

GRANT INFORMATION

Grantee Name: City of Springfield, MA

Requesting Agency: Office of Disaster Recovery & Compliance

ELIGIBILITY

Description

The extension requested is related to the projects and programs outlined below that were awarded CDBG-NDR funding through the National Disaster Resilience Competition. Descriptions of each project/program are provided below.

- 1. Project/Program Name:** Baystate Medical Center Co-Generation Facility
Eligible Activity: Public Facilities and Improvements
Description: Baystate Health is developing a combined heat and power plant that will provide electricity, chilled water and steam to Baystate Medical Center. The cogeneration plant will produce 80% of Baystate Health's annual energy consumption, and will provide an annual reduction of greenhouse gases by 13,513 tons. While Baystate Health's existing utility system was designed to keep the facility operational for 96 hours after a disaster, the new system will extend resiliency during a utility crisis to more than 30 days.
- 2. Project/Program Name:** Hydro-electric Power Restoration at Watershops Pond Dam
Eligible Activity: Public Facilities and Improvements
Description: Hydropower will be restored downstream of the Watershops Pond dam, on land owned by the City of Springfield. The restored hydropower will have the potential to generate 707,000 kWh during an average year and will be capable of functioning independent of the grid. A portion of this electricity will fully power the newly-built Brookings School, located about 800 feet to the north of the project site, which was developed to have the capacity to be used as an emergency center/shelter in the event of disaster. The remainder of the energy can be made available in the neighborhood.
- 3. Project/Program Name:** Safe and Healthy Rental Homes
Eligible Activity: Housing
Description: Springfield will operate a Healthy Homes Rehabilitation program, which will be available for owners of 1-4 unit structures to complete rehabilitation, lead abatement, and healthy homes interventions. The program's impact will be expanded through coordination with the Springfield Healthy Homes Collaborative, which will coordinate the efforts of many programs that provide home assistance (including weatherization, energy efficiency, and education about healthy home issues) to ensure that residents can receive the benefits of these programs in a coordinated way.
- 4. Project/Program Name:** Springfield Innovation Center
Eligible Activity: Economic Revitalization
Description: The City's partner DevelopSpringfield will rehabilitate two adjacent buildings in downtown Springfield to create a 16,500 sq. ft. entrepreneurial center. The Innovation Center is

a catalytic project designed to jumpstart reinvestment, job creation and redevelopment activity, while building a community of entrepreneurs. The Center is a collaborative enterprise of DevelopSpringfield, the nonprofit Valley Venture Mentors (VVM), the state of Massachusetts, and MassDevelopment. VVM will manage the business accelerator, which will support emerging entrepreneurs through mentorship, education and enhanced collaboration. Approximately 9,300 square feet of the Innovation Center make up the business accelerator's presentation, conference and co-working space. The Innovation Center will offer rent-free office space and an "innovation cafe" in the adjacent retail space.

5. **Project/Program Name:** Safe Homes Training and IT Workforce Training

Eligible Activity: Special Economic Development Activity

Description: In order to address the critical need for low skill jobs which provide a job ladder to better jobs, the City has incorporated job training opportunities in its portfolio of NDR activities. The Regional Employment Board of Hampden County (REB) and Tech Foundry will provide job training in the areas of home rehabilitation, lead hazard reduction, healthy homes and information technology. The REB and Tech Foundry will enter into job creation agreements with for-profit business to meet the national objective of job creation.

6. **Category:** Administration and Planning

Description: This extension requests includes the City's use of funds within the Administration and Planning category, which will enable the City to properly manage and oversee the projects and programs detailed above. In addition, The City's partner ReGreen Springfield will undertake capacity building planning initiatives that engage the community in environmental work. These programs educate the community about the impacts of climate change while providing volunteer assistance that enhances the capacity to care for trees and collect data regarding the natural world and changing environmental conditions. In addition to these projects, the City will undertake a water conservation and water quality education campaign. The *Citizen Tree Steward Program* will use volunteer community residents to plant and steward trees throughout the Urban Watershed District. The *Community-Based Citizen Science Initiative* will engage neighborhood residents, youth, students and others in gathering scientific data related to weather, air and water quality, ecosystem services and sustainability in the Urban Watershed Resilience Zone. The project will use software and protocols developed by the U.S. Forest Service, and will enhance that agency's new urban research projects. In addition, the City will partner with the Pioneer Valley Planning Commission (PVPC) in 2016 to complete phase 2 of the *Climate Change Action Plan*. This will include all public outreach, stakeholder consultation, conducting and compiling all associated research and data collection, drafting the plan, incorporating all feedback and providing final version of the plan.

