



FOR CONSIDERATION

March 20, 2015

TO: The Directors

FROM: Curtis L. Archer, President

SUBJECT: Harlem CDC FY 2015/2016 Budgets

REQUEST FOR: Harlem Community Development Corporation ("Harlem CDC") – Approval of Harlem CDC's Fiscal Year 2015/2016 Operating, Capital and Weatherization Budgets; Authorization to Take Related Actions

I. Requested Action

It is requested that the directors (the "Directors") of Harlem Community Development Corporation (the "Corporation" or Harlem CDC) approve Harlem CDC's operating, capital and Weatherization Division budgets for fiscal year 2015/2016 (together the "FY 2015/2016 Budgets"), subject to the availability of funds.

II. Background

The Harlem Community Development Corporation was created by the Legislature in 1995 as a subsidiary of the New York State Urban Development Corporation to formulate and implement a comprehensive development program, promote effective community participation and foster economic growth and community revitalization in the greater Harlem community. Its goal in this regard is to attract new businesses, retain and grow existing businesses, provide access to homeownership opportunities, create employment opportunities and improve the quality of life and the environment in partnership with Upper Manhattan residents, business and property owners and other agencies.

Harlem CDC also seeks to empower local Harlem businesses and entrepreneurs so that they can more fully participate in new and ongoing business opportunities.

III. HCDC 2015/2016 Operating Budget Summary

Pursuant to State Finance Law, Harlem CDC's annual budget must be approved by its Board of Directors. A copy of Harlem CDC's proposed FY 2015/2016 Operating Budget ("Operating Budget") is attached as Attachment A. The Operating Budget proposes a total of \$1,180,497 in personal services (salaries and fringe benefits for nine employees) and a total of \$276,009 in non-personal services (primarily professional fees, office maintenance and other administrative expenses). The total of all personal service and non-personal service amounts for the Operating Budget is \$1,456,506. Consistent with previous years, the Operating Budget will be advanced with Empire State Development Corporate Funds.

Harlem CDC will use the budgeted amounts to:

- Continue to provide one-on-one housing counseling to home owners who are seeking mortgage modifications and advice on avoiding foreclosure and to renters who are seeking to become home owners.
- Work with NYC & Company and local stakeholders to plan and implement marketing and promotion initiatives to enhance tourism in Upper Manhattan as a component of economic development.
- Provide Intake and counseling while coordinating with ESD on MWBE certification.
- Provide additional financial resources to small business loan programs that serve business and entrepreneurs in Harlem CDC's catchment area.
- Plan and present, in partnership with SBA, lending institutions and other community revitalization partners, workshops and forums that will assist small businesses located within Harlem CDC's catchment area as well as to promote entrepreneurship and small business development within our catchment area.
- Explore options for partnering with Operation Hope on community and economic development initiatives in East Harlem.
- Undertake job readiness training and work skills enhancement for local residents.
- Facilitate the preservation and development of affordable housing through providing loans, grants and direct services such as marketing.
- Present, in partnership with lending institutions and other community revitalization partners, home buyer and financial literacy seminars and workshops.
- To promote participation by Harlem-based organizations, and wherever possible ownership, in projects that receive financial assistance from New York State.
- Provide technical assistance and co-sponsorship, where appropriate, to Business Improvement Districts, Local Development Corporation and related entities within Harlem CDC's catchment area to advance new economic development initiatives.

IV. HCDC 2015/2016 Capital Budget Summary

Harlem CDC's proposed capital budget of \$150,000 for FY 2015/2016 (see Attachment B) consists of development costs, specifically legal and consulting fees, related to the Victoria Theater Redevelopment project. All development costs are paid from an imprest account paid into the Corporation and funded by the designated developer.

V. HCDC 2015/2016 Weatherization Budget Summary

The Weatherization Division budget ("Weatherization Budget") proposes a total of \$480,181 in personal services (salaries and fringe benefits for eight employees) and a total of \$505,623 in non-personal services (primarily program management fees, office maintenance and other administrative expenses). The total of all personal service and non-personal service amounts for Fiscal Year 2015/2016 Weatherization Budget is \$985,804. The Weatherization Division's Weatherization Assistance Program ("WAP") is funded by the US Department of Energy and the US Department of Health and Human Services through the NYS Homes and Community Renewal.

