



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PEACHTREE SEVENTH BUILDING, ATLANTA, GEORGIA 30323

JAN 22 1969

Room 645
January 20, 1969

REGION III

Office of the Regional Administrator

IN REPLY REFER TO:

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Mr. Johnny C. Johnson
Director
City Demonstration Agency
673 Capitol Avenue
Atlanta, Georgia 30315

Dear Mr. Johnson:

Subject: Expenditure of Planning Grant Funds Prior
to Execution of Grant Contract

I refer to recent conversations between Mr. David Caldwell of your staff and Mr. Thomas E. Williams, Model Cities Coordinator for Atlanta, concerning the expenditure by the CDA of planning grant funds beyond the period specified in the approved Planning Budget. As you know, your revised Planning Budget, which was approved by HUD on September 12, 1968, covers the period from December 1, 1967 through January 31, 1969. However, since the grant budget for the first year execution phase of your program may not be executed until after January 31, 1969, all eligible planning costs may and should continue to be paid for under the planning budget (both the Federal Planning Grant and the non-Federal contribution) until such time as planning funds are exhausted or until the grant contract is executed, whichever is earliest.

Sincerely yours,

Earl H. Metzger, Jr.
Assistant Regional Administrator
for Model Cities