

NIAGARA FALLS URBAN RENEWAL AGENCY
Minutes of Special Meeting – June 19, 2012
City Hall – 745 Main Street – Room 17
Niagara Falls, New York

Present: Mayor Paul A. Dyster, Chairman
Council Member Glenn Choolokian
Council Member Samuel Fruscione
Council Member Kristen Grandinetti
Council Member Charles Walker
Mr. Michael Hooper
Ms. Janet Markarian
Ms. Doreen O'Connor
Mr. Jeffrey Paterson

Absent: Council Member Robert Anderson

Staff Present: Mr. Richard Zucco, URA Legal Counsel
Ms. MaryAnn Colangelo, URA Recording Secretary

Others Mr. Seth Piccirillo, Director, Community Development
Mr. Craig Johnson, Corporation Counsel
Ms. Maria Brown, City Controller
Mr. Tom Lowe, Niagara University
Ms. Natalie Cook, Niagara University
Ms. Emily Grave, Niagara University
Mr. Justin Sondel, Niagara Gazette

Mayor Dyster called the meeting to order at 4:06 p.m. Roll was called and a quorum was present (9 members).

Minutes of Meeting

The Minutes of Meeting dated March 12, 2012, were put before the Board. There being no questions or comments Mayor Dyster asked for a motion of approval. Motion to approve the March 12, 2012, minutes was made by Council Member Grandinetti, second made by Ms. O'Connor. Unanimously approved by voice vote.

Downtown Housing Incentive Program

Mayor Dyster introduced Community Development Director Seth Piccirillo to the Board. Each board member had received a package outlining the Downtown Housing Incentive Program (DHIP) (complete package included in official minute book).

Mr. Piccirillo gave a power point presentation outlining the program. He reviewed the material outlined in the distributed DHIP package. The program summary is as follows:

Summary – DHIP Solution: The City of Niagara Falls can address four problem components through the DHIP; namely, it will infuse young professionals into an economically disadvantaged population; lessen college graduates' debt burden, increase opportunities for home ownership and add to the tax base. The program's national attention can also help the City

successfully obtain competitive federal and state grants. Providing the recent college graduate with a financial incentive to live in a designated area of the City, directly correlated to the student loan, provides an immediate and mutual benefit. Ultimately, it would be an investment in the desired target market and an opportunity to compete for these individuals to stay in Niagara Falls for an extended period of time. Also, clustering a dense group of talent fosters entrepreneurial and economic opportunities and growth.

Incentive: The City of Niagara Falls will annually reimburse the graduates (applicants) for their monthly student loan payment amounts, up to but not exceeding \$291 per month, for two years. CD used the Stafford Loan example referenced above to calculate an equitable payment. This amount would not exceed \$3,492 a year and \$6,984 during the full term of the agreement.

The City of Niagara Falls will not pay monthly bills and is not funding tuition costs. The reimbursement payment would be made directly to the applicant during his annual certification with CD. The applicant would be required to show proof of good standing with the loaning agency, and proof of good standing with either the landlord or lending agency. In turn, the applicant is required to maintain residency, in compliance with program standards, in the target area for the two-year term of the agreement.

Target Area: The USA Niagara Development District, including: All of Third Street (to Cedar Avenue; Fourth Street, between Cedar Ave and Main St.; Cedar Ave. between Third St and Main St.; Park Place between Cedar Ave and Main St.; Pine Ave. between Third Street and Main St.

Eligible Applicants: Individuals that have: 1) Graduated from an accredited institute for higher education with a two-year technical degree within 24 months of application. 2) Are enrolled to pursue a (NYS recognized) post graduate degree. 3) Graduated with a bachelor's degree within 36 months of application.

of Applicants: 20 (twenty) recipients.

Project Period: The applicant must agree to live within the target area for no less than two years of initial payment.

Lease Agreements: The City will enter into three types of agreements, both recertified on an annual basis (details outlined in DHIP report attached to official minutes).

Funding Source: \$200,000 in URA funds.

Per Individual Applicant:	Year 1: \$3,492	Year 2: \$3,492	Total: \$6,984
CD Admin.	\$30,160	\$30,160	\$60,320

Administration: Seth Piccirillo, Director of Community Development, will be the Program Manager.

The following is a summary of comments made by Mr. Piccirillo during his presentation:

He talked about partnering with Niagara University (NU). NU is seriously investigating doing their own homeownership incentive program for recent graduates and faculty. He noted that we want NU and its faculty and graduates to invest into Niagara Falls and this was the first step in achieving that.

He stated that the DHIP will help leverage additional grant dollars to help with other projects such as demolitions.

The application process will be open and fair. There will be a scoring criteria that everyone will have to go through, there are no exceptions.

Budget Overview. Mr. Piccirillo reviewed each budget line as outlined in the program package. He stated that he would be project manager for the program. No employee salaries will be increase through this program.

