



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

July 08, 2003

OFFICE OF PUBLIC AND INDIAN HOUSING

Dear Executive Director:

The Department has become aware there are some questions regarding the timing of distribution of Capital Fund subsidies for FY 2003. We want to inform you that HUD expects to distribute funding notifications to all public housing agencies (PHAs) by mid-to-late August 2003. We recognize the importance of timely distribution and are doing our best to get the necessary funding out to you as soon as possible.

Two factors adversely affected this year's Capital Fund distribution. First, as many of you are aware, HUD's FY 2003 Appropriations Act was passed at the end of February 2003. Public and Indian Housing then received its allotment in mid-March. And second, with this appropriation came a vast number of set-asides that required evaluation prior to the Department running the funding formula. Also note that in FY 2002, when HUD's appropriation was passed at the end of November 2001, the Department distributed Capital Funds approximately six months later in May. We will meet a similar timeframe in distributing FY 2003 Capital Funds, despite the late appropriation and added Congressionally mandated set-asides.

In addition, when you receive your funding notification, you will also receive a detailed processing notice that will provide specific information regarding the distribution of the timely obligation set-aside.

Again, we want to assure you that funding is on its way and we regret any inconvenience.

Sincerely,

A handwritten signature in black ink that reads "William C. Thorson".

William Thorson  
Director, Office of Capital Improvements