



U.S. Department of Housing and Urban Development

Atlanta Office
Community Planning and Development
Five Points Plaza
40 Marietta Street, NW, 15th Floor
Atlanta, GA 30303-2806

MAR 05 2009

Ms. Terri M. Lee
Deputy Commissioner
Department of Planning and Community Development
City of Atlanta
55 Trinity Avenue, SW, Suite 1450
Atlanta, GA 30335-0323

Dear Ms. Lee:

SUBJECT: Neighborhood Stabilization Program (NSP)
Grant Number: B-08-MN-13-0001

The Department has approved your jurisdiction's substantial action plan amendment for the NSP funds in the amount of \$12,316,082 and looks forward to working with you as your jurisdiction begins to implement its NSP. Enclosed are three copies of the Funding Approval and Grant Agreement (Grant Agreement) for the NSP grant funds allocated to the City of Atlanta, Georgia.

The NSP is authorized by Title III of the Housing and Economic Recovery Act of 2008 (HERA). Please note that under the terms of HERA, NSP grantees have 18 months to use the funds awarded to them. The 18-month period was triggered by HUD's execution of the Grant Agreement. Please execute the agreements, retain one for your records, and return two as quickly as possible, but no later than March 13, 2009, to ensure that you have the maximum time available to use the NSP funds. Grant Agreements should be returned to this office at the following address:

Department of Housing and Urban Development
Atlanta Office of Community Planning and Development
40 Marietta Street, NW, 15th Floor
Atlanta, Georgia 30303

Grant Agreements must be signed by an authorized official of the grantee. Upon receipt of the executed Grant Agreements, HUD will immediately forward a fully executed Grant Agreement to the Department's accounting operations center in order to make the funds available in the grantee's line of credit. Please recall that NSP funds will be available through HUD's Disaster Recovery Grant Reporting (DRGR) system, not the Integrated Disbursement and Information System (IDIS). If you have questions regarding DRGR, please contact the DRGR help desk at DRGR_Help@hud.gov. HUD will notify grantees when NSP funds are available for drawdown through DRGR.

Grantees are reminded that the October 6, 2008, Federal Register Notice establishing NSP requires quarterly reporting by grantees (see 73 FR 58341, Section O, Reporting). Such reports are due not later than 30 days following the end of each calendar quarter with the first such report due not later than July 31, 2009, for the quarter ending June 30, 2009. Given the 18-month period in which grantees must use the NSP funds, it is imperative that grantees regularly update DRGR with program performance information. HUD will closely monitor quarterly report submissions and will aggressively pursue grantees that fail to report in a timely manner. Grantees are also reminded that each quarterly report must be posted on their websites so that the public may have ready access to the information.

In the October 6, 2008, Notice, HUD authorized grantees to use up to 10 percent of their NSP funds for administrative costs incurred in management and implementation of the NSP. While HUD is cognizant of the fiscal pressures facing many state and local governments, please understand that these funds may only be used for the administration of the NSP and may not be used to finance the broader governmental functions of the grantee. The Department will be monitoring NSP drawdowns to identify instances where grantees draw administrative funds that are excessive in relation to the level of program progress.

Grantees are reminded that:

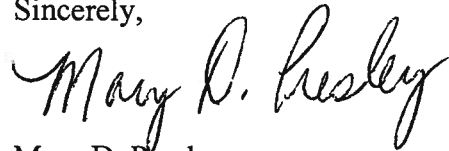
- The October 6, 2008, Federal Register Notice requires that NSP grantees maintain on their official website, a copy of the final approved substantial action plan amendment. Grantees are also reminded that they are required to post quarterly performance reports to their websites concurrent with their submission to HUD.
- NSP-funded activities are subject to applicable provisions of the HUD Environmental Review Procedures (24 CFR Part 58). In this regard, a request for release of funds must be approved by HUD prior to the obligation or utilization of funds for NSP activities. The environmental review process for NSP is the same as for the Community Development Block Grant (CDBG) program.
- The Grant Agreement requires grantees to submit information on performance measurement as established by the Secretary for activities undertaken with NSP grant funds.
- As a recipient of HUD funds, federal law requires that you ensure your plan benefits all members of your community, without regard to race, color, national origin, sex, religion, familial status, or disability. You should take affirmative steps to ensure that no person is denied the benefit of housing or housing-related services for any of the foregoing reasons.
- Providing false, fictitious, or misleading information with respect to the administration of NSP funds may result in criminal, civil, or administrative prosecution under 18 U.S.C. 1001, 18 U.S.C. 1343, 31 U.S.C. 3729, 31 U.S.C. 3801, or another applicable statute.

The Department would also like to take this opportunity to inform grantees that the recently enacted American Recovery and Reinvestment Act of 2009 (ARRA) provides \$2 billion in funding for a second edition of NSP. These funds will be distributed through a competitive process that HUD will identify not later than May 2, 2009. If your jurisdiction is interested in pursuing an award of these or other funds provided through ARRA, HUD advises that you continually monitor HUD's website at www.hud.gov or the White House economic recovery website at www.recovery.gov.

ARRA also repealed section 2301(d)(4) of HERA, which established requirements on the "reinvestment of profits" for the original NSP. This provision presented a significant obstacle to the implementation of NSP and repeal of the provision will enable HUD to issue revised guidance on the treatment of "program income" under NSP. It is the Department's intent to treat NSP income in a manner similar to program income under the CDBG program. However, NSP income may only be used to fund NSP eligible uses identified in HERA. Guidance on this and other changes made by ARRA will be forthcoming in March 2009 and will be posted on HUD's NSP website at www.hud.gov/nsp.

The Department is pleased to have this opportunity to work with your jurisdiction through the Neighborhood Stabilization Program and we are available to assist with your implementation of the program.

Sincerely,



Mary D. Presley
Director

Atlanta Office of Community Planning
and Development

Enclosures