CITY OF BUFFALO

MAYOR BYRON W. BROWN

CITY OF BUFFALO

AMERICAN RESCUE PLAN ACT SPENDING PLAN

Executive Summary

This preliminary draft of the City of Buffalo's American Rescue Plan Spending Proposal is the culmination of months of research, outreach into the community, public comment and feedback, and discussions with subject matter experts in a wide array of fields. This plan recognizes the once-in-a-generation opportunity this federal stimulus represents, a chance for local leaders to identify—within a set of very broad federal guidelines—the best way to address both the immediate and long-term causes of disparate health and economic outcomes which occurred during the COVID-19 pandemic.

The $331 million dollar draft spending plan my Administration has proposed aims to do this in the following ways:

- Provide direct relief to low-income residents in the forms of financial payments or debt relief with few administrative burdens to people who have been directly or indirectly impacted by the pandemic or who live in neighborhoods which have been disproportionally impacted (either socially, economically, or racially) as a result of the pandemic;

- Provide historically underserved residents with jobs or job-training programs and support so they can enjoy greater social and economic mobility through the attainment of good-paying, sustainable jobs;

- Improve the environmental conditions that contribute to the cycle of poverty by investing in water and sewer infrastructure, affordable housing, community centers, parks, urban green spaces, and cultural institutions which serve Buffalo's residents.

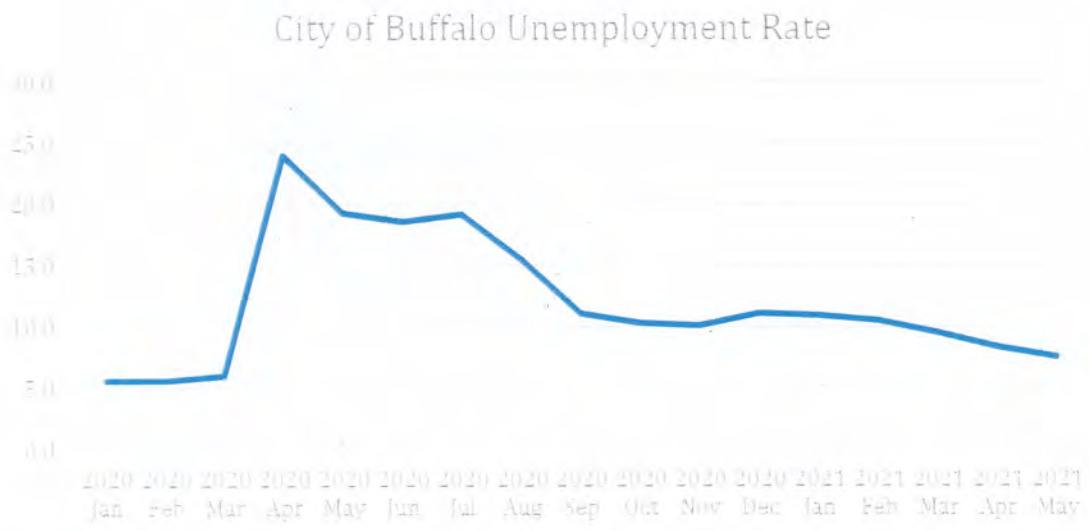
While it is critical that this plan addresses these systemic roots of racial and economic disparities, it must also address the immediate symptoms of these issues which are having an impact on the safety, health, and livability of our neighborhoods right now. That is why this draft plan also includes funding for community-based violence intervention and prevention programs, focused economic development programs for Black and brown entrepreneurs, digital connectivity for our lowest income residents, and health programming and services in the communities that remain the most impacted from the pandemic.

By employing this holistic and systemic approach this draft spending plan aims to transform peoples' lives, create a more inclusive sense of prosperity in every neighborhood, and protect the health and safety of Buffalo's residents. The bold ideas contained here meet the mandate of the moment and through the concentration and coordination of these programs will leave a lasting imprint on Buffalo for generations to come.

Social and Economic Analysis

The City of Buffalo American Rescue Plan (ARP) spending proposal has been drafted as a targeted anti-poverty program. It aims to provide both immediate direct assistance to low-income residents while also making critical investments in projects and services that will improve the quality of life for residents in historically underserved neighborhoods. The guiding principle behind this proposal is that the way to improve the City's long-term fiscal outlook is to improve its overall economic outlook. The way to improve the economy is to help close the individual wealth gap[1], invest in underserved neighborhoods so they can compete economically[2], and make critical investments in City operations and service delivery that reduce legacy expenditures.

Improving the economy begins with enabling people to become economic actors and participants in the market. While for many, this begins with earned incomes from employment, too many of Buffalo's poorest residents are precluded from participating in the job market. The familiar reasons given of lack of training, evolving employment ecosystems, and low-income residents' lack of "soft" job skills fail to suffice as the sole reasons when the jobs data in the City is examined closely. Buffalo's unemployment rate over the last year paints a startling picture[3]:



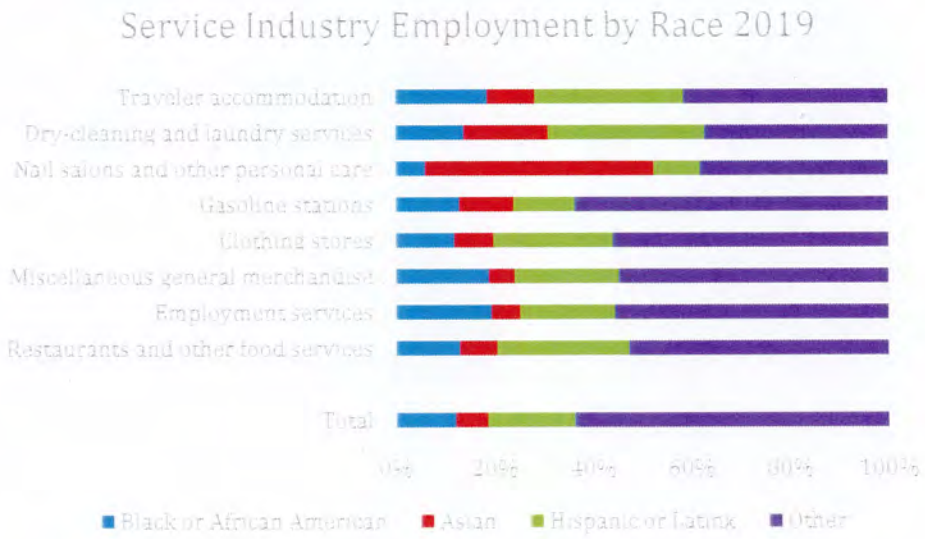
[1] Thomas Piketty's *Capital in the Twenty-First Century* makes the case that growing economic inequality caused by a concentration of wealth and the failure of economic systems to effectively redistribute that wealth leads to overall economic stagnation and diminishing social mobility.

[2] Heather McGhee's *The Sum of Us: What Racism Costs Everyone and How We can Prosper Together* highlights how historic divestment from Black communities dragged down the economic growth of surrounding neighborhoods, slowed economic growth for whole cities, and forced many middle-income Black neighborhoods to fall into becoming classified as poor neighborhoods. She used research on the economic impacts of segregation in Chicago as the case study for her conclusions, pp 177-178.

[3] United States Bureau of Labor Statistics Unemployment Rate for municipalities of populations greater than 50,000 City of Buffalo

As the chart shows, unemployment rates peaked twice in the City of Buffalo, first in April of 2020 and then again in July of that same year. Since then, the rate has decreased steadily but slowly. There are two things that likely account for this relatively slow rate of job recovery, first, is the contraction in employment opportunities in the service sector. That sector of the economy has been the hardest hit by the pandemic and was comparatively labor intensive. The second reason, however, is that residents who only a year ago were able and willing to work are no longer able to do so even though the economy has significantly rebounded.