JUSTIFICATION

Reason(s) for Requesting Extension

The reasons for which the City requests extensions to the applicable expenditure deadline for the aforementioned activities are detailed below.

1. **Project/Program Name:** Baystate Medical Center Co-Generation Facility

Justification: There are a number of potential issues that are anticipated to cause delays in completing the project. These issues include the following:

- **Environmental Review.** Due to the location of the facility within a residential area and in close proximity to Van Horn Park and the Van Horn flood control structures, there is the potential for a lengthy environmental review process.
- **Potential Demolition Delay Ordinance.** To start construction on the building that will house the co-gen, Baystate needs either to demolish and/or move a building they currently own. If they elect to demolish, they have to wait nine months under the City's demolition delay ordinance. If they elect the move the building, there is the potential for cost overruns. They are currently reviewing their options and the cost of moving versus demolition to decide the best course of action.
- **Turbine.** There is a long lead time on ordering the turbine for the co-gen. The turbine is made from scratch and it can't be started until the order is placed. Baystate is waiting on environmental review to be completed and a contract to be in place before the order can move forward.
- **Weather Delays.** Seasonal construction is always a concern in New England.
- **Financing.** There are some items to be finalized related to the capital bond financing that will create a bit of a lag time.
- **DEP Air Permit.** Baystate is applying for the first exemption in Massachusetts from the normal air permitting requirements because the technology is so clean. There is some uncertainty as to whether DEP will grant the exemption. If it is not granted, there will be additional time and funds needed to go through the regular air permitting process.
- **Special Permit Process.** There is the potential for the project to be delayed if residents or the City Council raises an objection to the special permit needed to build the new facility that will house the co-gen.

2. Project/Program Name: Hydro-electric Power Restoration at Watershops Pond Dam

Justification: There are a number of potential issues that are anticipated to cause delays in completing the project. These issues include the following:

- **Federal Energy Regulatory Commission (FERC).** Acceptance of FERC Preliminary Permit and FERC license and permitting will take a significant amount of time and requires the City to complete hydrology, energy, economic, and impact studies and collect large amounts of data.
- **Bidding Process.** Due to the complexity of the project, the City will need to procure a number of vendors that will provide the needed services, including design and engineering, the aforementioned studies, and construction.
- **Brookings School.** Interconnection to Brookings School needs significant investigation and approvals from the School Department, School Committee, and other entities.
- **Utility Company.** The City will need to negotiate a number of items with the local energy company, including connection to the grid and terms for the purchase of excess power generated.
- **Public Input.** Due to the location and potential impacts of the project, it is anticipated that stakeholder and resident outreach will take a significant amount of time.
- **Weather Delays.** Seasonal construction is always a concern in New England.

3. Project/Program Name: Safe and Healthy Rental Homes

Justification: There is the potential for delays in engaging the applicant pool – occupants and property owners. While the City does have an experienced team in place to handle the engagement, there will likely be hurdles getting residents and homeowners engaged and also introducing them to the proposed technology. Furthermore, the City’s experience with its existing CDBG-DR funded homeowner rehab program has shown that the process from application to actual construction is lengthy. Often those applying do not have the sophistication to quickly navigate the application process resulting in the need for a significant amount of staff and time dedicated to guiding applicants through the process and ensuring that all program parameters are met. In addition, permitting, environmental clearance, and construction are likely to take longer than expected and the timelines could vary depending on the number of applicants. Finally, the availability of contractors and other vendors (including lead testing and abatement) is limited and could cause delays

4. Project/Program Name: Springfield Innovation Center

Justification: There are a number of potential issues that are anticipated to cause delays in completing the project. These issues include the following:

- **Weather Delays.** Seasonal construction is always a concern in New England.
- **Business Recruitment.** In order the project to be successful, the Innovation Center must recruit a sufficient number of businesses to participate in its programming. While there is a plan in place to engage appropriate businesses, it is likely that recruitment will take longer than originally anticipated. In addition, the Innovation Center is and its proposed programming is a new type of initiative in Springfield; therefore, the City expects there to be challenges related to educating residents and business owners and getting buy-in from new businesses.

