



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

ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

JUL 30 2010

BOARD OF SUPERVISORS

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Mr. Jeff Grover  
Chair of Board of Supervisors  
1010 Tenth Street  
Suite 6500  
Modesto, CA 95354

Dear Mr. Grover:

As a grantee under the Neighborhood Stabilization Program (NSP1), Stanislaus County is statutorily required to obligate its NSP1 funds within 18 months of the date on which HUD executed the grant agreement. This letter is to advise you that the end of the 18 month obligation period for Stanislaus County is September 19, 2010.

As of July 26, 2010, the Department's Disaster Recovery Grant Reporting (DRGR) system indicates that Stanislaus County has obligated 90.2 percent of its NSP1 funds. This means that Stanislaus County must obligate the remaining 9.8 percent of its NSP1 funds not later than September 19, 2010, in order to avoid recapture of unobligated funds by HUD. The ability of Stanislaus County to obligate NSP1 funds will be terminated shortly after 6:00 PM local time on September 19, 2010. Subsequently, grantees will have thirty (30) days to verify and adjust information in DRGR for activities that had valid obligations as of September 19, 2010. Please note that Stanislaus County will have an additional thirty (30) months from September 19, 2010, to expend NSP1 funds for activities that have validly incurred obligations.

Grantees are also reminded of their statutory obligation to use at least 25 percent of the NSP1 grant amount for the purpose of providing housing to households at or below 50 percent of area median income. The Department is closely tracking grantee performance on this particular requirement and will hold grantees accountable for achieving this level of benefit.

The Department will shortly issue a notice that describes the recapture and reallocation process in greater detail and a copy will be provided to your NSP1 administrator via email. As the obligation deadline draws closer, HUD will provide further updates on the status of obligations.

It is the Department's desire to see each NSP1 grantee make maximum progress toward the 100 percent obligation goal. To this end, HUD has established the NSP technical assistance (NSP TA) effort to provide grantees with a broad range of services and information to improve their implementation and administration of NSP1. Your NSP1 staff is urged to consult the NSP TA website at [www.hud.gov/nspta](http://www.hud.gov/nspta) to pose questions to program experts, view webcasts on critical issues, and request technical assistance where appropriate. Questions and inquiries may also be directed to the HUD field staff with responsibility for your jurisdiction.

Thank you for your support of the Neighborhood Stabilization Program.

Sincerely,

A handwritten signature in black ink that reads "Mercedes Márquez".

Mercedes Márquez  
Assistant Secretary