Why is that people who want to work, and who may have access to employment opportunities in a recovering economy, are unable to secure a job? A disproportionally high number of the people who had those jobs in the service industries and have not been able to find new ones are comprised of Black and brown residents. See the chart below for an analysis of the racial composition of the industries that typically comprise the service sector economy[4]:



The racial composition of the hardest hit segments of the economy is critical because it is those same populations that are the most economically marginalized in the City of Buffalo. According to the U.S. Census Bureau's latest 12-month poverty estimates, 31.4% and 43% of the City's Black and Hispanic populations, respectively, are classified as poor. Combined, these two segments of the population account for over 43,000 of the City's residents who live below the poverty line. Many of these individuals would be classified as "working poor," often making between 50-

[4] U.S. Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey: Employed persons by detailed industry, sex, race, and Hispanic or Latino ethnicity," available at https://www.bls.gov/cps/cpsaat18.htm (last accessed April 2020); U.S. Private Sector Job Quality Index,

200% of the federal poverty rate[5]. This is typically enough to provide some form of housing and meet other basic needs, however, it is not sufficient to build up any amount for savings or make other contingency plans for a downturn in the economy. As a result, many of these individuals, who live on the very margins of complete economic collapse, are the least able to transition to a new job, new housing, or other change in economic circumstance. Recent research conducted by the Harris School of Public Research at the University of Chicago and the University of Notre Dame's Lab for Economic Opportunities indicate that the poverty rate nationally is rising.[6] There is no reason to think that Buffalo did not also experience this growth in its own poverty rate.

At the start of the pandemic, this fact was recognized, and the federal government made the distribution of direct aid payments to individuals a high-priority. All three of the COVID relief bills contained some type of direct payment and increased unemployment benefits and they have had a significant positive impact on the economy, even in Erie County. According to information compiled by researchers Raj Chetty, John N. Friedman, Nathaniel Hendren, Michael Stepner, and the Opportunity Insights Team from Harvard and Brown Universities, consumer spending has grown over the last year[7]:

[5] For the sake of perspective, 150% of the federal poverty rate for a family of three in 2021 is only $32,940, which is close to the median income for the entire City of Buffalo.

[6] A summary of both institutions' research was published in an article by Alexandre Tanzi of Bloomberg News on April 20, 2021. https://www.bloomberg.com/news/articles/2021-04-20/u-s-poverty-rate-rose-to-pandemic-high-ahead-of-new-stimulus?sref=99G6gQu8

[7] An interactive and online version of this chart can be found at: https://tracktherecovery.org/.

It is important to note that the 12.1% growth reflected in the chart is growth from January 2020, two months prior to the declaration of the pandemic. While not all of this increase in consumer spending can be attributed to the direct assistance payments people received from the COVID relief bills, there are spikes that do correspond with the arrival of direct payments to residents.

In addition to alleviating financial stresses on residents during the pandemic, direct payments has been demonstrated to help improve the overall social and economic mobility of residents. The Stockton Economic Empowerment Demonstration (SEED) program provided 125 families with $500 support checks for 24 months. Their research found that residents in the demonstration program saw a 12% increase in their employment, versus only a 5% increase in employment in the control group, recipients had better physical and mental health outcomes—especially for women—because the funding alleviated financial anxiety and enabled many to seek medical care, and residents that received the funding were often able to improve the quality of their jobs by shifting from part-time or gig economy work to full time positions with benefits because they had the resources to enroll in internships or training programs.[8] Buffalo, will approximate this model by targeting its direct assistance funding to helping individuals who require additional financial support through wraparound services and payments while they are enrolled in skills enhancement and job training programs with qualified non-profit partners. This is why the $40.3 million allocated in this plan to provide direct payments to households in some capacity has the greatest potential of reducing poverty and improving the City's long-term fiscal and economic outlook.

In addition to direct payments, there is also a significant investment in this proposal for long-term job readiness. Having government provide these types of programs to residents during difficult economic times was first done during the Great Depression. President Franklin Roosevelt's New Deal launched initiatives like the Civilian Conservation Corps and the Works Public Administration. In Western New York, these programs employed over 40,000 residents between 1934-1943 and completed 300 local projects.[9]

For many of the 40,000 people who received work through the New Deal programs it became a gateway to other, long-term employment. In a 2018 study by the New York Federal Reserve, it found that individuals who were employed had a better chance of being offered a job, securing a higher-wage, and enjoyed greater economic mobility than those who did not already have employment.[10] The chart below

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[8] The full report of the benefits of the SEED program can be found on the program's website at: https://www.stocktondemonstration.org/#summary-of-key-findings.

[9] A full list of New Deal projects in the WNY area can be found at livingnewdeal.org. Some examples include War Memorial Auditorium, the Dillon Courthouse, the Casino at Cazenovia Park, and Futures Academy.

[10] The full scope of the study's findings are at: https://libertystreeteconomics.newyorkfed.org/2018/04/do-the-employed-get-better-job-offers.html.

demonstrates how having employment increases the likelihood of being offered a new job and how it demonstrates currently employed individuals have a greater variety of job choices.

Job Offer and Acceptance Rates by Labor Force Status in Prior Month			
	Employed	Unemployed	Out of Labor Force
Fraction with at least one offer	10.2	33.1	7.7
Fraction with at least one offer, including unrealized offers	14.5	36.4	8.9
Sample size	2,731	140	576
Fraction of best job offers accepted	29.6	49.7	20.5
Sample size	249	44	44

Source: SCE Job Search Survey (New York Fed Center for Microeconomic Data).

Notes: Estimates are authors' updated tabulations from Faberman, Mueller, Şahin, and Topa (2017) using the October 2013-16 waves of the SCE Job Search Survey, for all individuals 18-64, excluding the self-employed, by labor force status. Unrealized offers constitute cases in which a respondent signalled disinterest to a potential employer before an offer was on the table.

In addition to the direct job creation program outlined in this plan, as well as the expanded Mayor's Youth Employment Initiative and two workforce development programs, there is another $59 million worth of infrastructure projects that will employ area residents on projects that will have a direct and positive impact on the lives of City residents. Just like the New Deal era, this program will use infrastructure spending to help revive the economic prospects of thousands of residents and reshape the face of our City in a manner that will create benefits for future generations.

This spending proposal has the capacity to alleviate poverty for thousands of residents, enhance economic mobility, improve the quality of our affordable housing, ensure greater digital connectivity, provide community-based food security options, and set the City on a stronger fiscal trajectory that will continue after the federal aid comes to an end. By providing direct assistance to residents and spurring greater job creation through government supported work or targeted infrastructure projects, this proposal will help move Buffalo's economy in a direction that will accelerate our growth, ensure an equitable recovery, and directly address the needs of residents who have historically had the least support.

Community Engagement

The stimulus funding the City of Buffalo will receive through the American Rescue Plan is a once in a generation opportunity to address the root causes of systemic poverty in the City of Buffalo. Because of the size of the stimulus package and the extraordinary degree of flexibility in its uses, it was deemed critical that a robust process of community engagement take place to ensure maximum input from a variety of stakeholders in the formation of Buffalo's spending proposal.

Over the course of the pandemic, City policymakers were in regular contact with housing services providers, community advocates, public health advocates, and neighborhood leaders to identify immediate needs resulting from the health, economic, and social fall-out of the pandemic. These conversations became the basis for a series of meetings that went on to help shape many of the proposals that have been formulated in this proposal. These organizations and advocates included a broad array of community interests which include frontline arts organizations, community garden organizers, language access advocates, housing services, and public policy researchers. Representatives from the Mayor's office participated in sessions hosted by the Health Foundation of Western and Central New York, which provided two forums with community leaders, educators, health care specialists, housing advocates, banking industry representatives, researchers, and others an opportunity to discuss the ARP and how it can positively impact their community.

