



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

SEP 26 2008

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

The Honorable Thomas Mayfield
Board of Supervisors Chairman
County of Stanislaus
1010 Tenth Street, Suite 6500
Modesto, CA 95354

Dear Chairman Mayfield:

On behalf of Secretary Steven Preston, I am pleased to inform you that the County of Stanislaus has been allocated \$9,744,482 in funding through HUD's Neighborhood Stabilization Program (NSP). The NSP is authorized by the recently enacted Housing and Economic Recovery Act of 2008 (HERA) and is funded at a level of \$3.92 billion.

The purpose of the NSP is to assist states and local governments in addressing the effects of abandoned and foreclosed properties in the nation's communities. The uses of NSP funds are:

- Establishment of financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties;
- Purchase and rehabilitation of abandoned and foreclosed homes and residential properties;
- Establishment of land banks for homes that have been foreclosed upon;
- Demolition of blighted structures; and
- Redevelopment of demolished or vacant properties.

Pursuant to the statutory directive of HERA, the NSP is closely related to the long standing Community Development Block Grant (CDBG) program. As a result, HUD will implement the NSP by relying upon existing CDBG requirements and making appropriate adjustments to accommodate the directives of HERA. The guidance implementing the NSP is contained in a Notice to be available September 29, 2008 on HUD's website at www.hud.gov/nsp and also published in the Federal Register during the first few days of October. This website will also provide a wide range of other information which will be useful to NSP grantees.

The Notice describes the application process that your jurisdiction will have to follow to obtain its NSP allocation. Briefly, the application will be an amendment to your jurisdiction's existing consolidated plan that governs the use of CDBG and other HUD formula program funds. This approach has the advantage of building upon planning actions already undertaken by your jurisdiction and, to further speed the process, HUD is abbreviating citizen participation requirements. These steps are intended to assist grantees in developing their program and submitting their application to HUD not later than December 1, 2008. Failure to apply by December 1, 2008 will result in the reallocation of your jurisdiction's funds to other grantees.

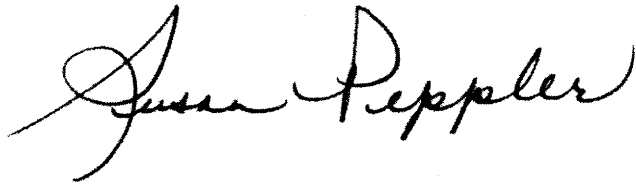
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The Department is committed to assisting grantees in the implementation of the NSP at the state and local level. To this end, Secretary Preston is hosting a housing summit in Washington, DC on October 7 and 8 and I encourage you to attend to benefit from the most current information regarding the NSP and other aspects of HERA. Information on the housing summit can be found at www.hud.gov. Further, HUD will conduct a series of one day informational sessions on the NSP to be held at several locations across the country beginning October 10. Information on these sessions will be available on HUD's website as soon as details are finalized.

As your staff undertake efforts to develop an NSP program, I urge them to contact the Community Planning and Development staff in your assigned HUD field office if they have any questions. HUD's field staff is, as always, the best source of guidance as to program requirements and HUD's expectations.

I look forward to working with you to ensure the rapid and successful implementation of the NSP to benefit the nation's communities.

Sincerely,

A handwritten signature in black ink, reading "Susan Pepler". The signature is written in a cursive style with a large, looped initial "S".

Susan D. Pepler
Assistant Secretary