

**CITY OF NIAGARA FALLS, NEW YORK
DEPARTMENT OF COMMUNITY DEVELOPMENT**

**Notice of Proposed Substantial Amendment to 2020-2024 Consolidated Plan, Public Comment Period,
and Public Hearing**

November 21, 2022

Background

The City of Niagara Falls (City) is proposing amendments to its 2020-2024 Consolidated Plan. The amendments address the proposed use of Community Development Block Grant (CDBG) funds to be awarded to the City of Niagara Falls in 2023 and beyond. This notice also addresses the public comment period and public hearing for the amendments.

2020-2024 Consolidated Plan

Notice is hereby given that the City proposes a Substantial Amendment of its HUD 2020-2024 Consolidated Plan. This substantial amendment is subject to a public comment period and public hearing as detailed below. Requests for additional information regarding the Substantial Amendment should be submitted by email to Clifford Scott at Clifford.Scott@niagarafalls.ny.gov.

Section 108 Loan to Fund Real Property Acquisition for Centennial Park

The City of Niagara Falls is proposing to acquire 12 acres of land for the construction of improvements to be known as Centennial Park. The Park and related recreational facilities will be host to a multitude of events and activities, including but not limited to sporting events, concerts, indoor and outdoor gatherings, and youth-centered activities, with potential facilities including an indoor arena and outdoor amphitheater, a water feature, ice skating rink, a multilevel surface parking deck, and/or a wall-climbing adventure course. The Park would be a public facility owned by the City and leased or operated under a management contract.

The City proposes to use CDBG funds for the acquisition of the real property and improvements. The acquisition will be carried out by public purpose acquisition under the NYS Eminent Domain Procedure Act.

The CDBG funds will be available under the Section 108 Loan Guarantee Program. Under the program, the City obtains a federal loan and guarantees repayment with a pledge of future CDBG grant funds.

The statute authorizing the 108 program is found at Section 108 of the Housing and Community Development Act of 1974, as amended, 42 USC §5308. Governing regulations are located at 24 CFR part 570, subpart M. The application process is set out at 24 CFR 570.704(b).

The Section 108 authority available to the City is \$9.9 Million. The actual loan would be the award for purchase of the property in the Eminent Domain proceeding. For example, if the award were the maximum loan authority, the City would obtain a loan of \$9.9 Million under the 108 program, and pledge 20 years of future CDBG grants to the repayment of the loan. It is estimated that the loan will be repaid over 20 years at 7.5% interest, with an estimated annual payment of \$957,044.76. If the award was in the amount of \$4.95 Million, the estimated annual payment would be \$478,522.38. All figures are estimates based on market conditions.

The annual CDBG grant for the City for 2022 is \$2.3 million dollars. If the maximum amount were to be borrowed than a percentage of the 2023 CDBG monies and future grants will be allocated to the 108 loan repayment. If half the amount is awarded and borrowed, then a smaller percentage of the 2023 CDBG

monies and future CDBG grants would go to the loan repayment. Emergency Solutions Grants (ESG) and Home Investment Partnership (HOME) grants will not be affected.

Eligibility

The acquisition of improved or unimproved real property in fee or by long-term lease, is an eligible activity for CDBG and Section 108 loan funds. 24 CFR 570.703(a). Use of the funds for public improvements or site preparation are also eligible under 24 CFR 570.703(a).

CDBG funds used under the Section 108 program are subject to the general CDBG regulations. The funds must be used for an eligible activity (real property acquisition or public facilities and improvements) to further one of the national objectives set out at 24 CFR 570.200(a)(2). In this instance, the appropriate national objective will be to benefit low or moderate (L/M) income families or individuals. This project qualifies as benefitting L/M families or individuals as an area benefit activity.

An area benefit activity is an activity which is available to benefit all the residents of an area which is primarily residential. The activity must meet the identified needs of L/M income persons residing in an area where at least 51% of the residents are L/M income persons.

The project area will be the entire City, which qualifies as consisting of over 51% L/M individuals or families. Since the project is an area benefit activity which benefits the entire City, and consists of over 51% L/M families and individuals, funds available under the Section 108 Loan Guarantee program can be used for property acquisition for the Centennial Park project.

Public Comment Periods

A public comment period on (i) Substantial Amendments to the 2020-2024 Consolidated Plan opens November 21, 2022. Public comments must be received in writing on or before December 21, 2022. Written comments may be submitted in person at, or by mail addressed to: City of Niagara Falls, Department of Community Development, 745 Main Street, Niagara Falls, NY 14302. Written comments may be submitted by e-mail addressed to Clifford Scott at Clifford.Scott@niagarafalls.ny.gov. All comments will be presented to the City Council prior to its consideration of resolutions to submit the amendments to HUD.

Public Hearing

The Niagara Falls City Council will hold a public hearing on December 22, 2022 in City Council Chambers, 745 Main St, Niagara Falls, NY 14302. The Public Hearing will be from 6pm-7pm. The Public Hearing will provide information and allow citizen comment regarding the proposed Substantial Amendment to the 2020-2024 Consolidated Plan. Public comments submitted during the comment period will be read during the public hearing. Every effort will be made to respond to public concerns, suggestions, and questions during the Public Comment period. All public comments will be presented to the City Council before a vote on the 2020-2024 Consolidated Plan. The 2020-2024 Consolidated Plan Substantial Amendment must be approved by City Council.

Robert Restaino, Mayor
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