In addition to this targeted outreach, a dedicated page on the City's website was created so residents could learn more about the ARP and provide feedback through a survey. The survey was structured so that residents could identify what priority areas they would like to see stimulus funds invested in. Residents who did not have access to the internet could also call the City's 311 line and provide their feedback through that service. Mayor Byron Brown held four press conferences announcing specific ARP initiatives where he also promoted the survey and links to the page were shared on the City's social media platforms. Approximately 200 residents responded to the survey or through other forms of communication to the City.

The City of Buffalo Common Council's Finance Committee sponsored a special public hearing in July. Approximately, fifteen residents, representing a broad array of groups including Mayor Brown's administration participated and shared their ideas with the Common Council.

On July 20, 2021, a complete preliminary draft of the City's ARP spending plan was posted on the website and opened to the public for comment. An additional committee meeting was also held that month, providing another opportunity for Administration officials to brief the members of the Council as well as the viewing public on the proposals contained in the City's preliminary draft of the ARP

spending plan. By the closing date of the public comment over 230 residents had registered comments regarding the City's preliminary drafts.

Summary of ARP Spending Proposals

Wraparound Services Support for Job Training Program Enrollees

$20 million will be available to non-profits providing Buffalo residents job training in high-demand areas like the medical fields, technology, information sciences, and advanced manufacturing. These funds will provide enrollees in these programs with wraparound funds they may use to defray the costs of things like childcare, transportation, clothing, medical costs, or other financial burdens that often force residents to end their training before it is complete. Wraparound service dollars are meant to be flexible forms of aid designed to ensure higher retention and program completion rates. Programs similar to this are being tried in other cities across the nation with high rates of success of promoting employment, enabling recipients greater financial choice, and fostering stronger economies in low-income neighborhoods by helping close the wealth gap.

Creation of a Neighborhood Improvement Corps

A two-year program that will provide jobs for individuals who will advance the City's neighborhood improvement efforts (similar to what the Mayor's Impact Team does), parks improvement projects, and other community service efforts in the City. This Corps will be comprised of 50 members and 5 supervisors. Hiring preference will be for low-income residents who live in neighborhoods of color. In addition to providing these services, Corps members will also be able to enroll in academic and enrichment programs. It will cost approximately $4.5 million a year. As the data from the Federal Reserve indicated, it is easier for people to find work if they are already employed. This subsidized work project can therefore act as a vehicle for better employment opportunities while simultaneously improving Buffalo's public spaces.

Community Food Security

The pandemic has exposed significant gaps in the food security network. A one-time allocation of $1.5 million will be made to support the creation of the nation's first community garden land trust and support nutritional food preparation programming, food delivery, and wellness education. Up to $500,000 can be used to purchase existing community gardens that have a track record of consistent maintenance. The remaining portion of the funding can be used to support the programmatic elements of the proposal, including electric vehicle purchases for non-profits organizations and community centers that make deliveries to food insecure

older residents, cooking classes for low-income residents, and nutritional programming to address the food security needs of specific constituencies.

Mayor's Youth Employment Expansion

This three-year initiative will phase in a gradual increase of the program's participants. The first year's increase would be by 25% ($550,000), the second year by 50% ($1.2 million) and the third year a 100% increase ($2.6 million). This will increase participation in a way that is gradual and sustainable as more employers/placements are found and the number of openings is able to keep pace with the number of young people interested in applying. In addition to the traditional summer employment opportunities, young people will also be able to enroll in summer school or other academic enrichment programs during their summer breaks and be compensated. This effort will also leverage the City's commitment to expand the program into a year-round effort. The challenges distance learning posed to students will require some, who would have been able to use their summers for valuable employment experiences, to instead take classes for academic credit. They should not be penalized, economically, while they attempt to make up class work that was missed due to COVID imposed restrictions.

Public Health Equity Clinic Initiative

$9 million for the City will provide funding to establish a community health clinic on Buffalo's East Side, affordable quality housing, and health educational outreach and programming. Appendix A's map 1 shows that some of the highest concentrations of negative health and economic outcomes were on Buffalo's East Side. This area still has one of the lowest vaccination rates in the county. The clinic will focus on providing residents in some of Buffalo's poorest communities with accessible healthcare, wellness programming, and education. The COVID-19 pandemic demonstrated the deadly impacts of healthcare disparities in Black and brown communities across our City, state, and nation. Embedding a healthcare facility within the community that has historically lacked access to healthcare or demonstrated healthcare hesitancy will help overcome these public health challenges going forward.

Northland Workforce Training Center (NWTC) Scholarship

$2 million is allocated to provide financial support to residents of color and female students (who are typically under-represented in the advanced manufacturing field) who wish to enroll in programs offered by the NWTC. Costs associated, either directly or indirectly, with transportation, learning supplies, childcare or other related expenses (specific clothing, remedial training, etc.) can become a barrier to accessing the workforce development programs low-income residents need to advance their careers and develop new skills. This fund will cover those relatively

small, but sometimes prohibitive, costs that can cause residents to opt out of the program. The fund will be directly managed by the NWTC and it could also independently raise additional philanthropic resources once this initial allocation is expended.

Skills Based Job Readiness Program

$7 million will be allocated to a qualified non-profit partner to establish a skills-based job readiness program that matches low to moderate income residents with specific employers and provides those residents with the training and skills necessary to secure not only a job but a career path they can use to leverage higher wages and greater socio-economic mobility. By identifying willing employers at the outset of the workforce development process this program aims to overcome the gaps which have been identified in the traditional workforce development model. Funds will also be set aside to rebuild the City's public health human infrastructure. The pandemic has highlighted the importance of medical professions across a wide array of fields and creating a healthcare workers talent pipeline capable of assuming these professions will not only make Buffalo more resilient it will also create greater wealth opportunities for Black and brown individuals. Finally, funding will be provided to help residents returning from periods of incarceration secure critical "soft" job skills while rebuilding their work history through participation in City service projects.

Replacing Old Lead Lines (ROLL) Expansion

A 2-year allocation of $10 million is allocated for an expansion of the City's ROLL program so that at least an additional one thousand homes can have their lead water service lines replaced. Replacing lead water service lines improves the quality of the City's housing and leads to better health outcomes for children. The City has already successfully replaced the lines in 500 homes and this expanded capacity will more than double its impact. This program will complement the City's existing federal funded lead mitigation program, as well as its proactive rental inspection program and home improvement revolving loan fund. (See Appendix A Map 4)

Road Maintenance Fund

$4 million will be allocated to pay for minor road repair improvement, installation of scheduled speed humps, crosswalk markings, and maintenance that was delayed as a result of the pandemic and reductions in infrastructure funds caused by reductions in city revenues and other interruptions in sources of finding typically used for these types of non-bondable projects. These projects will be prioritized by their proximity to residential neighborhoods, schools, and other public infrastructure that results in higher than usual pedestrian and bicycle traffic.

Community Center Renovation Program

$20 million will be allocated for community centers renovations in the City of Buffalo. These renovations may include enhancements of the centers' high speed broadband connectivity, audio-visual equipment designed to enhance virtual learning environments, expanded computer labs, new HVAC systems that will make them COVID compliant, and energy efficiency projects that will lower utility costs and reduce the centers' carbon footprints.

Garbage User-Fee Assistance Program

A $5.5 million will be established to provide low-income residents with assistance in clearing any debts or outstanding bills related to their City user-fee. Delinquent user-fees become tax liens applied to a resident's home and if not paid can ultimately result in foreclosure. The City often provides residents with a payment plan which can offer some relief but too many residents are unable to keep up with the terms of those plans and fall back into the possibility of losing their homes. This fund will eliminate those debts for eligible residents.

