

HOUSING
 FLEXIBLE SUBSIDY FUND
 2006 Summary Statement and Initiatives
 (Dollars in Thousands)

FLEXIBLE SUBSIDY FUND	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2004 Appropriation	\$42,013 ^a	...	\$42,013	...	-\$34,495
2005 Appropriation	62,013 ^b	...	62,013	...	...
2006 Request	<u>...</u>	<u>82,013^c</u>	<u>...</u>	<u>82,013</u>	<u>...</u>	<u>...</u>
Program Improvements/Offsets	+20,000	...	+20,000	...	...

- a/ Consists of unobligated balance of \$6.9 million carried forward from fiscal year 2003 and offsetting collections of \$35.1 million realized during fiscal year 2004.
 b/ Includes \$20 million of offsetting collections anticipated for fiscal year 2005.
 c/ Includes \$20 million of offsetting collections anticipated for fiscal year 2006.

Summary Statement

No new obligations are anticipated in fiscal year 2006.

By fiscal year 2006, 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. Excess rental income in the Rental Housing Assistance Fund not refunded to project owners will continue to 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 2006 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 Congressional appropriations.

Initiatives

No new initiatives are proposed for fiscal year 2006.

Flexible Subsidy Fund

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Summary of Resources by Program
(Dollars in Thousands)

<u>Budget Activity</u>	<u>2004 Budget Authority</u>	<u>2003 Carryover Into 2004</u>	<u>2004 Total Resources</u>	<u>2004 Obligations</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2006 Request</u>
Flexible Subsidy	\$42,013	\$42,013	...	...	\$62,013	\$62,013	...
Total Flexible Subsidy Fund	42,013	42,013	...	...	62,013	62,013	...

NOTES

2003 Carryover Into 2004. Balance consists of the \$6.9 million of unobligated balance from fiscal year 2003 carried forward into fiscal year 2004 and \$35.1 million of offsetting collections realized in fiscal year 2004.

2004 Carryover Into 2005. Balance consists of the \$42 million of unobligated balance from fiscal year 2004 carried forward into fiscal year 2005 and \$20 million of offsetting collections anticipated for fiscal year 2005.

<u>FTE</u>	<u>2004 Actual</u>	<u>2005 Estimate</u>	<u>2006 Estimate</u>
Headquarters
Field	7	7	7
Total	7	7	7

Flexible Subsidy Fund

HOUSING
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Program Offsets
(Dollars in Thousands)

Flexible Subsidy	<u>Amount</u>
2004 Appropriation
2005 Appropriation
2006 Request	<u>...</u>
Program Improvements/Offsets

Proposed Actions

There are no proposed actions for this program.

Flexible Subsidy Fund

**HOUSING
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Performance Measurement Table**

Program Name: FLEXIBLE SUBSIDY FUND					
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	
		2004 Plan	2004 Actual	2005 Plan	2006 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	94.7%	95.5%	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.

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Justification of Proposed Changes in Appropriations Language**

The 2006 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

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 Crosswalk of 2004 Availability
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2004 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2004 Resources</u>
Flexible Subsidy	\$42,013	\$42,013
Total	42,013	42,013

NOTES

Carryover. The carryover balance consists of \$6.9 million of unobligated balance carried forward from fiscal year 2003 and \$35.1 million of offsetting collections realized during fiscal year 2004.

Flexible Subsidy Fund

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Crosswalk of 2005 Changes
(Dollars in Thousands)

<u>Budget Authority</u>	2005 President's Budget <u>Request</u>	Congressional Appropriations Action on 2005 <u>Request</u>	2005 Supplemental/ <u>Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2005 Resources</u>
Flexible Subsidy	\$62,013	\$62,013
Total Changes	62,013	62,013

NOTES

Carryover. The carryover balance consists of the \$42 million of unobligated balance from fiscal year 2004 carried forward into fiscal year 2005 and \$20 million of offsetting collections is anticipated for fiscal year 2005.