

## **2008 Annual Action Plan - Substantial Amendment**

### **Community Development Block Grant Recovery Act Program (CDBG-R)**

#### **Introduction**

The Town of Colonie annually receives funds from the U.S. Department of Housing and Urban Development (HUD) that includes Community Development Block Grant and Home Investment Partnerships Program grants. For receipt of these funds, the Town must submit a 5-year long range plan known as the Consolidated Plan. Each year of the five-year plan, the Town must develop an Action Plan describing how funds will be used each year to address the goals and strategies in the 5-year Consolidated Plan.

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (Recovery Act). The Recovery Act includes \$13.61 billion for projects and programs that are administered by the U.S. Department of Housing and Urban Development – 75 percent of which was allocated to state and local recipients and 25 percent will be awarded via competition in the coming months. On February 25, 2009, entitlement communities were notified of their allocations. The CDBG Recovery (CDBG-R) allocation to each grantee is approximately 27% of the program year (PY) 2008 allocation. The Town of Colonie will receive \$105,802 in CDBG-R funds. On May 6, 2009, HUD released the Notice of Program Requirements for Community Development Block Grant Program Funding under the American Recovery and Reinvestment Act of 2009. This notice advises the public of the statutory and regulatory waivers granted to grantees under the Recovery Act.

The CDBG-R grant is a supplemental appropriation. As such, HUD is treating a grantee's use of its CDBG-R grant to be a substantial amendment to its current approved consolidated plan and PY 2008 annual action plan. By treating CDBG-R as a substantial amendment, HUD hopes to expedite the distribution of CDBG-R funds, while ensuring citizen participation on the specific use of funds. Entitlement grantees are to submit the substantial amendments to their PY 2008 action plans to their HUD field office by June 5, 2009. The submission will include a signed standard federal form SF-424, signed certifications, and a substantial action plan amendment.

#### **Citizen Participation**

Consistent with CDBG-R Notice, the Town of Colonie is undertaking several activities to provide reasonable notice of and an opportunity to comment on this proposed substantial amendment to the 2008 Action Plan. A public notice for comments on the substantial amendment and the opportunity for public comment were made available to the public on the Town's website at <http://www.colonie.org>. The notice included a description of the contents and purpose of the substantial amendment. Copies of the proposed amendment were made available at the Community Development Department office and on the Town Clerk's bulletin board. The 7-day comment period ran from May 14 through May 21,

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2009. The public had a final opportunity to comment on the proposed amendment on May 21<sup>st</sup> when the Colonie Town Board adopted the amendment at its regularly scheduled Town Board meeting. No public comments were received during the 7-day public comment period or at the Town Board meeting.

**Distribution and Use of Funds**

The Town of Colonie anticipates \$105,802 in Community Development Block Grant Recovery (CDBG-R) funds. Based on the assessment of needs in the community, funding availability and project readiness, the Town expects to use its CDBG-R funds on the following activity:

Proposed Activity:	Tillinghast Avenue Water Main Replacement Project
Applicant:	Village of Menands
Amount:	\$105,802
Activity Description:	Currently, the properties on Tillinghast Avenue are serviced by parallel 2-inch water mains (circa 1931), one on the north side and the other on the south side of the street. Both lines are significantly undersized and have been subject to internal corrosion such that pressure and fire flows are beginning to degrade. The parallel 2-inch lines will be replaced with an 8-inch ductile iron water main, approximately 950 feet in length with connections on Broadway and Myrtle Avenue. The existing service laterals will be re-connected to the new main and fire hydrants and isolation valves spaced along the roadway.

In addition to following the Town's 5-Year Consolidated Plan which identified infrastructure improvement as a priority need, the following variables were used in making this CDBG-R recommendation:

- Due to the limited amount of CDBG funds the Town receives annually, little or no funds have been allocated for infrastructure improvements. However, in anticipation of the Town receiving additional CDBG money as a result of the President's economic stimulus package, the Village of Menands submitted a 2009 CDBG funding application for the Tillinghast Avenue Water Main Replacement Project. Consequently, the Citizen Advisory Committee has already had an opportunity to evaluate this application and a discussion of this proposed project was included as part of the March 4, 2009 public hearing. Although the application was not recommended for inclusion in the Town's 2009 Annual Action Plan, it was the consensus of the Citizen Advisory Committee that unless the CDBG-R guidelines included a prohibition on the use of CDBG-R funds for infrastructure improvements, the Town would select this project for CDBG-R funding.
- Tillinghast Avenue is located within Census Tract 0136.02, Block Group 2. It is an older neighborhood that is exhibiting signs of aging infrastructure, streets, and housing. The street includes 32 homes (31 single-family and 1 two-family). These homes were originally constructed in the early 1900s (1890 to 1929). The average assessed value is \$83,970 which is well below

the Town average of \$140,000. Residents in this low- and moderate-income block group have been impacted by the recession.

- One of the main criteria for the use of the funds is to ensure that the program can be implemented within the timeframe of the grant (120 days of grant award). Therefore, the activity listed above was selected based upon the readiness of the project in terms of going out to bid and beginning construction within a timely manner.
- Outside contractors will complete the Tillinghast Avenue Water Main Reconstruction Project. Construction contractors have been hit hard by the economic recession with the resulting decline in new construction and remodeling projects. This project could be expected to create 8 to 10 temporary construction worker and construction professional jobs during the time needed to do the proposed water main replacement.
- To optimize the limited funds, the Town of Colonie selected a public infrastructure improvement project with 100 percent of the CDBG-R funds received will be used to benefit persons of low-and moderate-income. No other Recovery Act funding will be used in conjunction with this activity.
- This project will consist of an infrastructure investment that will provide a long-term benefit to the residents of this low- and moderate-income neighborhood. Residents will benefit, as the rehabilitation of these water mains will mean fewer unplanned water interruptions. Replacement of water main lines will reduce water main breaks and maintenance costs and will enhance water flow and optimal usage of water.
- This project will promote smart growth by improving the infrastructure in an existing low- and moderate-income neighborhood.

**Program Administration**

For CDBG-R, HUD is allowing jurisdictions to obligate up to 10 percent of the CDBG-R grant to general administration and planning activities. However, to maximize the limited funds, the Town has determined that no portion of the CDBG-R allocation will be used for program administration.

**Public Comment**

To expedite the prompt use of the CDBG-R funds and allow reasonable citizen participation, HUD has established a condensed 7-day citizen participation requirement for the CDBG-R funds.

The 2008 Action Plan Substantial Amendment was released for citizen review and comment on May 14, 2009. During the 7-day public comment period from May 14 through May 21, 2009, the amendment was made available to the public on the Town's website at <http://www.colonie.org>.

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No public comments were received during this 7-day public comment period.

**Other Considerations**

The Town of Colonie will follow existing policies and procedures to ensure effective and timely use of CDBG-R funds as outlined in the Consolidated Plan. Grant agreements provide procedures for discontinuance due to the lack of performance in a timely manner, pre-construction meetings are conducted, desk reviews are conducted to monitor monthly progress, and construction site visits are conducted as necessary throughout the construction process.

**Responsible Organization**

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