August 31, 2012



Stanislaus Grand Jury 1021 | Street, Floor 3 Modesto, CA 95354

RE: Neighborhood Stabilization 2 Program Response

Dear Members of the Civil Grand Jury;

First off, I would like to thank the members of the Civil Grand Jury for taking the time and energy to respond to the City of Modesto's request for review of the Neighborhoods Stabilization Program (NSP). As the members involved in this review realize, the program is complex, requiring the participating cities to work with local data and housing stock to design and create credible priorities, while working through an ever changing list of federal regulations and very difficult timelines set by the past legislation.

In our response we indicate that most of your recommendations have been implemented. The intent of the Neighborhood Stabilization Program was to stabilize economically depressed neighborhoods and create jobs. It should be noted that the scope of the program was quite extensive and the City of Modesto worked diligently to meet program goals within very tight deadlines set by federal legislation. That being said The Civil Grand Jury's Report, HUD's Office of the Inspector General Report, and HUDsponsored technical assistance provided excellent recommendations and process reviews to confirm staff's strengths and weaknesses. I believe the City of Modesto has revised program guidelines and procedures, as appropriate based on these reports.

As required, the City of Modesto has attached its response to the findings and recommendations of the Grand Jury report and again, thanks to the members of the Civil Grand Jury for the research and diligence in this process.

Yours truly,

Greg Nyhoff, City Manager City of Modesto, CA

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