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: September 30, 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:

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Council Members: Brenda Stardig, Jarvis Johnson, Anne Clutterbuck, Wanda Adams, Mike Sullivan, Al Hoang, Oliver Pennington, Edward Gonzalez, James G. Rodriguez, Stephen C. Costello, Sue Lovell, Melissa Noriega, C.O. "Brad" Bradford, Jolanda "Jo" Jones, Controller: Ronald C. Green
September 2009 Period

- HCDD identified, subject to Council approval, three experienced non-profit developers to implement the acquisition, rehabilitation, and sale of residential properties to individuals or family households whose incomes do not exceed 50% AMI. HCDD also identified, subject to Council approval, one experienced non-profit developer to implement the acquisition and rehabilitation of one multi-family property. The units will be made available to individuals or family households whose incomes do not exceed 120% AMI.

- HCDD announced the intent to substantially amend the NSP plan and 2008 Consolidated Action Plan on September 24, 2009. A summary of the Amendment was published in the Houston Chronicle newspaper and residents were encouraged to submit comments during the fifteen day review period. In addition, the NSP summary was placed on HCDD's website. HCDD did not receive any comments/questions about NSP.

- 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.

August 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.

July 2009 Period

- HCDD extended the closing date until July 31, 2009 for the Request for Proposal (RFP) for attainment of non-profit subrecipient services to assist in the development and implementation of acquisition, rehabilitation, and sale of residential properties for individuals or family households whose incomes do not exceed 50 percent of the area median income (AMI). HCDD also extended the RFP to include funds for acquiring and rehabilitating multi-family properties, to be identified by HCDD. The units will be made available to individuals or family households whose incomes do not exceed 120 percent AMI. HCDD received applications from nine eligible non-profit applicants.

- 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,

Richard S. Celli

RSC/bhf

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