He talked about the web marketing campaign that would be developed. He stated that in year two of the program we want to make it easy for the first 20 participants to know and understand all the homeownership options that are open to them. He stressed that this isn't supposed to be a two-year shot we want to compete for their entire lives but we have to start with these two years.

He noted that the goals were clear -- we need to grow population and grow one cluster at a time. We also want to make commercial investors interested in this area. This was about increasing the City's tax base.

He stated that this was an opportunity to work with other stakeholders. Niagara County Economic Development is very interested and wants to be a part of this. He said Niagara University was a huge component and we are also working with the Culinary Institute.

He spoke about all the publicity the program has been receiving across the country. Requests for information have been received from several different states.

Mr. Piccirillo outlined what action needed to be taken by the Board to implement the program. He stated that URA was being asked to provide \$200,000 in funding as outlined in the proposed budget package.

Council Member Grandinetti asked why it was okay for us to use \$200,000 from the URA fund.

Mr. Piccirillo stated that it was an eligible use of these federal funds. The funds are considered HUD program income funds and this use meets national HUD objectives.

Council Member Fruscione asked Mr. Zucco if this was a legal use of the funds. Mr. Zucco stated that it was an appropriate use of funds. He said the funds originally came from the sale of Parcel 11. He said the funds are subject to block grant program income restrictions which means they have to be used for block grant eligible uses. This program would qualify as a block grant eligible use.

Council Member Fruscione asked how we were going to insure that minorities have access to the program. Mr. Piccirillo stated that we are going to set up a scoring criteria and that would factor into our decision. Mayor Dyster stated that we would have to insure diversity.

Ms. O'Connor asked what type of scoring would be in place to make the application process fair.

Ms. Markarian noted that she felt homeownership was an important component.

Mr. Piccirillo stated that we want to prioritize homeownership, so if someone is willing to buy a home in the area we would score the application higher; however, he said realistically we will probably get mostly renters because people coming out of college, in a large majority, do not have the financial ability to purchase. If someone does that have ability, we do want them to be scored appropriately. He said that he wanted the preparation of the application to be an open process.

Mayor Dyster stated that the properties to be rented must be up to housing code standards. Landlords would have to go through an inspection process.

Council Member Grandinetti stated that the young professional demographic group we will be targeting is one that has not existed here in a long time. She felt that this is something that will get the ball rolling in a positive direction. She noted that this was a pilot program and if it was successful we could go on from there.

Mr. Piccirillo stated that we did not want to come in with a large funding request, we know the financial times that we live in. Mayor Dyster stated that we don't want to do this forever what we are trying to do is flip a neighborhood and attract new residents.

Council Member Fruscione stated that Buffalo neighborhoods were flipped through private investment and not through government investments.

Mr. Piccirillo stated that if the market would bear that here it would already have been done.

Council Member Fruscione stated that we have a crime problem downtown too.

Mr. Piccirillo stated that this is a way to do a few different things at once. He said this program will give us additional grant writing opportunities to increase police presence. The program will be used as a jump off point to get more grant funding.

Council Member Walker stated that he felt there was a lot more work to do to figure out the details of the program. He said 20 people was not a huge gain, especially if you are losing another 1,000 on the other end.

Council Member Grandinetti stated that this is a start.

Council Member Walker stated that this was a start that would not work by itself. We need to remove the perception of crime and eliminate the perception that Niagara Falls is not a good place to live. Money has to be thrown at different problems at one time. Council Member Walker stated that to just throw money in this one area helping 20 people isn't going to have the type of impact that we want because we are still losing population on the other end unless we sit down and put a plan together and attack everything. He noted that he liked the energy and concept of the project but it just doesn't have much capacity to it to make a difference.

Mr. Piccirillo asked if this project would be worth it if we could leverage it and get \$5 million dollars worth of demolition money.

Council Member Fruscione stated that we don't know if we can leverage the money.

Mr. Piccirillo stated that this was a neighborhood stabilization program. We are in an environment where we need to get competitive funding. We do not have a draw to work from. We need to go block by block and this was about putting together resources.

Council Member Grandinetti stated that we are not just making a difference to 20 people. With 20 people there will be a spinoff effect. She noted that we have to start small and try something new.

Council Member Fruscione stated that this is only 20 people and we have not done our homework. Sometimes we sit in the Council Chambers not doing our homework and make bad decisions. He talked about the difficult upcoming budget and the impact that may have on the community.

Council Member Choolokian stated that the program was a good idea but we are at a stage now where we have to look at timing and priorities. We are at a stage now where we are not getting casino monies. The bulk of our calls is abandoned homes. He stated that Mr. Piccirillo mentioned that this money could be used to leverage money for demo's; however, he felt that we had \$200,000 sitting here that could be used for demolition. We have to start demolishing abandoned houses. We have to focus our priorities towards the people that live here that have stuck it out all these years, they have to be first. This is just a program to pay people to live here just like we are paying people to do business here. If this town was booming and doing well, it would be a good program, however, we are in a bad spot.

