

**CITY OF SPRINGFIELD, MA**  
**CDBG-DR SUBSTANTIAL AMENDMENT #3 (MAY 2017)**

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As a result of several presidentially declared disasters in 2011 (FEMA Disaster Declarations DR-1994, DR-1959, DR-4028, DR-4051) the City of Springfield was allocated \$21,896,000 in CDBG-DR funds under the Disaster Relief Appropriations Act of 2013 (P.L. 113-2) and subject to guidance provided by HUD on March 5, 2013 (FR-5696-N-01). In accordance with that guidance, this is an amendment to the City of Springfield's Partial Action Plan A, which was approved by HUD on December 11, 2013.

Action Plan A was developed with significant public input and based on analysis of where damage occurred and what was damaged. The June 2011 tornado caused damage in eight City neighborhoods, which the City divided into Districts. District 1 is made up of the South End and Metro Center; District 2 is made up of Six Corners, Old Hill, Upper Hill and a portion of Forest Park; District 3 is East Forest Park and Sixteen Acres. Districts 1 and 2 are low-income neighborhoods with high minority populations, a mix of commercial and housing uses, with the majority of housing renter-occupied. In contrast, District 3 is primarily residential, owner-occupied, with a majority of single-family homes. In District 3, rebuilding took place quickly, primarily funded with homeowner's insurance payments. As the City allocated funds, it limited some activities to Districts 1 and 2; other activities could take place in any district, but the allocation of funding was primarily focused in Districts 1 and 2. The City focused its funding and programming on Districts 1 and 2.

The City conducted an unmet needs analysis that identified the following costs for unmet needs: Housing: \$43 million, Economy \$20 million and Infrastructure \$59 million. In response to the unmet needs analysis and public input, the City funded 10 activities in Action Plan A: 1) Acquisition & Development for Homeownership, \$1.45 million, in Districts 1 and 2; 2) Removal of Blight \$600,000, in Districts 1, 2 and 3; 3) Housing Repair, \$600,000, in Districts 1, 2 and 3; 4) Replacement of Multi-Family Housing, \$500,000 in Districts 1 and 2; 5) Workforce Training, \$250,000, in Districts 1, 2 and 3; 6) Business Recovery Loan Program \$500,000 in Districts 1, 2 and 3; 7) Redevelopment, \$500,000 in District 2; 8) Roadways and Sidewalk \$5.07 million, in Districts 1 and 2; 9) Parks, \$536,000 in District 3; and 10) Schools, \$3.7 million in Districts 1 and 2.

In June 2015, the City requested and received approval for Substantial Amendment #1, which created the activity Historic Preservation, funded at \$200,000, from funds that were unspent in the Business Loan Recovery Program, for which there was a low level of demand. In September 2015, the City requested and received approval for Substantial Amendment #2, which expanded the eligibility criteria for the Business Recovery Loan Program (still experiencing low demand);

increased the maximum allowed program award amount in the Homeowner Repair Program to \$100,000, in recognition of the extent and cost of damage to homes that had not been repaired; and reduced activity 7 and 8 to create a new activity 13 – Central and Marble Street Acquisition and Infrastructure Improvements.

The City’s proposed use of the \$13,906,000 of the CDBG-DR funds has been described more extensively in Partial Action Plan A and Substantial Amendments #1 and #2, all of which are posted to the City’s website.

This Partial Action Plan A - Substantial Amendment #3 includes the following changes:

- Allocate \$7,990,000.000, the remaining CDBG-DR grant funds remaining from the \$21,896,000 under Disaster Relief Appropriations Act of 2013 (P.L. 113-2) to existing activities listed in Partial Action Plan A, approved by HUD on December 11, 2013.
- Transfer \$195,000 from the existing Business Recovery Loan Program to the Acquisition and Development of Homeownership activity.
- Transfer \$300,000 from the existing Multi-Family Housing Activity to the Acquisition and Development of Homeownership activity.

