



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

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

December 21, 2004

The Honorable Bill Haslam
Mayor of Knoxville
P.O. Box 1631
Knoxville, TN 37901

Dear Mayor Haslam:

I am pleased to inform you that the Department of Housing and Urban Development's Fiscal Year (FY) 2005 budget has been enacted and signed by the President. This letter provides your FY 2005 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 special populations across the country.

HUD's budget is included in the "Omnibus Appropriations Act for FY 2005" which dictates an across-the-board reduction of 0.80 percent. According to the law, the Department is required to reduce each program contained in the Act by that amount. CPD's formula programs are not exempt from this cut. The FY 2005 allocations below have already been reduced to reflect this requirement. Also, the amounts include reallocated funds in the CDBG and HOME programs. The allocations reflect the level of funding approved for these programs in your community and replace the planning numbers for FY 2005, which were previously made available by HUD.

The following amounts represent your FY 2005 allocation(s):

Community Development Block Grant	\$2,137,870
HOME Investment Partnerships	\$1,390,875
American Dream Downpayment Initiative	\$60,472
Housing Opportunities for Persons with AIDS	\$0
Emergency Shelter Grants	\$82,734

In order to pursue the objectives of performance management, HUD has been part of an effort led by national public interest groups that also included grantees and the Office of Management and Budget, to develop a system to measure and standardize outcomes so that results can be aggregated at the national level. The result is a framework that maintains the flexibility of the block grants while offering a menu of objectives, outcome measures and indicators that will be incorporated into the redesign of the Integrated Disbursement and

Information System (IDIS). This will enable HUD to demonstrate the benefits and success of the CPD formula grant programs. You will be hearing more about this framework in the near future, as we value your opinions and advice related to its implementation.

HUD has requested that you develop and report on performance measures for your community reflecting local goals and achievements as part of your Consolidated Annual Performance and Evaluation Report (CAPER). To that end, in consultation with grantees like yourself, HUD has developed the Consolidated Plan Management Process (CPMP) Tool to both streamline the process and make it more results oriented. We ask that you study the Tool with an eye toward using it for your future Consolidated Plan and Annual Action Plan submissions. The Tool can be found on the CPD website at <http://www.hud.gov/cpmp/>.

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 has questions, please contact your local CPD Division Director.

Sincerely,

A handwritten signature in black ink that reads "Nelson R. Bregón". The signature is written in a cursive style with some stylized flourishes.

Nelson R. Bregón
General Deputy Assistant Secretary