

**HOUSING  
FLEXIBLE SUBSIDY  
2005 Summary Statement and Initiatives  
(Dollars in Thousands)**

<b>FLEXIBLE SUBSIDY FUND</b>	<b><u>Enacted/ Request</u></b>	<b><u>Carryover</u></b>	<b><u>Supplemental/ Rescission</u></b>	<b><u>Total Resources</u></b>	<b><u>Obligations</u></b>	<b><u>Outlays</u></b>
2003 Appropriation .....	...	\$314,894 <sup>a</sup>	-\$308,018	\$6,876	...	-\$20,430
2004 Appropriation/Request .....	...	26,876 <sup>a</sup>	...	26,876	...	...
2005 Request .....	<u>...</u>	<u>46,876<sup>a</sup></u>	<u>...</u>	<u>46,876</u>	<u>...</u>	<u>...</u>
Program Improvements/Offsets .....	...	20,000	...	20,000	...	...

a/ Includes offsetting collections.

**Summary Statement**

No new obligations are anticipated in fiscal year 2005. The obligations for fiscal year 2004 are from prior year commitments. In fiscal year 2003, \$308 million were rescinded as a part of the \$1.6 billion Departmental rescission required by Public Law 108-7.

By fiscal year 2005, all resources from fiscal year 1995 and prior years that were available for obligation will have been exhausted and no recapture of fiscal year 1995 appropriated funds, which can be made available for obligation, are anticipated. Refunding of excess rental income remitted to the Department could be made from either the Rental Housing Assistance Fund or the Flexible Subsidy Fund, as authorized by Section 532 of the fiscal year 2000 Appropriations Act and amended by Section 861 of the American Homeownership and Economic Opportunity Act of 2000. However, excess rental income in the Rental Housing Assistance Fund not refunded to project owners will be transferred to the Flexible Subsidy Fund.

The Flexible Subsidy Fund was initially authorized by the Housing and Community Development Amendments of 1978, subsequently amended by the Housing and Community Development (HCD) Act of 1987, and further amended by the McKinney Homeless Assistance Amendments Act of 1988. The HCD Amendments of 1978 established the Flexible Subsidy Fund into which repaid funds would be credited along with any transfer from the Rental Housing Assistance Fund.

The unobligated balance remaining in this account in fiscal year 2005 will consist of excess rental income, interest and principal on loans, and interest on investments. However, none of these funds are available for obligation, without expressed Congressional appropriation.

**Initiatives**

No new initiatives are proposed for fiscal year 2005.

Flexible Subsidy Fund

HOUSING  
FLEXIBLE SUBSIDY FUND  
Summary of Resources by Program  
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2003 Budget Authority</u>	<u>2002 Carryover Into 2003</u>	<u>2003 Total Resources</u>	<u>2003 Obligations</u>	<u>2004 Budget Authority/ Request</u>	<u>2003 Carryover Into 2004</u>	<u>2004 Total Resources</u>	<u>2005 Request</u>
Flexible Subsidy .....	-\$308,018 a/	\$314,894	\$6,876	...	...	\$26,876	\$26,876	...
Total Flexible Subsidy Fund .....	-308,018	314,894	6,876	...	...	26,876	26,876	...
FTE								
Headquarters .....			...				...	...
Field .....			<u>14</u>				<u>14</u>	<u>14</u>
Total .....			14				14	14

a/ Reflects funds rescinded as a part of the \$1.6 billion rescission under the Housing Certificate fund pursuant to Public Law-108-7.

NOTES

2002 Carryover Into 2003

Balance includes offsetting collections of \$24 million in fiscal year 2003.

2003 Carryover Into 2004

Balance includes \$20 million of collections anticipated in fiscal year 2004.

Flexible Subsidy Fund

HOUSING  
FLEXIBLE SUBSIDY FUND  
Program Offsets  
(Dollars in Thousands)

<b>Flexible Subsidy</b>	<b><u>Amount</u></b>
2003 Appropriation .....	-\$308,018
2004 Appropriation/Request .....	...
2005 Request .....	<u>...</u>
Program Improvements/Offsets .....	...

**Proposed Actions**

None.

Flexible Subsidy Fund

**HOUSING  
FLEXIBLE SUBSIDY  
Performance Measurement Table**

<b>Program Name: Flexible Subsidy</b>					
Program Mission: The Flexible Subsidy Fund was initially authorized by the Housing and Community Development Amendments of 1978, subsequently amended by the Housing and Community Development (HCD) Act of 1987, and further amended by the McKinney Homeless Assistance Amendments Act of 1988. The HCD Amendments of 1978 established the Flexible Subsidy Fund into which repaid funds would be credited along with any transfer from the Rental Housing Assistance Fund.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2003 Plan	2003 Actual	2004 Enacted	2005 Plan
The share of assisted and insured privately owned multifamily properties that meet HUD-established physical standards are maintained at no less than 95 percent.	MF Program Office and Annual Performance Plan	95%	95%	95%	95%

**Explanation of Indicators**

This indicator tracks the progress made by multifamily properties receiving assistance, as a group, in meeting physical condition standards established under the Real Estate Assessment Center's (REAC) Physical Assessment Inspection program.

Flexible Subsidy Fund

**HOUSING**  
**FLEXIBLE SUBSIDY**  
**Justification of Proposed Changes in Appropriations Language**

The 2005 President's Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

No new language is proposed.

**Explanation of Changes**

No new policy changes are proposed in this account.

Flexible Subsidy Fund

HOUSING  
FLEXIBLE SUBSIDY  
Crosswalk of 2003 Availability  
(Dollars in Thousands)

<u>Budget Authority</u>	<u>2003 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2003 Resources</u>
Flexible Subsidy .....	...	-\$308,018	...	...	\$314,894	\$6,876

NOTES

Transfers to Other Accounts

There are no transfers to other accounts.

Carryover

The carryover balance consists of \$290.8 million in unobligated balance carried forward from fiscal year 2002, plus \$24 million in offsetting collections realized in fiscal year 2003.

Flexible Subsidy Fund

HOUSING  
 FLEXIBLE SUBSIDY  
 Crosswalk of 2004 Changes  
 (Dollars in Thousands)

<u>Budget Authority</u>	2004 President's Budget <u>Request</u>	Congressional Appropriations Action on 2004 <u>Request</u>	2004 Supplemental/ <u>Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2004 Resources</u>
Flexible Subsidy .....	...	...	...	...	\$26,876	\$26,876

NOTES

Carryover

The carryover balance consists of \$6.9 million in unobligated balance carried forward from fiscal year 2003, plus \$20 million in offsetting collections anticipated in fiscal year 2004.