DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR- 5321-C-03]

Notice of Fund Availability (NOFA) for Fiscal Year 2009 Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act of 2009; Correction

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice of Funding Availability (NOFA) for Fiscal Year (FY) 2009 Neighborhood Stabilization Program 2 (NSP2) under the American Recovery and Reinvestment Act of 2009 (Recovery Act); correction.

SUMMARY: On May 4, 2009, HUD posted its NSP2 NOFA at www.hud.gov/nsp and announced the availability of the NOFA on May 7, 2009 (74 FR 21377). The NSP2 NOFA announced the availability of approximately $1.93 billion available in competitive grants authorized under the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5, approved February 17, 2009). The NSP2 NOFA was corrected by Notice posted on the HUD website and announced on June 11, 2009 (74 FR 28715). Today's Notice makes further corrections to the NSP2 NOFA to: (1) correct an inconsistency in the NSP2 NOFA regarding when the lead member of a consortium must enter into consortium funding agreements with consortium members; and (2) extend the deadline for submission of such agreements to January 29, 2010. This notice only affects applications for funding that have already been submitted to HUD by consortium applicants. HUD notes that the deadline for applications was July 17, 2009, and, as a result, will not accept new applications for funding.

FOR FURTHER INFORMATION CONTACT: Stanley Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or

speech impairments may access this number via TTY by calling the Federal Information Relay Service at 800-877-8339. FAX inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.)

SUPPLEMENTARY INFORMATION: On May 4, 2009, HUD posted the NSP2 NOFA (FR-5321-N-01) on its website at www.hud.gov/nsp. The NSP2 NOFA announced the availability of up to $1.93 billion appropriated by the Recovery Act for NSP2 Program. The purpose of the program is to stabilize communities by providing funds for the purchase and redevelopment of foreclosed and abandoned homes and residential properties. NSP was authorized by the Housing and Economic Recovery Act, Public Law 110-289 (HERA), as amended by Title XII of Division A of the Recovery Act.

SUMMARY OF CORRECTIONS

Timing and Applicability of Requirement for Submission of Consortium Funding Agreements

Background

The NSP2 NOFA requires that consortium applicants provide a consortium agreement with their initial application and later provide a consortium funding agreement providing greater detail about each member's role in the consortium. The NSP2 NOFA provides inconsistent instructions regarding when the lead member of the consortium must enter into consortium funding agreements with consortium members. At page 11, the NSP2 NOFA states that: ". . . after selection, but before the grant is awarded, the lead member (of the consortium) must enter into a separate consortium funding agreement with each member of the consortium." The NSP2 NOFA also provides at page 32 that: "After HUD has rated all applications and has identified fundable applications receiving at least 115 points, HUD will notify each consortium with an

application in the fundable range that the lead applicant has until December 1, 2009, to enter into a separate consortium funding agreement with each individual consortium member and to submit each executed agreement to HUD."

Since these instructions have created confusion and are not consistent, HUD is providing this correction. To facilitate implementation of this correction, HUD is extending the date for submission of consortium funding agreements by a selected consortium from December 1, 2009, to January 29, 2010. This correction does not affect the ratability or standing of any application submitted in response to this competition. The correction eliminates the requirement printed on page 32 of the NOFA that any consortium applicant in the fundable range execute consortium funding agreements prior to announcement of results of the NSP2 competition; instead consortium funding agreements must only be submitted by those consortia selected for funding. HUD notes that this clarification eliminates an administrative burden for those applicants in the fundable range who are not ultimately selected for funding. At the time of selection, HUD will contact the selected consortia and provide instructions on making this submission. It is HUD's intent to announce results of the NSP2 competition in a timely manner that will enable consortium applicants selected for funding to execute and submit their consortium funding agreements in advance of January 29, 2010.

Corrections

1. Section II.A.6, the last sentence of the paragraph at page 11 is deleted.

2. Section IV.B.4. at page 31 is revised by revising the date in the fourth sentence from "December 1, 2009", to "January 29, 2010". This sentence now reads, "If an applicant turns down an award offer or fails to submit executed consortium funding agreements by January 29, 2010, HUD will make an offer of funding to the next highest–ranking application."

3. Section V.A. on page 32 is removed and replaced with the following language:

"HUD will make selections from the fundable applications based on ranked order based on ratings scores (after any adjustment for past performance) and funds availability. After HUD makes selections, HUD will notify each selected consortium that the lead applicant has until January 29, 2010, to enter into a separate consortium funding agreement with each individual consortium member and to submit each executed agreement to HUD. The agreement must set forth the individual consortium member's responsibilities for carrying out the consortium's NSP2 activities in a timely manner, including the specific activities to be carried out, timetables for completion, and applicable requirements from Appendix 1 to ensure compliance with NSP2 requirements.

"After HUD makes selections, and, if applicable, receives consortium funding agreements, HUD will provide a grant agreement together with any grant conditions to each selected applicant. The applicant shall return the executed grant agreement within 30 days to HUD."

Dated: NOV 09 2009

Mercedes M. Márquez
Assistant Secretary for Community
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