

**Ms. Cheryl Breaux, Director  
Department of Housing and Urban Development  
Hale Boggs Building  
500 Poydras Street, 9<sup>th</sup> Floor  
New Orleans, LA 70130**

**June 2, 2011**

**Re: Amendment #5 to Neighborhood Stabilization Program 2 (“NSP2”) Application**

As part of its stabilization strategy in its NSP2 Application, the New Orleans Consortium defined “blighted structure” for purposes of NSP2 as “any commercial or residential premises, including lots which have been declared vacant, uninhabitable and hazardous by an administrative hearing officer acting pursuant to LA R.S. 13:2575 and 2576 or other applicable law.” We are requesting a modification to this definition in order to more effectively stabilize our target census tracts.

New Orleans currently has thousands of storm damaged properties that remain vacant and uninhabitable. The City of New Orleans has determined that it is not an effective use of limited resources to take these “Road Home” properties that are owned by the Louisiana Land Trust to a blight adjudication hearing. Thus, while these properties meet the standard for blight under state and/or local law, they will not be adjudicated as such by an administrative hearing officer. Accordingly, the New Orleans Consortium is requesting a modification to the definition of blighted structure provided in our NSP2 application in order to be able to conduct demolitions on these and other properties that otherwise meet the definition of blight and clearly evidence signs of uninhabitability and deterioration such that they are negatively impacting the surrounding neighborhood. Demolishing these structures will avoid the decline in property values so often associated with blight, and in addition will eliminate dangers to public health and safety.

We are requesting an amendment to modify the definition of blighted structure be the following: “any commercial or residential premises, including lots which are vacant, uninhabitable and hazardous under LA R.S. 13:2575 and 2576 or other applicable law.”

Below is an analysis of the affect this amendment request would have on the rating factors included in the NOFA.

<b>Factor</b>	<b>Sub Factor (from NOFA)</b>	<b>Basis for Amendment</b>
1 – Need	Target Geography	See original application and amendments
1 – Need	Market Conditions	All NSP2 target geographies suffer from high levels of blight and many experienced extensive storm and flood damage. As a result, hundreds of vacant, blighted properties remain nearly six years after Hurricane Katrina.
2 - Demonstrated Capacity	Past Experience	See original application
2 - Demonstrated Capacity	Management Structure	See original application
3 - Soundness of Approach	Proposed Activities	The proposed modification to the definition of blighted structure will allow the Consortium to engage in demolition activities on many of the remaining storm damaged structures across our census tracts that are blighted but will not have an official adjudication of such. Demolition of these structures will further neighborhood stabilization by removing the threat to public health and safety presented by these buildings and will increase property values in our targeted neighborhoods.
3 - Soundness of Approach	Completion Schedule	The modified definition of blight will streamline demolition process and allow for more units of blight to be eradicated. It will not in any way hinder the new construction or rehab development schedules. It will also complement our landbanking efforts.
3 - Soundness of Approach	Income Targeting	The proposed definition will allow the consortium to further the area-wide benefits of demolishing blight across our targeted census tracts.
3 - Soundness of Approach	Continued Affordability	Not affected by this amendment request.
3 - Soundness of Approach	Consultation & Outreach	Not affected by this amendment request.
3 - Soundness of Approach	Performance Monitoring	All activities will be subject to same performance monitoring approach described in original application.
4. Leverage	Leverage \$	We expect the modification of the definition of blight to increase property values in our target neighborhoods and strengthen the markets in our census tracts, thereby attracting further investment in these areas. No leverage will be lost.
4. Leverage	Rubric	The Rubric will remain the same
5. Sustainability		Not affected by this amendment request.
6. Neighborhood Transformation		Modifying the definition of blight will allow the New Orleans Consortium to further eliminate destabilizing structures across our target neighborhoods and will make the NSP2 funded housing units even more attractive to potential buyers and renters. Eliminating these vacant, damaged and uninhabitable structures across our census tracts will literally transform these neighborhoods by clearing dangerous and detrimental structures.

I appreciate your consideration of this request to modify our definition of blighted structure so that the New Orleans Consortium can more efficiently meet our goals for NSP2.

Sincerely,



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