Mr. Patrick E. Clancy  
President and Chief Executive Officer  
The Community Builders, Inc.  
95 Berkeley Street, 5th Floor  
Boston, MA 02116-6240

Dear Mr. Clancy:

The Department received The Community Builders’ NSP2 substantial amendment request dated October 17, 2011. The Community Builders was awarded a Neighborhood Stabilization Program 2 (NSP2) grant of $78,617,631. The Department had previously approved two amendments for NSP2 expanding potential activities addressing foreclosed and abandoned properties located in 15 and 18 additional census tracts, respectively.

The Community Builders has requested the following amendment:

To change the composition of TCB’s NSP2 area of greatest need by adding 18 additional census tracts and to withdraw six approved census tracts.

The following census tracts are to be added: 18003002800 and 18003002900 in Fort Wayne, IN; 25005646102 in Westport, MA; 36119000402 and 36119000500 in Yonkers, NY; 42003290400 in Pittsburgh, PA; 42003561200 in Wilkinsburg, PA; 11001007803 in Washington, DC; 51710004300 in Norfolk, VA; 51760020400 and 51760010800 in Richmond, VA; and 39061006600, 39061006700, 39061006800, 39061003600, 39061003700, 39061000900, and 39061002300 in Cincinnati, OH.

The census tracts to be withdrawn are: 11001002900 in Washington, DC, 42077001100 in Allentown, PA, 42101010900 in Philadelphia, PA, 51760060400 and 51760060700 both in Richmond, VA, and 39049006921 in Columbus, OH.

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 TCB’s NSP2 amendment request and justification. The Panel discussed each of the six NSP2 rating factors and examined how a change in the composition of the area of greatest need targeted by The Community Builders would affect each rating factor.

The Panel determined that the substantial amendment to The Community Builders’ NSP2 action plan would retain the same score, and thus HUD has approved the addition of the 18 census tracts listed above and the withdrawal of six previously approved census tracts: 110010029.00 in Washington, DC, 420770011.00 in Allentown, PA, 421010109.00 in Philadelphia, PA, 517600604.00 and 517600607.00 both in Richmond, VA, and 390490069.21 in Columbus, OH. With the addition of these census tracts, TCB will have selected projects which encompass all eight states and the District of Columbia, as specified in the original application, plus Connecticut.

The panel also noted that, in some cases, TCB is intending to undertake projects that have a mix of both commercial and residential uses. In those cases, TCB must ensure that NSP funds are only used for eligible residential uses under the NSP program rules and requirements.

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