The Weatherization Division will continue to maximize the benefits available through WAP to promote the health and safety and well-being of low-income residents of multi-family rental and co-operative buildings and:

- Complete and issue RFP's for contracting weatherization work to be performed in all buildings in the WAP pipeline. Complete worksopes and award contracts to ensure completion of 240 units.
- Complete all work and get HCR certification on all units for the contract year.

- Continue to provide staff with training to ensure contract renewal and become a self auditing weatherization agency.
- Complete our Pilot Solar Project utilizing solar PV technology.

VI. Recommendation

It is recommended that the Directors approve the Harlem CDC FY 2015/2016 Budget.

VII. Attachments

Resolution

Attachment A – Harlem CDC's FY2015/2016 Operating Budget

Attachment B – Harlem CDC's FY2015-2016 Capital Budget

Attachment C – Harlem CDC's FY2015-2016 Weatherization Budget



March 20, 2015

Harlem Community Development Corporation (“Harlem CDC”) – Approval of Harlem CDC’s Fiscal Year 2015/2016 Operating, Capital and Weatherization Budgets; Authorization to Take Related Actions

RESOLVED, that based upon the materials presented at this meeting (the ‘Materials’), a copy of which is ordered filed with the records of the Corporation, the Board of Directors of the Corporation does hereby authorize, approve and adopt the Harlem Community Development Corporation’s FY 2015/2016 Operating, Capital and Weatherization Budgets (together the “FY 2015/2016 Budget”), substantially in the form set forth in the materials and subject to the availability of funds; and be it further

RESOLVED, that the President of the Corporation and/or President’s designee(s) be, and each of them, hereby is authorized and directed to take all actions and execute all documents in connection with the establishment and implementation of the Corporation’s FY 2015/2016 Budget; and be it further

RESOLVED, that the President of the Corporation and/or the President’s designee(s), and each of them, hereby is authorized and directed to execute and deliver all documents and to take all related actions as each of them deems necessary or appropriate to effectuate the forgoing.

**Empire State Development
Harlem Community Dev Corp
Operating Spending Plan FYE 2016**

	Actual Expense FYE 2014	Spending Plan FYE 2015	Projected Expense FYE 2015	Spending Plan FYE 2016
<u>PERSONAL SERVICES</u>				
Salaries	818,616	800,200	812,667	837,232
Fringe Benefits	336,112	324,896	362,885	343,265
TOTAL PERSONAL SERVICES	1,154,728	1,125,096	1,175,552	1,180,497
HEADCOUNT	9	9	8	9
<u>NON-PERSONAL SERVICES</u>				
Professional Fees				
Legal / Accounting Fees	27,363	68,500	18,662	68,500
Consultant Fees	3,000	9,000	866	9,000
Total Professional Fees	30,363	77,500	19,528	77,500
Other Non-Personal Services				
Employee Travel & Meals	2,489	6,500	2,523	6,500
On-line Services/ Due & Subscriptions	344	8,500	4,729	9,000
Office Occupancy Expenses	0	16,000	16,000	11,000
Insurance	42,293	57,533	57,533	88,609
Repairs/ Maint /Prop Mgmt/ Outside Serv.	8,208	23,400	4,988	23,400
Telephone/Fax/Internet	18,899	22,000	13,560	22,000
Office Supplies / Printing / Advertising	17,241	28,000	8,068	28,000
Computers/Software/Equipment	3,820	5,500	5,539	10,000
Total Other Non Personal Services	93,294	167,433	112,940	198,509
TOTAL NON-PERSONAL SERVICES	123,657	244,933	132,469	276,009
TOTAL OPERATING BUDGET	1,278,385	1,370,029	1,308,020	1,456,506

