

COMMUNICATION TO THE COMMON COUNCIL

To: Common Council
From: Executive
Date: March 10, 2016
Re: Amendment to 2015-2016 Annual Action Plan & Prior Year Annual Action Plans

Prior Council Reference: n/a

Attached for your Honorable Body's consideration is the Amendment to 2015-2016 Annual Action Plan & Prior Year Annual Action Plans.

The Amendment includes projects/services that are already within the City's Annual Action Plan and adjusts budget lines in the Annual Action Plan to support those commitments. Northland Corridor Initiative is the only new project proposed.

The Buffalo Urban Development Corporation (BUDC) has acquired and proposed to redevelop approximately 50+ acres and 750,000 square feet of vacant industrial properties along E. Delavan and Northland Avenues, including 537 E. Delavan Avenue, 631 Northland Avenue, 683 Northland Avenue, 741 Northland Avenue, 777 Northland Avenue and several associated parking and vacant lots.

This Project consists of stabilization, renovation, select demolition, remediation and redevelopment of the above-noted properties for the purpose of establishing the New York State sponsored, WNY Workforce Training Center, as well as providing industrial building space and shovel-ready land of business attraction and expansion. The project is a partnership among BUDC, the City of Buffalo, the NY State Urban Development Corp. d/b/a Empire State Development (ESD) and the NY Power Authority (NYPA). The Project is being funded by ESD and NYPA as a major component of the Governor's "Buffalo Billion" economic development initiative.

The Project location comprises 50 acres of land and approximately 700,000 square feet of existing, vacant industrial buildings on, or near Northland Avenue, between North Fillmore Avenue and Grider Street. Most of the properties acquired by BUDC for redevelopment have frontage along Northland Avenue, although one property-537 E. Delavan Avenue, also has frontage along E. Delavan and two vacant properties front on Dutton Avenue. The larger neighborhood is bordered by the Kensington Expressway to the northwest; Grider Street to the east; and an active CSX rail corridor to the southwest ("The Belt Line").

The initial phase of the Project involves the development of the Workforce Training Center at 683 Northland Avenue. A centerpiece of NYPA's workforce planning strategic initiative, it will house administrative, classroom and shop facilities

designed to train and turn out highly-skilled members of the local workforce to meet the requirement of the 21st century electric facility and advanced manufacturing industries. Superficially, this component of the Project would involve renovation of 35,000 sq. ft. of office building space and roughly 65,000 sq. ft. of former manufacturing space at the property to house the Center's functions. In addition to the Workforce Training Center, it is anticipated that following stabilization and remediation, the remainder of the properties within the Site will be primarily used for a mix of commercial and industrial uses, consistent with both existing and proposed zoning for this area of the City. Based upon building condition assessments, screening for asbestos-containing materials (ACMs), and environmental investigations, the Project would include a mix of building renovations, demolition, stabilization and site preparation at each property. It is also expected that significant contaminated and hazardous materials remediation/removal and abatement of ACMs will be necessary as part of the redevelopment activities.

The purpose of the Project is to return these vacant, underutilized properties to productive use, assist with revitalizing the surrounding neighborhood, and provide employment opportunities for nearby residents by creating a new manufacturing and employment hub on Buffalo's East Side. The immediate Project area includes several clusters of residential uses, particularly along Longview and Schauf Avenues and Chelsea Place. It is anticipated that BUDC's stabilization, remediation, and redevelopment of these industrial properties will strengthen this area and re-establish what was formerly; a vibrant mixed-use neighborhood.

The Northland Corridor Initiative is funded with CDBG program income dollars earned from the recent sale of properties and loans previously funded by CDBG. The commitment of these CDBG dollars does not negatively impact any projects previously approved by this Honorable Body.

I respectfully request that your Honorable Body:

- (1) Approve the attached amendment for the 2015-2016 Annual Action Plan and prior years;
- (2) Authorize the Executive Director of Strategic Planning and/or the Commissioner of Community Services to execute all agreements and related documents to carry out the projects identified in the amendment, consistent with the rules and regulations governing the CDBG and HOME programs;
- (3) Authorize the Mayor, or his designee to execute any necessary amendments and related documentation required or useful in facilitating the city's receipt and utilization of the subject funding.