5. Project/Program Name: Safe Homes Training and IT Workforce Program

Justification: There is the potential for participant recruitment to take longer than expected due to recruitment being restricted to specific neighborhoods. In previous Disaster Recovery job training programs, the City has experienced difficulty recruiting participants from the target neighborhoods and there has been low participation and involvement from these neighborhoods. There will need to be some additional time dedicated to helping both partners forge relationships with neighborhood councils, city councilors, community organizations, churches and other recruitment partners in traditionally low engagement neighborhoods.

6. Project/Program Name: Citizen Tree Steward Program, Community-Based Citizen Science Initiative, and Climate Change Action Plan

Justification: The planning initiatives are intertwined with the implementation of the abovementioned projects. The extension will allow for the NDR funded capacity building initiatives to occur as the projects are implemented, increasing the scale of the projects’ impacts and benefits.

Community Stakeholders.

Identify all community stakeholders (including state or local entities, subrecipients, nonprofits, and civic organizations), their role in program or project implementation, and the impact, if any, an extension would have on these stakeholders.

The City has partnered with a number of stakeholders in the conceptualization and design of the projects and programs listed above. Through extensive engagement and constant communications, the City does not anticipate that the extension would have any negative impacts on the stakeholders. Key stakeholders are listed below.

- 1. Project/Program Name:** Baystate Medical Center Co-Generation Facility
Key Stakeholder(s): Springfield Department of Parks, Buildings, and Recreation Management; Baystate Medical Center
- 2. Project/Program Name:** Hydro-electric Power Restoration at Watershops Pond Dam
Key Stakeholder(s): Springfield Department of Parks, Buildings, and Recreation Management; Springfield Department of Public Works; Brookings School; Federal Energy Regulatory Commission; Eversource
- 3. Project/Program Name:** Safe and Healthy Rental Homes
Key Stakeholder(s): Springfield Housing Department; Partners for a Healthier Community
- 4. Project/Program Name:** Springfield Innovation Center
Key Stakeholder(s): Springfield Office of Planning & Economic Development; DevelopSpringfield
- 5. Project/Program Name:** Safe Homes Training and IT Workforce Program
Key Stakeholder(s): Springfield Office of Planning & Economic Development; IT Tech Foundry; Regional Employment Board
- 6. Project/Program Name:** Citizen Tree Steward Program, Community-Based Citizen Science Initiative, and Climate Change Action Plan
Key Stakeholder(s): Springfield Office of Planning & Economic Development; Springfield Housing Department; ReGreen Springfield; Pioneer Valley Planning Commission

IMPACT

Revised Expenditure Deadline for Program/Project Completion

The end date for all projects and programs listed above is September 30, 2022.

Proposed Timeline for Revised Expenditure Deadline.

Quarterly expenditure projections will be provided once projects are more fully developed.

Risk(s) Associated with Not Receiving an Extension

The projects detailed above are integral to Springfield's ability to recover from recent disasters and increase the City's resilience against future disasters as well as the impacts of chronic stressors. Receiving the requested extension will ensure that the proper steps can be followed in the design and

implementation of the City's projects and programs. The extension will further the impact of the CDBG-NDR award from HUD and ensure that the components are implemented using best practices and meet the requirements outlined in the NOFA for the NDRC. The greatest risks are associated with the two projects designed to provide sources of clean, redundant energy: the Baystate Medical Center Co-Generation Facility and the restoration of hydro-electric power at the Watershops Pond dam. The co-generation facility will provide power to the region's only Level 1 trauma center in the event of an extended power outage. Currently Baystate Medical Center can only operate for up to 48 hours uninterrupted in the event of a power emergency. This project will enable Baystate Medical Center to operate for up to 30 days uninterrupted. It will also provide a significant reduction in greenhouse gas emissions. The hydro-electric power generated at Watershops Pond dam will provide a redundant energy source to the Brookings School, which serves as an emergency center and shelter for the surrounding neighborhoods. Both projects will involve complex and potentially lengthy permitting, environmental reviews, design and engineering, and construction processes. The receipt of an extension would enable the City to dedicate the appropriate amount of time to each critical step in the process, serving to mitigate against the likelihood of potential issues or cost overruns.