Mr. Piccirillo stated that he respected points made about public safety. We are now trying to use this to get more public safety money. He stated that a major priority of his was

getting more competitive money. This program will help. He noted that the sad fact is our tax base is dwindling and we do our citizens a disservice by not trying to get more people into the tax base. We need population growth as a priority. The people that are here alone are not enough to save us.

Council Member Fruscione stated that he preferred homesteading because once a person owns a house you are in the community for a long time. He said that he thought we should take a more cautious approach and not kill the program but perhaps give ourselves more time to discuss it further.

Council Member Choolokian asked what the rush was to approve the program.

Mr. Piccirillo stated that he wanted to leverage the program to an ESD application on July 16. We have county people looking at its resources so we can package it together. This can help us get State funding that we did not have in the past. He also talked about the partnering with NU and how we needed to move that forward with them in a timely fashion.

Mr. Hopper stated he liked the defined area. He said that the doctor saves the patient while the patient is still alive. The most threatened area is the area we are targeting. He applauded the idea and the enthusiasm because he felt it was creative and out of the box thinking. He stated that it was a good leveraging tool to get other grant funds and a good neighborhood stabilization tool.

Mayor Dyster said he lives just a few blocks away from the neighborhood that we are talking about. He talked about the late Carolyn Van Schiak and how her work and recruitment to get people to live in his Orchard Parkway neighborhood helped turn it around to what is now, a very a nice street. The street turned around because a handful of people invested in that street. He said it was possible for 20 people to flip a neighborhood.

Council Member Choolokian asked why we couldn't have a buyer's incentive program through Community Development. Mr. Piccirillo stated that during the second year we are really going to target homeownership to the participants. We want homeownership in Niagara Falls. We have to get people in first to put down roots.

Mayor Dyster thanked Mr. Piccirillo for the work he put into the project. Speaking as to why it was important to move the project forward sooner than later, he talked about the partnering opportunity with NU for the upcoming fall semester and the July 16 grant application deadline. He also noted that in terms of staff time there is a huge amount of detail that must be taken care of. It only made sense to move forward with the vote now to find out whether we have the money in place. He stated that he did not want to commit additional staff resources to move forward if there is not the support to do the project.

Ms. O'Connor asked how many houses were in the targeted area. Mr. Piccirillo stated that in Park Place alone there are 150 addresses and the 3rd Street area had over 200 units.

Ms. O'Connor stated that the targeted area is an entryway into the City and how important it was to clean up that area to give a positive perception to tourists. She stated that the people coming into the City aren't seeing the DeVeaux and Hyde Park area they are seeing the downtown area. Ms. O'Connor felt the most important piece was partnering Niagara University. She felt that if NU was going to be working with us and offering this program to their students and staff that was a big push. She said that piece of program turned her in favor of it.

In response to questions about application specifics, Mayor Dyster stated that there is still a lot of work that needs to be done to get all the guidelines and application paperwork together. However, he said it did not make sense to work on a program that does not have funding. He said moving forward on this doesn't mean that Mr. Piccirillo is done taking comments on the details of the program.

Mr. Tom Lowe from Niagara University stated that NU was interested and excited to be working with the 20 individuals that will be brought in. We are hoping that these individuals will be urban pioneers. He stated that NU wanted to work with them to make this program successful.

Mr. Hooper asked for clarification as to what we were voting on as the program and application details have not yet been completely defined.

Mayor Dyster stated that we want to have approval of the \$200,000 in URA funds to move the program forward and then we will continue to move through the process in development of the application, etc., based on the materials that have been put before the Board in the Downtown Housing Initiative Program package. Mayor Dyster stated that Mr. Piccirillo will continue to consult with those as necessary.

Council Member Fruscione asked why we couldn't table it until we had more details on the program. Mr. Piccirillo stated that if we put off the vote we would lose a chance to leverage other grants funds. A grant that we will be applying for has a July 16 application deadline. Mayor Dyster said the program has created a lot of national attention and we would lose that momentum by putting off a vote.

Ms. O'Connor talked about the positive results of the Nik Wallenda walk and the momentum we have from that. She said all of the positive publicity that we received was unforeseen. She said this program was new, it is positive and she felt it was a step in the right direction.

Motion for approval to provide \$200,000 in URA monies to fund the Downtown Housing Initiative Program as outlined in the distributed Downtown Housing Incentive Program Package (attached to official minutes) was made by Council Member Grandinetti, second made by Mr. Paterson.

POLLED VOTE:

IN FAVOR: 6 Mayor Dyster, Council Member Grandinetti, Mr. Hooper,

