

CITY OF NEW ORLEANS

MITCHELL J. LANDRIEU
MAYOR

CEDRIC S. GRANT
DEPUTY MAYOR

June 7, 2012

Ms. Melissa Wooten
Compliance and Contract Risk Manager
Builders of Hope/Extreme Green Rehabilitation
629 North Carrollton Avenue
New Orleans, LA 70119

RE: NSP-1/HOME Program Contract Funding De-obligation

Dear Ms. Wooten:

Your organization was awarded \$750,000.00 in NSP-1 funds from the Office of Community Development (OCD) to rehabilitate twenty (20) houses that were transported from the new Veterans Administration (VA) Hospital site to vacant lots within the Tulane/Gravier and Lafitte/Treme neighborhoods. In addition, your organization received an award of \$1,200,000.00 in HOME funds to rehabilitate an additional fifteen (15) houses in the aforementioned neighborhoods for development as affordable housing units. It was anticipated that homeownership and rental opportunities would be created for income-eligible households at 80% and 60% of the New Orleans' Area Median Family Income (AMI). We looked forward to the development of both activities which received tremendous interest within the City. While the intended purpose of both activities was one that aligned itself with the City's housing objectives, the delivery of the strategy was slow to materialize.

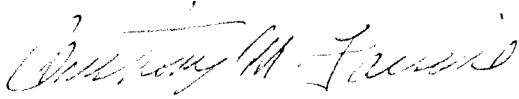
We recognize the challenges your organization faced with transporting these properties from their current sites within the VA footprint, to new locations within the Tulane/Gravier and Lafitte/Treme neighborhoods. However, OCD is faced with impending NSP-1 deadlines for redevelopment activities, and a strict HOME Expenditure Workout Plan with the HUD Area Office. We feel, under the circumstances, that your organization will not be able to fulfill its contractual obligations with the NSP-1 Program, nor with the HOME Award your agency received on Aug. 23, 2011. Federal resources are dwindling. Congressional budget actions are uncertain. The City must be prudent stewards of the resources it receives from HUD. We cannot afford to tie up any federal resources in initiatives that are extremely protracted in coming online. Consequently, please consider this correspondence your official notification that the NSP-1 award of \$750,000.00 and HOME award of \$1,200,000.00 is being rescinded for redirection to other "ground-ready" NSP-1 and HOME housing activities. Your NSP-1 contract is being cancelled.



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Questions regarding this matter may be directed to me at (504) 658-4217.

Sincerely,



Anthony M. Faciane
Director, Neighborhood Stabilization

AMF/

cc: Brian E. Lawlor
Pamela M. Davis
Bennie Sorells, Jr.
AHB Contract File

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