LEGISLATIVE MEMORANDUM
February 19, 2016

Bill: Executive Budget

Subject: $100 million downtown revitalization initiative

Position: Support with important modifications

The New York State Economic Development Council (NYSED) supports the Executive Budget proposal to appropriate $100 million for urban revitalization. However, we think it should be used to fund the RESTORE NY program, instead of being awarded on a competitive basis to ten winning communities. NYSED supports the intent of these funds and agrees with the Executive on the need and opportunities for cities, towns, and villages throughout the state to revitalize their urban corridors, but we believe the funds would be more efficiently and effectively used if awarded through the RESTORE NY program.

The RESTORE NY Communities initiative requires planning and directs funding where it is most needed: for projects involving the demolition, deconstruction, rehabilitation and or reconstruction of vacant, abandoned, condemned and surplus properties. There is also a strong emphasis placed on projects from economically distressed communities. These are critical needs that most communities have, and the RESTORE NY program is the only statutory program that funds these purposes.

There are clear market opportunities that municipalities can leverage to redevelop downtown corridors, including the trend of millennials, entrepreneurs, and seniors choosing to live in vibrant downtowns that offer many cultural and recreational options. RESTORE NY program is universally recognized by economic development professionals, private developers, and local elected leaders as a highly effective program that is administered well by ESD.

In 2006, the RESTORE NY program received funding for $300 Million, which was allocated over a three year period.

Requirements of the program include:

1. The area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or Unsanitary area and tends to impair or arrest sound growth and development of the municipality.
2. The project consists of a plan or undertaking for the clearance, re-planning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
4. There are no families or individuals displaced from the Project area

Last year, the legislature added $25 million to fund the RESTORE NY program. Previous funding rounds had expired, so this funding amount will keep the program alive.