2010 Innovations Awards Application

Deadline: March 1, 2010

ID # (assigned by CSG): **10-E-15NY**

Please provide the following information, adding space as necessary:

State: New York State

Assign Program Category (applicant): Infrastructure and Economic Development

1. Program Name – Restore New York Communities Initiative
2. Administering Agency – Empire State Development
3. Contact Person (Name and Title) – Laura Magee
4. Address – 95 Perry Street, Suite 500, Buffalo, New York 14203-3030
5. Telephone Number – 1-800-260-7313
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8. Web site Address – www.empire.state.ny.us
9. Please provide a two-sentence description of the program.
   The Restore New York Communities Initiative provides municipalities with financial assistance for revitalization of commercial and residential properties. The program encourages community development and neighborhood growth through the elimination and redevelopment of blighted structures.
10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 1, 2010 to be considered.
    August 2006
11. Why was the program created? What problem[s] or issue[s] was it designed to address?
    The Restore New York program was established to
    ▪ revitalize commercial and residential property;
    ▪ attract residents and business; and
    ▪ increase tax base, make communities economically viable.
12. Describe the specific activities and operations of the program in chronological order.
   ▪ Application Process:
     o Applications must be initiated by municipalities
     o Municipalities need to demonstrate a 10% match
     o Municipality must hold public hearing to discuss the application and the property assessment list
   ▪ Funding available for:
     o Projects to be demolished, deconstructed, rehabilitated and/or the reconstruction of vacant, abandoned, condemned and surplus properties
o Water, sewer or parking

- Selection Process:
  o Applications initially evaluated at regional level
  o Scored against specific guidelines and how strongly they meet goals of program:
    - Revitalize urban centers
    - Induce commercial reinvestment
    - Improve municipal housing stock
  o Priority for projects in Empire Zones and Brownfield Opportunity Areas
  o Priority given to projects that leverage other state or federal redevelopment assistance programs
  o Strong emphasis placed on projects from economically distressed communities and geographic proportionate distribution of program funds.

13. Why is the program a new and creative approach or method?
Restore NY helps connect traditional economic development initiatives, such as incentives to attract and retain industries, with much-needed community development. In addition, the Restore program allows municipalities to identify the most significant projects for their communities (applicants must be initiated by municipalities and the municipality must demonstrate at least a 10% match). Applications are initially evaluated at the regional level. Applications are scored against specific guidelines and how strongly they meet goals of program, which are to: revitalize urban centers, induce commercial investment and improve the local housing stock. Priority is given to projects in Empire Zones and Brownfield Opportunity Areas, as well as to projects that leverage other state or federal assistance programs. There is also a strong emphasis placed on projects from economically distressed communities.

14. What were the program’s start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)
Start-up costs were less than $10,000 for all three rounds, primarily for training and travel. Everything else associated with the program was done with existing staff and existing resources.

15. What are the program’s annual operational costs?
Operational costs for this program were not separately accounted for, but over 60 staff people were involved.

16. How is the program funded?
A $300 million appropriation was enacted in the 2006-07 New York State Budget for the Restore New York program, rolled out in three rounds:
- Round I – $50 million appropriated in 2006; 54 grants awarded
- Round II – $100 million appropriated in 2008; 64 grants awarded
- Round III – $150 million appropriated in 2009; 79 grants awarded

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.
Required the passage of the 2006-2007 New York State Budget by the New York State Legislature.

18. What equipment, technology and software are used to operate and administer this program?
No new equipment or software was deployed to run this program, but our MIS (Management Information Systems) department invested considerable time in designing a database program that tracked the program and ensured that program parameters were being observed for each project.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator’s name, present address, telephone number and e-mail address.
The program was initiated by the New York State Assembly.
20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ? Many states have urban redevelopment programs but we have not performed an analysis that compares Restore NY to others.

21. Has the program been fully implemented? If NO, what actions remain to be taken? No, awards have been made but such projects, by their very nature, are difficult to implement, so in most cases disbursements have not been completed.

22. Briefly evaluate (pro and con) the program’s effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.
   **PRO** – Over the three rounds, the $300 million dedicated to Restore has generated over $2 billion in private and public investment to benefit projects across the state. The program has funded a wide range of project sizes, from an $18,000 award to the North Country Town of Theresa to raze a single building to the $10 million investment to rehabilitate the Bush Terminal in Brooklyn. Restore NY has impacted municipalities large and small and has made significant investment into challenged urban centers like Buffalo, Rochester, Syracuse and Schenectady.
   **CON** – n/a

23. How has the program grown and/or changed since its inception? In April 2007, Empire State Development began the Restore NY Round 2 process and retooled the program in response to our Round 1 experiences. One of the most helpful changes we made in Round 2 was requiring applicants to submit a letter of intent early in the application process. This not only provided valuable information to us, it also allowed us to reach out to the applicants to guide them through the process and helped to identify and eliminate ineligible projects thus saving communities the time and money to develop applications. Through this stage, we realized that a number of communities were concerned about submitting applications because of municipal cash flow problems. In response, we established a grant disbursement protocol that allows severely and moderately distressed communities to request for up-front disbursement [I don’t believe this is accurate], as well as progress payments for large-scale projects. These changes helped create a model application and award program.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?
   - The Restore NY initiative was a unique program created by the Legislature during a more robust economic time that leveraged state dollars with private investment to help transform communities, particularly in urban cores. Today, New York faces a severe economic downturn that must be met head-on by a strategy that creates jobs and makes capital investment in key industries.
   - In all three rounds, ESD held workshops for applicants and regional and central staff toured project sites. Over 60 of Empire State Development’s staff from numerous divisions were tapped to work on the Round 3 projects while continuing to keep up with their daily responsibilities.

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2010 Innovations Awards Application
Program Categories and Subcategories

Use these as guidelines to determine the appropriate Program Category for your state’s submission and list that program category on page one of this application. Choose only one.

Infrastructure and Economic Development
- Business/Commerce
- Economic Development
- Transportation

Government Operations and Technology
- Administration
- Elections
- Information Systems
- Public Information
- Revenue
- Telecommunications

Health & Human Services
- Aging
- Children & Families
- Health Services
- Housing
- Human Services

Human Resources/Education
- Education
- Labor
- Management
- Personnel
- Training and Development
- Workforce Development

Natural Resources
- Agriculture
- Energy
- Environment
- Environmental Protection
- Natural Resources
- Parks & Recreation
- Water Resources

Public Safety/Corrections
- Corrections
- Courts
- Criminal Justice
- Drugs
- Emergency Management
- Public Safety

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CSG Innovations Awards 2010
The Council of State Governments
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Lexington, KY 40578-1910

Contact:
Nancy J. Vickers, National Program Administrator
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This application is also available at www.csg.org.