



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF THE ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

BOARD OF SUPERVISORS

2009 MAY 11 P 2:55

May 1, 2009

Mr. Jim DeMartini
Chair of Board of Supervisors
County of Stanislaus
Suite 6500
1010 Tenth Street
Modesto, CA 95354

Dear Mr. DeMartini:

I am pleased to inform you that the Department of Housing and Urban Development's Fiscal Year (FY) 2009 budget has been enacted and signed by President Obama. This letter provides your FY 2009 allocations for the Office of Community Planning and Development's (CPD's) formula programs: Community Development Block Grant (CDBG); HOME Investment Partnerships; Housing Opportunities for Persons With AIDS (HOPWA); and Emergency Shelter Grants (ESG). These programs provide funding for housing, community and economic development activities, and assistance for low- and moderate-income persons and special populations across the country.

HUD's budget for FY 2009 is included in the Omnibus Appropriations Act, 2009 (Public Law 111-8). The amounts available include reallocated funds for the CDBG and HOME programs. There is no funding for the American Dream Downpayment Initiative (ADDI) in FY 2009. The following amounts reflect the level of funding available for these programs in your community:

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| Community Development Block Grant | \$2,491,849 |
| HOME Investment Partnerships | \$ 0 |
| Housing Opportunities for Persons With AIDS | \$ 0 |
| Emergency Shelter Grants | \$109,687 |

This letter provides an opportunity for HUD to highlight several important issues. First, HUD continues to emphasize the importance of effective performance measurements in all of its formula grant programs. Grantees must report outcome indicators for all open activities in the Integrated Disbursement and Information System (IDIS) to assess their performance toward achieving their objectives and outcomes in their Consolidated Annual Performance and Evaluation Report. It is vitally important that HUD have complete performance measurement data to report to Congress, the Office of Management and Budget, and the public at large. The Obama Administration's commitment to transparency and accountability underscores the importance of this data. Your ongoing attention to ensuring complete and accurate reporting of performance measurement data will be crucial to HUD's ability to demonstrate the effectiveness of its formula grant programs.

Second, problems in the subprime mortgage markets and resulting property foreclosures are having significant impacts on a number of local governments. CDBG and HOME funds represent a

resource that local governments may use to address some of the consequences of these problems, particularly for lower income families and neighborhoods. HUD urges its formula grantees, as part of the consolidated plan process, to examine their use of these grant funds to either reinforce activities that help stabilize homeownership at the local level or to consider establishing such activities in the coming year. HUD is committed to using the flexibility of these programs to aid communities in addressing the potential impact of these problems and urges grantees to contact the appropriate CPD field office to discuss any ideas or concerns on the use of formula funds for these purposes.

Additionally, these funds are separate from funds appropriated under the American Recovery and Reinvestment Act (Recovery Act). The Recovery Act provided funds for the CDBG program and several other initiatives managed by CPD, such as the Homelessness Prevention Fund and the Tax Credit Assistance Program. These Recovery Act funds have already been allocated on a formula basis and HUD has issued guidance on how to access and use these funds. If your jurisdiction is receiving funds under any of the Recovery Act programs, please review the appropriate guidance by visiting HUD's Recovery Act website at www.hud.gov.

Finally, the Department again urges grantees to consider the needs of our returning veterans and their families in the design and administration of these formula programs. Over the past seven years, several hundred thousand of our fellow Americans have served our nation on the battlefields of Iraq and Afghanistan and countless other places around the globe. Many veterans are returning to our communities with wounds and injuries that may make it difficult for them to find housing or support themselves and/or their families. I am confident that you will consider their sacrifice and ensure that these men and women receive the utmost consideration in the use of these funds at the local level.

I look forward to continuing our partnership to assist lower income residents in your community. As always, HUD is available to provide any assistance you require in implementing your programs. If you or any member of your staff have questions, please contact your local CPD office director.

Sincerely,

A handwritten signature in black ink, appearing to read "Nelson R. Bregón". The signature is stylized and cursive.

Nelson R. Bregón
General Deputy Assistant Secretary