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City of Buffalo 2008-2009 Budgets and Four Year Plans

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City of Buffalo 2008-2009 Budgets and Four Year Plans

Abstract

I am writing on behalf of the Partnership for the Public Good (PPG) to comment on the City of Buffalo's 08-09 Action Plan Recommendation. PPG is a new collaboration promoting a revitalized, sustainable Buffalo through research and advocacy. Our 2008 Platform has been endorsed by over 30 organizations, including Belmont Shelter, Catholic Charities, Community Action, Cornell University ILR School, PUSH Buffalo, the Homeless Alliance of Western New York, and the Center for Urban Studies.

Keywords

Buffalo, Housing/Neighborhoods, Neighborhood Renewal, Policies and Programs, Report, PPG, PDF

Partnership for the Public Good

PPG

Steering Committee



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March 7, 2008

Donna Brown
Deputy Mayor
City of Buffalo
65 Niagara Square
Buffalo NY 14202

Timothy Wanamaker
Director, Office of Strategic Planning
City of Buffalo
65 Niagara Square
Buffalo NY 14202

Re: 2008-2009 Action Plan

Dear Ms. Brown and Mr. Wanamaker:

I am writing on behalf of the Partnership for the Public Good (PPG) to comment on the City of Buffalo's 08-09 Action Plan Recommendation. PPG is a new collaboration promoting a revitalized, sustainable Buffalo through research and advocacy. Our 2008 Platform has been endorsed by over 30 organizations, including Belmont Shelter, Catholic Charities, Community Action, Cornell University ILR School, PUSH Buffalo, the Homeless Alliance of Western New York, and the Center for Urban Studies.¹

The PPG Platform includes the following statement on housing:

City of Buffalo, Erie County, and New York State. Work with the university and non-profit communities to develop a Regional Real Property Intelligence Network and a strategic, block-by-block housing plan incorporating foreclosure and abandonment prevention, with specific goals for weatherization, green rehab, re-use, demolition, deconstruction, the creative re-use of vacant lots and incorporating job opportunities for disadvantaged city residents, including youth.

Regarding the Action Plan, we offer the following comments.

¹ A copy of our platform and the list of endorsing organizations is enclosed. For PPG reports, policy statements, and other information, please visit <http://ppg-buffalo.wikispaces.com>.

Citizen Participation

We would like to work with you to develop a system of more meaningful citizen public participation in the Action Plan / CAPER process. For example, we would like to help you make (or add to) a list of interested organizations and individuals to be sent notices of public hearings well in advance of the hearings.

Numeric Goals and Information

The plan lacks specific goals and strategies to meet those goals. For example, how many new units of housing will be built, how many rehabilitated, how many deconstructed, and how many demolished? What income levels will they serve? How much total funding will go toward home ownership, and how much toward rental? How much toward preservation, and how much toward new construction? What is the role of each of the various non-profit agencies funded in meeting these goals? How much of the housing rehab and construction will be publicly funded, and how much privately?

Administration and Program Delivery Costs

A huge percentage of our federal funds never leave City Hall. Surprisingly few dollars make it out into the community in the form of grants and loans. It is not possible from the Action Plan or the CAPER to get a good picture of how the administration and program delivery funds are being spent. For example, what salaries are being paid? What results are those staff people delivering? What other expenses are being paid with federal funds? For example, why does homeowner assistance require \$580,724 in salaries and fringe benefits? Why do rehabilitation activities require \$1,052,074 in program delivery costs? How do these costs compare to those of other cities?

Beneficiaries

According to HUD's CDBG Performance Profile for Buffalo's 05-06 program year, only 0.07% of the CDBG beneficiaries were extremely low income. The 08-09 Action Plan, like its predecessors, focuses surprisingly few resources on those in serious poverty. It is vital to target funding toward those with the lowest incomes, not only because they need it the most, but also because, if their housing and service needs are not addressed, the results (such as homelessness, missed school, unemployment, crime, etc.) are very expensive for the City as a whole.

Inadequate Funding for Affordable Rental Housing

One reason that so few people with extremely low incomes benefit from the City's programs is that the City does so little for rental housing, which is where the vast majority of people with extremely low incomes live. The entire \$23.8 million Action Plan offers almost nothing to preserve, weatherize, and rehabilitate

our affordable rental housing – which should be the highest priority in a City with 29.9% living under the poverty line and over 2,000 homeless each night.

It is disappointing that spending on investor owned rehabilitation drops from \$1,559,331 in 2007-2008 to \$750,000 in 2008-2009, while the budget for new homeowner units remains at \$1 million and “Program Delivery Homeownership Assistance” rises from \$556,358 to \$580,724, among many other funding streams dedicated to homeownership. We also note that the City’s 2006-2007 CAPER reports that of the 136 units of rental housing for people with disabilities planned, zero were built.