Enhanced Cybersecurity Measures

$2.2 million will be used to enhance cybersecurity measures and make our digital infrastructure more resilient against potential ransomware attacks which can have a detrimental impact on the delivery of critical city services and maintaining the integrity of residents' private data.

Masten Park/Johnny B. Wiley Reconstruction Project

$23 million will be allocated for Part of City/BPS master plan for construction of athletic field, splash pad, outdoor pool, playgrounds, landscaping, shelter building, multi-use pathways, site lighting, access drive and parking lot, demolition of existing building, and construction of new building within indoor sports court, restroom, locker room, concessions, and general space. This project, located in one of the poorest communities in Buffalo, will not only provide a state-of-the-art athletic area for students and neighborhood children, it will also create an indoor community space that can provide valuable programming to residents facing higher-risks of violence, digital access gaps, and educational support services.

Park Access Equity Fund

$20 million will be allocated to improving the quality of City parks through the purchase of new playground equipment and other capital improvements. Safe and accessible parks have been a critical component of the City's response to the pandemic because they offered residents a public space where they could safely go

to for maintenance of their physical and mental well-being. At least 8 City parks in neighborhoods throughout the City will receive improvements worth approximately $500,000 to $1 million each. Additionally, $8.5 million will be set aside for the construction of an indoor sports facility at Shoshone Park. The need for such a facility has been highlighted by various entities and this allocation will accelerate this project.

Neal Dobbins Restorative Justice and Public Safety Fund

Gun violence is rapidly becoming a national crisis which Buffalo's streets are not immune from. Map 2 in Appendix A shows both the number of shootings and their concentration in neighborhoods which have been the most impacted by the pandemic. $6 million will be allocated for technology and community based anti-violence programming that will improve neighborhood safety and encourage resident driven crime prevention programs through targeted interventions and mentoring service. Fostering safe neighborhoods requires cities to provide Police Officers with the tools and training they need to perform their jobs both safely and in a manner consistent with community sensitivities. This fund will be used to pilot a LEAD program in the City of Buffalo, use video and license plate reading technology that will reduce potentially dangerous police and resident interactions, and provide additional funding to programs like Peacemakers or other community-based crime prevention groups.

Frontline Arts Organization Sustainability Fund

$2.5 million will be used to create a frontline arts organization sustainability fund administered by the Arts Services Initiative. Frontline arts organizations were some of the most severely impacted groups by the pandemic in the City of Buffalo. Many of the programs these frontline arts organizations administer provide critically needed safe spaces for young members of the LGBTQ community. Without these critically needed safe spaces, a growing number became targets of violence, risked becoming home insecure, or faced increased mental or emotional distress. Due to school closures and other public health safety measures, frontline arts groups were forced to reduce programming and lost opportunities to access their usual revenue streams. This fund will provide these entities with funding so they can re-establish programs and move towards greater self-sustainability.

Cultural Institution Support Program

$8 million will be allocated to support capital projects at the cultural institutions that make Buffalo home to a thriving arts, museum, and cultural enrichment community. Major institutions like the Buffalo Zoo, the Albright Knox Art Gallery, Shea's Buffalo, The Buffalo History Museum, Kleinhan's Music Hall, the Buffalo Science Museum, the Italian Cultural Center, the Alleyway Theater, the Broadway

Market, the Theater of Youth, the African American Heritage Corridor including 509 Michigan Avenue as well as the proposed Hispanic Heritage Center and the African American Cultural Center have all been negatively impacted by the pandemic. Supporting these institutions will help revive Buffalo's economy and ensure that the secondary employers supported by these larger institutions. The interim rule and legislation specifically identify these types of institutions as needing support in the recovery from the pandemic.

Affordable Housing Advancement Fund

$16.3 million administered by the Buffalo Urban Renewal Agency will be allocated for affordable housing including a housing trust fund which will leverage the City's $12 million HOME funds and other private sources for the creation of new, affordable permanent housing for low-moderate income families and persons with disabilities, improvements to existing housing as well as transitional housing units for displaced residents and their families. Up to $2 million will be available to help renters, including residents of BMHA facilities, who have been directly or indirectly impacted by the pandemic and therefore struggled with rent payments.

Healthy Homes Inspections Program

$1 million will be allocated to support City inspections of housing to prevent lead poisoning and other environmentally rooted causes of health disparities for three years until the program becomes self-sustaining as a result of fines and fees the inspections will generate. This program will support two City healthy homes inspectors as well as a coordinator who will work with community-based organizations to provide educational outreach and materials. These inspections will initially focus their efforts in the five census tracks comprising the City's HUD Lead Remediation Grant target communities (see Map 3 in Appendix A) and then gradually expand their efforts to those neighborhoods which have the highest rates of lead poisoning.

Smart Sewer and Water Infrastructure Buildout

$40 million will be allocated to improve the efficiency, quality, and service of our water and sewer systems throughout the City of Buffalo. These funds will be utilized to include smart sewer and water infrastructure as part of the City's ongoing transportation infrastructure plan. Priority will be given to projects located in neighborhoods where there was a disproportionally negative impact due to the pandemic. This will ensure a higher rate of return on these projects because we will be able to update the water, sewer, and surface infrastructure at the same time.

Water and Sewer Debt Forgiveness Program

$13 million will be allocated to address Affordability and household burden concerns including the forgiveness of household water and sewer. This will reduce the debt burden of approximately 33,000 low-income residents, a disproportionally high number of whom are Black or brown residents. This will provide a pathway for more residents to enroll in the water affordability programs. Residents will not have to apply to this program, it will automatically show up on their bills and then they will be contacted about their eligibility for other affordability or assistance programs.

Minority Owned Businesses Assistance Fund

$3.5 million will be allocated over three-years to provide flexible funding support for minority owned businesses. This assistance may come in the form of financial support for coaching, mentoring, physical improvement grants, low-interest business improvement loans, and start-up company support. This program will be overseen by the Beverly Gray Business Exchange Center and is designed to increase place-based economic development in communities of color which will make the minority small business community more resilient, act as engine of wealth in low-income neighborhoods, provide a foundation for stronger job-growth amongst residents of color, and make surrounding residential neighborhoods more vibrant.

Buffalo Urban Development Corporation (BUDC)

$1.2 million will be allocated for BUDC. Over the course of the pandemic, BUDC provided small business assistance to private entities impacted by the public health safety measures intended to slow the spread of COVID-19. It also continued to provide critical economic development planning work necessary to ensure a speedy recovery for people once people got vaccinated and the economy began to resume its upwards growth trend. This funding will cover the operational costs BUDC incurred as a result of this work and help maintain this higher level of service during the course of our recovery period.

Buffalo Fire Department SCBA Upgrades

$530,000 will be used to upgrade the Buffalo Fire Department's Self-Contained Breathing Apparatuses. These pieces of equipment are critical to the Department's ability to carry out their life-saving mission and are vital to keeping personnel safe.

Administrative and Evaluation Costs

To ensure the stimulus funds are used in accordance with all applicable state and federal guidelines, as well as to measure the impact specific programs are having on

the state of our economic recovery, a portion has been allocated for the hiring and training of staff for a new office within the Department of Administration, Finance, Policy and Urban Affairs and as Deputy Director of Planning in the Office of Strategic Planning. These staff will monitor the financial and programmatic reports of ARP sub-recipients, research best practices to improve outcomes, and evaluate the effectiveness of the outlined proposals.

Revenue Loss Replacement

$100 million will be used to replace revenues lost either directly or indirectly due to the pandemic.

Total Estimated Cost: $329.98 million[11]

[11] This is approximately $1.8 million less than the City's total allocation. This will allow us to adjust for possible cost overruns as well make administrative investments to support the hiring of additional staff or support for the implementation of these programs.