SIGNATURE

DEPARTMENT HEAD: Brendan R. Mehaffy, Esq.

TITLE: Executive Director, Mayor's Office of Strategic Planning

**AMENDMENT TO THE CITY OF BUFFALO'S ANNUAL ACTION PLANS
PROPOSED CHANGES**

The City will amend its Annual Action Plan whenever it makes one of the following decisions: to make a change in its allocation priorities or the method of distributing funds; to carry out an activity using funds from any program covered by the Consolidated Plan (including program income) not previously described in the Action Plan; or to change the purpose, scope, location and/or beneficiaries of the activity.

The City will use the following criteria to determine what changes in planned or on-going activities constitute a substantial amendment to the Annual Action Plan: substantial change occurs when the cumulative effect of an activity's budget amount is increased or decreased by more than twenty-five percent (25%), or when interim financing such as float loans are provided. A substantial change is not moving funds from unencumbered project balances from one year to another year for similar activities within the same target area. Nor is it transferring funds within the same HUD-eligible categories.

The City of Buffalo will be holding a public hearing on these amendments on March 31st, 2016 at 6:00pm at the JFK Center, 114 Hickory Street, Buffalo, New York. The City will provide a comment period of 30 days from the date of this Public Hearing. The comment period for this amendment will end on April 30th 2016. The City will consider any comments or views of citizens received in writing by April 30th, or orally at the March 31st Public Hearing. The City will respond in writing to any comments made on these amendments. The amendments will be submitted to HUD along with a summary of any comments received, the City's written response, and a summary of any comments not accepted and the reasons therefore.

CDBG AMENDMENTS TO THE 2015-2016 ANNUAL ACTION PLAN & PRIOR YEAR

The City will amend its current year 2015-2016 Annual Action Plan to add the following Projects:

	Proposed Project <u>Amount</u>
Northland Corridor	\$4,000,000

Northland Corridor

Proposed Amount: \$4,000,000

Funding will be allocated to assist the Northland-Beltline Corridor Redevelopment Project. This project will return vacant, underutilized properties to productive use, assist with revitalizing the surrounding neighborhood, and provide employment opportunities for nearby residents by creating a new manufacturing and employment hub on Buffalo's East Side. CDBG funding will be used for the demolition of commercial buildings owned by BUDC, such as 537 E. Delavan and for the removal of asbestos/abatement and façade improvements and partial demolition at 683 Northland Ave. This project is eligible under the HUD National Objective of Slum or Blight on a spot basis under the activity of clearance. (24CFR 570.201(d), 570.208(b)(2).

The project listed above will be funded from expected program income.

The City will amend its current year 2015-2016 Annual Action Plan to increase funding to the following projects:

	Current Project Amt. Including Prior Amendments	Increase	Amended Project Amt.
West Side Community Services – Senior Program – 2015, CPS#60	\$61,400.00	\$ 7,807.00	\$69,307.00
Hennepin Community Center – Senior Program – 2015, CPS#24	\$30,200.00	\$35,000.00	\$65,200.00

The projects will be funded from current year projects having left over balances, where bids for the work came in under budget, or projects that were not carried out and will no longer be funded as follows:

West Side Community Services – Senior Program - 2015, CPS #60

Increase: \$7,807.00

Funds will be used for senior services at the West Side Community Center

Funding Source:	Current Project Amt Including Prior Amendments	Reduction	Amended Project Amt.	Project Status
Program Delivery: Belmont - 2015, CPS #17	\$346,500.00	\$ 7,807.00	\$338,693.00	Ongoing

Hennepin Community Center – Senior Program - 2015, CPS #24

Increase: \$35,000.00

Funds will be used for senior services at the Hennepin Community Center to support a developing program. Increase is within comparable center support. Although we are proposing an increase for Hennepin to a total of \$65,200, this represents an approximate 5% (\$3,600) decrease in funding from last year when compared to the now dissolved ABLEY who provided a portion of those senior services in the past that Hennepin is now absorbing.

