



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

JAN 28 2011

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

Mr. Ommeed Sathe
Director, Real Estate Services
New Orleans Redevelopment Authority
1340 Poydras Street
New Orleans, LA 70112

Dear Mr. Sathe:

The Department received the New Orleans Redevelopment Authority NSP2 consortium's amendment request dated by December 17, 2010. The New Orleans Redevelopment Authority (NORA) and its consortium members were awarded a Neighborhood Stabilization Program 2 (NSP2) grant of \$29,782,103 from the Department to address targeted areas across 95 census tracts with severe blight and vacancy problems.

The New Orleans Redevelopment Authority has requested the following amendment:

- 1.) Remove Volunteers of America as a member of the consortium.
- 2.) Add VOB Development as a for profit partner.
- 3.) Remove Broadmoor Development Corporation, Gulf Coast Housing Partnership, Jericho Road, Make it Right, Neighborhood Empowerment Network Association, Ponchartrain Park Community Development Corporation, St. Bernard Project, UNITY of Greater New Orleans with Common Ground Institute and Project Home Again, as consortium members and use them as nonprofit developers. That will leave 4 consortium members; New Orleans Redevelopment Authority, New Orleans Development Collaborative, Project Home Again, and Rebuilding Together New Orleans, and the above mentioned for profit partner, VOB.

The Neighborhood Stabilization Program, authorized by the Housing and Economic Recovery Act of 2008 (HERA), provided \$3.92 billion (NSP1) in emergency assistance for the redevelopment of abandoned and foreclosed homes allocated on a formula basis to all states and 255 local governments. The American Recovery and Reinvestment Act of 2009 (Recovery Act) authorized an additional \$1.93 billion (NSP2), which the Department allocated through a competitive process among states, units of general local government, nonprofit entities, and consortia of nonprofit entities.

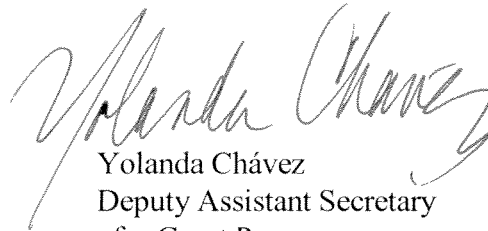
NSP2 is regulated by the above statutes as well as the Notice of Funding Availability (NOFA) for NSP2 which states that: "No amendment to an approved application may be made

unless HUD rates the approved application as amended and it scores high enough to have been selected for funding under the NSP2 competition.” HUD convened an NSP2 Amendment Panel and reviewed the New Orleans Redevelopment Authority’s NSP2 amendment request and justification. The Panel discussed each of the six NSP2 rating factors and examined how a change in the proposed activities and in the composition of the area of greatest need targeted by the New Orleans Redevelopment Authority would affect each rating factor.

The Panel determined that the substantial amendment to the New Orleans Redevelopment Authority’s NSP2 action plan would keep the grantee in the fundable range of scores, and thus the removal of 9 consortium members and the addition of one for profit partner is approved.

Please contact Stanley Gimont, Director, Office of Block Grant Assistance, at (202) 708 – 3587 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Yolanda Chavez", is written over the typed name and title.

Yolanda Chávez
Deputy Assistant Secretary
for Grant Programs



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

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FEB - 8 2011

Mr. Ommeed Sathe
Director, Real Estate Services
New Orleans Redevelopment Authority
1340 Poydras Street
New Orleans, LA 70112

Dear Mr. Sathe:

The Department issued an approval of the New Orleans Redevelopment Authority Neighborhood Stabilization Program 2 (NSP2) consortium's amendment request on January 28, 2011. NORA and its consortium members were awarded a NSP2 grant of \$29,782,103 from the Department.

It has come to our attention that in this letter there were two errors. The first error was that letter incorrectly stated that the NORA consortium was working in 95 census tracts when you are only working in 23. The second error was that the letter stated that Project Home Again was to be removed from your consortium, when you intended for them to remain as a member of the consortium. Therefore, the consortium should consist of the New Orleans Redevelopment Authority, New Orleans Development Collaborative, Project Home Again, and Rebuilding Together New Orleans, as well as the for profit partner, VOB. Please accept our apologies for these mistakes and consider this letter a correction of the above mentioned errors.

Please contact me, at (202) 708-3587, if you have any questions

Sincerely,

Stanley Gimont
Director
Office of Block Grant Assistance