Breakdown of Programmatic Proposals by Category

On June 24, 2021, the Treasury Department provided guidance on reporting and compliance. Included in that guidance were general categories of spending and evaluation criteria (EC) for each initiative Buffalo was proposing to fund with the ARP. The following is a breakdown of the proposed initiatives by general category and evaluation criteria. A full list of the general categories and evaluation criteria is found in Appendix B of this document.

Public Health

Public Health Equity Initiative (EC 1.12)

Negative Economic Impacts

Community Food Security Program (EC 2.1)
Water and Sewer Debt Forgiveness (EC 2.2)
Garbage User Fee Assistance (EC 2.2)
Wraparound Services Support Fund (EC 2.3)
Northland Workforce Training Center Scholarships (EC 2.7)
Skills Based Job Training Program (EC 2.7)
Clean-Up Corps (EC 2.7)
Minority Owned Business Assistance Program (EC 2.9)
Community Center Renovation Program (EC 2.10)
Frontline Arts Organizations Support (EC 2.10)
Cultural Institution Support Program (EC 2.11)

Services to Disproportionally Impacted Communities

Mayor's Youth Employment and Internship Program Expansion (EC 3.5)
Parks Access Equity Fund (EC 3.9)
Masten Park/Johnnie B. Wiley Renovations (EC 3.9)
Affordable Housing Fund (EC 3.10)
Healthy Homes Inspections Program (EC 3.15)
Neal Dobbins Restorative Justice Fund (EC 3.16)

Infrastructure

Smart Water and Sewer Infrastructure Build Out (EC 5.2)
ROLL (EC 5.12)

Revenue Replacement

City Revenue Loss Replacement (EC 6.1)
Buffalo Fire Department SCBA Upgrades (EC 6.1)

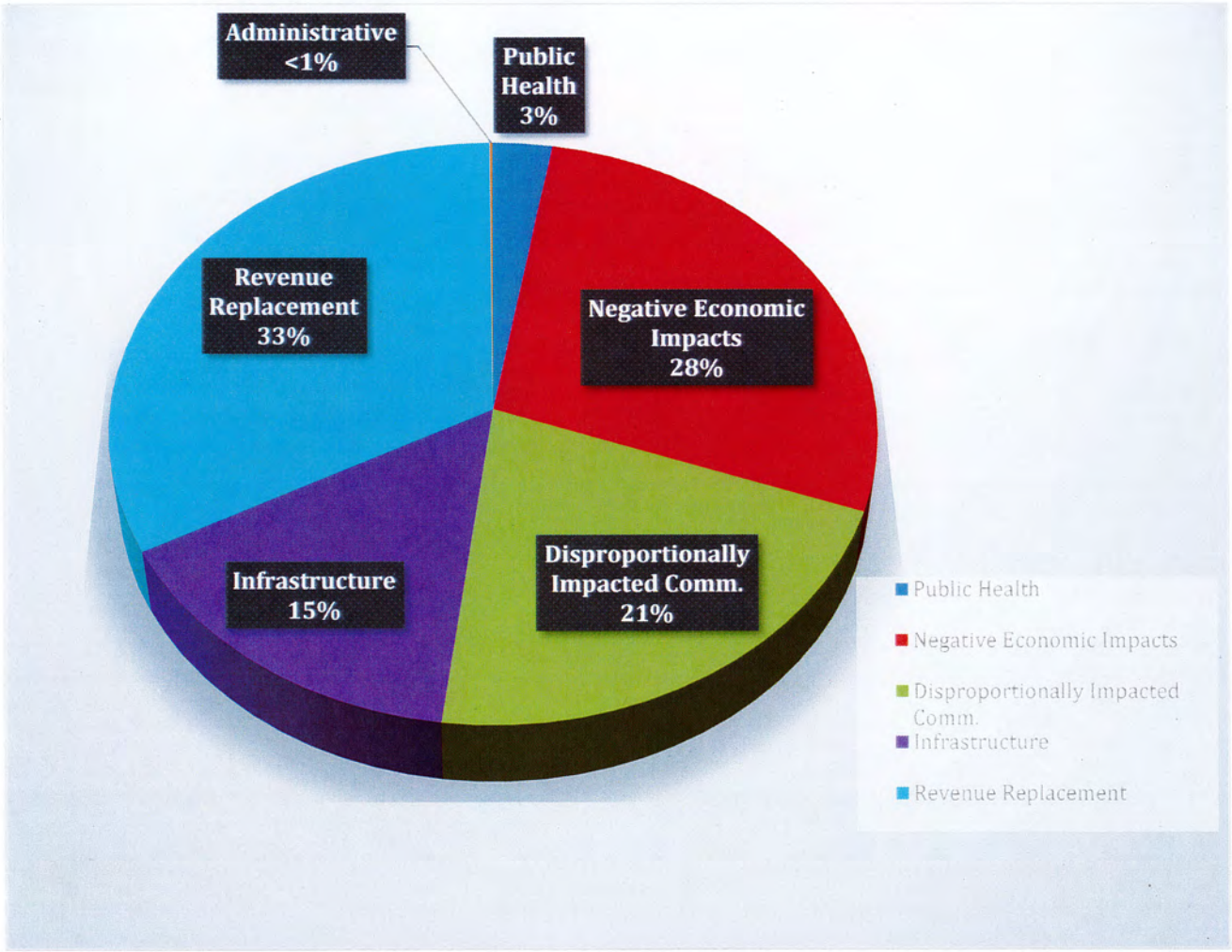
City Cybersecurity (EC 6.1)
Road Maintenance (EC 6.1)
BUDC Operating Costs (EC 6.1)

Administrative

Administrative and Evaluation Costs (EC 7.1)

Spending by Category in Dollars and by Percentage (in millions)

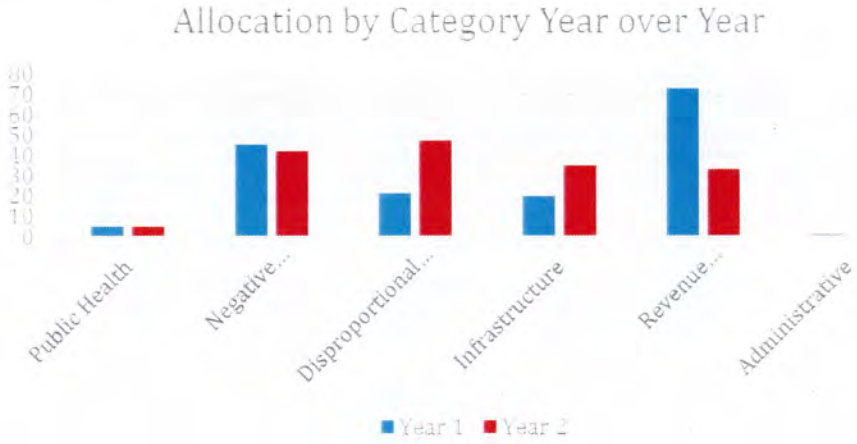
Public Health	9
Negative Economic Impacts	92
Disproportionally Impacted Comm.	70.6
Infrastructure	50
Revenue Replacement	107.9
Administrative	0.4
Total Amount	329.9



Annual Allocation Breakdown (in millions)

Funding is being provided in two tranches of approximately $165 million each year. The following is a proposed breakdown of the annual allocation of funding by program over each year:

	Total	Year 1	Year 2
Wraparound Services Assistance	20	10	10
Clean Up Corps	9	4.5	4.5
Community Food Security	1.5	0.5	1
Mayor's Summer Youth	4.35	1.75	2.6
Health Equity Initiative	9	4	5
Northland Scholarship	2	1	1
Skills Based Job-Training	7	3.5	3.5
ROLL	10	5	5
Pay Go Traffic Improvements	4	1.5	2.5
Community Center Renovations	20	7	13
Garbage User Fee Assistance	5.5	5.5	0
Cybersecurity	2.2	1.1	1.1
Masten Park/JBW	23	4	19
Park Access Equity	20	4	16
Neal Dobbins Restorative Justice	6	3	3
Frontline Arts Organizations Fund	2.5	1.25	1.25
Cultural Institution Support	8	4	4
Affordable Housing Fund	16.3	8.15	8.15
Healthy Homes Inspections	1	0.33	0.67
Fire Department SCBA upgrades	0.53	0.53	0
Smart Sewer	40	11	29
Water and Sewer Forgiveness	13	13	0
Minority Owned Business Assistance	3.5	1	2.5
BUDC Operating Assistance	1.2	0.6	0.6
Revenue Loss Replacement	100	70	30
Administrative and Evaluation	0.4	0.2	0.2
Total	329.98	166.41	163.57



Revenue Replacement Justification

The American Rescue Plan specifically highlighted the ability of municipalities which were direct recipients of local assistance to use these funds to replace lost revenue.