**Empire State Development
Harlem Community Dev Corp
Capital Spending Plan FYE 2016**

	Actual Expense FY 2014	Spending Plan FY 2015	Projected Expense FY 2015	Spending Plan FY 2016
Acquisition Costs	0	0	0	0
Design & Other Soft Costs	0	0	0	0
Legal Costs	45,547	150,000	57,701	150,000
Property Management/Maintenance Costs	0	0	0	0
Insurance	0	0	0	0
Demolition & Site Clearance	0	0	0	0
Construction Costs	0	0	0	0
Other Misc. Costs	0	0	0	0
TOTAL CAPITAL BUDGET	45,547	150,000	57,701	150,000

**Empire State Development
HCDC Weatherization Program
Operating Spending Plan FYE 2016**

	Actual Expense FYE 2014	Spending Plan FYE 2015	Projected Expense FYE 2015	Spending Plan FYE 2016
<u>PERSONAL SERVICES</u>				
Salaries	432,639	511,492	287,747	347,957
Fringe Benefits	211,262	198,763	196,312	132,224
TOTAL PERSONAL SERVICES	643,901	710,255	484,059	480,181
HEADCOUNT	10	10	7	8
<u>NON-PERSONAL SERVICES</u>				
Professional Fees				
Legal / Accounting Fees	13,500	13,500	42,000	13,500
Consultant Fees	0	15,600	0	0
Total Professional Fees	13,500	29,100	42,000	13,500
Other Non-Personal Services				
Employee Travel & Meals	11,867	11,000	26,536	3,000
On-line Services/ Due & Subscriptions	10,225	25,500	27,954	1,000
Office Occupancy Expenses	0	0	0	0
Insurance	8,352	14,529	14,529	7,779
Repairs/ Maint /Prop Mgmt/ Outside Serv.	484,059	507,285	45,100	462,844
Telephone/Fax/Internet	6,707	5,500	12,491	8,000
Office Supplies / Printing / Advertising	10,871	18,000	25,440	8,000
Computers/Software/Equipment	2,320	3,500	4,023	1,500
Total Other Non Personal Services	534,401	585,314	156,073	492,123
TOTAL NON-PERSONAL SERVICES	547,901	614,414	198,073	505,623
TOTAL OPERATING BUDGET	1,191,802	1,324,669	778,048	985,804



**Harlem Community
Development
Corporation**

A Subsidiary of Empire State Development

FOR CONSIDERATION

March 20, 2015

TO: The Directors

FROM: Curtis L. Archer

REQUEST FOR: Weatherization Assistance Program — Authorization to Enter into a Subcontract with Maxxum Construction Corp. in an Amount not to Exceed \$330,000 (Three Hundred Thirty Thousand Dollars) for the Installation of Replacement Windows; Authorization to Take Related Actions

Contract Need And Justification

I. Contract Summary

Contractor: Maxxum Construction Corp.
2 Bark Avenue
Central Islip, New York 11722

Scope of Services: Window Replacement at 1626 Lexington Avenue (a 24-unit residential apartment building)

Building Owner: 239 East 115th Street HDFC
Contact: Paul Segal

Contract Term: March 20, 2015, 2015 to March 31, 2015

Contract Amount: Not to exceed \$330,000, including \$8,200 contingency

Funding Sources: New York State Homes & Community Renewal
Weatherization Assistance Program contract funding
\$31,200 total and up to \$298,800 of owner's contribution

II. Background

Program

The Weatherization Assistance Program ("WAP") is a nation-wide program, funded by the

US Department of Energy and the US Department of Health and Human Services. Its mission is to reduce heating and cooling costs for low-income families by improving the energy efficiency of their homes and ensuring their health and safety. Harlem CDC (and HUDC before it) has participated in the program since its inception 35 years ago.

The WAP is a needs-based program that provides assistance to single and multi-family building owners with tenants that meet certain income-eligibility requirements. The services provided are based on energy audits of project sites conducted by WAP staff to determine specific needs and projected energy savings. The property owners are required to make investments towards the cost of improvements, unless financial hardship can be proved. WAP is administered in New York State by the NYS Homes and Community Renewal (HCR). Harlem CDC's WAP is a subgrantee to HCR and facilitates the program within Harlem CDC's catchment area.