The chart below details the changes in the Performance Measures based on the 3 proposed changes in this Substantial Amendment #3

**Performance Metrics - CDBG-DR Proposed Changes in Substantial Amendment #3**

Category	Activity	Partial Action Plan A- Performance Measure	Substantial Amendment #3	Total Performance Measure	National Objective	Performance Metric	Districts
Housing	Acquisition and Development for Homeownership	7	5	12	LMH	Units (Homes)	1, 2
	Housing Repair	10	2	12	LMH	Units (Homes)	1, 2, 3
	Replacement of Multi-Family Hsg	20	-20	0	Activity Cancelled	Units (Housing Units)	1, 2
<b>HOUSING</b>							
Econom	Business Recovery Loan Program	10	-9	1	Activity closed	Businesses	1, 2, 3
<b>ECONOMY</b>							
Infrastructure	Streets and Sidewalks	46,500 ft. 9,500 ft.	10,824 ft.	46,500 ft. 20,324 ft.	LMA	Roadway Sidewalks	1, 2
	Central & Marble Street Acquisition & Infrastructure Imp.	0	3	3	LMA	Public Facilities	1, 2
<b>INFRASTRUCTURE</b>							

### **Change #1: Allocate \$7,990,000 to existing activities**

This amendment allocates the remaining \$7,990,000 to the approved activities that were created in Action Plan A in response to the unmet needs analysis and public input.

- Acquisition and Development for Homeownership - \$606,841
- Housing Repair - \$165,000
- Streets and Sidewalks - \$3,639,057
- Central & Marble Street Acquisition & Redevelopment - \$2,922,314
- Administration - \$406,788
- Planning - \$250,000

### **Change #2: Transfer of Funds from the Business Recovery Loan Program**

The Business Recovery Loan Program was made available to the public in December, 2014 and only one loan has been approved to date. The City and Common Capital, the sub-recipient administering the loan program, initially identified 80 businesses that were directly impacted by the June 1, 2011 tornado within the City's target area. The City and Common Capital did extensive outreach to these impacted businesses. As a result of the outreach, there was one business that was interested in moving forward with the loan program as a result. Due to the lower than anticipated level of interest in the program from businesses directly impacted by the tornado, the City expanded the eligibility criteria of the program to allow new businesses locating with the direct impact target area that would create new job opportunities and/or existing businesses within the direct impact target area that would retain jobs for residents and/or create jobs, to apply for the program. Unfortunately, despite extensive outreach by the City and Common Capital, and an aggressive marketing campaign, the program, even with expanded eligibility criteria, has still failed to attract any additional, eligible businesses to the program. Therefore, in order to better serve the low-mod residents of Springfield and to comply with the expenditure deadline, the City has determined that the \$195,000 in remaining funds should be transferred from the Business Recovery Loan Program to the Acquisition and Development of Homeownership.

### **Change #3: Transfer of Funds from the Multi-Family Housing Activity**

This amendment removes all funds from the activity Replacement of Multi-Family Housing. There were three potential projects under this activity, none of which will be funded. The reasons for not funding any of these replacement projects are as follows:

1. MHA Union Street – MHA has fully replaced this destroyed project without DR funding. There was an inability to fund this project with DR funding because the project started before a funding commitment and environmental review took place.
2. SHA replacement of federal public housing – The Springfield Housing Authority made the decision, which has been approved by HUD, to replace only 4 of the 8 units destroyed. SHA's insurance coverage fully covered the cost of rebuilding, so duplication of benefits requirements barred the City from contributing DR funds to the new construction.

3. Hill Homes Cooperative Rental Housing – This rental cooperative has not been able to develop a redevelopment plan for the portion of its units destroyed. There have been two development consultants that have produced redevelopment plans, but the tenants in the tenant-owned rental cooperative have been unable to agree to a plan for redevelopment. In addition, HUD has just begun abatement of project-based assistance in this project because of the lack of a HUD-approved management company. The City does not have confidence that the entity has the capacity to spend DR funds by the spending deadline. The City expects that it will consider this project for HOME funding at the time that a feasible development plan is created.