The City of Buffalo has identified the following categories of revenues which have been directly impacted by the pandemic. These categories represent several different distinct revenue streams that comprise each category. The revenue replacement reflects the time period beginning when the public health protections first took effect in Buffalo, during March of 2021 and continue into the 2022-2023 fiscal year when we can anticipate a greater return to normal economic behavior. Using funds to replace these revenues is not only allowable under the provisions of the law but has been recommended as a best practice. The Brookings Institute, in a research note titled, "How Should Local Leaders Use Their American Rescue Plan Funding?" their researchers advised that local governments' first priority should be to stabilize their operating budgets and use the ARP funds to remedy any pandemic induced deficits and fill any gaps in the current and out-years' budgets.[12]

As part of the City's financial stabilization efforts, it will examine ways to use revenue replacement funding to provide its workforce with compensation packages that reflect revenue projections the ARP funding will allow until regular economic activity resumes and resulting revenues follow a more normal trajectory.

Because this is a critically important task, the largest percentage of the City's ARP spending plan is dedicated to that. The chart below highlights those revenue losses which will be replaced with ARP funding:

[12] The full research note is available at: https://www.brookings.edu/blog/the-avenue/2021/03/23/how-should-local-leaders-use-their-american-rescue-plan-funding/

ARP General Fund Allocation	Amount	Percentage	Years
Sales Tax Revenue	33,916,000	34%	19-20, 20-21, 21-22
Parking Revenue	30,836,000	31%	19-20, 20-21, 21-22
In Rem Proceeds	6,840,000	7%	20-21
Other	5,817,000	6%	19-20, 20-21, 21-22
User Fee	5,500,000	5%	19-20, 20-21
TVA	4,910,000	5%	19-20, 20-21, 21-22
Permits & Licenses	3,620,000	4%	19-20, 20-21, 21-22
Real Estate Taxes	3,375,000	3%	19-20, 20-21
Interest Income	3,180,000	3%	19-20, 20-21, 21-22
Special Events/Rents	2,006,000	2%	19-20, 20-21, 21-22
Total	$100,000,000	100%	

Evaluation and Promoting Equitable Outcomes

As part of the City of Buffalo's Enacted Fiscal Year 2021-2022 Budget a new office was created to monitor and evaluate the City of Buffalo's ARP spending. This office will be staffed by a team reporting to the City's Director of the Budget and Administration. The federal government requires the City of Buffalo to describe how its plan will promote equitable outcomes. It will be the responsibility of this new office to monitor both the financial expenditures allocated to each spending initiative as well as the plan's progress in addressing the social and economic conditions which have created the inequities exacerbated by the pandemic.

Appendix A Map 1 identifies those neighborhoods which have been the most disproportionally impacted in areas of health equity and economic fallout during the pandemic. It is not a coincidence that the most severely impacted neighborhoods are also communities of color with higher-than-average poverty rates and overlap with other maps indicating other interventions which will be funded by Buffalo's ARP allocation to reduce poverty, gun-violence, improve public health outcomes, and help residents secure better employment opportunities.

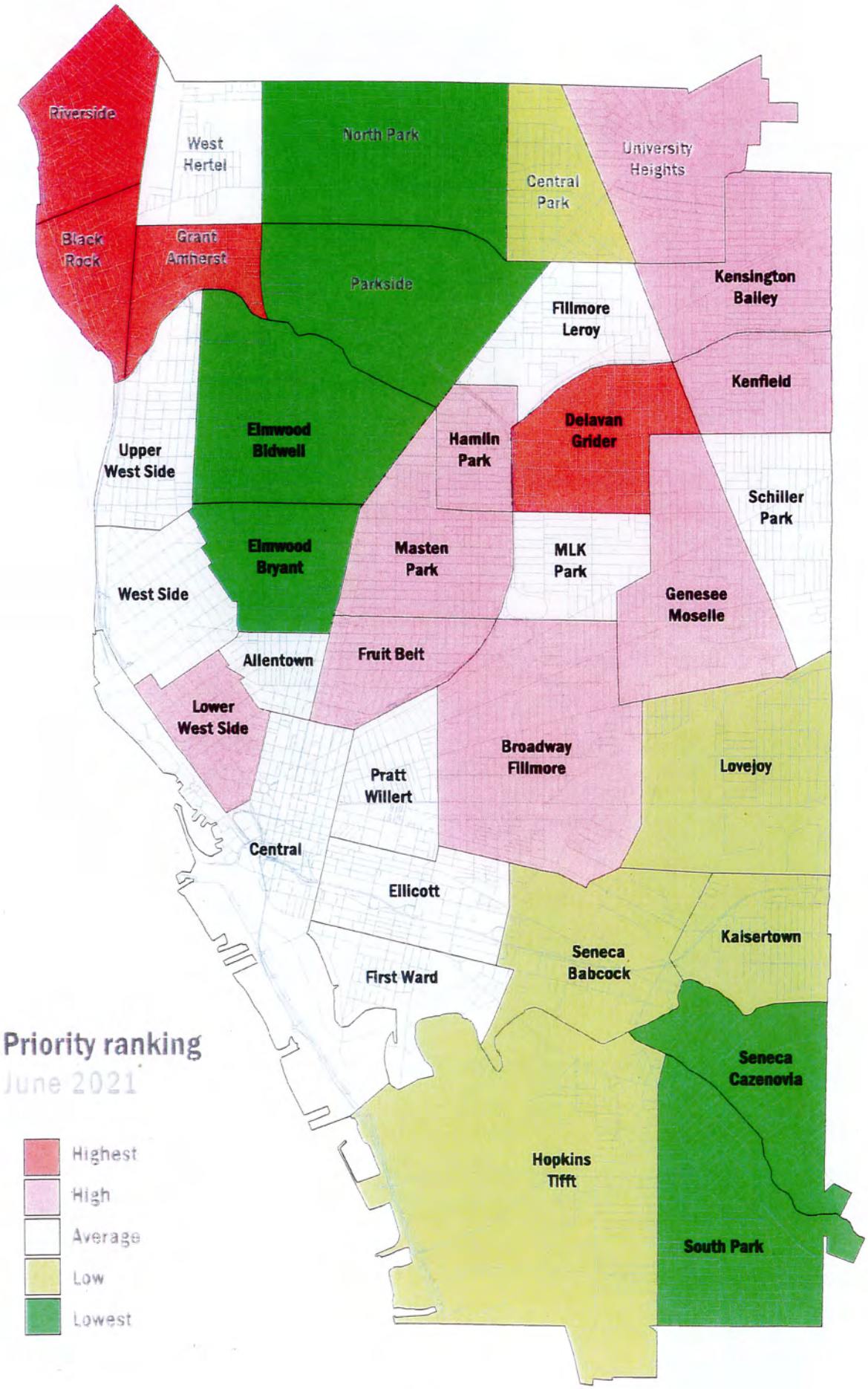
As stated in the "Social and Economic Analysis" section, this plan is designed to directly address poverty. It does this in three distinct ways: 1) by providing direct relief to residents in the form of financial payments or debt relief which have few or no administrative requirements so long as individuals or households meet income requirements and job-training enrollment criteria; 2) providing historically underserved residents with jobs or job-training support so they can enjoy greater social and economic mobility; and 3) improve the environmental conditions that contribute to the cycle of poverty too many residents become trapped in through investments in quality affordable housing, lead-free infrastructure, community centers, parks, urban green-spaces, and cultural institutions. These three strategies to combat poverty are outlined in action steps that correspond to evaluation criteria: 2.1, 2.2, 2.3, 2.7, 2.10, 2.11, 3.5, 3.9, 3.10, 3.15, and 5.12.

