January 13, 2010

Sandra H. Warren, Director
U.S. Department of Housing and Urban Development
Houston Field Office, Region VI
Office of Community Planning & Development
1301 Fannin Street, Suite 2200
Houston, TX 77002

RE: Neighborhood Stabilization Program and Quarterly Performance Report for period ending: December 31, 2009

Dear Ms. Warren:

On March 26, 2009, the Department of Housing and Urban Development (HUD) executed the City of Houston, Housing and Community Development Department (HCDD) Neighborhood Stabilization Program (NSP) grant agreement.

The Quarterly Performance Report (QPR) contains two sections: the General Report and the Project Activity Reports.

- The General Report covers financial activity, contracts awarded, and summary accomplishments for the quarter. It also includes comment areas for explanation of achievements or problems. This report must be submitted each quarter for all open grants.
- Project Activity Reports (PAR) document accomplishments for each project as they occur. Information for a project is broken down by budget activity code so that required summary reports are developed.

Included with this cover letter is the Housing and Community Development Department (HCDD) General Report with noted accomplishments. To this date, HCDD has not awarded or drawn any NSP funds. Therefore, HCDD has not posted any obligations or expenditures, nor have any projects been posted.
General Reporting

HCDD has not submitted any NSP eligible projects through DRGR or to HUD. Therefore, under the Financial Activity and Project Status noted below, there are no reported projects or activities.

1. **Financial Activity:** no financial activity is reported during this operating quarter.
2. **Project Status:** no eligible project is reported during this operating quarter.
3. **Accomplishments:** the following general accomplishments are reported during this quarter:

December 2009 Period

- On Wednesday, December 09, 2009, City Council approved an ordinance amending City of Houston Ordinance No. 2008-1051 passed on November 19, 2008, which approved and authorized substantial amendment to the 2008 Consolidated Action Plan by adding a new grant for the Neighborhood Stabilization Program (NSP), to redistribute funding for projects under NSP. Information regarding these changes will be sent to HUD once the ordinance is signed and finalized.

- HCDD did not expend or award NSP funds for any proposed NSP program services, vendor services or for any service, nor draw any funds for administration; therefore, HCDD did not post any obligations or expenditures.

November 2009 Period

- HCDD did not expend or award NSP funds for any proposed NSP program services, vendor services or for any service, nor draw any funds for administration; therefore, HCDD did not post any obligations or expenditures.

October 2009 Period

- HCDD did not expend or award NSP funds for any proposed NSP program services, vendor services or for any service, nor draw any funds for administration; therefore, HCDD did not post any obligations or expenditures.

Sincerely,

[Signature]

Richard S. Celli

RSC/bhf

cc: Bennie Rodriguez
    Renee Carrington
    Betty Keaton
    Donald Sampley
    Derek Sellers