



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

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OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

January 17, 2008

Mr. William O'Brien
Board of Supervisors Chairman
County of Stanislaus
1010 Tenth Street, Suite 6500
Modesto, CA 95354

BOARD OF SUPERVISORS
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Dear Mr. O'Brien:

I am pleased to inform you that the Department of Housing and Urban Development's Fiscal Year (FY) 2008 budget has been enacted and signed by the President. This letter provides your FY 2008 allocations for the Office of Community Planning and Development's (CPD) formula programs: Community Development Block Grants (CDBG); HOME Investment Partnerships; the American Dream Downpayment Initiative (ADDI); Housing Opportunities for Persons with AIDS (HOPWA); and Emergency Shelter Grants (ESG). These programs provide funding for housing, community and economic development, and assistance for low- and moderate-income persons and special populations across the country.

HUD's budget for FY 2008 is included in the Consolidated Appropriations Act, 2008 (P.L. 110-161). The amounts available include reallocated funds for the CDBG and HOME programs. The following amounts reflect the level of funding available for these programs in your community:

Community Development Block Grants	\$2,463,730
HOME Investment Partnerships	\$0
American Dream Downpayment Initiative	\$0
Housing Opportunities for Persons with AIDS	\$0
Emergency Shelter Grants	\$109,694

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. 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 likely to have 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.

Finally, the Department 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 six 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 now 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 will 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 that reads "Nelson R. Bregón". The signature is written in a cursive style with a large, sweeping initial "N".

Nelson R. Bregón
General Deputy Assistant Secretary