

OFFICE OF THE MAYOR
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December 27, 2022

The City Council
Niagara Falls, New York

***RE: Amendment of 2020-24 Consolidated Plan – Dept. of Community Development
Centennial Park Section 108 Loan***

Council Members:

The City Council previously approved the five-year consolidated plan for Community Development Block Grant Funds for 2020-2024. The City has proposed an amendment to that five year plan.

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, an outdoor gathering space with a landscaped covering, ice skating rink, a multilevel surface parking deck, and/or a wall-climbing adventure course. The Park will be a public facility owned by the City and leased or operated under a management contract. 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 for acquisition of land and improvements for Centennial Park. 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 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.

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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.

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.

If the amendment is approved and the project proceeds, a portion of CDBG Funds for 2023 and 2024 (and future years) will be pledged to the repayment of the 108 loan. HOME and ESG funds will not be affected.

A public comment period on the substantial amendment to the 2020-2024 Consolidated Plan opened November 14, 2022. Public comments were received in writing for 30 calendar days. A public hearing on the proposed substantial amendment was held on December 22, 2022.

Will the Council so approve the determination that Centennial Park is an area benefit activity benefitting the entire City, approve the within described 2020-2024 Consolidated Plan Amendment, and authorize the Mayor to take such actions as are necessary to implement the same?

Respectfully submitted,

ROBERT M. RESTAINO
Mayor