

August 30, 2010

BY FAX (731-2388) AND U.S MAIL

Mr. Charles Franklin
Director, CPD Division
U.S. Department of Housing and Urban Development
Birmingham Office-Region IV
Medical Forum Building, Suite 900
950 22nd Street North
Birmingham, Alabama 35203-5301

ATTN: David Roarke

RE: Minor Amendment #1 to NSP1 Final Substantial Amendment to the City's PY 2008
Action Plan

Dear Charles:

As a follow-up to a discussion between David Roarke and Krystle Manley this morning regarding a projected shortfall of NSP1 funds to complete the rehabilitation of all properties for which funds have been obligated in the DRGR system, we note the following:

- The total Purchase and Rehabilitation Program for Sale, Rent or Redevelopment Activity budget listed on page 20 of our current NSP1 Substantial Amendment to the City's PY 2008 Action Plan is \$2,422,193.00. This figure included \$100,000.00 of anticipated NSP1 Program Income which we were unable to load into the DRGR system. If we should have done so we will require technical assistance to assist with that task.
- Based on current NSP1 rehabilitation budget estimates, we anticipate a \$32,028.00 shortfall to meet all NSP1 rehabilitation needs. Accordingly, we are hereby increasing the above referenced Purchase and Rehabilitation Program for Sale, Rent or Redevelopment Activity budget listed on page 20 of our NSP1 Substantial Amendment by \$50,000.00 from \$2,422,193.00 to an amended level of \$2,472,193.00. To accomplish this, we have increased anticipated NSP1 Program Income Receipts from \$100,000.00 to an amended level of \$150,000.00 which will cover the referenced shortfall and allow for additional program income budget capacity in the event rehabilitation contract adjustments are needed. This office will monitor sources and uses of NSP1 funds as rehabilitation proceeds to determine if further adjustments are required as the program proceeds. As discussed I am prepared to recommend the use of additional CDBG and or non-federal resources to meet all rehabilitation requirements if necessary.

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We do not believe this minor NSP1 budget adjustment requires the Substantial Amendment of our PY 2008 Action Plan which would involve a 15 day citizen comment period. Specifically, this minor budget adjustment does not substantially change the purpose, scope, location, or beneficiaries of the NSP1 Purchase and Rehabilitation Program for Sale, Rent or Redevelopment Activity nor does it change the total budgeted amount for that activity by more than 25% as required by the City's HUD approved Consolidated Plan Amendment Policy. The City's Consolidated Plan Amendment Policy is contained in Appendix B, Page 22, Item 13 of our current HUD Approved Consolidated Plan.

Accordingly, we are requesting that you accept this budget adjustment as a Minor Amendment to the City's PY 2008 NSP1 Action Plan Substantial Amendment. We have placed a copy in our NSP1 2008 Action Plan Substantial Amendment file and will post a copy of this minor amendment on the Community Development Department Webpage at www.birminghamal.gov.

If in your review of this matter you should have any questions, please feel free to contact this office.

Sincerely,

James F. Fenstermaker, Director
Community Development Department

JFF/tt
Attachment