In addition, the CAPER reports no progress toward the goal of rehabilitating the city’s public housing stock, and reports that the City has reduced its goal of developing 20 units of public housing to 6 units. We do not find any mention of even this goal in the Action Plan. Public housing is a vital way to bring federal funding to the city and make our housing more affordable.² While large-scale public housing projects have fallen out of favor, Buffalo has an endless number of abandoned units that could be preserved and rehabilitated for scattered site public housing.

Giving Priority to Preservation and Weatherization

Given Buffalo’s still rapidly-declining population and spiraling crisis of abandoned housing, it makes no sense for the City to continue heavily subsidizing the new construction of homeowner units in locations like Sycamore Village and Willert Park. The City’s CAPER reports \$3,498,404 in funding for 26 homes in Willert Park: a remarkable subsidy level of \$134,554 per home. Even more surprisingly, the City reports giving a subsidy of \$180,000 per home for 10 homes on Sweet Street developed by the Matt Urban Center: this in city with a median home value of about \$60,000. Each family who moves into one of these new homes will be leaving another home in Buffalo behind. It makes far more sense to spend our money preserving and renovating the units we have – many of them fine old buildings that give the City its historic character.

To the extent that we spend money supporting homeownership, we should spend it preserving existing homes and homeownership, rather than on new homes and new homeowners. Weatherization is a proven way to dramatically lower utility bills and thus help homeowners keep their homes. Existing weatherization programs receive no city funding and have long waiting lists.

² It is odd that the City’s comprehensive plan calls for reducing the number of public housing units from 7,000 to 5,000; why would the City want to throw away 2,000 federal housing subsidies?

A small rehab loan or grant is often all that is needed to keep a home from the downward spiral of disinvestment. Buffalo also needs an effective foreclosure prevention program that includes cash assistance as well as financial counseling. We should also look at programs from other cities that have proven successful in combating predatory lending.³ It is much more efficient to save our existing homes and homeowners than to let them be lost and then try to replace them with new homes and new homeowners.

Greening the Action Plan

Although the City's Comprehensive Plan puts a high priority on environmental issues, the Action Plan contains no environmental programming: no dedicated funds, for example, for green construction, green rehab, energy efficiency, home conservation, storm/sewer overflow reduction, etc. Although Buffalo committed itself to the U.S. Mayors' Climate Protection Agreement, the City has apparently made no concerted effort to reduce its greenhouse gas emissions. The Plan makes no mention of using green criteria to evaluate funding requests, as the State of New York does in its affordable housing programs.

Sealing, Deconstruction, and Demolition

The Plan does not commit enough resources to Buffalo's abandoned housing crisis, nor does it demonstrate a long-range, strategic approach to that crisis. Given the enormous governmental and social costs imposed by abandoned houses, it is much more cost effective to deal with them quickly rather than letting them linger. While the City has stepped up its pace of demolitions, a more intensive and more careful strategy is required. In terms of funding, it makes no sense to be putting \$180,000 per unit into the construction of new homes when we have thousands of abandoned homes that need to be sealed, preserved where possible, and deconstructed or demolished where necessary.

It is our understanding that the City under-funds its sealing efforts, with two bad results: (i) only first-floor windows are sealed, allowing upper floor broken windows to let in rain, snow, and, in some cases, intruders; (ii) an inexpensive and flimsy method is used to seal lower-floors, with the result that intruders can easily pry off boards. This "penny-wise, pound-foolish" approach means that many units are lost that could have been saved and that the City ends up losing money through demolition and other costs.

We also urge the City to continue its progress toward deconstructing instead of demolishing units wherever possible. Buffalo should emulate Chicago and other

³ The City's 2006-2007 CAPER states that the City funded the Urban League to conduct anti-predatory lending activities but gives no information about what those activities were or what results were obtained.

cities which have mandatory recycling of 25 to 50% of building materials from demolitions. Buffalo should create a protocol for determining how much of a given house should be deconstructed and recycled rather than demolished.

The City mentions in its CAPER a targeted demolition policy; however, we have never seen a written policy explaining the City's priorities for demolition, nor have we seen evidence of such a policy on the ground. It still appears that the City demolishes many homes that could be preserved, and that the City does not proceed block by block in its demolitions and its housing investments in a way that would maximize their effect. While the university and non-profit communities are eager to help the City in this effort, they have had a hard time establishing a fruitful collaboration.

Conclusion

Buffalo needs a clearly articulated housing plan with measurable goals and detailed strategies for reaching those goals. Such a plan should devote the most resources to our greatest problems: extreme poverty, housing abandonment, and environmental degradation. Buffalo's Action Plan, in both substance and format, should reflect those goals and clear, efficient, non-duplicative ways to achieve them. We would like to meet with you at your earliest convenience to discuss how we can help the City work toward these goals.

Thank you.

Sincerely,

Sam Magavern
Partnership for the Public Good

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