Therefore, in order to comply with the expenditure deadline, the City has determined that the \$300,000 in remaining funds should be transferred from the Multi-Family Housing Activity to the Acquisition and Development of Homeownership.

**Requirements Related to the above changes:**

**LMI National Objective:** The changes in this amendment to Partial Action Plan A will still ensure that at least 50% of grant funds will still be dedicated to activities that meet with Low/Mod Income national objective.

**Administrative, Planning and Management Costs:** The changes in this amendment to Partial Action Plan A will not increase administrative costs by more than five percent (5%) of the total grant amount. Overall planning, management and administrative costs will remain less than twenty percent (20%) of the total grant amount.

**Citizen Participation:** The amendment was published in accordance with the Partial Action Plan A and the Citizen Participation Plan and met the following requirements:

- Publication in Spanish and English on the City’s website.
- A comment period for the required seven days from May 8, 2017 to May 14, 2017.
- Submission of comments were allowed as follows:
  - Electronically on the City’s CDBG-DR website at [www.springfield-ma.gov/planning/cdbg-dr](http://www.springfield-ma.gov/planning/cdbg-dr)
  - Written comments mailed to the Office of Community Development, 1600 East Columbus Avenue, Springfield, MA 01103
  - By telephone contacting 311, the City of Springfield’s main source of government information and non-emergency services.
- City has reviewed all comments received and have incorporated them into the revised Partial Action Plan A.
- Publication of the Final Substantial Amendment in English and Spanish on the City’s website.

**Budget Summary - CDBG-DR Proposed Changes to Partial Action Plan A**

Category	Activity	Partial Action Plan A with approved amendments to date	Substantial Amendment #3	Total CDBG DR funds	Substantial amendment #3	Performance Metric	Districts
Housing	Acquisition and Development for Homeownership	\$1,450,000	\$1,101,841	\$2,551,841	5	Units (Homes)	1, 2
	Removal of Blight	\$815,932		\$815,932	CLOSED	Units (Houses)	1, 2, 3
	Housing Repair	\$300,000	\$165,000	\$465,000	2	Units (Homes)	1, 2, 3
	Replacement of Multi-Family Housing	\$300,000	(\$300,000)	\$0.00	-20	Units (Housing Units)	1, 2
	Historic Preservation	\$200,000		\$200,000		Units (Homes)	1,2,3
	<b>HOUSING TOTAL</b>	<b>\$3,065,932</b>	<b>\$966,841</b>	<b>\$4,032,773</b>			
Economy	Workforce Training	\$146,255		\$146,255	CLOSED	People	1, 2, 3
	Business Recovery Loan Program	\$300,000	(\$195,000)	\$105,000	-9	Businesses	1, 2, 3
	Urban Renewal	\$43,636		\$43,636	CLOSED	n/a	2
	<b>ECONOMY TOTAL</b>	<b>\$489,891</b>	<b>(\$195,000)</b>	<b>\$294,891</b>			
Infrastructure	Streets and Sidewalks	\$4,070,000	\$3,639,057	\$7,709,057	10,824 ft.	Roadway Sidewalks	1, 2
	Parks	\$760,000		\$760,000	CLOSED	Park	3
	Schools	\$3,375,802		\$3,375,802	CLOSED	School Buildings	1, 2
	Central & Marble Street Acquisition & Infrastructure	\$1,456,363	\$2,922,314	\$4,378,677	3	Public Facilities	1, 2
	<b>INFRASTRUCTURE TOTAL</b>	<b>\$9,662,165</b>	<b>\$6,561,371</b>	<b>\$16,223,536</b>			
Admin.	Administration	\$688,012	\$406,788	\$1,094,800	n/a	n/a	n/a
	Planning		\$250,000	\$250,000	n/a	n/a	n/a
	<b>ADMINISTRATION &amp; PLANNING TOTAL</b>	<b>\$688,012</b>	<b>\$656,788</b>	<b>\$1,344,800</b>			
<b>CDBG-DR TOTAL</b>		<b>\$13,906,000</b>	<b>\$7,990,000</b>	<b>\$21,896,000</b>			