



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

JUN 30 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 23 census tracts with severe blight and vacancy problems.

The New Orleans Redevelopment Authority has requested the following amendment:

- 1.) Change its definition of blight.
- 2.) Add two census tracts to the target area: 22071006800 and 22071009400

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 area of greatest need targeted by the New Orleans Redevelopment Authority would affect each rating factor.

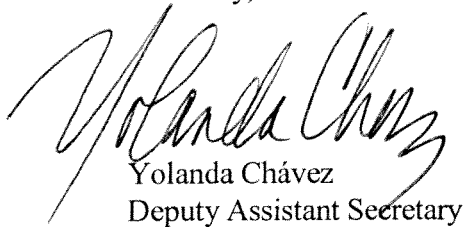
The New Orleans Redevelopment Authority's request to change the definition of blight does not need to be approved by the Department. This type of request would only be considered a

technical amendment and not a substantial. The public comment period for this substantial amendment is satisfactory to meet the technical amendment public comment period; the Department has no objections to this technical amendment.

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 addition of two census tracts is approved.

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

Sincerely,



Yolanda Chávez
Deputy Assistant Secretary
for Grant Programs