The pandemic has demonstrated how poverty fosters disparities in negative public health and safety outcomes for residents living in low-income or segregated neighborhoods. Therefore, this plan aims to address not only the systemic roots of poverty but its symptoms as well. It will do this by promoting greater access to health-care services, rebuilding our public health workforce infrastructure, focusing on place-based economic development that help Black and brown residents generate wealth and economic activity in their neighborhoods, funds community-based violence prevention and interruption programs, and builds digital inclusivity amongst Buffalo's lowest-income residents. These action steps correspond to evaluation criteria: 1.12, 2.9, 3.16, and 5.16.

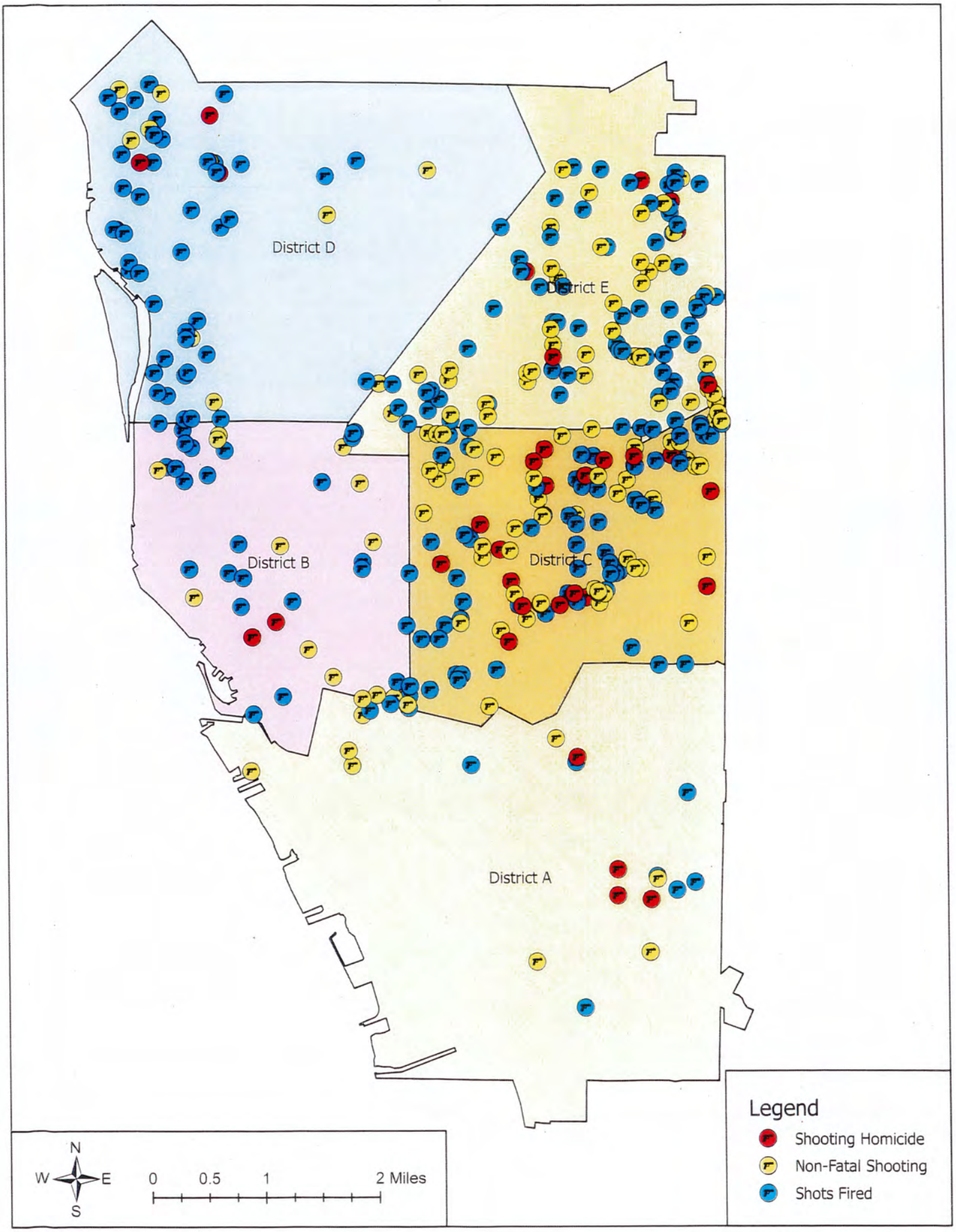
Additionally, the smart sewer buildout funded by the ARP will focus first in those neighborhoods which have been historically underserved and as a result, were the most negatively impacted by the pandemic. This concentration of resources, investment, direct assistance, and programmatic funding is required if Buffalo is going to be able to truly address systemic poverty and transform itself in the decade to come. By concentrating the ARP's stimulus funding in the areas that need it most and in programs that have been demonstrated to have a positive impact on the lives of residents, Buffalo's spending plan will take a strategic and evidence-based approach to the challenges it faces. It will employ the resources necessary to monitor the progress of each program, both in fiscal and performance terms, and be prepared to make adjustments as necessary to achieve its goal of reducing poverty, eliminating gaps in public health outcomes, closing the racial wealth gap, and putting Buffalo on a path of more inclusive and equitable prosperity.

APPENDIX A
(MAPS)

MAP 1


Riverside
West Hertel
North Park
Central Park
University Heights
Black Rock
Grant Amherst
Parkside
Kensington Bailey
Fillmore Leroy
Kenfield
Delavan Grider
Hamlin Park
Elmwood Bidwell
Upper West Side
Schiller Park
Elmwood Bryant
Masten Park
MLK Park
West Side
Genesee Moselle
Allentown
Fruit Belt
Lower West Side
Broadway Fillmore
Lovejoy
Pratt Willert
Central
Ellicott
Kaisertown
Seneca Babcock
First Ward
Seneca Cazenovia
Hopkins Tifft
South Park
Priority ranking
June 2021
Highest
High
Average
Low
Lowest