In addition to the risks noted above related to the City's resilient energy projects, the Healthy Homes Program, which will provide critical repairs to a significant portion of the City's rental housing stock, is critical to achieving the City's overall resilience goals. The program will fund the removal of mold, hazardous materials, and other asthma triggers and key weatherization upgrades. Springfield's childhood asthma rates are nearly double the statewide average. An extension would allow the City to take critical steps towards repairing homes in some of the City's poorest neighborhoods. These interventions will make Springfield's youth population healthier and increase their school attendance and performance. Additionally, the City has never had the opportunity to invest in the 1-4 unit rental housing stock and having sufficient time to fully address this area of housing is critical to preventing future disinvestment by landlords.

INTERNAL CONTROLS

Following Springfield's award of \$21.8 million CDBG-DR funds in 2013, the City quickly established its DR Office and hired the office's director, financial analyst, and DR program manager. Program set up included creation of the *CDBG-DR Policies & Procedures Manual*, which describes the City's financial policies, internal controls and procurement policies, and which emphasizes mitigation of fraud, abuse, and mismanagement related to accounting, procurement, and accountability.

Some recovery projects are carried out by other City departments and vendor contractors hired by those departments. The Department of Public Works (DPW) is undertaking road realignment projects, the Parks Department has overseen park restoration, and the Office of Management and Budget has purchased two school buildings. For these projects, the DR Office reviews and maintains records of bid, contract, invoicing, tracks project progress and outcomes.

For each of the programs carried out by a subrecipient, the City's DR Office will create program policies and procedures, conduct a procurement process in accordance with federal and state law, select the most qualified partners, and enter into subrecipient agreements or contracts with those entities. As subrecipients and vendors carry out the activities, the DR Office will monitor the work through a review of subrecipient policies and procedures, contract compliance, on-site monitoring visits, careful review of submitted invoices and backup, and tracking of project timelines and outcomes.

The Development Service's Director of Finance and Administration will be responsible for financial management of the grant, including fiscal oversight, receipt and dispersal of funds, and the approval of information for program set up and accomplishments into DRGR. Springfield uses the MUNIS Financial Management System to track all grant awards, obligations, unobligated balances, assets, liabilities, expenditures, and program income.

DR Staff will be overseen by the Office of Disaster Recovery and Compliance ("DR Office"). The Disaster Recovery Director will be responsible for overall NDR project management, including regular inter-departmental project management meetings and supervision of the NDR staff. The DR Director currently holds weekly staff meetings with internal and external City staff to track progress toward project goals, and will continue this practice with NDR projects.

Collaborating with other department staff, the DR Office will create policies and procedures for all NDR programs, perform ongoing compliance reviews of all ongoing programs, and oversee the Section 3 program. DR staff will be responsible for procurement of all subrecipients (in coordination with the Office of Procurement), contracting with other City divisions, Partners, and subrecipients (in coordination with the Law Department), regular monitoring of all projects and subrecipient activity, and activity close-out.

Throughout the project life-cycle, DR Staff will be responsible for receiving and tracking project status reports and invoices for each contract. DR Staff will submit set up and close out forms for the DRGR System related to each contract. DR Staff will be responsible for Environmental Review of all projects prior to project implementation, and will be responsible for all tasks necessary to submit each Request for Release of Funds to HUD and document that approval has been received prior to initiation of any choice-limiting activities.

Throughout its management of NDR, the City expects that there will be issues in which it will need technical or compliance capacity beyond what can be met with its own staff. As the City has done in administration of the CDBG-DR program, the City expects to use consultants to provide expertise on particular questions or complicated issues that arise.