reduce potable water consumption in the aggregate by at least 30%. (Sec. 1)
9. Defines relevant terms. (Sec. 1)
10. Repeals the Grant Program on January 1, 2029. (Sec. 2)