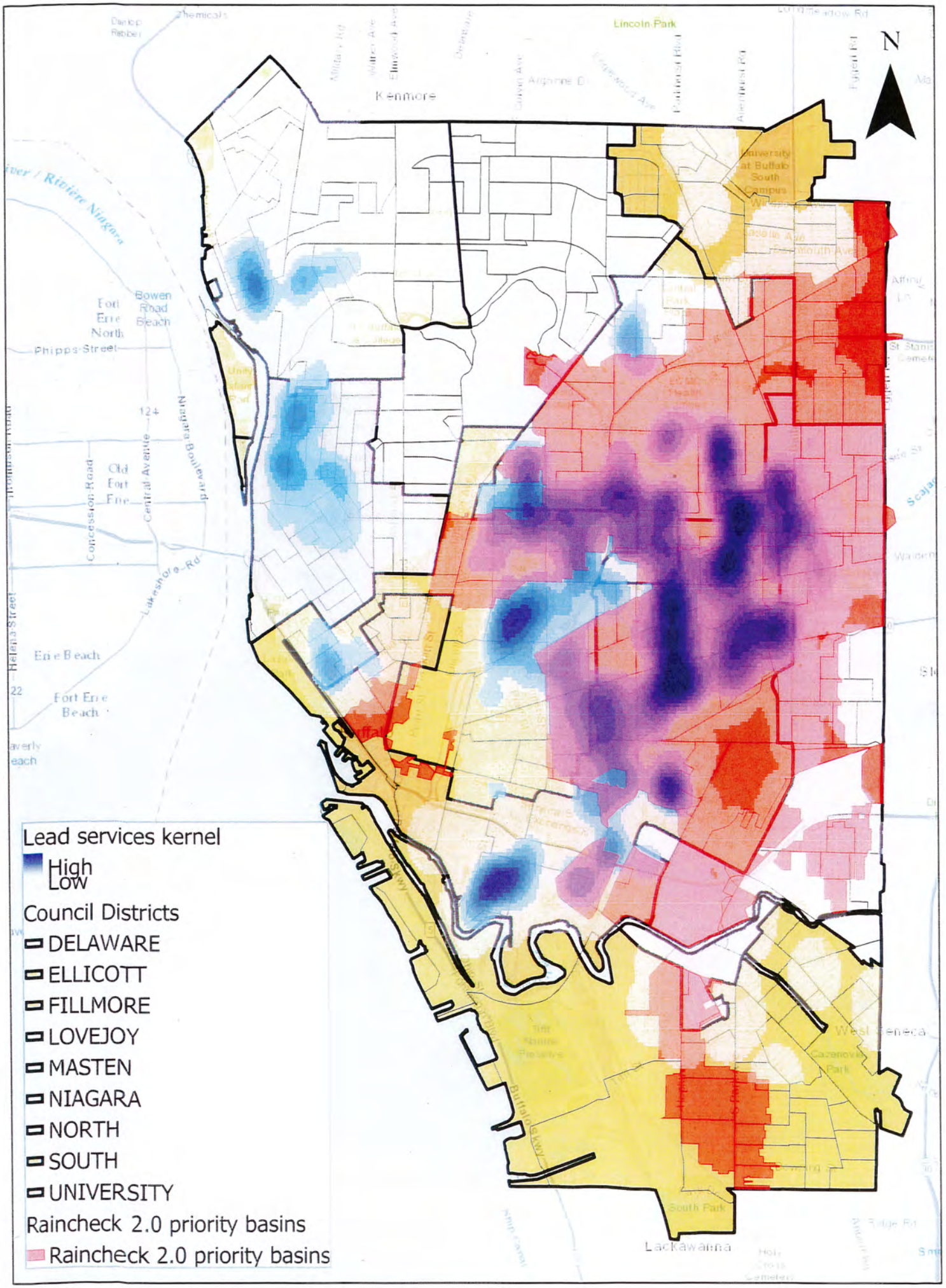
MAP 2


District D
District E
District B
District C
District A
Legend
Shooting Homicide
Non-Fatal Shooting
Shots Fired
N
W
E
S
0
0.5
1
2 Miles

MAP 3

Date: 7/15/2021
Author: DS

Map 4


N
Lincoln Park
Kenmore
University at Buffalo South Campus
Bowen Road Beach
Fort Erie North
Phipps Street
Niagara Boulevard
Old Fort Erie
Concession Road
Central Avenue
Lakeshore Rd
Helena Street
Erie Beach
Fort Erie Beach
Buffalo Skwy
West Seneca
Cazenovia Park
South Park
Lackawanna
Lead services kernel
High
Low
Council Districts
DELAWARE
ELLICOTT
FILLMORE
LOVEJOY
MASTEN
NIAGARA
NORTH
SOUTH
UNIVERSITY
Raincheck 2.0 priority basins
Raincheck 2.0 priority basins

APPENDIX B
(EXPENDITURE CATEGORIES)

Appendix 1: Expenditure Categories

The Expenditure Categories (EC) listed below must be used to categorize each project as noted in Part 2 above. The term "Expenditure Category" refers to the detailed level (e.g., 1.1 COVID-10 Vaccination). When referred to as a category (e.g., EC 1) it includes all Expenditure Categories within that level.

1: Public Health	
1.1	COVID-19 Vaccination ^
1.2	COVID-19 Testing ^
1.3	COVID-19 Contact Tracing
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*
1.5	Personal Protective Equipment
1.6	Medical Expenses (including Alternative Care Facilities)
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19
1.10	Mental Health Services*
1.11	Substance Use Services*
1.12	Other Public Health Services
2: Negative Economic Impacts	
2.1	Household Assistance: Food Programs* ^
2.2	Household Assistance: Rent, Mortgage, and Utility Aid* ^
2.3	Household Assistance: Cash Transfers* ^
2.4	Household Assistance: Internet Access Programs* ^
2.5	Household Assistance: Eviction Prevention* ^
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers*
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)* ^
2.8	Contributions to UI Trust Funds
2.9	Small Business Economic Assistance (General)* ^
2.10	Aid to Nonprofit Organizations*
2.11	Aid to Tourism, Travel, or Hospitality
2.12	Aid to Other Impacted Industries
2.13	Other Economic Support* ^
2.14	Rehiring Public Sector Staff
3: Services to Disproportionately Impacted Communities	
3.1	Education Assistance: Early Learning* ^
3.2	Education Assistance: Aid to High-Poverty Districts ^
3.3	Education Assistance: Academic Services* ^
3.4	Education Assistance: Social, Emotional, and Mental Health Services* ^
3.5	Education Assistance: Other* ^
3.6	Healthy Childhood Environments: Child Care* ^
3.7	Healthy Childhood Environments: Home Visiting* ^
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System* ^

3.9	Healthy Childhood Environments: Other* ^
3.10	Housing Support: Affordable Housing* ^
3.11	Housing Support: Services for Unhoused Persons* ^
3.12	Housing Support: Other Housing Assistance* ^
3.13	Social Determinants of Health: Other* ^
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators* ^
3.15	Social Determinants of Health: Lead Remediation ^
3.16	Social Determinants of Health: Community Violence Interventions* ^
4: Premium Pay	
4.1	Public Sector Employees
4.2	Private Sector: Grants to Other Employers
5: Infrastructure[27]	
5.1	Clean Water: Centralized Wastewater Treatment
5.2	Clean Water: Centralized Wastewater Collection and Conveyance
5.3	Clean Water: Decentralized Wastewater
5.4	Clean Water: Combined Sewer Overflows
5.5	Clean Water: Other Sewer Infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy Conservation
5.8	Clean Water: Water Conservation
5.9	Clean Water: Nonpoint Source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & Distribution
5.12	Drinking water: Transmission & Distribution: Lead Remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Broadband: "Last Mile" projects
5.17	Broadband: Other projects
6: Revenue Replacement	
6.1	Provision of Government Services
7: Administrative	
7.1	Administrative Expenses
7.2	Evaluation and Data Analysis
7.3	Transfers to Other Units of Government
7.4	Transfers to Non-entitlement Units (States and territories only)

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions (see Use of Evidence section above for details)

^Denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities (see Project Demographic Distribution section above for details)

[27] Definitions for water and sewer Expenditure Categories can be found in the EPA's handbooks. For "clean water" expenditure category definitions, please see: https://www.epa.gov/sites/production/files/2018-03/documents/cwdefinitions.pdf. For "drinking water" expenditure category definitions, please see: https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-national-information-management-system-reports