Funding Source:	Current Project Amt Including Prior Amendments	Reduction	Amended Project Amt.	Project Status
Program Delivery: Belmont - 2015, CPS #17	\$338,693.00	\$ 35,000.00	\$303,693.00	Ongoing

CDBG AMENDMENTS TO THE PRIOR YEARS' ANNUAL ACTION PLANS

The City will amend prior years' Annual Action Plans to add the following projects:

	Proposed Project Amount
Jericho Road Community Health Center	\$14,175.00

The project will be funded from the left over balance of VIVE, Inc. contract.

Jericho Road Community Health Center

Proposed Amount: \$14,175.00

Jericho Road took over services at VIVE, Inc. prior to the closeout of the VIVE contract. The left over balance will be used to fund those continuous services.

The City will amend prior years' Annual Action Plans to increase funding to the following projects:

	Current Project Amt Including Prior Amendments	Increase	Amended Project Amt.
Park & Playground Improvements - 2012, CPS #2	\$ 714,766.70	\$ 20,460.89	\$ 735,227.59
Park & Playground Improvements - 2014, CPS #6	\$ 854,462.69	\$ 58,671.11	\$ 913,133.80
Community Center Improvements – 2014, CPS #5	\$ 2,126,474.63	\$ 200,000.00	\$2,326,474.63

The projects will be funded from prior year projects having left over balances, where bids for the work came in under budget, or projects that were not carried out and will no longer be funded as follows:

Park & Playground Improvements - 2012, CPS #2**Increase: \$20,460.89**

Increase to be used to fund the Schiller Park concession building renovation

Funding Source:	Current Project Amt Including Prior Amendments	Reduction	Amended Project Amt.	Project Status
Street & Sidewalk Improvements - 2012, CPS #4	\$2,714,624.45	\$ 20,460.89	\$2,694,163.56	Closeout

Park & Playground Improvements - 2014, CPS #6**Increase: \$58,671.11**

Increase to be used to fund the Schiller Park concession building renovation

Funding Source:	Current Project Amt Including Prior Amendments	Reduction	Amended Project Amt.	Project Status
Community Center Improvements - 2014, CPS #5	\$2,326,474.63	\$58,671.11	\$2,267,803.52	Ongoing

Community Center Improvements - 2014, CPS #5**Increase: \$200,000**

Funds were allocated to the African Cultural Center Human Services Program in the June 2015 Amendment in error. The funds should have been allocated to the Community Center Improvement project for the AACC capital improvement campaign:

Funding Source:	Current Project Amt Including Prior Amendments	Reduction	Amended Project Amt.	Project Status
African Cultural Center - 2014, CPS #22	\$ 254,700.00	\$ 200,000.00	\$54,700.00	Closeout

Home Project Amendments**Funds to be allocated to Rental Rehab/New Construction- Multi-Family from the following funding sources in order to fund committed HOME projects (additional details attached):**

Funding Source:	Current Project Amt Including Prior Amendments	Reduction	Amended Project Amt.	Project Status
CHDO Activities-35-70502	\$ 1,246,665.00	\$ 484,383.00	\$762,282.00	Ongoing
Homeowner/Homebuyer Rehab NRSA-36-70502	\$ 410,279.00	\$410,279.00	\$0	Closeout
Homebuyer Initiatives- 38-70505	\$ 964,991.00	\$964,991.00	\$0	Closeout
Homebuyer Initiatives- 39-70505	\$ 849,200.00	\$849,200.00	\$0	Closeout
Owner Occupied Rehab-41-70500				

Last, for CDBG Minor Amendments, we have description changes for the following projects:

- 1) Mid-City NRSA to City Wide and from Target Area to City Wide

Local ID 36-50505 CDBG \$100,000.00 (Funding to remain in the same line).

Description: To assist with HOME funded Homebuyer activities under acquisition Rehab and Resale program: