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

Dear Mr. Mitchell:

The Department received The Community Builders’ NSP2 substantial amendment request dated August 6, 2012. The Community Builders was awarded a Neighborhood Stabilization Program 2 (NSP2) grant of $78,617,631. The Department had previously approved three amendments for NSP2 expanding potential activities addressing foreclosed and abandoned properties. The Community Builders is currently working in 9 states and the District of Columbia.

The Community Builders has requested the following amendment:

To change the composition of TCB’s NSP2 area of greatest need by adding seven additional census tracts and to withdraw nine previously approved census tracts, and to reallocate $1,080,000 from Activity D for demolition to Activity B for the purchase and rehabilitation of abandoned and foreclosed properties.

The following census tracts are to be added: one in Boston, MA 25025081300, six in Cincinnati, OH 390610017.00, 390610021.00, 390610035.00, 390610039.00, 390610065.00 and 39061010300.

The census tracts requested to be withdrawn are:
110010078.03 in Washington, DC; 18003001800, 18003002700 and 180030029.00 in Fort Wayne, IN; 25023545100 in Wareham, MA; 36119000401 in Yonkers, New York; 25025081900 and 25025101001 in Boston, MA; and 517600108.00 in Richmond, VA.

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 seven census tracts listed above, the withdrawal of eight of the nine requested previously approved census tracts, and the requested transfer of funds from Activity D to Activity B.

HUD has not approved the withdrawal of the one census tract in the District of Columbia, as TCB would not then have a remaining project census tract within DC. TCB will either need to undertake a project within this DC census tract (110010078.03) or submit an additional substantial amendment for approval that would include a different DC census tract for a project.

With the addition of the requested seven additional census tracts and withdrawal of eight of the nine census tracts, TCB will still have selected targeted project areas which encompass all eight states and the District of Columbia, as specified in the original application, plus Connecticut.

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