Harlem CDC is in year one of a current three year contract with HCR, with funding for the 2014/2015 program year set at \$920,731.00. Harlem CDC sub contracts with various entities that perform the work required to fulfill Harlem's CDC's obligation to provide the improvements funded by the program, including installation of energy-efficient windows, heating systems upgrades and/or replacements and roof insulation.

Project

Harlem CDC will enter into a sub-contract for the installation of replacement windows at a 24-unit residential building located at 1626 Lexington Avenue (the "Project"). The owner of the project site, *239 East 115th Street HDFC*, is a low income Housing Development Fund Corporation ("HDFC"), which is a New York corporation organized under Article XI of the New York State Housing Finance Law. The building's tenants meet the WAP income eligibility requirements.

Harlem CDC's WAP staff performed an audit of the building and determined that the replacement of approximately 197 windows was necessary in order to reduce energy costs and ensure the health and safety of the building's residents.

III. Contractor Selection Process

Bid packages were sent to twenty-three (23) window replacement contractors listed in the Harlem CDC's 2014/2015 WAP Bidders list. The contractors were solicited through an advertisement in the Daily News. The list consists of contractors who have requested notification of contracting opportunities with WAP. Harlem CDC conducted a pre-bid conference and six of the contractors that attended the conference submitted bids. The bid opening was held on November 5, 2014.

Harlem CDC's staff reviewed each bidder's capacity, references, MWBE/MBE status, performance and compliance record on other weatherization jobs as well as the estimated costs submitted by each bidder. On the basis of these considerations and the receipt of satisfactory references provided by the contractor, Maxxum Construction Corp was deemed to be the lowest responsible bidder.

Maxxum Construction Corp. is a NYS certified MBE, with more than fourteen years of experience in commercial and residential construction and rehabilitation projects.

IV. Scope of Work

Under the supervision of Harlem CDC's WAP staff, Maxxum Construction will provide and install more than 197 replacement windows at the project site.

V. Contract Term, Price and Funding

Window replacement costs for the project are estimated at \$321,800. The requested contract amount includes a \$8,200 contingency, for a total contract amount not to exceed \$330,000. The total amount that will be funded by the WAP is \$31,200. The building owner is required to fund the remaining window replacement costs (up to \$289,800).

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBES) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30%. The overall goal shall include a Minority Business Enterprise Participation Goal of 22% and a Women Business Enterprise Participation Goal of 8% related to the total value of ESD's funding.

VII. Environmental Review

ESD staff on behalf of the Harlem Community Development Corporation has determined that the authorization to enter into a subcontract for window replacement services constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

VIII. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to Maxxum Construction Corp.; and (2) authorize the Corporation to enter into a subcontract with Maxxum Construction Corp. in an amount not to exceed \$330,000, substantially in accordance with the terms and conditions set forth in these materials for, and to authorize related actions.

IX. Recommendation

Based on the foregoing, I recommend approval of the requested actions.

X. Attachment

Resolution



**Harlem Community
Development
Corporation**

A Subsidiary of Empire State Development

Weatherization Assistance Program — Authorization to Enter into a Subcontract with Maxxum Construction Corp. in an Amount not to Exceed \$330,000 (Three Hundred Thirty Thousand Dollars) for the Installation of Replacement Windows; Authorization to Take Related Actions

RESOLVED, that based upon the materials presented to this meeting (the "Materials"), copies of which are ordered to be filed with the corporate records, the Directors find Maxxum Construction Corp. to be responsible; and be it further

RESOLVED that the the President is authorized and directed to enter into a subcontract with Maxxum Construction Corp., in an amount not to exceed \$330,000 (Three Hundred Thirty Thousand Dollars), inclusive of a contingency and substantially upon the terms set forth in the Materials, for window replacement at 1626 Lexington Avenue (the "Property"); and be it further

RESOLVED, that the President or his designee (s) be, and each of them hereby is, authorized to take such actions or to execute on behalf of the Corporation such documents as he or she may deem necessary or appropriate to carry out the foregoing resolution.
